Part I: Project Information

GEF ID
10854

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
  CBIT **No**
  NGI **No**

Project Title
Conservation and Sustainable Management of Land Resources and High Value Ecosystems in Lake Sevan
Basin for Multiple Benefits

Countries
Armenia

Agency(ies)
UNDP

Other Executing Partner(s)
Ministry of Environment

Executing Partner Type
Government

GEF Focal Area
Multi Focal Area

Sector
Mixed & Others

Taxonomy

Focal Areas, Biodiversity, Mainstreaming, Tourism, Agriculture and agrobiodiversity, Forestry - Including HCVF and REDD+, Species, Threatened Species, Biomes, Grasslands, Wetlands, Temperate Forests, Lakes, Protected Areas and Landscapes, Terrestrial Protected Areas, Productive Landscapes, Community Based Natural Resource Mngt, Land Degradation, Land Degradation Neutrality, Carbon stocks above or below ground, Land Productivity, Land Cover and Land cover change, Sustainable Land Management, Sustainable Livelihoods, Income Generating Activities, Improved Soil and Water Management Techniques, Restoration and Rehabilitation of Degraded Lands, Integrated and Cross-sectoral approach, Ecosystem Approach, Sustainable Pasture Management, Community-Based Natural Resource Management, Sustainable Fire Management, Sustainable Agriculture, Sustainable Forest, Climate Change, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Climate Change Adaptation, Climate resilience, Livelihoods, Influencing models, Strengthen institutional capacity and decision-making, Deploy innovative financial instruments, Convene multi-stakeholder alliances, Demonstrate innovative approache, Stakeholders, Private Sector, Individuals/Entrepreneurs, SMEs, Beneficiaries, Civil Society, Trade Unions and Workers Unions, Academia, Community Based Organization, Non-Governmental Organization, Type of Engagement, Information Dissemination, Participation, Partnership, Consultation, Communications, Public Campaigns, Awareness Raising, Education, Behavior change, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Women groups, Gender-sensitive indicators, Gender results areas, Capacity Development, Knowledge Generation and Exchange, Access to benefits and services, Participation and leadership, Capacity, Knowledge and Research, Knowledge Exchange, Learning, Indicators to measure change, Adaptive management, Theory of change, Knowledge Generation, Innovation, Targeted Research, Drought Mitigation

Rio Markers
Climate Change Mitigation
Significant Objective 1

Climate Change Adaptation
Significant Objective 1

Biodiversity
Significant Objective 1

Land Degradation
Significant Objective 1

Submission Date
12/8/2022

Expected Implementation Start
7/1/2023

Expected Completion Date
6/30/2028

Duration

60In Months

Agency Fee($)

341,869.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
BD-1-1	Outcome 4: Loss, fragmentation, and degradation of significant natural habitats, and associated extinction debt, is reduced, halted or reversed, and conservation status of known threatened species is improved and sustained, including through monitoring, spatial planning, incentives, restoration, and strategic establishment of protected areas and other measures.	GET	1,088,288.00	8,477,101.00
BD-2-7	Outcome 8: The area of protected areas under effective and equitable management is significantly increased	GET	1,088,288.00	11,000,000.00
LD-1-4	Objective 1: Support on the ground implementation of SLM to achieve LDN	GET	1,422,055.00	10,224,662.00
		Total Project Cost($)	**3,598,631.00**	**29,701,763.00**

B. Project description summary

Project Objective

To promote land degradation neutrality, restore and improve the use of land and water resources in Armenia?s Lake Sevan Basin to enhance the sustainability and resilience of livelihoods, biodiversity and globally significant ecosystems.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
Component 1. Promoting Land Degradation Neutrality in Lake Sevan Basin landscape to ensure productivity and ecological landscape resilience	Technical Assistance	**Outcome 1.1**: Land Degradation Neutrality in Ghegarkunik and Vayots Dzor provinces promoted through integrated multi-sectoral landscape approaches . *Indicators/Targets* ? 2 jurisdictions in Sevan Basin with LDN regional voluntary targets, action plans and monitoring systems in place (Indicator 5) ? LDN compatible integrated spatial and land use planning in 6 priority communities in Sevan Basin landscape adopted and under implementation (Indicator 6) Inter-sectoral coordination mechanism for LDN in	**Output 1.1.1** Land Degradation trends assessed, LDN targets set-up and monitoring system developed for Ghegarkunik (534,900 ha) and Vayots Dzor (230,800 ha) provinces, providing a framework to avoid, reduce and restore degraded land through integrated landscape planning. **Output 1.1.2** LDN compatible Integrated Spatial and Land-use Plans (ISLUPs) informed by climate change vulnerability, Economics of Land Degradation (ELD) and biodiversity values in prioritized communities	GET	622,525.00	6,224,662.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
		Ghegarkunik and VayotsDzor set-up and operational

200 public sector officials with strengthened capacity for LDN compatible spatial and land use planning in the targeted regions (project objective indicator) | **Output 1.1.3** Inter-sectoral coordination strengthened to oversee regional LDN target setting and implementation, gender - sensitive integrated land use planning and strengthened environmental governance in Lake Sevan Basin landscape

Output 1.1.4 Capacity building programme for regional and local authorities, natural resources users on LDN, SLM and methodologies for land use planning informed by ELD concept. | | | |

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
Component 2. Securing Biodiversity and critical habitats for Biodiversity Services as a baseline for non-deterioration of ecosystem services within Lake Sevan Basin landscape	Investment	**Outcome 2.1.** Secured biodiversity status in Sevan National Park (147,456 ha) by strengthened PA capacity to better address the key threats to globally significant species and habitats within the main PA/KBA anchoring Lake Sevan landscape. *Indicators/targets:* ? Stable status/positive changes in the population of globally significant biodiversity in Sevan National Park (Indicator 8) **Bezoar goat** (*Capra aegagrus aegagrus*) **European otter** (*Lutra lutra*) NT **Common pochard** (*Aythya ferina*) VU; **European turtle-dove**	**Output 2.1.1** Improved management effectiveness of Sevan National Park through PA regime compliance and enforcement, strengthened PA infrastructure, climate change sensitive integrated monitoring data base improved patrolling and enforcement capacity of environmental regulation, research and monitoring and species-focused conservation skills and capacities strengthened. **Output 2.1.2** Business Plan and strengthened tourism infrastructure at Sevan National Park; Innovative financing	GET	942,025.00	13,176,576.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
		(*Streptopelia turtur*) VU; **Steppe viper (** *Vipera eriwanensi)* VU **Great Cormorant** (*Phalacrocorax carbo*) **Sevan khramulya** (*Varicorhinus capoeta sevangi*) ? 20% increase of METT score (Indicator 7) ? At least 2 Public-private partnerships promoting Lake Sevan natural values (indicator 9) ? Innovative PA financing mechanism identified and implemented (Indicator 9) **Outcome 2.2** Biodiversity conservation assessments and proposed arrangements in Lake Sevan	mechanism of the Park?s biodiversity values; Public Private Partnerships for the valorization of Lake Sevan nature values. **Output 2.2.1** Key Biodiversity Areas (KBAs) and other biodiversity hotspots in Lake Sevan Basin landscape, situated outside the PA, identified, mapped, conservation status assessed, and climate sensitive conservation measures mainstreamed into the Integrated Spatial and Land Use Plans/ISLUPs (used as input into Outputs 1.1.2, 3.1.1 and 3.1.3) and			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
		landscape in place for the biodiversity hot-spots outside the PA.	ecological connectivity enhanced			

Indicators/targets:

?   Number of comprehensive assessments with conservation measures targeting biodiversity hotspots outside PAs identified, justified for protection (Indicator 10)

?   Methodology for mainstreaming biodiversity spatial elements into spatial and land use planning (Indicator 11)

?   **5 signed Conservation Agreements** with local communities, to ensure biodiversity conservation and safe wildlife migration within the Eastern Lesser Caucasus

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
		corridor (Indicator 16)				

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
Component 3 Promoting sustainable and biodiversity friendly economic development and incentives for local communities in Lake Sevan landscape	Investment	**Outcome 3.1** Biodiversity friendly and LDN compatible SLM practices promoted in Lake Sevan production landscape. *Indicators/targets:* ? **150,000 ha of pastures and grasslands** under sustainable management with the support of Pasture Users Associations in the targeted areas (Indicator 12) ? **10,000 ha of irrigated/arable** land under efficient water and land management plan. (Indicator 13) ? **2,200 ha degraded forestland** restored (Indicator 14) ? **5,800 ha of forest** ecosystems under climate-change sensitive sustainable forest management	**Output 3.1.1** Sustainable pasture management plans at targeted village level, aligned with the LDN assessment and the Integrated Spatial and Land Use Plans (ISLUPs), including biodiversity measures for grasslands conservation; 10 Pasture Users Associations capacitated to apply biodiversity friendly SLM measures to achieve LDN and resilient livelihoods. **Output 3.1.2** Climate sensitive and LDN compatible Integrated Water Management Plans in selected municipalities leading to soil	GET	1,420,593.00	7,000,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
		planning (Indicator 15) ? **20% increase** of the net income of small farmers (grantees, differentiated by gender) from sustainable practices (livestock, hay, seeds, dried fruits, medicinal plants, handicrafts, eco-tourism) resulted from biodiversity friendly agricultural practices in PA and KBAs/IBAs buffer and production zones, within the Eastern Lesser Caucasus corridor (Indicator 17) ? **Operational Agri-payment Scheme** for sustainable pastures/grasslands management (Indicator 18) **1,403,851 tCO2-eq** sequestered (Indicator 4)	improvement through innovative irrigation technologies and climate resilient crop farming aligned with LDN principles; strengthened capacity of WUAs to demonstrate sustainable crop farming and agroforestry measures. **Output 3.1.3** Sustainable Forest Management Plans addressing forest degradation and ecological connectivity through sustainable forestry measures and assisted regeneration. **Output 3.1.4** Investments in community based biodiv			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
			ersity friendly sustainable use measures and support to small eco-tourism operators, including women entre preneurs in the PA, KBAs buffer zones and corridors, aiming to provide alternative income to local communities			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
Component 4 Knowledge management	Technical Assistance	**Outcome 4.1** Best practices and lessons are accessed and applied in other production landscapes and micro-catchments in the country and in the region Indicators/targets: ? Number of SLM **capacity building events**, project **awareness** raising events and targeted gender sensitive	**Output 4.1.1** Increased knowledge and awareness among local communities and decision makers about LDN and key values of Lake Sevan Basin in connection with the use of water and biodiversity ecosystem services.	GET	326,125.00	1,526,775.00
		KM products on LD and BD issues in Lake Sevan Basin. Project knowledge products include, where feasible, an analysis of gender equity/empowerment in relation with the specific knowledge topic. (Indicator19) ? Existence of **guidance, methodologies and tools** for LDN compatible biodiversity-sensitive spatial and land use planning in	**Output 4.1.2** Experience, best practices and lessons learned about LDN, SLM, biodiversity and water management, captured, systematized and made available through various platforms for public and private stakeholders for use in other production landscapes and catchment areas in the			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
		targeted municipalities, informed by LDN principles; Biodiversity considerations; ELD concept, facilitating up-scaling and replication of the proejct-generated experience (Indicator 21 and Indicator 11) **7000 project beneficiaries** get ting access to the best available knowledge and practice, through project-supported knowledge products (Indicator 1)	country and in the region;			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing ($)	Confirmed Co-Financing($)
Component 5 Monitoring and Evaluation	Technical Assistance	**Outcome 5.1** Project M&E system and monitoring of Global Environmental Benefits (GEB) provide for continuous learning and adaptive management . Indicators: Functioning M&E system and monitoring of GEBs and co-benefits established (Indicator 21)	**Output 5.1.1** Set of monitoring and evaluation activities implemented. Monitoring and evaluative knowledge systematically integrated into project management and planning.	GET	116,000.00	500,000.00
			Sub Total ($)		**3,427,268. 00**	**28,428,013. 00**

Project Management Cost (PMC)

	GET		171,363.00			1,273,750.00
Sub Total($)			**171,363.00**			**1,273,750.00**
Total Project Cost($)			**3,598,631.00**			**29,701,763.00**

Please provide justification

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Ministry of Environment	Public Investment	Investment mobilized	17,284,036.00
GEF Agency	UNDP	Grant	Investment mobilized	3,031,000.00
Recipient Country Government	Ministry of Economy	Public Investment	Investment mobilized	2,000,000.00
Civil Society Organization	WWF Armenia	Grant	Investment mobilized	525,000.00
GEF Agency	UNDP (TRAC resources)	Grant	Investment mobilized	100,000.00
Recipient Country Government	Ministry of Environment	In-kind	Recurrent expenditures	6,591,727.00
Civil Society Organization	WWF Armenia	In-kind	Recurrent expenditures	170,000.00

	Total Co-Financing($)	29,701,763.00

Describe how any "Investment Mobilized" was identified

Clarification on the investment mobilized: - The Government component of investment mobilized represents anticipated contribution towards (i) Sevan National Park restoration, preservation of forest ecosystem and management of freshwater resources; (ii) investment to improve the managemen teffectiveness of the Sevan National Park; (iii) investments promoting the sustainable and nature positive practices within Lake Sevan landscape; (iv) investment programme to support economic development of the local communities in Lake Sevan landscape under different programmes for example the Subvention Programme; and other such targeted investments related to the Strategy of the Main Directions Ensuring Economic Development in Agricultural Sector of the Republic of Armenia 2020-2030; - The UNDP component of the investment mobilized represents anticipated contribution towards enhancing environmental protection and resource efficiency in Lake Sevan watershed, under the programme EU4Sevan and support to sustainable agricultural practices under different UNDP agriculture, socio-economic and crisis recovery initiatives, as well as 100,000 USD from TRAC resources expected to support the project management; - The NGO component of the investment mobilized represents anticipated contribution of WWF Armenia mainly towards promotion of positive agricultural practices through conservation agreements in Vayots Dzor region, that protect critical ecosystems nestled within the South Eastern Lesser Caucasus ecological corridor as well as development of value chain in the targeted villages.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	GET	Armenia	Biodiversity	BD STAR Allocation	2,176,576	206,774	2,383,350.00
UNDP	GET	Armenia	Land Degradation	LD STAR Allocation	1,422,055	135,095	1,557,150.00
				Total Grant Resources($)	**3,598,631.00**	**341,869.00**	**3,940,500.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**
Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required   **true**

PPG Amount ($)

100,000

PPG Agency Fee ($)

9,500

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	GET	Armenia	Biodiversity	BD STAR Allocation	70,000	6,650	**76,650.00**
UNDP	GET	Armenia	Land Degradation	LD STAR Allocation	30,000	2,850	**32,850.00**
				Total Project Costs($)	**100,000.00**	**9,500.00**	**109,500.00**

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
147,456.00	147,456.00	0.00	0.00

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
147,456.00	147,456.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Sevan National Park		National Park	147,456.00	147,456.00			37.00		

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
2200.00	2200.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
2,200.00	2,200.00		

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
165800.00	165800.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
150,000.00	150,000.00		

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
15,800.00	15,800.00		

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	1403851	1403851	0	0
Expected metric tons of CO?e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	1,403,851	1,403,851		
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting	2021	2022		
Duration of accounting	20	20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)				
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	2,130	32,900		
Male	4,970	32,900		
Total	7100	65800	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

Part II. Project Justification

1a. Project Description

describe any changes in alignment with the project design with the original pif

<u>Changes in Alignment with the Project Design with the Original PIF</u>
The following adjustments were made to some of the indicative outputs and outcomes outlined in the PIF.

PIF Outcome/Output	Project Document Out come/ Output	Explanation for changes
Project Objective: To promote land degradation neutrality, restore and improve the use of land and water resources in Armenia?s Lake Sevan Basin to enhance the sustainability and resilience of livelihoods and globally significant ecosystems	**Project Objective:** To promote land degradation neutrality, restore and improve the use of land and water resources in Armenia?s Lake Sevan Basin to enhance the sustainability and resilience of livelihoods, biodiversity and globally significant ecosystems	The description of the project objective is slightly changed to include the term ?**biodiversity**?, thus adding a more explicit reference to the project?s focus on biodiversity resources.
Component 1 Promoting Land Degradation Neutrality in Lake Sevan Basin landscape to ensure productivity and ecological landscape resilience		
Outcome 1.1 Land Degradation Neutrality in Ghegarkunik and Vayots Dzor provinces promoted through integrated multi-sectoral landscape approaches	**Outcome 1.1** Land Degradation Neutrality in Ghegarkunik and Vayots Dzor provinces promoted through integrated multi-sectoral landscape approaches .	**No change**

Output 1.1.1 Land Degradation trends assessed, LDN targets set-up and monitoring system developed for Ghegarkunik (534,900 ha) and Vayots Dzor (230,800 ha) provinces, providing a framework to avoid, reduce and restore degraded land through integrated landscape planning	**Output 1.1.1** Land Degradation trends assessed, LDN targets set-up and monitoring system developed for Ghegarkunik (534,900 ha) and Vayots Dzor (230,800 ha) provinces, providing a framework to avoid, reduce and restore degraded land through integrated landscape planning	**No change**
Output 1.1.2 LDN compatible Integrated Spatial and Land-use Plans (ISLUPs) informed by climate change vulnerability, Economics of Land Degradation (ELD) and biodiversity values in prioritized **municipalities**	**Output 1.1.2** LDN compatible Integrated Spatial and Land-use Plans (ISLUPs) informed by climate change vulnerability, Economics of Land Degradation (ELD) and biodiversity values in prioritized **communities**	The word ?**municipalities**? was replaced with ?**communities**?, in order to better align with the technical terms used in the Law on Administrative-Territorial Division and corresponding amendments, based on which new merger communities are formed under the on-going local amalgamation process.

Output 1.1.3 Inter-sectoral coordination strengthened to oversee regional LDN target setting and implementation, integrated land use planning and strengthened environmental governance in Lake Sevan Basin landscape	Output 1.1.3 Inter-sectoral coordination strengthened to oversee regiona l LDN target setting and implementation, ==gender-sensitive== integrated land use planning and strengthened environmental governance in Lake Sevan Basin landscape	No change.
Output 1.1.4 Capacity building programme for regional and local authorities, natural resources users on LDN, SLM and methodologies for land use planning informed by ELD concept.	Output 1.1.4 Capacity building programme for regional and local authorities, natural resources users on LDN, SLM and methodologies for land use planning informed by ELD c concept.	No change.
PIF Outcome/ Output	**Project Document Outcome/ Output**	**Explanation for changes**
Component 2 Securing Biodiversity and critical habitats for Biodiversity services as a baseline for non-deterioration of ecosystem services within Lake Sevan Basin landscape		

Outcome 2.1. Secured biodiversity status in Sevan National Park (147,456 ha) by strengthened PA capacity to better address the key threats to globally significant species and habitats within the main PA/KBA anchoring Lake Sevan landscape.	**Outcome 2.1.** Secured biodiversity status in Sevan National Park (147,456 ha) by strengthened PA capacity to better address the key threats to globally significant species and habitats within the main PA/KBA anchoring Lake Sevan landscape.	**No change**
Output 2.1.1 Improved management effectiveness of Sevan National Park through PA regime compliance and enforcement, strengthened PA infrastructure, improved patrolling and enforcement capacity of environmental regulation, research and monitoring and species-focused conservation skills and capacities strengthened.	**Output 2.1.1** Improved management effectiveness of Sevan National Park through PA regime compliance and enforcement, strengthened PA infrastructure, climate change sensitive integrated monitoring data base improved patrolling and enforcement capacity of environmental regulation, research and monitoring and species-focused conservation skills and capacities strengthened.	This output is revised in order to include reference to the ?**climate change sensitive integrated monitoring data base**? (which was initially in the PIF under Output 2.1.3). This change is a result of reduction in the number of initial outputs, and consequently merging (former) Output 2.1.3 and Output 2.1.1.

Output 2.1.2 Business Plan and strengthened tourism infrastructure at Sevan National Park; Innovative financing mechanism of the Park?s biodiversity values; Public Private Partnerships for the valorization of Lake Sevan nature values.	**Output 2.1.2** Business Plan and strengthened tourism infrastructure at Sevan National Park; Innovative financing mechanism of the Park?s biodiversity values; Public Private Partnerships for the valorization of Lake Sevan nature values.	**No change**
Outcome 2.2 Biodiversity conservation assessments and proposed arrangements in Lake Sevan landscape in place for the biodiversity hot-spots outside the PA.	**Outcome 2.2** Biodiversity conservation assessments an d proposed arrangements in Lake Sevan landscape in place for the biodiversity hot-spots outside the PA	**No change**

Output 2.2.1 Key Biodiversity Areas (KBAs) and other biodiversity hotspots in Lake Sevan Basin landscape, situated outside the PA, identified, mapped, conservation status assessed, and climate sensitive conservation measures mainstreamed into the Integrated Spatial and Land Use Plans/ISLUPs (used as input into Outputs 1.1.2, 3.1.1 and 3.1.3)	**Output 2.2.1** Key Biodiversity Areas (KBAs) and other biodiversity hotspots in Lake Sevan Basin landscape, situated outside the PA, identified, mapped, conservation status assessed, and climate sensitive conservation measures mainstreamed into the Integrated Spatial and Land Use Plans/ISLUPs (used as input into Outputs 1.1.2, 3.1.1 and 3.1.3) and ecological connectivity enhanced.	The Output description was slightly modified and the following words added ?**and ecological connectivity enhanced**?. The initial description was slightly expanded as a result of the discussions held at PPG stage, on orienting the project?s focus towards enhancing the ecological connectivity and supporting safe wildlife migration corridors within the South Eastern Caucasus Ecological Corridor conservation area. As agreed with the Ministry of Environment and WWF Armenia, the project will also facilitate several community conservation agreements on community-endorsed safe wildlife migration corridor in Gegharkunik region; WWF Armenia will cover the Vayots Dzor region (part of their co-financing to the project). It is expected that as a result of such an increased ecological connectivity the mountain ungulates ? Bezoar Goat- population in Vayots Dzor expand its territory and will potentially re-colonize the juniper forest areas of Gegharkunik region (as it used to do in the past).
PIF Outcome/ Output	**Project Document Outcome/ Output**	**Explanation for changes**
Component 3. Promoting sustainable and biodiversity friendly economic development and incentives for local communities in Lake Sevan landscape		
Outcome 3.1 Biodiversity friendly and LDN compatible SLM practices promoted in Lake Sevan production landscape.	**Outcome 3.1** Biodiversity friendly and LDN compatible SLM practices promoted in Lake Sevan production landscape.	**No change**

Output 3.1.1 **S**ustainable pasture management plans at targeted village level, aligned with the LDN assessment and the Integrated Spatial and Land Use Plans (ISLUPs), including biodiversity measures for palearctic grasslands conservation; 10 Pasture Users Associations capa citated to apply biodiversity friendly SLM measures to achieve LDN and resilient livelihoods.	**Output 3.1.1** **S**ustainable pasture management plans at targeted village level, aligned with the LDN assessment and the Integrated Spatial and Land Use Plans (ISLUPs), including biodiversity measures for grasslands conservation; 10 Pasture Users Associations ca pacitated to apply biodiversity friendly SLM measures to achieve LDN and resilient livelihoods.	The word ?*palearctic*? has been removed, since the Agri-Environmental payment Scheme will also cover biodiversity-rich grasslands ecosystems that may not be necessarily included under the Palearctic category.
Output 3.1.2 Climate sensitive and LDN compatible Integr ated Water Management Plans in selected municipalities leading to soil improvement through innovativ e irrigation technologies and climate resilient crop farming aligned with LDN principles; strengthened capacity of WUAs to demonstrate susta inable crop farming and agroforestry measures.	**Output 3.1.2** Climate sensitive and LDN compatible Inte grated Water Management Plans in selected municipalities leading to soil improvement through innovat ive irrigation technologies and climate resilient crop farming aligned with LDN principles; strengthened capacity of WUAs to demonstrate sus tainable crop farming and agroforestry measures.	**No change.**

Output 3.1.3 Sustainable Forest Management Plans addressing forest degradation and ecological connectivity through sustainable forestry measures and assisted regeneration.	Output 3.1.3 Sustainable Forest Management Plans addressing forest degradation and ecological connectivity through sustainable forestry measures and assisted regeneration.	**No change.**
Output 3.1.4 Investments in community based biodiversity friendly sustainable use measures and support to small eco-tourism operators in the PA, KBAs buffer zones and corridors, aiming to provide alternative income to local communities	**Output 3.1.4** Investments in community based biodiversity friendly sustainable use measures and support to small eco-tourism operators, ==including women entrepreneurs== in the PA, KBAs buffer zones and corridors, aiming to provide alternative income to local communities	**No change**
PIF Outcome/ Output	**Project Document Outcome/ Output**	**Explanation for changes**
Component 4. Knowledge Management		

Outcome 4.1 Best practices and lessons are accessed and applied in other production landscapes and micro-catchments in the country and in the region	**Outcome 4.1** Best practices and lessons are accessed and applied in other production landscapes and micro-catchments in the country and in the region	**No change**
Output 4.1.1 Increased knowledge and awareness among local communities and decision makers about LDN and key values of Lake Sevan Basin in connection with the use of water and biodiversity ecosystem services.	**Output 4.1.1** Increased knowledge and awareness among local communities and decision makers about LDN and key values of Lake Sevan Basin in connection with the use of water and biodiversity ecosystem services.	**No change.**

Output 4.1.2 Experience, best practices and lessons learned about LDN, SLM, biodiversity and water management, captured, systematized and made available through various platforms for public and private stakeholders for use in other production landscapes and catchment areas in the country and in the region;	**Output 4.1.2** Experience, best practices and lessons learned about LDN, SLM, biodiversity a nd water management, captured, systematized and made available through various platforms for public and private stakeholders for use in other production landscapes and catchment areas in the country and in the region;	No change.
PIF Outcome /Output	**Project Document Outcome/ Output**	**Explanation for changes**
Component 5. Monitoring and Evaluation		
Outcome 5.1 Project results properly monitored and evaluated	**Outcome 5.1** Project M&E system and monitoring of Global Environmental Benefits (GEB) provide for continuous learning and adaptive management .	Outcome 5.1 is slightly in order to better reflect the focus of the M&E activities.

Changes to the end targets of the GEF-7 Core Indicators:

Changes were made to the end target of the Core indicator 11 as more information was gathered during the project preparation and as the field interventions have been validated at local level. The estimated number of direct beneficiaries (Core Indicator 11) at the CEO endorsement stage has changed to 65,800 people (50%women) compared to 7, 100 at PIF stage. This increase represents the added 58,800 people

to the direct beneficiaries, as a result of the envisaged refurbishment of the irrigation infrastructure (estimation by the PPG hydrologists and local interviewed Water Users Associations).

Revisions to budget allocations across the project components, compared to the PIF:

The Component 1 budget was increased approximately by 10% in order to allocate sufficient funds for conducting the LD assessments and integrated spatial planning of the targeted communities, which have registered an increase of their administrative territories, as a result of the amalgamation process which was still ongoing during the project preparation.
The Component 2 budget has been similarly increased by approximately 10% in order to allow for sufficient funding for the implementation of conservation measures inside and outside PAs, particularly targeting critical habitat connectivity.
The Component 3 budget has been slightly increased by 5% to ensure sufficient compensatory measures and support to local communities participating in conservation agreements of community-supported eco-corridors.
The Component 4 budget was decreased by approximately 17% as some of the capacity building events have been budgeted under different components.
The Component 5 budget remains more or less the same (variation of 1%).

Changes in the Co-financing contributions:

The initial total cost of the project estimated at PIF stage was ***USD 26,475,000.*** At the PPG stage, the total cost of the project is : ***29,701,763*** *USD* (co-financing letters are attached under Annex 25 of the Project document). The change of the co-financing amounts are presented below:

-       The expected government contribution has been increased since the PIF stage. The Ministry of Environment has increased its investment in sustainable biodiversity management and biodiversity incentives for the promotion of biodiversity friendly agricultural practices in Lake Sevan Basin with USD 1,435,763 (from the USD 22,440,000 at the PIF stage to USD 23,875,763 at the PPG stage). In the same vein, the Ministry of Economy will mobilize additional investments of USD 1,500,000 for the promotion of SLM measures and sustainable pasture management (an increase from USD 500,000 at PIF stage to USD 2,000,000 at the PPG stage).
-       The WWF Armenia investment has increased from 400,000 to 695,000 to include co-funding for the project management.
-       The Caucasus Nature Fund has no longer been able to confirm the pledged co-financing at the PIF stage (35,000) due to changes in their funding priorities.
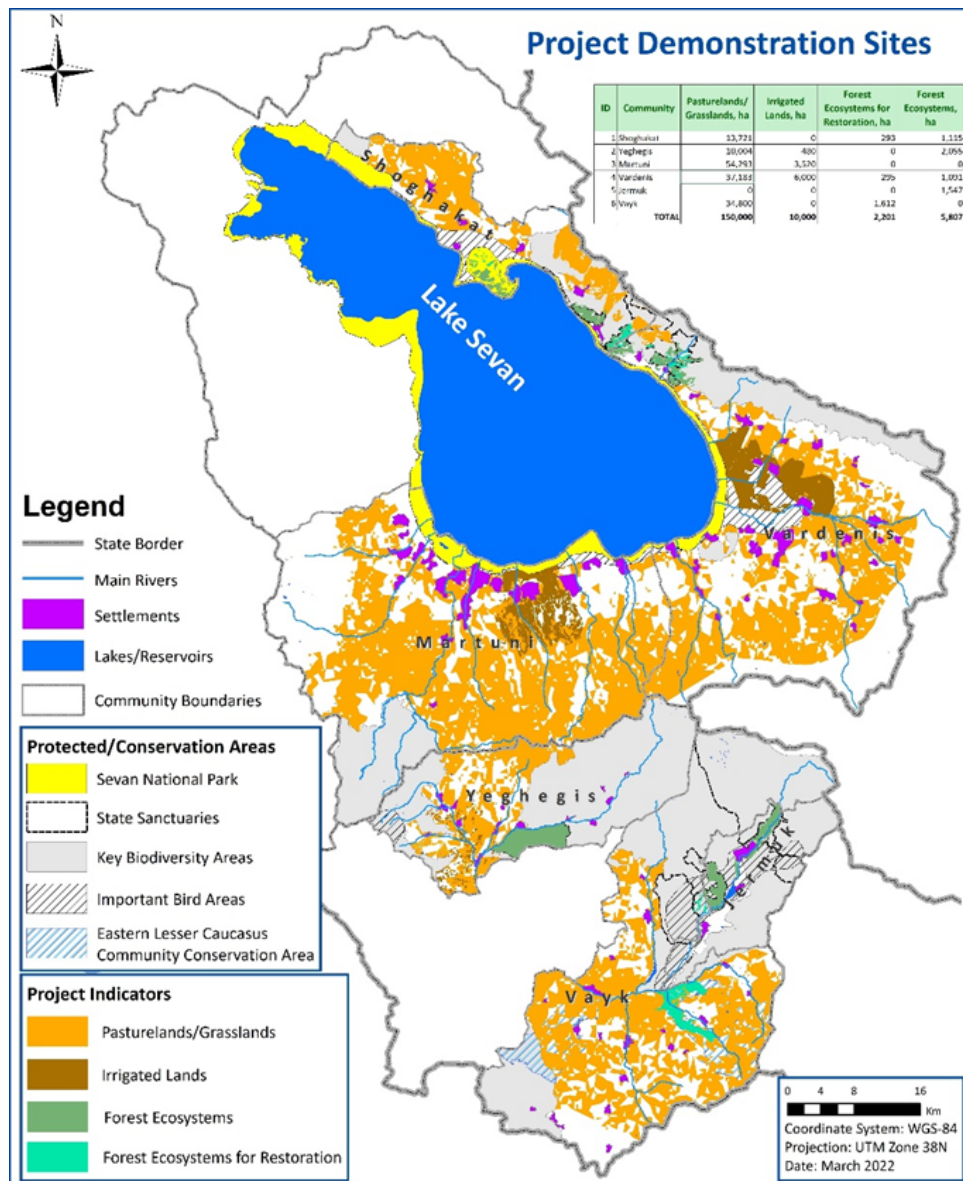-   UNDP Armenia has increased its co-financing with USD 31,000 (an increase from USD 3,100,000 to USD 3,131,000) representing investments into similar initiatives promoting sustainable agriculture practices.

1a. *Project Description*. **Elaborate on:**

1)   the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description):

Country Overview and Context

The project area includes the two regions (marzes) Ghegarkunik and Vayots Dzor, encompassing the Lake Sevan watershed (including area of water transfer) and surrounding landscape.

Project Demonstration Sites

ID	Community	Pasturelands/ Grasslands, ha	Irrigated Lands, ha	Forest Ecosystems for Restoration, ha	Forest Ecosystems, ha
1	Shoghakat	13,721	0	293	1,115
2	Yeghegis	10,004	400	0	2,055
3	Martuni	54,291	3,570	0	0
4	Vardenis	37,185	6,000	296	1,091
5	Jermuk	0	0	0	1,547
6	Vayk	34,800	0	1,612	0
	TOTAL	**150,000**	**10,000**	**2,201**	**5,807**

Legend

- ——— State Border
- ——— Main Rivers
- Settlements
- Lakes/Reservoirs
- Community Boundaries

Protected/Conservation Areas
- Sevan National Park
- State Sanctuaries
- Key Biodiversity Areas
- Important Bird Areas
- Eastern Lesser Caucasus Community Conservation Area

Project Indicators
- Pasturelands/Grasslands
- Irrigated Lands
- Forest Ecosystems
- Forest Ecosystems for Restoration

0 4 8 16 Km

Coordinate System: WGS-84
Projection: UTM Zone 38N
Date: March 2022

The Republic of Armenia, an upper middle-income country[1][1] with an area of 29,743 km2 divided into 10 provinces and Yerevan (the capital city) is bordered by Azerbaijan to the east and southwest, Georgia to the north, Iran to the south and Turkey to the west. It has a population of 2,963 million, set on a declining demographic trend, and a large diaspora of up to 10 million. Following robust growth in the recent years, the situation changed after the COVID-19 pandemic. According to the publications of the National Statistical Committee of Republic of Armenia, the GDP in 2020 decreased by about 5.8% compared with the GDP in 2019. It is an undeniable fact that agriculture in Armenia is the most important sector for the rural environment and in terms of contribution to the country's Gross Domestic Product (GDP). However, aligned with the overall decreasing trend of the GDP, the gross agricultural production value decreased as well by 4% in 2020 compared to 2019. Disparities between urban and

rural areas, gender inequality, outward migration, high climate change exposure and natural resources degradation further impact the country?s resilience and economic competitiveness.

The climate change and decrease of precipitation will further negatively impact the economic productivity. Over the past century the average annual temperature has risen by 1,23 degrees Celsius, and the average annual precipitation has decreased by 9%. The irregularity of the spatial distribution of precipitation and the intensity of extreme weather events have increased. Drought periods in the past decade are starting earlier in the year and have increased in length by approximately 30 days, whereas the upper boundary of the drought zone has expanded, including mountainous areas. The annual temperature is predicted to increase by up to 1.6 degrees Celsius by 2040, by 3.3 degrees Celsius by 2070 and by 4.7 degrees Celsius by 2100, relative to the baseline annual average (5.5 degrees Celsius) for 1961-1990. The precipitations will decline by up to 2.7% by 2040, 5.4% by 2070, and 8.3 % by 2100, relative to the baseline annual average (592mm) for 1961-1990. The projected climate changes by 2050 include: (i) An increase in average annual temperature of 1.6_0C to 2.2_0C; (ii) An increase in the number of ?hot? days and nights and a decrease in the number of ?cold? days and nights; (iii) Inconsistent changes in average annual precipitation, but likely reductions of -7 to -10% in monthly average precipitation June to September; (iv) An increase in the number of consecutive dry days by 7 to 11 percent; (v) An increase in extreme rainfall days by 22 to 32 percent.[2]2 The climate change will have negative effects on the country?s water availability, energy, agriculture, tourism, ecosystems and human health. By way of illustration, the estimated annual economic losses in the agriculture sector driven by drought, hail, floods, spring frosts and mudflows has been estimated at about 15-30 billion AMD for the recent years .[3]3

The 2020 large-scale military hostilities in the Nagorno-Karabakh conflict area (bordering Azerbaijan) caused a massive displacement from Nagorno-Karabakh to Armenia. Among an estimated 90,000 displaced people, 88 % were women and children who were housed in host communities and collective shelters. Despite the Armenia-Azerbaijan cease fire agreement (November 2020) there are lingering tensions among the two military forces that sometimes lead to flare-ups at the border, prompting other rounds of peace talks between the two countries. Amidst the volatility of the political context, President Sarkissian resigned on 23 January 2022, citing the presidency?s lack of constitutional power[4]4, leaving behind a divided political climate plagued by lingering tensions between the ruling party and opposition which have slowed strategic political ownership of development initiatives, decision making process and progress towards the SDGs.

