



Building Armenia's national transparency framework under Paris Agreement

Part I: Project Information

GEF ID

10138

Project Type

MSP

Type of Trust Fund

GET

CBIT/NGI

CBIT

NGI

Project Title

Building Armenia's national transparency framework under Paris Agreement

Countries

Armenia

Agency(ies)

UNDP

Other Executing Partner(s):

Ministry of Environment

Executing Partner Type

Government

GEF Focal Area

Climate Change

Taxonomy

Focal Areas, Climate Change, Climate Change Adaptation, Influencing models, Stakeholders, Gender Equality, Learning, Capacity, Knowledge and Research, Mainstreaming adaptation, United Nations Framework Convention on Climate Change, Nationally Determined Contribution, Enabling Activities, Capacity Building Initiative for Transparency, Paris Agreement, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Civil Society, Academia, Non-Governmental Organization, Type of Engagement, Information Dissemination, Partnership, Communications, Awareness Raising, Gender results areas, Capacity Development, Knowledge Generation and Exchange, Gender Mainstreaming, Gender-sensitive indicators, Sex-disaggregated indicators, Knowledge Generation, Knowledge Exchange, Indicators to measure change

Rio Markers**Climate Change Mitigation**

Climate Change Mitigation 2

Climate Change Adaptation

Climate Change Adaptation 1

Submission Date

1/25/2019

Expected Implementation Start

9/1/2020

Expected Completion Date

8/31/2023

Duration

36in Months

Agency Fee(\$)

94,050

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
CCM-3-8	CBIT	GET	990,000	570,000
			Total Project Cost(\$)	990,000
				570,000

B. Project description summary

Project Objective

Building institutional and technical capacities to meet enhanced transparency requirements as defined in Article 13 of the Paris Agreement

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1. National institutional arrangements for an enhanced transparency framework	Technical Assistance	1.1 Transparency activities in Armenia are governed by clear and formal roles and responsibilities	1.1.1 Institutional arrangements for a national transparency (MRV) framework are designed 1.1.2 Legal and/or regulatory requirements for a national transparency framework are drafted and adopted	GET	130,000	140,000
2. MRV systems in support of an Enhanced Transparency Framework	Technical Assistance	2.1. Armenia uses an integrated MRV system for continuous data collection and reporting under Article 13	2.1.1 MRV system (hardware and software) with tracking tools designed and launched 2.1.2 On-line portal to provide access to data and information established	GET	210,000	80,000

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
3. Capacity building to support transparency-related activities over time	Technical Assistance	3.1 Armenia is able to manage data for effective transparency reporting on GHG sources and sinks	3.1.1 Sectoral templates and consistency guidelines on data collection and reporting are developed for the GHG inventory	GET	522,000	275,000
			3.1.2 Sectoral emissions estimates are strengthened for selected sectors and sources			
			3.1.3 Analysis of the GHG inventory is enhanced			
		3.2 Armenia is able to collect and process data for the framework for transparency of action and the framework for transparency of support under Article 13	3.2.1 Sectoral templates and guidelines for assessing and reporting on mitigation policies and actions and their effects developed and related training provided			
			3.2.2 Methodologies for assessing and prioritizing adaptation actions, policies and their effects identified and applied			
			3.2.3 Methodology for reporting on support received developed and related training			
3.3 Armenia is able to track progress against its NDC and share its approaches						

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
4. Monitoring and Evaluation (M&E) and Knowledge Management	Technical Assistance	4.1. Monitoring and Evaluation (M&E) and Knowledge Management	4.1.1 Project results and outcomes monitored and evaluated 4.1.2 Lessons learned and best practices shared with other Parties through the Global Coordination Platform and other cooperation networks	GET	38,000	5,000
Sub Total (\$)					900,000	500,000
Project Management Cost (PMC)						
				GET	90,000	70,000
Sub Total(\$)					90,000	70,000
Total Project Cost(\$)					990,000	570,000

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(\$)
Government	Ministry of Environment	In-kind	Recurrent expenditures	400,000
GEF Agency	UNDP	In-kind	Recurrent expenditures	170,000
			Total Co-Financing(\$)	570,000

Describe how any "Investment Mobilized" was identified

n/a

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(\$)
UNDP	GET	Armenia	Climate Change	CBIT Set-Aside	990,000	94,050
Total Grant Resources(\$)					990,000	94,050

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

PPG Amount (\$)

PPG Agency Fee (\$)

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)
				Total Project Costs(\$)	0	0

Core Indicators**Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment**

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	65	65		
Male	55	55		
Total	120	120	0	0

Part II. Project Justification

1a. Project Description

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

The project is still aligned with the project design proposed in PIF, and total financing and co-financing have remained the same. Changes in the approach and activities can be summarized as follows:

1. Component 4 has now been added as a stand-alone component for M&E and knowledge management in order to simplify project management and emphasize these activities. The project output related to knowledge sharing at the regional and global level (previously Output 3.3.3), is now included under this component as Output 4.1.2.
2. Additional information has been added on baseline activities and institutional coordination with new initiatives, such as the EU4Climate regional project.
3. Activities now specify support for MRV in the forestry sector in order to align with national priorities related to the Bonn Challenge.

While the overall amount of funding requested for the project remains the same, the distribution in Table IB now reflects the introduction of Component 4, a stand-alone component on M&E and knowledge management. Component 4 is now budgeted at USD 38,000. The funds for auditing the project have been moved into the project management costs, and Component 3 is now budgeted at USD 522,000 instead of the previous allocation of USD 560,000.

1a. *Project Description*. Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description); 2) the baseline scenario and any associated baseline projects; 3) the proposed alternative scenario with a brief description of expected outcomes and components of the project; 4) alignment with GEF focal area and/or Impact Program strategies; 5) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCE, SCCF, and co-financing; 6) global environmental benefits (GEFTF) and/or adaptation benefits (LDCE/SCCF); and 7) innovativeness, sustainability and potential for scaling up.

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

Armenia is a small, mountainous, landlocked country located in the South Caucasus region of Eurasia with a population of approximately 2.9 million people. The country is exposed to numerous climate change-linked risks and impacts. Approximately 90% of the land is at least 1,000 m above sea level, with 40% higher than 2,000 m. A significant increase in temperature has been observed in recent decades. The annual average ambient air temperature increased by 0.40°C for the period of 1929-1996; by 0.85°C for the period of 1929-2007; and by 1.23°C for the period of 1929-2016.

A tendency towards decreased precipitation has also been observed: annual average precipitation has decreased by 6% for the period of 1935-1996, and by almost 9% for the period of 1935-2016. These climate trends have threatened Armenia's water resources, which in turn pose a threat to sustainable development. Agriculture comprises approximately one fifth of the country's GDP and 40% of total employment. However, between 2000 and 2005, climate-related agricultural losses cost Armenia USD 107 million. Armenia is also highly vulnerable to climate change in the energy sector: hydropower resources total around one third of the electricity generation mix.

Armenia ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1993, and the Paris Agreement within the UNFCCC in 2017. The Paris Agreement aims at strengthening the global response to the threat of climate change by keeping a global temperature rise below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. To this aim, the Paris Agreement requires all Parties to put forward their best efforts through nationally determined contributions (NDCs), while Article 13 of the agreement establishes an *enhanced transparency framework* in order to provide a clear understanding of climate change action through reporting on action and support received. The transparency framework shall build on and enhance the transparency arrangements under the Convention, including national communications, biennial update reports and international consultation and analysis. Paragraphs 7 to 10 of Article 13 require each Party to regularly provide a national inventory report, information necessary to track progress made in implementing and achieving its nationally determined contribution (NDC), information related to climate change impacts and adaptation, and information on support received. Article 13 also requires all Parties to establish institutions for ongoing monitoring.

The NDC of the Republic of Armenia, which was endorsed by the Government in 2015 as its intended nationally determined contribution (INDC), specifically identifies transparency as a key component of its contributions. It states that transparency of mitigation and adaptation actions will be ensured through two elements: 1) The introduction of a national and international MRV system; and 2) An open and accessible information system with a participatory process. The NDC also specifies “The open and transparent cooperation between public service providing bodies and civil society organizations ensured through establishing and strengthening effective legal incentives.” ((I)NDC (2015) Section 7.)

However, the Third National Communication (TNC) of the Republic of Armenia found that “Practically, there is observed lack of necessary professional and knowledge capacity and financial resources in all required fields for addressing climate change challenges.” (TNC (2015): 100.) The TNC identified several gaps that constrained transparency in the country, including the lack of an institutional mechanism for updating the national GHG inventory on a periodic basis; data gaps in GHGs and in key sectors such as water resources and agriculture; an inadequate system for data entry; conflicting data formats; and a lack of appropriate recognition of synergies across common areas of multilateral environmental agreements. (Ibid.: 100-106.)

The Second Biennial Update Report (BUR2) of the Republic of Armenia in 2018 provided more specific information on climate change and MRV in the country, and it explicitly lists the establishment of a domestic MRV system as a capacity building need and the absence of a comprehensive MRV framework as a capacity constraint/gap. (BUR2 (2018): 87-8.) The BUR2 also explains that “According to the RA Government Protocol Decision N 49-8 of December 8, 2016 ‘On approval of the list of measures to be implemented in the fulfillment of the Republic of Armenia’s Obligations Emanated from a number of International Environmental Conventions,’ the MRV system should be established in 2019

and the Ministry of Nature Protection of the RA is responsible for coordination of that process. The proposed arrangement for MRV should be implemented gradually, proceeding from national circumstances and existing local capacities and taking into account the best practices of other countries. It envisages institutional reforms aimed at coordinating all activities related to preparation of national communications and biennial update reports, including: establishment of legal/formal arrangements for data collection, identification of common approaches for assessing mitigation actions, as well as procedures for verification and archiving of information". (Ibid.: 90.)

At present, Armenia lacks the formally assigned institutional arrangements and corresponding technical capacity in key sectors to comply with enhanced transparency requirements. It also lacks a proper MRV infrastructure for assessing and reporting on mitigation and adaptation actions and policies and on support received. The current formal arrangements for the maintenance of its GHG inventory are limited with the 5 year Action Plan for ensuring continuous arrangements on GHG inventory preparation, including data collection and analysis for the inventory. There is need to embed MRV activities into the pending new version of the Air Protection Law, which is currently under review and expected to be presented for consideration by the Government and the National Assembly in 2019. A more detailed description of barriers is presented in the baseline scenario in the following section.

The adaptation needs in sectors identified in TNC and NDC are planned to be analysed and included in the National Adaptation Plan in the framework of project supported by Green Climate Fund Readiness Programme, which is scheduled to start in 2019.

In order to comply with the Paris Agreement, Armenia must establish a functional transparency framework and gain the capacity to conduct transparency activities on an ongoing basis. If this objective is achieved, the country will do more than achieve compliance with Article 13: it will have the knowledge and capacity to take decisive steps to reduce vulnerability, undertake its ambitious strategic climate change goals, and pursue a path towards sustainability.

The CBIT project will improve the quality of reporting to the UNFCCC and is aligned with Armenia's commitments to the Paris Agreement through setting appropriate formal arrangements and providing corresponding methodologies and tools to improve national GHG inventory, enhances tracking of progress in mitigation and adaptation actions and tracking of the strategies, policies and actions included in the (I)NDC. This project is therefore essential to help Armenia meet enhanced transparency requirements and enhance its ability to implement the Paris Agreement. By establishing an effective framework for transparency of action, the country will be able to measure climate change mitigation more precisely, which ensures that its ambitious commitments to the Paris Agreement will be substantive and meaningful. By establishing an effective framework for transparency of support, the country will be able to identify successful mitigation and adaptation investments and to link support to national policy priorities in climate change more effectively. Both frameworks will also reduce overlap and duplication in climate change action, freeing resource for additional measures. Finally, support for gender mainstreaming and gender-disaggregated data in the project will provide decision-makers with a clearer picture of the differing impacts of climate change on women and men, ensuring that adaptation actions leverage this knowledge to provide optimal benefits.

2) the baseline scenario and any associated baseline projects

Policy and Legal Framework

The Republic of Armenia signed the UNFCCC on June 13, 1992 and ratified it as a non-Annex I country on May 14, 1993. On December 26, 2002 Armenia ratified the Kyoto Protocol to the UNFCCC. The country associated to the Copenhagen Accord in January 2010. In 2017 the National Assembly of Armenia ratified the Paris Agreement and the Kyoto Protocol Doha Amendment. Since the ratification of the UNFCCC, the Government of Armenia approves a list of measures every five years for implementing the country's commitments under international environmental conventions, including the UNFCCC. The last list, approved by Government Protocol Decision N 49-8 of December 8, 2016, includes measures to be implemented during the period 2017-2021 to fulfill obligations and provisions arising from the UNFCCC and Paris Agreement, and assigns the responsible agencies.

Armenia's post-2020 climate policy under the Paris agreement is formulated in its INDC, which was endorsed by Government Protocol Decision #41 (from September 10, 2015) and submitted to the UNFCCC Secretariat on September 22, 2015. This document, now its NDC, is based on the principle of "green economy" and is to be compatible with the social and economic development goals of Armenia. In the area of mitigation, the NDC sets the total aggregate contribution of the country at 633 million tons of carbon dioxide equivalent (tCO₂e) for the period 2015-2050. The NDC articulates an approach based on the application of "an ecosystem-based approach to mitigation and adaptation actions, giving preference to balanced and combined actions" while achieving economy-wide GHG neutrality by 2050. It explicitly refers to prioritizing adaptation measures in seven sectors: natural ecosystems, health, water resource management, agriculture, energy, human settlements and infrastructure, and tourism.

The Armenian Development Strategy and National Security Strategy support a transition to low-carbon economic development, and they emphasize the importance of renewable energy and energy efficiency in addressing energy security. The 2013 National Energy Security Concept identifies promotion, development and investment in renewable energy technologies as critical to diversifying energy supply and achieving energy independence in Armenia. There are a number of strategies and action plans to develop the energy sector while improving energy security and achieving energy independence.

The most recent policy and strategy documents adopted by the Government of Armenia that are relevant to climate change are as follows:

Amendments to the Energy Law and to the Energy Saving and Renewable Energy Law (2016)

The Solar Photovoltaic Systems Construction Investment Program (2016)

The Hydro Energy Development Concept of the Republic of Armenia (2016)

The Republic of Armenia Energy System Long-Term (up to 2036) Development Ways (2015)

The Energy Security Concept of the Republic of Armenia (2013) and the Energy Security Action Plan for 2014-2020, (Decision # 836-N, 2014)

The Scaling Up Renewable Energy Program (SREP) Investment Plan for Armenia (2014)

Institutional Framework

National climate change policies and actions are coordinated by the *Inter-agency Coordinating Council for Implementation of Requirements and Provision of the UN Framework Convention on Climate Change*, which was established in 2012 by the Prime Minister's Decree. The Council has the authority to coordinate reporting on climate change and ensure coherent policies for the achievement of Armenia's stated commitments under the UNFCCC. The Inter-agency Council is chaired by the Minister of Nature Protection and composed of representatives of 13 ministries; three state agencies adjunct to the Government, including the Statistics Committee; two independent bodies (the Public Services Regulatory Commission and the National Academy of Sciences); and the UNFCCC national focal point. Technical cooperation is ensured through an existing Working Group under the Council that consists of professionals nominated by their respective ministries and agencies.

The *Climate Change Programme Unit (CCPU)*, which was established by a Memorandum of Understanding between the Ministry of Nature Protection and UNDP, supports the Ministry as an authorized national entity in fulfilling the country's obligations under the UNFCCC. Among other activities, the CCPU supports the preparation of national communications and biennial update reports.

In 2015, a *Division of Climate Change and Atmospheric Air Protection Policy* was established under the Environment Protection Policy Department in the Ministry of Nature Protection. This division is acting as coordinating unit for fulfilling Armenia's commitments under the UNFCCC, including drafting recommendations on legal and regulatory framework improvement. Inter alia, the division is coordinating the processes associated with the preparation of national communications and biennial reports. However, there are currently only four specialists assigned to the division, and thus there are certain capacity constraints on coordinating the expanding spectrum of climate change-related activities. Coordination and more structured inter-sectoral coordination is increasingly important given challenges related to the implementation and tracking progress of the NDC and the growing presence of climate financing from various donors. Government efforts to link national policies and international donor initiatives have resulted in a variety of current and planned investments. These multilateral donors and development banks include the Eastern Europe Energy Efficiency and Environment Partnership (E5P), the World Bank (both the International Finance Corporation and the International Bank for Reconstruction and Development), the Asian Development Bank, UNDP, the GEF, the Green Climate Fund (GCF) and the European Union (EU). These initiatives are described further in Section II.6 below.

