



“Building Armenia’s National Transparency Framework  
under Paris Agreement” UNDP-GEF Project/00110252

Training Day 1 | Session 2

# Legal and Policy Framework for Climate Action in Armenia

# Session Structure

Section 1	Introduction to section (5 min)
Section 2	Presentation (20 min)
Section 3	Discussion (10 min)
Section 4	Q&A and conclusions (10 min)

## Section 1

Introduction to section

The Trainer

# Luciano Asinelli



Luciano Asinelli is a qualified lawyer, having practised for six years in his home country Brazil. Luciano holds a postgraduate specialisation in Corporate Law from the Pontificia Universidade Católica do Paraná (PUC-PR) and a Master of Laws (LLM) in Environmental Law and Sustainable Development at the School of Oriental and African Studies (SOAS) – University of London.

A trained lawyer with extensive experience in the development of legal strategies, and with additional training in environmental & climate governance and sustainable development, Luciano's work focuses on developing institutional and policy-based approaches to climate action and investments in nature.

Together with Marta Simonetti (Globalfields Ltd) and SOAS Professor Cullet, Luciano recently authored a pro-bono report commissioned by Amnesty International on the corporate due diligence for environmental and human rights. In Brazil, he also contributed to a comprehensive criminal law report, which was referred to at the Brazilian Supreme Court.

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# Day 1 | Session 2 - Legal and Policy Framework for Climate Action in Armenia

## Content Overview

- International Climate Commitments, National Legal and Policy Framework, and Climate MRV
  - Interlinkages between the Eurasian Economic Union (EAEU) and the European Union Partnership (CEPA) Climate Commitments
  - National Development Plans and Key Policies
  - National Reporting Framework (National Communications, National Greenhouse Gas Inventory Reports and Biennial Update Reports)
  - Institutional MRV Arrangements
  - Integrated MRV system
  - Suggestions and Recommendations
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- The module will present an overview of the Armenia's legal and policy incentives focused on MRV, and provide an analysis of the interaction between its climate obligations and MRV.
  - The session will also introduce aspects of the existing MRV framework and how the integration of reporting systems can enhance the country's strategy against climate change.
  - Necessary and suggested recommendations to the Armenia's MRV legal and policy Framework based on state of the art reports and novel international good practices are also listed.

# Recent Report on The MRV Framework in Armenia

Development of Background Information for Climate  
Change Monitoring, Reporting and Verification (MRV)  
Platform Design

Final Report for UNDP-GEF Project (CBIT Project)