After an 80% decline in 2020, the tourism sector is slowly recovering as preliminary reports have shown, with the number of tourist arrivals set to reach only one third of 2019 totals. Agriculture

generates around 15% of the GDP and farming employs more than 35% of Armenia?s workforce (overall) and 65% in rural areas. The agriculture sector has declined by 7% in 2020 and recovery is slow. The sector has a low productivity, due to multiple factors including limited irrigated land, inadequate land use planning and infrastructure, limited access to finance, a lack of efficient technology, vulnerability to natural hazards and underdeveloped market mechanisms. The government relief measures destined to support the most affected by the COVID-19 pandemic amounted to 367 million USD (2.6% of the GDP) providing for subsidized loans in particular for tourism and agriculture, grants to private sector, direct wage subsidies to MSMEs and strengthened social assistance measures[5].

Agriculture is one of the leading sectors of economy in the Lake Sevan Basin (12.7%)[6]; there are 3341 small and medium size companies in Gegharkunik and 1492 in Vayots Dzor regions and approximately 65% of the micro-enterprises are family businesses. The Agricultural Census reports 345,875 farms with an average of 1.5 ha of agricultural land. Eighty percent of these farms have less than 2 ha. Only 1% of farms have more than 10 ha, and these farms account for 15% of agricultural land use. Traditional, mixed crop and livestock production systems predominate, with most land used for dryland cereal production for own consumption and livestock feed. Households? small herd of cattle and sheep provides milk and meat for own consumption and some cash income, supplemented by cash income from fruit and vegetables. The use of modern technology is low, with low consequent crop and livestock productivity. Livestock breeding is predominant in the targeted regions, covering more than 90% of the rural areas, with most developed directions being dairy and meat products, followed by pig, sheep breeding and poultry farming. The majority of local businesses are small and medium size enterprises engaged in milk and dairy products, honey and dried fruits processing. In Gegharkunik region there are active small and medium size fishing enterprises and fish processing units. Despite its potential, the Armenian agriculture sector is largely driven by increased productivity of semi-subsistence farms rather than a widespread adoption of improved technology and a shift to modern agriculture. Participation in agriculture cooperative structure is not widespread   and the level of their performance is not satisfactory for the general agricultural sector. Most of the cooperative structures currently operating in Armenia were established through donor support programmes without a clear market or operational objective. Most of the members joined cooperatives only because of a short-term opportunity to receive some tangible or intangible assets from donors. As a result, there are several cooperatives that own some processing or post-harvest handling facilities. However, only a few have continued to successfully operate them after the end of the projects in the framework of which they were established. In general, cooperatives in Armenia are not supported by committed producers. Their market participation is occasional, and they are far from being a part of the agricultural value chain[7]. Accessible funding is a crucial factor for the success of the agricultural sector and for the well-being of smallholders, as it provides a number of opportunities: investing in efficient technologies and new product varieties, accessing markets, integrating into a value chain, extending the business, and much more. There is continuing disparity in economic opportunities among women and men in Armenia.

The war in Ukraine has a negative impact on food security at regional and global level and the effects are felt in Armenia as well, against a background of an already high poverty rate which in 2020-2021 was estimated at 27% (Armstat 2020); food security rate of 21.4% (WFP, 2021) and in Feb 2022 food inflation reached a staggering 11.4%. According to the official statistics Russia is Armenia?s key supplier of wheat, maize, barley, sunflower seed oil and fertilizers among other products with key supply routes to Armenia via the Black Sea. Assuming a further increase of food price of 20% or more, overall food insecurity in Armenia is expected to increase from 21.4% to 34% or more, and the average poverty rate from 27% to 43% depending on a cumulative impact of the following factors: expected low agricultural production in Armenia (due to reduced rainfall and high fertilisers prices) as well as the effect of the hostilities on the availability of food exports from Russia; the reduced flow of remittances; the demand for Armenian goods and services; and the capacity of the Armenian Government to compensate vulnerable households for the rampant inflation (11,4% in Feb 2022). In terms of remittances, 7% of the total remittances received by Armenians is from Russia. The depreciation of the Russian Ruble and an economic recession in Russia and Ukraine will impact approximately 56,000 of the Armenian households and result in loss of employment of seasonal workers from Armenia and negative impact on their households.

Environmental context and threats to key biodiversity values

Armenia is located at the junction of the biogeographic zones of the Lesser Caucasus, the Iranian and Mediterranean zones, exhibiting a great range of altitudinal variation (from 375m to the 4,095 m peak of Mt. Aragats) and a diversity of climatic zones, ranging from dry sub-tropical to cold alpine. The average annual temperature (1960-2015) is 7.6?C, varying from -8?C in the high mountains to 12 to 14?C in low valleys. Armenia?s flora and fauna include many regionally endemic, relict, and rare species and the country is of particular importance as a center of endemism for wild relatives of economically important crop and livestock species. The biodiversity of Armenia is notable for its high endemism: about 500 species of fauna (about 3% of the fauna) and 144 species of flora (3.8% of total flora) are considered endemic. The country?s Protected Areas System includes 3 state reserves, 4 national parks, 27 sanctuaries and 232 natural monuments and covers approximately 80,000 ha or 13% of the country?s territory. A percentage of 60% of the country?s flora and fauna species composition is found in the protected areas. Armenia hosts 3800 species of vascular plants, 428 species of soil and

water algae, 399 species of mosses, 4207 species of fungi, 464 species of lichens, 549 species of vertebrates and about 17,200 speciesof invertebrates.

Several areas of international importance with rare, endemic, and endangered species have been identified in the 2 regions constituting the project?s targeted areas: 1) The Gegharkunik region hosts the Sevan KBA/IBA (171,972 ha) nearly completely covered by the National Park Sevan (147,456 ha). The Juniper Woodland Sanctuary (3,312 ha) is included in the Sevan Ridge KBA, and it is hosting mountain meadows and critical juniper sparce forest habitat once inhabited by the Bezoar Goat (*Capra aegagrus*) but no longer spotted here due to habitat loss, agriculture encroachment and poaching; 2) In Vayots Dzor region, the Jermuk-Yeghegis KBA/IBA includes several wildlife sanctuaries sheltering mountain ungulates: Yeghegnadzor/Yeghegis State Sanctuary (4,200 ha), Herher Open Woodland Sanctuary (6,139 ha), Jermook Forest Sanctuary (3,865 ha) and Jermook Hydrological State Sanctuary (17,370 ha). These KBAs/IBAs and wildlife sanctuaries are partially or totally nestled within the Eastern Lesser Caucasus Corridors, one of the main wildlife corridors in the Caucasus Ecoregion (WWF), encompassing broadleaf and coniferous forests and subalpine-alpine meadows and shrublands habitats, preferred by the wild mountain ungulates and the Caucasian Leopard (*Pantera pardus*), their predator. Jermook area is a critically important habitat also important for the breeding populations of several important birds of prey such as the Egyptian Vulture, Bearded Vulture, Golden Eagle, Peregrine Falcon and Eagle Owl[8][8]. Gndasar KBA/IBA is located in Vayotz Dzor region, on the slopes of Vardenis Mountain Ridge covered by shrublands, mountain steppe, meadows and hosts important breeding habitats of high mountain species such as Caspian Snowcock *Tetraogallus caspius,* and soaring migrants like storks and cranes.

Armenia is also one of the Palearctic hotspots of fine grain plant diversity[9][9] and several grasslands ecosystems (some of them situated within the Eastern Lesser Caucasus Corridor conservation area) were sampled in 2019 within the framework of a field mission of the Scientists of the Eurasian Dry Grassland Group?s (EDGG), concluding that features of biodiversity-rich Palearctic Highland Grasslands type are found in the grassland ecosystems of Armenia[10][10]. An estimated 8,500 ha of Palearctic grasslands (with declining biodiversity) are found in the prioritized project communities at 3 sites: Selim, Hermon and Shorza. The natural pasture and grasslands ecosystems are located mainly on mountain steppe, mountain forest, sub-alpine and alpine high mountainous landscape areas, located between 1400-3500 meters above sea level. According to the State Committee of the Real Estate Cadaster about 57.3% of the lands of agricultural significance registered (2.04 million ha) consists of natural arable lands (1.05 million ha of pastures, 121.098 ha of grasslands). About 97% of pastures represents community-state property while 3% is under private property; approximately 55% of grasslands are community-state property whereas 45% are under private property. The pastures and the grasslands are not evenly distributed throughout Armenia, more than 45% are found in Gegharkunik, Vayots Dzor (both regions included in Sevan landscape), Lori and Syunik marzes (regions). The forests of Armenia cover 334,100 ha (11.5% of a historic coverage of 30%), which includes 283,600 ha of natural forests and 50,500 ha of plantation forests. Forests of Armenia outside of official protected areas are managed by the state, through ?Hayantar? State Non-Commercial Organization (SNCO? state-owned enterprises) of the Ministry of Agriculture. Oriental Beech (*Fagus orientalis*), the Georgian Oak (*Quercus iberica*), the Oriental Oak (*Quercus macranthera*), the Caucasian Hornbeam

(*Carpinus caucasica*) and the Pine Tree (*Pinus kochiana*) form 97.2% of the forested territory in Armenia and 97.2% of the overall forest mass. Armenian forests include a number of endemic and rare species[11]11 (*further description of pastures and forests resources under Project Document Annex 20*).

Threats and their immediate root causes

The main threats to biodiversity and land resources in the Lake Sevan Basin listed below are rooted in the outcomes of the agrarian reform and land privatization in early 1990s, undeveloped agricultural markets, economic background and policy framework inadequacies.

Human encroachment through land conversion. Even though agriculture remains the main source of economic activity in rural areas, Armenia still lacks a rational approach to sustainable use of existing arable lands. Armenia has a tremendous agricultural potential, but the land is divided in small parcels and landowners have insufficient knowledge in applying modern cultivation technologies, making a rationalized approach challenging. According to the World Bank, with almost half a million hectares of cropland divided over 350,000 small farms, Armenian agriculture is at a crossroads[12]12. Encroachment is evident in all habitats and through various schemes. More than 60% of land is under active agriculture and water wastage is the main cause of soil degradation and salinization due to obsolete irrigation infrastructure. Almost 33% of cropland is not used according to its purpose and/or abandoned, which threatens adjacent biodiversity rich areas as croplands get invaded by aggressive weeds that expand and affect biodiversity in the surrounding habitats. Other lands are changed to make room for construction, open mining, development of hydropower production sector, tourism and agriculture, leading to loss of valuable habitats, overexploitation of biological resources and environmental pollution[13]13.

Overexploitation and spatial requirements of fragmented wildlife populations and their habitats. The Caucasus ecoregion is a global biodiversity hotspot. Beyond the boundaries of the well-established protected areas in Armenia, the enforcement of wildlife law is weak and inefficient. Poaching of large mammals such as Mouflon and Bezoar goat for sport and consumption remain quite common. These wild mountain ungulates often occur in fragmented populations because they depend on elevation belts such as alpine grasslands or landscape features such as cliffs on which they rely, as refuge from predators. Due to these associations, wild ungulates are relatively easy to locate and hunt. The analysis of their spatial distribution and delineation of wildlife corridors in the spatial and land use planning,

with clear conservation requirements and enforcements should therefore become a priority. Illegal tree cutting for fuel wood, overuse of communal grasslands for livestock grazing are already negatively affecting local biodiversity and key species habitats. Climate change will likely alter the spatial requirements of most species and therefore some flexibility and adjustments should exist within the landscape managed specifically for biodiversity benefits.

Unsustainable grazing loads: underutilization or overutilization Across the country, landscapes face moderate to severe overgrazing pressure corresponding to high rates of soil erosion, increased soil salinity, lowered soil fertility and loss of grassland biodiversity. Overgrazing of communal pastures end up destroying the upper layer of vegetation and causing subsequent loss of biodiversity with changes of ecosystems and communities of plants. Despite availability of vast pastures, grazing is excessively carried out in only 19 percent of that land (i.e. land in close vicinity, 0-7 km, to the livestock farmers? villages). The remaining 81 percent of grazing land is underutilized. The problem of overgrazing in nearby village pastures and under-grazing in remote areas had led, on one hand to degradation and erosion of nearby pastures, and on the other hand to under-utilization of other remote pastures, resulting in a build-up of a soil crust and reduced water absorption and the gradual displacement of valuable pasture flora by lichens. Remote pastures are underused (because of distance and access), but still subject to degradation: in this case by the development of bushes, small trees, and unsuitable species for livestock[14]14.

Soil degradation from unsustainable farming practices and desertification. The annual cost of land degradation is estimated at US$ 71 million (approx. 4.2% of the GDP)[15]15. Of the 464,300 ha of arable lands in Armenia, 20.3 percent is eroded. Inappropriate farming techniques and unsustainable extensive irrigation practices, especially on steep slopes in the meadow and steppe zones, where shelterbelts do not exist, exacerbate erosion problems. Approximately 20% of irrigated areas in Armenia are affected by severe to moderate soil salinity, due to poor maintenance and operation of the irrigation system and inadequate irrigation practices. By 2030, a decline of 8-14% in the yields of the main agriculture crops, and of 4-10% in the yields of pastures is forecasted. Soil humidity will reduce by 10-30%, moisture reserves of various crops will decline by 7-13%, and the water deficit of land will increase by 25-30%. The higher frequency and intensity of heavy rainfall and floods will intensify water-driven erosion, and droughts and southern winds will cause further wind erosion. The assessment of the level of soil erosion in Gegharkunik subregions (Sevan, Martuni, Chambarak, Gavar, Vardenis) shows that approx.80% of the soils are slightly eroded and 19% moderately/strongly eroded. In Vayots Dzor region, the level of soil erosion is estimated at 61% slightly eroded and 39% moderately/strongly eroded. Droughts and sandstorms are more frequent in Vayots Dzor region.

Unsustainable wood harvesting Local deforestation is driven primarily by unsustainable wood harvesting due to the precarious socio-economic situation of rural population. The slow pace of reforestation/afforestation, the forest fires and the insufficiently robust forest management plans as well as an overall underfunding of the forest management sector are additional drivers. Furthermore, uncontrolled grazing continues to encroach forest lands more and more each year, degrading forest health, structure, quality, and carbon storage potential. Legal and illegal wood harvesting is taking place on areas which potentially qualify as High Conservation Value Forests. The residual effect of past and present ongoing deforestation and forest degradation, combined with continuing forest fragmentation due to construction of roads, pipelines and railways pose a threat to biodiversity.

Declining water quality and disturbed aquatic ecosystem in Lake Sevan. There are 28 inflow rivers and one outflow (Hazdan river) associated with the Sevan catchment area, affected by several pressors impacting water quality in the Lake Sevan such as: untreated wastewater from domestic and industrial sectors-including mining; diffuse pollution from agriculture sector (crop farming and use of fertilizers, cattle breeding and overgrazing of pastureland and soil erosion). Fish farms and cage farms located in Sevan Lake are further impacting the water quality and represent a source of nitrogen and phosphorus effluents. The impact of fish farming on lake eutrophication and the phosphorus balance have not been intensively studied and significant gaps in other data such as on the fertilizers use in the arable land of Sevan Basin makes it difficult to elaborate on adequate management measures[16]16. The lack of monitoring data on the quality and quantity of water resources and on the status of ecosystems represents a challenge in the Sevan basin. While significant progress is being made with support from the European Union (EU) and other donors ? there are still important gaps to be filled, including addressing the inadequate hydro?meteorological and hydrogeological observation data due to insufficient monitoring sites; insufficient actual water use data; absence of biological monitoring data; insufficient data on the water abstraction for fish?farming and data on phosphorus release from fish farms; as well as data on wastewater composition and volume. Furthermore, the 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 represent compounding drivers. The fluctuation of water?s temperature (due to cooling water, wastewater release in the lake, water stagnation due to abstraction; climate change etc) and the drop in the available oxygen due to the organic pollution, eutrophication and algal blooms are further disturbing the lake?s aquatic ecosystem.[17]17

Climate change According to the Fourth National Communication to the UNFCCC, under anthropogenic influence, Sevan Lake?s water level has decreased in the past decades by approximately 20 meters, and its water volume by more than 40% leading to significant thermal regime and ecosystem changes. Climate change is further contributing to the worsening of the lakes ecosystem?s condition. Air and water temperature (within the range of 12-19.4 degrees Celsius[18]18) are increasing,

exacerbating eutrophication processes with peaks in summer and autumn. The increase in temperature will have a negative impact on fish populations, particularly the endemic *Salmonidae* species, likely to be gradually replaced by *Cyprinidae* species, which are less sensitive to water temperature and content of dissolved oxygen. As a result of a reduction in precipitation, saline marshes located at the lower mountain level will transition to herbaceous ecosystems such as saline steppes[19]19. Plant and animal species are likely to shift upwards in elevation due to climatic changes, altering ecosystem structure, habitat biodiversity and ecosystem services. Wildfire risk is projected to increase under all climate change scenarios accounting for up to 1300 ha of lost forest ecosystems by 2030. The forest ecosystems in Vayots Dzor region are vulnerable to increasingly dry and arid climate. More than 15% of Armenia?s higher plant species are in danger of extinction due to projected climate change. Semi-desert and desert areas are projected to expand by 30%, which will accelerate desertification. More frequent summer droughts and water stress will reduce the growth rate of trees and increase susceptibility to pests and diseases; this will also create conditions conducive to more frequent and intense wildfires, leading to an estimated 14,000 to 17,000 ha of forest loss by 2030. Two primary types of droughts may affect Armenia: meteorological (usually associated with a precipitation deficit) and hydrological (usually associated with a deficit in surface and subsurface water flow, potentially originating in the region?s wider river basins). At present, Armenia faces a significant annual probability of severe meteorological drought.[20]20

Barrier 1: Limited technical capacity and stakeholders? coordination for sustainable integrated spatial and land use planning that accounts for LDN and high nature value habitats in the Lake Sevan Basin

According to the National LDN report, approximately two-thirds of all agricultural lands are at different stages of degradation. Although the underlying causes of the land degradation are well understood, the technical and institutional capacities, including inter-sectoral coordination to address land degradation are insufficient. There is basically no integrated land use planning in Armenia. LDN approaches are not part of the land use planning, legal, policy and regulatory framework at national or regional/local levels and capacities to implement integrated land use planning and sustainable non-depleting agriculture practices that reduce/eliminate diffuse water pollution sources from agriculture are extremely limited. Furthermore, to conserve biodiversity outside PAs, there is a need for local-level integrated land use spatial plans that not only fully take into consideration biodiversity conservation considerations but are also effectively implemented with compliance being monitored and enforced. High nature value farmland and grassland in Armenia are not covered in full by any strategic document or plan in operation. Biodiversity conservation, in practice, relies primarily on in-situ protection, within the existing protected areas which do not cover all species and habitats important for conservation, like the biodiversity rich grasslands which are exposed to various threats and pressures. Several PAs and KBAs/IBAs, wildlife sanctuaries and other biodiversity hot spots are present in Lake

Sevan landscape outside the Sevan National Park, however a spatial integration of the biodiversity in land use and spatial planning at regional and local levels remains yet to be achieved.

Barrier 2. Limited technical knowledge and lack of financial incentives for LDN/SLM implementation and livelihood diversification

Land Degradation Neutrality is implemented at local level through tailored Sustainable Land Use Management (SLM) measures that will aim at preventing-reducing-restoring degraded land. Currently there is limited knowledge and information on LDN approaches and guided LDN compliant SLM at local level. There are successful models of SLM implementation in different areas, within the framework of various GEF and UNDP and other multilateral (e.g., World Bank, IFAD) and bilateral donors that have been investing for several years in developing Armenia?s national capacity for sustainable land and water management, with some progress. At local levels, there are significant gaps in the technical knowledge regarding the implementation of sustainable pastures and forest management measures and efficient irrigation and crop farming methods that do not deplete soil resources. Similarly, there is little knowledge on the potential for alternative incomes and little or no affordable finance to offset initial investments to facilitate livelihood diversification of the local communities and an increase of their food security and resilience.

Barrier 3: Little or no financial/compensation schemes to incorporate nature positive practices in the priority sectors

Although certain biodiversity conservation considerations are embedded into the sectoral policy framework documents, little or nothing is provided for the implementation of biodiversity-friendly practices in the priority sectors (tourism, forestry, agriculture). Private businesses in the vicinity of PAs and KBAs (tourism, agriculture, forestry) do not mainstream biodiversity conservation as a priority. No incentives to support biodiversity-friendly practices for the small-scale production and service businesses (tourism, farming) are in place. In agriculture sector, the high cost of accessing distant pastures and fodder provision together with limited availability of labor, have increased pressure on pastures near villages. Declining livestock productivity has pushed households to generate income through increasing their livestock numbers, adding pressure on pastures. There is insufficient financial support for farmers to access distant pastures and there are no compensations that would incentivize the implementation of sustainable management practices beneficial for biodiversity rich grasslands such as the palearctic grasslands that are found in the project area. Similarly, there is no evidence of existing regulations and/or certification standards in the travel and tourism sector that would incentivize the application of nature-based, environmentally responsive and biodiversity sensitive operations.

Barrier 4. Limited human and financial resources in the management of PAs

The lack of capacity at the individual, institutional and systemic levels is a limiting factor in biodiversity conservation and PA management in the country. PA management barriers are associated with deficiencies in management planning and implementation of PA management plans, insufficient capacities for patrolling and monitoring, unrealized opportunities for sustainable tourism development and income generation. Inadequate enforcement of relevant regulations remains one of the important underlying causes of biodiversity loss. The GEF UNDP Project 3986 ?*Developing the Protected Area System of Armenia*? highlights a series of capacity gaps of the PAs such as gaps in business and management planning, capacities in tourism management, capacities in community-based/participatory management, biodiversity monitoring law enforcement.

2) The baseline scenario and any associated baseline projects:

The baseline analysis is reflected below, and it was detailed during the PPG stage as presented in the Project document under Section III Strategy and in the Project Document Annex 17, Annex 18 and Annex 19.

Associated Baseline Projects

The **National LDN Target** agreed by Armenia is the following ?By the year 2040, the carbon stock lost between 2000 and 2010 will be recovered and increased by 2,8% in relation to present?. The National LDN target setting process recommends several directions to be followed in order to attain the LDN such as: 1) Halting cropland degradation currently affecting 2/3rd of the country?s territory, by applying organic agriculture measures, increasing knowledge and awareness about the use of organic fertilizers; 2) Implementing reforestation of 2/3rd of degraded land, expected to be supported by the *Armenian Forest Programme* aiming at increasing the afforested area up to 20% of the country?s territory; 3) Halting deforestation and improving forest management on 100% of national territory; 4) Halting overgrazing and improving grassland management on the 100% of national territory. A draft Government Decree on the formal approval of Program on Land Degradation Neutrality is submitted for Government?s review (2021). The UNDP/GEF project will contribute to the overall progress towards the National LDN Target by (i) focusing at regional LDN target setting and implementation in Lake Sevan Basin landscape (ii) strengthening the inter-sectorial coordination for LDN at Lake Sevan landscape level (iii) coordinating closely with the existing similar LDN initiatives (FAO) in order to

establish monitoring and reporting mechanisms for LDN and exchange lessons learned and experience on LDN regional implementation and reporting from sub-national (regional) to national levels.

There is currently no independent national policy framework that deals explicitly with pastures and grasslands management nevertheless there are strategic documents which include related provisions. These include the Sustainable Development Strategy of RoA Village and Agriculture 2010-2020; Conservation, Use and Reproduction Strategy of RoA Biodiversity; State Action Plan and the long-term development strategy of RoA 2014-2025 (the legal and policy baseline is presented under Annex 17).

The Government of Armenia is committed to set and implement measures that meet the global commitments of LDN, contributing to goal 15.3 of the SDGs to achieve LDN by 2030. The Government?s **Agricultural Development Strategy** (2014-2025) and the **Government?s Sustainable Development Strategy** (2030) are focusing on sustainable agriculture, by promoting soil conservation measures improving water collection and irrigation methods limiting the use of fertilisers and other agrochemicals and improving pasture management. A number of laws have been established to address environment in farming practices however limited resources are allocated to reduce soil erosion and use of fertilisers or to increase production of degraded land through agroforestry, plantation of shelterbelts to reduce degradation of arable land[21][21], facilitating public investments into sustainable land management measures, some of them being complementary to the project?s objective.

The EU has been one of the key players in modernising agricultural and rural development approaches. The **European Neighbourhood Programme Agriculture and Rural Development (ENPARD)** in Armenia was implemented between 2015-2017 EU-ENPARD and has promoted sustainable and inclusive agricultural approaches and support to rural development through investments in modernisation of equipment, farming techniques and crop diversification, income generating activities in the rural areas. The project will draw on the lessons learned and generated knowledge.

 The GIZ has implemented a regional project targeting Armenia, Azerbaijan, Georgia during 2015-2019 titled **?Integrated Biodiversity Management, South Caucasus (IBiS) programme?** with a total budget of US$ 22.89 million. The programme focused on two area related to this project: (i) sustainable forest management at national and forest enterprise levels and (ii) sustainable pasture management at national and local levels. In the forest area the programme focused on the development of a National Forest Management Information System. In the pasture area, it supported the development of a pasture toolkit, which includes a pasture monitoring manual, pasture management guidelines and pasture rehabilitation guidelines. The UNDP/GEF project will seek to include and build on these results and

tools developed for pastures management and forest monitoring and will draw on the lessons learned in pilot regions on participatory natural resources management.

1.   **WWF Promotion of Ecological Corridors (2015-2020)** funded by the Ministry of Environment and the Government of Germany through KfW Development Bank. The establishment of safe migration ecological corridors included awareness raising and education activities engaging 30 rural settlements in Ararat, Syunik and Vayotz Dzor. Community supported nature conservation areas covering 37,000 ha and community supported monitoring programmes have been established. Habitat mapping and species population?s assessment of Armenian Mouflon, Bezoar Goat, Brown Bear have enriched the knowledge base on these threatened species. Community support sub-projects consisting in provision of agriculture machinery, investments in action plans for restoration of adjacent forests, and energy efficient lighting have been implemented in these areas as compensatory mechanisms and support to sustainable resource management.

2.   EU funded **River Basin management Plan Armenia (EUWI+) 2016-2021** part of the EU Water Initiative Plus for the Eastern Partnership (EUWI+4 EaP) has supported the Armenian government to bring water legislation closer to the EU Water Framework Directive and has developed three rivers basin districts management plans, Sevan Basin among them. The proposed project will further strengthen the intersectoral stakeholders coordination that has been leveraged under the EUWI+ project and through its activities will support the implementation of various actions included in the management plan under Ecosystems chapters such as: support to improved farming practices in Sevan basin, agroforestry measures and improvement of forest ecosystem management; support to integrated monitoring and availability of data on ecosystems and species in Sevan basin.

3.   Swiss Development Cooperation (SDC) and Austrian Development Agency (ADA) funded **?Livestock Development in the South of Armenia?** and **?Livestock Development South-North?** (finalized in 2021) continued with the ?Livestock Development South-North? in Syunik, Gegharkunik and Shirak regions up to 2025 with a budget of 2 million Euro.

4.   Within the framework of the above-mentioned programs that have contributed to increasing the access to remote pastures of Vayk, Yeghegis, Martuni and Shoghakat communities, to establish sustainable pasture management functions, pasture infrastructure has been repaired or constructed, especially in remote pastures (pasture wetlands, cattle sheds, shelters, roads, etc.), and pasture management plans have been developed or amended. Ongoing support is provided for the processing of animal products (milk), improving access to procurement and delivery markets and increasing the level of access to veterinary services. Some support has been provided by both state and various international programs for forest management and improving forest restoration work. Such approaches create certain

opportunities to gradually reduce the process of land degradation in natural ecosystems, solving sectoral problems, which is a global problem - a serious challenge for the country. Barriers persist however in terms of sustainability of interventions and co-financing.

5.   The Ministry for Environment has developed a **National Forest Programme** to support afforestation and reforestation up to 20% of the country?s territory, to be implemented according to Armenia?s commitments under UNFCCC. The annual allocated budget for 2022 is 413 million AMD (approximately 848,600 USD).

Several current government investments programmes and donor funded initiatives are particularly relevant for the proposed project:

Implementing National Organization	Brief description, time period, budget and relevance to the project
Ministry of Economy	**The Strategy of the Main Directions Ensuring Economic Development in Agricultural Sector of the Republic of Armenia 2020-2030** The Strategy outlines the key priorities of the agricultural policy of the Republic of Armenia, defines the scope of priority issues, as well as the Action Plan for the initial implementation period of the Strategy (2020-2022). The priorities include, *inter alia*: climate change adaptation, resilience and environmental sustainability ? increased focus on climate change awareness, adaptation and mitigation strategies, while also working to ensure that agriculture sector development is informed by a focus on resource sustainability, including good water and soil management principles. *Synergies:* The proposed project will support some of the measures that are related to the priority investments listed in the Strategy e.g. Improved georeferenced data on abandoned land; Development of Local markets; Improvement of the effectiveness of agricultural advisory services; Support sustainable rural development; Support to modernization of agriculture. *Total budget: US$39.8 million*

Ministry of Economy	The Ministry of Economy and the World Bank are implementing the project **Community Agricultural Resource Management and Competitiveness (CARMAC II).** The main objective of the project is to improve the productivity and sustainability of pasture and livestock systems in the target communities and to increase production volumes produced and marketed in selected high value agri-food value chains Components: Community Pasture and Livestock Management Systems, Value Chain Development, State Capacity Building Capacity. *Synergies*: The proposed project will build on this project?s analysis and lessons learned in pasture management and livestock farmers? involvement. Out of the 100 selected settlements in 6 targeted regions of the UNDP GEF projects, approximately 26 settlements have previously participated in CARMAC projects, and the project will further build on CARMAC results. *Total budget: US$42million* *Period: 2015-2022*
Ministry of Territorial Administration and Infrastructure	**Management of natural resources and safeguarding of ecosystem services for sustainable rural development in the South Caucasus (ECOserve)** The project is implemented in Armenia, Azerbaijan, Georgia aiming at improving conditions for the sustainable and biodiversity-friendly use of natural resources in the dominant land-use systems (grazing, agriculture, and forest) in the South Caucasus. The focus is on the dominant land-use systems - grazing land in Armenia, agriculture in Azerbaijan, and forests in Georgia. Project components: Data collection and management, Regulatory framework, Pilot activities, Training and PR, establishment of pasture platform. *Synergies*: The proposed project will build on the GIS analysis, data and lessons learned on pastureland and forest management. *Total budget: US$15 million* *Period: 2018-2021*
Ministry of Environment	Forest Resilience of Armenia, Enhancing Adaptation and Rural Green Growth via Mitigation (FAO/Green Climate Fund) The goal of the project is aimed at strengthening forests? enormous capacity to mitigate against climate change, primarily through reducing forest degradation, planting new forests, and managing existing ones focusing on the forest-energy nexus, the project will target adaptation and mitigation measures in two of the country's administrative areas most vulnerable to climate change 105 rural communities in 8 municipalities of Lori Marz and 102 rural communities in 7 municipalities of Syunik Marz *Synergies*: Exchange of knowledge and good practices in climate resilient forestry measures. *Total budget: US$10 million* *Period: 2018-2029*

Ministry of Environment	**SEVAMOD2 Building up science-based management instruments for Lake Sevan, Armenia**
	The project is a continuation of SEVAMOD *Development of a model for Lake Sevan for the improvement and understanding of its ecology and as instrument for the sustainable management and use of its natural resources (2017-2019)* that provided valuable research results on the water quality assessment of the Lake Sevan and its tributaries. The SEVAMOD2 is funded by the Federal Ministry for Education and Research of Germany and aims at the monthly sampling of water and assessment of water quality in Lake Sevan through the development of physical-ecological eutrophication modelling (considering parameters such as nutrients, plankton, oxygen) and analysis of different scenarios. The project will develop a nutrient management concept and will strengthen Armenia?s capacity for the use of remote sensing in water modelling.
	Synergies: The GEF project will support the Lake Sevan National Park management measures and integrated monitoring and will explore the possibility of building on the SEVAMOD research results and SEVAMOD2 proposed Lake Sevan Nutrient Management Concept.
	Period: 2020-2023
Ministry of Environment	**Increased climate resilience of South Caucasus Mountain communities and ecosystems through wildfire risk reduction**
	The project seeks to increase resilience of mountain communities and forest ecosystems to climate-induced hazards, and in particular to the increasing risk of forest wildfire in mountainous regions of the Southern Caucasus. By doing so, the project aims to improve the safety and livelihoods of forest-dependent communities, reduce bio-diversity losses and other environmental impacts, reduce the costs associated with large scale wildfire response, loss of life and other damages, and maximize ancillary benefits associated with sustainable forest management, including the role of forests as carbon sinks.
	Synergies: The GEF project will support sustainable forest management plans (under Output 3.1.3) and will work with the ?Hayantar? State Non-Commercial Organization (SNCO? state-owned enterprises) of the Ministry of Agriculture in coordination with the Adaptation Fund Project, building on this project?s generated knowledge and experience in wildfire and forest management plans and risk reduction measures at community level in Vayots Dzor region.
	Total budget: 7,475,650 USD
	Period:2020-2025

Ministry of Economy	**EU Green Agriculture Initiative in Armenia (EU-GAIA)** The project will support local smallholder farmers, producers, and agri-businesses in general to develop their competitiveness, through grant schemes and investments in green technologies and demonstrative activities at farm level in Shirak, Lori, and Tavush regions. The project is partially implemented by UNDP. _Synergies_: The proposed project will build on the good practices and will support knowledge exchange and joint awareness and training activities. _Total budget: EU 9,7 million EUR; Austrian Development Agency: 2 million EUR_ _Period: 2020-2024_
Ministry of Environment	**EU4Energy Efficiency and Environment/ EU4Sevan** _(Implemented by GIZ and UNDP)_ The main objective is to support initiatives aimed at energy efficiency and environmental protection. This programme aims to increase energy efficiency in existing buildings, in multi-apartment residential buildings (MAB) as well as public buildings, non-gasified communities, low-income households and aims to reduce water contamination in Armenia?s largest lake. The EU4Sevan (sub)project is to enhance the environmental protection of Lake Sevan by improving water monitoring and management capacities for Lake Sevan watershed; implementation of ecosystem-friendly and water -protecting land use and cultivation practices; capacities for implementing wastewater treatment; awareness. The project will develop Sevan National Park management plan. _Synergies:_ the proposed project targets Lake Sevan landscape and will coordinate with EU4Sevan project to support Sevan National Park with the implementation of the management plan developed under the EU4Sevan. _Total budget: EU4Energy Efficiency and Environment 9,000,000 EUR, of which EU4Sevan: 5,000,664 EUR_ _Period: 2020-2024_
Ministry of Environment	**Program of Establishing New Forest Stands Around Lake Sevan (2014-2023)** The main objective of the Program is to restore the environmental balance of Lake Sevan and its watershed through the expansion of forested areas. Planting of valuable forest fruit species is aiming to also benefit local communities. Within the framework of the programe a tree/plan nursery will be set up to support planting of 1,113 hectares of new forested areas. _Synergies:_ The proposed project will support sustainable forest management plans integrated with the exiting forest management planning of the forestry business units and Sevan National Park administration. There are good opportunities for sharing knowledge and building on existing plant/tree nurseries and strengthening the infrastructure. _Total budget: US$4.8 million (including US$ 1.8 mil for planting on community lands)_ _Period: 2019-2021_

Ministry of Environment	**EU4Climate** *(Armenia component implemented by UNDP)* The EU4Climate helps governments in the six EU Eastern Partner countries Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine to act against climate change. It supports countries in implementing the Paris Climate Agreement and improving climate policies and legislation. Its ambition is to limit climate change impact on citizens lives and make them more resilient to it. *Synergies:* The coordination potential rest with the opportunity to align the proposed project?s supported biodiversity friendly and LDN compliant outputs with the EU4Climate supported adaptation planning. *Total budget: US 10.3 million* *Period: 2019-2022*

3) **The proposed alternative scenario with a brief description of expected outcomes and components of the project;**

The project?s strategy is based on the country context and global significance of Armenia?s biodiversity, the detrimental impacts of unsustainable agriculture that threaten Lake Sevan landscape?s biodiversity and drive environmental degradation, the identified barriers where future efforts must focus and the foundations in place on which to build and strengthen the protection and conservation of vital ecosystems and biodiversity that anchors livelihoods in Sevan Basin landscape. The project aims to bring about a paradigm shift towards delivering effective and scalable solutions at key target sites through LDN compatible landscape management approaches, underpinned by spatial and land use planning that will guide local SLM measures to secure ecological integrity of key habitats and population of globally important species, by bringing together relevant sectors and other interested parties in an integrated, coordinated manner that will foster the necessary enabling conditions for achieving long-term environmental sustainability across entire Sevan basin landscape.