Transparency-related activities

As a party to the UNFCCC, Armenia undertakes regular reporting on climate change trends and developments in the form of the national communications and biennial update reports. The First, Second and Third National Communications were submitted to the UNFCCC in 1998, 2010 and 2015, respectively. The First Biennial Update report (BUR1) was submitted to the UNFCCC on 28 April 2016 along with the National GHG Inventory Report for the years 2011 and 2012, which used the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines.

Furthermore, in May 2018, Armenia submitted its second BUR (BUR2) and its National GHG Inventory Report for the years 2013 and 2014. The BUR2 included improved reporting in several areas of the GHG inventory. First, it introduced higher tiers of reporting for three key sub-categories, moving to Tier 3 for sub-categories 1A1ai (Electricity Generation) and 1A1aia (Combined Heat and Power Generation) and to Tier 2 for sub-category 4A (Methane emissions from Solid Waste Disposal).

The BUR2 also continued to use country-specific emission factors where possible. In addition to the sub-categories above, the Tier 3 method was used for emissions for cement production in the Industrial Processes and Product Use (IPPU) sector, and the Tier 2 method was used for the following: emissions of CO₂ from stationary combustion of natural gas (with the exception of electricity generation); emissions of CO₂ from mobile combustion of natural gas; CH₄ emissions emanating from fugitive emissions of natural gas; emissions of HFCs from refrigeration and air-conditioning; emissions of CH₄ from cattle enteric fermentation; and net CO₂ removals from Forest Land Remaining Forest Land.

In addition, the BUR2 introduced data for 14 new sub-categories. In the Energy sector, it presented data under Category 1A2 (Manufacturing Industries and Construction) by sub-categories. In the IPPU sector, it introduced data in two new sub-categories: 2A3 (Glass Production) and 2A4d (Non-cement Clinker Production). In the AFOLU sector, it

introduced data under two new sub-categories: 3B4ai (Carbon dioxide and nitrogen emissions from Peatlands remaining peatlands) and 3C1c (Emissions from biomass burning in grasslands). Armenia is currently compiling its Fourth National Communication (4NC), which it plans to submit to the UNFCCC in late 2019. The 4NC will include the GHG Inventory for 2015 and 2016. In climate change mitigation, the 4NC will include a review of policies and programmes and GHG emissions estimates for the period 2016-2030, and the enabling activity project will contribute to the activities intended for the development of a roadmap for NDC implementation.

During the compilation of the 4NC, project experts made further improvements in the national greenhouse gas inventory (GHGI). Following recommendations provided in the BUR2 ICA review process, two new sub-categories were considered in the GHGI for 2015-2016 for the Agriculture sub-sector: 3A1j Enteric fermentation from rabbits and fur-bearing animals and 3A2j Manure Management from rabbits and fur-bearing animals. However, there has not been sufficient capacity to address key issues in MRV related to the Forestry sector, and significant gaps remain in data collection and consistency.

In the areas of vulnerability and adaptation to climate change, the 4NC is revising existing models in order to better describe and analyze the impacts of climate change on socioeconomic development in Armenia. The 4NC will analyze vulnerability to climate change in the water sector, with a case study on hydropower. It will also assess vulnerability to climate change in agriculture, forestry, health, transport, and tourism. Assessments are being conducted on a regional / local level where applicable. Supporting activities will also feed directly into government policy: analysis will inform the National Disaster Risk Management Plan, and the enabling activity project will contribute to the development of the National Adaptation Plan and its submission to the government.

In the areas of national circumstances and other relevant information, the 4NC is updating reporting on national circumstances, relevant policies, and education and public awareness regarding climate change. It will assess technology, financial, and capacity needs for mitigation and adaptation; it will report on technology and know-how needs; and it will update information financial, technical and capacity needs and constraints related to the fulfillment of obligations under the UNFCCC. Cross-cutting activities include the promotion of stakeholder participation in different areas and disaggregation of the data in the report by gender.

The Energy Sector is by far the largest source of greenhouse gas emissions in Armenia followed by the Agriculture sector. (GHG emissions for 2014 (without forestry and other land use) totaled to 10,450.71 Gg CO₂e, which comprises 40% of 1990 emissions. For 2014, the share of the Energy sector was approximately 67%, followed by Agriculture with the share of 19.6%. The Industrial processes and product use (IPPU) sector and the Waste sector had a relative share of 7.5% and 5.8 %, respectively.) The national energy balances of the Republic of Armenia for 2013 and 2014 were compiled according to the International Energy Agency and Eurostat requirements within donor-assisted programs. At present, national legislation requires the Statistics Committee and the Ministry of Energy Infrastructures and Natural Resources to compile and publish the energy balance on an annual basis. The energy balances for 2015 and 2016 are published and available at <https://www.armstat.am/am/>. The Energy balance for 2017 is under development with UNDP support. Close collaboration has been established between the GHG Inventory development expert team and the Institute of Energy specialists responsible for development of the 2017 Energy balance to ensure the consistency of the data used for both the GHGI and the energy balance. In addition, the BUR2 includes projections of Armenia's greenhouse gas emissions in the Energy Sector up to 2030 using the LEAP model. The projections consist of three scenarios: "without measures (WOM)", "with measures (WM)," and "with additional measures" in order to align the strategy in this sector with Armenia's environmental objectives and the implementation of its NDC. Use of the LEAP-Armenia model allowed the BUR2 team to assess individual measures and various combinations of measures for the scenarios, allowing modelers to assess the marginal impact of individual measures as well as the cumulative effect of multiple policies and measures.

In addition to country-level reporting that is relevant to GHG emissions, several projects will develop and implement project-level MRV systems that could be relevant to their respective sectors. For example, the UNDP-GCF project on de-risking and scaling investments in building sector energy efficiency will develop a robust, project-level MRV system to monitor energy use in buildings financed under the project. Other monitoring approaches will be developed to track carbon mitigation in grassland and forest ecosystems under projects supported by the EU-funded ClimaEast initiative and the UNDP-GEF project supporting sustainable land and forest management (GEF ID 5353).

Gaps in the transparency framework to be addressed by the proposed project

In 2017, Armenia’s BUR1 underwent the International Consultation and Analysis (ICA) process. The country addressed many of the comments made by the ICA during the development of the BUR2; e.g., applying a higher tiers (Tier 3 and Tier 2) to three sub-categories and analyzing data for 14 new sub-categories. However, several key elements raised in the ICA conclusions need to be addressed under the proposed project.

GHG Inventory: The current MRV scheme for GHG inventory preparation is described in Figure 1.

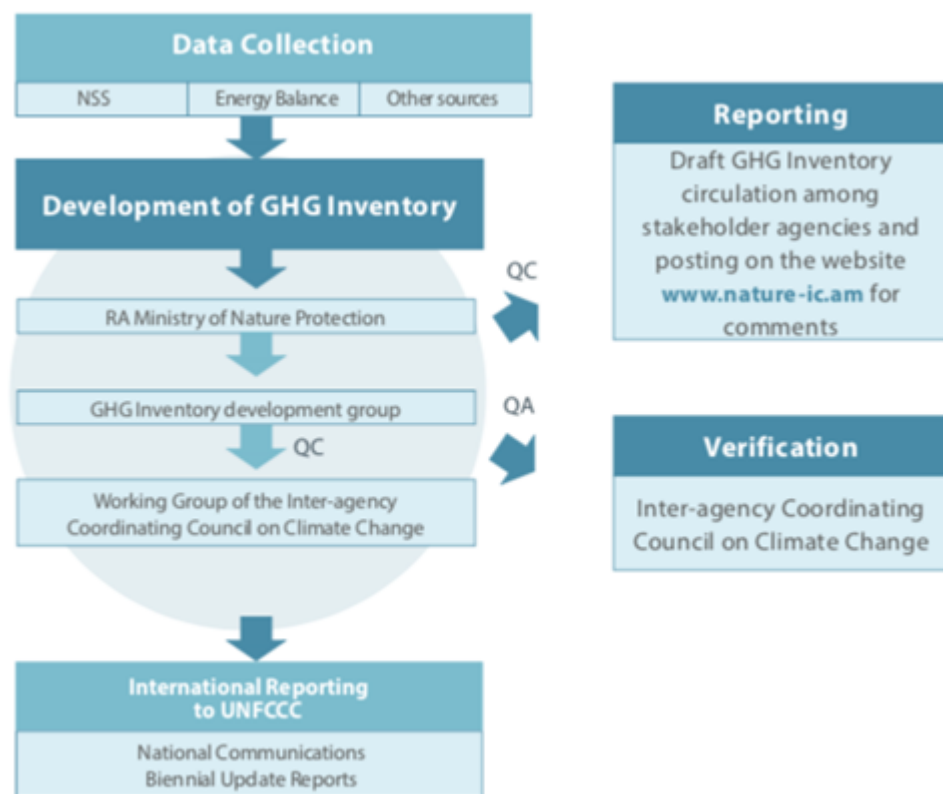


Figure 1. MRV scheme for GHG inventory preparation

Following the second BUR, most of the challenges faced by Armenia in relation to the preparation of the emission estimates refer to data collection and data quality. The country still lacks formal institutional arrangements that cover the collection of activity data from data providers, and there is an absence of standardized guidelines and templates for data collection. The current practice of data collection relies on informal mutual agreements with relevant institutions, which results in a lengthy administrative processes. No formal arrangements that ensure the sustainability of data collection are in place.

There are also several challenges related to data accuracy. For example, there are inconsistencies in activity data obtained from different sources, as is the case for data on wood removals. In order to address this problem, a QA/QC process needs to be put into place for activity data prior to the preparation of future BURs. Moreover, there are no official statistics to estimate emissions by some sub-categories, such as liquid fuel annual consumption per type of fuel and by sub-categories. Therefore, emissions must be estimated using expert judgement. In addition, the absence of nation-wide forest inventory does not allow the inventory team to quantify carbon flows in detail. Finally, there is a need to further enhance the uncertainty assessment of emissions and the key category analysis to consider trend assessment.

Mitigation: The lack of a proper MRV framework for tracking mitigation actions and policies, including associated support received, is a key challenge for Armenia. Different ministries, local governments, and the private sector are involved in the implementation of mitigation actions. These efforts are not coordinated, and therefore not all of them can be captured. For example, at the local level, a number of municipalities have developed Sustainable Energy Action Plans under the Covenant of Mayors program. While the emissions reductions generated under the plans are included under the current mitigation component of the NDC, the municipalities require assistance to measure and report emission reductions properly. At the country level, each ministry is responsible for a set of measures related to their competence, and there are some actions that involve multiple actors, which can lead to the risk of double counting. However, ongoing coordination between the Ministry of Nature Protection and local governments on MRV could prevent this problem.

During the preparation of both BURs, the project teams encountered a lack of communication among ministries and a lack of institutional arrangements for the standardized provision of data for planned and implemented activities. This lack of a common approach for assessing mitigation actions in the energy sector leads to a distorted assessment of effects from mitigation actions. It also prevents policy-makers from obtaining information that is sufficiently complete, consistent, and comparable to assess progress achieved towards the country's NDC.

Adaptation: The Third National Communication of Armenia (2015) is the key document that details the consequences of climate change scenarios on the country's economy. It also evaluates vulnerability, identifies priority areas for adaptation, and outlines adaptation and mitigation options to respond to projected climate related impacts. A UNEP-DTU Technology Needs Assessment (2015-2017) project identified the need to prioritize adaptation technologies in the agriculture and water sectors. Recently approved guidelines for the development of watershed management plans include the requirement that climate change be taken into consideration.

Although information regarding current and on-going climate changes and vulnerability is available, Armenia faces serious challenges in reporting on adaptation, such as the lack of clear processes for updating risk and vulnerability information and for the identifying and prioritizing adaptation measures; a lack of awareness and capacity in sectoral ministries regarding climate change adaptation; and the lack of integration of climate change-related risks and adaptation into sectoral and national planning processes and documents. Inter-agency coordination is made more difficult by the lack of an approved national adaptation plan. However, GCF readiness funding was recently received for the development of this plan under a project that will be managed by UNDP, and the plan is expected to be developed and approved in 2019. Further capacity building in relevant institutions is also needed to strengthen capacities related to MRV systems and other relevant tools and methodologies to enhance capacity to track, analyse and communicate the needs related to the building resilience. In particular, there is no appropriate system, tools and guidelines to assess the effectiveness of climate finance in increasing resilience.

Gender: Gender issues as they relate to climate change in Armenia are not well documented or understood. In addition to a lack of information on general relationships between gender and climate change mitigation and adaptation, there is also a lack of information on gender-differentiated benefits in key sectors. For example, a 2015 Country Gender Assessment by the Asian Development Bank found that “There have been no studies on how gender is implicated in energy projects in Armenia. National time-use studies have neither specified the types of domestic activities that women engage in nor estimated the additional time that they must expend in energy-poor households. Sector assessments have tended to focus on technical insufficiencies and measure quantifiable energy outputs but have not included gender-specific information about project impact, affordability, and satisfaction with the quality of energy supply or women’s priorities for developing the energy sector.” (ADB (2015). *Country Gender Assessment: Armenia*: 73.) Furthermore, there is a lack of information on the gender differentiation of benefits from specific interventions. As the ADB report found, “Examples were provided during the assessment of energy-efficiency projects that benefit women. Unfortunately, it does not appear that benefits to women and men specifically have been evaluated; rather, it has been assumed that all residents will benefit in the same way.” (Ibid.: 73.)

Armenia’s 2015 (I)NDC does not explicitly mention women or gender issues related to its contribution. In addition, the most recent National Communication and Biennial Update report submitted do not discuss gender issues related to climate change. However, guidance documents are now available to support gender-related aspects of transparency frameworks, such as the *Gender-Responsive National Communications Toolkit* (Nelson, G. (2015). *Gender-Responsive National Communications Toolkit*. UNDP) and *Gender Equality in Climate Change Action: Planning for Gender-Responsive Nationally Determined Contributions*. (Huyer, S. (2016). *Gender Equality in Climate Change Action: Planning for Gender-Responsive Nationally Determined Contributions*. UNDP.)

Progress Reporting: The Ministry of Nature Protection and the Statistics Committee have initiated a discussion on the importance of climate-related statistics and their inclusion in national statistical yearbooks. There is also need to make appropriate links to monitoring of localized SDGs implementation progress. Government agencies need further support to be capable of designing, communicating, implementing, leading, and coordinating an overall MRV process, as well as centralizing and managing all relevant information and indicators from different sources and institutions. Specific tools and methodologies need to be developed, and existing ones must be adjusted to national circumstances.

In order to comply with the Paris Agreement, Armenia must move beyond its baseline activities and establish a functional transparency framework and gain the capacity to conduct transparency activities on an ongoing basis. If this objective is achieved, the country will do more than achieve compliance with Article 13: it will have the knowledge and capacity to take decisive steps to reduce vulnerability, undertake its ambitious strategic climate change goals, and pursue a path towards sustainability.

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

The *goal* of the project is to assist the country in mainstreaming and integration of climate change considerations into national and sectorial development policies by giving continuity to the institutional and technical capacity strengthening process, initiated and sustained by the UNFCCC reporting under the expanded transparency framework. The *immediate objective* of the project is to build institutional and technical capacities to meet enhanced transparency requirements as defined in Article 13 of the Paris Agreement.

The *project approach* is to shift from ad hoc reporting to a continuous process of MRV that will capture transparency activities and allow the country to track its progress against its commitments under its NDC. The first project component will establish national institutional arrangements for an enhanced transparency framework. The second project component will introduce MRV systems that will support the enhanced transparency framework, and the third project component will provide capacity building for stakeholders that will be necessary to support transparency-related activities over time.

The project is intended to achieve the following five *outcomes*:

- Transparency activities in Armenia are governed by clear and formal roles and responsibilities;
- Armenia uses an integrated MRV system for continuous data collection and reporting under Article 13;
- Armenia is able to manage data for effective transparency reporting on GHG sources and sinks;
- Armenia is able to manage data for the framework for transparency of action and the framework for transparency of support under Article 13; and
- Armenia is able to track progress against its NDC and share its approaches and results at the international level.

The project outcomes and outputs are described below.

Component 1: National institutional arrangements for an enhanced transparency framework

Outcome 1.1 Transparency activities in Armenia are governed by clear and formal roles and responsibilities

This component will address institutional gaps and constraints resulted from the lack of the appropriate institutional arrangements in two ways: 1) the establishment of an MRV network enabling enhanced communication and engagement of key players to ensure sustainable operation of institutional arrangements; and 2) the formalization of data provision arrangements to ensure that continuous reporting will take place during and after project implementation.

Output 1.1.1: Institutional arrangements for a national transparency (MRV) framework are designed

This output focuses on the creation of a National Transparency Task Force (NTTF) for transparency-related activities. The NTTF will build on existing institutions, and it is proposed due to the need for a working-level, inter-agency group that will address MRV coordination on an ongoing basis, as opposed to the existing Inter-agency Council, which provides higher-level political guidance and oversight. Furthermore, to address the risks of overlooking mitigation actions or of double counting reductions, especially in the energy sector, this output will identify data providers and consider the roles and responsibilities of the relevant ministries and agencies involved. A clear institutional baseline will capture actions and support received to the greatest extent possible while avoiding double counting activities. Activities under this output will provide the information necessary to formulate institutional arrangements on data provision and reporting.

