

United Nations Development Programme
Sustainable human development



Fax Transmission

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Subject: Biodiversity Enabling Activity - Armenia

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Comments:

With reference to your letter of 7 March and comments contained therein, we have revised the proposal and enclose a copy for your review. Following your advice, the following points have been addressed:

1. The text has been thoroughly edited.
2. The estimated starting date has been changed.
3. Clarification on the composition of the working groups has been addressed on page 9.
4. As requested, rationale for the two workshops has been addressed on page 4. The first will develop the scientific and technical content of the BSAP and the second will discuss the revised BSAP with a view to identifying policy, institutional and fiscal arrangements as well as modalities.
5. Para 18 - sequencing of activities now conforms with the time line on page 7, with regard to the timing of the national report.

All the above amendments have been highlighted in italics on the enclosed proposal for ease of reference. We look forward to receiving your comments/approval on the revised proposal.

GLOBAL ENVIRONMENTAL FACILITY
ENABLING ACTIVITY PROPOSAL

Country :	Republic of Armenia
Project Title :	National Biodiversity Strategy, Action Plan and First National Report to CBD
GEF Focal Area :	Biodiversity
Country Eligibility :	CBD ratified on 14 May 1993 GEF instrument paragraph [9]
GEF Financing :	174,800 US\$
Government Contribution :	In-kind
GEF Implementing Agency :	UNDP
National Executing Agency :	The Ministry of Environment and Mineral Resources
GEF Operational Focal Point :	The Ministry of Environment and Mineral Resources (Department of State Reserves and the National Park)
CBD Focal Point :	The Ministry of Environment and Mineral Resources
Estimated Starting Date :	<i>April 1997</i>
Project Duration :	12 Months

I. BACKGROUND/CONTEXT

1. Armenia's landscapes are diverse and rich in natural and cultural dimensions, and its ecosystems comprise a large diversity of habitats and a rich flora and fauna. Altitudes ranging from 450 to 4095 meters above the sea level, sharp altitude changes, volcanic origin of the Armenian highland and distance from significant water bodies have formed unique conditions, sustaining a great variety of species. Armenia's flora includes about 3200 species, 200 of which

are endemic and relict. Natural conditions change sharply across the country. Due to sharp altitude changes and being situated in the crossroads of different floristic regions, Armenia is rich in flora species. Many types of floral species, from alpine to desert species can be found on just a small territory. Mountain xerophytes, together with ancient and valuable species of wild wheat, rice and barley are among the most valuable species in Armenia. Arboreous shrub plants, such as Juniper with phytocide qualities, as well as wild equivalents of cultured plants like apple and pear trees, hawthorn and cornel are spread throughout the country. Forests cover 484.1 thousand hectares of land. Mountain forests of Armenia, being situated on the steep slopes of more than 30 degrees and due to arid climate of the country, have substantial climate and water regulating significance. They can affect the temperatures by 4 to 5 degrees centigrade. They also contribute greatly to the prevention of soil erosion. The fauna of Armenia consists of 76 Species of mammals, 304 birds, 44 reptiles, 6 amphibians, 24 fish, and more than 11000 insects and other invertebrates. The species of particular global interest are: leopard (*Panthera pardus*), pelican (*Pelicanus crispus*), white tailed eagle (*Haliaeetus albicilla*) falcon (*Falco peregrinus*), Mediterranean turtle (*Testudo graeca*) and Armenian viper (*Vipera raddei*). Due to financial constraints a comprehensive updated inventory on the populations of the species is currently not available.

2. In recent years, Armenia's biological diversity has been in decline. The decline is rapid and continuing. Several causes for the deterioration of the natural environment of the country can be indicated. Recent political and social developments, the disastrous earthquake in 1988, the war in Nagorno-Karabagh and the economic and energy crisis resulting from the blockade of the country, have had direct and damaging impact on the biological diversity. Forests are reducing at an alarming rate. Forest burning and over-exploitation, combined with lack of finances for forest restoration and regeneration have resulted in a forest density decline to the critical average of 0.52 and loss of 3,000 hectares of forests. After the break-up of the Soviet Union, a comprehensive land privatization was done in Armenia. As a consequence, registering and protecting flora and fauna species on privatized territories has become extremely difficult. As a result, no less than 50 floral species in addition to 387 already listed in the Red Book of Armenia, are currently on the verge of extinction. As stated above, the fauna is not officially registered, but the factors causing damage to the environment, have a negative effect on the fauna as well and 99 fauna species are rapidly becoming extinct.