The GEF alternative scenario builds on lessons learned from previous GEF and other experiences with respect to demonstrating integrated and participative landscape approaches, promoting the participation of women and other vulnerable groups in the natural resources management. The project?s strategy seeks to respond to the gender gaps prioritized by the GEF Gender Implementation Strategy:

(i)The project addresses unequal access and control over natural resources through activities under Component 3, advocating for women?s rights, including gender sensitive measures in the pasture management strategies, forest management plans, agro-forestry measures and sustainable water management plans for arable areas. Gender responsive approaches in the LDN compatible SLM

measures will be identified and implemented throughout the project. The project is committed to deliver a gender balanced approach to selection of the farms that will benefit from tailored technical assistance and facilitation of accessing funding for sustainable pasture management measures.
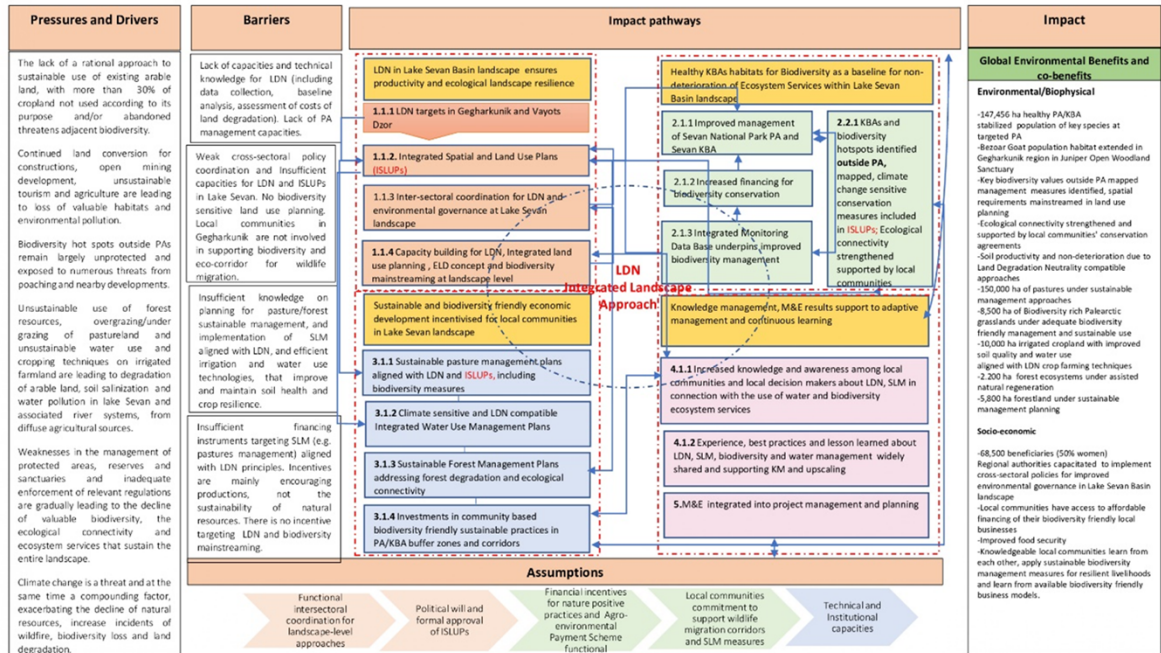
(ii) The project will further address unbalanced women?s participation in decision making in environmental planning and management at all levels. The project will facilitate a balanced gender representation, with a view of addressing the usual low participation of women in stakeholder engagement meetings in the target communities. Under Output 1.1.3, the Intersectoral Stakeholders Committee will include at least 30% women representatives as committee members. Furthermore, the project will facilitate the inclusion of women in training and capacity building initiatives among policy makers (minimum 50%). The project further commits to integrate gender sensitive considerations into any project-born amendments to regulations and associated explanatory materials related to agricultural sector strategy development. The project will foster women group participation in public hearings, supporting the advocacy on women role models in the targeted communities.

(iii) The project will promote women?s access to social and economic benefits. The project targets at least 50% of farmers and farming and fishery entrepreneurs receiving sustainable land management training, sustainable fishery/aquaculture training and technical support services being women. The training needs assessment will be conducted in the target regions to identify specific training needs of women farmers, which may be different in different communities. Under Output 3.1.2 the project?s efforts will be directed towards strengthening local women entrepreneurship, and enabling training of women (4.1.1.) in pasture management and sustainable agricultural practices and business development (3.1.1). Dedicated support to women farmers, women entrepreneurs and support to youth participation and trainings is embedded in the project strategy. The project further seeks to support women?s technical knowledge and capacities to overcome knowledge related barriers to establishing profitable local green businesses in the agricultural sector, by introducing green agriculture technologies and practices used in regenerative agriculture. Special attention will be paid to information dissemination channels (social media, newspapers, announcements, calls, partner organizations etc.) targeting women.

The project strategy for the conservation and sustainable management of land resources and high value ecosystems in Lake Sevan Landscape revolves around the Land Degradation Neutrality (LDN) concept and integrated landscape planning in the PA/KBAs buffer and productive zones. Improved status of biodiversity hot spots that are not legally protected means integration of spatial elements of the biodiversity rich habitats into the land use planning and work with production sectors, such as agriculture and forestry to mainstream biodiversity concerns. This includes promotion of LDN compatible models of non-depleting farming agriculture practices in the Lake Sevan basin landscape that will also reduce/eliminate diffuse sources of pollution from agriculture in the lake and associated river system, at the same time allowing for effective conservation of critical ecosystem services within and outside the PAs. In Vayots Dzor, where the drought and sandstorms are more frequent, the project-supported SLM measures will address the decline in ecosystems and livelihoods caused by frequent summer droughts experienced by the remote communities with limited access to water, by leveraging investments in local irrigation infrastructure in the targeted villages, supporting farmers implement drip irrigation measures, climate resilient farming practices and cultivation of drought resistant species. Guidelines for local farmers in local language and brochures on LDN compatible pasture and forest management as well as guidelines for rural entrepreneurship in ecotourism and agrotourism will strengthen farmers? technical knowledge on drought resilient crop farming. Furthermore, impacts on biodiversity that stem from Sevan National Park?s management capacity constraints, or biodiversity-negative development of tourism, forestry, and agriculture, need and can be addressed in an integrated manner. Maintaining the ecological functionality of ecosystems to protect complex landscapes and link isolated biodiversity hotspots include finding feasible ways

of involving local communities in conservation, incentivizing them away from destructive agriculture and poaching and involving them in supporting ecosystem connectivity and wildlife migration eco-corridors. These ecological goals must be achieved within the context of supporting and securing sustainable and resilient livelihoods for local resource users, whose daily existence depends greatly on the integrity and productivity of these high value ecosystems.

The Theory of Change is presented below:

Pressures and Drivers	Barriers	Impact pathways	Impact

Pressures and Drivers

The lack of a rational approach to sustainable use of existing arable land, with more than 30% of cropland not used according to its purpose and/or abandoned threatens adjacent biodiversity.

Continued land conversion for constructions, open mining development, unsustainable tourism and agriculture are leading to loss of valuable habitats and environmental pollution.

Biodiversity hot spots outside PAs remain largely unprotected and exposed to numerous threats from poaching and nearby developments.

Unsustainable use of forest resources, overgrazing/under grazing of pastureland and unsustainable water use and cropping techniques on irrigated farmland are leading to degradation of arable land, soil salinization and water pollution in lake Sevan and associated river systems, from diffuse agricultural sources.

Weaknesses in the management of protected areas, reserves and sanctuaries and inadequate enforcement of relevant regulations are gradually leading to the decline of valuable biodiversity, the ecological connectivity and ecosystem services that sustain the entire landscape.

Climate change is a threat and at the same time a compounding factor, exacerbating the decline of natural resources, increase incidents of wildfire, biodiversity loss and land degradation.

Barriers

Lack of capacities and technical knowledge for LDN (including data collection, baseline analysis, assessment of costs of land degradation). Lack of PA management capacities.

Weak cross-sectoral policy coordination and Insufficient capacities for LDN and ISLUPs in Lake Sevan. No biodiversity sensitive land use planning. Local communities in Gegharkunik are not involved in supporting biodiversity and eco-corridor for wildlife migration.

Insufficient knowledge on planning for pasture/forest sustainable management, and implementation of SLM aligned with LDN, and efficient irrigation and water use technologies, that improve and maintain soil health and crop resilience.

Insufficient financing instruments targeting SLM (e.g. pastures management) aligned with LDN principles. Incentives are mainly encouraging productions, not the sustainability of natural resources. There is no incentive targeting LDN and biodiversity mainstreaming.

Impact pathways

LDN in Lake Sevan Basin landscape ensures productivity and ecological landscape resilience

1.1.1 LDN targets in Gegharkunik and Vayots Dzor

1.1.2. Integrated Spatial and Land Use Plans (ISLUPs)

1.1.3 Inter-sectoral coordination for LDN and environmental governance at Lake Sevan landscape

1.1.4 Capacity building for LDN, Integrated land use planning , ELD concept and biodiversity mainstreaming at landscape level

LDN Integrated Landscape Approach

Sustainable and biodiversity friendly economic development incentivised for local communities in Lake Sevan landscape

3.1.1 Sustainable pasture management plans aligned with LDN and ISLUPs, including biodiversity measures

3.1.2 Climate sensitive and LDN compatible Integrated Water Use Management Plans

3.1.3 Sustainable Forest Management Plans addressing forest degradation and ecological connectivity

3.1.4 Investments in community based biodiversity friendly sustainable practices in PA/KBA buffer zones and corridors

Healthy KBAs habitats for Biodiversity as a baseline for non-deterioration of Ecosystem Services within Lake Sevan Basin landscape

2.1.1 Improved management of Sevan National Park PA and Sevan KBA

2.1.2 Increased financing for biodiversity conservation

2.1.3 Integrated Monitoring Data Base underpins improved biodiversity management

2.2.1 KBAs and biodiversity hotspots identified outside PA, mapped, climate change sensitive conservation measures included in ISLUPs; Ecological connectivity strengthened supported by local communities

Knowledge management, M&E results support to adaptive management and continuous learning

4.1.1 Increased knowledge and awareness among local communities and local decision makers about LDN, SLM in connection with the use of water and biodiversity ecosystem services

4.1.2 Experience, best practices and lesson learned about LDN, SLM, biodiversity and water management widely shared and supporting KM and upscaling

5.M&E integrated into project management and planning

Impact

Global Environmental Benefits and co-benefits

Environmental/Biophysical

-147,456 ha healthy PA/KBA stabilized population of key species at targeted PA
-Bezoar Goat population habitat extended in Gegharkunik region in Juniper Open Woodland Sanctuary
-Key biodiversity values outside PA mapped management measures identified, spatial requirements mainstreamed in land use planning
-Ecological connectivity strengthened and supported by local communities' conservation agreements
-Soil productivity and non-deterioration due to Land Degradation Neutrality compatible approaches
-150,000 ha of pastures under sustainable management approaches
-8,500 ha of Biodiversity rich Palearctic grasslands under adequate biodiversity friendly management and sustainable use
-10,000 ha irrigated cropland with improved soil quality and water use aligned with LDN crop farming techniques
-2.200 ha forest ecosystems under assisted natural regeneration
-5,800 ha forestland under sustainable management planning

Socio-economic

-68,500 beneficiaries (50% women) Regional authorities capacitated to implement cross-sectoral policies for improved environmental governance in Lake Sevan Basin landscape
-Local communities have access to affordable financing of their biodiversity friendly local businesses
-Improved food security
-Knowledgeable local communities learn from each other, apply sustainable biodiversity management measures for resilient livelihoods and learn from available biodiversity friendly business models.

Assumptions

Functional intersectoral coordination for landscape-level approaches	Political will and formal approval of ISLUPs	Financial incentives for nature positive practices and Agro-environmental Payment Scheme functional	Local communities commitment to support wildlife migration corridors and SLM measures	Technical and Institutional capacities

The proposed project?s Theory of Change is based on a landscape approach that promotes socio-ecological connectivity, based on the premise that land, water and biodiversity resources are managed in an integrated way, that takes the full range of ecosystem services into consideration. The project components are closely aligned to ensure an integrated landscape approach within Lake Sevan basin for sustainable land, biodiversity and water management that safeguards the continuity of ecosystem services upon which local livelihoods depend. Therefore, the project targets different types of land use: pastureland, forestland, irrigated agricultural land and critical ecosystems (protected and otherwise). For an integrated landscape approach, a coherent and complete picture of the landscape must be visualized and addressed through multiple types of related management measures.

In this context, the project will support biodiversity sensitive LDN-based Integrated Spatial and Land Use Plans (ISLUPs) to put all the different types of the ground management practices in place that are necessary for an integrated approach to landscape management: efficient water management, sustainable and biodiversity friendly land management for arable land and pastureland, sustainable forest management and effective protected area management. LDN will be achieved through the implementation of the ISLUPs and scalable LDN compatible SLM measures that not only paves the way towards land degradation neutrality but also towards diminished water pollution- from agriculture and soil erosion- in the lake and the associated river systems (hosting spawning grounds for key fish species of Lake Sevan) and towards a better integration of biodiversity (within PAs and otherwise) into the broader landscape, to provide for the ecological connectivity and wildlife migration corridor, and continuity of ecosystem services that sustain livelihoods.

While the landscape approach is retained throughout the whole project, when it comes to working on the ground, the project is divided into closely aligned components. Thus, a component dedicated to LDN, and integrated land use planning (Component 1) is closely aligned with work on key biodiversity areas is segregated under Component 2 (focusing on biodiversity within and outside the existing Sevan National Park) which is central to retaining ecosystems stability of the whole landscape. Specifically, work on securing critical biodiversity value within the Sevan National Park allows to maintain resilient delivery of ecosystem services across the whole landscape, many of which are critical for the economic activities in the productive zones such as pollination, erosion control, micro-climate regulation and ground water table maintenance. Through support to key biodiversity areas, these functions will be maintained and enjoyed by economic actors in the wider landscape. At the same time the work outside the PA in the economic landscape needs to incorporate LDN principles as otherwise these areas will be used beyond their regeneration capacity and any conservation efforts at protected areas alone would be futile.

The four project components are closely linked and mutually reinforcing: Under Component 1, the LDN targets in Gegharkunik and Vayots Dzor regions hosting the Lake Sevan basin landscape will be established and will guide the formulation of the Integrated Spatial and Land Use Plans **(ISLUP).**

These integrated land use plans represent the main element linking all the land use types and the project components together. A multistakeholder cross-sectoral coordination mechanism will support the integration of different land and water management use approaches in PAs buffer and production zones. Under Component 2, the project will strengthen the management of the Lake Sevan National Park which almost entirely overlaps with Sevan KBA, anchoring the Lake Sevan Basin landscape and will support a better integration of the PAs/KBA buffer and economic zones into the broader landscape through the ISLUPs developed under Component 1. The assessments and inventories of KBAs and other biodiversity hot spots under this component, will ensure that key biodiversity values outside the Lake Sevan National Park are mapped, their conservation status assessed, and climate sensitive conservation spatial requirements mainstreamed into ISLUPs. This allows to maintain resilient ecosystem services across the whole landscape, many of which are critical for the economic activities in the economic zones such as pollination, erosion control, micro-climate regulation and ground water table maintenance.Under Component 3, the project will effectively demonstrate sustainable use of biodiversity and land resources in PAs buffer and economic zones and in the vicinity of PAs, KBAs and ecological corridors reflected in the ISLUPs, and will offer financial incentives for the implementation of biodiversity sensitive SLM measures in prioritized areas. The design of the LDN compatible SLM measures (e.g., sustainable pasture management, forest restoration and sustainable forest management measures, integrated water management planning and LDN guided farming techniques on irrigated land, agroforestry etc) implemented under this component are guided by the Integrated Spatial and Land Use Plans and the LDN assessments carried out under the other two components.   The project experience and knowledge will be systematized and shared widely using available platforms, fostering iterative learning processes in coordination with similar initiatives (e.g., FAO; GIZ) . Monitoring and evaluation of project results will support adaptive management and learning. With the support of the inter-sectoral coordination mechanism set-up under Component 1 the results will be scaled up at Lake Sevan Basin landscape level.

The project?s main feature is its integrated landscape approach supporting effective management of the Lake Sevan National Park and at the same time targeting multiple types of landscapes in the national park?s vicinity covered by the project supported ISLUPs e.g.,10,000 ha of irrigated agricultural land; 150,000 ha pastureland; 8,000 ha of forest ecosystems, and other critical ecosystems located outside Lake Sevan National Park. The proposed interventions are sequenced to include adaptive management strategies encompassing integrated and participative landscape approaches, innovative biodiversity conservation and mainstreaming, sustainable farming, pasture and forest management techniques that will be included in alternative transformational pathways and will be reinforced consistently through learning and awareness that are necessary for removing existing barriers. The project does not have the scope and resources to fully implement efficient water management and sustainable land management throughout the entire landscape, but by introducing these good practices in priority areas in Gegharkunik and Vayots Dzor provinces, and through the capacity strengthening and cross-sectoral cooperation of responsible government institutions, the project results will be sustained and replicated throughout Lake Sevan basin landscape.The drivers of change are represented by: (i) Government?s commitment to implementing LDN and environmental responsible governance considering the overwhelming importance of Lake Sevan for the country; (ii) Financial government support for

sustainable biodiversity sensitive management of grasslands and pastures and sustainable livestock-based business models as well as affordable lending conditions to develop climate-smart agriculture and (iii) Access to technical knowledge and capacity building. The proposed transformative paths are based on several assumptions, integrated within the project strategy, that will be further tested throughout the project implementation:

?   Political will and institutional coordination : It is expected that political will exists to foster inter-sectoral coordination in Lake Sevan Basin and that the strengthened Intersectoral Committee of Lake Sevan Basin (Output 1.1.3) resulting from the joined efforts of the GEF project and EU funded EU4Sevan project, will lead to strengthened capacity for a better integration of LDN/SLM integrated landscape approach aligned with IWRM approach underpinning the River Basin Management Plan for Sevan and the subsequent Plan of Measures for the Sevan River Basin District, in terms of promoting ecosystem friendly agricultural practices that reduces/eliminate diffuse water pollution sources from agriculture.
?   Commitment towards LDN: It is assumed that the government will implement the project-supported integrated land use planning needed to advance towards LDN in Gegharkunik and Vayots Dzor regions, the efficient climate-smart water use integaretd with the LDN compliant farming on selected 10,000 ha of farmed areas- that reduce the use of fertilizers and does not deplete soil productivity; and the sustainable pasture and grasslands and forest management plans that are compatible with LDN targets and integrate biodiversity and climate change considerations. And in this context, it is expected that the decision makers will formally approve these proposed LDN compliant ISLUPs, project-supported plans, manuals and guidelines, demonstrated in prioritized Lake Sevan landscape, and as a result, the project experience could be replicated in coordination with other LDN initiatives (FAO) to support the national LDN targets.
?   Interest and participation: Another assumption is that there will be sufficient interest and commitment from local farmers and producers to take up biodiversity friendly agricultural practices in production landscapes and commitment to supporting ecological corridors for safe migration of wildlife.
?   Available financing: It is expected that the pledged co-financing backed by the political support (pledged at PPG level), as well as further financial incentives will be available for the implementation of KPI agro-environmental payment scheme, and beyond i.e. that based on successful demonstrated results, this model will be integrated within existing governmental programmes to facilitate a wider uptake of the demonstrated biodiversity sensitive SLM approaches;
?   Institutional capacities: It is expected that the national institutions will have the capacity for effective biodiversity management and that the land use management institutions will be capacitated to integrate biodiversity spatial elements and LDN/SLM approaches within the land use planning.

The project document follows the PIF main components, outcomes and outputs, briefly presented below:

The **objective** of the project is to promote Land Degradation Neutrality (LDN), restore and improve the use of land and water resources in Armenia?s Lake Sevan Basin to enhance the sustainability and resilience of livelihoods, biodiversity and globally significant ecosystems. The expected results of the project revolve around the Land Degradation Neutrality targets that will be set at two province level in Gegharkunik and Vayots Dzor, implemented in 6 merger/enlarged communities, through integrated spatial and land use planning (ISLUPs), expected to be scaled up to the entire Lake Sevan basin through leveraged partnerships and investments into nature positive agriculture practices. The project will aim at setting in motion SLM measures that includes LDN principles and mainstreams biodiversity and climate change considerations. Improved land use management will directly contribute to secured biodiversity status in Lake Sevan basin. First, at Sevan National Park, covering 147,456 ha of PA hosting significant biodiversity, expected to be strengthened through the project?s support to improving the park?s staff capacities and community outreach, work together with other donor funded projects and development

partners. Secondly, the Key Biodiversity Areas (KBAs) and the Important Bird and Biodiversity Areas (IBAs) located outside the Lake Sevan National Park will be mapped and their spatial requirements mainstreamed in the integrated land use planning. Nature positive agricultural practices will be promoted around KBAs/IBAs that are expected to   support better habitat connectivity and the ecological functionality of ecosystems to protect complex landscapes and link isolated biodiversity hotspots on approximately 150,000 ha of pastures and grasslands and 5,800 ha of forest ecosystems as well as 10,000 ha of farmed/partly irrigated areas that will, in time, be fully placed under improved management contributing therefore to the LDN national target. The project will place a central focus on local communities, directly benefiting 68,000 people, incentivizing them away from destructive agriculture and poaching and towards supporting ecosystem connectivity and wildlife migration eco-corridors, promoting eco-tourism and valorization of Sevan Ramsar area.

Component 1: *Promoting Land Degradation Neutrality in Lake Sevan Basin landscape to ensure productivity and ecological landscape resilience.* (GEF : $622,525; co-financing:6,224,662)

This component will complement the Government of Armenia?s efforts towards land degradation neutrality (LDN) and will focus on the promotion of LDN-voluntary targets and compatible approaches in Lake Sevan landscape in the two targeted regions (marzes): Gegharkunik and Vayots Dzor, through integrated land use planning that will contribute to land degradation neutrality and improved integration of key biodiversity into land use and spatial planning. The UNDP/GEF project will contribute to the overall progress towards the National LDN Target by bringing 165,800 ha of landscape under LDN compatible sustainable land management practices in the Lake Sevan Basin through: (i) regional LDN target setting, implemented through ISLUPs in 6 communities in the Lake Sevan Basin landscape (ii) strengthening the inter-sectorial coordination for LDN at Lake Sevan landscape level through capacitated Inter-sectorial Committee of the Lake Sevan Basin(iii) coordinating closely with the existing similar LDN initiatives in order to establish monitoring and reporting mechanisms for LDN and exchange lessons learned and experience on LDN regional implementation and reporting from sub-national to national (iv) Improving technical capacities and coordination of the national and regional and local decision makers.

In terms of intersectorial coordination needed for the integrated landscape approaches, the UNDP GEF project will join efforts with the EU4Sevan project, and it will support the technical capacity of the Inter-sectorial Committee for Lake Sevan Basin (which will be re-instated with support from the EU4Sevan project) strengthening its members? understanding and technical capacities for the implementation of LDN compatible integrated approaches harmonized with river basin approaches, with particular focus on: (i) LDN compliant integrated spatial/land use planning approach and UNCCD commitments (ii) Integrated Water Resource Management (IWRM) in the Lake Sevan Basin; (iii) The post 2020 Global Biodiversity Framework (GBF) and national priorities under NBSAP (iv) The commitments under UNFCCC Paris Agreement, and national priorities under National Determined Contributions (NDC) and National Adaptation Plan (NAP); (v) Integrated policy making for LDN compatible, climate resilience, gender sensitive and inclusive Nature based solutions in Lake Sevan Basin. Importantly, the Sevan Inter-Sectoral Committee membership will include   representatives of the following institutions: the Ministry of Environment which has the mandate over natural resources protection and hosts UNCBD, UNCCD, UNFCCC convention focal points; the Ministry of Economy which is responsible for agricultural sector; the Ministry of Territorial Administration and

Infrastructure which is in charge of local governance and infrastructure; the Water Committee ? as a public agency under the Ministry of Territorial Administration and Infrastructure, which develops and implements the policy of the government regarding the management and use of state owned water resources and their management systems; the Hydrometeorological and Monitoring Center (under the mandate of the Ministry of Environment); the National Academy of Sciences; the Sevan National Park authority; the Gegharkunik Regional Administration and Vayots Dzor Governors (Regional Administration); NGOs; Water Users Associations and Pasture Users Associations; private sector such as tourism operators.

Component 2 *Securing Biodiversity and critical habitats for Biodiversity Services as a baseline for non-deterioration of ecosystem services within Lake Sevan Basin.* The project will focus on addressing direct drivers of biodiversity degradation to protect globally important biodiversity, habitats, and species (please see Annex 19 for further details) . This component has two-pronged approach i.e. (i) focus on securing the ecological integrity of key species and valuable habitats within the PA/ the Lake Sevan National Park- anchoring the entire Lake Sevan Basin landscape under Outcome 2.1; and (ii) under Outcome 2.2 the project will target biodiversity values in the production landscape in the PA vicinity, and support their integration within the landscape, therefore supporting the key ecosystem services on which local livelihoods depend. The project will support the improvement of the management effectiveness of Sevan National Park through PA regime compliance and enforcement strengthened PA infrastructure, climate change sensitive integrated monitoring data base improved patrolling and enforcement capacity of environmental regulation, research and monitoring, financial and business planning and species-focused conservation skills and capacities strengthened. The UNDP/GEF project will coordinate its activities with the EU4Sevan project with UNDP Armenia and the GIZ, (EU4Sevan project is supporting the Sevan National Park to develop a new Management Plan). The consultations at the PPG stage between the Ministry of Environment, UNDP, WWF Armenia, GIZ and the Sevan PA staff, indicated ample opportunities for collaboration between the two projects, and that the UNDP GEF project is best positioned to support PA?s capacity for the implementation of the new Sevan National Park Management Plan (that is currently supported by the EU4Sevan project) and the promotion of biodiversity friendly agriculture practices (currently piloted by EU4Sevan project as well in select villages). The GEF project will support improved PA patrolling and regime compliance capacity, improved capacities (i.e. new data base) for biodiversity and climate change monitoring to support PA adaptive management, selected conservation measures (please see details under the Outcome 2.1/2.2 in the Project document) , support to PA zoning, strengthen equipment base for fire prevention/management and trainings, community outreach as well as support to improved financial PA management and mapping sustainable local business opportunities for generating additional PA income and local livelihoods. Cumulatively, these targeted actions are expected to result in a better PA management effectiveness reflected in an 20% estimated improvement of METT score, and biodiversity monitoring and management that will contribute to a positive change in the population of globally important biodiversity and a better management of the Sevan Ramsar site, KBA/IBA. In addition, the project will support the Ministry of Environment assess the feasibility of opening a field office within the National Park premises to strengthen the institutional coordination and environmental monitoring.

Component 3. *Biodiversity friendly and LDN compatible Sustainable Land Management (SLM) practices promoted in Lake Sevan production landscape.* Under this component the project will demonstrate SLM measures on 10,000 ha of irrigated agricultural land; 150,000 ha pastureland; 8,000 ha of forest ecosystems that will be brought under sustainable management regimes, compatible with the LDN approach.Land degradation neutrality target is set at national and regional levels; however, LDN is reached in the field, through the implementation of ISLUPs and of the adequate SLM measures in each land use type be it pastureland, arable land, forestland. Therefore, the LDN targets set in Gegharkunik and Vayots Dzor marzes with the project?s support (under Output 1.1.1) will be achieved by the

implementation of ISLUPs in the selected communities (developed under Output 1.1.2) which is further guiding the implementation of SLM measures at village levels, to achieve land degradation neutrality (under Outputs 3.1.1; 3.1.2; 3.1.3) . Thanks to the fact that the ISLUPs will be developed with the UNCCD-endorsed *LUP4LDN software (*which can also determine the type of SLM needed for achieving LDN) it will be easier to identify the most feasible Sustainable Land Management (SLM) measures that needs to be implemented in the project demonstration areas in each land use type (e.g., pastures, forests, arable land). In this sense, the project?s work under this Component will aim at implementing a variety of Sustainable Land Management (SLM) measures to achieve land degradation neutrality in the field, such as: pasture rotation, sustainable forest management and regeneration; sustainable crop farming and climate smart irrigation, agro-forestry. The project will be targeting multiple types of landscapes around protected areas, reserves, KBAs, IBAs, in order to *prevent-reduce-restore* degraded land and achieve LDN. These SLM measures consist in different biodiversity-friendly agriculture practices that do not deplete the soil, water resources and the valuable ecosystems. There are existing successful models promoted by different projects of UNDP, IFAD, World Bank that have been considered in the project strategy. The project builds upon these initiatives and it will offer incremental support by promoting biodiversity friendly sustainable land management measures that are LDN compatible and that will increase livelihoods resilience. In the Lake Sevan Basin landscape. The project strategy will include provisions for screening potential risks related to labor and working conditions in case of third party subcontractors, and appropriately scaled Labor Management Procedures[22][22] that will address the UNDP SES requirements.

Component 4: *Best practices and lessons are accessed and applied in other production landscapes and micro-catchments in the country and in the region.* The project builds upon previous similar experience, and identifies, analyses, and shares lessons learned that might be beneficial in the design and implementation of similar future projects (further detailed under Annex 22 Knowledge Management Plan).The project builds on existing experience e.g GIZ "Sustainable Management of Biodiversity, South Caucasus" Project on pasture and grassland management in Armenia, which has supported the development of several manuals that will be used by the GEF project "Manual for Monitoring of Pastures, Armenia", "Guidelines for Development and Implementation of Sustainable Management Plans for Pastures and Grasslands" and "Manual on Improvement of Degraded Natural Grazing Lands", which could be further used in the GEF supported training activities benefiting the pasture users, livestock farmers and private entrepreneurs. The project will also build on WWF Armenia?s experience in working with local communities and facilitating community-endorsed eco-corridors, successfully tested under the BMZ/WWF Germany funded *?Promotion of Eco-Corridors in the Southern Caucasus Phase I*?. The project will further learn from and synergize with GIZ/UNDP EU4Sevan project for strengthening the capacities of Sevan National Park and for promoting SLM measures within Sevan Basin landscape, in coordination with GIZ implementation components of the EU4Sevan project.

The project will also use the FAO supported Armenian Soil Information System (Arm SIS) for the LDN target setting and land degradation assessments under Outcome 1 and will also closely coordinate with the FAO Project *?Implementation of Armenia?s LDN commitments through sustainable land management and restoration of degraded landscapes?* and learn from their experience with the regional/local coordinating mechanisms for LDN implementation in Lori and Syunik regions. The rich experience and lessons integrates has informed the proejct?s strategy, which further integrates behavioral change analysis conducted together with the UNDP Amenia Innovation Lab. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned, recommended activities to be implemented under this Outcome are further detailed under the Project Document. The project will support targeted trainings at local community level on LDN compatible SLM measures and accessing available funding in coordination with FAO Project *?Implementation of Armenia?s LDN commitments through sustainable land management and restoration of degraded landscapes?*. The training will be tailored to local communities? needs for information, be it about technical LDN and SLM aspects (with FAO), sustainable fishing/aquaculture, LDN friendly value chain (in collaboration with FAO), available financing and financial products (in collaboration with financing institutions), climate risk insurance

products, rural entrepreneurship, farm business planning, eco-tourism and aspects related to land and water use legislation and regulatory measures on biodiversity utilization in and around KBAs and on Sanctuaries (IUCN IV) territory. The trainings will include outdoor activities (planning and production oriented) and farmer-to-farmer experience sharing. Some of the training sessions for natural resources users may be organized jointly with the financial institutions (i.e. such as ACBA Credit Agricole) in order to raise awareness about existing financial products and application requirements as well as teach/enhance farmers? skills in farm-finance and farm and sustainable aquaculture concepts, marketing and farm produce selling.

In collaboration with WWF Armenia, the project will organize ample awareness raising and education activities targeted at capacity gaps, with the participation of local and national decision makers and local natural resource users, aiming at increasing awareness and technical knowledge on what Land Degradation Neutrality stands for; acknowledging the problems and changing behaviors by adopting a more responsible attitude towards the use of land, water and biodiversity resources (Project Document-Annex 23 Behavior change analysis). The awareness raising activities on critical species and habitats will use the new knowledge generated by the project-supported inventories and studies and biodiversity mapping. The project will make sure that the awareness and training activities will be gender sensitive and will highlight the differentiated roles of men and women in implementing LDN, while promoting women entrepreneurship, participation in decision making and access to socio-economic benefits. Biodiversity values of Lake Sevan and Sevan National Park are well known but the biodiversity hot spots outside of the protected areas are less known and studied, and the project will raise awareness on their importance. The project?s work under this component will also ensure that the knowledge products will be disseminated within and beyond the project intervention zone through existing regional information-sharing networks, platforms and forums. The Knowledge Management approach includes the preparation of a *Scaling Up and Replication Strategy* that will be approved by the Project Board and disseminated during the project final conference and beyond, with the intention to replicate and upscale the valuable knowledge generated during the project implementation, documenting the trailblazing efforts driving progress towards LDN and integrated land-water management in PA production zones.

Component 5. *Project M&E.* During the project implementation, the M&E will be conducted following GEF and UNDP guidelines. The main tasks of the M&E Plan include an inception/workshop and report, annual monitoring of indicators in the project results framework, annual project implementation reports (PIR), ongoing monitoring of environmental and social risks and implementation of Social and Environmental Standards (SES) requirements, supervision missions, updating GEF core indicators and METT (at midterm and project end), monitoring of Global Environmental Benefits, ongoing monitoring of the Stakeholder Engagement Plan and the Gender Action Plan, Project Board meetings, oversight missions by the UNDP-NCE team, mid-term and terminal GEF7 Core Indicators and METT updates, an Independent Mid-term Review (MTR), Project Completion Report, Independent Terminal Evaluation (TE) and the project final conference which will support the dissemination of the monitoring and evaluative knowledge as well as the formal launch of the Project Exit Strategy by the IP which will furher coordinate with key partners for the the upscaling of the project?s results towards achieving the higher development objective of the project. The project mid-term evaluation will be carried out with field visits to selected sites and consultation with local stakeholders and national project partners.

The project independent final evaluation will also be conducted and will include review of project reports, KM products including web-based information, and field visits to selected project sites, with recommendations for ensuring sustainability of Project outcomes and the regional LDN system. Both evaluations will be carried out by teams that include gender expertise. Activities include: (i) Project mid-term evaluation with a section reporting on the implementation of the Gender Action Plan (GAP) of the project and (ii) Project final evaluation with a section reporting on the implementation of the Gender Action Plan (GAP) of the project. and reporting through the annual project reports (PIRS) submitted to GEF Secretariat and yearly project progress reports submitted by the EPIU to the UNDP CO. Activities include: (i) Monitoring of GEBs, including area under SLM and carbon benefits; (ii) Monitoring of socio-economic benefits using gender disaggregated data; (iii) Assessment of GEBs and co-benefits disaggregated by gender for reporting to the GEF and for the mid-term and final evaluations; (iv) Monitoring system for the progress towards LDN targets in Gegharkunik and Vayots Dzor integrated within the regional authorities/marzpetaran structure and coordinated with the LDN Monitoring System at national level, within the Ministry of Environment. The M&E unit of the EPIU, supported by the Forest Monitoring Center of the MoE, will contribute to the monitoring activities and processes thanks to remote sensing and photointerpretation analysis via drones available at the MoE. The combination of georeferencing, ground truthing, monitoring and discussion with communities and remote sensing analysis will allow stakeholders, including the GEF, to have a clear understanding of the project?s effectiveness and efficiency and results on the ground. The Project M&E system will also measure the project progress and impacts in terms of multiple global environmental benefits (GEBs), and social and economic benefits. Baseline and targets for project indicators will be refined at the project inception if needed, and used for monitoring project progress and impacts.