Proposed Activities

- Convene a National Transparency Task Force.
- Identify providers of data and information in the areas of mitigation actions, adaptation, and support received.
- Prepare a detailed institutional baseline for data provision on mitigation and adaptation actions covering all key sectors as well as on support received.
- Develop and share recommendations for data provision and reporting for Components 2 and 3 of the project.

Output 1.1.2: Legal and/or regulatory requirements for a national transparency framework are drafted and adopted

This output will result in proposed formal legal and/or regulatory arrangements between ministries and other data providers. Mandates for data collection and provision will result in data and information that are provided on a regular basis in the format needed for effective reporting. It is likely that the government will be able to use a Memorandum of Understanding (MoU) model for most data collection (as is the case of the energy balance) and for data sharing arrangements, although other legal and regulatory arrangements will be explored where necessary.

Proposed activities

- Draft formal arrangements for data provision for relevant ministries and other data providers identified within Output 1.1.1 in the areas of the GHG inventory, mitigation actions, adaptation, support received, and other necessary areas, taking gender-disaggregated data into consideration.
- Discuss and adopt the proposed formal arrangements.
- Update arrangements as necessary (e.g. pending anticipated guidance on enhanced transparency from the Paris Rulebook).

Component 2: MRV systems in support of an Enhanced Transparency Framework

Outcome 2.1: Armenia uses an integrated MRV system for continuous data collection and reporting under Article 13

This project component focuses on the technical element of the enhanced transparency framework. It is designed to produce a system that will allow experts to collect, analyze, and report on data and information under the framework for transparency of action and the framework for transparency of support. This component also supports the development of a technical means of sharing data and information at a national and international level in the form of an on-line portal.

Output 2.1.1: MRV system (hardware and software) with tracking tools designed and launched

This output will result in technical element of the MRV framework for Armenia taking into account the requirements of the Paris Agreement for an enhanced transparency framework including all of its component and considering national priorities and circumstances. The information system that underpins the MRV framework will use open source coding in order to ensure that it can be adapted easily over time.

Proposed activities

- Assess the baseline data provision that has been identified in climate change-related sectors in terms of the technical and system specifications for data exchange.
- Commission an information system that will allow for integrated data collection in all key transparency areas (inventories, mitigation, adaptation, and support received).
- Engineer interfaces for existing databases and institute data input protocols for data that are collected and stored off-line.
- Commission a user interface for the system that will allow for advanced data visualization, integration with GIS software, and publishing that conforms with international reporting templates (e.g. UNFCCC, International Energy Agency).

- Pilot the MRV system and make updates as needed.

Output 2.1.2: On-line portal to provide access to data and information established

While Output 2.1.1 focuses on a system to collect and report data under UNFCCC and Paris Agreement commitments, Output 2.1.2 focuses on sharing information with the public and with other parties to the Convention. Activities under this output will result in the design of a web portal that will provide public access to climate change reporting and information from Armenia. The portal that is developed under this output will provide information in key languages, and it will provide climate-change-related news and information in addition to key national reports. Under this output, the project will assess existing websites as potential hosts for the on-line portal, keeping in mind that the new portal should avoid duplication and should be managed in a way that can be maintained following the conclusion of the project. The primary output – the on-line portal – will be operated and maintained through activities under Output 3.3.2.

Proposed activities

- Commission a website to serve as an on-line portal for transparency initiatives (MRV, BUR, NC, NDC, GHG inventory, and from 2024, Biennial Transparency Reports, or BTRs).
- Engineer a system interface with the national MRV system to provide accessibility to data and reports.

Component 3: Capacity building to support transparency-related activities over time

The third component of the project focuses on the provision of tools, training, and assistance for meeting the provisions stipulated in Article 13 of the Agreement and expanded information sharing among parties to the Paris Agreement. This component will ensure that Armenian experts have the capacity to use the MRV framework that is established and to communicate their transparency activities. The provision of tools, training, and assistance will focus on three areas: 1) Improvements in the GHG inventory; 2) Improvements in the frameworks for transparency of action and support; and 3) International information and knowledge exchange. The project will work to achieve equal participation by women in training and capacity strengthening activities, and it will develop guidance on mainstreaming gender considerations into the three areas listed above.

Outcome 3.1: Armenia is able to manage data for effective transparency reporting on GHG sources and sinks

In 2017, the International Consultation and Analysis (ICA) process for the first BUR was carried out. The capacity building needs identified within that process will be addressed with the help of this CBIT project, which will result in substantial improvements in the quality of GHG inventory. Training and capacity strengthening activities will involve focal points in line ministries, other data providers, and key experts. These activities will strengthen capacity to report under the UNFCCC at present (through National Communications and BURs), but they will also keep in mind and follow the development of guidance regarding reporting after 2022; specifically, on the format of the Biennial Transparency Report that all parties to the Paris Agreement must submit no later than December 31, 2024.

Output 3.1.1: Sectoral templates and consistency guidelines on data collection and reporting are developed for the GHG inventory

This output will cover general training for data providers on the MRV system developed under Component 2. Activities under this output will be coordinated closely with work conducted under other project components to ensure that the templates and consistency guidelines are incorporated into the technical specifications of the MRV information

system and the formal arrangements with data providers. Templates and training will be based on the use of IPCC 2006 Good Practice Guidelines as specified in the modalities, procedures, and guidelines (MPGs) of the “Paris Rulebook,” and they will take the 2019 IPCC modification of these guidelines into account where relevant.

Proposed activities

- Produce sectoral templates for reporting.
- Draft consistency guidelines for data provision.
- Conduct a training assessment for data providers.
- Develop and carry out training for data providers on the templates and guidelines.
- Maintain training documentation for project stakeholders.

Output 3.1.2: Sectoral emissions estimates are strengthened for selected sectors and sources

This output will allow Armenia to address capacity needs related to specific aspects of the GHG inventory identified in the course of the ICA. While the GEF-funded Enabling Activity will support the improvement of GHG inventory analysis through conducting key category analysis – trend assessment, the CBIT project will support **refining** estimates of emissions from the Agriculture Forestry and Land Use (AFOLU) sector where data on firewood and manure burned, which are obtained from different data providers, differ to a great extent. **The project will also improve the estimates of emissions from the AFOLU sector with the special attention to the Lands and Aggregate sources and non-CO₂ emission sources from land categories. Improvements will address both the quality of activity data in terms of their completeness and accuracy and the application of higher-tier methods for key categories. Specifically, the project will support moving from Tier 1 to Tier 2 for N₂O (3C4) Direct Emissions and (3C5) Indirect Emissions from managed soils**

In addition, the project will provide training and support for MRV measures in the forestry sector related to afforestation in order to strengthen emissions estimates and track commitments under the Bonn Challenge. Finally, the CBIT project will also support improving the accuracy and completeness of F-gases emissions estimates through elaborating procedures for the collection of activity data on F-gases consumption in the country.

Proposed activities

- Review AFOLU emissions estimates and draft recommendations for improving the estimates based on international good practice.
- Identify relevant experts in the AFOLU sector and provide training in approaches for estimates of firewood and manure burned.
- Commission peer review of the new estimates by an international expert.
- Provide support for MRV planning, training, and improved activity data collection in the forestry sector, including land cover data relevant to the Bonn Challenge.

- Draft recommendations on improving collection of the activity data on F-gases based on international good practice.
- Identify relevant experts and provide training.
- Commission peer review of the new estimates by an international expert.

Output 3.1.3: Analysis of the GHG inventory is enhanced

This output is designed to put measures into place that will improve the GHG inventory management system according to TACCC principles: transparency, accuracy, completeness, consistency, and comparability. These activities will also address capacity needs identified by the ICA, and they will move the compilation of GHG inventories to a continuous process, rather than a project-by-project initiative.

Proposed activities

- Prepare detailed guidelines for the uncertainty assessment for key sources.
- Develop QA/QC procedures for all sectors of GHG inventory.
- Develop and conduct trainings for GHG inventory experts and data providers that cover the new procedures and guidelines.
- Archive procedures in the form of detailed documentation.

Outcome 3.2: Armenia is able to collect and process data for the framework for transparency of action and the framework for transparency of support under Article 13

The training and capacity strengthening activities included in this part of the project will allow project stakeholders to collect and analyze data related to climate change mitigation, adaptation, and support received that will form the core of the information system developed under Component 2.

Output 3.2.1: Sectoral templates and guidelines for assessing and reporting on mitigation policies and actions and their effects developed and related training provided

Mitigation-related reporting activities under this project will start by focusing on the energy sector because of its strategic importance, its dominant role in GHG emissions (approximately 70% of total GHG emissions), and the fact that it has the highest mitigation potential. Activities under this output will develop a common approach for assessing GHG emissions reductions from mitigation measures in the energy sector. Reporting templates will be differentiated depending on the nature of the mitigation action. It will also provide training that will allow data providers to produce and report the necessary data on implemented, adopted and planned mitigation policies and measures in a transparent, accurate, complete, consistent and comparable manner.

Proposed activities

- Develop sectoral templates and guidelines for assessing and reporting on mitigation policies and actions and their effects.

- Propose a common approach for assessing GHG emissions reductions from mitigation measures in the energy sector.
- Provide trainings to stakeholders on the common approach.
- Develop and define methodologies and assumptions for estimating GHG impacts of mitigation actions in other selected sectors.
- Provide training and ongoing capacity strengthening for data providers in those sectors.

Output 3.2.2: Methodologies for assessing and prioritizing adaptation actions, policies and their effects identified and applied

This output will contribute to building awareness regarding the importance of adaptation considerations in all sectors of economy. It will also help decision-makers and experts to understand adverse impacts in the absence of adaptation measures and how those impacts may affect men and women differently. The methodologies developed under this output will support the assessment of the impact of policies and their effects, including cost-benefit analysis and impact assessment, with a gender sensitive approach. Project experts will coordinate closely with the experts assigned to produce the National Adaptation Plan when they are appointed.

Proposed activities

- Identify and agree upon methodologies for assessing the impact of adaptation actions and policies in Armenia.
- Conduct a cost-benefit analysis of key adaptation actions, using a gender-sensitive approach.
- Provide training experts and policy-makers in the area of adaptation.
- Update guidance on adaptation reporting and provide supplementary training as needed.

Output 3.2.3: Methodology for reporting on support received developed and related training provided

This output will adopt guidelines on reporting support received for climate change mitigation and adaptation activities and will improve coordination on reporting from various sources. Different agencies, local governments, the private sector, and NGOs currently receive support for climate related activities. These efforts are not coordinated, and therefore not all of them can be captured. While compiling the BURs, the project team used mitigation-related finance information collected by the OECD, project-level data gained from publicly available sources (project documents, reports, country program snapshots), and information received from implementing/financing entities in response to a Ministry of Environment inquiry.

Project experts will focus on reporting methods that are consistent and relatively easy to use to ensure support received to the greatest extent possible. Experts who will draft guidance under this output will look carefully at approaches to reporting that are currently being developed in other developing country parties.

Proposed activities

- Review, discuss, and approve appropriate templates and guidelines for reporting on support received.

- Develop a plan for collecting information on support received.
- Provide training for data/information providers as needed.

Output 3.2.4: Gender issues mainstreamed into transparency activities

The CBIT project represents an opportunity to mainstream gender issues into participation in project activities, the kinds of data and information that are collected, and the way in which they are used. This output will allow for a coordinated overview of gender mainstreaming in all project activities.

Proposed activities

- Provide recommendations on institutional arrangements and the MRV information system that will maximize the consideration of gender in transparency activities.
- Provide training and ongoing capacity strengthening for data providers and project experts on gender considerations in data collection and analysis.
- Develop and implement a plan that will support equal opportunities for women in project training and capacity strengthening activities.
- Summarize findings on gender and climate reporting in a publication and make that information available on the on-line portal developed under Output 2.1.2.

Outcome 3.3: Armenia is able to track progress against its NDC and share its approaches

The associated outputs focus on knowledge capture and exchange. The NDC is the primary summary of Armenia's stated contribution to the Paris Agreement, and a tracking tool on the on-line portal will allow different in-country stakeholders and the public to understand the progress that is being made in climate change action. Participation in global on-line portals and workshops will bring two benefits: 1) It will allow experts in Armenia to identify best practice in MRV and avoid having to re-invent or duplicate guidance and tools; and 2) It will allow experts in Armenia to share effective approaches and methodologies generated by the project with other parties to the Paris Agreement.

Output 3.3.1: Progress against the NDC tracked

This output will enable Armenia to measure its progress towards the goals in its NDC. It will also coordinate closely with in-country efforts to develop a roadmap for NDC implementation.

Proposed activities

- Develop recommendations on tracking progress towards the NDC.
- Conduct an annual briefing for decision-makers on progress towards the NDC.
- Publish progress towards the NDC on the on-line information portal established in Output 2.1.2.

Output 3.3.2: On-line portal for transparency initiatives maintained and knowledge shared

This output will support the operations and maintenance of the on-line portal that is designed and established under Output 2.1.2. Activities will focus on maintaining timely content and all key climate change information and reports from Armenia as they become available. This output will also take steps to ensure that the operation of the web portal will continue even after the proposed project finishes.

Proposed activities

- Launch on-line portal for transparency initiatives and publicize its resources.
- Maintain and update the portal as new reports and relevant content are published.
- Develop a post-project management plan for the on-line portal.

Component 4: Monitoring and Evaluation and Knowledge Management

Component 4 includes both standard M&E activities and the capture and sharing of project knowledge for use at the national, regional, and global level. Knowledge capture and sharing will take place throughout the project.

Output 4.1.1: Project results and outcomes monitored and evaluated

This output focuses on standard GEF and UNDP M&E activities, which are described in detail in Section VI.

Proposed activities

- Conduct inception workshop and confirm project baseline and indicators
- Monitor project implementation and results as they affect both women and men on an ongoing basis
- ~~Conduct an annual financial audit of the project~~
- Present project status and lessons learned to the Project Manager and Project Steering Committee and to the GEF in the form of a Project Implementation Report (PIR) annually in order to inform management decision-making.
- Conduct an independent terminal evaluation approximately three months prior to the completion of project.
- Prepare and submit a final report to UNDP and the implementing partner.

Output 4.1.2: Lessons learned and best practices shared with other Parties through the Global Coordination Platform and other cooperation networks

This output will support knowledge management to capture, document, and share the broad variety of data, information, and knowledge generated by project activities. It will also enable Armenia to contribute and be an active partner of the CBIT Global Coordination Platform, by exchanging information with other countries as well as actively participating in CBIT workshops. Sharing lessons learned and experiences through the global platform will ensure that Armenia's CBIT project is aligned with other national, regional and global transparency initiatives.

Proposed activities

- Capture lessons learned from the project throughout implementation.
- Share templates, lessons learned, and best practices with all relevant stakeholders in Armenia.
- Share templates, lessons learned, and best practices with other Parties through the Global Coordination Platform and other regional and global cooperation networks.
- Participate in selected CBIT regional and global workshops.

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

The proposed project is directly aligned with GEF Focal Area CCM-3-8, "Foster enabling conditions for mainstreaming mitigation concerns into sustainable development strategies through capacity building initiative for transparency." In addition, the project will directly support CCA-2, "Strengthen institutional and technical capacities for effective climate change adaptation" through Output 3.2.2.

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

Armenia has been making progress in implementing its reporting commitments under the UNFCCC, including the improvement of its GHG Inventory in terms of both completeness and accuracy, and in assessing long-term policy effects on GHG mitigation in the energy sector through scenario development. This progress has been possible due to ad hoc support for capacity building activities under each National Communication and more recently under the first and second BURs. However, the country still lacks the necessary institutional arrangements to formalize the process of continuous monitoring and reporting on climate change. Without an official, ongoing process for climate change MRV, it will not be possible to improve data availability and quality, nor will it be possible to generate the information necessary to inform climate-resilient policies and decision-making in Armenia. In the absence of this project, the government would be able to make limited improvements in narrow areas of its GHG inventory, and it would have a set of stand-alone national reports on climate change action on which to base its decisions. However, it would lack the formal arrangements necessary to establish a transparency framework, and its

organizations and experts would not have sufficient tools and training to gather a holistic picture of mitigation and adaptation activities. Finally, it would be limited in the amount of information it could exchange with other parties to the Paris agreement, including tracking its progress towards its NDC, and it would not be able to adopt international good practice quickly. In summary, the country would not be able to participate meaningfully in the implementation of the Paris Agreement.