**March 2022**



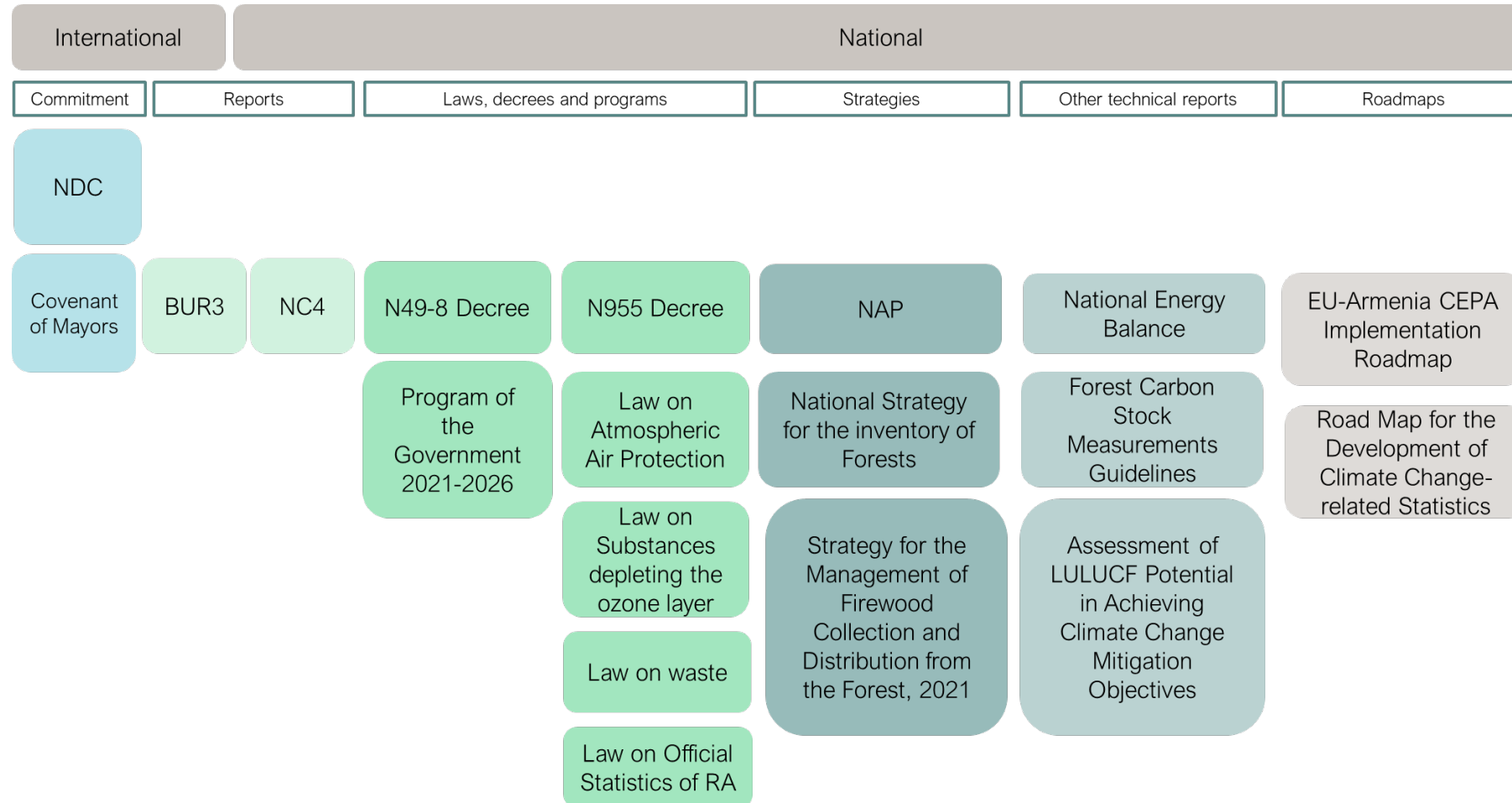


Section 2



Presentation

# Climate policy related instruments and reports in Armenia



Source: Development of Background Information for Climate Change Monitoring, Reporting and Verification (MRV) Platform Design, Carbon Limits, 2022



## Engagement Questions:

What is the interaction between International Climate Commitments and MRV?

# The Relation between International Climate Commitments, National Legal and Policy Framework, and Climate MRV

## General overview of important topics linking International Climate Commitments, National Policies and Climate MRV

1) The provisions stipulated in Article 13 of the Paris Agreement set an Enhanced Transparency Framework (ETF) for action and support, with built-in flexibility which takes into account Parties' different capacities and builds upon collective experience. Accordingly, to meet the climate pledges countries need to focus on training to build awareness, knowledge, and tools to implement a comprehensive Measurement, Reporting and Verification framework. Accessing International Climate Commitments demand a meticulous process of data-tracking. For this reason, Nationally Determined Contributions encompass complex systems with this purpose.

2) National Development Strategies and Actions Plans also need solid data to monitor their effectiveness. Governments around the globe have been striving to implement supportive MRV policies to feed databases to ensure policy-makers possess the best available information to guide their effort to curb climate change.

3) The existing MRV regulatory framework in Armenia is comprised of International Commitments (NDCs and NAP), International Reports (BUR3 and NC4), Armenia's Government Programme as well as National Laws and Strategies related to Climate Change Policies. An integrated MRV system is useful given that some objectives and targets emanate from different planning instruments, hence the system can serve as a repository for tracking the progress of climate goals not only for NDC purposes but at a project level.

## Main commitments under the INDC (2015)

- Although it was an important milestone to set the first glimpse of Armenia's International Climate Commitments, the 2015 version lacks data and information on implementation plans for different priority sectors.
- There is no mention of climate adaptation measures beyond the listing of prioritised sectors and strategical ecosystem-based approaches for the implementation of mitigation and adaptation actions. The INDC also lists the importance of Technology Transfer, Capacity Strengthening, Finance and Transparency to support its targets.
- The main climate mitigation target is a **20.1%** threshold of forest cover by 2050.

## Main commitments under the updated NDC (2021)

- Armenia's NDC revision, approved under the Government Decision N 610-L on the 22nd of April 2021, brought about many improvements. The ambition was increased to a 40% decrease in GHG emissions by 2030, compared to 1990, the timeframe was adjusted to the period of 2021-2030 with five-year reviews with the purpose of monitoring expected outputs.
- Unlike the previous NDC, the updated version discusses in detail the priority sectors targeted for climate mitigation and adaptation actions with clear goals and implementation plans supported by an array of legal and policy incentives alongside current and programmed activities.

## Main commitments under the updated NDC (2021)

- The NDC discloses the new economy-wide mitigation target to be achieved in the 10-year implementation period (2021-2030) to support the 40% reduction emission levels target with specific sectoral actions based in implementation plans.
- The strategic sectors and sub-sectors are: Energy - production and use; Industrial Processes and Product Use (IPPU) - mineral industry and F-gases; Agriculture - enteric fermentation, direct and indirect N<sub>2</sub>O emissions from managed soils; Waste - solid waste management and wastewater; Forestry - Afforestation, forest protection and other land use.

## Main commitments under the updated NDC (2021)

- The NDC also states Armenia's intention to double its share of renewable energy by 2030 and to participate in market and non-market mechanisms under Article 6 of the PA, including cooperative approaches enabling the use of internationally transferred mitigation outcomes (ITMOs) under Article 6.2 by other Parties towards their NDCs.
- It also states the country's cooperative intentions through project mechanisms. These include Article 6.4, under which projects can support the achievement of NDC goals in other countries and non-market approaches under Article 6.8 of the agreement.
- In addition, the NDC reiterates the former long-term mitigation goal set out in the Intended National Determined Contribution (INDC), submitted to the UNFCCC in 2015, of limiting per capita emissions to 2.07 tCO<sub>2</sub>eq in 2050, subject to adequate international financial, technological, and capacity-building support. This mitigation target will be reflected in the Long Term – Low Emission Development Strategy (LT-LEDS) to be developed by Armenia.
- According to the NDC, Armenia is prepared to increase its ambition and in time go climate neutral with the help of international donors, in line with the Talanoa Dialogue of 2017-2018.

