



## FULLY DEVELOPED PROPOSAL FOR SINGLE COUNTRY

### PART I: PROJECT/PROGRAMME INFORMATION

**Title of Project/Programme:** Enhanced Direct Access

**Country:** Republic of Armenia

**Title of the Project** Armenia National Adaptation Funding Facility

**Type of Implementing Entity:** National Implementing Entity

**Implementing Entity:** “Environmental Project Implementation Unit” State Agency

**Executing Entities:** “Environmental Project Implementation Unit” State Agency

**Amount of Financing Requested:** 4,760,000 (*in U.S Dollars Equivalent*)

**Letter of Endorsement (LOE) signed:** Yes ☒ No ☐

**Stage of Submission:**

☐ This proposal has been submitted before including at a different stage (**concept**, fully developed proposal)

☐ This is the first submission ever of the proposal at any stage

In case of a resubmission, please indicate the last submission date: [Click or tap to enter a date.](#)

## Project/Programme Background and Context

### Project's economic social, development and environmental context

#### Country overview

Armenia is a land-locked country within the Caucasus region between Europe and Asia. The majority of the country is at high altitude (greater than 1,000 meters above sea-level), including a freshwater Lake Sevan, with a surface area of 1,279 km<sup>2</sup> and the Seven River Basin with a surface area of 4,721 km<sup>2</sup>, spans approximately one sixth of the nation's total land area. As of 2022, Armenia's population was estimated at 2.78 million people<sup>1</sup> and its GDP at \$ 19.5 billion<sup>2</sup>. Around one third of the nation's population lives in its capital city, Yerevan<sup>3</sup>.

Over the past decade, Armenia has transitioned from an industry-dominated to a service-dominated economy. As of 2016, the service sector constituted 48.8% of the labor force. Agriculture remains a major employer with a labor market share of 35.3% and there remains a relatively high rate of unemployment (18%) as well as net out-migration. GDP is distributed less evenly than employment, with around 52.8% originating in the service sector, 26.64% in the industry and only 11.34% in agriculture. Poverty persists, affecting around 26.5% (2021 data) of the population based on the national poverty line<sup>4</sup>.

#### Climate baseline

##### *Overview*

Armenia's climate can be described as highland continental, with large variation between summer highs (June to August) and winter lows (December to February). The country also experiences large climatic contrasts because of its intricate terrain, and the climates range from arid to sub-tropical and to cold, high mountains. Summer highs in Armenia's capital Yerevan average around 30°C–33°C while the average in winter is 1°C–3°C. The more mountainous regions experience lower average temperatures and prolonged periods of snow cover. The average annual precipitation is low at 526 mm. Precipitation intensity is greater in Armenia's high-altitude regions with May and June the wettest months. For Armenia, altitude is the strongest controlling factor determining the spatial distribution of temperatures and precipitation in Armenia. Sub-zero average temperatures are common in Armenia's mountain ranges while its highest average temperatures are experienced in the relatively low-lying western plains. Similarly, Armenia's highest peaks may receive up to 1,000 mm of annual precipitation while precipitation can be as low as 200 mm in the western plains.

Due to the sharply intersected relief and the development of the slope processes, Armenia is characterized by active external processes. High frequency and magnitude of hazardous hydrometeorological phenomena (HHP) are characteristic for Armenia, which trigger droughts, landslides, mudslides, forest fires etc. and inflict significant losses to the population and the economy<sup>5</sup>.

##### *Key trends*

**Temperature** - Armenia's NC4 reports that it experienced an average temperature rise of 1.23°C between 1929–2016. This historical rise in temperatures has resulted in the rapid shrinking of the glaciers in Armenia's mountain regions, with spatial extents retreating at around 8 m per year. Trends suggest climate variability is increasing and in 2018, Yerevan experienced a new record July temperature, reaching 42°C.