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

The proposed CBIT project is essential to help Armenia meet enhanced transparency requirements and enhance its ability to implement the Paris Agreement. By establishing an effective framework for transparency of action, the country will be able to measure climate change mitigation more precisely, which ensures that its ambitious commitments to the Paris Agreement will be substantive and meaningful. By establishing an effective framework for transparency of support, the country will be able to identify successful mitigation and adaptation investments and to link support to national policy priorities in climate change more effectively. Both frameworks will also reduce overlap and duplication in climate change action, freeing resource for additional measures. Finally, support for gender mainstreaming and gender-disaggregated data in the project will provide decision-makers with a clearer picture of the differing impacts of climate change on women and men, ensuring that adaptation actions leverage this knowledge to provide optimal benefits.

7) innovativeness, sustainability and potential for scaling up

Innovativeness: The project represents a series of significant innovations in Armenia. Under Component 1, the project will introduce a technical working group that will allow for a less cumbersome form of inter-agency cooperation on climate change MRV. Under Component 2, the project , will establish formal, continuous arrangements for climate change MRV in the country.

Under Component 3, the project will also undertake the new step of working with different stakeholders to include community-level mitigation activities under the Covenant of Mayors in overall reporting on climate action. It will also undertake the new step of working with different stakeholders to include community-level mitigation activities under the Covenant of Mayors in overall reporting on climate action for the NDC under Outcome 3.3. The widespread nature of the CoM program (more than 18 municipalities in Armenia have signed the CoM, and 8 of them have submitted a Sustainable Energy Action Plan, or SEAP) means that it should be possible to consider reporting by cities as good practice in MRV in participating municipalities in Armenia. In the capital city, Yerevan, the SEAP was developed with support of UNDP, and the city is an Implementing Partner in the UNDP-GCF project on scaling energy efficiency in the building sector, which has a component on MRV. The CBIT project will encourage a two-way exchange of information with cities participating in the CoM program. From their side, the participating cities will share good practices and support tools from the CoM network regarding MRV with the CBIT project. The project, in turn, will share guidance and findings from its networks (e.g. the CBIT Global Platform) with the CoM cities. This cooperation may also extend to MRV related to adaptation activities, as the CoM has developed an adaptation support tool for its participating cities. Armenia can serve as an important source of experience for other countries on monitoring SEAPs, particularly those participating in the European Union's European Neighborhood Instrument—East, and the project will encourage the

participating cities to share innovations in the CoM international good practice database. (<https://www.covenantofmayors.eu/plans-and-actions/good-practices.html>) Furthermore, the approaches that will be designed under the project to address a lack of data in certain sectors and for certain sources represent innovative methods that may be highly relevant to other countries in the same global sub-region.

Finally, activities under several components and the gender plan provided in Annex 9A will mainstream gender into national reporting and NDC tracking. Finally, the approaches designed under this project to address the lack of data in certain sectors and for certain sources will represent innovative methods that may be highly relevant to other countries in the same global sub-region.

Sustainability: The project will ensure sustainability in several ways. In the area of *institutional sustainability*, the project will build upon existing institutions and bodies, such as the Inter-agency Council, to underpin the new MRV framework. Second, the government mandates regarding climate change data collection, management, and reporting will remain in place after the project finishes. Third, extensive documentation and succession planning for data providers will allow these activities to continue even when there are staff changes at government agencies. In the area of *financial sustainability*, the project will receive significant government in-kind support and will involve a broad variety of in-country stakeholders and donors in its work. The project will work with both of these groups to identify post-project financing for climate change MRV activities. Furthermore, the MRV system will be based on open-source software in order to avoid costs associated with proprietary software, allowing the project to build on and modify its MRV system at a minimum cost. Finally, the project will develop a post-project data management plan under Output 3.3.2 that will allow project-related data and documentation to be preserved.

Potential for Scaling Up: At the country level, the methodologies used to estimate emission reductions from mitigation activities may be used to assess public investments in a variety of sectors and to prioritize investments for international co-financing. Innovations in applied approaches and estimates for emissions of |GHG precursors in the IPPU sector may also benefit estimates of primary pollutants. At the international level, there are a number of project activities that may be adapted for use in other countries. For example, the proposed MRV framework-- the complete information system or selected components or software--may serve as an example for replication in developing countries with similar national circumstances/existing arrangements. Guidance developed under the project may also be relevant to these countries, particularly Armenia's experience in data collection, reporting on municipal sustainable energy and climate plans, and the assessment of mitigation measures in Energy sector. The activities related to regional peer exchanges and regional capacity building under Component 4 will directly support scaling up the project's findings to other countries.

1b. Project Map and Coordinates

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

The project is a national-level project, and a map is provided in Annex E.



1c. Child Project?

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

n/a

2. Stakeholders

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

Civil Society Organizations

Indigenous Peoples and Local Communities

Private Sector Entities Yes

If none of the above, please explain why: Yes

The proposed project is the product of nearly two decades of cooperation between UNDP Armenia and the Ministry of Environment (previously the Ministry of Natural Resources). It developed from cooperation with the ministry on several GEF-funded national reporting projects, including the ongoing project supporting the compilation of the country's most recent NC and BUR (GEF ID 9474). A description of stakeholder involvement in project design, preparation, and validation is provided in Annex 4 of the accompanying UNDP project document.

The stakeholder engagement arrangements for the project are as follows: the project manager will be responsible for monitoring and supporting ongoing stakeholder involvement during project implementation through project management mechanisms, such as the PSC, and through the two-way exchange of information with stakeholders. The portal developed in Component 3 of the project will also be used to disseminate information to stakeholders on an ongoing basis. The project will track participation in the Interagency Coordinating Council and Task Force, user statistics for the transparency portal, and participation in project events on an ongoing basis in order to monitor stakeholder participation.

The table below provides an overview of specific project stakeholders, their relevance to the project, and their proposed role in project implementation.

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Stakeholder Overview and Engagement Plan

Organization	Relevance to Project and Role in Project Formulation	Planned Role in Project Implementation
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Ministry of Environment:	The Ministry, formerly the Ministry of Nature Protection, is the main coordinator of climate change activities and focal point of the UNFCCC. It is in charge of developing GHG inventories, reporting to the UNFCCC, following up on Armenia's NDC, and coordinating Inter-ministerial interaction. It has been involved in the project design, and the Minister, who serves as the GEF Operational and Political Focal Point for Armenia, endorsed the project on August 3, 2018. The Ministry co-chaired the September 2019 Stakeholder Validation Workshop, and the Deputy Minister and several other representatives participated in the presentations and questions and answers.	The Ministry will be the implementing partner of the CBIT project and will also be responsible for coordinating the design and implementation of the transparency framework. Office space will be provided by the Ministry as part of the government's in-kind contribution, as well as premises for meetings, means of communication and other utilities, along with information and time of civil servants and governmental officials involved in Inter-agency Coordinating Council and Task Force.
Ministry of Territorial Development and Infrastructure	This ministry is a member of the Inter-agency Coordinating Council on Climate Change. It is responsible for the development and implementation of the state policy on energy saving and renewable energy and for the development of the annual energy balance, as well as for coordination of works under Covenant of Mayors and transport policy. These functions make the Ministry a key partner in the design of the transparency framework and a key actor in the MRV framework. A ministry representative participated in the stakeholder validation workshop in September 2019.	The Ministry will both provide information and participate in training and capacity strengthening during the CBIT project.
Ministry of Transport, Communication and Information Technologies	This ministry is a member of the Inter-agency Coordinating Council on Climate Change.	The Ministry (along with the Statistics Committee) will be involved in identifying a means of addressing the lack of official statistics on liquid fuel annual consumption by sub-category. It is expected that the Ministry of Transport will be a member of the MRV network mandated to develop and track relevant indicators for the transport sector to tracking the progress on mitigation measures in the sector, as the transport sector is a key source of GHG emissions. It will provide information and participate in training and capacity strengthening activities within the CBIT project.
Scientific Research Institute of Energy	This institute developed the Energy Balance for 2016 and 2017. At present, it is developing the Energy Balance for 2017 and assessing the results of the national energy efficiency action plan (Phase II) implementation. Several representatives of the Institute participated in the stakeholder validation workshop in September 2019.	The Institute will be involved in discussions and consultations aimed at the selection of the best available way to collect data on energy efficiency measures and at the improvement of the methodologies applied in the calculation of the Energy Balance to ensure the comparability of the data provided in the Energy Balance and in the Energy Sector estimates in the GHG Inventory. The Institute will also provide information and participate in training and capacity-strengthening activities within the CBIT project.

Ministry of Agriculture	This ministry is a member of the Inter-agency Coordinating Council on Climate Change, and it is the main source of data on agriculture, livestock and land use data for the AFOLU sector of the GHG Inventory.	Experts from this ministry will be key to improving the Agriculture sector GHG emissions estimate and reinforcing adaptation monitoring and reporting. They will participate in training and capacity strengthening activities within the CBIT project.
Ministry of Finance	This ministry is a member of the Inter-agency Coordinating Council on Climate Change. It is responsible for tracking overseas development assistance (ODA) to Armenia.	It is expected that the Ministry of Finance will be the member of the MRV network mandated to provide information on climate finance. It will provide information and participate in training and capacity strengthening activities within the CBIT project.
Ministry of Economy	The ministry oversees economic policy in general and sectoral policies, such as agrarian policy and policies regarding foreign direct investment in Armenia. It is also involved in agricultural statistics. Representatives of the ministry participated in the stakeholder validation workshop in September 2019.	
Statistics Committee	The committee is a member of the Inter-agency Coordinating Council on Climate Change and one of the main data providers for the National GHG Inventories. The committee participated in the stakeholder validation workshop in September 2019.	The Statistics Committee will be involved in identifying a means of overcoming inconsistencies in the activity data that it collects internally and from other sources, such as data on wood removals. It will also be involved in identifying an approach to addressing the lack of official statistics on liquid fuel annual consumption by sub-category. The committee will provide information and participate in training and capacity strengthening activities within the CBIT project.
Public Services Regulatory Commission	The commission is a member of the Inter-agency Coordinating Council on Climate Change, and it serves as an independent regulatory body. Among other responsibilities, it sets tariffs for gas and electricity and establishes the rules for electricity markets.	The Commission will provide information and participate in discussions within the CBIT project.
Committee of the Real Estate Cadaster	This committee is a member of the Inter-agency Coordinating Council on Climate Change. It maintains and publishes the land balance, including information on land use change.	The Committee will provide information and participate in training and capacity strengthening activities within the CBIT project.
Committee of Forest of the Ministry of Environment	This committee includes a department for forestry and land management, and it has a division that oversees the national forest inventory. A representative of the Committee participated in the stakeholder validation workshop in September 2019.	The committee will be involved in identifying a means of addressing inconsistencies in activity data obtained from the Statistics Committee on wood removals, as well as in identifying an approach to reduce uncertainty in forest data.

International organizations	Multilateral and bilateral agencies, such as the World Bank, the European Commission, the European Bank for Reconstruction and Development (EBRD), KfW, USAID, and others are funding projects related directly or indirectly to climate change. Representatives of several donor-funded projects presented their work at the stakeholder validation workshop, and other agencies attended as observers (UNIDO, UNECE, and FAO).	The project will maintain ongoing, two-way communication with these agencies, and it will include them in the data-sharing system and MRV network, particularly regarding reporting on mitigation activities, support received, and support for NDC revision and/or strengthening. Coordination with individual donor-funded projects is summarized in Section IV of this project document.
Non-Governmental Organizations (NGOs)	Universities, research institutions, and environmental NGOs will participate in workshops during the CBIT project and will play an important role in communicating findings from transparency activities to the research community, to students, and to the broader public. Several NGO representatives attended the September 2019 stakeholder validation workshop.	The project portal will be designed in order to maximize public access to climate change-related data and information, including information on Armenia's progress towards meeting its NDCs. An NGO representative will be invited to Inter-agency Coordinating Council meetings.
The Private Sector	Private sector enterprises contribute to national emissions of GHGs in certain sectors, such as Industrial Processes and Product Use (IPPU) for certain sources, such as fluorinated gases (F-gases). At the same time, private sector investments in areas such as renewable energy can reduce GHG emissions.	The private sector will be involved in the project in two ways: First, private enterprises will be involved in providing activity data for reporting in certain inventory sub-sectors. In addition, commercial banks will also be involved in reporting on mitigation when private sector investment results in GHG emission reductions as part of an enhanced transparency framework for support received. Please see Section III.4 for additional details.

Please be informed that the following documents are not part of the submission on April 14, 2020. However, the Portal doesn't enable deleting the documents:

1. 6332_CBIT_Armenia_LoA_Annex 8 signed

2. 6332_CBIT_Armenia_support service endorsement by Minister and OFP

3. 6332_CBIT_Armenia_ProDoc_MSP_19 NOV_Clean_UNDP CO - 25

4. 6332_CBIT_Armenia_ProDoc_MSP_04 Mar 20_rev2

5. 6332_CBIT_Armenia_ProDoc_MSP_26 Mar 20

6. 6332_CBIT_Armenia_CEO ER_Approval_MSP_26 MAR

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.

Annex 4: Stakeholder Engagement Plan

The proposed project is the product of nearly two decades of cooperation between UNDP Armenia and the Ministry of Environment (previously the Ministry of Natural Resources). It developed from cooperation with the ministry on several GEF-funded national reporting projects, including the ongoing project supporting the compilation of the country's most recent NC and BUR (GEF ID 9474).

At the project concept development stage, consultations were held with the most active relevant NGOs (Ecolur, Sustainable Human Development, Save Energy Foundation, Khazer, and Armenian Women for Health and Healthy Environment). All of these NGOs, which are led by active women with scientific backgrounds, welcomed the objective of the project, which will contribute to the environmental information transparency in the country through open data-sharing portals accessible for the public and the scientific community. In particular, the NGOs consulted stressed the importance of the involvement of civil society at all stages of the project.

During the project preparation phase, the project preparation team organized a stakeholder validation workshop in Yerevan on September 4, 2019. The protocol from the workshop is provided below in Annex 4A. A total of 59 participants attended the workshop, which consisted of two parts: sessions on current topics in transparency, such as institutional arrangements and MRV and transparency systems in practice, and a review of the proposed project with a session for soliciting feedback. A participant list from the workshop is included below as Annex 4B. Stakeholders were also presented with the option of submitting written comments to the project team following the workshop.

The consensus among workshop participants was that the project would be very helpful in supporting Armenia in meeting its obligations under the Paris Agreement. No significant criticisms of the project activities or its potential impacts were raised by stakeholders during the consultation process.

Key findings include the following:

- Activity data collection, data collection and analysis from projects and policies, and spatial data for the forestry sector were cited as areas where the proposed UNDP-GEF project could be particularly helpful.
- The transparency frameworks developed should be accessible to the public, and they should enable the public to be informed about climate finance, climate-related loans, and how commitments under the Paris Agreement are being implemented in Armenia.
- The Paris Rulebook and new requirements regarding MRV and transparency present an opportunity to put solid frameworks in place that can also support other national reporting requirements in priority areas (e.g. Energy Charter requirements to align MRV with the EU monitoring mechanism regulation, and the Bonn Forest Challenge)
- It will be necessary to work closely with initiatives that support the revision and/or strengthening of the NDCs in order to ensure sure that the NDC tracking mechanism is effective.

Findings from the workshop have been reflected in the project activities, particularly in the area of providing capacity strengthening in the AFOLU sector (under Component 3) and in the principles of open data and non-proprietary software that will guide the development of the MRV system developed under Component 2.

Stakeholder Engagement Roles and Monitoring

The project manager will be responsible for monitoring and supporting ongoing stakeholder involvement during project implementation through project management mechanisms, such as the PSC, and through the two-way exchange of information with stakeholders. The portal developed in Component 3 of the project will also be used to disseminate information to stakeholders on an ongoing basis. The project will track participation in the Interagency Coordinating Council and Task Force, user statistics for the transparency portal, and participation in project events on an ongoing basis in order to monitor stakeholder participation.

Stakeholder overview and engagement plan

Table A4.1 below provides an overview of project stakeholders, their relevance to the project, and their proposed role in project implementation.

Table A4.1: Stakeholder Overview and Engagement Plan

Organization	Relevance to Project and Role in Project Formulation	Planned Role in Project Implementation
Ministry of Environment:	The Ministry, formerly the Ministry of Nature Protection, is the main coordinator of climate change activities and focal point of the UNFCCC. It is in charge of developing GHG inventories, reporting to the UNFCCC, following up on Armenia's NDC, and coordinating Inter-ministerial interaction. It has been involved in the project design, and the Minister, who serves as the GEF Operational and Political Focal Point for Armenia, endorsed the project on August 3, 2018. The Ministry co-chaired the September 2019 Stakeholder Validation Workshop, and the Deputy Minister and several other representatives participated in the presentations and questions and answers.	The Ministry will be the implementing partner of the CBIT project and will also be responsible for coordinating the design and implementation of the transparency framework. Office space will be provided by the Ministry as part of the government's in-kind contribution, as well as premises for meetings, means of communication and other utilities, along with information and time of civil servants and governmental officials involved in Inter-agency Coordinating Council and Task Force.