## Main commitments to deliver the updated NDC (2021)

- The government approved the NDC by legal decree, giving it substantial standing.
- National and sectoral strategies with quantitative and qualitative targets are mentioned in the NDC as part of the implementation plan. These are:
  - **The Strategic Program for the Development of the Energy Sector of the Republic of Armenia (until 2040)** contemplates solar and wind energy as the focus for the expansion of economically viable and technically available renewable energy. Through this strategic program, Armenia intends to increase its solar energy installed capacity from current 59.5 MW to 1000 MW before 2030 to increase both energy security and green energy share to at least 15% in 2030.
  - **The National Energy Efficiency and Renewable Energy Program 2021-2030** defines new sectoral targets.
  - **The National Forestry Programme (2021)** is expected to include the goal of increasing forest cover to 12.9% of the territory of Armenia by 2030.
- Armenia launched a renewed **Debt-for-Climate Swap** Initiative that presents a new climate finance instrument and intends to help developing countries adapt more efficiently to climate change finance and provide new economic opportunities.
- Furthermore, Armenia joined **The Global Methane Pledge** and the **Glasgow Coalition on Forests and Land Use**
  - Countries joining the Global Methane Pledge commit to a collective goal of reducing global methane emissions by at least 30 percent from 2020 levels by 2030 through inventory tracking and focus on high-emitters.
  - Countries under the Glasgow Coalition commit to halt deforestation and land degradation by 2030, and to commence restoration if possible.

## The Bonn Challenge - Restore our future

- Launched by the Government of Germany and the International Union for Conservation of Nature (IUCN) in 2011, the Bonn Challenge represents a global coalition with an ambitious 350 million hectares of land restoration target by 2030.
- In 2020 Armenia pledged to plant 50,000 hectares of additional forest by 2030, and an individual goal of doubling the forest cover by 2050 – this means planting 265,000 hectares of forests, in addition to the 332,000 that the country currently has.
- Historically, Armenia suffered from illegal logging and now wants to create jobs in the sustainable forestry sector. Measures to achieve this are currently under investigation.
- The Bonn Challenge has ambitious reforestation targets and therefore requires an advanced monitoring system. For such a tracking tool to be put into practice, it is necessary to centralise data coordination. That is, the primary objectives should interact with the estimates, reporting and verification of actual figures for the correct monitoring of goals and quick and effective corrections in deviations along the way.

## The Forest Summit: Global Action and Armenia

- Armenia has embraced the agenda of forest conservation and restoration by committing to double its forest cover by 2050. The goal of the Forest Summit is to facilitate open and rigorous discussion of policy decisions on Armenia's forests to catalyse improvements in forest conservation and restoration in Armenia and internationally.
- The policy development process involves rigorous debates and discussions. The urgency of climate change demands an even more thorough approach, fuelled by accurate data for the best decisions to be made. Therefore, the basis of this project starts from an assumption that decision-makers have the best possible information at hand to focus their efforts on key sectors and policies.
- The entry point for establishing a comprehensive MRV basis to define and compare the benefits of the introduction of a climate-targeted action is the business-as-usual emissions scenario, which is the baseline. Implementing this project tracker tool would enhance the transparency on different levels of data detail.