4) Alignment with GEF focal area and/or Impact Program strategies;

There have been no changes since the PIF was designed and approved in terms of strategic alignment with the GEF Focal area. The project?s quantitative contributions to the GEF?s Core Indicators are summarized in Section I.F. and further detailed in the Core Indicators Worksheet in **Annex F** of this CEO Endorsement Request.

The project is programmed for the BD focal area within its Objective 2 ?Address direct drivers to protect habitats and species? and Objective 1 ?Mainstream biodiversity across sectors as well as landscapes and seascapes?. The main entry point to address direct drivers of biodiversity loss will be ?Improving Financial Sustainability, Effective Management, and Ecosystem Coverage of the Global Protected Area Estate? where the project will contribute to the achievement of global and regional targets for the targeted GEF 7 core indicators for the BD focal area. The project will also work to strengthen the capacity of Sevan National Park located in the targeted project area.
The project?s contribution to Biodiversity mainstreaming addressing Objective 1 is reflected by its focus on landscape approach and spatial and land use planning to ensure that land and resource use is appropriately situated to maximize production without undermining biodiversity and that local natural resource users are incentivized to biodiversity-friendly practices that preserves biodiversity in production zones and maintained ecological corridors for safe wildlife migration.

With respect to LD focal area, the project is aligned with LD 1-4 ? Reduce pressures on natural resources from competing land uses and increase resilience in the wider landscape? and has several focused

interventions consisting of: (i) assisted natural regeneration of vulnerable sparce juniper forests and other forest ecosystems on approximately 2,200 ha of degraded forest, with Hayantar agency, incentivizing local communities away from activities that are encroaching on juniper forest and other forest ecosystems ; (ii) sustainable climate-sensitive management regimes for 5,800 ha of forest ecosystems, with Hayantar agency, including local communities; (iii) improved grazing practices on 150,000 ha of pastures and grasslands benefiting soil and biodiversity in partnership with 10 Pasture Users Cooperatives and with local communities managing the pasture areas ;(iv) improved water management, land use management and crop farming on 10,000 ha of arable irrigated land, including repairs of irrigation infrastructure working nwith WUAs and supporting mobilization of funds for the required works. These SLM practices are aligned with the LDN prevent-reduce-restore degraded land philosophy, anchoring the ISLUPs, and are designed to also contribute to the reduced use of chemical fertilizers (through appropriate planning and design of LDN/SLM measures) and implicitly supporting the broader efforts of the govenrment and other donors to reduce pollution of freshwater adjacent rivers hosting important fish spawning habitats and critical breeding and feeding sites of vulnerable avifauna.

5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing;

Without the GEF investment, it is likely that actions against the pressures and drivers identified will be fragmented and largely diluted due to the known barriers, insufficient resources and capacity, and other competing national priorities.The biodiversity-rich grasslands and palearctic type of grasslands will continue to lose their rich species composition Private business in the vicinity of PAs/KBAs (tourism, agriculture, forestry) does not mainstream biodiversity conservation as a priority. No incentives to support biodiversity-friendly practices for the small-scale production and service businesses (tourism, farming) are in place. Sevan National Park will remain insufficiently capacitated to implement the new management plans that is being developed with the EU support (UNDP EU4Sevan project component). The lack of integrated monitoring data and real-time information on species, habitats, changes of ecosystems and their causes are stumbling blocks to the planning and decision-making processes and a better integration of biodiversity values in the broader landscape. For the KBAs, IBAs and other biodiversity hot spots to be effective in the conservation of viable species populations, they need to be adequately interconnected. Currently, despite ad hoc efforts of academia and NGOs, there is insufficient data on critical biodiversity outside Lake Sevan National Park, and most of the monitoring information consist of data on lake water quality and fish population. The current decoupling of researchers from decision makers in managing biodiversity will continue. The current land use planning will continue to have no specific provisions to define the biodiversity landscape elements and the anticipated change in their spatial requirements because of climate change.

The Armenian Government is specifically interested to advance progress towards the achievement of LDN and towards improving the sustainability of the agricultural practices in the PA production zones and landscapes, such as the sustainable management of pastures and grasslands.Under the baseline scenario, the Government of Armenia (GoA) is committed to provide an effective response to achieving land degradation neutrality and implement measures to meet global commitments under UNCCD contributing to Goal 15.3 of the SDG to achieve LDN by 2030. However, despite the existing few donors funded projects implementing sustainable land management measures (SLM) and support to LDN enabling framework (such as WB and FAO), in the Lake Sevan Basin landscape, the LDN approach is not part of the local and regional land use planning and there is basically no integrated land use planning and no technical knowledge and institutional coordination for the implementation of LDN compliant integrated land use planning.

Several restoration and improvement of degraded pastures have been implemented in Armenia in different regions including Gegharkunik and Vayots Dzor with very good results especially under WB CARMAC I and CARMAC II, however the investments did not provide solutions to the existing problems that would ensure sustainable pasture management and accessibility of distant pastures and did not actively include measures for the preservation of grasslands biodiversity. The baseline assessment of the existing financing instruments in agriculture sector (described under Project Document Annex 20) revealed that there are no subsidies or incentives for biodiversity sensitive sustainable agriculture practices, and for a wider uptake of SLM measures aligned with LDN based integrated land use planning in Armenia and in the Lake Sevan landscape. The national approach to agricultural incentives is very much production-oriented with insufficient regard to natural resources, including soil productivity and water consumption at irrigated areas. Farmers are not financially stimulated to manage their land in an integrated manner that produces economic, social, and environmental benefits and extends the care for soil productivity, nearby biodiversity and rural vitality.

A large share of public investments will continue to flow towards the rehabilitation of the irrigation sector although the budget for the maintenance of irrigated infrastructure covered from public funds is insufficient and public funds can only partially cover hydrotechnical repair works. However, the benefits of sustainable LDN compliant cropping patterns that do not deplete soil resources in Sevan landscape will continue to remain largely untapped, since there very little incentives and technical knowledge to progress with sustainable farming. Cross-sectoral coordination that allow for integrated policy making in Lake Sevan basin landscape is insufficient for the integration of a complex set of threats and barriers in Lake Sevan Basin. Biodiversity conservation has been done primarily through ?classic? approaches through designation of protected areas and focus on lake Sevan aquatic ecosystem. Apart from a WWF led initiative on mapping critical habitats in the Lesser Caucasus Ecological Corridor and promoting community-based conservation, there is little focus on the biodiversity surrounding the Lake Sevan littoral areas that have no legal protection and on the reserves, and wildlife sanctuaries that are under the Sevan National Park jurisdiction further away from the National Park headquarters and not benefiting from adequate PA monitoring and patrolling due to limited resources and PA capacities.

The GEF alternative scenario will maximise the baseline investments and will support an integrated and holistic sustainable development approach at Lake Sevan catchment and entire landscape scale that will mainstream LDN compliant SLM and biodiversity safeguards. It will also support removal of the systemic and institutional barriers to mainstreaming biodiversity in key sectors (such as agriculture and local tourism) and strengthen biodiversity management at the national and local levels through community-based natural resource management, whereby sustainable land use practices will ensure ecological integrity of key ecosystem services and will also sustain livelihoods. The support of biodiversity considerations into key sectors (i.e., agriculture) will promote the involvement of these stakeholders in efforts to improve the management effectiveness of PAs, thus assist in preventing species extinctions, conserve globally significant biodiversity, and protect and improve ecosystem services in the Lake Sevan Basin, thereby strengthening the local and national economies and generating global environmental benefits.

The initial total cost of the project estimated at PIF stage was **USD 26,475,000.** At the PPG stage, the total cost of the project is : *29,701,763 USD* (co-financing letters are attached under Annex 25 of the Project document). The change of the co-financing amounts are presented below:

- The expected government contribution has been increased since the PIF stage. For example the Ministry of Environment has increased its investment in sustainable biodiversity management and biodiversity incentives for the promotion of biodiversity friendly agricultural practices in Lake Sevan Basin with USD 1,435,763 (from the USD 22,440,000 at the PIF stage to USD 23,875,763 at the PPG stage).

- In the same vein, the Ministry of Economy will mobilize additional investments of USD 1,500,000 for the promotion of SLM measures and sustainable pasture management (an increase from USD 500,000 at PIF stage to USD 2,000,000 at the PPG stage). This increase of investment can be also credited to the stakeholders engagement activties and advocacy of the PPG team.
- The WWF Armenia investment has increased from 400,000 to 695,000 to include co-funding for the project management.
- The Caucasus Nature Fund has no longer been able to confirm the pledged co-financing at the PIF stage (35,000) due to changes in their funding priorities.
- UNDP Armenia has increased its co-financing with USD 31,000 (an increase from USD 3,100,000 to USD 3,131,000) representing investments into similar initiatives promoting sustainable agriculture practices.

6) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF);

The project?s quantitative contributions to the GEF?s Core Indicators are further detailed in the Core Indicators Worksheet. Sevan Basin is strongly interconnected, with multiple ecosystem services dependent on several KBAs/IBAs and biodiversity hot spots anchoring the entire landscape and the project?s integrated approach generates multiple GEBs. LD benefits come from reduced land degradation and improved soil condition. The project will support the improved soil productivity on approximately 10,000 ha of arable land, through improved irrigation methods, and non-depleting agriculture measures that will aim at increasing soil productivity and reducing the amount of fertilizers used in conventional agriculture and decreasing soil erosion, which will contribute to some extent towards a reduction of single pollution sources and implicitly towards a positive change in improving the water quality in Sevan and Arpa basins and decreased water abstraction for irrigation. The project supported GEB will be expressed also as improved soil condition and grassland biodiversity for 150,000 ha of pastures and improved regeneration rate of 2,200 ha forest and sustainable management of 5,800 ha of forests. Targeted LDN compatible SLM measures will help decrease the soil erosion risk from crop fields and pastures and freshwater and soil pollution with mineral fertilizers. Carbon benefits will accrue as soil carbon is restored and forest and grasslands and pastures regenerates.

The lake and freshwater river habitats in Sevan Basin landscape provide ecosystem services, such as freshwater supply, climate regulation and aquatic recreation. The surrounding areas include mountain pastures and meadows, mixed temperate forest and sparce juniper forest ecosystems sheltering important wildlife. At the same time, there are vast tracts of degraded land around these areas that can be restored to sustainable production. The project addresses land/water and biodiversity resources through an LDN compatible landscape approach that will be implemented through Integrated Land Use and Spatial Plans (ISLUPs) and further through concrete SLM measures around KBAs/IBAs- and this integrated approach itself will generate multiple environmental benefits. As such, sustainable production and restoration of degraded lands around these KBAs/IBAs, reserves and wildlife

sanctuaries inside and outside legally protected areas will contribute to improving the ecological condition and ecosystem services of Sevan lake and associated rivers and wetlands, as well as surrounding steppe and mountain meadows, forests and arable land. The rehabilitation of degraded lands will support the needs of agriculture without further encroachment on wildlife habitat. For example the gradual regeneration of approximately 2,200 ha of forest of which 588 ha of degraded juniper sparce forest through ban on surrounding pasture grazing in the Juniper Open Woodland Sanctuary will create a suitable habitat for a migration of wildlife and potential recolonization of Bezoar Goat in Sevan Basin. The sustainable pastures and grasslands regime of 150,000 ha of pastures of which approximately 8,500 ha biodiversity-rich Palearctic grasslands will contribute to the ecological integrity of the South Eastern Lesser Caucasus Ecological Corridor and functionality of safe wildlife migration corridors.

Sizable BD benefits are also associated with the improved management status on 147,456 ha of Protected Area (KBAs/IBAs) and stable status of populations of many global Red List species.

The GEF investment (proposed conservation measures are presented under Output 2.1.1/Project Document) will significantly contribute to strengthening the management effectiveness of Sevan National Park (including Sevan Ramsar Area and KBA/IBA) supporting measures that can lead, in time, to the stabilization of the population of key species. This is proposed to be done with full involvement of the local communities in the management of valuable habitats/migration corridors within the South Eastern Lesser Caucasus Ecological Corridor that can create favourable conditions for the expansion of the population of the Bezoar Goat (*Capra aegagrus*) VU from Vayots Dzor (where it has been spotted) to Gegharkunik (where it used to be spotted in the past), as a result of the targeted project-supported measures that will lead to the regeneration of its preferred habitat i.e. in and around the Juniper Open Woodland Wildlife Sanctuary and other sites in Gegharkunik region.

Important GEB will be derived from the project-supported interventions on integrated landscape management underpinned by biodiversity-sensitive spatial planning of KBAs/IBAs helping to preserve the population of globally important species. The Gegharkunik region hosts the Sevan KBA/IBA (171,972 ha) nearly completely covered by the National Park Sevan (147,456 ha). The Juniper Woodland Sanctuary (3,312 ha) is included in the Sevan Ridge KBA, and it is hosting mountain meadows and critical juniper sparce forest habitat once inhabited by the Bezoar Goat (*Capra aegagrus*), where the project will incentivise local farmers to apply rotational grazing and limit the encroachment on the juniper forests. In Vayots Dzor region, the Jermuk-Yeghegis KBA/IBA includes several wildlife sanctuaries sheltering mountain ungulates. These KBAs/IBAs and wildlife sanctuaries are partially or totally nestled within the Eastern Lesser Caucasus Corridors, one of the main wildlife corridors in Caucasus Ecoregion (WWF), encompassing broadleaf and coniferous forests and subalpine-alpine meadows and shrublands habitats, preferred by the wild mountain ungulates and the Caucasian Leopard (*Pantera pardus*), their predator. The improved spatial planning and integration of biodiversity considerations in land use management will lead to improved conditions of pastures and

grasslands, and expected positive trend of other globally important species e.g. the Steppe Viper, a good indicator species of mountain meadows high value grasslands.

The project will contribute to the national effort toward meeting the Aichi Targets with its incremental effort at preventing the loss of natural habitats and reducing degradation and fragmentation (Aichi Target 5), strengthening management capacity, resilience and financial sustainability of projected areas (Target 11), and restoration and building resilience of key ecosystems and habitats (Targets 10 and 15).The project has been designed using the UNCCD LDN Checklist *(UNDP/GEF Project Document Annex 24)*. The ecosystem management benefits will be mostly associated with the integrated land use planning and implementation of LDN through tailored Sustainable Land Management (SLM) in buffer and production/economic zones in the PA/KBA/IBAs surrounding geographies to benefit biodiversity. The landscape approach in Sevan Basin will contribute to the broader efforts of the government and other donors to the implementation of measures under Sevan River Basin Management, in terms of supporting an improved land use planning and sustainable nature positive agriculture practices that will contribute to the reduction of the soil erosion and the reduction in the use of the chemical fertilizers, that will contribute to the decrease of pollution in lake Sevan and associated river system and fish spawning habitats. The gradual improvements will be seen as the demonstrated LDN compatible SLM measures will be taken up at a wider level in Sevan Basin, as a result of sustainable financing flow through the Agri-payment scheme and the systemic change in land use and spatial planning that will incorporate LDN principle, and will mainstream biodiversity spatial elements. The envisaged global environmental benefits will be expressed as:

?   147,456 ha protected areas under improved management and financing effectiveness consisting of the Sevan National Park (Indicator 1.2);

?   2,200 ha of restored forest land, including approximately 588 ha of juniper sparce forest in the Juniper Open Woodland Sanctuary (Indicator 3.4)

?   150,000 ha of pastures and grasslands under sustainable management, including approximately 8,500 Palearctic grasslands with preserved biodiversity (Indicator 4.1)

?   10,000 ha arable irrigated land under sustainable management and non-depleting farming practices (Indicator 4.3)

?   5,800 ha native forest ecosystems under sustainable regimes, with updated climate sensitive management measures and forest fire prevention measures (Indicator 4.3)

?   1,403,851 CO_2e- total carbon sequestered (Indicator 6.1) as calculated using FAO-EXACT tool, considering the assisted natural regeneration of 2,200 ha of forest and improved soil carbon in sustainably management pastures and grasslands on 150,000 ha.

7) **Innovativeness, sustainability and potential for scaling up. ?**

The project?s innovative strategy is incremental in that it leverages an integrated landscape approach and the Key Biodiversity Areas (KBAs/IBAs) within the wider landscape as the focal points for integrated sustainable land use management with biodiversity benefits from mainstreaming. The project includes innovative measures implemented together with local natural resources users, expected to bring about change and support the shift towards a more sustainable use of natural resources:

?   *Integrated LDN compliant integrated land use management:* The project is turning the LDN concept into practice in Lake Sevan Basin and will generate innovative approaches to multi-sector land use planning based on remote sensing data in mapping and geospatial analysis, testing and implementation of LDN compatible land use planning in Geghargunik and Vayotz Dzor provinces.

?   *The UNCCD endorsed innovative online tool LUP4LDN* will be piloted in Vardenis, Martuni, Shogakat, Yeghegis, Vayk and Jermuk communities in Sevan Basin landscape. The resulting ?Neutrality Maps? from using such an innovative tool will allow visualisation and quantification of gains (where interventions are planned to reverse past land degradation), stable areas (where land based natural capital can be maintained through good management) and anticipated losses (where realistically it is determined that land degradation may not be avoidable). The LUP4LDN will be used for the development of Integrated Spatial and Land Use Plans in these six targeted communities. Once formally approved, these plans become mandatory and will be implemented by the local self-government in communities and villages (LSG) . The project will develop Guidelines and Manuals for the development of LUP4LDN assisted ISLUPs which are expected to be formally approved by the national and regional authorities and replicated to other regions.

?   Innovative financing of biodiversity friendly agriculture in Lake Sevan Basin landscape through the KPI based Agri-Environmental Payment Scheme: This represents a revolutionary step in Armenia?s agriculture sector and will be initially applied within the projects? partnership with 10 Pasture Users Associations. This KPI based Scheme is expected to be ultimately embedded within a national state programme.

?   *Restored pastures, cropland and assisted regeneration of high value forest ecosystems*: The innovative element will consist in the application of diverse irrigated land, pasture and forests management measures aligned with the LDN ?prevent-reduce-restore? hierarchy, based on the LDN baseline assessments and active promotion of biodiversity-friendly production practices and ecological corridors and buffer zones around PAs and KBAs/IBA.

?   *Integrated water/land management*: The project?s integrated approach is aligned with LDN concept and basin approach and will provide concrete demonstration of integrated water-land sustainable use on farmland areas and LDN compliant soil enriching farming measures in the targeted local communities; it will support the use of innovative irrigation technologies (such as drip irrigation) and strategic irrigation refurbishments to facilitate access to water. The proposed project will coordinate with other donor funded initiatives implementing sustainable Lake Sevan catchment management by building upon and supporting different measures under Sevan River Basin

Management Plan and its Programe of Measures (PoM), and Lake Sevan National Park Management Plan.

? *UNDP supported Innovation Challenge* will be organized together with Impact Hub Social Innovation Development Foundation and will promote innovative business solutions, innovative technologies, policies, regulations and financial instruments aiming at identifying alternative financing solutions for Lake Sevan National Park, and other biodiversity hotspots.

? *Innovative biodiversity monitoring* involving the project-supported partnerships of Lake Sevan National Park with the local communities ?green patrols?, guided monitoring activities with schools and academia representatives that will support a better involvement of local communities in the PAs biodiversity monitoring.

? The project will coordinate closely with WWF Armenia staff and will also explore the use of a mobile application called **?Earthbeat?** (developed by an Armenian Company within WWF Armenia Project ECF phase 1). The Park rangers and Wildlife community caretakers will be trained in using the *Earthbeat App,* which has been already tested and proven to be a really a good tool not only for monitoring of wildlife, but also for pasture management, human-wildlife conflict. For example, the *Earthbeat App* could be used in Vayots Dzor villages, where there were 256 cases of brown bear attacks on cattle and poultry and vegetable crops, vine, and beehives; based on monitoring of these cases, the project could support local communities and provide support for electric fencing of beehives and for orchard protection.

Sustainability: Institutional sustainability will be ensured through a strengthened inter-sectoral coordination through the *Inter-Sectoral Coordination Committee* (Output 1.1.3) at Lake Sevan Basin landscape level. The project will closely coordinate with the EU4Sevan Project and will support the strengthening of capacity of the Inter Sectorial Committee that will be set up (re-activated) by EU4Sevan Project. This Committee?s main role will be to advise and support coordination of sectoral policies in Lake Sevan Basin, and with the GEF project?s support the members/institutions participating in this Committee will be better capacitated to ensure integration of LDN implementation with the current and future commitments on biodiversity, land degradation and climate change, and will promote UNCCD?s LDN concept, UNCBD and UNFCCC agenda as well as coordination with EU WFD and IWRM principles in a synergic way. The participatory approaches employed by the proposed project will aim at multiple development dividends, empowered rural communities, conscientious and effective managers of natural resources, with increased capacities to manage their land, access financing and enhance their livelihoods. Socio-economic sustainability will be enhanced by improving livelihoods of local communities, through the restoration of land resources and improved pasture management and securing ecosystem services (Component 3).

The project will work through local governance structures ? including strengthening pasture users? group, cooperatives, women groups and farmers-to-farmers sharing of experiences, in order to improve communication, collaboration and cooperation between tenure holders, natural resource users and the relevant state, regional and local administrations. Environmental sustainability will be enhanced by LDN compatible land use planning (ISLUPs) in selected municipalities, guiding the implementation of concrete LDN compatible SLM measures resulting in improved land and biodiversity condition and supporting progress towards a decrease of diffuse water pollution sources coming from agriculture. The financial sustainability will be ensured through the innovative agri- environmental payments (Output

3.1.1) that will encourage biodiversity friendly practices in Lake Sevan productive landscape. ==Once they are formally approved, the ISLUPs will become mandatory and will be implemented at every level (marz-district/community/village) by the local authorities. The Agri-environmental payment scheme will be tested with a view of embedding agri-environmental payments into the governmental programmes that are financing sustainable pasture management.== Moreover, by strengthening the institutional capacities of the members of the Inter-sectoral Coordination Sevan Committee (Output 1.1.3) and of the Sevan National Park (Output 2.1.1.) and by leveraging multi-sectoral stakeholders? engagement at the level of the Lake Sevan Basin, the project will create an enabling environment that reduces investment risks, creates the conditions for reduced dependency on grant-funded initiatives by attracting private finance. The project concept aligns with the STAP guidance (GEF/STAP/C.56/Inf.04) on achieving sustainable outcomes, including the following approaches: (i) Designing multi-stakeholder processes to engage key stakeholders, build stakeholder trust and motivation, and incentivize core actors for sustainable Lake Sevan Basin landscape management (ii) Outlining a theory of change that recognizes the need for integrated and participatory approaches and emphasizes diversity and adaptive learning. ==The project?s training materials will be embedded in university courses. In this regard, the project will work with Gavar University to update two courses of the existing curricula capturing the project-supported experience, manuals and guidelines.==

Scaling up: The project is innovative and scalable in its design, and will employ mainstreaming, replication and linking of results with on-going national initiatives in order to achieve greater impact. Its objective is to identify LDN targets and support their implementation in selected municipalities and provide replicable models that could be immediately scaled up to the entire Lake Sevan Basin. The guidelines and manuals capturing the LDN compliant land use management, informed by ELD concept and biodiversity considerations as well as SLM generated experience will be institutionalized and therefore could be replicated in other municipalities and/or regions. The new innovative UNCCD endorsed LUP4LDN software tool will be piloted and demonstrated at the level of targeted municipalities providing knowledge and expertise for replication and sustainability of interventions. The mechanism of the project-supported KPI based Agri payment Scheme (Output 3.1.1) is expected become institutionalized (adopted/embedded into a national state programme), and to incentivize farmers away from destructive agriculture practices and support the biodiversity-sensitive pasture and grasslands management and use of remote pastures. Ample awareness raising and capacity building events is expected to result in a wider up taking of LDN/SLM and biodiversity friendly practices. The project will closely coordinate with other ongoing interventions in particular with GEF/FAO *?Implementation of Armenia?s LDN commitments through sustainable land management and restoration of degraded landscape*? linking the proposed LDN approaches in Lake Sevan basin with the National LDN platform and reporting mechanism, in view of scaling up demonstrated LDN implementation at sub-national levels. The LDN Regional Workshop envisaged under Output 1.1.1. and supported by the project will bring together countries in the regional and countries with similar climatic conditions to share lessons learned and scale up good practices in the setting up targets at sub-national level and LDN reporting and monitoring LDN implementation progress.

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[1] https://data.worldbank.org/?locations=XT-AM

[2] USAID, Armenia Climate Risk Profile

[3] Fourth National Communication to UNFCCC

[4] As of 2018 Armenia transitioned from a semi-presidential to a parliamentary republic

[5] EBRD-Transition Report 2021-2022

[6] Sevan Basin Management Plan

[7] Urutyan, 2013a, Millns, 2013

[8] https://medwinpublishers.com/IZAB/revision-of-important-bird-and-biodiversity-areas-of-armenia.pdf

[9] https://iwlearn.net/resolveuid/6af5017fa3a56bc7b8428f71c100362e

[10]https://www.researchgate.net/publication/344142055_High_diversity_in_Armenian_grasslands_EDGG_Field_Workshop_provides_standardized_data_for_the_first_time

[11] These include Endemic: *Myosotis claralaghezica*, *Colchicum goharae*, *Merendera mirzoevae*, *Ribus armenum*, *Cotoneaster armenus*, *Pyrus elata*, *Pyrus hajastana*, *Pyrus sosnowskyi*, *Pyrus tamamschianae*, *Pyrus voronovii*, *Rosa sosnovskyana*, *Rosa zangezura*, *Rubus takhtadjanii*, *Rubus zangezurus* and rare species registered in the Red Book of Armenia: *Ophioglossum vulgatum*, *Pteridium tauricum*, *Galanthus alpines*, *Castanea sativa*, *Tulipa confusa*, *Epipogium aphyllum*.

[12] https://www.worldbank.org/en/news/feature/2020/02/03/can-better-land-management-unlock-agricultural-transformation-in-armenia

[13] NBSAP Armenia

[14] CARMAC Project (GEF/WB)

[15] https://www.unccd.int/sites/default/files/inline-files/Armenia_1.pdf

[16] Sevan Basin Management Plan (EU Water Initiative Plus)

[17] EU4Sevan Project Document (CRIS No.ENI/2020/416-204)

[18] Data recorded between August-October 2016

[19] https://unfccc.int/sites/default/files/resource/NC4_Armenia_.pdf

[20] Armenia Climate profile, WB,2021 https://climateknowledgeportal.worldbank.org/sites/default/files/2021-06/15765-WB_Armenia%20Country%20Profile-WEB.pdf

[21] IFAD, 2015

[22]https://info.undp.org/sites/bpps/SES_Toolkit/SES%20Document%20Library/Learning%20Material s/UNDP_S7_Labour%20Guidance%20Note_June2021.p

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

Please see GEF-UNDP Project Document *Annex 3 Project map and geospatial coordinates* of project sites and Annex E of this CEO Endorsement request document.
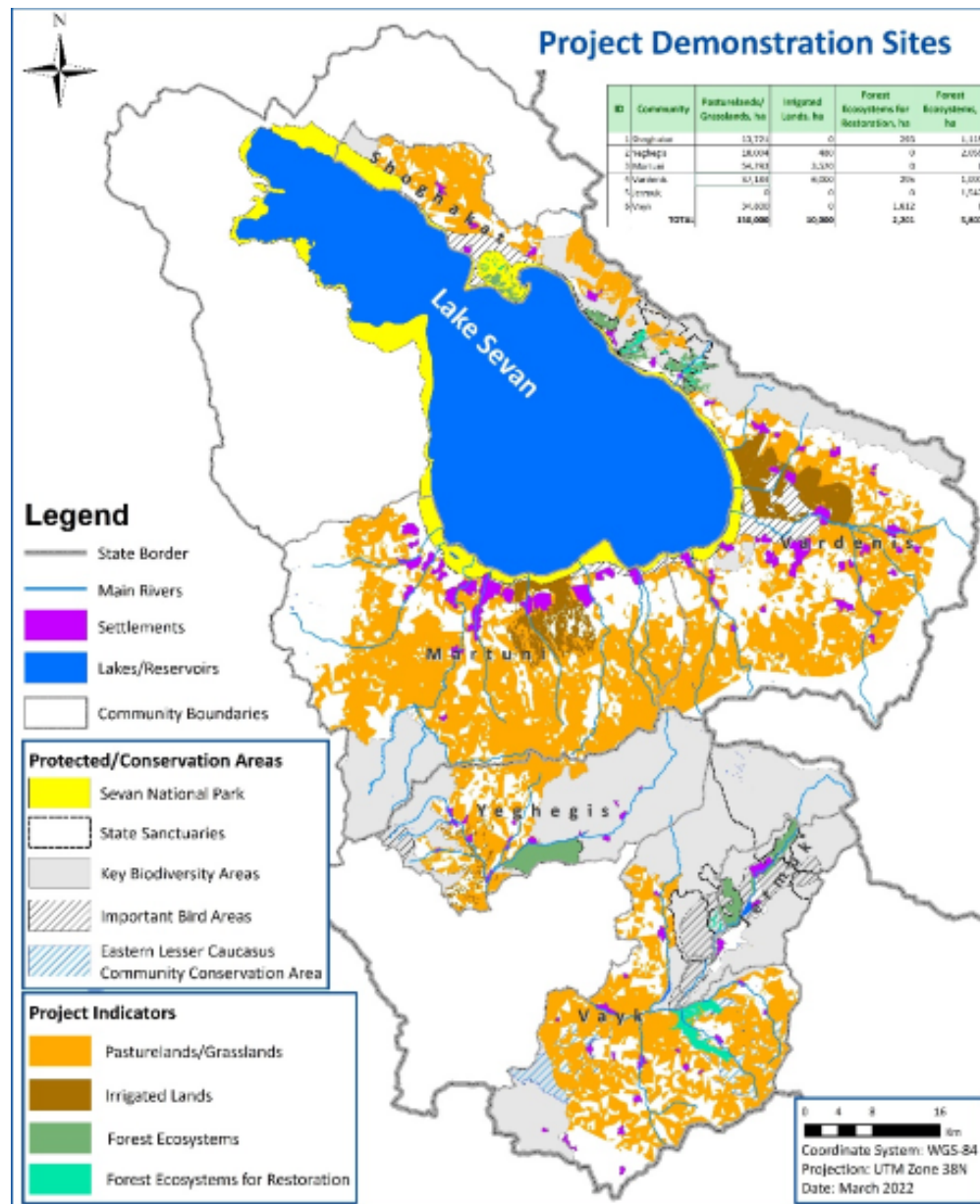
1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

No

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Please see *Annex 8 Stakeholders Engagement Plan* of the GEF-UNDP Project Document.

 The project stakeholder analysis and engagement strategy has been updated and more fully elaborated during the PPG phase. The project stakeholder analysis is summarized in Section III of the Project Document. A more detailed ?Comprehensive Stakeholder Engagement Plan? is included as Annex 8 of the Project Document and includes information on how stakeholders have been consulted during project preparation and their proposed involvement in the project execution, the means and timing of engagement, how the information will be disseminated, resource requirements throughout the project cycle to ensure proper and meaningful stakeholder engagement, and coordination with other relevant initiatives including GEF projects.

The successful implementation of the project will largely depend on the effective communication and coordination with multiple project stakeholders and the implementation of mechanisms to ensure these stakeholders? participation. The key national and sub-national stakeholders include: (i) Ministry of Environment which is the Implementing Partner of this project, offering co-financing of project activities under Component 1 (Output 1.1.1), Component 2 (Output 2.2.1) and Component 3 (Output 3.1.1) and project management as well as facilitating synergies with the on-going state programmes for example the ?Sevan National Park restoration, preservation of forest ecosystem and management of freshwater resources? and ? Programme of establishing new forest stands around Lake Sevan 2014-2023?. The agencies under the Ministry of Environment?s mandate such as Hayantar and National Park Sevan SNCO will be key in achieving project Outcome 2 and Outcome 3. (ii) Ministry of Economy is a key partner in this project which will offer co-financing for activities under Component 3 (Output 3.1.1, 3.1.2, 3.1.3) and will facilitate the project?s synergies with the relevant state programmes related to the Strategy of the main directions ensuring economic development in agricultural sector of Armenia 2020-2023?; (iii) Ministry of Territorial Administration and Infrastructure is a key partner in this project and will support LDN and SLM measures to achieve land degradation neutrality under

Component 1 and Component 3. Partnerships with other state agencies as well as with NGOs will be equally important to the achievement of the project outcomes for example with the media and environmental journalists that are trained in environmental reporting and related programmes/news platform such as: Ecolur Environmental News; Eco-Media; Eco-News; National radio and TV broadcast agencies. Cooperation with different government agencies: ?BioResources? Management Agency and Environmental Monitoring and Information Center (both under the Ministry of Environment) for the support in data collection and assessments as well as education and awareness activities. Partnership with the National Union of Farmers in Armenia; Ministry of Education and Science; Ministry for Emergency Situation; Ministry for Communication; National Academy of Science will be key to reach Outcome 3.

Partnerships and synergies with various environmental NGOs: Armenian Environmental Front Initiative; Armenian Environmental Network; Young Biologists Association; Green Union of Armenia; Caucasus Nature Fund; Eco House and Camp; REC Caucasus; Environmental Public Advocacy Center, as well as international organizations FAO, GIZ, USAID, WB, ADB, EBRD will be sought especially for the education and awareness activities under Outcome 4. Women organizations such as Green Lane Agricultural Assistance; Shen NGO; ESF NGO; Armenian Women for Health and Healthy Environment and local NGOs such as Municipal Women Council of Martuni NGO (in Martuni); Blejan NGO (in Gavar) will support the project?s gender advocacy and gender mainstreaming. Partnership with the State Radio and TV Broadcasting Companies will support the setting up of radio agricultural extension services to reach out to remote communities. Partnerships with local private livestock entrepreneurs, farmers, eco-tourism entrepreneurs will be sought as well. The project will work directly with with small-scale agricultural producers, including those producing crops, and those in the livestock sector. The land and water resources of the target region cannot be sustainably managed without the full cooperation and support from the private sector. The project will directly engage and involve local small holders in the agricultural sector, which are by and large the main relevant private sector actors with respect to sustainable land use in the rural areas targeted by the project.

The project will work with the ?Gegharkunik? Water Users Associations and ?Yeghegnadzor? Water Users Associations (WUAs) in both regions to support the development of integrated LDN compatible water/land management plans and implement non-depleting agricultural practices that are LDN compatible and have lower environmental impacts (e.g., drip irrigation) (Output 3.1.2). The project will engage with the Gegharkunik and Vayots Dzor Regional Farmers Council and with pasture users associations/livestock private entrepreneurs in select municipalities in order to support the sustainable pastureland/grassland management plans and implement KPI based agro-environmental payments (Output 3.1.1) Furthermore, the project will work with ?Hayantar? State Non-Commercial Organization (SNCO? state-owned enterprise) for the development of sustainable forest management planning and forest restoration activities (Output 3.1.3) and will engage with business associations and small scale tourism businesses in the local targeted areas develop nature-based tourism schemes. Facilitation of public private partnerships will be supported including the possibility of engaging with responsible tourism businesses e.g., hotels/tourism operators in private sector supported

programmes to raise awareness of the Lake Sevan Ramsar site values, bird watching and camping opportunities through guides, booklet, support to visitor center, specifically tailored guided tours learning activities (Output 2.1.2; 3.1.4). Possible involvement of mobile phone operators in innovative PA funding (e.g., crowdfunding) will be also explored through the Innovation Challenge (Output 2.1.2). The project?s engagement with the private sector will further extend to coordination with financing institutions, investment funds and NGOs in promoting green lending to support responsible and sustainable agriculture and in the design and delivery of targeted trainings for natural resource users (Output 4.1.1) e.g. ACBA Credit Agricole; Armenian National Investment Fund (ANIF); Development and Investment Cooperation of Armenia (DICA); Centre for Agribusiness and Rural Development (CARD); the International Centre for Agribusiness Research and Education (ICARE).