Ministry of Territorial Development and Infrastructure	<p>This ministry is a member of the Inter-agency Coordinating Council on Climate Change. It is responsible for the development and implementation of the state policy on energy saving and renewable energy and for the development of the annual energy balance, as well as for coordination of works under Covenant of Mayors and transport policy. These functions make the Ministry a key partner in the design of the transparency framework and a key actor in the MRV framework. A ministry representative participated in the stakeholder validation workshop in September 2019.</p>	<p>The Ministry will both provide information and participate in training and capacity strengthening during the CBIT project.</p>
Ministry of Transport, Communication and Information Technologies	<p>This ministry is a member of the Inter-agency Coordinating Council on Climate Change.</p>	<p>The Ministry (along with the Statistics Committee) will be involved in identifying a means of addressing the lack of official statistics on liquid fuel annual consumption by sub-category. It is expected that the Ministry of Transport will be a member of the MRV network mandated to develop and track relevant indicators for the transport sector to tracking the progress on mitigation measures in the sector, as the transport sector is a key source of GHG emissions. It will provide information and participate in training and capacity strengthening activities within the CBIT project.</p>
Scientific Research Institute of Energy	<p>This institute developed the Energy Balance for 2016 and 2017. At present, it is developing the Energy Balance for 2017 and assessing the results of the national energy efficiency action plan (Phase II) implementation. Several representatives of the Institute participated in the stakeholder validation workshop in September 2019.</p>	<p>The Institute will be involved in discussions and consultations aimed at the selection of the best available way to collect data on energy efficiency measures and at the improvement of the methodologies applied in the calculation of the Energy Balance to ensure the comparability of the data provided in the Energy Balance and in the Energy Sector estimates in the GHG Inventory. The Institute will also provide information and participate in training and capacity-strengthening activities within the CBIT project.</p>
Ministry of Agriculture	<p>This ministry is a member of the Inter-agency Coordinating Council on Climate Change, and it is the main source of data on agriculture, livestock and land use data for the AFOLU sector of the GHG Inventory.</p>	<p>Experts from this ministry will be key to improving the Agriculture sector GHG emissions estimate and reinforcing adaptation monitoring and reporting. They will participate in training and capacity strengthening activities within the CBIT project.</p>
Ministry of Finance	<p>This ministry is a member of the Inter-agency Coordinating Council on Climate Change. It is responsible for tracking overseas development assistance (ODA) to Armenia.</p>	<p>It is expected that the Ministry of Finance will be the member of the MRV network mandated to provide information on climate finance. It will provide information and participate in training and capacity strengthening activities within the CBIT project.</p>

Ministry of Economy	The ministry oversees economic policy in general and sectoral policies, such as agrarian policy and policies regarding foreign direct investment in Armenia. It is also involved in agricultural statistics. Representatives of the ministry participated in the stakeholder validation workshop in September 2019.	
Statistics Committee	The committee is a member of the Inter-agency Coordinating Council on Climate Change and one of the main data providers for the National GHG Inventories. The committee participated in the stakeholder validation workshop in September 2019.	The Statistics Committee will be involved in identifying a means of overcoming inconsistencies in the activity data that it collects internally and from other sources, such as data on wood removals. It will also be involved in identifying an approach to addressing the lack of official statistics on liquid fuel annual consumption by sub-category. The committee will provide information and participate in training and capacity strengthening activities within the CBIT project.
Public Services Regulatory Commission	The commission is a member of the Inter-agency Coordinating Council on Climate Change, and it serves as an independent regulatory body. Among other responsibilities, it sets tariffs for gas and electricity and establishes the rules for electricity markets.	The Commission will provide information and participate in discussions within the CBIT project.
Committee of the Real Estate Cadaster	This committee is a member of the Inter-agency Coordinating Council on Climate Change. It maintains and publishes the land balance, including information on land use change.	The Committee will provide information and participate in training and capacity strengthening activities within the CBIT project.
Committee of Forest of the Ministry of Environment	This committee includes a department for forestry and land management, and it has a division that oversees the national forest inventory. A representative of the Committee participated in the stakeholder validation workshop in September 2019.	The committee will be involved in identifying a means of addressing inconsistencies in activity data obtained from the Statistics Committee on wood removals, as well as in identifying an approach to reduce uncertainty in forest data.
International organizations	Multilateral and bilateral agencies, such as the World Bank, the European Commission, the European Bank for Reconstruction and Development (EBRD), KfW, USAID, and others are funding projects related directly or indirectly to climate change. Representatives of several donor-funded projects presented their work at the stakeholder validation workshop, and other agencies attended as observers (UNIDO, UNECE, and FAO).	The project will maintain ongoing, two-way communication with these agencies, and it will include them in the data-sharing system and MRV network, particularly regarding reporting on mitigation activities, support received, and support for NDC revision and/or strengthening. Coordination with individual donor-funded projects is summarized in Section IV of this project document.

Non-Governmental Organizations (NGOs)

Universities, research institutions, and environmental NGOs will participate in workshops during the CBIT project and will play an important role in communicating findings from transparency activities to the research community, to students, and to the broader public. Several NGO representatives attended the September 2019 stakeholder validation workshop.

The project portal will be designed in order to maximize public access to climate change-related data and information, including information on Armenia's progress towards meeting its NDCs.

An NGO representative will be invited to Inter-agency Coordinating Council meetings.

The Private Sector

Private sector enterprises contribute to national emissions of GHGs in certain sectors, such as Industrial Processes and Product Use (IPPU) for certain sources, such as fluorinated gases (F-gases). At the same time, private sector investments in areas such as renewable energy can reduce GHG emissions.

The private sector will be involved in the project in two ways: First, it will be involved through the provision of activity data in relevant sectors. It will also be involved indirectly in reporting on mitigation when private sector investment results in GHG emission reductions. The proposed project will take steps to strengthen capacity in key government organizations to work effectively with the private sector on activity data collection.

Individual enterprise-level reporting for key emitting industries, such as cement factories, copper and molybdenum re-processing, and glass production is ensured through draft reporting formats formally requested by the Ministry of Environment. There is an intention to strengthen the quality of reporting in the IPPU sector through operationalizing the draft Roadmap for Improving the GHG Inventory Process, which was developed in close cooperation between the Statistical Committee and Ministry of Environment. The project will establish links with professional associations, such as the Chamber of Commerce and Industry of Armenia and the Union of Manufacturers and Businessmen in order to reach a broader audience of actors involved in processing industries and particularly in the context of the increasing emissions trend of F-gases.

In addition, the project will involve the banking sector. Commercial banks play an active role in financing investments in renewable energy and energy efficiency and in small and medium-size enterprises in the service sector, processing industries, and agriculture. It is therefore important to establish a two-way communication channel for influencing climate-oriented lending activities and supporting the measurement of impacts and finance flows to promote climate-responsive investments.

Under Component 3, A banking sector specialist will be involved in training sessions covering proper tracking of the environmental impacts of investment instruments, and other representatives from the private sector will be invited to participate in project activities that are relevant to them, such as reporting on investments that generate mitigation benefits. Data on financial flows through commercial banks for climate-related investments will inform the enhanced transparency framework on support received.

Annex 4A: Stakeholder Validation Workshop Protocol

“Enabling Activities for the Preparation of Development of Armenia’s Fourth National Communication to the UNFCCC and Second Biennial Update Report” UNDP-GEF project

WORKSHOP

Leading on Climate Change:

Putting Transparency Frameworks and the Paris Agreement into Action

*“Tigran the Great” conference hall of “Marriot” hotel
4 September 2019*

PARTICIPANTS: 59 participants (see the list attached) attended the workshop.

PURPOSE: The purpose of the workshop was to share with stakeholders the relevant information on Measurement, Reporting, Verification System and National Transparency Framework requirements under the Paris Agreement, as well as present and discuss key objectives of “Capacity Building Initiative for Transparency” UNDP-GEF project.

I. Presentations

The workshop proceeded mainly in accordance with the agenda (see attached).

All the presentations are uploaded to the website and the [link](#) is shared with the participants.

First Deputy Minister of Environment Irina Ghaplanyan and UNDP Deputy Resident Representative Mihaela Stojkoska delivered welcoming remarks.

In her welcoming speech, *Ms. Irina Ghaplanyan* outlined that the Ministry of Environment, as national authorized entity for coordination of climate change policy and programs, oversees variety of activities related to preparation and reporting of greenhouse gas (GHG) inventory, progress towards limitation of GHG emissions, adaptation to climate change, as well as identification of financial and institutional capacity needs.

She also noted that Paris Agreement brings new challenges and requirements, including one related to transparency of domestic actions. With increasing pressure on climate change related actions, it is more important than ever to ensure a proper coordination in the country.

In her welcoming speech, *Ms. Mihaela Stojkoska* outlined that climate change is an issue that is both urgent and extremely serious, and it poses a global threat to human development. UNDP is proud to have been an active partner with the Government of Armenia for more than two decades in the area of climate change. Armenia has been a leader among developing countries in the areas of reporting on climate change and in taking innovative steps to join different actors to fight climate change.

The Paris Agreement present a new challenge for Armenia, but it also presents a new opportunity in the form of additional financial mechanisms, such as the Green Climate Fund.

The systems that Armenia develops will make climate information more robust and accessible and will allow it to set and meet targets that are more ambitious.

UNDP is proud to support the Government of Armenia in this new “Capacity Building Initiative for Transparency” project, for which the Global Environmental Facility has already committed nearly one million dollars. This project will directly support the development of a system for reporting on action on climate change mitigation and adaptation in a way that is transparent. The project will also allow the Government to track the progress of its Nationally Determined Contribution to the Paris Agreement.

Then presentations proceeded according to the *agenda*, following by questions and answers.

II. Questions and recommendations

1. *Anahit Simonyan, UNIDO Country Representative in Armenia*, asked if there is any UN-interagency cooperation agreement for NDCs.

To which *Mr. Michael Vardanyan, expert of the Ministry of Environment*, answered that there is no document signed at the moment, while the NDC partnership team is working on this kind of an agreement.

2. *Aram Gabrielyan, “Khazer” NGO*, suggested that transparency should become a key issue in terms of involvement and information sharing with the civil society. There should be a participation mechanism for the population, as a stakeholder to track how loans, climate finance funds are used and how commitments of the country under Paris Agreement are implemented.

To which *Diana Harutyunyan, UNDP Climate change program coordinator*, answered that a platform for the transparency should be established not only for reporting to the UNFCCC, but also making all information transparent for all layers of stakeholders in the country.

3. *Evgeniya Atayan, Adviser in the Urban Development Committee*, asked about Energy Management Information System that should be established. She noted that development efforts for Identification System for Buildings are already underway by Committee, aimed at presenting buildings’ typology, technical condition, energy parameters, conditions and other data on buildings. In this regard, there may be some overlap in Identification System for Buildings and Energy Management Information System.

To which Mr. *Tigran Sekoyan, UNDP Expert on Energy/Energy efficiency*, answered that issues will be coordinated through operational charters between coordinating national entities, in a way that those systems will complement each other. Unlike the Identification System for Buildings, the Energy Management Information System will get information on energy spent in terms of volume of natural gas or electricity daily or weekly. Therefore, this system will solve the problem of current operation and the operator will be able to interfere in case if there is overspending of energy in a certain public building.

4. *Yurik Poghosyan, UNECE SESP Project manager*, noted that SESP project is ready to cooperate in terms of data integrity and quality assurance. Within the frames of the development of GHG Inventory data road map following recommendation from UN Statistics Division, an action plan was developed and consulted with GHG Inventory Team, pending its approval by the Statistical Committee, which will address improvement in data collecting and publishing process, thus cooperation in the frames of CBIT project is most welcomed. The water data portal development under SESP project is in process and it will contribute to that process.

To which *Diana Harutyunyan, UNDP Climate change program coordinator*, replied that CBIT project will strongly contribute to the improvement of GHG Inventory activity data collection and quality process. Unfortunately, the biggest problem exists in AFOLU sector. However, the problems in forestry sector data collection improvement need more holistic and comprehensive approach, which can't be addressed in CBIT project, while other support mechanisms have to be identified for that purpose.

III. Decision:

Susan Legro, international consultant, while summing up the workshop, noted that the objective for stakeholders' consultation were met as key partners were present and have opportunity to share their views. Further communication can be maintained and suggestions can be sent concerning the linkages and possible cooperation possibilities to UNDP CC Programme. Recommendations of the stakeholders will be taken into account for better transparency efforts and will be considered during the preparation of CBIT project document and action plan.

Annex 4B: Stakeholder Validation Workshop List of Participants

List of Participants

Leading on Climate Change:

Putting Transparency Frameworks and the Paris Agreement into Action

4 September, 2019

	Name	Organization, position
	Ministry of Environment	
1.	Irina Ghaplanyan	Deputy minister
2.	Samvel Sahakyan	Acting chairman of the Committee of Forest of the Ministry of Nature Protection (MNP)
3.	Lara Sargsyan	Acting Head of protection policy of climate change and atmosphere division
4.	Meruzhan Galstyan	Director of “Environmental project implementation unit” State Agency
5.	Qnarik Eghiazaryan	Ozone project
6.	Hovhannes Poghosyan	Ozone project
7.	Davit Abovyan	Hayantar
8.	Anna Papikyan	Monitoring and communications center
9.	Arusyak Siradeghyan	Forestry committee
Ministries, Agencies		

10.	Ashot Giloyan	Ministry of Territorial Administration and Infrastructure, Head of Territorial Administration Policy Department
11.	Varsik Martirosyan	Ministry of economy (Agriculture)
12.	Anush Veranyan	Ministry of economy
13.	Artak Baghdasaryan	Ministry of economy, Head of Department of Strategic Planning and Monitoring
14.	Nelly Baghdasaryan	Statistical Committee Board member
15.	Yevgenya Atayan	Urban Development Committee
16.	Tatevik Revazyan	Chairman of the Civil Aviation Committee
17.	Narek Mkhitaryan	Civil Aviation Committee
18.	Zarmandukht Petrosyan	Ministry of Emergency Situations, Hydromet
19.	Yelena Khalatyan	Hydromet
20.	Mikayel Tevosyan	Transport Project Implementation Unit
21.	Georgi Afyan	Transport Project Implementation Unit
Local self-government bodies		
22.		

Galaryan Edgar

Yerevan municipality

23.

Nana Abelyan

Yerevan municipality

Companies

24.	Ruben Eghoyan	General Director of Scientific research institute of energy
25.	Tigran Gnuni	First deputy Director of Scientific research institute of energy
26.	Vahan Sargsyan	Scientific research institute of energy
27.	Karen Asatryan	General Director of Armenia Renewable Resources and Energy Efficiency Fund
28.	Astghine Pasoyan	Director of Foundation to save energy
29.	Vram Tevosyan	Director of “Consecoard” LLC
30.	Anzhela Turlikyan	“Consecoard” LLC
31.	Nune Sakanyan	WICE NGO

International organizations and Projects

32.	Anahit Simonyan	UNIDO Country Representative
33.	Meri Sahakyan	Food and Agriculture Organization of the United Nations in Armenia
34.	Yurik Poghosyan	UNECE SESP Project manager
35.	Artem Kharazyan	EU “Covenant for Mayors East II” project national expert

UNDP

36.	Mihaela Stojkoska	UNDP Deputy Resident Representative
37.	Yevgen Groza	EU4Climate regional project manager
38.	Susan Legro	UNDP International Expert

39.	Andrew Haywood	“Mainstreaming sustainable land and forest management in the mountain landscapes of north-eastern Armenia” project, International expert
40.	Armen Martirosyan	Sustainable Growth and Resilience Portfolio Manager
41.	Georgi Arzumanyan	Programme Policy Adviser, Sustainable Growth and Resilience
42.	Diana Harutyunyan	Climate Change Program Coordinator
43.	Marina Sargsyan	Armenia's Third Biennial Update Report to the UNFCCC, project task leader
44.	Tigran Sekoyan	Armenia's Third Biennial Update Report to the UNFCCC, Project senior expert
45.	Edvard Martirosyan	Armenia's Third Biennial Update Report to the UNFCCC, Project expert
46.	Hovik Sayadyan	“Mainstreaming sustainable land and forest management in the mountain landscapes of north-eastern Armenia” project, Technical task leader
47.	Anahit Ispiryan	Armenia's Third Biennial Update Report to the UNFCCC, Project assistant
48.	Arshak Astsatryan	National expert on F-gases
49.	Gohar Harutyunyan	National expert on waste
50.	Aram Gabrielyan	Former focal point
51.	Anastas Aghazaryan	National expert on agriculture
52.	Hovhannes Sarajyan	Communications analyst

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor;

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.