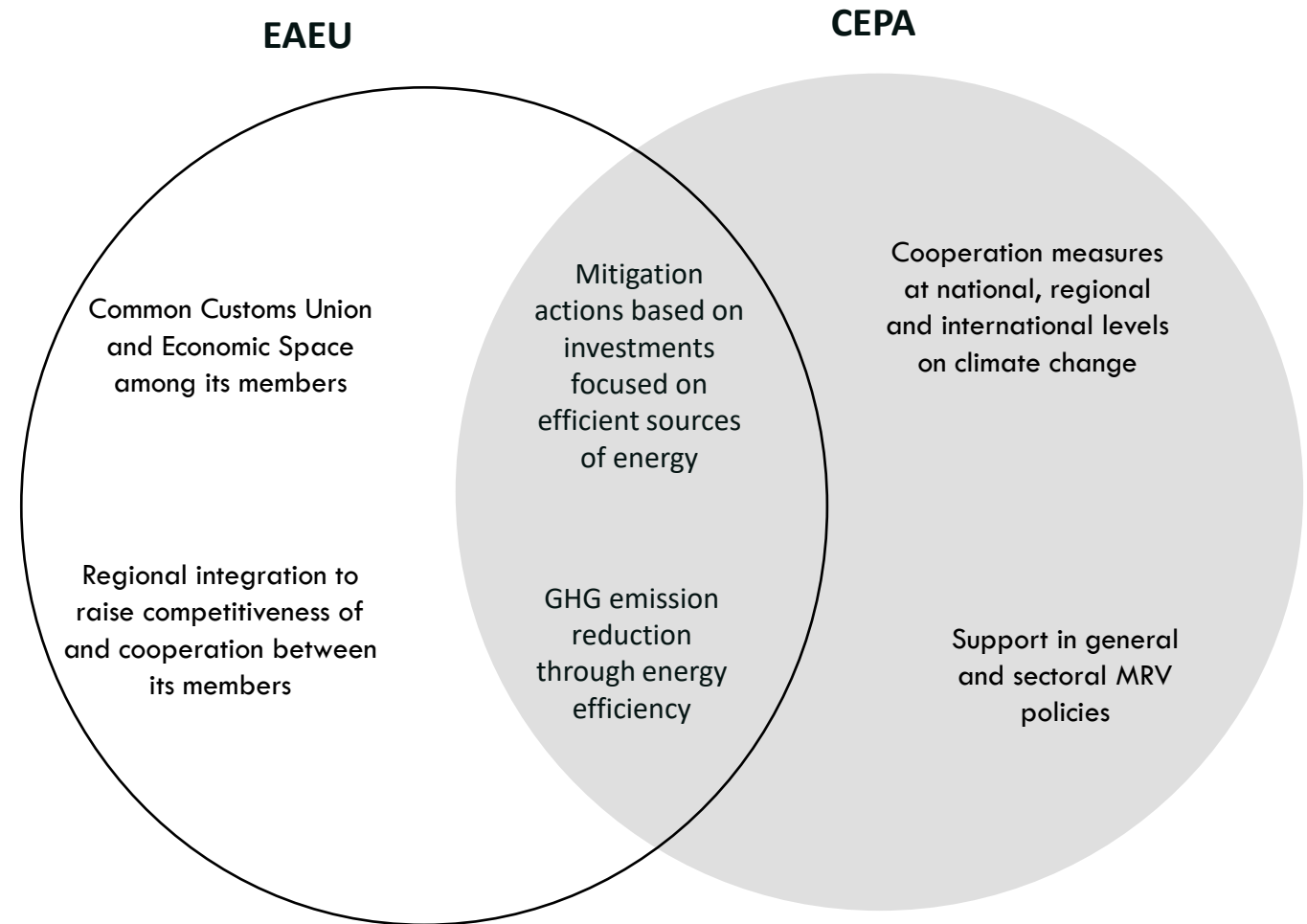
## Engagement Questions:

Why is MRV important especially for mitigation activities?

The MRV of GHG Mitigation Activities allows countries to monitor the progress made on their nationally determined contributions (NDC). This reduces uncertainty, improves transparency, and sparks collaboration and flows of information that significantly reduces the risks of climate and infrastructure finance

# Interlinkages between the Eurasian Economic Union (EAEU) and the European Union Partnership (CEPA) Climate Commitments

- The **EAEU**'s focus is not climate change, although it has some strategic approaches to energy efficiency and reduction of GHG emissions. The focus relies upon free trade and common space between its members, whilst promoting the principles of international law and the sovereignty of country members.
- The **Comprehensive and Extended Partnership Agreement (CEPA)** focuses on climate-related measures and also intends to raise funds for sustainable innovative technologies and cooperation toward MRV general and sectoral policies.
- The interlinkages between the International Agreements rely upon the fact that the implementation of both Agreements will foster the development of clean energy sources and increase the energy security of Armenia, reducing its dependence on energy imports.



## Engagement Questions:

How do Measurement, Reporting and Verification relate to the National Development Strategy?

International Climate Agreements fostered the development of a range of actions to curb the negative effects of climate change, which is extremely positive. However, the individual method of monitoring the outputs is a barrier to the comparison between the real impacts that these projects have in terms of climate mitigation and adaptation. Therefore, a standardised measurement, reporting and verification system would allow the integration of results and greater ease when planning new climate measures. Furthermore, the unification of elements would help policy-makers to make better decisions and improve reporting to the UNFCCC

- The **Armenia Development Strategy for 2014-2025** sets Armenia's development strategy for the period 2014-2025. It notably seeks to maximise the use of renewable energy sources, promote energy efficiency in all sectors, protect the atmosphere by reducing GHG emissions and foster reforestation efforts.
- **The Republic of Armenia National Adaptation Plan (NAP)** covers adaptation actions from 2021 to 2025. It will undergo periodic review and revision in 5-year cycles, in conjunction with updates to the National Communications, submission of adaptation communications and other relevant Measuring, Reporting and Verification (MRV) processes under the Convention and the Paris Agreement, to provide the information necessary to track progress on the implementation and achievement of policies and measures.

- The **Third Biennial Update Report** under the United Nations Framework Convention on Climate Change provides the updated information reported in the Second Biennial Update Report on national circumstances, greenhouse gas inventory, progress in mitigation policies and actions, Measurement, reporting and verification system as well as support received and needs.
- The **National Greenhouse Gas Inventory Report of Armenia (1990-2017)** submitted by the Ministry of Environment of the Republic of Armenia to the United Nations Framework Convention on Climate Change covers emissions and removals assessment of four gases with direct greenhouse effect. The employed methodology comprises the following principles: clear observation of the logic and structure of the 2006 IPCC Guidelines; priority given to the use of national data and factors; utilization of all possible sources of information; maximum use of the capacities of national information sources.