The key national and regional stakeholders are reflected in the table below:

Institution	Description/Role and engagement in the project
Ministry of Environment (MoE)	Ministry of Environment is responsible for environmental protection and rational use of natural resources, prevention or reduction of negative impact on air, waters, soil, flora and fauna, protected areas and forests, wetlands. The MoE will play a leading role in the Intersectoral Stakeholder Coordination Committee for LDN implementation in Lake Sevan (Component 1; Output 1.1.3), organization of Innovation Challenge for identification of biodiversity alternative financing sources, organization of awareness and training activities. **MoE is the Implementing Partner** for this project and a key partner in promoting/advocating for formal approval of policy measures aiming at mainstreaming biodiversity into spatial and land use planning and improvement of Sevan National Park?s management. <mark>MoE will ensure the sustainability of the AgriEnvironmental Payment Scheme tested by the project by embedding this scheme in the governmental programmes financing pastures management.</mark>

WWF Armenia	Operational since 2002, WWF is implementing projects focused on development and strengthening Ecological network of Armenia, conservation and restoration of threatened species, mitigation and adaptation of climate change impact on forest ecosystems, introduction of economic mechanisms for alternative livelihood for local communities in order to promote sustainable use of natural resources. The WWF Armenia was selected by the Ministry of Environment (MoE), in consultation with UNDP CO, based on the following criteria: a) long-lasting experience with Protected Areas and biodiversity management; b) experience with wildlife population assessments and establishment of migration friendly corridors supported by the local communities; c) experience with the implementation of environmental incentives for biodiversity friendly agricultural practices around Key Biodiversity Areas (KBAs); d) successful record of implementing international donor funded projects. From this perspective, the WWF Armenia?s comparative advantage and internal capacities were acknowledged since the PIF stage and validated through HACT and PCAT assessments. Upon the project inception, the MoE in its capacity as Implementing Partner (IP) of this project through its affiliated EPIU, will enter into an agreement with WWF Armenia, for the realization of the Component 2 and Output 3.1.4, based on a final validation and budget fine-tuning that will be further agreed between parties during the inception period.
Ministry of Economy	The Ministry of Economy is mandated with the development, implementation, coordination, and assessment of the results of economic policy, implementation of unified agrarian policy of the Government, technical and technological equipment of agriculture sector and introduction of innovative solutions, promotion of organic agriculture, development of agricultural cooperation. The Ministry of Economy is a key project partner in implementation of LDN and SLM measures, ==and ensuring the sustainability of the AgriEnvironmental Payment Scheme tested by the project by embedding this scheme in the governmental programmes financing pastures management.==
Ministry of Territorial Administration and Infrastructure of the Republic of Armenia	Mandated with the increasing of performance efficiency of regional administrations and local self-governance bodies, development of recommendations on introduction of waste removal and sanitary cleanup system in compliance with international norms, development and implementation of state policy in energy and transport sectors. The Ministry is a key partner in implementation of LDN guided land use planning, review and approval of the plans.
Ministry of Emergency Situations (Rescue Service)	The Ministry coordinates its emergency services according to the law and serves to evacuate citizens in the context of emergency situations and during natural disasters. The project will organize joint trainings for the PA staff and some of the local communities? volunteer squads, on wildfire fighting in forest areas in Gegharkunik and Vayots Dzor regions. The fire-fighting trainings will be organized jointly with the Ministry of Emergency Situation?s experts from the Fire and Rescue Squad.
The Water Committee	This is a public agency under the Ministry of Territorial Administration and Infrastructure, which develops and implements the policy of the government regarding the management and use of state owned water management and it will participate in the inter-sectoral coordination mechanism at Lake Sevan Basin landscape level, other working groups related to the development of integrated monitoring database in the Lake Sevan National Park and trainings.

Urban Development State Committee	Mandated with the development of ?green urban development? principles, ensuring harmonic development of natural and cultural landscapes. The Urban Development Committee will participate in the LDN and spatial and land use planning meetings and working groups as well as trainings and awareness sessions.
State Committee of Real Estate Cadaster	Mandated with the land use data management, development of land policy, principles of management of land resources, development and implementation of geodesy and mapping project. The Cadaster Committee is a key partner in the implementation of LUP4LDN and LDN guided land use planning.
Statistical Committee of the Republic of Armenia	Mandated with the development, production and dissemination of official statistics according to the statistical programs. The Statistical Committee will be involved in Land use planning, socio economic and biodiversity data collection and analysis.
Environmental Protection and Mining Inspection Body of the Republic of Armenia	Mandated with ensuring compliance with safety and legislative requirements related to nature protection and mining. Beneficiaries of trainings and awareness sessions.
Gegharkunik and Vayots Dzor Regional Administrations	Mandated with the implementation of territorial policy of the Government, coordination of activities of territorial units of executive institutions of the country. The regional authorities are key partners in LDN target setting, approval and implementation and monitoring. Beneficiaries of trainings and awareness sessions.
Committee of Forest of the Ministry of Environment of the Republic of Armenia (Chambarak and Vayots Dzor branches of Hayantar SNCO)	Mandated with ensuring sustainable management of state forests, including protection, reforestation, afforestation and efficient use. The local branches of Hayantar SNCO are key partners in the development and implementation of sustainable forest management plans and restoration of forest ecosystems. Beneficiaries of trainings and awareness.
?Hydrometeorology and Monitoring Center? State Non-Commercial Organization	Mandated with the collection, analysis and protection environmental and hydrometeorological data. The Center will participate in the project?s activities, climate change assessments and working groups, trainings.
?Sevan National Park? State Non-Commercial Organization	Mandated with ensuring normal process of development of aquatic and terrestrial ecosystems, protection of natural and historical monuments of Lake Sevan basin. The Park administration is a key partner for the implementation of the activities related to biodiversity in and around PA and community outreach. Beneficiary of training and awareness sessions.

Foundation for Restoration of Sevan Trout Stock and Development for Aquaculture	Mandated with the restoration of trout stock in Lake Sevan, establishing and development of Sevan trout production and realization value chains and related branches, solving of Lake Sevan problems, development of production and processing of aquaculture in Armenia, development of knowledge-based and innovative technologies. The Foundation will support data collection and analysis on ichthyofauna of Lake Sevan and analysis of threats and impact and will support capacity building on sustainable fishing/aquaculture.
Caucasus Nature Fund (CNF)	CNF is a conservation trust fund created to safeguard the Caucasus ecoregion- one of the global biodiversity hotspots. It provides matching grants and technical assistance to protected areas in Armenia, Georgia and Azerbaijan, building capacities to sustain natural parks for future generations.Beneficiaries of trainings and awareness activities.
Local Self-Governance Bodies	These local authorities are in charge with monitoring the implementation of the environmental regulations, including promotion of environmental education, promotion of tourism, implementation of disaster risk reduction measures, waste removal and sanitary clean-up in communities. They are key partners in the development and implementation of pastures management plans, forest management plans, agroforestry measures. Beneficiaries of trainings and awareness activities.
Local natural resource users groups	? National Union of Farmers- regional branches ? Ghegarkunik Water Users Associations (Ghegarkuni region) ? ?Yeghegnadzor? Water Users? Association (Vayots Dzor) Project beneficiaries.
Private sector	The project will work with the representatives of tourism/hospitality industry in Lake Sevan basin. The project will also focus on small livestock entrepreneurs and local agriculture producers, and other local small tourism entrepreneurs in targeted villages/municipalities. The project will work with financial institutions to encourage/promote green lending to support responsible and sustainable agriculture and tourism business models. Project beneficiaries.
Financial Institutions	The project will work with the representatives of financial institutions (EBRD; ACBA Bank; FinBank; Inecobank) with portfolios in agriculture sector and tourism sector in order to ascertain the feasibility of piloting an agri-environmental payment scheme and explore operationalization options of such a mechanism for sustainable pasture management and financing biodiversity friendly agriculture practices. Beneficiaries of training and awareness activities.
Center for Ecological-Noosphere Studies, National Academy of Sciences, RA	The Center is conducting various assessments: assessment of ecological status of territories, development of scientific and methodological fundamentals of risk analysis, optimization of natural resource management processes, solution of problems in the area of human ecology. It will be a key partner in promoting LDN guided land use planning, mainstreaming of biodiversity spatial elements into land use planning, roll-out of the LUP4LDN software for land use planning, setting up integrated monitoring data base at Lake Sevan National Park, monitoring of key species, trainings and data analysis.

Institute of Botany, National Academy of Sciences, RA	The Institute is in charge with inventories of flora, vegetation and plant resources of Armenia, development of principles for increasing the efficiency of main forest systems, importing and adaptation of vegetation and plant resources, study of dynamics of changes of vegetation of Armenia. The Institute will be a key partner in the assessments of palearctic grassland areas and management recommendations, as well as knowledge management, knowledge sharing, targeted research.
Scientific Center of Zoology and Hydroecology, National Academy of Sciences, RA	Studying of hydro- and terrestrial ecosystems of Armenia, biodiversity, taxonomy, morphology, ecology, ethology, evolution, genetics, zoogeography of invertebrate, vertebrate animals and parasitic fauna of animals. Assessment of bioresources, development of their conservation methods, restoration and sustainable use. The Institute will participate into species survey, management recommendations, as well as knowledge management, knowledge sharing, targeted research.
Armenian National Agrarian University	The University is in charge with the preparation of agrotechnology specialists capable to develop the food and agriculture system in the country with the help of their professional skills and through cooperation with the sector?s stakeholders. The University will participate to surveys, analysis of biodiversity and land degradation assessments.
Gavar State University	Mandated with the provision of higher education, including in biology, nature protection and use, mapping and cadaster. The University will participate to surveys, analysis of biodiversity and land degradation assessments. The University will update the environmental management and cadaster work and courses by capturing the project?s training materials, ensuring sustainability of the knowledge generated by the project.
Media	Key partners of the organization of awareness raising dissemination of information on project activities.
NGOs	Participation in consultations, training and capacity building activities, development of local knowledge, implementation of project-related activities.
GIZ Armenia	Operational since 2002 in Armenia, the GIZ initiatives in Armenia are part of a strategic approach to support regional cooperation under the Caucasus Initiative in several areas: sustainable economic development, democracy and environmental governance.
Other International Organizations	Coordination and support to development of national policies related to conservation and sustainable management of land resources and high value ecosystems in Lake Sevan landscape.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

The extensive stakeholders consultations and engagement that began during the PPG phase will be continued throughout the project implementation. Several mechanisms will be used by the project that include: a) Project Inception Workshop: the project will be presented to both direct stakeholders and the public; b) Project Board: comprised of representatives of the government agencies, the private sector, and academia, it will be responsible for approving the work plans, participating in the recruitment processes, and providing overall strategic guidance to the project; c) Project Management Unit (PMU): will be hosted by the Ministry of Environment?s ?Implementation Unit for Environmental Projects-EPIU? and will be responsible for the implementation of the stakeholder engagement plan, gender action plan, grievance redress mechanisms, and M&E; the PMU will draft a COVID-19 Project Plan of measures which will include measures to mitigate implementation delays that could occur due to potential reinstatement of COVID-19 related restrictions, and safety measures, that will be discussed and agreed at the Inception Workshop d) Communication and Dissemination: The PMU will implement the Knowledge Management Plan and ensure participation of and communication with all the stakeholders through a variety of methods (in person meetings, virtual platforms (Zoom, webpage, social media, etc.). The project generated knowledge products will be made publicly available through these media and communication tools. e) Governance role for project target groups: project target groups will be represented on the Project Board as well as engaged bilaterally. f) Gender Action Plan: will secure the involvement of both genders, especially women and youth; a Gender Expert/Advisor will be hired to review and update the implementation of the Gender Action Plan; g) Grievance Mechanism: will be established and published so that all stakeholders are aware of its existence, documenting any potential grievances and ensuring they are addressed in a timely manner; h) Decentralized M&E: this will include meetings with the project target groups, interviews with direct beneficiaries, and meetings with special groups such as women to verify indicators.

Select what role civil society will play in the project:

Consulted only; Yes

Member of Advisory Body; Contractor; Yes

Co-financier; Yes

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

Please see *Annex 10 Gender Analysis and Action Plan* of the GEF UNDP Project Document.

Armenia ranks 98th of 153 countries in the World Economic Forum (WEF)?s Global Gender Gap Report, illustrating important gains in terms of gender equality in recent years, particularly in the area of education. However, challenges remain and gender inequalities are still socially accepted or tolerated, especially in rural areas where gender inequalities are more entrenched e.g. the share of women engaged in informal employment in agriculture is 82% compared to 60% of male informal workers and furthermore, and there are also uneven opportunities for men and women to engage in rural tourism activities. Women in rural areas are extensively involved in work related to the production of agricultural goods and services for the family and household use. This work includes crop production and breeding of livestock in the households? plots and family farms; production of household goods; production of food for consumption by the family and household members and for sale; fetching water and gathering firewood; housework; looking after children and the elderly and sick members of the families. Rural women working informally on family farms or businesses do not receive any compensation as defined by the Labor Code because they are considered to be either self-employed or economically inactive. There is a strong vertical and horizontal segregation in the labor market, which results in significant gender pay gap with women? average wages representing 66% of men?s average wages. One of the primary contributors to gender inequality is the continuing disparity in economic entrepreneurship among women and men, access to trainings and knowledge products and difficulties in access to loans due to limited property for collateral[1].

The gender gaps identified and analysed and measures to address these gaps have been integrated in the project strategy, the Gender Action Plan, and risk register and SESP, and are aligned with the gaps highlighted by the GEF Gender Implementaiton Strategy, prioritized for project planning:

(i) Unequal access to and control over natural resources: While the legal framework gives equal rights to men and women in the ownership and disposal of land and property, as well as in inheritance, women tend to have more limited access. They earn less than men, and thus save less for future investment, and the privatization of land in 1991?92 assigned property to each household head. Women therefore acquired land exclusively in the absence of a man-headed household[2]. Research by the World Bank suggests that, though inheritance rights are equal for sons and daughters, local customs often result in sons inheriting property and money. The lack of access to land and other property limits women?s access to decision-making on the use of the land; irrigation and extension services; to collateral required to obtain loans for an enterprise or to absorb shocks or to adapt to changing climate, treats like land degradation. As already mentioned in PIF accessible funding is a crucial factor for the success of the agricultural sector and for the well-being of smallholders, as it provides a number of opportunities: investing in efficient technologies and new product varieties, accessing markets, integrating into a value chain, extending the business, and much more. Access to finance, financial knowledge and skills is a leverage for the economic empowerment of rural women and men.

(ii) Unbalanced participation in decision making in environmental planning and management at all levels: The country's gender policy provides for equality of citizens, regardless of gender. Nevertheless, politics remains a largely male domain due to factors such as women having more family responsibilities than men which limits their time to invest in a political career and perceptions that men make better leaders than women[3]. At the subnational level, among 10 Marz governors there is only one women, the Governor of Shirak Marz? Unlike national elections, no quota exists for women?s representation in

municipal elections. In Armenia 2% of the heads of communities and only 10% of the members of community councils are women[4]. More efforts are needed to promote women?s active participation in decision-making processed on all levels of policy-making. The governors of Vayots Dzor[5] and Gegharkunik[6] marzes are men. Heads of enlarged communities Gavar, Chambarak, Martuni, Sevan, Vardenis and Shoghakat in Gegharunik marz and enlarged communities Yeghegnadzor, Jermuk, Vayk, Areni and Yeghegis in Vayots Dzor are men. This can be translated as unequal participation of men and women in local-level planings. Nevertheless, in most municipalities women occupy the position of staff secretary (Vayk, Yeghegis, Jermuk, Shoghakat, Martuni). In Jermuk there is newly established advisory council of women and youth issues adjunct to the head of Jermuk community. A study on gender and politics identified the key reasons of women?s weak participation in politics and decision making on national and sub-national levels:

?   an expectation that women must put family obligations ahead of other considerations;

?   a lack of models of women politicians, undermining women?s willingness to enter a male-dominated political arena;

?   public perceptions that men are more suited to assuming political leadership, creating a higher bar for women to perform and prove their abilities; and

?   negative attitudes of close relatives toward women in politics[7].

There are strong NGOs countrywide and several organisations in target marzes working to involve women in sustainable farming, energy use, sustainable development, awareness raising and capacity building activities However, the PPG surveys results by marzes are different: while in Vayots Dzor 54% of respondents have mentioned low social activity of women and NGOs, in Gegharkunik marz the majority of respondents were satisfied with social activity (53%) in the region. Generally, in communities (e.g. Shoghakat) where medium and large scale programs, with international funding, were implemented, communities are more open for changes women are more involved in the natural resources planning.

(iii) Unequal access to social and economic benefits and services: In 2020 women's average monthly earnings made up 64.9% of men's average monthly earnings. The gender pay gap is 35.1%. In the sector of agriculture, forestry and fishing average monthly earnings of women's made up 81% of men's earnings. Gender pay gap in the public administration sector is 18. The wage gap is a result of systemic gender biases that affect women?s position in the workforce. Women?s domestic roles result in their having lower-paid working hours than men. Gender stereotypes about occupations suited to women and men cause women to be concentrated in lower-paying fields. Nevertheless, in all sectors women earn less, than men do. The lower representation of women in management reveals that the glass ceiling is also contributing to the wage gap. These factors need to be addressed structurally by improving women?s access to more occupations and more opportunities for advancement in their careers.[8] According to ADB country gender assessment, women in agriculture sector are facing barriers to accessing information, extension services, and training in agricultural sector. According to analysis training and services are mainly provided through male-oriented communication channels that have limited outreach to mobilize women farmers. Also, women have limited time and access to means of transportation to attend training, and these factors are not considered in planning services. Consequently, training, extension, and information and communication technology for agriculture are often targeting men, limiting women?s access to new technology and modern agriculture practice that

would allow them to move beyond subsistence and better commercialize their farming activities. The Gender Analysis and Gender Action Plan (please see Project Document Annex 10) were developed to guide gender mainstreaming during the project implementation and ensure that the project interventions targeting local communities will promote equal benefit sharing and women participation. Specific gender-based indicators will be used for gender monitoring and a gender specialist will be part of the Project Management Unit (PMU) to facilitate improvements to gender equality and women empowerment.

The gender action plan (GAP) is based on the gender analysis and identifies and supports opportunities to include women in the planning and implementation activities, especially in support of increased participation and leadership in decision-making processes relating to the natural resources and providing opportunities to ensure that economic benefits are shared equitably between men and women.

The project will promote an environment that will help overcome gender biases, promote women?s empowerment and foster inclusion and equal opportunities. GAP ensures the measures for gender considerations are fully mainstreamed into project implementation and the project will: (i) advocate for women to be recognized as key landscape stakeholders; (ii) include women and youth from the project targeted areas in the process of drafting and implementation of the land use and water management plans; as members of the committees and working groups and as trainees and trainers; (iii) enable full an defective consultation and participation of women and men at all stages of pastures and forests management planning and implementation and the land restoration activities. (iv) ensure meaningful participation in the stakeholders consultation process; (v) ensure project grant criteria under Output 3.1.4 will allows for equitable distribution of benefits between men and women (vi) design awareness campaigns to explicitly target women and youth and ensure that the content of information will be tailored to the differentiated ways that men and women have access to and use the natural resources. Under Component 3 the project will support public advocacy for women?s rights, including gender sensitive measures to be included in the pasture management strategies, forest management plans, agro-forestry measures and sustainable water management plans for irrigated areas (Output 3.1.2); the project?s efforts will be directed towards strengthening local women entrepreneurship, and enabling training of women in pasture management and sustainable agricultural practices and business development (3.1.1). The identification of gender sensitive climate resilient pasture management strategies will be linked with the national adaptation planning activities which are currently under implementation within the framework of the regional EU funded *EU4Climate Programme,* implemented by UNDP. Gender responsive approaches in the LDN compatible SLM measures will be identified and implemented throughout the project. Dedicated support to women farmers, women entrepreneurs and support to youth participation and trainings will be embedded in the project strategy. The project will also gather gender-disaggregated data for evaluation purposes and use gender sensitive indicators (particularly around beneficiaries) to facilitate planning, implementation and monitoring. In terms of ensuring gender mainstreaming, several practical steps will be undertaken. The Gender Action Plan includes distinct gender performance indicators and actions and timeline.

[1] Gender, Agriculture and Rural Development in Armenia, FAO,2017

[2] World Bank. 2016. *Armenia Country Gender Assessment 2016*. Washington, DC.

[3] https://www.adb.org survey partnership/sites/default/files/institutional-document/546716/armenia-country-gender-assessment-2019.pdf

[4] Men and Women, 2021 at armstat.am

[5] http://vdzor.mtad.am/
[6] http://gegharkunik.mtad.am/
[7] Kovkas Social Studies Center. 2011. *Gender Dimension of Civic and Political Participation in Armenia: Report on Findings of the Sociological Study*. Yerevan (UNFPA Combatting Gender Based Violence in the South Caucasus Project/Armenia).

[8] ADB - partnerhsip

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project?s results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

The project will work directly with small-scale agricultural producers, including those producing crops, and those in the livestock sector. The land and water resources of the target region cannot be sustainably managed without the full cooperation and support from the private sector. The project will directly engage and involve local small holders in the agricultural sector, which are by and large the main relevant private sector actors with respect to sustainable land use in the rural areas targeted by the project in the six enlarged communities of Martuni, Vardenis and Shogakat (Gegharkunik region) and Vayk, Jermuk and Yeghegis (Vayots Dzor).

The project will work with the ?Gegharkunik? Water Users Associations and ?Yeghegnadzor? Water Users Associations (WUAs) in both regions to support the development of integrated LDN compatible water management plans and implement non-depleting agricultural practices that are LDN compatible and have lower environmental impacts (e.g. drip irrigation) (Output 3.1.2). The project will engage with the Gegharkunik and Vayots Dzor Regional Farmers Council and with pasture users associations/livestock private entrepreneurs in select communities in order to support the sustainable pastureland/grassland management plans and implement KPI based agro-environmental payments (Output 3.1.1) Furthermore, the project will work with ?Hayantar? State Non-Commercial Organization (SNCO? state-owned enterprise) for the development of sustainable forest management planning and forest restoration activities including assisted natural regeneration of juniper sparce forest (Output 3.1.3) and will engage with business associations and small scale tourism businesses in the villages to develop nature-based tourism schemes. Facilitation of public private partnerships will be supported including the possibility of engaging with responsible tourism businesses e.g. hotels/tourism operators? in private sector supported programmes to raise awareness of the Lake Sevan Ramsar site values, bird watching and camping opportunities through guides, booklet, support to visitor center, specifically tailored guided tours learning activities (Output 2.1.2). Possible involvement of mobile phone operators in innovative PA funding (e.g. crowdfunding) will be sought through the organization of the Innovation challenge, to actively stimulate innovative ideas for financing biodiversity conservation and nature positive solutions that will benefit biodiversity.

 The project?s engagement with the private sector will further extend to coordination with financing institutions, investment funds and NGOs in promoting green lending to support responsible and sustainable agriculture and in the design and delivery of targeted trainings for natural resource users (Output 4.1.1) e.g. ACBA Credit Agricole; Armenian National Investment Fund (ANIF); Development and Investment Cooperation of Armenia (DICA); Centre for Agribusiness and Rural Development (CARD); the International Centre for Agribusiness Research and Education (ICARE), Global Credit; Agro-leasing LLC; Arm-business Bank; Farm Credit Armenia, Unibak. The representatives of the financial institutions will be involved in project training and awareness activities, promoting green lending and investments in sustainable land use management measures. The project team will follow up on the meetings with the financinal institutions conducted at the PPG stage, and will further explore potential contribution of these institutions towards financing the agri-environmental payment scheme piloted by the project.

The UNDP?s policy on due diligence and partnerships with the private sector will be applied to the project?s work with private sector, especially pertaining to co-finance from private sector for project activities.

Key points of the full Due Diligence Procedures

Pro-active outreach through ?pre-screening? which includes that the partner does not fall under the **exclusionary criteria:** After the exclusionary criteria is passed, the full diligence should be

undertaken; The Due Diligence process starts with a series of assessment criteria that needs to be followed (Due Diligence Assessment Criteria: e.g. responsible leadership, Human rights, Labour, Communities, Environment, Governance, Product-related, Ownership or management.The overall eligibility criteria also includes a UNDP Risk Assessment Tool for Private Sector Partners. The Risk assessment will be conducted/ensured by the Project Coordinator in the Initiating Unit and the UNDP Results and Quality programming in Development Impact Group in BPPS provides support in the process.The type of partnership and the sector defines how rigorous background checks need to be done. As per UNDP policy, for those partnerships that do not involve a close engagement (e.g. an advocacy or policy dialogue event or financial contribution under US$100,000) and in which the private sector entity is from a low-risk sector, a reduced level of due diligence may be applied. It will be enough to assess the private sector entity only against UNDP?s exclusionary criteria and check if the private sector entity is involved in any controversies. The decision on whether or not to proceed with engagement with a partner will be taken based on a completed due diligence including a risk/benefit analysis of the partnership aligned with the risk tolerance of UNDP . It is essential that there is a separation between the staff who are directly involved in developing relationship and making a recommendation as to whether or not to process and the staff who make the final decision. All decision related to partnerships with companies to which exclusionary criteria apply and potential partners exposed to significant controversies must be escalated to UNDP HQ. For potential partners that have been screened by other UN organizations, UNDP will use such a due diligence as a basis, and will only undertake complementary diligence on criteria that may not be covered.

The UNDP SES requirements will be applicable to all activities (including activities executed by Responsible Party) funded from funds that are disbursed through UNDP accounts, case in which the activities will ?adhere? to the UNDP SES requirements. In case of co-financed activities, the project team will ensure ?consistency? with UNDP SES requirements. The difference between GEF/UNDP financed activities (i.e. funds managed from UNDP accounts) and co-financed activities (funds from in-kind or parallel funding for activities that are part of the project framework/results but that are not disbursed through UNDP accounts) in terms of alignment with UNDP SES is that ?while UNDP does not ensure adherence to UNDP SES requirements beyond activities funded through UNDP accounts, the entire project is however reviewed for consistency with the requirements of the UNDP SES? (as per UNDP SES guidelines).

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

There are two main types of risks: a.) external risks to the success of the project; and b.) social and environmental risks related to project implementation that could lead to unintended negative consequences. Multiple risk analyses were conducted during the PPG phase to identify these two types of risks related to the project. For the first category of risks, nine risks were identified, and are summarized in the table below.

With regard to the climate risks, the increasingly dry and arid climate is making forest ecosystems vulnerable to wildfires especially in Vayots Dzor region. The vulnerability of the agriculture sector to climate change is relatively high, and it considerably varies across land zones and crops. For example, the vulnerability of agriculture is more significant in low and medium altitude zones in Armenia, while in the highland mountainous zone risks associated with climate change are comparatively less evident. About 80% of the territory of Armenia is exposed to various degrees of desertification, which is not only the consequence of

anthropogenic activity, but also a consequence of water and wind erosion of soils, hot dry spells, drought, lack of humidity, landslides, natural salinization etc. Climate change, along with various anthropogenic phenomena, contributes to the vulnerability of organic carbon reserves in soils.[1]. Based on the PPG risk assessment, the project falls into Moderate climate risk category and it includes climate sensitive- SLM measure, ISLUPs and biodiversity spatial elements (including consideration of potential climate impact on species migration or vegetation cover) as a management strategy to further address/integrated climate change aspects detailed in the project document under different Outcomes and Annexes 16,18 and 20. Climate parameters and future projections of land suitability into different assessments will provide targeted resilience measures and sustainability of SLM measures and ISLUPs. An assessment of the vulnerability of livelihoods in the areas of intervention, including natural disasters, will be undertaken as part of targeted assessments of the project. Furthermore, additional attention will be given to data showing the impact of climate change influences landcover and land user in the country and how projected future climate change will continue to impact the project area. Together with the specialized MoE departments, the project will explore using the project-born climate risks analysis during the LDN target setting and ISLUPs development to the reports under the UNFCCC (e..g MRV, NDC, BTR etc).

Additional two external risks have been been added due to recent developments: (i) The (Risk 1) Security risk related to the potential project delays due to the suspension of any field activity and/or mission in the pilot demonstration areas (pastures and grasslands) selected near the community of Vardenis, close to the border with Azerbaidjan, where ocasional flare-ups at the border between the military forces of Armenia and Azerbaijan can occur. In order to mitigate these risks, the demonstration areas have been selected during the PPG at least at a distance of 3 km away from the border. Nevertheles any existing UNDP CO protocol for security in areas that are prone to risk will complement the UNDP SES protocol, and regular monitoring and risk assessment will indicated wether these pasture areas situated near this border (btw 30,000- 50,000 ha) will need to be reconsidered and selected elsewhere. During the PPG stage such a need was not deemed neccesary and the 2-3 km buffer was deemed sufficient. However, at the inception stage the project will re-assess the locations of pastures and forest demonstration areas selected near Vardenis for potential replacement in a secure area. (ii) The (Risk 9) risk associated with the potential social local protests in the enlarged communities that may negatively impact the project activities. The risk will be addressed by a re-assessment of the local social situation (and potential discontent triggered by the local amalgamation process and merging of small villages/communities) upon the inception stage and by UNDP CO facilitated local dialogues in order to ascertain and strengthen the local commitment and participation in the project activties. Further regular project risk assessment will be deployed and will indicate whether there are any prospective changes to any of the selected pilot community status in terms of potential change to their administrative territory, borders and any other legal modifications that may affect project activities. The Risks are further described in the UNDP/GEF *Project Document Annex 6 Risk Register, and in the table below:*

Identified Risks and Category	Impact	Likelihood	Mitigation Measures
Risk 1: There is a risk of project delays, related to the proximity of the selected pasture areas located near the eastern border of the Vardenis community (state borders of Armenia with Azerbaijan) and their un-feasibility for the project activities, taking into account the likelihood of conflict flare-ups (at the border). These areas are part of the Vardenis side of the eco-corridor of the South-East Lesser Caucasus.	I=3	L=3 Moderately likely	The project will re-assess the situation at the inception stage. Approximately **30,000** hectares of pastures in Vardenis area may be replaced with similar pasture areas in other communities. The project manager, UNDP CO and senior UNDP management will continue monitoring the situation at the border and inform the project team, implementing appropriate risk management measures as per the UNDP policies and procedures and UNDP CO corporate risk management instructions.

Identified Risks and Category	Impact	Likelihood	Mitigation Measures
Risk 2: Conflicting government priorities relating to agricultural production and sustainable land use could lead to limited progress in achieving the project?s intended outcomes and limited results in the conservation and restoration of degraded lands, and the protection of critical habitats for the long-term maintenance of ecosystem services necessary to support sustainable livelihoods.	I=3	L=2

Moderately likely | UNDP CO will organize regular quarterly Strategic Risk Meetings chaired by the RR in order to monitor the progress towards the formal approval of strategic project outputs (such as ISLUPs/Integrated Land Use Plans; Sustainable Water Management Plans; LDN targets and Action Plans; Legal amendments to Pasture Law) and address the risk of not securing the official/forma approval of these strategic outputs- which would impact the progress towards outcomes and strategic objective. In case of such a risk, high level meetings with the national counterparts will be organized by UNDP CO and these high-level discussions will be expected to mitigate the risk and secure political support and formal approval of the project results.

The Risk will be attentively monitored by UNDP and its rating will be changed to High/Critical if needed.

The risk is mitigated through different activities. The project will be closely working with a range of government stakeholders, partners, and resource users and managers and will organize education and awareness events (under Component 4) on the need to manage land and water resources in an integrated and sustainable way that will not deplete soil productivity and will not impact negatively on biodiversity . Through stakeholders? coordination committee meetings (under Component 1/Output 1.1.3) the project will facilitate inter-sectorial stakeholders consultations, expected to raise awareness and knowledge on LDN and integrated land use plans and biodiversity values. In addition, the regional LDN and ISLUPs and Sustainable Water/Land Management Plans will create a framework for Sustainable Land Management (SLM) measures and progress towards LDN and a more sustainable water use. Furthermore, the project will work to identify any critical conflicts in government policies and strategies relating to agricultural production that would potentially diminish the potential to achieve the project objective. |

Identified Risks and Category	Impact	Likelihood	Mitigation Measures
Risk 3: The project is very likely to face operational difficulties and delays associated with the new execution modality, being one of the first projects in the country with the full NIM management arrangements.	I=3	L=2 Moderately likely	Although the core capacities of the Implementing Partner are sound, the human resources are limited (enabling environment and technical capacity). Capacity limitations along with the lack of direct experience in direct implementation of large-scale projects call for targeted capacity building (particularly hands-on experience and learning by doing) is considered as the major risk mitigation measure.
Risk 4: The project impact on the status of biodiversity and KBAs might be limited by climate change as a direct driver of habitat conversion and biodiversity loss in the country.	I=3	L=2 Moderately likely	Assessments of climate change effects within the targeted PA and ecosystems in Lake Sevan Basin will be included in the advanced management planning instruments such as the new PA integrated data base including multi-data assessments, to be developed with the project support. Assessment of climate change effects within the targeted regions and PAs and ecosystems will be included in the Integrated Spatial and Land Use Plans (ISLUPs). The project will make sure that the spatial development scenarios are reflective of the climate change threats and impacts, and climate resilience and adaptation solutions are considered within the (i) spatial development priorities for the areas that are vulnerable to and/or affected by climate change effects and (ii) informing the sustainable pastures, forest and water management plans developed for the selected areas in the PA/KBAs vicinity.

Identified Risks and Category	Impact	Likelihood	Mitigation Measures
Risk 5: There is a risk that the sustainable biodiversity finance mechanisms (e.g. Agri-environmental Payment Scheme) and incentives aimed at mainstream biodiversity-friendly sectoral practices will not prove their desired financial effect, and the financial viability may not be sufficient to upscale those instruments in the long term.	I=3	L=3 Moderately likely	In response to this risk, the project will perform a comprehensive cost-benefit analysis of the proposed finance opportunities and continuous advocacy and organization of regular high-level meetings between RR and high-level decision makers for the materialization of the co-financing pledges and for advocating for the institutionalization of Agri-Environmental Payment Scheme to be demonstrated by the proejcts In addition, Armenia will be included in the first cohort of countries under the new Umbrella project on Global Biodiversity Financing (UNDP/GEF). The latter will support the identification of new domestic resources streams and will develop a Biodiversity Development Plan. This alone does not secure financing of the Agri-Environmental Payment Scheme; however, it supports the decision makers to make informed decisions and allocations of financing towards nature positive solutions and financing mechanisms.

Identified Risks and Category	Impact	Likelihood	Mitigation Measures
Risk 6: There is a risk that the planned partnerships with the private sector partners in tourism sector will fail to yield the expected benefits. The negative effects of the post-COVID 19 recession may hamper project plans towards private sector engagement, especially for the tourism sector most severely affected by COVID-19 pandemic.	I=3	L=2 Moderately likely	The project will implement capacity building activities to make sure that the targeted tourists? entrepreneurs are able to apply for economic recovery funds in a sustainable manner and are supported to promote eco-tourism products; the technical expertise provided by the project will support the facilitation of PPPs with the Lake Sevan National Park for the low-impact eco-tourism products and valorization of Sevan Ramsar site. Finally, the GEF increment for promotional activities will hopefully become one of the principal risk management measures and will help mitigating the obstacles towards tourism sector business engagement.