The project “Building institutional and technical capacities to enhance transparency in the framework of the Paris Agreement in Armenia” will be a meaningful entry point for training, awareness-raising and capacity-building efforts to ensure women’s equal engagement in and benefit from climate change actions. It will help to understand how both men and women are involved in managing their environments, and it will clarify the overall picture of the effects of climate change on different groups of citizens, increasing transparency.

An initial gender analysis and gender action plan are provided in Annex 9 and Annex 9A, respectively, of the accompanying UNDP project document. A survey of Armenia’s reporting to the UNFCCC and its NDCs found the following:

- The most recent National Communication submitted does not mention gender issues related to climate change.
- The most recent Biennial Update Report does not mention gender issues related to climate change.
- Armenia’s NDC does not explicitly mention women or gender issues related to its contribution.

Output 3.2.4 of the proposed project (“Gender issues mainstreamed into transparency activities”) will ensure that gender issues are taken into consideration in all project activities and into subsequent national reporting under the UNFCCC and the Paris Agreement. Gender will also be addressed in each of the project components: the project will monitor the participation of women in the institutional arrangements surrounding transparency arrangements (Component 1); it will ensure the collection of gender-disaggregated data where necessary (Component 2); it will monitor the differentiated effects of climate impacts, mitigation and adaptation activities, and support received for those activities on women and men (Component 2); and it will exchange information and knowledge on good practice in gender mainstreaming with other parties to the Paris Agreement (Component 3).

In terms of overall project approach, the project is aligned with the UNDP in Armenia 2016-2020 Gender Equality Strategy. The project will leverage UNDP Armenia’s experience as a country office that has received the UNDP Gender Equality Seal after undergoing a corporate certification process. The project team will utilize the country office gender focal point where relevant and will align project communications and outreach with the country office approach to gender mainstreaming in its communications policy, including the use of guidelines on gender-neutral language. (UNESCO (1999) Guidelines on Gender-Neutral Language.)

Gender is also seen as a key component of the project’s holistic approach for results-based management, and it will be addressed throughout the project cycle in the following way:

- The project will monitor the **share of women and men who are direct project beneficiaries**, and it will also monitor the nature of these benefits.
- Four of the project’s outcome indicators measure gender considerations directly.
- Gender-sensitive targets and activities will be monitored in **project reporting**, both in annual reports and PIRs and in the terminal evaluation.
- A national gender consultant will provide support to gender-related activities and M&E.
- The project will take into account the *Gender Responsive National Communications Toolkit* developed by the Global Support Programme through UNDP and in collaboration with UNEP and GEF, including the planned updated version of the toolkit.

The project includes gender-responsive measures to address gender gaps or promote gender equality and women’s empowerment. The project is expected to contribute to gender equality in the area of improving women’s participation and decision making. The project's results framework includes gender-responsive indicators. The UNDP Atlas gender marker for this project is 2.

Please be informed that the following documents are not part of the submission on April 14, 2020. However, the Portal doesn't enable deleting the documents:

1. 6332_CBIT Armenia_ProDoc_MSP_19 NOV_Clean_UNDP CO - 25

2. 6332_CBIT Armenia_Annex 9_Gender Analysis

3. 6332_CBIT Armenia_ProDoc_MSP 04 Mar 20_rev2

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;

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women

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 private sector will be involved in the project in two ways. First, private enterprises will be involved through the provision of activity data in relevant sectors. The proposed project will take steps to strengthen capacity in key government organizations to work effectively with the private sector on activity data collection.

Individual enterprise-level reporting for key emitting industries, such as cement factories, copper and molybdenum re-processing plants, and glass factories is ensured through draft reporting formats formally requested by the Ministry of Environment. There is an intention to strengthen the quality of reporting in the IPPU sector through operationalizing the draft Roadmap for Improving the GHG Inventory Process, which was developed in close cooperation between the Statistical Committee and Ministry of Environment. The project will establish links with professional associations, such as the Chamber of Commerce and Industry of Armenia and the Union of Manufacturers and Businessmen in order to reach a broader audience of actors involved in key emitting industries and particularly in the context of the increasing emissions trend of F-gases.

In addition, the project will involve the banking sector. Commercial banks play an active role in financing investments in renewable energy and energy efficiency and in small and medium-size enterprises in the service sector, processing industries, and agriculture. It is therefore important to establish a two-way communication channel for influencing climate-oriented lending activities and supporting the measurement of impacts and finance flows to promote climate-responsive investments. Under Component 3, A banking sector specialist will be involved in training sessions covering proper tracking of the environmental impacts of investment instruments, and other representatives from the private sector will be invited to participate in project activities that are relevant to them, such as reporting on investments that generate mitigation benefits. Data on financial flows through commercial banks for climate-related investments will inform the enhanced transparency framework on support received.

5. Risks

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):

The table below provides an overview of project risks and the proposed steps to mitigate them during project implementation. A detailed project risk log is provided in Annex 5 of the accompanying UNDP project document.

Overview of Project-related Risks

Risk	Type of Risk	Level of Risk	Mitigation Alternative
<p><i>Political Will:</i> High level political support is essential to ensure an active involvement of the relevant ministries in the design, setting and proper operation of the MRV framework. There is a risk of insufficient government support for the establishment of the MRV framework.</p>	Political	L	<p>The fact that a Government Decision states that the MRV system shall be established and the Ministry of Environment is responsible for coordination of that process provides a strong motivation. The formal arrangements that will be developed and proposed within the project shall be validated by the highest officials. This step will allow the government to enforce arrangements regarding ministries and other data providers to produce and report the necessary data in the required time and manner.</p>
<p><i>Critical legislation or regulatory elements supporting the MRV framework fail to be adopted:</i> If data providers are not required to deliver data on an ongoing basis and to monitor their activities, these activities will not take place.</p>	Regulatory	L-M	<p>Component 1 of the project will focus on using the model of a Memorandum of Understanding (MoU), which does not require legislation and has worked successfully in gathering data from different providers for the Energy Balance.</p>
<p><i>Staff turnover:</i> Considering that the CBIT project includes targeted capacity building, there is a risk of losing the capacity and skills acquired due to staff turnover.</p>	Organiza-tional	L-M	<p>Capacity strengthening activities will involve a carefully selected group of relevant experts within each ministry and agency to ensure that capacity can be retained, and succession planning will be discussed as a part of training. Guidelines and methodologies will be produced in written format, and the MRV system and operating procedures will be documented extensively, which will also contribute to retaining institutional memory.</p>
<p><i>Coordination:</i> Lack of proper coordination among institutions involved in the implementation of mitigation measures will limit the ability of the transparency framework to measure and report on mitigation. Because different government organizations work independently, the project may not be able to identify all of the necessary data providers.</p>	Organiza-tional	M	<p>The use of the Inter-agency Council (which must be reorganized due to changes in the structure of the Government that were made in June 2019) for coordination among government agencies and the introduction of clearly-defined reporting obligations and data providers that are binding will ensure the engagement of key players and reduce the risk of overlap.</p>

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 Arrangement

The project will be implemented following UNDP's national implementation modality (NIM), according to the Standard Basic Assistance Agreement between UNDP and the Government of Armenia, and the Country Programme. UNDP will follow its operational policies and procedures established for NIM implementation and will ensure the necessary oversight of the national implementing partner. UNDP will ensure the project delivers results to the highest standards and in full compliance with UNDP and GEF policies.

UNDP is accountable to the GEF for the implementation of this project. This includes oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and provisions. UNDP is responsible for delivering GEF project cycle management services comprising project approval and start-up, project supervision and oversight, and project completion and evaluation. UNDP is responsible for the Project Assurance role of the Project Steering Committee.

The Implementing Partner for this project is the Ministry of Environment. 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 the accompanying UNDP project document.

Section VII of the accompanying UNDP project document provides a detailed description of project implementation, execution, and oversight roles, including the responsibilities of all parties.

Planned Coordination

There are a number of projects and other initiatives in Armenia currently under implementation or in the approval process that could provide synergies with the proposed CBIT project. The most relevant projects are as follows:

GEF Projects

· "Development of Armenia's Fourth National Communication to the UNFCCC and Second Biennial Report" (GEF ID 9474). The CBIT will work closely with this ongoing GEF Enabling Activity, which is scheduled to run from 2016 to 2020. Project activities will complement those of the proposed project, and a summary of how capacity strengthening will be addressed across the two projects is provided in Section II.1a.

· "Mainstreaming Sustainable Land and Forest Management in Mountain Landscapes of North-Eastern Armenia" (GEF ID 5353). This project, which is implemented by UNDP, started in 2016. It supports carbon stock assessment and development of country-specific coefficients for the main types of forests as part of a long-term strategy for the establishment of a carbon stock monitoring system in the country. The CBIT project will cooperate with this project to improve the Forestry sector GHG Inventory, and it will complement this project's activities by providing capacity-building on GHG inventories in the Forestry sector.

· “Sustainable Land Management for Increased Productivity in Armenia” (GEF ID 8005). This project, which is scheduled to run from 2016 to 2022, is implemented by the International Fund for Agricultural Development (IFAD) and focuses on enhancing the overall resilience of rural communities living in risk-prone areas of Armenia. The proposed project will communicate with this project on its activities supporting climate-resilient agricultural management systems and integrated water management under reporting on adaptation measures.

Other Donor-Supported Projects

· “Scaling up Renewable Energy Programme (SREP).” This project identifies renewable energy technologies and projects that can best contribute to Armenia’s goals in the areas of energy, economic development, and environment. It also outlines the activities that must be carried out for the realization of the projects. The investment priorities have been identified according to the economically viable projects in following order: geothermal power, utility-scale solar PV, geothermal heat pumps and solar-thermal. The CBIT project will provide capacity-building and guidelines to the relevant technical specialists involved in the reporting on mitigation actions effect assessment to formalize the relationship with these projects and improve reporting on mitigation action as a part of the MRV.

· “De-risking and Scaling-up Investment in Energy Efficient Building Retrofits” funded by the Green Climate Fund (GCF). The project started in 2017. It is designed to facilitate the sustainable reduction of energy consumption and greenhouse gases emissions from the existing buildings in Armenia. The Project will support in setting up the MRV system for building sector including development of the guidelines and monitoring methodologies. The CBIT project will coordinate the efforts with this initiative to obtain clear understanding and specifics on MRV system for building sector which will complement the tracking of building sector’s mitigation initiatives in the planned transparency framework.

· Energy-efficiency lending facilities. The CBIT project will cooperate with GGF within the framework of an on-going program implemented through Armenia’s commercial banks aimed at boosting EE financing in Armenia (a USD 24.4 million loan facility) and the Caucasus Sustainable Energy Finance Facility, branded as Energocredit (a USD 21.5 million loan facility). These loan facilities provide loans to private entities and individuals for EE improvements and/or small renewable energy projects. The CBIT project will provide capacity-building and guidelines to the relevant technical specialists involved in assessing climate change mitigation in order to formalize the relationship with these projects and improve reporting on mitigation actions under the enhanced transparency framework on action.

· Covenant of Mayors. In Armenia, 24 cities, including the capital of Yerevan as well as second and third biggest cities of Gyumri and Vanadzor, have joined the EC Covenant of Mayors, and 11 of them have developed action plans, including 10 Sustainable Energy Action Plans (SEAP) and 1 Sustainable Energy and Climate Action Plan (SECAP). Covenant signatories that joined the Initiative before 2016 voluntarily commit to implement actions aimed at climate change mitigation (reduction of GHG emission by at least 20% by 2020), while cities that joined the Covenant after 2016 have to ensure GHG emission reduction by at least 30% by 2030 and improve climate change resilience by assessing climatic risks and proposed adaptation measures. The European Commission “CoM East” project, which was launched in 2011, has been providing technical and expert support to signatories of the Covenant in the Eastern Partnership (EaP) region. One of the key tasks of the project is to ensure that their emission reductions are monitored and reported properly via the online reporting platform of the Covenant in the context of other transparency activities.

· “Sustainable management of pastures and forest in Armenia to demonstrate climate change mitigation and adaptation benefits and dividends for local communities.” This pilot project, which is implemented through the EU-funded ClimaEast initiative, is supported by EUR 1 million from the EU and USD 100,000 from UNDP. The objectives of the project include reducing carbon emissions by introducing sustainable farming practices and building adaptive capacity in local communities to climate changed-related risks. The proposed CBIT project will communicate with this pilot project on assessing and reporting adaptation benefits.

· The Eastern Europe Energy Efficiency and Environment Partnership (E5P). This partnership consists of Eastern Partnership countries, the European Commission, bilateral donors, and multilateral development banks, and it envisages EUR 20 million in grant financing to implement high-priority energy efficiency projects. The project will communicate with the E5P in Armenia and share guidance on assessing and reporting the GHG mitigation effects of energy efficiency projects there.

· EU4Climate. This European Commission-funded project implemented by UNDP also focuses on Eastern Partnership Countries. The project will run from 2019 to 2022, and it has a total budget of EUR 8 million for the six participating countries. The EU4Climate project will complement this project, as it can provide support for the development and revision of NDCs, while this GEF-CBIT project will provide support for tracking progress of the NDCs. The projects will communicate on an ongoing basis regarding legislative and regulatory support to the Government of Armenia on climate-related matters, including the EU4Climate’s activities on adaptation planning. Finally, this project will use information and analysis developed under the EU4Climate’s planned work with the European Institute on Gender Equality.

The National Adaptation Plan and Programming Project, which is funded under the GCF Readiness programme implemented by UNDP, focuses on supporting the Government of Armenia to advance medium and long-term adaptation planning. The Project will run from 2019-2022 and will complement this Project in the area of MRV system capacity building aimed at the effective integration of climate change adaptation into national and sectorial planning and management.

Government Initiatives

The Energy Balance. Close cooperation with the Ministry of Territorial Development and Infrastructure (the former Ministry of Energy Infrastructures and Natural Resources has been merged with the Ministry of Territorial Development and Administration) and Statistics Committee which are responsible for the development and publication of the RA Energy Balance on annual basis. In 2017 and 2018, the Statistics Committee published the Energy Balance of Armenia for 2015 and 2016, correspondingly. The CBIT project will cooperate with the team in charge of the energy balance preparation to ensure QA/QC of data applied in Energy Balance thus contributing to the improvement and sustainability of Energy sector GHG Inventory.

The National Energy Efficiency Action Plan (NEEAP -- Phase II). The project will cooperate with the Ministry of Territorial Development and Infrastructure which is responsible for tracking progress in implementation of Phase II of the NEEAP and development of the Phase III of the NEEAP. The CBIT project will develop appropriate templates for collecting data on EE measures and provide capacity-building and guidelines to the relevant technical specialists to ensure the provision of information in a complete, transparent and comparable manner.

7. Consistency with National Priorities

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

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

Consistency with National Priorities. Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

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

- National Action Program (NAP) under UNCCD

~~ASGM NAP (Artisanal and Small-scale Gold Mining) under Mercury~~

~~Minamata Initial Assessment (MIA) under Minamata Convention~~

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

- National Communications (NC) under UNFCCC

- Technology Needs Assessment (TNA) under UNFCCC

- Biennial Update Report (BUR) under UNFCCC

- Nationally Determined Contributions under Paris Agreement

- National Capacity Self-Assessment (NCSA) under UNCBD, UNFCCC, UNCCD

- National Implementation Plan (NIP) under POPs

- Poverty Reduction Strategy Paper (PRSP)

- National Portfolio Formulation Exercise (NPFE) under GEFSEC

-Others

BURs and NCs: The CBIT project is aligned with the needs and gaps provided in the first and second BURs, in the Third National Communication as well as identified by the ICA process of the BURs. The CBIT project is aimed to address these gaps and provide capacity building needs. Moreover, the approaches and sequence of steps for establishing MRV for mitigation measures described in the second BUR will be further elaborated and clarified.

(I)NDC: The proposed project will create the domestic monitoring system to assess the progress of implementation of the mitigation actions including the tracking of policy actions and will enhance the medium and long-term climate change policy planning through better informing future decisions on how to best achieve Armenia's climate change targets. The project clearly supports the NDC targets by improving the country's ability to measure progress towards its mitigation targets, both in the preparatory phase and in subsequent phases. Furthermore, the project specifically supports the prioritization and assessment of adaptation measures as called for in the NDC.

Technology Needs Assessment (TNA): The CBIT project is aligned with recommendations for sustainable technologies under the TNA project. To ensure the mechanism of development and transfer of sustainable technologies in Armenia, it is required to further develop and strengthen the Armenian Climate Technology Center and Network (ArmCTCN), initiated under the GEF-funded "Technology Needs Assessment" (TNA) project, which is implemented by UN Environment and the UNEP DTU Partnership. The implementation of certain pilot projects for technology transfer, in parallel with the ongoing program, implemented by UNIDO Armenia and aimed at strengthening the ArmCTCN, will contribute to this aim as well.