- The **Fourth National Communication on Climate Change under the United Nations Framework Convention on Climate Change** reflects Armenia's efforts and achievements in climate change mitigation through policy development, incrementation of investments in renewable energy and energy efficiency and efforts in the transparency of GHG Inventory. The Communication also addresses challenges that the country faces with the vulnerability of the economy and ecosystems to climate change.
- The **Roadmap for the Development of a Functional National Greenhouse Gas Emissions Inventory System for Armenia** aims to build a strong, competent and sustainable National System with defined roles and experts that can provide the necessary reporting at a high standard. A well-established National System will assure long-lasting quality, with increasing competence from experts.

## Engagement Questions:

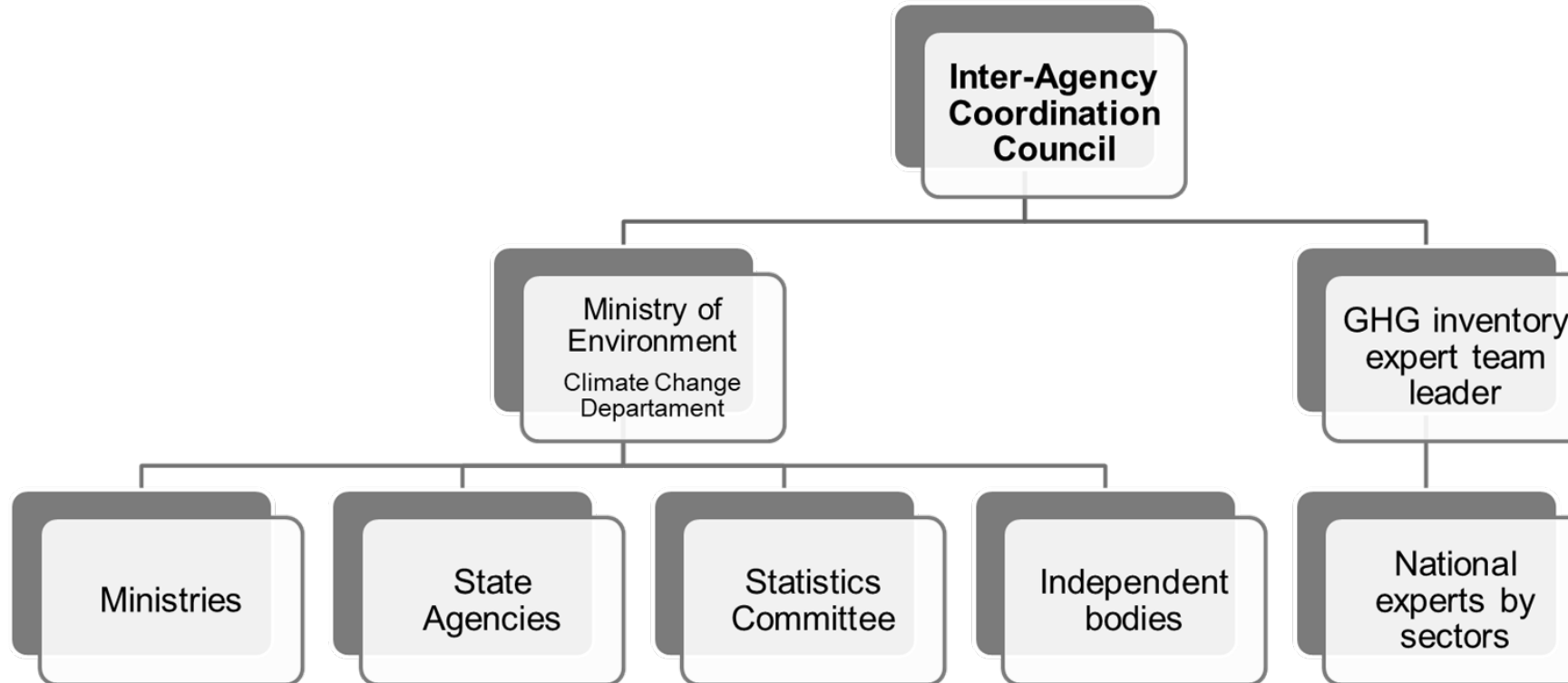
What is an MRV System?

An MRV system serves as a GHG emissions tracking tool by estimating, reporting, and verifying actual emissions over a defined period of time.

An efficient MRV framework should cover 4 reporting areas - inventory, mitigation, adaptation and support received. The next step would be to create a transaction registry which can be linked to the project registry. This will become the basis for Article 6 trading, as it will link projects to the national inventory.

The system helps countries to monitor their climate objectives and report back to the UNFCCC their accomplishments.