3. Armenia, a former Soviet Union Republic in transition to market economy, faces serious socio-economic difficulties. State infrastructures are undergoing radical changes. The GDP per capita is US\$ 700 and unemployment 15%. *The recent blockade, and the resulting energy shortage worsen the situation. This is exacerbated in depressed areas where people exploit natural resources to maintain their daily subsistence. The Government is experiencing financial difficulties, added to a lack of appropriate infrastructures and legal instrument and is therefore unable to intervene efficiently. Unless action is taken, biodiversity within the country will continue to decline.* The Convention on Biological Diversity recognizes that the conservation of biological diversity "is a common concern for humankind" and an integral part of the development process. The Ministry of Environment of the Republic of Armenia is in charge of environmental protection management and is firmly committed to protecting the biological diversity of the country. The capacity of the Ministry for carrying out its duties is limited due to

the absence of a coherent strategy for the conservation of biological diversity, outdated and inefficient infrastructures and financial constraints.

II. PROJECT OBJECTIVES AND PROCESS DESCRIPTION

4. The general objective of this project is to assist Armenia in the formulation of a long term strategy and action plan for conservation and sustainable use of its biodiversity in the context of its economic development, in accordance with Articles 6 and 8 of the CBD.

5. The immediate objectives of the project will include 1) the establishment of an inter-sectoral coordination body through the creation of a Steering Committee for the Biodiversity Strategy and Action Plan (BSAP); 2) a comprehensive assessment of existing information on biodiversity in Armenia *identifying missing or incomplete data*; 3) identification and agreement of options for biodiversity management; 4) development of principles of BSAP 5) development of the BSAP and definition of specific actions required to implement it; and 6) the preparation and dissemination of the National Report to COP.

6. The biodiversity national strategy and action plan will be prepared by a multidisciplinary integrated and participatory approach (see VII) addressing biological and landscape diversity values in one approach and integrating ecological consideration into all social and economic sectors.

7. Preparation of the BSAP will follow a logical sequence of participatory steps in line with the methodology recommended in the WRJ/TUCN/UNEP guidelines and following the establishment of the organizational framework. The project will be implemented in accordance with project activity matrix (Annex A) and time plan. The Steering Committee, established in the first month of project implementation, will meet to agree on the terms of reference of the national and international consultants needed to implement the Enabling Activity project. *UNDP can provide draft terms of reference for the Committee's consideration and amendment where necessary.*

8. Stocktaking and assessment of existing information will take place during the following two months. It will be carried out by the multidisciplinary expert team consisting of 8 Working Groups (see VII). To this end, the team will review existing information and prepare a report on the status of biodiversity in the country to be submitted to the Steering Committee .

9. On the basis on this report, the next step will be the analysis and assessment of the options for developing the BSAP, including development of principles through consultation process and discussions with various types of stakeholders (local authorities, communities, farmers and their associations, professional groups and private sector representatives, NGOs, etc.). For this purpose, it is planned to have three sub-regional workshops according to Armenian topographic specificities: in the Northern region (mezophyl area), the central region (non-forested area) and the Southern region (xerophyte area). Feedback received from the regional workshops will be incorporated into the principles of the strategy and action plan to be discussed and finalized during

the first National Workshop to be organized with the multidisciplinary national team of experts and one international expert. *The principal function of this first round of workshops and the First National Workshop will be to develop the scientific and technical content of the BSAP.*

10. An International Expert will provide assistance by sharing the international experience in developing strategies and action plans in other countries. *This expert will be a specialist in biodiversity with a knowledge of the flora and fauna, as well as the ecosystems under discussion and with experience in the preparation of BSAPs in other countries/regions.*

11. During the following four months, the BSAP will be fully developed and finalized applying the same consultation and participatory approach by organizing the second round of sub-regional workshops for the similar areas. The period will be terminated by the Second National Workshop with the wide participation of all stakeholders in the Government, scientific community, private sector, local communities and NGOs representatives. *The principal function of the second round of workshops and the Second National Workshop will be to discuss the newly revised BSAP (with the incorporated scientific and technical input) with a view to defining policy, institutional and fiscal arrangements as well as modalities.* On the basis of the BSAP, the National Report to the CBD will be prepared during month 10 of the project implementation.