The project is also consistent with national strategies and plans, and it will facilitate their successful implementation. The MRV systems and enhanced capacities established through this project will contribute to tracking the implementation of the National Energy Security Concept and the Scaling up Renewable Energy Program, which promotes, develops and invests in renewable energy as a means of achieving energy security. It will also support monitoring Armenia's *Sustainable Development Goals (SDGs)* and its commitment under the *Bonn Challenge* of restoring 260,000 hectares of forest landscape.

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 core focus of transparency is the exchange of climate change-related information and knowledge. At the country level, this includes enhanced coordination among existing databases of ministries, agencies, selected municipalities, and individual projects, collect and manage climate change data. Within Armenia, this project adopts three core knowledge management approaches. First, under Output 2.1.1, the project will establish an on-line database for climate change MRV stakeholders in Armenia and under Output 2.1.2, the project will establish an on-line portal that will provide public access to climate change information and reporting. Second, the project will promote a knowledge-sharing culture

through the maintenance of the portal and information dissemination activities (Output 3.3.2) and through sharing lessons learned at the regional and international level (Output 4.1.2). Finally, the project will undertake systematic documentation of project guidance, approaches, technical documentation, curricula, and other knowledge products. Component 4 directly supports the identification, analysis, and sharing of lessons learned that may be beneficial in the design and implementation of similar future projects. Under this component, the UNDP project team will compile lessons learned and share them throughout the project period via electronic dissemination and at a country-wide conference to be organized by the project as it approaches closure.

There will be a two-way flow of information between this project and other GEF-funded projects (locally and globally). The project will provide information on a regular basis to GEF-funded global initiatives, such as the Global Support Programme for National Communications and Biennial Update Reports and the CBIT Global Coordination Platform and subsequent initiatives in these areas. The project will also 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.

Information dissemination will be supported by a communications expert, and results from the project will be disseminated within and beyond the project intervention zone through existing UNDP and GEF information sharing networks and forums, and social media will be used to augment outreach. Knowledge products will be fully translated into local languages for better dissemination and integration, and the gender action plan supports monitoring for gender-sensitive language and content in project communications. In all areas, the project will build upon the knowledge base and institutional relationships created from previous GEF-funded climate change reporting.

The table below provides an overview of key knowledge products by project component, including the timeline for their delivery.

Key Knowledge Products and Timeline for Delivery

Key Knowledge Products		Timeline
Project Component 1	<ul style="list-style-type: none"> · Documentation of formalized institutional arrangements for transparency 	Documentation: Y1-2
Project Component 2	<ul style="list-style-type: none"> · MRV database system, including system documentation · On-line portal for public information and reporting 	<i>System: Y2</i> <i>Portal: Y2</i>
Project Component 3	<ul style="list-style-type: none"> · Documentation for GHGI methodologies, analysis, and QA/QC · Methodologies and guidance for key elements of reporting on CC adaptation and support received · Report on gender and transparency issues and needs in Armenia · Post-project data management plan 	<i>Documentation and methodologies: Ongoing</i> <i>Gender Report: Y1</i> <i>Mgmt. Plan: Y3</i>

Project M&E and Learning	<ul style="list-style-type: none"> · Inception report, Project Implementation Reports, terminal evaluation · Reports on training participation by gender and gender mainstreaming in other activities, including website usage · Country snapshot for CBIT Global Platform · Lessons learned note(s) 	<p><i>M&E reports:</i> see Section 9 of this document and Annex 3 of the accompanying UNDP ProDoc</p> <p><i>Snapshot:</i> Annually</p> <p><i>LLNs:</i> Year 2 and 3, with additional notes as appropriate</p>
Project Management	<ul style="list-style-type: none"> · Final Report, summary of achievements 	<p><i>Report/summary:</i>Y3</p>

9. Monitoring and Evaluation

Describe the budgeted M and E plan

The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored annually and evaluated periodically during project implementation. If baseline data for some of the results indicators is not yet available, it will be collected during the first year of project implementation. The Monitoring Plan included in Annex 3 of the accompanying UNDP project document details the roles, responsibilities, frequency of monitoring project results.

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the [UNDP POPP](#) and [UNDP Evaluation Policy](#). The UNDP Country Office is responsible for ensuring full compliance with all UNDP project monitoring, quality assurance, 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](#). (See https://www.thegef.org/gef/policies_guidelines) The costed M&E plan included below, and the Monitoring plan in Annex, 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 during the Project Inception Workshop and will be detailed in the Inception Report.

GEF monitoring and reporting requirements:

Inception Workshop and Report: A project inception workshop will be held within 60 days of project CEO endorsement, with the aim to:

- a. 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.
- b. Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
- c. Review the results framework and monitoring plan.

- d. 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.
- e. Update and review responsibilities for monitoring project strategies, including the risk log; SESP report, Social and Environmental Management Framework and other safeguard requirements; project grievance mechanisms; gender strategy; knowledge management strategy, and other relevant management strategies.
- f. Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
- g. Plan and schedule PSC meetings and finalize the first-year annual work plan.
- h. 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. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR. The PIR submitted to the GEF will be shared with the PSC. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.

Knowledge management: The project team will ensure extraction and dissemination of lessons learned and good practices to enable adaptive management and upscaling or replication at local and global scales. Results will be disseminated to targeted audiences through relevant information sharing fora and networks. The project will contribute to scientific, policy-based and/or any other networks as appropriate (e.g. by providing content, and/or enabling participation of stakeholders/beneficiaries)

GEF Core Indicators: The GEF Core indicators included as Annex will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to the terminal evaluation (TE). Note that the project team is responsible for updating the indicator status. The updated monitoring data should be shared with 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](#).

An independent 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 prepared by the UNDP IEO for GEF-financed projects available on the [UNDP Evaluation Resource Center](#).

The evaluation will be 'independent, impartial and rigorous'. The consultants that will be hired by UNDP evaluation specialists 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 consultants 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 UNDP-GEF Directorate.

The final TE report and TE TOR will be publicly available in English and posted on the UNDP ERC. 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 PSC during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.

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 (See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/) and the GEF policy on public involvement. (See https://www.thegef.org/gef/policies_guidelines)

Monitoring and Evaluation Plan and Budget:			
GEF M&E requirements	Responsible Parties	Indicative costs (US\$)	Time frame
Inception Workshop	Implementing Partner Project Manager	10,000	Within 60 days of CEO endorsement of this project.
Inception Report	Project Manager	None	Within 90 days of CEO endorsement of this project.
Monitoring of indicators in project results framework	Project Manager will oversee national institutions/agencies charged with collecting results data.	None	Annually prior to GEF PIR. This will include GEF core indicators.
GEF Project Implementation Report (PIR)	GSP Coordinator UNDP Country Office Project Manager	None	Annually, typically between June-August
Monitoring all risks (Atlas risk log)	Project Manager	None	On-going.
Monitoring of stakeholder engagement plan	Project Manager	None	On-going.
Monitoring of gender action plan	Project management unit, gender consultant	4,000	On-going.

Monitoring and Evaluation Plan and Budget:			
GEF M&E requirements	Responsible Parties	Indicative costs (US\$)	Time frame
PSC Meetings	Implementing Partner Project Manager	None	Annually.
Reports of PSC Meetings	Implementing Partner Project Manager	None	Annually.
Lessons learned and knowledge generation	Project Manager	4,000	Annually.
Supervision missions	UNDP Country Office	None	Annually
Oversight missions	GSP Coordinator and UNDP-GEF Directorate	None	Troubleshooting as needed
Terminal GEF Core indicators	Project Team	None	Before terminal evaluation mission takes place
Independent Terminal Evaluation (TE) and management response	UNDP Evaluation Specialists and independent evaluation consultants.	20,000	At project closure.
Audit	Appointed auditors for project audits	12,000 (4,000 per year)	Annually
TOTAL INDICATIVE COST Excluding oversight/project assurance costs.		38,000	

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 socioeconomic benefits of improved MRV in the area of climate change are—while indirect—potentially significant. As an International Energy Agency (IEA) report on the socioeconomic issues related to the low-carbon transition states, “It is a multifaceted challenge in which the actors are inter-dependent and for whom the solutions have immediate local benefit (e.g. improved quality of life, employment, investments) as well as long-term global benefits, such as reduction of CO₂. For the transition to be a success, a variety of stakeholders representing socio-economic sectors will need to actively participate: policy makers, energy planners, the research community, academia, businesses and industry, and individuals.” (IEA Experts’ Group on R&D Priority-Setting and Evaluation (2011). Summary Report: The Transition to a Low-Carbon Economy: Socio-Economic Considerations. Baden, Austria: IEA, 24-25 May 2011: 7.)

Under Outcome 2.1 of the project (Armenia uses an integrated MRV system for continuous data collection and reporting under Article 13), the new MRV system will streamline existing data collection and reporting activities, which will result in a more efficient use of public funds. Under Component 3 of the project, activities that support NDC tracking and modeling to estimate the socioeconomic dimension of climate change impacts will provide the information and motivation necessary for decision-makers to set more robust and meaningful targets. Improved MRV in several sectors will also enable Armenia to align its policies and measures with commitments under its current and future NDCs (“Climate change mitigation strategies for agriculture: an analysis of nationally determined contributions, biennial reports and biennial update reports.” In *Climate Policy*. Vol. 19, No. 6 (July 3, 2019): 688.) and to understand the co-benefits, including socio-economic benefits, of actions to address climate change.

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).

V. Project Results Framework

This project will contribute to the following Sustainable Development Goal (s): SDG 13: Take urgent action to combat climate change and its impacts			
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): CPAP Outcome 7: By 2020, Sustainable development principles and good practices for environmental sustainability resilience building, climate change, adaptation and mitigation, and green economy are introduced and applied.			
	Objective and Outcome Indicators (no more than a total of 21 indicators)	Baseline	End of Project Target
Project Objective: Building institutional and technical capacities to meet enhanced transparency requirements as defined in Article 13 of the Paris Agreement	Mandatory Indicator 1: # direct project beneficiaries disaggregated by gender (individual people)	0	120 (of those, 65 women)
	CBIT Core Indicator 2: <i>Quality of MRV Systems*</i> Rubric based on CBIT tracking tool (10-point scale)	5	7
	CBIT Core Indicator 3 <i>Institutional Capacity for Transparency-Related Activities**</i> Rubric based on CBIT tracking tool (4-point scale)	2	3
Project component 1	National institutional arrangements for an enhanced transparency framework (ETF)		
Project Outcome 1.1 Transparency activities in Armenia are governed by clear and formal	<i>Indicator 4:</i> Presence of institutional arrangements for a national transparency framework	There are currently no formal institutional arrangements for a national transparency framework.	By the end of the project, an inter-agency working group and/or other body is meeting at least twice a year to communicate on MRV issues.

roles and responsibilities	<i>Indicator 5:</i> Presence of legal and/or regulatory requirements for a national transparency framework	Data sharing for reporting on climate change among different institutions is currently done on an informal, voluntary basis.	By the end of the project, data sharing agreements in the form of MoUs or legal/regulatory mandates are in place for at least two key reporting sectors.
Outputs to achieve Outcome 1.1	1.1.1 Institutional arrangements for a national transparency (MRV) framework are designed 1.1.2 Legal and/or regulatory requirements for a national transparency framework are drafted and adopted		
Project component 2	MRV systems in support of an ETF		
Outcome 2.1	<i>Indicator 6:</i> Presence of an operational MRV system that is being used for continuous data collection and reporting to the UNFCCC and the Paris Agreement with gender-disaggregated data where relevant.	Data are currently collected on an ad hoc, project-by-project basis	By the end of the project, an MRV system for climate data and information will be operational and used for data collection and reporting to the UNFCCC and the Paris Agreement with gender-disaggregated data where relevant.
Outputs to achieve Outcome 2.1	2.1.1 MRV system (hardware and software) with tracking tools designed and launched 2.1.2 On-line portal to provide access to data and national reports established		
Project component 3	Capacity building to support transparency-related activities over time		
Outcome 3.1 Armenia is able to manage data for effective transparency reporting on greenhouse gas (GHG) sources and sinks	<i>Indicator 7:</i> Use of sectoral templates for GHG data collection in key sectors of the inventory	Different approaches are used for data collected by different entities.	By the end of the project, inventory experts in at least two key sectors are using sectoral templates for GHG data collection and reporting
	<i>Indicator 8:</i> Number of sub-sectors where emissions estimates are more robust.	Certain discrepancies in sub-sector data exist, particularly in the AFOLU sector.	By the end of the project, the national GHG inventory will have more robust estimates (i.e. moving from Tier 1 to Tier 2) in at least two sub-sectors.
Outputs to achieve Outcome 3.1	3.1.1 Sectoral templates and consistency guidelines on data collection and reporting are developed for the GHG inventory 3.1.2 Sectoral emissions estimates are strengthened for selected sectors and sources 3.1.3 Analysis of the GHG inventory is enhanced		

Outcome 3.2 Armenia is able to manage data and information for the framework for transparency of action and the framework for transparency of support under Article 13	<i>Indicator 9:</i> Use of standardized methodologies and guidelines in transparency reporting.	No common methodology is used for assessing and reporting on mitigation policies and actions, support received, and adaptation to climate change.	By the end of the project, at least one national climate change reporting document uses methodology developed by the project for reporting in three areas: 1) mitigation policies and actions; 2) support received; and 3) adaptation to climate change.
	<i>Indicator 10:</i> Coverage of gender issues in climate change reporting	Gender and climate change issues are not mentioned in national climate change documents such as the NCs and BURs	By the end of the project, an analysis of gender issues will be included in at least one national climate change report.
Outputs to achieve Outcome 3.2	3.2.1 Sectoral templates and guidelines for assessing and reporting on mitigation policies and actions and their effects developed and related training provided 3.2.2 Methodologies for assessing and prioritizing adaptation actions, policies and their effects identified and applied 3.2.3 Methodology for reporting on support received developed and related training provided 3.2.4 Gender issues mainstreamed into transparency activities		
Outcome 3.3 Armenia is able to track progress against its Nationally Determined Contribution (NDC) and share its approaches and results at the international level	<i>Indicator 11:</i> Armenia is able to track its progress towards its NDCs	No tracking system or report exists for NDCs.	By the end of the project, Armenia will release a status report on its progress towards its NDCs.
	<i>Indicator 12:</i> Accessibility of information regarding transparency initiatives and climate change reporting in Armenia.	Climate change reports from Armenia are available in different locations on the Internet. Information on transparency initiatives in Armenia is partially available in different locations.	By the end of the project, Armenia's climate reports, NDCs, and lessons learned from this project will be available on a national climate change portal and the CBIT Global Coordination Platform or other global transparency website as appropriate.
	<i>Indicator 13:</i> Consideration of gender issues in progress towards the NDC	Gender and climate change issues are not mentioned in the current NDC.	By the end of the project, the tracking system for the NDC will monitor gender considerations related to the NDC, such as the differentiated impact of proposed measures on women and men.

Outputs to achieve Outcome 3.3

3.3.1 Progress against the NDC tracked

3.3.2 On-line portal for transparency initiatives maintained and knowledge shared

* The rating for CBIT Core Indicator 3 is based on a 10-point scale developed by GEF Sec as follows:

1. Very little measurement is done, reporting is partial and irregular and verification is not there;
2. Measurement systems are in place, but data is of poor quality and/or methodologies are not very robust; reporting is done only on request or to limited audience or partially; verification is not there;
3. Measurement systems are in place for a few activities, improved data quality and methodologies, but not cost or time efficient; wider access to reporting is still limited and information is partial; verification is rudimentary/non-standardized;
4. Measurement systems are strong in a limited set of activities however, analyses still need improvement; periodic monitoring and reporting although not yet cost/time efficient; verification is only upon specific request and limited;
5. Measurement systems are strong for a limited set of activities and periodically report on key GHG related indicators i.e. mainstreamed into the activity implementation; reporting is improved through few pathways but limited audience and formats; verification limited;
6. Measurement systems are strong and cover a greater percentage of activities – feedback loops exist even if they are not fully functioning; reporting is available through multiple pathways and formats but may not be complete/transparent; verification is done through standard methodologies but only partially (i.e. not all data is verifiable);
7. Measurement regarding GHG is broadly done (with widely acceptable methodologies), need for more sophisticated analyses to improve policy; Reporting is periodic with improvements in transparency; verification is done through more sophisticated methods even if partially;
8. Strong standardized measurements processes established for key indicators and mainstreamed into institutional policy implementation; reporting is widely available in multiple formats; verification is done for a larger set of information;
9. Strong Monitoring and Reporting systems – robust methodologies, cost effective and efficient, periodic; verification done to a significant degree;
10. Strong MRV systems that provide quality GHG-related information in a transparent, accurate and accessible to a wide audience, with feedback of information from MRV flowing into policy design and implementation

** The rating for CBIT Core Indicator 4 is based on a 4-point scale developed by GEF Sec as follows:

1. No designated transparency institution to support and coordinate the planning and implementation of transparency activities under Article 13 of the Paris Agreement exists.
2. Designated transparency institution exists, but with limited staff and capacity to support and coordinate implementation of transparency activities under Article 13 of Paris Agreement. Institution lacks authority or mandate to coordinate transparency activities under Article 13.
3. Designated transparency institution has an organizational unit with standing staff with some capacity to coordinate and implement transparency activities under Article 13 of the Paris Agreement. Institution has authority or mandate to coordinate transparency activities under Article 13. Activities are not integrated into planning or budgeting activities.