# Current Institutional Arrangements



- National and Corporate level **GHG inventories** are key aspects to identifying high carbon emissions hot-spots. These instruments help decision-makers understand emission trends and inform climate-related activities.
- **National Communications** encompasses chapters on key aspects to assess a country's climate change progress. Relevant sections are related to national circumstances and institutional arrangements, a National GHG inventory and a description of steps taken or envisaged to implement the Convention.
- **Biennial Update Reports** should be submitted every two years and also have a chapter-based structure. Important topics encompass national circumstances and institutional arrangements relevant to the preparation of the national communications continuously, a National Inventory of all GHG and information on domestic MRV.
- **Corporate level GHG accounting** collects emissions at the source level unlike the national level GHG accounting, which collects anthropogenic emissions and removals at national level.
- Integrating granular/source level emissions would help filling data gaps in national inventory, improving the quality of data and the accuracy of sector emission factors.

## The Inter-Agency Coordinating Council, National Communications, Biennial Update Reports and National GHG Inventory Reports

- Armenia has complied with the reporting obligations under the UNFCCC having submitted four **National Communications (NCs)**, three **Biennial Update Reports (BURs)** and a comprehensive National GHG Inventory Report as part of the third Biennial Update Report.
- Government structures to support UNFCCC reporting obligations have been created. The Government Decree 719-A, July 2021, re-established and upgraded functions of the **Inter-Agency Coordinating Council** on Implementation of requirements and provisions of the UN Framework Convention on Climate Change, which oversees the MRV framework of the NAP and Armenia's NDC. Working groups focusing on national reporting commitments, climate mitigation, adaptation and finance have been organised and had their functions defined.
- The Council is chaired by the Deputy Prime Ministers and representatives of key ministries are at deputy minister level. Also, the coordination role had its objectives expanded and new functions defined, such as roles, responsibilities of the chair, deputy chairperson, members and secretariat.
- The current Governmental MRV structure is under the responsibility of the Ministry of the Environment, which coordinates the GHG inventory.

- A comprehensive MRV framework supports the adjustment of targets for mitigation and adaptation actions and the respective reporting to the UNFCCC. It also entails the reporting of support received for climate-related projects, and adaptation actions can be reported voluntarily.
- There is at present a lack of specified roles and definitions within the Government's other ministries and agencies. Although there are some gaps, the availability of data is ensured by national statistics and existing legal arrangements with the inspectorate. Limited financing appears to be the main barrier to structuring an effective MRV system.
- Source-level data (for all three categories, mitigation, support and adaptation) could be collected from individual facilities and projects and complemented to improve national inventories. For this, national inventory compiler would have to assess the quality of available corporate level data and whether this data can be mapped to national inventory categories or would cover a category. Even when the entire sector is not covered, the data can be used to cover gaps.
- To overcome the data gap, countries must report their corporate level emissions by investigating which are the main sources of emissions within each sector and aggregate it to the national level by adding this data to already existing datasets to fill the data gaps.



# Suggestions and Recommendations

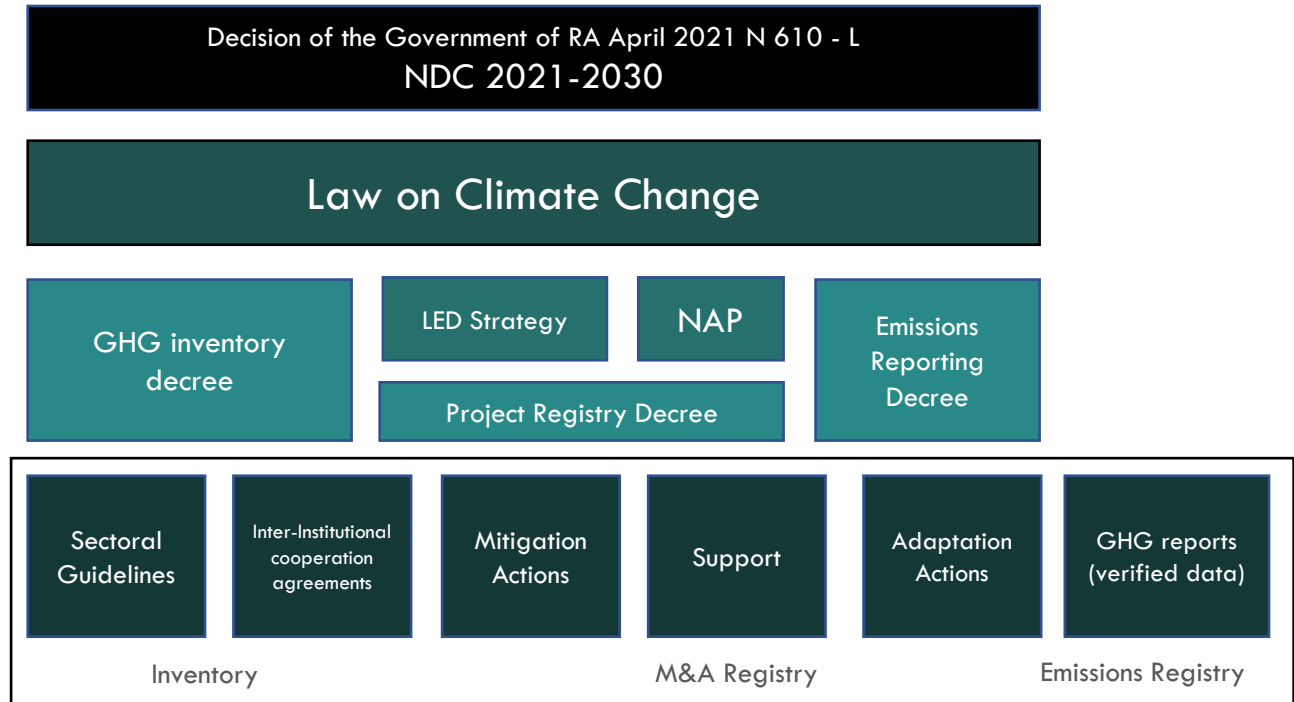
**Based on the analysis of recent reports, suggestions and recommendations for the improvement of the current regulatory and climate governance framework are depicted as follows**