12. An international expert, *specialising in policy, institutional arrangements for biodiversity conservation and supportive fiscal measures,* will be invited for the second national workshop to assist in finalizing BSAP and advise the national expert team on preparing the National Report on securing the conformity of the Report with the objectives under the Article 6 and 8 of the CBD.

13. The areas covered by the project are summarized in the activities matrix in Annex A.

III. COVERAGE WITHOUT DUPLICATION

14. Armenia is a party to the following conventions since 1993: The Convention on Biological Diversity, the World Heritage Convention, the Convention on Wetlands of International Importance, Convention on Climate Change, Convention to Combat Desertification. The Government of Armenia has fully recognized the seriousness of the environmental situation and puts great emphasis on improvement of the environment in general. Environmental management of the country is entrusted to the Ministry of Environment, which supervises environmental protection.

15. Technical assistance has been provided by international organizations to cover the following areas:

(a) In September 1995, the Government of Armenia obtained a grant of US \$ 485,000 from the World Bank for the Preparation of an Action Plan to restore the Lake Sevan. The formal work started in January 1996 and should end in March 1997. It will focus on the following areas: institutional, regulatory and managerial issues, water resource management, industrial and

municipal pollution, non-point source pollution, rehabilitation of fisheries, national park management and protection of biodiversity.

(b) A grant of US\$ 200,000 is allocated by the World Bank for strengthening institutional capacity of environmental and natural resources management. A National Environmental Action Plan (NEAP) for Armenia is under the development. The biodiversity strategy will be incorporated into the NEAP. In addition, the experience gained in the development of the BSAP, particularly in regards to the multi-sectoral aspects, will be of great benefit in the NEAP's development.

(c) The Food and Agriculture Organization (FAO) of the United Nations is providing the TCP "Armenian Forestry Sector Development" of US\$380,000, which aims at provision of support to the government of Armenia in managing the pressing fuel-wood crisis through strengthening the institutional and technical capacity of HAYANTAR (Armenian Forestry Administration), and assists in determining a strategy for the development of the forestry sector and in identifying investment priorities for national and international financing consideration.

(d) The World Bank has provided a loan on the rehabilitation of the irrigation system, which is currently being implemented. The main objectives of this project are to maintain the level of irrigated agricultural production for food security and to improve the country's water resource management. This project implementation would contribute in prevention of the further soil erosion and salinization as well.

(e) A GEF-funded project "Armenia Country Study on Climate Change" (US\$350,000) will help Armenia to fulfill its commitments to the UN Framework to the Convention on Climate Change and to respond to the objectives of the Convention on a continuing basis. The project is currently being implemented.

(f) A US\$70,000 project on Strengthening the Management Structure of the Ministry of Environment to be funded from the UNDP Country Office core resources is currently being formulated.

(g) A US\$12,000 project for the Geographic Information System development was sponsored by the USA. The project is being implemented by the Environmental Research and Management Centre of American University of Armenia.

16. The initiatives listed above are currently being developed in Armenia. However, none of them provide a comprehensive strategic approach to biodiversity conservation and none of them bring together the components of a National Biodiversity Strategy and Action Plan as required by the CBD. *They should all, however, be taken into consideration in preparation of the NBSAP.*

17. After the implementation of this project the role of the Ministry of Environment in the area of conservation of biological diversity will be significantly enhanced, a National Strategy

and Action Plan will be adopted which will serve as the basis for further actions and the improvement of environmental protection management in general.