Identified Risks and Category	Impact	Likelihood	Mitigation Measures
Risk 7: There is a risk of project delays due to potential COVID 19 reinstated restrictions.	I=3	L=2 Moderately likely	The measures to mitigate any implementation delays that may result due to potential reinstatement of the COVID-19 related restrictions. UNDP issued corporate guidance on ?Managing programmes and project s in the age of Covid-19?. These guidelines will be included in the Project COVID-19 Response Strategy. This Strategy will be presented and approved at Inception Workshop along with the main health safeguards that will be implemented during the implementation to protect people and environment and prevent the virus spread (i.e. use of masks, social distancing, remote meetings whenever possible; remote field monitoring as much as possible). The risk to the project posed by potential reinstatement of restrictions (travel; lockdown, others) will be mitigated through several steps that could include (but will be not limited to) : (i) Re-assessment of the COVID-19 restrictions on the AWP implementation (ii) Create/activate stakeholders and key project partners Telegram/Zoom group and move all the meetings online (iii) if activities will be delayed a few months but workplan will deliver on time and within budget, no formal revision is needed (iv) if activities cannot be completed on time, workplan will be revisited and budgets revised/ clearance by online Board meetings (v) if local activities and local field staff can continue activities, monitoring will be done remotely (using photos from the field) or through a virtual mechanisms (project will reach out to community leaders and key partners in the field who can ensure that activities will be aligned with the needs and take into account the constraints faced by the community. The project will ensure that adequate protective gear is handed over to local field staff and community members and that social distancing and other health safeguards are in place. UNDP TRAC unspent balance can be repurposed to COVID-19 in case of *force majeure.*
Risk 8: Increased incidence of climate-induced wildfires in targeted project sites may affect project?s results in the field.	I=3	L=3 Moderately Likely	The increasingly dry and arid climate is making forest ecosystems vulnerable to wildfires especially in Vayots Dzor region. An additional risk factor is the negligence of tourists and/or slash and burn agriculture practices. The project has included trainings and awareness raising at local levels. Strengthening of fire-fighting equipment base and fire-fighting capacities and knowledge of the PA staff and local communities-based volunteers and rapid intervention squads. Project activities include appropriate mitigation such as: development of climate resilient forestry management plans in targeted communities; supporting elaboration of disaster risks reduction planning at community level and establishment of volunteers teams; tailored awareness and training activities and strengthening firefighting equipment at PA and local communities levels.

Identified Risks and Category	Impact	Likelihood	Mitigation Measures
Risk 9: There is potential risk to project implementation due to potential discontent at local level following the local amalgamation process, that may delay project activities.	I=3	L=3 Moderately likely	The risk will be addressed by a re-assessment of the local social situation and potential discontent during the inception stage by IP, RP and UNDP CO facilitated local dialogues in order to strengthen the local commitment to the project activities. Further regular project risk assessment will be deployed and will indicate whether there are any prospective changes to any of the selected pilot community status in terms of potential change to their administrative territory, borders and any other legal modifications that may affect project activities.

Legend: Likelihood was assessed based on a scale of 1-5 (1=Not likely; 5=Expected) and Impact rated based on a 1-5 scale (1=Negligible; 5= Extreme). Based on Likelihood and Impact the project used the UNDP Risk Matrix to identify Risk level (High, Substantial, Moderate or Low).

In terms of **social and environmental** risks related to project implementation that could lead to unintended negative consequences, during the PPG phase the project has been reviewed against UNDP SESP (2021 version). The analysis identified 13 potential social and environmental impacts associated with the project activities. The SESP template (Project Document Annex 9) details the applicable specific environmental and social risks. The significance of each risk, based on its likelihood of occurrence and extent of impact, has been estimated as being either low, moderate, or high.

SES 1: Vulnerable groups (smallholders with less land and capacities) including women and women entrepreneurs, might not be engaged in and/or benefitting from the project activities. Project activities may not fully incorporate or reflect views of women and ensure equitable opportunities for their involvement and benefit.

SES 2: Duty bearers-national and local government institutions responsible for the regions (marzes) and local land use planning do not have adequate technical capacity to plan and enforce in a participatory manner the integrated LDN-compatible land use planning and mainstream biodiversity considerations into local strategies.

SES 3. The LDN compatible Integrated Land Use Plans, the pastures and forests management plans in support of long-term sustainability could affect the land use rights and may limit access of local communities, including the rural poor and women, to natural resources.

SES 4. The project-supported water/pastures/forests management plans once implemented, may have a negative impact on the use of natural resources and/or the critical biodiversity habitats and species.

SES 5. The expected impacts resulting from the project-supported LDN compatible SLM measures and biodiversity conservation activities could be sensitive to changing climate conditions in the future.

SES 6. While developing measures for assisted forest regeneration and improved forest ecosystem management it is potentially possible that solutions may go wrong and impact species or ecosystems unintentionally.

SES 7. Supported local small businesses could involve third parties? subcontractors, that may inadvertently fail to comply with international labor standards including those related to child labor and/or may inadvertently fail to provide for occupational health and safety standards

SES 8 The project may inadvertently contribute to potential perpetuation of discriminations against women. There are lingering disparities between men and women, particularly in rural areas and in the patriarchal cultures of some of the ethnic minority communities, which could be inadvertently replicated.

SES 9. The improved PAs capacities for patrolling, stricter application of environmental regulation (due to improved zoning under the new Management Plan) may impinge on the livelihoods of the nearby communities in the project area.

SES 10. The project may potentially resort to collaborations with local police and gendarmerie that may risk facilitating potential altercations with local communities. Improved enforcement/anti-poaching activities in protected areas might have an effect on the local communities and traditional subsistence activities, and/or create conflict.

SES 11. The project supported demonstration activities may inadvertently be implemented at/in the proximity of significant cultural and historical significance sites and/or may fail to properly consider procedures for chance finds of valuable cultural heritage sites.

SES 12: Project activities involving local/field interventions and close engagement with local communities may inadvertently contribute to the spread of COVID-19.

SES 13: Small scale construction site associated with the monitoring /observation towers in Sevan National Park and the supported small scale hydrotechnical repairs of the irrigation infrastructure at farm level around KBAs/IBAs, may have negative impact on critical habitats and species.

Based on the significance of these individual risks, the project has been allocated an overall SESP risk categorization rating of Moderate.

Moderate Risk: is defined by UNDP?s SES[2] as ?*Projects that include activities with potential adverse social and environmental risks and impacts that are limited in scale, can be identified with a reasonable degree of certainty, and can be addressed through application of standard best practice, mitigation measures and stakeholder engagement during Project implementation.?*

The project activities are designed to ensuring minimal or no risks of adverse social or environmental impacts. During the project design stage, the social and environmental screening was completed *(Please see Annex 5: Social and Environmental Screening Procedure/SESP)*. An Environment and Social Management Framework (ESMF) has been developed on the basis of the risk screening during SESP to specify the processes that will be undertaken by the project for the additional assessments of potential impacts and identification and development of appropriate risk management measures, in line with UNDP?s Social and Environmental Standards (SES).

As discussed in the SESP and ESMF, the project will work closely with all stakeholders throughout the project to ensure that potential risks related to the management of protected areas are minimized and mitigated. The project will also ensure that all legal policies and procedures in Armenia related to the sustainable management of land resources, biodiversity conservation, and land restoration are respected and followed, as well as international norms relating to the management of protected areas.

The project activities include close engagement with local communities. Risks related to impacts from the COVID-19 pandemic have been monitored during the PPG phase, and no major risks to the proposed

project strategy and activities were identified. Upon inception, the project will develop clear procedures and safeguards to prevent any activity that may lead to potential spread of COVID-19. These can include use of remote methods, when possible, protective equipment, maintaining social distancing, and other measures recommended by WHO and national authorities. These safeguards will be conveyed to all partners, third parties and contractors. In case of potential reinstatement of COVID 19 restrictions and if such safeguards cannot be put in place, the project will suspend the local activities until a time when appropriate safeguards can be implemented. The project will set up a Grievance Redress Mechanism (Annex 8 Stakeholder Engagement Plan, in order to allow those that might have a complaint and/or grievance to be able to communicate their concerns and/or grievances through an appropriate process. The Complaints Register and Grievance Redress Mechanism are to be used as part of the project and will provide an accessible, rapid, fair and effective response to concerned stakeholders, especially any vulnerable group who often lack access to formal legal regimes. The project will make sure that each target site will be screened for potential impacts on natural habitats as part of the site selection process. Screening will involve consultation with local authorities and other stakeholders. Where any risks are identified, appropriate reduction or mitigation measures will be employed.

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[1] https://unfccc.int/sites/default/files/resource/NC4_Armenia_.pdf

[2] UNDP SES, page 47.

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

Institutional arrangements are described in Section VII Governance and Management Arrangements in the GEF/UNDP Project Document. The coordination with key stakeholders their roles and responsibilities in the project implementation is described in the Stakeholder Engagement Plan (GEF/UNDP Project Document Annex 8). Synergies with other existing projects are indicated under GEF/UNDP Project Document/ Section II Strategy under the on-going relevant initiatives and under Annex 20 Knowledge Management Plan .

Implementing Partner: The Implementing Partner for this project is the Ministry of Environment (MoE) through its Environmental Project Implementation Unit (EPIU). The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document.

The Government of Armenia established the Environmental Project Implementation Unit (EPIU) in 2010 by the Decree of the Government of the Republic of Armenia No. 1191-N based on the previously operating "Center for Environmental Programs" SNCO, which was the successor of the state institution "Natural Resources Management and Poverty Reduction" PIU. The EPIU is part of the Ministry of Environment?s structure, and it is mandated to enable the execution of state-funded and donor-funded projects on behalf of the MoE. The EPIU is functioning under the MoE mandate, responsible for contributing to policy implementation through specific projects. The management and supervision of the EPIU is carried out by the founder (Government of Armenia) and the authorized body (Ministry of Environment). EPIU is mandated to implement various multilateral donor-supported projects (e.g., FAO, WB) and bilateral donor funded initiatives. EPIU has the mandate to conduct financial transactions and manage distinct treasury accounts with the purpose of supporting the Ministry of Environment to efficiently implement the external and internal financial and technical assistance projects, in accordance with the provisions of the national normative acts regarding the implementation of the requirements of the international conventions, and the alignment with the international standards in the field of environmental protection.

The UNDP Partner Capacity Assessment Tool (PCAT) confirmed that the Ministry of Environment has the institutional mandate in a field that is relevant for the project and responds to the key programmatic criteria, having the capacities to ensure quality programme management, provide synergies, replicate and upscale project results, mobilize development partners and ensure national-level co-financing for the project. The MOE has experience and technical capacity to supervise, monitor, and ensure adaptive management and risk response towards delivery of project outcomes and outputs. MOE will be supported by the EPIU in the implementation of this project. From this perspective and under this arrangement, the MoE will have substantive supervisory, leadership and strategic planning functions and roles, while the project administration responsibilities and functions (contracting, recruitment of personnel and experts, finance administration and administrative support to project processes) will be conducted by the EPIU under the leadership of the MOE.

The Implementing Partner (MOE/EPIU)is responsible for executing this project. The main functions include:

•Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
•Chairing the Project Board meetings.
•Monitoring the progress of the project at strategic level, towards the achievement of the development outcomes.
•Ensuring effective management of the Risks and Safeguards as outlined in this Project Document and management of new risks that may emerge during project implementation.
•Ensuring that the project partners will deliver the pledged co-financing.
•Ensuring that there is a coherent project organization structure and logical set of work plans.

? Set tolerances in the AWP and other plans as required for the Project Manager.

? Financial management, including overseeing financial expenditures against project budgets.

? Approving and signing the multiyear workplan.

? Approving and signing the combined delivery report at the end of the year; and,

? Signing the financial report or the funding authorization and certificate of expenditures.

The overall HACT Micro-assessment risk rating of the EPIU is ?Low?. The two qualified findings of auditors under the HACT micro-assessment refer to financial and procurement capacities namely: 1) significant EPIU financial staff turnover (Low Risk) and 2) absence of technical control when a formal invitation to bid has been issued and following the consultations (Moderate Risk). Considering that these limitations could potentially hamper or delay project implementation, during the Project Inception Phase and in consultation with the Ministry of Environment and EPIU, a set of UNDP NIM/Project Management and targeted procurement and contract management related capacity building activities will be delivered in order to remove the identified capacity gaps highlighted by the HACT Micro Assessments. Further capacity building activities will be identified during the planned spot-checks and other monitoring activities as part of the UNDP oversight function. Adequate UNDP TRAC resources have been budgeted (reflected in the TBWP) for targeted NIM and Project Management focused trainings of the IP/EPIU.

The EPIU is integrated within MoE?s structure and will be accountable to the MoE in accordance with the responsibilities and obligations outlined in the EPIU statute and Government Decision No. 1191-N. The execution functions of the EPIU will include:

•Day-to-day project management.
•Contracting and contract management for procurement of goods, services, and works for the project.
•Certification for contract performance and acceptance of goods and services as per Project Procurement Plan.
•Financial management, including payments for goods and services involving national consultants and made in national currency.
•Logistical support, including duty travel for project personnel and consultants, project event management within the country.
•Equipment and Asset Management services, including IT equipment maintenance, licenses, and ICT support for the project team and project activities.
•Administrative support to the project.

The EPIU is implementing to date the following projects:

? ?Artik city closed stonepit wastes and flood management? pilot project

Duration: 2019 July ? 2022 July

Delivery to date: 99% completed

?	?Strengthening land-based adaptation capacity in communities adjacent to protected areas in Armenia? grant project

Duration: 2019 September ? 2023 September

Delivery to date: 50% completed

?	?Engaging Future Leaders: Digital Education Module on Adaptation Challenges and Best Practices for Youth? grant project

Duration: 2020 November ? 2023 May

Delivery to date: 99% completed

?	?Transition Towards Electric Mobility in Armenia? grant project

Duration: 2021 October ? 2024 September

Delivery to date: 20% completed

?	?Forest resilience of Armenia, enhancing adaptation and rural green growth via mitigation? grant project Duration: 2022 January ? 2029 November

Delivery to date: 5% completed

?	?De-risking and Scaling-up Investment in Energy Efficient Building Retrofits? grant project

Duration: 2021 October ? 2023 June

Delivery to date: 18% completed

?	?Strengthening national-level institutional and professional capacities of country Parties towards enhanced UNCCD monitoring and reporting ? Armenia? grant project

Duration: 2022 September ? 2024 December

Delivery to date: The agreement of the project has been signed in the beginning of September

The EPIU has the following staff capacity: Departments - Administrative and service staff, Project Implementation and Monitoring Department, Department of Cooperation with Donors, Administrative Affairs and Procurement Department. Currently EPIU has 26 staff members including field office staff. The EPIU will receive cash advances. The HACT Micro- assessment has indicated that to date, EPIU had received cash advances on behalf of the Ministry of Environment from a number of donors and no difficulties have been encountered/reported with the management of those resources, aside of the capacity limitations and procurement highlighted in Finding no. 2 under the HACT micro-assessment, which will be

addressed by targeted trainings during the project implementation, starting with the inception phase. The EPIU will support the implementation of project activities as per the Annual Work Plan, Procurement Plan and Budget, agreed with the Ministry of Environment and UNDP. The EPIU will be represented in the Board by Mary Martirosyan, EPIU?s leading specialist on programme implementation and monitoring.

Responsible Parties: The Responsible Party for this project is WWF Armenia. The WWF Armenia was selected by the IP (MoE/EPIU) in consultation with UNDP CO, based on the following criteria: a) long-lasting experience with Protected Areas and biodiversity management; b) experience with wildlife population assessments and establishment of migration friendly corridors supported by the local communities; c) experience with the implementation of environmental incentives for biodiversity friendly agricultural practices around Key Biodiversity Areas (KBAs); d) successful record of implementing international donor funded projects. From this perspective, the WWF Armenia?s comparative advantage and internal capacities were acknowledged since the PIF stage and validated through HACT and PCAT assessments. Upon the project inception, the MoE/EPIU in its capacity as Implementing Partner (IP) of this project will enter into an agreement with WWF Armenia, for the realization of the Component 2 and Output 3.1.4, based on a final validation and budget fine-tuning that will be further agreed between parties during the inception period.

The results of the HACT and PCAT assessments of the WWF Armenia, are demonstrating that WWF Armenia has the capacity to implement projects and has a rich experience with biodiversity and PAs issues, local communities and advancement of sustainable agriculture practice in the PA KBAs/IBAs proximity. The consultations led by the MoE/EPIU with UNDP CO participation, have indicated that WWF Armenia is the most appropriate organization to implement the Component 2 (PA and biodiversity) and select Outputs under Component 3 (proposed Output 3.1.4) especially considering the complementarity with the WWF Armenia ?*Promotion of Eco-Corridors in the Southern Caucasus Phase I and II*? project, and WWF Armenia?s experience in working with local communities and forging local partnerships and community endorsed eco-corridors.

WWF has been operating in Armenia since 2002 through its country office. Since 2002 WWF has implemented different projects focused on establishing/expanding PAs (e.g., Lake Arpi National Park, Arevik National Park, Zangezur Sanctuary), development and strengthening the ecological network of Armenia, conservation and restoration of threatened species, mitigation and adaptation of climate change impact on forest ecosystems, introduction of economic mechanisms for alternative livelihood for local communities in order to promote sustainable use of natural resources. WWF Armenia had previously supported the implementation of distinct components under UNDP projects such as the ?Improving Capacity Building and Management Regime? of GEF/UNDP project: ?Developing the Protected Area System of Armenia? that resulted in a new PA (Khustup Sanctuary) being gazette. Overall WWF Armenia has contributed to an increase of the coverage of PAs coverage from 10% to 13.1%. The WWF country office currently implementing the following projects:

1.   Conservation of Leopard in Armenia (USD 258,817).

2.   Living landscapes for market development in Armenia (USD 4,795,665).

3.   Promotion of Eco-Corridors in Armenia, phase 2 (USD 4,076,500).

4.   Reintroduction of the Caucasian Red Deer in Armenia (USD 429,354).

In addition to the existing projects, the WWF Armenia country office had successfully managed two similar initiatives recently e.g.: ?Promotion of Eco-Corridors in Armenia, phase 1? (USD 2,108,160), and ?The Transboundary Joint Secretariat 3rd Phase? (USD 1,182,088). In addition to previous partnerships with the government authorities including with the Ministry of Environment, WWF Armenia has a rich experience in working with local communities. Due to well established partnerships in six communities in three southern regions of Armenia, the recently created Community Conserved Areas (CCAs) are covering more than 35,000 ha. Today all CCAs are managed by relevant CBOs. These agreements represent the first innovative approaches that involve local communities in the monitoring and protection of the globally important habitats and species e.g. Leopard, Mouflon, Bezoar Goat, Brown Bear in CCAs, introduced by WWF Armenia through its eco-corridor project.

The HACT and PCAT have both highlighted that adequate capacity exists within WWF Armenia to implement agreed outputs of the project. The departments involved in the project management are *Conservation* and *F&A* including a number of technical staff involved in projects. Following the HACT micro assessment recommendations, WWF Armenia has hired additional financial accounting staff to ensure sufficient accounting capacity and segregation of duties under internal financial flow. In its capacity as Responsible Party, WWF Armenia will be involved in the execution of the project and therefore it cannot serve in the Project Board in order to avoid conflict of interest.

UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. The UNDP-NCE Executive Coordinator, in consultation with UNDP Bureau and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project. UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member.
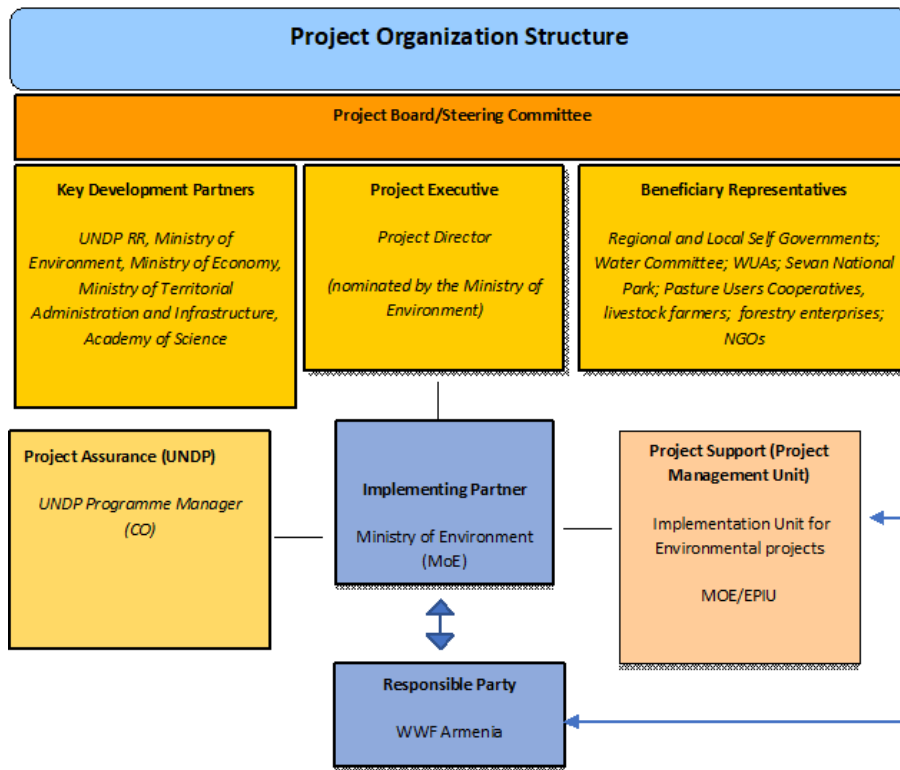
Project stakeholders and target groups:

The participation and contribution of stakeholders and key target groups are critical for the success of the project, for stakeholders at both the national and local levels. The project applies participatory approaches to ensure government ownership and full stakeholder engagement under each project component. The Project Board or Steering Committee involves be constituted such as to ensure broad representation of all key interests throughout the project?s implementation involving UNDP?s long-standing partners such as the Ministry of Environment, Ministry of Economy, Ministry of Territorial Administration, Academy of Science and other partners. The project team will further establish and maintain the project partnerships. To secure their participation the stakeholders will be contacted and engaged with, using different strategies and methods that best suit their contributions and interests in the project.

The project will support the establishment of **Local Advisory Groups (LAG)** to facilitate stakeholders? consultations in each of the selected 6 communitie, related to the technical solutions proposed for the implementation of activities and for the quality of the project outputs. These groups will be composed of community municipality representative responsible for Agriculture and Environment, Pasture Management Cooperative, large and small farmers, private sector/private entrepreneurs, academic/educational institutions, representatives of target communities, civil society and school representatives to provide guidance and technical advice on the project initiatives. The members of these groups will be informed and consulted as needed on all planned measures, on impacts and expected outcomes at community level.

Project governance structure

The proposed project governance is presented below:

Project Organization Structure

Project Board/Steering Committee

Key Development Partners

UNDP RR, Ministry of Environment, Ministry of Economy, Ministry of Territorial Administration and Infrastructure, Academy of Science

Project Executive

Project Director

(nominated by the Ministry of Environment)

Beneficiary Representatives

Regional and Local Self Governments; Water Committee; WUAs; Sevan National Park; Pasture Users Cooperatives, livestock farmers; forestry enterprises; NGOs

Project Assurance (UNDP)

UNDP Programme Manager (CO)

Implementing Partner

Ministry of Environment (MoE)

Project Support (Project Management Unit)

Implementation Unit for Environmental projects

MOE/EPIU

Responsible Party

WWF Armenia

The UNDP Resident Representative (RR) assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP?s Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member.

Segregation of duties and firewalls vis-?-vis UNDP representation on the project board:

As noted in the Minimum Fiduciary Standards for GEF Partner Agencies, in cases where a GEF Partner Agency (i.e. UNDP) carries out both implementation oversight and execution of a project, the GEF Partner Agency (i.e. UNDP) must separate its project implementation oversight and execution duties, and describe in the relevant project document a: 1) Satisfactory institutional arrangement for the separation of implementation oversight and executing functions in different departments of the GEF Partner Agency; and 2) Clear lines of responsibility, reporting and accountability within the GEF Partner Agency between the project implementation oversight and execution functions. In this case, UNDP is only performing an implementation oversight role in the project vis-?-vis UNDP?s role in the project board and in the project assurance function and therefore a full separation of project implementation oversight and execution duties has been assured.

Roles and Responsiblities of the Project Organization Structure:

Project Board: All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and implementation issues to ensure quality delivery of results. The Project Board (also called the Project Steering Committee) is the most senior, dedicated oversight body for a project. The two main (mandatory) roles of the project board are as follows:

1)   High-level oversight of the execution of the project by the Implementing Partner (as explained in the ?Provide Oversight? section of the POPP). This is the primary function of the project board and includes annual (and as-needed) assessments of any major risks to the project, and decisions/agreements on any management actions or remedial measures to address them effectively. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, evaluations, risk logs and the combined delivery report. The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results.
2)   Approval of strategic project execution decisions of the Implementing Partner with a view to assess and manage risks, monitor and ensure the overall achievement of projected results and impacts and ensure long term sustainability of project execution decisions of the Implementing Partner (as explained in the ?Manage Change? section of the POPP).

Requirements to serve on the Project Board: (to be included in the TOR of the Project Board)

? Agree to the Terms of Reference of the Board and the rules on protocols, quorum and minuting.
? Meet annually; at least once.
? Disclose any conflict of interest in performing the functions of a Project Board member and take all measures to avoid any real or perceived conflicts of interest. This disclosure must be documented and kept on record by UNDP.
? Discharge the functions of the Project Board in accordance with UNDP policies and procedures.
? Ensure highest levels of transparency and ensure Project Board meeting minutes are recorded and shared with project stakeholders.

Responsibilities of the Project Board: (to be included in the TOR of the Project Board)

? Consensus decision making:
o   The project board provides overall guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation.
o   Review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report.
o   The project board is responsible for making management decisions by consensus.
o   In order to ensure UNDP?s ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.
o   In case consensus cannot be reached within the Board, the UNDP representative on the board will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.
? Oversee project execution:
o   Agree on project manager?s tolerances as required, within the parameters outlined in the project document, and provide direction and advice for exceptional situations when the project manager?s tolerances are exceeded.

o   Appraise annual work plans prepared by the Implementing Partner for the Project; review combined delivery reports prior to certification by the implementing partner.
o   Address any high-level project issues as raised by the project manager and project assurance;
o   Advise on major and minor amendments to the project within the parameters set by UNDP and the donor and refer such proposed major and minor amendments to the UNDP BPPS Nature, Climate and Energy Executive Coordinator (and the GEF, as required by GEF policies);
o   Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily and according to plans.
o   Track and monitor co-financed activities and realisation of co-financing amounts of this project.
o   Approve the Inception Report, GEF annual project implementation reports, mid-term review and terminal evaluation reports.
o   Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.
? Risk Management:
o   Provide guidance on evolving or materialized project risks and agree on possible mitigation and management actions to address specific risks.
o   Review and update the project risk register and associated management plans based on the information prepared by the Implementing Partner. This includes risks related that can be directly managed by this project, as well as contextual risks that may affect project delivery or continued UNDP compliance and reputation but are outside of the control of the project. For example, social and environmental risks associated with co-financed activities or activities taking place in the project?s area of influence that have implications for the project.
o   Address project-level grievances.
? Coordination:
o   Ensure coordination between various donor and government-funded projects and programmes.
o   Ensure coordination with various government agencies and their participation in project activities.

Composition of the Project Board: The composition of the Project Board must include individuals assigned to the following three roles:

?   **Project Executive:** This is an individual who represents ownership of the project and chairs (or co-chairs) the Project Board. The Executive usually is the senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner. In exceptional cases, two individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the project board with representatives of another category, it typically does so with a development partner representative. The Project Executive is the Ministry of Environment (MoE).

?   **Beneficiary Representative(s):** Individuals or groups representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, or other government entities benefiting from the project can fulfil this role. There can be multiple beneficiary representatives in a Project Board. The Beneficiary representatives are: The Regional and Local Self Government, Water Users Associations; Sevan National Park; Pasture Users Cooperatives; livestock farmers; forestry enterprises; NGOs.

?   **Development Partner(s):** Individuals or groups representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project. The Development Partners are UNDP Resident Representatives/or Deputy Resident Representative; Ministry of Economy; Ministry of Environment Ministry of Territorial Administration and Infrastructure; Academy of

Science. As noted, Responsible Party representative cannot serve in the Board, in order to avoid conflict of interest.

A) **Project Assurance:** Project assurance is the responsibility of each project board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including compliance with the risk management and social and environmental standards of UNDP. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. Project assurance is totally independent of project execution. A designated representative of UNDP playing the project assurance role is expected to attend all board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP?s project assurance role across the project may encompass activities happening at several levels (e.g., global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend board meeting and provide board members with the required documentation required to perform their duties. The UNDP representative playing the main project assurance function is UNDP CO Programme analyst/ Team Leader for Climate, Nature, Energy.

 B) **Project Management ? Execution of the Project:** The Project Manager (PM) is the senior most representative of the Project Management Unit (PMU) and is responsible for the overall day-to-day management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants and sub-contractors. The project manager typically presents key deliverables and documents to the board for their review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk registers. Roles and responsibilities of the PMU members are detailed in Annex 7, noting that the PMU cannot be located in the UNDP Country Office. A designated representative of the PMU is expected to attend all board meetings and support board processes as a non-voting representative.

Project Management Unit: Project management services including safeguards monitoring will be delivered by the Project Management Unit (PMU), hosted by EPIU under the Ministry of Environment?s mandate, and staffed as follows:

The Project Manager (PM) will be part of the PMU hosted by EPIU and has the authority to run the project on behalf of the Implementing Partner and will attend the Project Board meetings to report on project progress and strategic directions. The Project Manager is responsible for day-to-day management and decision-making for the project, including the mobilization of all project inputs, supervision over project staff, consultants and sub-contractors. The Project Manager?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. The Project Manager will oversee implementation of

environmental and social safeguards and SESP updates, raising awareness about project-level Grievance and Redress Mechanism (GRM).

The Project Manager will be supported by a Project Financial and Administrative Assistant and a Project Procurement Assistant, who will assist in project planning, revisions and budget execution documents, contracting of national / local, international consultants and all project staff, contract monitoring in accordance with national legislation requirements and consistent with UNDP procedures (UNDP POPP). In addition, there will be three Task Leaders supporting the technical components (Components 1,2 and 3), Senior Communication and KM consultants (Component 4), an M&E expert (Component 5) who will provide technical support services on the project and monitoring of safeguards. The project?s gender and SESP experts will implement the Gender Action Plan and will monitor the safeguards and risk management measures respectively. The Project manager will be further supported by short term technical national experts, research institutes and NGOs. (Project Document Annex 7: O*verview of Project Staff and Technical consultancies)*.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

- National Action Plan for Adaptation (NAPA) under LDCF/UNFCCC

- National Action Program (NAP) under UNCCD

- National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD

- National Communications (NC) under UNFCCC

- Poverty Reduction Strategy Paper (PRSP)

- Biennial Update Report (BUR) under UNFCCC

Through its focus on LDN target setting and implementation in the two regions Gegharkunik and Vayots Dzor, and LDN compatible SLM measures (e.g. assisted natural regeneration of 2,200 ha of forests; sustainable management of 150,000 ha of pastures and grasslands and sustainable non-depleting farming and irrigation on 10,000 ha) the project supports the National LDN Target agreed by Armenia *?By the year 2040, the carbon stock lost between 2000 and 2010 will be recovered and increased by 2,8% in relation to present*?. The National LDN target setting process recommends several directions to be followed in order to attain the LDN such as: 1) Halting cropland degradation currently affecting 2/3rd of the country?s territory, by applying organic agriculture measures, increasing knowledge and awareness about the use of organic fertilizers; 2) Implementing reforestation of 2/3rd of degraded land, expected to be supported by the *Armenian Forest Programme* aiming at increasing the afforested area up to 20% of the country?s territory;

3) Halting deforestation and improving forest management on 100% of national territory; 4) Halting overgrazing and improving grassland management on the 100% of national territory.

The UNDP/GEF project will contribute to the overall progress towards the National LDN Target by (i) focusing at regional LDN target setting and implementation in Lake Sevan Basin landscape (ii) strengthening the inter-sectorial coordination for LDN at Lake Sevan landscape level (iii) coordinating closely with the existing similar LDN initiatives (FAO) in order to establish monitoring and reporting mechanisms for LDN and exchange lessons learned and experience on LDN regional implementation and reporting from sub-national to national levels. Furthermore, the project is highly relevant to and consistent with Armenia?s national priorities related to land degradation and biodiversity conservation, as outlined in key national policy documents. The proposed project is aligned with the Government?s Program of Land Degradation Neutrality and will support the progress towards the implementation of the National LDN targets. The project is aligned with the NBSAP 2015-2020 which prioritized assessments of ecological status and conservation measures of endemic fish species in Lake Sevan. The project is also fully aligned with the country?s updated NDCs ten year implementation framework 2021-2030 and adaptation priorities contributing to the national climate responsive indicators and targets.

The project is further aligned with the Government of Armenia acknowledgement of the strategic importance and investments directed towards the rehabilitation of Lake Sevan Basin?s ecosystems. The Law on 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) had a significant impact on enhancing the legal framework to enable rehabilitation measures. The National Security Strategies of the Republic of Armenia (2007, 2020) acknowledge Lake Sevan as Armenia?s strategic water resource reserve and prioritizes the necessity of the rehabilitation and preservation of the lake?s ecosystem and the management of water resources. Armenia Development Strategy 2014-2025 adopted in March 2014 (currently under revision) highlights numerous measures to reduce pollution of water resources and rehabilitate the ecosystem of Lake Sevan. The proposed project is also in-line with the provision of the **Programme of the Government of the Republic of Armenia** for 2017-2022, namely with the restoration and preservation of the ecological balance of Lake Sevan i.e.: (1) during 2017-2022, ensure continuous restoration and preservation of the ecological balance of Lake Sevan, as well as develop new cleanup mechanisms for the coastal zone in accordance with the legislative regulations; (2) adopt the Concept Paper and Management Plan for the Sevan National Park Development.

The project will contribute to overall post-COVID economic green recovery efforts to some extent, and will align with the objectives of the Government ?Program to address the economic impact of COVID-19? in agriculture and job support areas. Armenia adopted 22 actions to address the economic and social impact of the COVID-19 pandemic. One action, for example, aimed to generate employment through afforestation activities (2020). In addition Armenia is incorporating green measures in its COVID 19 recovery package with support of the NDC Partnership. The proposed project will align with these green recovery efforts by promoting land degradation neutrality and supporting biodiversity friendly businesses and resilient local livelihoods. LDN represent an essential component of any COVID-19 recovery package and building forward strategy. Sustainable land management (SLM) is a proven and cost-effective strategy that can jumpstart a green economic recovery. It creates jobs, uplifts rural communities, and delivers significant co-benefits for human health, biodiversity and climate change. The LDN compatible Sustainable Land Management Measures (SLM) will support progress towards land degradation neutrality, and achieving the SDG 15.3. Furthermore, the proposed project will support responsible tourism business models.

The project will contribute to the national effort towards meeting the Aichi Targets with its incremental effort at preventing the loss of natural habitats and reducing degradation and fragmentation (Aichi Target 5), strengthening management capacity, resilience and financial sustainability of projected areas (Target 11), and restoration and building resilience of key ecosystems and habitats (Targets 10 and 15).The project has been designed using the UNCCD LDN Checklist *(please see Annex G)*. The ecosystem management benefits will be mostly associated with the LDN guided integrated use of land resources for improved management of pastures and biodiversity rich grasslands, forests, cropland, lake ecosystems, combined with effective nature protection regimes and secured ecosystem services at landscape level.