- Develop a formal directive, a climate change law or regulation as a basis of climate policy and a strategy that establishes specific short-, medium- and long-term mitigation and adaptation actions. This would be the legal basis for the mitigation and adaptation component of the MRV system
- Development of a specific regulation (decree) and guidelines for GHG inventory
- Sign inter-institutional cooperation agreements for data provision
- Establishment of MRV obligations for the private sector
- Establishment of MRV functions for all the actors involved
- Setting up a team with clearly defined roles and a running Quality Assurance/Quality Control system

# Suggestions and Recommendations

## Legal framework required for the CCMRV platform

Each of these main recommendations is divided further into specific recommendations and presented in detail in Section 2 of this report. The comprehensive description of each of them can be found in chapter 6 of the Report.



# Challenges and Gaps

- There is no specific instrument or regulation that compiles mitigation and adaptation policies in the short, medium and long term that are the legal basis that guides mitigation and adaptation actions at national level, including the development of the GHG inventory and the financing-related information.
- There are no formal arrangements for collecting GHG Inventory activity data on a continuous basis and no specific regulation for the development of the GHG inventory exists. This lack of a legal basis to produce GHG inventory which makes it difficult to carry out monitoring, reporting (specially on data provision mechanisms) and quality control activities among the various actors involved.
- There is no overall QA/QC plan and no fixed GHG inventory team in Armenia, which can lead to gaps between inventory cycles and omissions in archiving the information necessary for answering potential review question.
- There are no specific MRV functions established for the Ministry of the Environment, nor for the other ministries, agencies, committees or public or private entities that provide, report or validate information related to inventory, mitigation and adaptation actions and financing.
- There are no legal and contractual arrangements in place for data collection, and private companies are reluctant to share information due to confidentiality issues, making it difficult to collect.