IV. TIME PLAN AND SEQUENCING

18. The project will follow the sequence recommended in the WRI/IUCN/UNEP Guidelines (1995). Activities will start in *April* 1997 and the first National Report will be available in *January* 1998. The activities will last for 12 months, and will be carried out according to the following timetable:

ACTIVITY/MONTH	April	May	June	July	Aug	Sep	Oct	Nov	Dec.	Jan	Feb	Mar
Establishment of BSAP steering committee and 8 working groups												
Finalisation of TOR of national and international consultants by <i>Steering Committee</i>												
Assessment of existing information by national consultants and submitting the results to the SC												
Analysis and assessment of options, Preparation of the basic <i>technical and scientific</i> principles of the BSAP via 3 Sub-regional <i>Technical Workshops</i> and First National <i>Technical Workshop</i> with participation of one International Consultant.												
Preparation of <i>Draft Technical Biodiversity Strategy and Action Plan</i> , 3 Sub-regional workshops and the Second National Workshop <i>to finalise policy and institutional arrangements</i> with the participation of one International Consultant												
<i>Approval by Government and Preparation of final BSAP (including translation and dissemination)</i>												
Preparation of the first National Report to the Secretariat of COP												

V. BEST PRACTICE

19. The methodology for the implementation of the project will be based on the "Guidelines" for Country Study on Biological Diversity (UNEP 1993), The "Guide to the Convention on Biological Diversity" (IUCN 1994), and the "Guidelines for Preparing National Biodiversity Strategies and Action Plans" (WRI/IUCN/UNEP)

VI. PROJECT FINANCING

	PRODUCT US\$	PROCESS US\$	TOTAL US\$
<i>Stocktaking and Inventory</i>	13,000		13,000
• National Consultants	9,600		9,600
• Documentation, misc.	3,400		3,400
<i>Identification of Options and Interim Report</i>	27,400	32,600	60,000
• National Consultants	14,400		14,400
• International Consultant	13,000		13,000
• 3 Sub-regional Workshops		15,000	15,000
• National Workshop (facilities, travel, per diem)		10,000	10,000
• Dissemination of the Draft Report		2,600	2,600
• Miscellaneous		5,000	5,000
<i>Strategy and action plan</i>	45,800	36,000	81,800
• National Consultants	28,800		28,800
• International Consultant	13,000		13,000
• 3 Sub-regional workshops		15,000	15,000
• National workshop (facilities, travel, per diem)		10,000	10,000
• Miscellaneous		5,000	5,000
• Publication and dissemination *	4,000	6,000	10,000
<i>First National Report</i>	4,000	6,000	10,000
• Review, translation	4,000		4,000
• Publication, dissemination*		6,000	6,000
<i>Coordination and management costs</i>	10,000		10,000
TOTAL	100,200	74,600	174,800

* The publication produced will be in English and Armenian, 500 copies each.

VII. INSTITUTIONAL FRAMEWORK AND PROJECT IMPLEMENTATION

20. The project, a UNDP nationally executed project, will be executed by the Ministry of Environment. The Ministry of Environment will establish an inter-sectoral *Steering Committee (Technical Heads of Department)*, composed of representatives of relevant Ministries and agencies including: the Ministries of Economy, Agriculture, Energy, Industry, Trade and Tourism, private sector and NGO representatives, *Country Office Representative also*. The Project Steering Committee will be charged with overseeing, coordinating and advising the project staff on the execution of project activities, and will have decision-making power over all aspects of the project operation, in conformity with the WRI/IUCN/UNDP guidelines. A National Coordinator will be appointed by the executing agency, who will manage a multidisciplinary national expert team under the overall management of the Project Steering Committee. *This team will consist of 8 working groups in each of the following thematic areas. The overall team will not exceed 16 persons, bearing in mind that one individual may be suitably qualified to advise in 2 or more areas of expertise. Team members will be experts from Government, academic and the scientific world, as well as institutes of higher education:*

- Flora protection
- Fauna protection
- Forestry management
- Water resources management
- State reserves management
- Landscapes/Land use patterns
- Environmental Law
- Environmental management/biodiversity planning

Other sectors like industry, agriculture, energy, tourism, education will also become involved during the late stages of the process, as needed. Each Working Group will assess the situation on the basis of existing information. After the stocktaking and assessment are completed, the Working Groups will develop the first outlines and submit them to the Steering Committee as draft reports. These thematic reports will be combined into a consolidated draft report and will be discussed during the first 3 sub-regional *technical workshops* and the first National *Technical Workshop*.