The project is relevant to, and will contribute to, several of the SDGs: **Goal 1 No poverty**, by targeting vulnerable small farmers (men and women equally) and supporting sustainable production practices that will

contribute to food security; **Goal 5 ? Gender equality,** through benefits to women and men from biodiversity conservation and SLM activities, and women empowerment through their activity participation in related decision-making processes; **Goal 6 ? Clean water and sanitation,** by setting in motion measures for protecting and restoring forests, lakes and wetland areas by a better integration within the broader landscape, promoting SLM and environmentally friendly agriculture that are conducive to reducing pollution in the Lake Sevan Basin; **Goal 8 ? Decent work and economic growth**, by focusing on production sectors (agriculture and forestry) that employs a large sector of the population and decoupling local agricultural practices from environmental degradation; **Goal 13 ? Climate action,** by building ecosystem resilience to climate change and mitigation greenhouse gas (GHG) emissions, and **Goal 15 ? Life on land,** through its LDN focus, strengthening governance structures, including participatory approaches regarding water and land resources management, improving habitat to biodiversity, improving water quality, and reducing pressures to KBAs/IBAs by promoting sustainable production practices and enhancing ecosystem connectivity in their surrounding.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

The project knowledge management (Component 4) addresses awareness and technical knowledge gaps of the project beneficiaries and aims at contributing to the removal of these barriers. The project?s KM component will build a critical mass of understanding about the importance of biodiversity and ecosystem services and their relationship to people?s livelihoods, fundamental to securing the support of key stakeholders to engage with the project. The project will generate best practices, technical information (manuals, guidelines, brochures) GIS supported analysis, new innovative tools to be used by land managers (e.g., LUP4LDN different tools and communication vectors (TV, radio, conferences, workshops, education and training, innovative digital tools, social media etc) all of which are knowledge based, and will reach out to a wide array of stakeholders. The decision makers in particular will be capacitated to integrate biodiversity spatial elements in land use planning and implement landscape scale management approaches of natural resources, aligned with LDN philosophy (prevent-reduce-restore degraded land). The natural resource users will be better equipped with the needed technical knowledge on regenerative agriculture in PA/KBA production zones and will be supported/trained to access financing opportunities to invest in SLM measures. The financing partners will be participating in these trainings and awareness activities in order to understand the importance of financing nature-positive solutions. The critical understanding of BD and LD issues of the decision makers, financing partners, natural resource users etc., will elevate the visibility of the drivers of ecosystem decline on the political agenda, and it is expected that this kind of awareness will be conducive towards an enabling financial environment and targeted investments to be allocated towards nature positive solutions. The GEF project will build upon lessons learned from similar initiatives and will focus on raising awareness, changing behaviours, and sharing knowledge and good practices on LDN compliant SLM measures and promoting biodiversity values and the need for a holistic integrative approach in Sevan Basin landscape. A regional workshop on LDN and BD issues, promoting spatial and integrated land use planning and financing LDN compliant SLM measures will enable sharing of relevant knowledge and experience among countries in the region and beyond.

The Knowledge Management Plan (Project document Annex 22) for the project has been developed, building on lessons learned and best practices generated under different initiatives, and will actively disseminate the project results, seeking opportunities for replication and upscaling. The communication and capacity building activities will focus on the importance of sustainable land, water and biodiversity management, land degradation neutrality and biodiversity friendly production practices around protected areas and how these translates into global environmental benefits while sustaining local livelihoods.

The project knowledge management strategy will build on three key elements that foster learning and knowledge sharing, placed at the heart of the project?s adaptive management and upscaling efforts at local, national and regional levels: (i) Learning from existing lessons and best practices; (ii) Assessing and documenting results; (iii) Knowledge sharing and communication. The project will learn from previous and

ongoing initiatives that have been successful in implementing socio-economic small-scale SLM measures in production areas, helping people to improve their livelihoods. The project will learn from the EU funded initiatives supporting IWRM (e.g. EU Water Initiative EUWI Plus) and other donors (e.g. GIZ) funded initiatives and will build on their results and analysis on freshwater resources monitoring and management; the project will learn from similar previous and existing UNDP initiatives such as the previous GEF/UNDP Project ?*Mainstreaming Sustainable Land and Forest Management in Dry Mountain Landscape of Northeastern Armenia*? and will use the generated knowledge in forest management planning and community based activities piloted by this project in Tavush and Lori regions. From the previous European Neighbourhood Programme Agriculture and Rural Development (ENPARD) the project will use the lessons learned from the support to rural development, farming techniques and crop diversification, income generating activities in the rural areas. Valuable good practices and lessons learned could be use from the GEF funded WB/CARMAC II project, that will help design SLM activities and support the mainstreaming of biodiversity considerations into the sustainable pasture management plans. The good practices under IFAD project will be used/built upon e.g. GEF/IFAD projects played a key role in the establishment and the development of the appropriate legal framework for Water Users Associations (WUAs) in Armenia, initiated under the Irrigation Rehabilitation Project (IRP). A comprehensive review of relevant good practices and lessons relevant is presented under *Annex 22 of the GEF/UNDP Project Document.* The project will also generate new lessons and good practices, particularly in relation to SLM and land restoration, which will be shared broadly through regional communication channels and knowledge management platforms.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP (including guidance on GEF project revisions) and UNDP Evaluation Policy **The UNDP Country Office is responsible for ensuring full compliance with all UNDP project M&E requirements including project monitoring, UNDP quality assurance requirements, quarterly risk management, and evaluation requirements.** Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring Policy and the GEF Evaluation Policy and other relevant GEF policies[1]. The M&E plan and budget included below will guide the GEF-specific M&E activities to be undertaken by this project. In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed ? including during the Project Inception Workshop - and will be detailed in the Inception Report.

Inception Workshop and Report: A project inception workshop will be held within 2 months from the First disbursement date, with the aim to:

1. Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.
2. Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
3. Review the results framework and monitoring plan.
4. Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.

5. Update and review responsibilities for monitoring project strategies, including the risk log; SESP report, Social and Environmental Management Framework (where relevant) and other safeguard requirements; project grievance mechanisms; gender strategy; knowledge management strategy, and other relevant management strategies.
6. Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
7. Plan and schedule Project Board meetings and finalize the first-year annual work plan. Finalize the TOR of the Project Board.
8. Formally launch the Project.

GEF Project Implementation Report (PIR): The annual GEF PIR covering the reporting period July (previous year) to June (current year) will be completed for each year of project implementation. UNDP will undertake quality assurance of the PIR before submission to the GEF. The PIR submitted to the GEF will be shared with the Project Board. UNDP will conduct a quality review of the PIR, and this quality review and feedback will be used to inform the preparation of the subsequent annual PIR.

GEF and/or LDCF/SCCF Core Indicators: The GEF and/or LDCF/SCCF Core indicators included as Annex 12 will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the indicator status. The updated monitoring data should be shared with MTR/TE consultants prior to required evaluation missions, so these can be used for subsequent ground truthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF website.

Independent Mid-term Review (MTR): The terms of reference, the review process and the final MTR report will follow the standard UNDP templates and UNDP guidance for GEF-financed projects available on the UNDP Evaluation Resource Center (ERC). The evaluation will be independent, impartial and rigorous. The evaluators that UNDP will hire to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project under review. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the evaluation process. Additional quality assurance support is available from the BPPS/NCE-VF Directorate. The final MTR report and MTR TOR will be publicly available in English and will be posted on the **UNDP ERC by December 31, 2025**. A management response to MTR recommendations will be posted in the ERC within six weeks of the MTR report?s completion.

Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance for GEF-financed projects available on the UNDP Evaluation Resource Center. TE should be completed 3 months before the estimated operational closure date, set from the signature of the ProDoc and according to the duration of the project. Provisions should

be taken to complete the TE in due time to avoid delay in project closure. Therefore, TE must start no later than 6 months to the expected date of completion of the TE (or 9 months prior to the estimated operational closure date).

The evaluation will be ?independent, impartial and rigorous?. The evaluators that UNDP will hire to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project being evaluated. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the BPPS/NCE-VF Directorate. The final TE report and TE TOR will be publicly available in English and posted on the **UNDP ERC by March 31, 2028**. A management response to the TE recommendations will be posted to the ERC within six weeks of the TE report?s completion.

Final Report: The project?s terminal GEF PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up and approve the exit strategy of the project.

The final report, the monitoring and evaluative knowledge and the roles and responsibilities for the implementation of the exit strategy will be presented to the stakeholders and key project partners during the *final workshop* of the project.

Agreement on intellectual property rights and use of logo on the project?s deliverables and disclosure of information: To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy[2] and the GEF policy on public involvement[3].

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[1] See https://www.thegef.org/gef/policies_guidelines

[2] See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/

[3] See https://www.thegef.org/gef/policies_guidelines

The budgeted M&E Plan is included in Section VI of the GEF/UNDP Project Document; copied below.

Monitoring and Evaluation Budget for project execution:		
GEF M&E requirements to be undertaken by Project Management Unit (PMU)	**Indicative costs (US$)**	**Time frame**
Inception Workshop and Report	*5,000*	Inception Workshop within 2 months of the First Disbursement
M&E required to report on progress made in reaching GEF core indicators and project results included in the project results framework	*50,000 (costs of M&E expert)*	Monitoring will be on going. Reported annually and at mid-point and closure.
Preparation of the annual GEF Project Implementation Report (PIR)	*None*	Annually typically between June-August
Monitoring of SESP and ESMF	*None* *(Costs Included under BL 10, BL 25, BL 49)*	On-going.
Supervision missions	*None*	Annually
Learning missions	*None*	As needed
Independent Mid-term Review (MTR)	*28,000[1]*	*30 June 2025*
Independent Terminal Evaluation (TE)	*28,000[2]*	*30 September 2027*
Final conference	*5,000*	*Planned end of project by 31 December 2027*
TOTAL indicative COST	*116,000* *(3.2% of GEF grant)*	

[1] Sum of: *$21,000 International consultant+$2,000 National consultant+$5000 travel*

[2] Same as above

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The envisaged benefits to local and national stakeholders will be interconnected with the aggregated environmental benefits enabled by the project?s features: (i) embedded integrated benefits and synergies across focal areas, (ii) mechanisms for integrated decision making and (iii) landscape-scale designed interventions.

The project incentivizes local actors away from destructive behaviour through engaging them in biodiversity friendly livelihoods around protected areas, KBAs/IBAs, enlisting community support for safe wildlife migration corridors. The project will support gender equality and women?s empowerment, through inclusion in decision-making processes on natural resource management, delivery of capacity building on improving financial management skills, and disseminating information on available financing options for local community organizations, helping to enhance small-scale entrepreneurship, with a particular emphasis on engaging women-led community-based organizations and local enterprises. Project activities will emphasise priority inclusion of women, youth, persons with disabilities, war refugees, and other vulnerable groups.Livelihood benefits will be generated for local households through increased soil productivity, soil and water conservation, access to low-value grant assistance for interventions on biodiversity conservation and sustainable use of natural resources, and through access to capacity building on sustainable nature-positive LDN complaint agricultural practices, best practices in ecotourism, biodiversity conservation, and alternative livelihoods.

Awareness, technical knowledge and access to financing are key to ensuring that stakeholders will be able to adopt innovative, environmental-friendly practices. Approximately 65,800 people stand to benefit directly from various project?s interventions. The project aims at increasing capacity of 200 public sector employees and 100 PAs staff who will be participating in training activities . PA staff will have an increased knowledge and capacity for biodiversity management and environmental law enforcement. The local authorities will be supported/coached to writing eligible proposals under existing state-programmes in order to leverage additional funding for sustainable pastures and livestock management, improved water infrastructure of remote pastures, local rural development and market access and refurbishment of irrigation infrastructure with financing from available national and local financing programmes. In the same vein, the local natural resource users will be trained and supported to attract additional funding to implement SLM measures. Local tourism entrepreneurs will be trained and supported to implement eco-tourism activities. About 200 of local producers/farmers will benefit from micro-grants and an estimated income increase of at least 20% as a result of the implemented SLM measures. This is a conservative percentage, as income generation from recommended SLM measures will likely provide more benefits: e.g. according to past donor-supported projects[1], application of rotational grazing alone can provide an estimated net profit of up to $16 per sheep (after subtracting the costs per sheep of about $8). In general relatively limited investment sin the irrigation infrastructure has proven economically profitable, for example: repair of small reservoirs could increase water availability and support expansion of cultivation areas (that previously were not suitable); the Internal Rate of Return (IRR) is 227% and the payback period is 1 year; the repair and lining of water storage basin reduces water losses and leads to increased water supply. The IRR is 15% and payback period is 8 years; construction of drip irrigation systems incrases with approximately 40-50% the fruit and vegetable yields and the IRR is 29% and payback period approximately 5 years. Approximately 58,800 local farmers will benefit from the refurbishment of irrigation systems on demonstration plots in selected villages, demonstrative drip irrigation systems, rainwater harvesting facilities, in the selected in the villages, which are currently struggling with a higher degree of land degradation and poor livelihoods.

The generated experience is replicable at the Sevan basin landscape level, particularly through the guidelines, manuals, land use planning tools in particular the LUP4LDN software, demonstrates experiences at local level, aided by the awareness events and radio/TV talk shows. Through the awareness events and dedicated radio and TV shows that are being listened to by a large number of local community members, it is possible that number of beneficiaries of the project will be much larger. Improved awareness and technical knowledge, and assistance to access available funding, will result in improved livelihoods resilience leading to reduced economic losses associated with water scarcity, and greater agricultural productivity, increased revenues and employment prospects and diversification of income sources.

The project?s micro-grant scheme (aligned with UNDP low-value grants procedures) include gender sensitive and inclusive criteria that will prioritise mid and small farmers and vulnerable families, including women, youth and vulnerable people thus prioritising support to the most vulnerable from environment and social perspective. Greater resilience will result in reduction in economic losses associated with climate shocks. At national level, the estimated annual economic losses in the agriculture sector driven by drought, hail, floods, spring frosts and mudflows has been estimated at about 15-30 billion AMD for the recent years.[2] Cost benefit analysis will be undertaken for individual investments to be made on demonstration

plots. Due to the planned awareness and training events and due to the regional LDN Targets and enabling policies that the country is developing (under similar donor funded projects such as FAO) there is a good prospective potential for scaling up sustainable land management measures and integrated LDN compliant integrated and spatial land use planning at the level of the entire Lake Sevan basin.

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[1] Based on examples recorded in UNCCD/WOCAT database and examples use in feasibility analysis under AF funded projects in the region.

[2] Fourth National Communication to UNFCCC

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate	Medium/Moderate		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Annex 9_ESMF_PIMS 6586 Armenia_11Sept	CEO Endorsement ESS	

Title	Module	Submitted
Annex 5_SESP_PIMS 6586 Armenia_11Sept	CEO Endorsement ESS	
UNDP 6586 Armenia_Pre-SESP	Project PIF ESS	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

GEF-UNDP Project Document Section VI Project Results Framework

This project will contribute to the following Sustainable Development Goal (s):
Goal 1 ? End poverty in all its forms everywhere; Goal 5 ? Achieve gender equality and empower all women and girls; Goal 8 ? Decent work and economic growth; and Goal 15 ? Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.

This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD):
UN Sustainable Development Cooperation Framework 2021-2025; COOPERATION FRAMEWORK OUTCOME INVOLVING UNDP #2: UNSDCF Outcome 5: Ecosystems are managed sustainably and people benefit from participatory and resilient development and climate-smart solutions **NATIONAL PRIORITY OR GOAL:** 2019-2023 Government Programme and Action Plan, Section 5. Armenia Transformation Strategy 2050. **COOPERATION FRAMEWORK OUTCOME INVOLVING UNDP #2: UNSDCF Outcome 5:** Ecosystems are managed sustainably and people benefit from participatory and resilient development and climate-smart solutions

	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Project Objective	To promote land degradation neutrality, restore and improve the use of land and water resources in Armenia?s Lake Sevan Basin to enhance the sustainability and resilience of livelihoods, biodiversity and globally significant ecosystems			

To promote land degradation neutrality, restore and improve the use of land and water resources in Armenia?s Lake Sevan Basin to enhance the sustainability and resilience of livelihoods, biodiversity and globally significant ecosystems	**Indicator 1 (GEF 7 Core Indicator 11)** Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment: # of <u>public sector employees</u> with improved capacity for LDN, SLM, integrated land use # of <u>local resource users and agricultural producers</u> with improved awareness and technical knowledge on LDN, SLM and sustainable water use, alternative livelihoods, benefiting from the project activities # of <u>Micro-Grant scheme beneficiaries</u> - # of <u>PAs staff/environment officials</u> with enhanced individual capacity in biodiversity conservation and sustainable management, legal enforcement and patrolling. #of beneficiaries of SLM measures	N/A (zero beneficiaries)	*Total:3,500 (1,750 women and 1,750 men)* <u>Public sector employee</u>: **100 public sector staff** at national and local level of which at least 50% women (50 women and 50 men) <u>Local resource users and agricultural producers</u>: **Total 3,000** (1,500 women and 1,500 men) <u>Micro-grant scheme beneficiaries</u>: N/A (too early for accrued benefits) <u>PA staff/environment officials</u>: **50 PA staff** with enhanced capacity (25 women and 25 men) N/A	*Total:65,800* <u>Public sector employee</u>: **200 public sector staff** at national and local level of which at least 50% women (100 women; 100 men) <u>Local resource users and agricultural producers</u>: **Total 6,500** (3,250 women; 3,250 men) <u>Micro-Grant scheme beneficiaries</u> **Total: 200 grantees** (100 women; 100 men) of which 30% (60 grantees) war migrants and extremely vulnerable households. <u>PA staff/environment officials</u> **100 PA staff** with enhanced capacity (50 women and 50 men) **58,800** beneficiaries of the investments in the irrigation infrastructure

	Indicator 2 (GEF 7 Core Indicator 1.2) Terrestrial protected areas created or under improved management for conservation and sustainable use (ha) -	*0 ha*	Necessary species and habitat mapping, flora and fauna monitoring and GIS analysis for the preparatory work in an advanced stage Training Needs Assessment (TNA) finalized Midterm progress assessed- METT scorecards	*147,456 ha*
	Indicator 3 (GEF 7 Core Indicator 4) Area of landscapes under improved practices (hectares, excluding PAs) *(sum of **Indicators 12** ; **Indicator 13** and **Indicator 15** below)*	*0 ha*	Baseline methodologies agreed. Expert biodiversity and land resources mapping necessary for the preparatory work completed; GIS analysis completed.	*165,800 ha*
	**Indicator 4 *(*GEF 7 Core Indicator 6.1*)* GHG emissions mitigated (tCO2-eq)	N/A (project activities not under implementation)	No change (project outcomes and impacts not yet at stage where GHGs avoided/sequestered)	*1,403,851*
Project component 1	**Component 1: Promoting Land Degradation Neutrality in Lake Sevan Basin landscape to ensure productivity and ecological landscape resilience**			
Project Outcome 1.1 Land Degradation Neutrality in Gegharkunik and Vayots Dzor	**Indicator 5** # jurisdictions in Sevan Basin with LDN regional voluntary targets, action plans and monitoring systems in place	LDN baseline for Gegharkunik and Vayots Dzor assessed at PPG stage	LDN baseline and Land degradation trends validated for regional LDN target setting in the targeted regions/marzes	**2 (LDN regional targets** set in Gegharkunik and Vayots Dzor regions/marzes)

provinces promoted through integrated multi-sectoral landscape approaches	**Indicator 6** Status of LDN compatible integrated spatial and land use planning in Sevan Basin landscape	No LDN compatible integrated spatial and land use planning	Assessments and methodology developed for: (i) -LDN compliant land degradation assessments (ii) LDN compliant mapping of degraded lands in targeted provinces, (iii) Identification of priority land and forest restoration zones according to LDN principle and -Identification of spatial elements required by species and habitats of the KBAs/IBAs -Economics of Land Degradation (ELD) analysis and LDN principle (prevent-reduce-restore) and LDN targets -Inter-sectorial coordination mechanism (working group) in Lake Sevan set up and operational	**6 LDN-compatible Integrated Spatial and Land use plans (ISLUPs)** completed, adopted and under implementation for the targeted districts in Gegharkunik and Vayots Dzor provinces
Outputs to achieve Outcome 1	**Output 1.1.1** Land Degradation trends assessed, LDN targets set-up and monitoring system developed for Ghegarkunik (534,900 ha) and Vayots Dzor (230,800 ha) provinces, providing a framework to avoid, reduce and restore degraded land through integrated landscape planning **Output 1.1.2** LDN compatible Integrated Spatial and Land-use Plans (ISLUPs) informed by climate change vulnerability, Economics of Land Degradation (ELD) and biodiversity values in prioritized communities **Output 1.1.3** Inter-sectoral coordination strengthened to oversee regional LDN target setting and implementation, integrated land use planning and strengthened environmental governance in Lake Sevan Basin landscape **Output 1.1.4** Capacity building programme for regional and local authorities, natural resources users on LDN, SLM and methodologies for land use planning informed by ELD concept			
Project Component 2	**Component 2: Securing Biodiversity and critical habitats for Biodiversity Services as a baseline for non-deterioration of ecosystem services within Lake Sevan Basin landscape**			
Outcome 2.1 Secured biodiversity status in **Sevan National Park** (147,456 ha by strengthened PA capacity	Indicator 7: Change in the capacity of the management of key Protected Areas to implement effective biodiversity conservation and sustainable management measures	Sevan National Park METT Score: 37	Sevan National Park METT Score: 39	Sevan National Park **METT Score**:44

to better address the key threats to globally significant species and habitats within the main PA/KBA anchoring Lake Sevan landscape.	Indicator 8: Stable or positive changes in the population of globally significant biodiversity at Sevan National Park Bezoar goat (*Capra aegagrus aegagrus*) European otter (*Lutra lutra*) NT Common pochard (*Aythya ferina*) VU; European turtle-dove (*Streptopelia turtur*) VU; Great cormorant (*Phalacrocorax carbo*); Steppe viper (*Vipera eriwanensi)* VU	Baseline: as indicated in the METT scorecards	Midterm target changes: As indicated in the METT scorecards	**End project target changes**: As indicated in the METT scorecards
	Indicator 9: # of Public-Private Partnerships promoting Lake Sevan biodiversity values	PPP potential assessed	PPP potential validated Innovation Challenge organized	**2 Public Private Partnerships** promoting Lake Sevan biodiversity values Innovative PA financing mechanism identified and implemented
Outputs to achieve Outcome 2.1	**Output 2.1.1** Improved management effectiveness of Sevan National Park through PA regime compliance and enforcement, strengthened PA infrastructure, climate change sensitive integrated monitoring data base, improved patrolling and enforcement capacity of environmental regulation, research and monitoring and species-focused conservation skills and capacities strengthened. **Output 2.1.2** Business Plan and strengthened tourism infrastructure at Sevan National Park; Innovative financing mechanism of the Park?s biodiversity values; Public Private Partnerships for the valorization of Lake Sevan nature values.			

Outcome 2.2. Biodiversity conservation assessments and proposed arrangements in Lake Sevan landscape in place for the biodiversity hot-spots outside the PA.	Indicator 10: Number of comprehensive assessments with conservation measures targeting biodiversity hotspots outside PAs identified, justified for protection	Limited/no biodiversity conservation aspects mainstreamed in land use planning	Field studies and mapping of KBAs/IBAs, Wildlife Sanctuaries in Sevan Basin landscape completed Field samples of Palearctic grasslands conducted Mapping of Easter Lesser Caucasus Ecological Corridor conservation area completed *(jointly with WWF Armenia)*	**3 Assessments** ? **Assessment of KBA/IBA, Wildlife Sanctuaries** status in prioritized areas of Lake Sevan Basin landscape completed ? **Mapping of globally important species and wildlife habitats** in the Eastern Lesser Caucasus Corridor (in *Gegharkunik region*) completed and conservation measures and biodiversity spatial requirements identified ? **Assessment of grasslands, including Palearctic grasslands?** biodiversity status in prioritized communities of Gegharkunik and Vayots Dzor regions

	Indicator 11 Existence of Methodology for Biodiversity conservation considerations and spatial elements mainstreamed in land use planning	No such methodology exist	Draft Methodology developed for the incorporation of biodiversity conservation requirements into spatial planning and management of land use developed, with due consideration of: (i) key species and important habitats (KBAs/IBAs) and their spatial distribution/elements and (ii) concrete solutions for community-supported conservation of valuable biodiversity outside PAs and improved connectivity of the wildlife ecological corridors; (iii) climate change-induced modifications of the spatial requirements of key species and habitats. (iv) conservation of grasslands, particularly Palearctic grasslands biodiversity	**Methodology** for mainstreaming biodiversity in land use planning and improving natural ecosystems connectivity for wildlife migration, formally approved and under implementation
Outputs to achieve Outcome 2.2	**Output 2.2.1** Key Biodiversity Areas (KBAs) and other biodiversity hotspots in Lake Sevan Basin landscape, situated outside the PA, identified, mapped, conservation status assessed, and climate sensitive conservation measures mainstreamed into the Integrated Spatial and Land Use Plans/ISLUPs (used as input into Outputs 1.1.2, 3.1.1 and 3.1.3).			
Project component 3	**Component 3: Promoting sustainable and biodiversity friendly economic development and incentives for local communities in Lake Sevan landscape**			
Outcome 3 Biodiversity friendly and LDN compatible SLM practices promoted in	Indicator 12 (**GEF Indicator 4.1)** Area (ha) of sustainable pastureland regimes	0 ha	Pasture/grasslands inventories completed GIS analysis finalized Sustainable pasture management plans for 75,000 ha of pastures and grasslands developed	**150,000 ha of pastures and grasslands** under sustainable management with the support of Pasture Users Associations in the targeted areas

Lake Sevan production landscape.	Indicator 13 **(GEF Indicator 4.3)** Area (ha) of irrigated/arable land under sustainable water and land management plans	0 ha	Land degradation patterns and water use patterns analyzed GIS supported analysis finalized Drafting of the Sustainable management plans for the targeted arable land initiated	**10,000 ha**
	Indicator 14 **(GEF Indicator 3.2)** Area(ha) of degraded forest restored.	0 ha	Forest degradation patterns analyzed Forest management plans (Hayantar) assessed and recommendations/updates developed (i.e. to include climate sensitive forest restoration measures) GIS supported analysis finalized Methodology for the forest restoration developed	**2,200 ha**
	Indicators 15 **(GEF Indicator 4.3)** Area (ha) of forest ecosystems under climate-change sensitive sustainable forest management plans	0 ha	Forest degradation patterns analyzed Existing Forest management plans (Hayantar) assessed Recommendations/updates developed (i.e. to include climate sensitive sustainable forest management measures to be mainstreamed in the existing plans) GIS supported analysis finalized	**5,800 ha**
	Indicator 16 Number of agreements with local communities, to ensure biodiversity conservation and safe wildlife migration within the Eastern Lesser Caucasus corridor.	6 Agreements facilitated by WWF Armenia with the support of the Eco-Corridor Fund for the Caucasus	Identification of the local communities completed Conservation measures identified and agreed with local communities Facilitation of conservation agreements in advanced stage	**5 Conservation Agreements**

	Indicator 17 Small farmers? (grantees) net income (differentiated by gender) from sustainable practices (livestock, hay, seeds, dried fruits, medicinal plants, handicrafts, eco-tourism) resulted from biodiversity friendly agricultural practices in PA and KBAs/IBAs buffer and production zones, within the Eastern Lesser Caucasus corridor	Baseline to be determined in the first year of project implementation. Net Income men: $ X Net income women: $ X Net income of at least 80% of participating grantee (male/ female) documented at project inception (year 1)	Net Income men: $X + 10% Net income women: $X + 10% Participating farmers/households show at least 10% increase based on year 1 estimate.	Net Income men: $X + 20% Net income women: $X + 20% Participating farmers show 20% increase based on year 1 estimate.
	Indicator 18 Existence of financial mechanism for sustainable pastures management to benefit biodiversity	No such mechanism exists	Agri-payment scheme?s KPI identified and agreed with the official authorities at community level and Pasture Users Associations; Trainings of the Pastures Users Associations completed Agreements with the Pasture Users Associations signed	Key Performance Indicators (KPI) based Agri-Environmental Payment Scheme operational
Outputs to achieve Outcome 3	**Output 3.1.1** Sustainable pasture management plans at targeted village level, aligned with the LDN assessment and the Integrated Spatial and Land Use Plans (ISLUPs) , including biodiversity measures for palearctic grasslands conservation; 10 Pasture Users Associations capacitated to apply biodiversity friendly SLM measures to achieve LDN and resilient livelihoods. **Output 3.1.2** Climate sensitive and LDN compatible Integrated Water Management Plans in selected municipalities leading to soil improvement through innovative irrigation technologies and climate resilient crop farming aligned with LDN principles; strengthened capacity of WUAs to demonstrate sustainable crop farming and agroforestry measures. **Output 3.1.3** Sustainable Forest Management Plans addressing forest degradation and ecological connectivity through sustainable forestry measures and assisted regeneration. **Output 3.1.4** Investments in community based biodiversity friendly sustainable use measures and support to small eco-tourism operators in the PA, KBAs buffer zones and corridors, aiming to provide alternative income to local communities.				
Component 4	**Component 4: Knowledge management and Learning**				

Outcome 4.1 Best practices and lessons are accessed and applied in other production landscapes and micro-catchments in the country and in the region	<u>Indicator 19</u>: Number of SLM capacity building events, project awareness raising events and targeted KM products on LD and BD issues in Lake Sevan Basin. Project knowledge products include, where feasible, an analysis of gender equity/empowerment in relation with the specific knowledge topic.	Limited awareness raising on climate sensitive sustainable and integrated biodiversity-land-water resources management in the Lake Sevan Basin	Training Needs Assessment completed; Training modules designed; Behavior change-supported Testing Phase designed (for the desired/selected change in farmers? behavior) ; Awareness raising and Communication Plan developed; 15 trainings implemented; 10 awareness events implemented.	? **10 training workshops for the Pasture Users Associations** on SLM measures and climate resilient sustainable agricultural practices and rural entrepreneurship ? **3 training workshops for the Water User Associations (WUAs)** on sustainable LDN compatible farming and climate smart irrigation ? 6 Farmers Field Schools in the targeted communities sharing lessons learned and good SLM practices ? **6 Trainings** on Project/Proposal writing for local authorities and local natural resource users ? 6 local training sessions on eco-tourism ? **LDN Regional Workshop** to share experience, generated knowledge, challenges, and opportunities in LDN regional target setting. ? **Functional network** of agriculture extension providers set up ? 20 gender sensitive awareness raising events ? **20 Radio Talk Shows** for farmers

				with a segment for women farmers ? **Available gender-sensitive LDN/SLM/biodiversity training/information materials** and country-specific knowledge shared on UNCCD/ WOCAT platform; FAO platform; CARMAC platform; Adaptation Fund project platform ? Project-video Documentary ? Project web site and social media platforms

	Indicator 20: Existence of guidance, methodologies and tools for LDN compatible biodiversity-sensitive spatial and land use planning in targeted municipalities, informed by LDN principles; Biodiversity considerations; ELD concept-facilitating upscaling and replication of generated project experience.	Limited technical/analytical guidance, methodologies and behaviorally-informed studies, for the institutions with mandate in land and biodiversity governance	Field assessments for LDN and integrated land use planning, land degradation assessments and Biodiversity assessments completed Manuals and guidelines outline discussed and agreed with the national counterparts	? **Manual** on LDN compatible and biodiversity friendly integrated spatial land use planning for climate resilient ecosystems and livelihoods ? **Project Sustainability and Replication Strategy** presented and endorsed by project Board and Ministry of Environment ? **Technical assessments** of biodiversity outside PAs and conservation measures for increasing ecosystems connectivity ? **Recommendations for behaviorally-informed public policies** for a wider uptake of biodiversity sensitive SLM measures and advance towards Land degradation Neutrality in Lake Sevan Basin
Outputs to achieve Outcome 4	**Output 4.1.1** Increased knowledge and awareness among local communities and decision makers about LDN and key values of Lake Sevan Basin in connection with the use of water and biodiversity ecosystem services. **Output 4.1.2** Experience, best practices and lessons learned about LDN, SLM, biodiversity and water management, captured, systematized and made available through various platforms for public and private stakeholders for use in other production landscapes and catchment areas in the country and in the region;		
Project component 5	**Component 5: Monitoring and Evaluation**		

Outcome 5.1	Indicator 21: Functioning M&E system and monitoring of GEBs and co-benefits established	*N/A*	Midterm evaluation report M&E activities	? **Reports** with monitored and evaluated project results (GEF midterm and final reports) ? **Quarterly monitoring** activities (UNDP) ? **GEB monitoring** criteria included in Agri-Environmental Payment Scheme and grants contracts.
Outputs to achieve Outcome 5	**Output 5.1.1. Set of monitoring and evaluation activities** Set of monitoring and evaluation activities implemented. Monitoring and evaluative knowledge systematically integrated into project management and planning.			

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[1] Baseline, mid-term and end of project target levels must be expressed in the same neutral unit of analysis as the corresponding indicator. Baseline is the current/original status or condition and needs to be quantified. The baseline can be zero when appropriate given the project has not started. The baseline must be established before the project document is submitted to the GEF for final approval. The baseline values will be used to measure the success of the project through implementation monitoring and evaluation.

[2] *Target is the change in the baseline value that will be achieved by the mid-term review and then again by the terminal evaluation.*

[3]*Outcomes are medium term results that the project makes a contribution towards, and that are designed to help achieve the longer-term objective. Achievement of outcomes will be influenced both by project outputs and additional factors that may be outside the direct control of the project.*

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

GEF Council and STAP Comments	**Response**	**Adjustments Made**

| Germany: Germany emphasizes that renewable energy needs to be included into this proposal, in order to halt forest and woodland degradation and thus reach a sustainable management of existing and newly planted forests and woodlands. Fuel wood collection is a major driver of forest and woodland degradation and would compromise afforestation/reforestation as planned in this project, because fuel wood is an important energy source, in particular for rural households. Those countries in neighboring Caucasus and Central Asia which controlled forest and woodland degradation, such as Kazakhstan, achieved this by providing easy access to gas and coal as alternative to fuel wood to their population. Now, in the light of the decision of the COP26 of the UNFCCC regarding coal, this project needs to at least pilot to introduce renewable energy sources as alternative to fuel wood. | Thank you for this comment. Through the PPG process it has been confirmed that the project is well-aligned with national needs and priorities related to the integrated management of natural resources including pastures, water, and agricultural lands. The project is focused on advancing LDN compliant Sustainable Land Management (SLM) measures, and mobilizing financing for the implementation of these measures, and access to coal and gas are going beyond the project?s scope. However, upon further reflection, the project has designed activities that will implement comprehensive trainings on proposal writing in order to mobilize state funds for rural development including access to coal and gas as alternative to fuel wood. The project will further implement a a grant mechanism that includes different, compensatory support to local communities (in a form of non-cash payments) and support to implement SLM measures, for example support to agroforestry measures and planting of fast growing forests for fuel wood in order to take away pressures on native forests. By growing trees on their lands, either woodlots or agroforestry systems, farms can reduce unsustainable wood harvesting. | No adjustments necessary. |

Germany: Germany further emphasizes that the proposal looks at the sources of eutrophication of Lake Sevan. Is erosion really the main source? Are there data available on sediment and nutrients flows by the rivers in the lake? Or, is pollution from settlements in the lake?s basin due to insufficient wastewater treatment a major source for the pollution of the lake? This question needs to be addressed, in order to be able to develop the most efficient measures to protect the lake from pollution and thereby protect its biodiversity.	Thank you for this comment. Upon further reflection, the project has incorporated activities that will include these valuable suggestions. The project is using GEF resources to provide technical assistance to the Ministry of Environment and the management of the Sevan National Park and will support an assessment of the ecological status of Sevan basin rivers and major sources of pollution and eutrophication and decline of wetland areas. The assessment will take stock of and build on the results of other donor-funded projects. Based on the findings, the project will draft recommendations to address the major sources of pollution and implement critical management measures at the Sevan landscape level that will have a positive impact on the water quality. The focus will then be placed on identifying priority conservation/restoration measures of important fish spawning grounds and critical wetland areas; potential regulatory amendments that may be necessary in order to enable restoration measures will be drafted as well and submitted to the ministry?s relevant departmentsThe project will then provide support to the Sevan National Park and the Ministry of Environment for the planning of *restoration of 1-2 prioritized freshwater habitats* based on the priority conservation and restoration measures highlighted by the above mentioned assessment of the ecological status of Sevan basin rivers. The GEF funds will be used to hire a technical expert to identify and provide support and assistance for the concrete restoration projects of freshwater habitats, however the funding of the restoration measures should come from the State budget (as per annual allocated budget for Lake Sevan). The selection of targeted wetland restoration area to be supported by the project will be done based on the above mention assessment conclusions, in coordination with the GIZ and WWF Armenia experts and the Ministry of Environment and Academy of Science, Lake Sevan Scientific Commission, and will also take into consideration the importance of the surrounding areas as nesting and feeding areas for globally important water birds.	Project Document Outcome 2, Output 2.1.1

Germany: UNDP Armenia is implementing the EU4Sevan project jointly with GIZ, which incorporates some of the activities as proposed in the GEF proposal. The EU4Sevan project is mentioned in the list of ongoing projects but falls short in outlining how a mechanism to use synergies will look like. It also only focuses on synergies in EU4Sevan Output 5 (Ecosystem Governance), but not in Output 2 (Sustainable Land-Use). Emphasizing these will be crucial to avoid overlaps. It is suggested to improve the analysis of these synergies, based on previous discussions with UNDP.	Thank you for the comment and we have reflected upon it fully taking it into consideration. During the PIF and PPG several consultations with the EU4Sevan project team have taken place, starting with the selection of project site and attention to avoid duplication of efforts, and overlapping of demonstration projects as well as discussions on the opportunities to organize joint awareness and training events and share knowledge generated by EU4Sevan project generated under Output 2 (Sustainable Land Use) and Output 5 (Ecosystem Governance (please see Partnership section). However, the exact details of these events will be refined at the project inception stage once the project team is in place.	Project document under Component 2, 3 and Partnership sections.