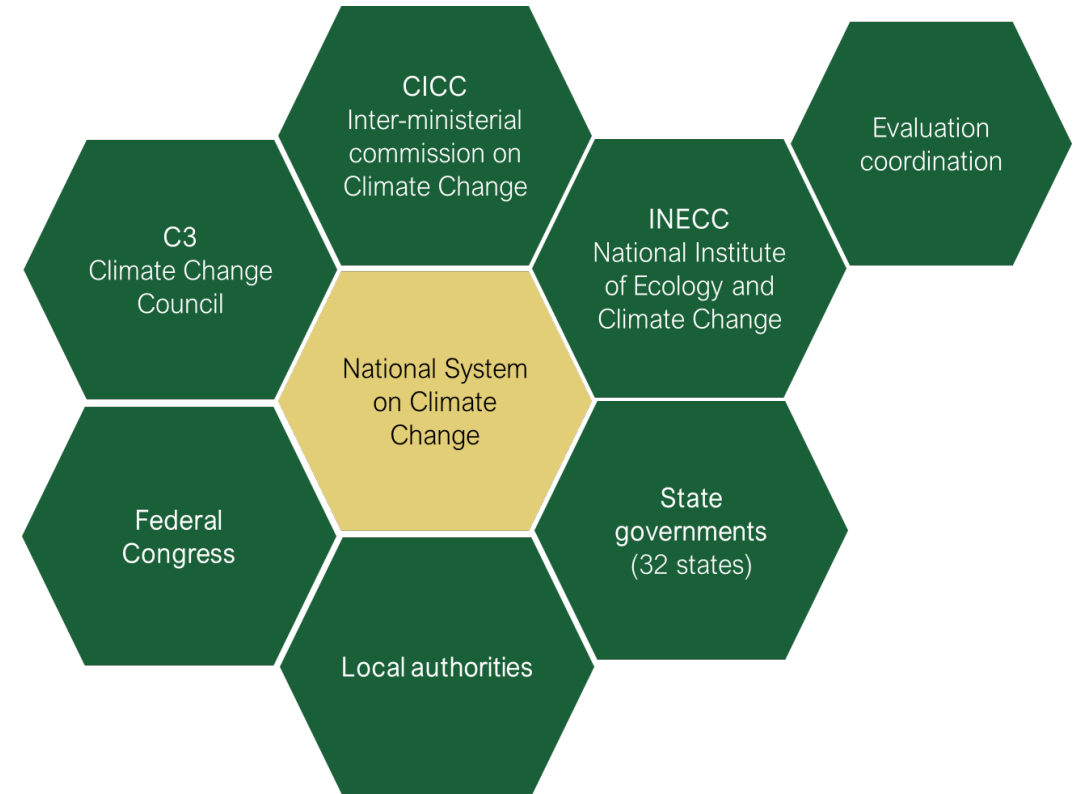
## International good practices

- The **United Kingdom** has just introduced a Law that makes climate-related financial disclosures by publicly quoted companies, large private companies and LLPs mandatory. This means that companies will have to find a way of tracing their GHG emissions. This step converges with the fourth recommendation from the Development of Background Information for Climate Change Monitoring, Reporting and Verification (MRV) Platform Design, Carbon Limits, 2022
- **Colombia**, under the “MRV of Mitigation Activities – Baseline Report Series” has taken many steps towards a solid MRV system by putting enabling elements into practice through the implementation of a National Development focused in climate change, making Institutional Arrangements to enhance its MRV capacity, development of supportive MRV policies and legislation.

- **Germany** possesses a single national entity for its emissions system, which is a body of the **German Federal Agency (UBA)** – the **German National System on Emissions (NaSE)**. The NaSE structure is based on three different levels of actions.
  - The first level is a single national entity, organisational network in the UBA and technical working groups, responsible for data collection and calculating emissions.
  - The second level is the Coordinating Committee by the Federal Ministries, which is responsible for the approval of inventories and the coordination of information from key sectors.
  - The third level of action entails the cooperation agreements with the Industry. This helps to overcome possible gaps on data through shared information.
- **Chile's Scientific Advisory Committee for Climate Change** is a consultive body of the Ministry of Science, Technology, Knowledge and Innovation in climate-related fields. This committee has a paramount advisory role for the MRV framework of the National Greenhouse Gas Inventory.

# Country Comparator

- **Mexico** has a **National Climate Change System (SINACC)** responsible to establishing priority actions for climate mitigation and adaptation actions at all levels – national, state and local. The system comprises an array of supportive bodies, such as the **Inter-ministerial Commission on Climate Change (CICC)** in charge of the coordination of climate-responsive actions between different Federal Agencies.
- The functions of the Commission are established in the Mexican General Law on Climate Change and, in addition of being responsible for coordinating strategical actions, encompass the formulation and implementation of national mitigation and adaptation policies, as well as incorporating them into the respective sectoral programmes.
- Further functions entails the development of a transversality criteria and integration of public policies, among others. Other important institutional supportive bodies are the **Climate Change Council**, which is a permanent consultative council comprised of relevant members from the civil society, private sector and academia with extensive knowledge of climate change issues, the **National Institute of Ecology and Climate Change**, responsible for undertaking state of the art climate change research, and the **Federal Congress** and its specialised commissions responsible for formulating climate-related laws or other legal amendments.



Section 3



Discussion

# Discussion on Legal and Policy Framework aspects for MRV



# Legal and Policy MRV Frameworks

According to the Development of Background Information for Climate Change Monitoring, Reporting and Verification (MRV) - Platform Design - Final Report for UNDP-GEF Project (CBIT Project), a comprehensive MRV system demands legal and policy incentives that support the introduction of such a monitoring framework.

Enabling elements encompass the implementation of National Development Plans, Institutional arrangements (governmental structures and coordination councils), Policies and climate-related Laws

## Engagement Questions:

How would a solid Legal and Policy Framework support the implementation of a comprehensive MRV system?

## Section 4

## Q&A and Closing

# References

[Armenia's 2021-2030 Nationally Determined Contributions](#)

[Armenia's 3<sup>d</sup> Biennial Update Report](#)

[Armenia's 4<sup>th</sup> National Communication on Climate Change](#)

[Armenia's INDC](#)

[Armenia's National GHG Inventory report 1990-2017](#)

[Armenia's President Statement](#)

[Climate Change Laws of the World | Armenia](#)

Development of Background Information for Climate Change Monitoring, Reporting and Verification (MRV) Platform Design, Carbon Limits, 2022

# References

[Forest Summit: Global Action and Armenia](#)

[Glasgow Leaders' Declaration on Forests and Land Use](#)

[Global Methane Pledge](#)

[Mandatory climate-related financial disclosures by publicly quoted companies, large private companies and LLPs Non-binding guidance](#)

[MRV of Mitigation Activities – Baseline Report Series](#)

[Plan Programme of the Government of the Republic of Armenia \(2021-2026\)](#)

[Provisions of the EU-Armenia Comprehensive and Enhanced Partnership Agreement Roadmap  
Regulatory Framework to Promote EE in EAEU Countries](#)

[Republic of Armenia – National Adaptation Plan](#)

[Roadmap for the Development of a Functional National GHG Emissions Inventory System for Armenia](#)

[Strategy for Development of the Energy Sector within the Context of Economic Development of Armenia](#)

[The Bonn Challenge](#)

[Transparency of support under the Paris Agreement](#)

A full list of references and further reading will form part of the final report on the trainings.