21. *Following the first National Technical Workshop and based on its recommendations, the working groups will prepare the final draft BSAP. This will include recommendations for policy and institutional arrangements addressing administration of the BSAP, along with recommended modalities for promoting the BSAP and fiscal measures to ensure its sustainability. This revised draft and policy/institutional recommendations will go to the Steering Committee for amendment and adoption. This draft will then be circulated for discussion at the second round of sub-regional workshops and the second National Workshop. Following these meetings, the final draft will be prepared and approved by the Government. After approval, translation and dissemination of the final document will take place, including the preparation of the First National Report to the Secretariat of the CoP.*

22. Public participation will be integrated into the process in the following ways: firstly, professionals from governmental and scientific institutions will be invited to participate in the working groups. Secondly, the workshops (sub-regional regional and national) will be organized, during which representatives of groups affecting biodiversity (such as farmers, fishers, foresters, hunters, tourist services, local authorities, private sector and advocacy groups) will be consulted on, and familiarized with biodiversity strategic planning.

VIII. DEVIATIONS FROM CRITERIA AND NORMS

The project does not deviate from GEF Enabling Activity criteria and norms.

Annex A : Activity Matrix

Enabling Activity Commitment	Output	Capacity building		Public Participation	Comments
		Institutional Strength	Familiarization		
<i>Stocktaking and Assessment based on Existing Information</i> <ul style="list-style-type: none"> • biodiversity and biological resources • cross-sectoral issues • policy and regulatory framework • institutional and human capacity • analysis of root causes of biodiversity loss • technologies for conservation and sustainable use • activities with adverse impacts • measures and programmes • statement of goals and objectives • identification of gaps • assessment of existing needs 	<ul style="list-style-type: none"> x x x x x x x x x x x 				<ul style="list-style-type: none"> 1, 5 2 2 3 4,5 1, 4 1, 4
<i>Identification and analysis of options to meet the objectives of CBD</i> <ul style="list-style-type: none"> • strategies for conservation • strategies for sustainable use • strategies for benefit sharing 	<ul style="list-style-type: none"> x x x 	<ul style="list-style-type: none"> x x x 	<ul style="list-style-type: none"> x x x 		6
<i>Planning and preparation of a strategy and action plan</i> <ul style="list-style-type: none"> • national strategy • national action plan 	<ul style="list-style-type: none"> x x 	<ul style="list-style-type: none"> x x 	<ul style="list-style-type: none"> x x 		6
<i>Preparation of the first National Report</i> <ul style="list-style-type: none"> first National Report 	<ul style="list-style-type: none"> x 			<ul style="list-style-type: none"> x 	

Comments to the Activity Matrix:

1. The Ministry of Environment, the National Academy of Sciences and Yerevan State University already have some information covering biological resources including major ecosystems, inventories/distribution of flora and fauna, protected areas, etc. However these data have to be summarized into a form usable for planning and decision making.
2. The Ministry of Environment, the umbrella environmental protection agency, has some cross-sectoral and policy/regulatory capacity (monitoring and control of industrial activities), but water and agricultural activities largely remain the legal and institutional responsibility of the Ministry of Agriculture only. Strengthening of *inter-agency* environmental management in the country is *necessary* to improve intersectoral co-operation mechanisms in the future. *A more long-term and sustainable form of the Steering Committee may be a solution that the BSAP consider.*
3. The scientific and research capacity of Armenia is very strong, but institutional capacity needs to be assessed in order to organize future biodiversity planning activities. *Recommendations for strengthening should also be included.*
4. *There has been a considerable loss in biodiversity within the country, mainly due to the economic and energy crisis which affected Armenia during last 5 years. In addition, massive land privatization was carried out in 1991, and as a consequence protecting flora and fauna species on privatized territories has become extremely difficult. Therefore, a special analysis of these impacts has to be carried out.*
5. The thematic group on threatened species and habitats (fauna and flora) will review existing information in the Red Book and link it to threats from economic sectors more effectively.
6. International consultants with experience in the process of developing BSAPs in countries with similar political or socio-economic situation, will provide guidance, familiarization and some specific management/technical inputs during the analysis and identification of the options process and the planning and preparation of the BSAP.