Germany: The project is proposed in addition to several existing projects that all focus on the environmental management of Lake Sevan or its basin/landscape. There is a high risk that partners are not able to absorb the technical assistance provided by different partners and are generally overwhelmed with a high demand of coordination. The development of a coordination mechanism is indicated in the proposal, but it is important to detail how this works. It is suggested to enhance this part in the proposal, especially focusing on partner capacities to manage additional communication and coordination.	Thank you for the comments. Regarding the coordination mechanism, the GEF project does not intend to create a new coordinating mechanism for LDN and integrated land use planning at regional/local levels. Instead, it will aim at clarifying mandates and building capacities of the existing region/marz governing structure i.e. the Governor of the respective province who will facilitate the coordination and cross-sectoral policy work; representative institutions at regional level subordinated to the Ministry of Territorial Administration and Infrastructure, and agencies subordinated to the Ministry of Environment including PA managers; as well as the local self-government structures in the targeted municipalities. The administrative power at province/region (marz) level is derived directly from the state, with the governor implementing the territorial policy of the national government in the regions and supervising activities of the local governments, ensuring the link between state policies and local policies and ensuring horizontal coordination and support to cross-sectoral policies. In this regard, the project will support the governor/regional administrations to oversee the implementation of the provisions of the Governmental Decree N725 (May 2021) which approves LDN National Target for Armenia and establishes the National LDN Programme. Under article 12 the Government Decree highlights the mandatory ?cross sectoral cooperation and flow of resources to achieve LDN? enlisting provisions for different sectors? involvement in achieving LDN targets. To achieve the goal of combating desertification and LDN in Armenia the Article 19 of the same Decree assigns the Ministries of Environment, Economy, Territorial Administration and Infrastructure, Education, Science, Culture and Sports to bear the main role and responsibilities for execution of listed measures. To operate effectively, the same officials who are responsible for LDN will be involved in the composition of the Inter-Ministerial Committee on Lake Sevan, or otherwise it is necessary to use a close coordination mechanism between the Committee and the responsible institutions of the LDN. The project?s capacity building (under Output 1.1.4) will capacitate the regional and local authorities and will strengthen the technical knowledge for regional LDN target setting/implementation, integrated land use planning, LDN monitoring and reporting from sub-national to national level, and also will strengthen skills of managing technical assistance, coordination with donors and project management.	Project document Outputs 1.1.3 and 1.1.4

Germany: Germany highly appreciates close coordination of UNDP with the German-funded regional project ?Management of natural resources and safeguarding of ecosystem services for sustainable rural development in the South Caucasus (ECOserve)? (2018.2062.0) implemented by GIZ, to ensure that the identified synergies are planned in more detail and will be implemented in the proposed way. It is further recommended to open a field office within the Sevan National Park SNCO as one of the core project partners to ensure strong coordination of stakeholders in the field	Thank you for the comment. The project will build on the results of the GIZ project ?Sustainable Management of Biodiversity, South Caucasus? and the platforms, materials, manuals, and guidelines on pasture management developed. The GEF Project will contribute to the ?Platform for Sustainable Pasture Management? with lessons learned and knowledge product to educate about LDN compatible SLM practices. In addition, the GEF project will take up GIZ suggestions to organize trainings on GIS for the local authorities in the local (amalgamated) communities and train local specialists/engineers (in partnership with the State Cadaster Committee) to support their capacities to collect data and make use of satellite imagery analysis and GIZ supported maps, and conduct assessments of land degradation and land use, pasture degradation and identification of management measures. The project is also taking the recommendation regarding opening a field office in the Sevan National Park SNCO and will support the Ministry of Environment?s feasibility assessment for opening a field office for an improved institutional coordination and environmental.	Project document Outcome 2.1. Output 2.1.1; Partnership Section.
Germany: Germany finally recommends that remote sensing approaches should be used to monitor carbon. Such carbon maps need to be produced to feed them into the LUP4LDN tool. The project shall consider taking up remote sensing approaches that have been recently developed for e.g., Europe or Africa and calibrate them for the Lake Sevan area so that those approaches can be used for other carbon monitoring exercises in the Caucasus afterwards. The GEO-LDN network can be considered as valuable partner for the piloting of and exchange on LUP4LDN	Thank you for the comment. Indeed, during the PPG the team had contacted the UNCCD Secretariat and the GEO-LDN network including the team that has developed the LUP4LDN and will learn from the experience of the countries that were piloting the LUP4LDN (Tunis and Burkina Faso) in view of applying the lessons learned and rolling out the software in Armenia. As detailed under Output 1.1.1, 1.1.2 and 3.1.3, the project will follow an evidence-based approach and will introduce new innovative tools (such as LUP4LDN) working with GIZ and FAO supported projects implemented by the EPIU, to coordinate the geo-reference supported data and geospatial analysis, using remote sensing. Remote sensing to monitor carbon and realization of carbon maps to be used for LUP4LDN will be explored as well (Output 1.1.2).	Project document Output 1.1.1; 1.1.2 and 3.1.3

| Canada: Canada supports this project. We would stress focusing on restoring forest cover and commit to restoring native forests, for enhanced biodiversity outcomes. | Thank you for this comment. Indeed, the project will focus on restoring native forests. For example, the project will provide technical assistance and biological material (e.g., native tree seedlings) to save existing forest range and replenishing missing rows of trees. Other measures will consist in removing weedy vegetation and/or disturbances such as overgrazing through rotational fencing or other management measures to prevent livestock grazing in the native forest regeneration areas. With WWF Armenia support the project will build on WWF experience with promoting community endorsed eco-corridors through signed agreements with local communities living around juniper forest (Juniper Open Woodland) as these habitats are preferred by the wild ungulates, and the project will work with local communities to engage them in alternative income generation activities to preserve critical natural forest habitats. The project will support Hayantar State Agency design measures to support assisted natural regeneration on approximately 2,200 hectares using a blend of measures (active planting using native species and passive restoration) together with the local communities to eliminate barriers to the forest?s growth. In addition, the project will support Hayantar State Agency to update their current forest management plans for approximately 5,800 ha of forest ecosystem areas in Yeghegis (2,054.6 ha), Jermuk (1,546.5 ha), Vardenis (1,011.8 ha) and Shogakat (1,194 ha) communities (as per Annex 19 Fig 5). The updated forest plans of the natural forest ecosystems will include climate change resilience, fire management measures, demarcation of restricted / sustainable lands, forest use, ecosystem service areas, wildlife priority corridors (including the areas located in the Ecological Corridor of the Lesser Southeathern Caucasus) | Project document Output 3.1.3 |

STAP: The proposal includes 7 outcomes spread across the project 5 components. All the outcomes up to component 4 are well-thought through and linked to achieving the aim of the component they sit within. However, the outcome for component 5 (i.e., the M&E component) was prosaic and did not add any specificity as it stated: ?Project results properly monitored and evaluated?. The labelling was also incorrect (i.e., output 5.1, as opposed to outcome 5.1). STAP recommends that this be revised to add more specificity to it and better describe the expected results and level of ambition for the M&E component.	Thank you for this comment. As suggested, we have carefully revised the M&E Outcome and Output and considered ways to strengthen and expand it. The Outcome was redefined, and it reads as follows *?Project M&E system and monitoring of Global Environmental Benefits (GEB) provide for continuous learning and adaptive management?*. The title *is* further elaborated on, capturing the project?s functioning M&E system, monitoring, and assessment of global environmental benefits and co-benefits disaggregated by gender that will be generated by the project, including a mid-term and final evaluation and use of evaluative knowledge to inform adaptive management. The Outcome contains a single output that was redefined as well, and it reads now as follows: ?*Set of monitoring and evaluation activities implemented. Monitoring and evaluative knowledge systematically integrated into project management and planning*?. It indicates that M&E will be implemented following UNDP and GEF guidelines, explaining in more details the processes and tools to be used to augment monitoring capacities for example the use of IP?s digital technology capacities to contribute to monitoring activities, combining georeferencing, ground truthing, monitoring and discussion with communities and remote sensing analysis to allow stakeholders, including the GEF, to have a clear understanding of the project?s effectiveness and efficiency and results on the ground.	Project document Component 5.
STAP: Even though the biodiversity benefits of this interventions were described in a dedicated sub-section of the proposal under the project description, this fell short of identifying specific (Global Environmental Benefits) GEBs and explaining why these were to be classified as such. STAP recommends that a separate section GEBs be added to provide this information.	Thank you for the comments related to the GEB. This is noted and the GEB were carefully explained in the dedicated sub-section of the Project document and CEO ER.	Project document GEF Section under Results and Partnership chapter. CEO ER under Sub-section 6 Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF).
STAP: We could not find any evidence of past or related GEF projects being evidenced or referenced in the relevant section of the PIF.	Thank you for the comment, we have analyzed in detail the similar projects and explored the generated knowledge as well as possibilities of including the experience in the design of the project activities. The process is detailed in the Knowledge management plan annexed to the Project document.	Project document Annex 22 Knowledge Management Plan.

STAP: The PIF included a risk section, which provided an acceptable level of analysis for this stage of project design. Several categories have been selected for further screening and analysis during the next phase of project development (i.e., the PPG phase) when more appropriate mitigation measures will also be identified. STAP recommends that the risk impact and likelihood categories should also be clarified by providing a full list of the levels that are being used to score both categories. This can be done in a legend at the bottom of the risk table.	Thank you for this comment. The risks have re-assessed at the PPG stage and more details provided to explain the potential effect on the project is the future events occur. Likelihood was assessed based on a scale of 1-5 (1=Not likely; 5=Expected) and Impact rated based on a 1-5 scale (1=Negligible; 5= Extreme). Based on Likelihood and Impact the project used the UNDP Risk Matrix to identify Risk level (High, Substantial, Moderate or Low).	Project document Annex 6 Risk Register. CEO ER under Risk Section.

ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: 100,000 USD			
	GETF/LDCF/SCCF Amount ($)		
Project Preparation Activities Implemented	*Budgeted Amount*	*Amount Spent To date*	*Amount Committed*
1. **Component A.** Preparatory Technical Studies &Reviews	53,100.00	55,481.57	0.00
2. **Component B.** Formulation of the UNDP-GEF Project Document, CEO Endorsement Request, and Mandatory and Project Specific Annexes	44,100.00	30,040.70	11,811.68*
3. **Component C.** Validation workshop	2,800.00	2,666.05	0.00

	Total	100,000.00	88,188.32	11,811.68

The unspent PPG funds will be returned to the GEF.

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

Project Demonstration Sites

ID	Community	Pasturelands/ Grasslands, ha	Irrigated Lands, ha	Forest Ecosystems for Restoration, ha	Fore Ecosys ha
1	Shoghakat	13,721	0	293	
2	Yeghegis	10,004	480	0	
3	Martuni	54,293	3,520	0	
4	Vardenis	37,183	6,000	295	
5	Jermuk	0	0	0	
6	Vayk	34,800	0	1,612	
	TOTAL	150,000	10,000	2,201	

Lake Sevan

Shoghakat

Vardenis

Martuni

Yeghegis

Jermuk

Vayk

Legend

- State Border
- Main Rivers
- Settlements
- Lakes/Reservoirs
- Community Boundaries

Protected/Conservation Areas

- Sevan National Park
- State Sanctuaries
- Key Biodiversity Areas
- Important Bird Areas
- Eastern Lesser Caucasus Community Conservation Area

Project Indicators

- Pasturelands/Grasslands
- Irrigated Lands
- Forest Ecosystems
- Forest Ecosystems for Restoration

0 4 8 16

Coordinate System: WGS
Projection: UTM Zone 38
Date: March 2022

N

ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure Category	Detailed Description	Component (USDeq.)				Sub-Total	M&E	PMC	Total (US Deq.)	Responsible Entity (Executing Entity receiving funds from the GEF Agency)[1]
		Component 1	Component 2	Component 3	Component 4					
		Sub-component 1.1	Sub-component 2.1	Sub-component 3.1	Sub-component 4.1					
Equipment	Includes costs of i) PA demarcation and information boards for the eco-tourism routes. Total cost: $5,000; (ii)support to the 5 local communities who have committed to the Conservation Agreements (Output 2.2.1), for alternative non-livestock livelihoods aligned with LDN and biodiversity-sensitive in a non-cash form. Total cost: $35,000.		40,000			40,000			40,000	NIM / RP (WWF Armenia)
Equipment	Includes costs of IT equipment for PA and training activities. Total cost: $30,000		30,000			30,000			30,000	NIM / RP (WWF Armenia)
Equipment	Includes: (i) Cell phone contracts and calls costs of the Task leader in support of Outcome 2 and Output 3.1.4 (under RP execution). Total cost. $7,500.		7,500			7,500			7,500	NIM / RP (WWF Armenia)

Category	Description						Funding Source
Equipment	Cost of: (i) materials and goods (e.g. grass seed stock, fencing materials, fertilizer, fodder, gabions, etc.) to support the rehabilitation/restoration of degraded pastures on demonstration plots of the communal pasture areas under the management of the local authorities Output 3.1.1. Total cost: $45,000 (ii) materials and goods for tree nurseries with native species (seeds, fencing materials, fertilizer, pruning shears, root stock, etc.) under Output 3.1.3. Total cost: $45,000.	90,000		90,000		90,000	NIM / IP (MoE/ EPIU) + RP (WWF Armenia)
Equipment	Includes: costs of video conference camera: loudspeaker, projector, and projector screen to support Zoom meetings. Total cost: $8,000.		8,000	8,000		8,000	NIM / IP (MoE/ EPIU)
Equipment	(i) cost of landlines and cell phones for Project manager, Project assistants; (ii) Costs of audio-visual equipment for distant work and video conferencing equipments in support of project management distant work (display, microphone and cameras, speakers; conferencing phone; internet connection). Total costs: $15,000.				15,000	15,000	NIM / IP (MoE/ EPIU)

| Equipment - vehicle | Includes: (i) costs of field and monitoring and inspection equipment (Output 2.1.1): operational equipment GIS devices and field equipment (binoculars, camera traps, drones; mobile communication devices; GPS navigators, power sources, generators, field uniforms and gear; Total cost: $188,000; (ii) fire fighting equipment : fire swatters and backpack fire pumps; brush hooks, quick-assemble and collapsible water tanks and weather meters; 10 full sets of protective fire fighting uniforms. Total cost: 70,000 (iii)   Flora and Fauna field guides for targeted PA. Total costs: $9,500; | 267,500 | | | 267,500 | | | 267,500 | NIM / RP (WWF Armenia) |

| Equipment - vehicle | Cost of (i) equipment required to establish native species tree nurseries (spray irrigation, leasing of tractors, planters, sprayers, etc.) (Output 3.1.3). Total cost. $50,000; (ii) Cost of fire fighting equipment for the Local Self-government and volunteer teams : fire swatters and backpack fire pumps; brush hooks, quick-assemble and collapsible water tanks and weather meters; 10 full sets of protective fire fighting uniforms. Total cost: $50,000; (iii) Camera, bag, tripod. Total cost: $4,000; (iv) Equipment to support field works (tent, sleeping bags; polyethylene film; ropes for transects; bags for soil and plant samples; flashlights; water tank (40L); field kitchen utensils). Total cost $50,000. | | | 154,000 | | 154,000 | | | 154,000 | NIM / IP (MoE/ EPIU) + RP (WWF Armen ia) |

Grants	Includes the cost of grants- project competitive technical investment program for communities in/near PAs/KBAs/IBAs in Lake Sevan Basin Gegharkunik and Vayots Dzor (in the selected communities), under Output 3.1.4. The competitive grant program will support alternative income generation for the communities and will be organized such that local-level stakeholders from all the targeted communities will submit proposals for technical assistance, which will be reviewed through an objective panel of technical experts. Upon selection, the project will provide granted technical assistance in the form of equipment, materials, requested to support sustainable non-livestock based livelihoods that are aligned with land use management plans that mainstream biodiversity. This activity will be carried out in full conformity with the Low Value Grant policy under the UNDP POPP (Output 3.1.4). Total cost: $300,000.			300,000		300,000		300,000		NIM / IP (MoE/ EPIU) + RP (WWF Armenia)

Category	Description										
Contractual Services ? Individual	Includes the sum of: (i) Cost of 10% of the Project manager salary ($1500/monthx5 years) Total cost $ 9,000; (ii) Cost of Task Leader Outcome 1 ($1200/monthx5years). Total cost:$72,000.; (iii) Cost of local staff to support EPIU field activities under Component 1. Total cost $ 10,000.	91,000				91,000		91,000			NIM / IP (MoE/EPIU)
Contractual Services ? Individual	Includes the sum of: (i) Cost of 10% of the Project manager salary ($1500/monthx5 years) Total cost $ 9,000; (ii) Cost of Task Leader Outcome 2 ($1200/monthx5years). Total cost:$72,000; (iii) Cost of local staff to support EPIU field activities under Component 1. Total cost $ 10,000.		91,000			91,000		91,000			NIM / RP (WWF Armenia)
Contractual Services ? Individual	Costs of Innovation Challenge prize (Total cost: $40,000)		40,000			40,000		40,000			NIM / RP (WWF Armenia)

Contractual Services ? Individual	Includes the sum of: (i) Cost of 10% of the Project manager salary ($1500/monthx5 years) Total cost $ 9,000; (ii) Cost of Task Leader Outcome 3 ($1200/monthx5years). Total cost:$72,000 (iii) Cost of local staff to support EPIU field activities under Component 1. Total cost $ 10,000.			91,000		91,000			91,000	NIM / IP (MoE/EPIU) + RP (WWF Armenia)
Contractual Services ? Individual	Includes the cost of 10% of the Project manager salary ($1500/monthx5 years).Total cost $ 9,000;(iii) Cost of local staff to support EPIU field activities under Component 1. Total cost $ 10,000.			19,000		19,000			19,000	NIM / IP (MoE/EPIU)
Contractual Services ? Individual	Includes a) Partial cost (30%) of the Project Manager salary. Total cost: $27,000 (30% of $1500/monthx12months5years); b) Full cost of a Project Financial and Administrative Assistant. Total cost: $48,000 ($800x12monthsx5years); c) Full cost of Procurement Assistant. Total cost: $48,000 ($800x12monthsx5years).							123,000	123,000	NIM / IP (MoE/EPIU)

Contractual Services ? Company	(i)Costs of specialised firm to design and deliver targeted training modules of national/regional/ local authorities on integrated and spatial land use planning, ELD concept and use in land use planning, biodiversity sensitive spatial and land use planning (Output 1.1.4). Total cost: $10,000. (ii) Cost of technical capacity building targeted specifically on the use of the LUP4LDN software (Output 1.1.3). Total cost $15,000. (ii) Cost of specialised GIS and spatial land use planning firm to develop GIS supported ISLUPs and set up the related data base in the pilot 6 merger/enlarged communities; in addiiton the company will deliver trainings to the technical staff of the 6 local authorities on the use of GIS supported maps and data base. Total cost:$200,000. (iii) Cost of specialized firm to organize an international LDN workshop to share expereinces in setting LDN sub-national targetts; ISLUPs and SLM measures and using LUP4LDN,	305,0 00			305,0 00		305,0 00	NIM / IP (MoE/ EPIU)

	including fees of different speakers (Output 1.1.1; 1.1.2). Total cost: $80,000.									

Contractual Services ? Company	Includes costs of contractual services in support of outputs under Component 2 and Output 3.1.4 that are executed by the RP (WWF Armenia) as follows: a) Specialised firm to develop the Integrated monitoring data base for Lake Sevan National Park (Output 2.1.1). Total cost: $50,000; (ii) Construction company to set-up 4 observation towers in Sevan National Park (Output 2.1.1) and set up information boards and signs. Total cost: $45,000; (iii) NGO/consortium to design and deliver targeted training sessions for the PA staff and local communities including financial trainings, proposal writing, and bespoke training sessions on the biodiversity monitoring and conservation measures (including of key indicator species identified by the project) as per the TNA and responding to METT capacity gaps (Output 2.1.1). Total cost: $15,000; (iv) Consultancy company or NGO/consortium to work with the tourist project technical expert and liaise with tourism		185,000			185,000		185,000	NIM / RP (WWF Armenia)

| | operators and develop PPP with the Lake Sevan National Park for the valorization of Ramsar site values/KBAs/IBAs; implement measures to develop eco-tourism in and around PAs and KBAs/IBAs; organize capacity building for local communities on eco-tourism, conduct marketing, hold several seminars with established local eco-tourism entrepreneurs in Gegharkunik and Vayots Dzor communities for sharing good practices etc. Total cost: $20,000. (v) Specialised company for the execution of assisted juniper forest regeneration in the habitat of the Bezoar goat (under Outcome 2), including technical project and cost of materials (seedlings; fencing). Total cost: $25,000.; (vi) Specialised safeguards company to assist with site specific assessments implementation of other safeguards measures aligned wth the SESP/ESMF for activties under Outptu 2.1.1.,2.2.1, 3.1.4. Total cost $10,000;(vii) Helicopter rental costs to support large scale aerial survey of wild | | | | | | | | | |

	ungulates during inception phase and at end project Total cost:$20,000;									

Contractual Services ? Company	Includes: (i) costs of contractual services of a company to develop sustainable pastures management plans for the local self govenrment (LSG) and write proposals for the local self-government to be submitted under different Gov funding for the financing of these sustainable pastures management plans (Output 3.1.1). Total cost: $ 20,000; (ii) costs of contractual services of a company to work with the project's technical experts and support the new local self government (LSG) in targeted communities to develop Integrated Water-Land Management Plans and write several proposals for WUAs and LSGs, for the mobilisation of funds under State Subvention Programme for irrigation infrastructure repairs (Output 3.1.2). Total cost:$15,000. (iii) cost of a specialised firm for the construction of 4-5 water wells and shepherd/livestock shelters in the remote pastures areas (Output 3.1.1). Total costs: $189,468; (iv) cost		584,468		584,468			584,468	NIM / IP (MoE/ EPIU) + RP (WWF Armenia)

	of specialised firm services to repair the irrigation infrastructure on several farm areas, rehabilitating pilot irrigated land in the targeted villages-Output 3.1.2 (described in Annex 20). Total cost:$ 350,000 (v) cost of specialised EIA/SEA and SES company services to support implementation of safeguards measures related to construction works on pasture and farm level under Output 3.1.1; 3.1.2; 3.1.3. 3.1.4 Total cost: $10,000.

| Contractual Services ? Company | Includes the costs of contractual services of a PR/media company for the implementation of the awareness raising campaign and media events (20 awareness raising events; joint events with other UN Agencies; project inception and final conferences; knowledge sharing events; radio-based agricultural extension service). Output 4.1.1.- Awareness. Total cost: $100,000.; b) Include the cost of specialised capacity development firm to deliver specialised training activities: 10 trainings for pasture users cooperatives (in coordination with the trainings related to the Agrienvironmental Payment scheme; and Grants programme under Output 3.1.1); costs of setting up and training of a network of agriculture extension officers; organization of 6 farmers field schools; delivery of 3 trainings for WUAs on integrated-water/land aligned with LDN; delivery of 6 trainings for local regional authorities , and private entrepreneurs, on proposal writing/resource | | | | 180,000 | 180,000 | | 180,000 | NIM / IP (MoE/ EPIU) |

	mobilization under different government programmes (in coordination with the trainings and events under Component 3 to avoid overlaps); delivery of training sessions on eco-tourism with showcasing eco-tourism best practices of such initiatives existing in different parts of Armenia(Output 4.1.1). Total cost: $80,000.								
International Consultants	Includes: (i) Pro-rata costs (25%) of the International Technical Advisor ($750/day x 150 days) with technical input across technical Outputs. Total cost $28,125; (ii) Cost of International LDN Consultant $750/dayx50 days). Total cost: $37,500; (iii) Cost of International Land Use Planning Consultant $750/dayx50 days). Total cost:$37,500.	103,125			103,125		103,125	NIM / IP (MoE/ EPIU)

International Consultants	Description								Source
International Consultants	Includes pro-rata cost of International Technical Advisor. Total cost: $28,125		28,125				28,125		28,125	NIM / RP (WWF Armenia)
International Consultants	Includes pro-rata cost of International Technical Advisor. Total cost: $28,125			28,125			28,125		28,125	NIM / IP (MoE/ EPIU) + RP (WWF Armenia)
International Consultants	Includes pro-rata cost of International Technical Advisor. Total cost: $28,125				28,125		28,125		28,125	NIM / IP (MoE/ EPIU)
International Consultants	Includes cost of 2 international GEF project evaluators to support GEF Mid term and GEF Terminal Evaluation. Total cost: $42,000 (2x30 days/$700/day).							42,000	42,000	NIM / IP (MoE/ EPIU)

| Local Consultants | Contractual appointment of a team of local experts to provide professional, technical and scientific support to activities under Component 1 as follows: a) Land use expert(Output 1.1.1/1.1.2.). Total cost: $10,000 (100 days/$100/day); b) GIS Specialist (Output 1.1.1/1.1.2/3.1.1/3.1.2/3.1.3) Total cost: $30,000 (200 days/$150/day) ; c) Soil specialist (Output 1.1.1/1.1.2/3.1.1/3.1.2). Total cost: $10,000 (100days/$100/day); d) 2xPastures and Forests experts (Output 1.1.1/1.1.2/3.1.1). Total cost: $12,000 (2x60 days/$100/day); e) Irrigation and Crop water requirements Specialist(Output 1.1.1/Act.1.1.2; 3.1.3). Total cost:$6,000 (60 days/$100/day); f) Economist/Land degradation Expert (Output 1.1.1/1.1.2). Total costs: $8,000 (80 days/$100/day) | 76,000 | | | | 76,000 | | 76,000 | NIM / IP (MoE/ EPIU) |

| Local Consultants | Contractual appointment of a team of local experts to provide professional, technical and scientific support to activities under Component 2 as follows: a) GIS expert for PA work (Output 2.1.1/2.2.1). Total cost:$18,000 (120days/$150/day); b) Zoologist (Output 2.1.1/2.2.1/3.1.4). Total cost $ 16,000 (160 days/$100/day); c) Ornithologist (Output 2.1.1/2.2.1/3.1.4) Total cost: $16,000 (160 days/$100/day); d)Herpetologist (Output 2.1.1/2.2.1/3.1.4). Total cost:$6,000 (60 days/$100/day);e)Botanist   (Output 2.1.1/2.2.1/3/1/4). Total cost:$14,000 (140days/$100/day); f) Forestry expert (Output 2.1.1/2.2.1/3.1.4). Total cost $ 6,000 (60 days/$100/day); g) Freshwater ecosystems specialist(Output 2.1.1/2.2.1) Total cost: $16,000 (160 days/$100/day); h)Water management specialist (Output 2.1.1). Total cost:$8,000 (80 days/$100/day)i)Environmental economist (Output 2.1.2) Total cost: | | 174,000 | | | 174,000 | | | 174,000 | NIM / RP (WWF Armenia) |

	$10,000 (100 days/$100/day); j)Ecotourism expert (Output 2.1.1/2.1.2/3.1.4) Total cost: $8,000 (80 days/$100/day); k)Capacity dev PA specialist (TNA) (Output 2.1.1). Total cost:$3,000 (30 days/$100/day); l)PA inspection and patrolling expert(Output 2.1.1/3.1.4). Total cost:$ 8,000 (80 days/$100/day; m)Community outreach specialist (Output 3.1.4) Total cost: $15,000 (150 days/$100/day);n) Senior Communication specialist (Component 2+Output 3.1.4) Total cost: $30,000 ($ 6,000/year).									

| Local Consultants | Contractual appointment of a team of local experts to provide professional, technical and scientific support to activities under Component 3 as follows: a) 2xPasture agronomist (Output 3.1.1).Total cost: $ 50,000 (2x250 days x/$100/day)b) Botanist(Output 3.1.1./3.1.4). Total cost: $9,000 (90 days/$100/day); c) Zoologist (Output 3.1.1./3.1.4). Total cost: $9,000 (90 days/$100/day);d) Forestry expert (Output 3.1.3/3.1.4).Total cost: $10,000 (100 days/$100/day); e) Independent Pasture Management Assessor (Output 3.1.1). Total cost: $6,000 (60 days/$100/day); f) Hydrologyst (Output 3.1.2) Total cost: $ 12,000 (120 days/$100/day);g) Irrigation and Crop water requirements expert (Output 3.1.2).Total cost: $ 10,000 (100 days/$100/day); h) Environmental economist expert (Output 3.1.4). Total cost: $4,000 (40 days/$100/day); | | | 110,000 | | 110,000 | | 110,000 | NIM / IP (MoE/ EPIU) + RP (WWF Armenia) |

Item	Description									Responsible Party
Local Consultants	Includes the costs of: a) Senior Communication Specialist. Total cost: $30,000. b) Senior Knowledge Management expert . Total cost $24.000;				54,000	54,000			54,000	NIM / IP (MoE/ EPIU)
Local Consultants	Includes: a) costs of local GEB/M&E expert. Total cost: $50,000 ($10,000/year); b) costs of two national evaluation experts to support GEF mid term and terminal evaluations. Total cost: $4,000.					54,000		54,000		NIM / IP (MoE/ EPIU)
Trainings, Workshops, Meetings	Includes: a) costs of the organization of workshops on LDN and SLM, on the methodology, procedures, LDN monitoring mechanism (Output 1.1.1./1.1.2) and targeted trainings of regional and local authorities (Output 1.1.4). Total costs: $12,000 (2 workshops x 6communities x $1,000); b) costs of local (roundtables and trainings) on LDN monitoring and reporting to national level. Total cost $2,000.	14,000				14,000			14,000	NIM / IP (MoE/ EPIU)
Trainings, Workshops, Meetings	Includes a) the costs of the organization of the training events for the PAs staff. Total cost: 7,000; and b) costs of round tables and dialogue at local level with the local communities. Total cost: $9,000.		16,000			16,000			16,000	NIM / RP (WWF Armen ia)

Trainings, Workshops, Meetings	Costs with the organization of local workshops and meetings in support of Component 3: (i) training sessions to explain/ assess results under the Agrienvironmental payment scheme, benefiting 10 Pasture Users Associations and local authorities and other farmers. Total cost: $10,000. (ii) 6 training sessions on assisting rural communities to prepare applications for grant funding support; providing agricultural and forestry extension support services to communitiesproposal writing (bespoke preparatory meetings led by technical experts for farmers preparations to participate to the project's Grant programme under Output 3.4.1) and coaching on cost-benefit analysis for the farmers participating in the project's grants. Total cost: $6,000. (iii)costs of the organization of the round table discussions with WUAs and local village residents on the irrigation infrastructure and water efficiency. Total cost: $2,000. (iii) costs of trainings workshops and round table meetings with the		28,000		28,000		28,000		NIM / IP (MoE/ EPIU) + RP (WWF Armenia)

	financial sector (banks, micro-credit institutions) to raise awareness on financing nature positive solutions and LDN financing, discuss domestic resource mobilisation towards envirnmentally sensitive agricultural practices and enabling legal and administrative framework- in coordination with UNDP Global Biodiversity Financing Programme (Output 3.1.1); Total cost: $10,000.										
Trainings, Workshops, Meetings	Includes costs of awareness raising workshops and local roundtable meetings organized jointly with other donor-funded projects in the targeted areas, and organization of local and national awareness raising events. Total costs: $ 12,000.				12,000	12,000			12,000		NIM / IP (MoE/ EPIU)
Trainings, Workshops, Meetings	Includes costs of inception and final project conferences. Total cost: $10,000.						10,000		10,000		NIM / IP (MoE/ EPIU)

Travel	Includes: a) Travel expenses associated with local field missions of the experts and liaison with local communities in support of outputs under Outcome 1. Total cost: $12,000 (10 experts x 15 mission days x $80/day); b) Travel costs (including DSA and transport) of the International LDN expert (Output 1.1/1.2). Total cost: $8,200 ($220 x 10 mission days + $ 6000 cost of flights). c) Travel cost (including DSA and transport) of the International Land use Expert (Output1.2). Total costs $ 8,200 ($ 220 x 10 mission days + $6,000 cost of flights). d) Travel costs of the International Technical Advisor, Project Manager, Task Leader to support implementation of Component 1. Total cost: $5,000.	33,400				33,400		33,400	NIM / IP (MoE/ EPIU)

Travel	Includes a)travel expenses of project experts/staff to targeted areas, in support of collection and processing of data under outcomes 2.1 and 2.2. and Output 3.1.4 Total costs $22,400 (14 experts and project staffx20 field missions days x$80/day); b) Travel costs of the International Technical Advisor, Project Manager, Task Leader to support implementation of Component 2 . Total cost:$8,000.	30,400			30,400			30,400		NIM / RP (WWF Armenia)
Travel	Includes travel costs associated with local field missions of the experts and costs of liaison with local communities in support of outputs under Outcome 3. Total cost: $12,000 (10 experts x 15 mission days x $80/day); b) Travel costs of the International Technical Advisor, Project Manager, Task Leaders to support implementation of Component 3. Total cost: $8,000.	20,000			20,000			20,000		NIM / IP (MoE/ EPIU) + RP (WWF Armenia)
Travel	Includes travel expenses of to the project sites related to awareness raising events and consultations with the local communities. Total costs: $7,000.			7,000	7,000			7,000		NIM / IP (MoE/ EPIU)

Category	Description									Responsible Party
Travel	Includes: (i) travel costs and DSA of M&E consultants (M&E) at mid-term and final evaluation. Total cost: $10,000.							10,0 00		10,00 0	NIM / IP (MoE/ EPIU)
Travel	Includes travel costs of the PM team (Total cost:$ 8,000)							8,00 0		8,000	NIM / IP (MoE/ EPIU)
Other Operating Costs	Includes: (i) costs related to the procurement of georeferenced digital aerial photography and satellite imagery. Total cost: $ 5,000; (ii) costs for production of audio and visual materials to support the development of community-based tourism packages (Output 2.1.2) and community supported eco-corridors (Output 2.2.1). Total costs: $20,000; (iii) cost of design/printing Lake Sevan National Park Bussiness Plan (Output 2.1.2); Guidelines and Methodology for Mainstreaming Biodiversity in Spatial and Land Use Planning (Output 2.2.1) and other results of assessments of KBAs/IBAs (Output 2.2.1). Total cost: $5,000.	30,000				30,00 0				30,00 0	NIM / RP (WWF Armen ia)
Other Operating Costs	Includes: Misccelaneous expenses including bank charges. Total cost: $2,500	2,500				2,500				2,500	NIM / RP (WWF Armen ia)

Other Operating Costs	Includes: (i) Costs of procurement of georeferenced digital aerial photography and satellite imagery. Total cost: $5,000; (ii) Design, layout and/or printing costs of Manuals, Guidelines, Technical methodologies, Brochures on sustainable pasture and forests management planning, aligned with LDN, for farmers. Total cost: $10,000.			15,000		15,000		15,000	NIM / IP (MoE/ EPIU) + RP (WWF Armenia)
Other Operating Costs	Includes a) the costs of production, design and printing of the following KM products : (i)Manual on LDN compatible and biodiversity friendly integrated spatial land use planning for climate resilient ecosystems and livelihoods; ii) Technical assessments of biodiversity outside PAs and conservation measures for increasing ecosystems connectivity; (iii) Recommendations for behaviorally-informed public policies for a wider uptake of SLM measures and advance towards Land degradation Neutrality in Lake Sevan Basin. Total cost. $18,000			18,000	18,000			18,000	NIM / IP (MoE/ EPIU)

Other Operati ng Costs	Includes costs of professional services for NIM audits. Total cost: $25,363							25,3 63	25,36 3	NIM / IP (MoE/ EPIU)
Grand Total		**622,5 25**	**942,02 5**	**1,420, 593**	**326,12 5**	**3,311 ,268**	**116, 000**	**171, 363**	**3,598 ,631**	

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).