Designated transparency institution(s) has an organizational unit with standing staff with some capacity to coordinate and implement transparency activities. Institution(s) has clear mandate or authority to coordinate activities under Article 13 of the Paris Agreement, and activities are integrated into planning and budgeting activities.

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 Secretariat Review at Work Program Inclusion, December 2018 – January 2019

PIF

Part I – Project Information

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes, the project is aligned with GEF 7 programming directions.

Agency Response

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Not yet. The table components need to be revised to reflect comments made in the following sections.

JDS/AT, 1/31/19: Not yet. The table components need to be revised to reflect final comments made in the following sections.

Agency Response

The table components (and the corresponding text in the PIF) have been updated to reflect are consistent with the revisions in the PIF.

UNDP 02/14/19: The table components and references in the text have been edited to reflect the review's instructions under Part II.3. of this review.

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes.

Agency Response

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

The LDCF under the principle of equitable access

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

AT/JDS: 12/20/18: Yes, this project can be funded from CCM set-aside resources.

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

N/A

Agency Response

Project Preparation Grant**5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)**

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes.

Agency Response

Core indicators**6. Are the identified core indicators in Table F calculated using the methodology included in the correspondent Guidelines? (GEF/C.54/11/Rev.01)**

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes.

Agency Response

Project/Program taxonomy**7. Is the project/ program properly tagged with the appropriate keywords as requested in Table G?**

Secretariat Comment at PIF/Work Program Inclusion

AT/JDS: 12/20/18: Rio Marker, climate change mitigation should be "2". Please fix it.

Extraction from "OECD DAC Rio Markers for Climate: Handbook"

A scoring system of three values is used, in which official development finance activities reported to the DAC CRS are screened and “marked” as either (i) targeting the United Nations Framework Convention on Climate Change (UNFCCC) as a principal objective (score “2”); (ii) as a significant objective (score “1”); or (iii) not targeting the Convention (score “0”). These marks indicate the policy objectives of members’ development finance activities:

· An activity can be marked as principal when the objective (climate change mitigation or adaptation) is explicitly stated as fundamental in the design of, or the motivation for, the

activity. Promoting the objective will thus be stated in the activity documentation as one of the principal reasons for undertaking it. In other words, the activity would not have been funded (or designed that way) but for that objective.

· An activity can be marked as significant when the objective (climate change mitigation or adaptation) is explicitly stated but it is not the fundamental driver or motivation for undertaking it. Instead, the activity has other prime objectives but it has been formulated or adjusted to help meet the relevant climate concerns.

AT/JDS, 01/30/19: Comment cleared. (Climate change mitigation has been revised to '2'.) However, Rio Marker of climate change adaptation should be maintained with '1'. Please revert it back. (The Transparency Framework under the Paris Agreement is mainly designed for climate change mitigation.)

Agency Response

The Rio Marker for climate change adaptation has been maintained with “1” as per guidance in the comment above.

Part II – Project Justification

1. Has the project/program described the global environmental / adaptation problems, including the root causes and barriers that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Recommend this section be elaborated with additional details from supporting documents such as Armenia's 3NC or 2BUR.

AT/JDS, 01/30/19: Comment cleared.

Agency Response

Additional information has been added from the 3NC, the 2BUR, and the NDC with specific reference to transparency and MRV systems on pages 5-6.

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Not yet. There are several outcomes and components in the alternative scenario which are not reflected in the baseline scenario as to why they are important.

For example, what is the current process to achieve "formal" adoption of the needed institutional arrangements in Armenia? What is the baseline situation for gender with respect to this project? Are there any graphical illustrations of the organizations and processes currently in place for Armenia's GHG transparency efforts? In terms of IA, describe Armenia's use of external consultants, as well as issues of expert turnover and disruption due to political/administrative changes. How will this CBIT project be designed in order to avoid future disruptions that impact IA?

AT/JDS, 01/30/19: Comments cleared.

Agency Response

**Question 1:* The project addresses several types of institutional arrangements.

The first are the arrangements that will mandate the use of a continuous MRV system in support of the UNFCCC, the Paris Agreement under the UNFCCC, and other international commitments. The second will involve arrangements that will coordinate the development of the system. The third will involve data sharing across providers under the system.

The baseline for the first type of arrangements is the former practice of inter-ministerial coordination and formalization of decisions related to climate change: (i) the Armenia's INDC was approved by the Governmental Decision; (ii) Convention Implementation Measures for 5 year periods are approved by Governmental Decisions (see p. 6 and 7); (iii) climate change related activities are envisaged under the approved Roadmap for implementation of the Comprehensive and Enhanced Partnership of Armenia and EU. Specifically, the proposed strategy in this area will be finalized during the formulation of the project document, as it will depend in part on the wording of the renewed Air Protection Law, currently undergoing consultations, which will be presented to Parliament in 2019. The Ministry of Nature Protection is considering that the law have to address climate change in a comprehensive way, and while the legislative process falls outside of the project scope, there is a high degree of confidence that the new law will provide a strong foundation upon which to build an MRV system. The project will be able to support the development of secondary legislation that will be required by the new law.

Second, arrangements that will coordinate the development of the system (i.e. the National Transparency Task Force) do not require formal government approval. The task force approach is already used, applying a similar approach through establishing a Working Group as a technical body under the coordinating body for climate change in Armenia, the Inter-Agency) on Climate Change. In fact, this approach has been used to successfully prepare the technology transfer needs assessment and the country's GHG inventories.

Third, Output 1.1.2 describes the mechanism of using MOUs to facilitate data sharing across institutions.

Text has been added under Component 1 and under the project risk overview in Table 1 under Section II.5 to clarify these arrangements.

**Question 2:* On the baseline situation for gender with respect to the project, text has been added on pages 10-11.

**Question 3:* An illustrative graphic of the current GHG transparency efforts has been added on page 9.

**Question 4:* Armenia uses external experts to support the Ministry of Nature Protection in the preparation of the GHG inventory to fill specific gaps, such as in the assessment of GHG emissions and impacts of mitigation measures of highly-specialized categories and sub-categories. Capacity-strengthening activities for these experts, who have contributed to UNFCCC reporting across NCs and BURs, will provide continuity in future reporting. The implementation risk of staff turnover is described in Table 1 along with proposed risk mitigation measures.

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

JDS, 12/11/18: Not yet.

Component 1: In the Institutional Framework section, Armenia describes institutional arrangements that are ostensibly well developed and formalized (e.g. the CCPU), and the remaining gaps identified for MRV are indeed very important; however, how will this CBIT project in particular close these gaps if the primary hurdle is formal adoption? More specifically, if formal arrangements cannot be made/agreed then how will this project ensure a successful path towards the goals identified?

AT/JDS: 12/20/18

Output 1.1.1: The baseline scenario states that there are only four specialist assigned to the division responsible for preparation of NCs and others in the MNP. Please add the scenario to enhance the institution to the operate transparency framework under the Paris Agreement.

Clarify if Output 1.1.2 will propose formal adoption of the NTTTF?

Output 2.1.1.: Is there a proposed template or model approach for Armenia to build from so as not to reinvent the wheel? For example, can details be provided for MRV of Armenia's LEAP model results?

Output 2.1.2.: Are there any opportunities to synergize with the Global Coordination Platform?

Component 3: Please provide additional detail around the the types of audiences beyond "Armenian experts." Does this include civil society, external consultants, academia, etc... or only government personnel? Given political/administrative changes, how will these actions be sustainable and scaleable?

Output 3.1.2: The GEF has already committed support to Armenia for the proposed GHG inventory categories (AFOLU and F-Gases) through the country's enabling activity project #9474: Development of Armenia's Fourth National Communication to the UNFCCC and Second Biennial Update Report in April 2016. Please revise accordingly.

Output 3.2.3: Please ensure methods and guidelines are also sustainable - in addition to consistent and easy-to-use.

Output 3.2.4: Are there any previous studies or contextual details around gender that can be included in the baseline discussion? That is, is this an issue in Armenia and why is CBIT support necessary to resolve?

AT/JDS, 1/31/19: The response and adjustments provided for the original comment pertaining to Output 3.1.2 remain insufficient. Please remove the requests for CBIT support for both F-gases and AFOLU from the project proposal, redistributing the amounts to other capacity needs.

Agency Response

Component 1: As stated in the response to II.2, a number of the institutional arrangements (i.e. the National Transparency Task Force) will not require formal approval.

Component 1 now includes text to explain the nature of the changes that will be necessary, as does Table 1 under the section on Project Risks.

Output 1.1.1: The delegation of the coordination of the NCs and BURs to four specialists is not seen as a risk to the project. These Ministry staff are tasked primarily with the coordination of the NCs and BURs rather than the development of individual sections, such as inventory categories. The latter work is the task of external experts who are hired under the project to carry out the proposed activities, under the coordination of the Ministry. The process to be put in place to carry out the activities and the actual results of the work will help enhance the institutional capacity to implement the Transparency Framework.

Output 1.1.2: Text under Component 1 and Output 1.1.2 have been revised to clarify the status of the Task Force, which will not require formal approval outside of the Inter-Agency Coordinating Council.

Output 2.1.1: Armenia will work closely with other countries and with the Global Coordination Platform to utilize all appropriate existing templates and approaches. In particular, it will consider the systems under development in other CBIT countries and work done under the ENI SEIS II EAST project. New text under Section II.1a (Component 2) and Section II.6 has been added to address this comment.

Output 2.1.2: There are opportunities to coordinate with the Global Coordination Platform, and these are now described in the summary of the output.

Component 3: The text has been clarified.

Output 3.1.2: Text has now been added under this output to distinguish between the EA-related activities and the proposed CBIT activities.

Output 3.2.3: Text on sustainability has been added, and the description of the output now includes an explanation of how methods and guidelines will reflect good practice in this area, which is included under SEIS principles.

Output 3.2.4: Additional information detailing the lack of information on gender-climate relationships is now provided in the description of the project baseline on page 10. The CBIT will address a gap in gender-climate knowledge in Armenia; in the past, gender assessments of Armenia have not explored gender-climate linkages and relationships. New text under Output 3.2.4 now describes why it is important to contribute to this area of knowledge.

UNDP 02/14/19: Output 3.1.2. has been removed as per the guidance above. Project outputs have been re-numbered accordingly, and the amount originally requested will be used to support additional activities for the previous Output 3.1.3 (now Output 3.1.2 in the re-numbered PIF).

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes

Agency Response

5. Is the incremental / additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: It is unclear how this project will ensure a resolution to the issue of formal arrangements, when this issue hinges on a political mandate from the government.

AT/JDS, 01/30/19: comment cleared.

Agency Response

Please see the response under Section II.2 of this review sheet. Text has been revised under Component 1 and under Table of 1 Section II.5 of the PIF.

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes.

Agency Response

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

JDS, 12/11/18: This section could be improved with more detail. For example, please elaborate on the reference to the community-level work with the Covenant of Mayors. How will this project establish institutions in the Government to operate works on GHG inventory, MRV, NDC, etc., through this project? Where does this fit into the baseline and/or alternative scenarios? How impactful will this be to the project?

AT/JDS, 01/30/19: Indeed, the CoM program and resulting SEAPs presents Armenia with opportunities for "bottom-up" innovation across many of the proposed Outputs. Please include the details provided in the agency response into the actual proposal's section on Innovation and articulate what is meant by a "two-way exchange of information in this area" and how this can be incorporated across multiple project components.

Agency Response

Additional text on the Covenant of Mayors (CoM) program and its role as a component of the NDC has been added to the revised PIF under the description of the baseline for mitigation activities on page 10 and under Outcome 3.3 on page 16.

It should be noted that the widespread nature of the CoM program (more than 18 municipalities in Armenia have signed the CoM, and 8 of them have submitted a Sustainable Energy Action Plan (SEAP)) means that it should be possible to consider reporting by cities as good practice in MRV in participating municipalities in Armenia.

In the capital city, Yerevan, the SEAP was developed with support of UNDP, and the city is an Implementing Partner in the UNDP-GCF project on scaling energy efficiency in the building sector, which has a component on MRV. The CBIT project will encourage a two-way exchange of information in this area, and Armenia can also serve as an important source of experience for other countries on monitoring SEAPs, particularly those participating in the European Union's European Neighborhood Instrument--East.

In order to minimize implementation risk and increase the sustainability of the project, activities will focus on working within existing institutions for reporting under the UNFCCC and the Paris Agreement. The National Transparency Task Force (under the Inter-Agency Coordinating Council on Climate Change) that will be established under Output 1.1.1 and the secondary legislation on climate change MRV supported under Output 1.1.2 will provide the necessary framework for the ongoing operation of a climate change MRV system. Additional description is now provided in the description of Output 1.1.2. and in Section II.1.A.

UNDP, 02/14/19: Additional text on the exchange of information with the Covenant of Mayors cities has been added to the section on Innovation. The "two-way exchange of information" is understood as follows: Participating cities will utilize good practices and support tools from the CoM network on MRV and will share their experiences with the CBIT project (which may choose to recommend introducing them in additional municipalities or integrating them into the MRV system). The CBIT project, in turn, will share guidance and findings from its networks (e.g. the CBIT Global Platform) on local-level MRV with the CoM cities in Armenia. The CBIT project will encourage the participating CoM cities to share any good practices that emerge from the project with other CoM cities in other countries through the CoM international good practice database (<https://www.covenantofmayors.eu/plans-and-actions/good-practices.html>). This cooperation may also extend to MRV related to adaptation activities, as the CoM has developed an adaptation support tool for its participating cities.

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

AT/JDS, 01/30/19: Yes.

Agency Response

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

JDS, 12/11/18: See prior comments.

AT/JDS, 01/30/19: Comments cleared.

Agency Response

Comments have been addressed on pages 10-11 and 16.

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

AT/JDS, 12/11/18: Not yet. Private sector engagement is essential to promote climate change policies in all countries, and stated in GEF-7 Programming Directions. Please revise the description on "4. Private Sector Engagement" more proactively. Please revise the sectors to be engaged as these source categories have already received GEF support via project #9474 in GEF-6.

AT/JDS, 01/30/19: Please amend the section with respect to the comments provided for Output 3.1.2.

Agency Response

The private sector has now been added to the list of stakeholders, and its role as a data provider related to the use of refrigerants has now been explained under Section II.4 on page 21 of the PIF and in Output 3.1.2. The banking sector, which has a portfolio of specific lending for renewable energy and energy efficiency, is providing information on support for these initiatives, which were reported in the BUR1 and BUR2 of Armenia. In the framework of CBIT the communication on that will be enhanced and structured. The role of the banking sector has now been added to the discussion on project stakeholders.

UNDP: 02/14/19: This section has been updated to reflect the removal of Output 3.1.2.

Risks

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

JDS, 12/20/18: Please provide more detail of this kind in the Alternative and Baseline Scenarios where appropriate (e.g. MRV legal adoption process).

Please also indicate the level of Risk for each item: High, Medium or Low.

AT/JDS, 01/30/19: Comments cleared.

Agency Response

Additional details have been provided under Component of the proposed alternative and under Table 1 under Section II.5 of the PIF.

The risk level has been added to the corresponding table, Table 1, in Section II.5 of the PIF.

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined? Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes.

Agency Response

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

JDS/AT, 12/11/18: Yes

Agency Response

Knowledge Management

Is the proposed "knowledge management (KM) approach" in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project's/program's overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion
JDS/AT, 12/11/18: Yes

Agency Response

Part III – Country Endorsements

Has the project/program been endorsed by the country’s GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion
JDS/AT, 12/11/18: Yes.

Agency Response

GEFSEC DECISION RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion
AT/JDS, 01/30/19: Not at this time.

In Project taxonomy, Rio Marker of climate change adaptation should have been kept with '1'. Please revert it back.

Please also revise the proposal per the comments provided in Part 1, Section 7 and Part II, Sections 3, 7 and Private Sector Engagement sections.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

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

Not applicable – No PPG - The project has not requested PPG Funds.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/CBIT Trust Funds or to your Agency (and/or revolving fund that will be set up)

Not applicable

ANNEX E: Project Map(s) and Coordinates

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

Note: The proposed project is a national-level project.





Submitted to GEF Secretariat Review

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