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<sup>1</sup> World Bank data portal - [Armenia](#)

<sup>2</sup> World Bank data portal - [Armenia](#)

<sup>3</sup> [Republic of Armenia – Fourth National Communication on Climate Change to the UNFCCC](#)

<sup>4</sup> [“Armenia – Country Risk Climate Profile”, joint publication by World Bank and Asian Development Bank, 2021](#)

<sup>5</sup> [National Action Program of Adaptation to Climate Change and the List of Measures for 2021-2025](#)

**Precipitation** - Armenia's NC4 reported a 10% reduction in average annual precipitation volume was documented over the period 1935–2012. The spatial distribution of precipitation changes is irregular: the northeast and central regions have become more arid. However, precipitation has increased in the southern and northwestern regions and in the western region of the lake Sevan basin. Additionally, the number of days with heavy rainfall and hailstorms has increased.

## Climate future

### *Temperature*

The model ensemble's<sup>6</sup> estimate of average warming in Armenia under the highest emission pathway is an average temperature increase of 2.8°C by the 2050s and 5.8°C by the 2090s. Ensemble estimates of warming under the lowest emission pathway also present an average temperature increase of 1.2°C by the 2050s and maintain through the end of the century. Both of these temperature increases represent greater rates of increase than the global average. By the 2090s, temperatures are projected to have increased around 35% to 40% higher than the global average. Under all scenarios, except for the lowest emission pathway, the number of summer days is expected to increase, and the number of frost and ice days are expected to fall dramatically by the end of the century.

In the case of Armenia, the rate of warming in maximum temperatures, is 5.8°C by the 2090s, which is notably faster than the warming in monthly average temperature. This points towards an increase in the intensity of temperature extremes and is among the some of the largest margins of warming projected anywhere on Earth. The seasonality of future temperature changes holds some uncertainty on lower emissions pathways. However, projected warming is strongest in the summer months from June to September. The months of July, August, and September are projected to see around 50% faster warming than the winter months from November to April under the highest emissions pathway.

### *Precipitations*

While considerable uncertainty surrounds long-term projections in regional precipitation trends, global trends are evident. The intensity of sub-daily extreme rainfall events appears to be increasing with temperature, a finding supported by evidence from different regions of Asia. However, as this phenomenon is highly dependent on local geographical contexts further research is required to constrain its impact in Armenia. For Armenia, additional uncertainty remains around future changes in average annual precipitation, as well as for changes in seasons. Model ensemble estimates are not statistically significant across all emissions pathways. However, the trend indicated, which is consistent with historical climate behavior and most models, is towards a decline in average monthly precipitation. Under all emissions pathways, an increase in the precipitation associated with a maximum 5-day rainfall event is expected more predominantly in the northern and eastern areas of Armenia. Under all emissions pathways, precipitation reductions are projected in the western regions, and under lower emissions pathways reductions are also expected in the arid northern regions. These changes match global trends, which suggests the intensity of sub-daily extreme rainfall will increase as temperatures increase, a finding supported by evidence from different regions of Asia.

## Climate related natural hazards

Armenia faces significant disaster risk levels and is ranked 101 out of 191 countries by the 2019 Inform Risk Index. This ranking is driven strongly by the exposure component of risk. Armenia has high exposure to natural hazards, including, riverine, flash, and coastal, and very high exposure to tropical cyclones and their associated risks. Drought exposure is also significant. Disaster risk in Armenia is elevated due to its

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<sup>6</sup> Climate projections referred are derived from datasets available through the WB's Climate Change Knowledge Portal. These datasets are processed outputs of simulations performed by multiple General Circulation Models (GCM).

moderate levels of social vulnerability and the country's decent coping capacity. The risks of disasters resulting from these drivers are likely to increase as the severity and frequency of extreme climate event increases. In recent decades the annual number of events designated as hazardous hydro-meteorological phenomena (such as hurricanes, snowstorms, heat waves) has increased.

**Heatwaves:** Armenia regularly experiences high maximum temperatures, with an average monthly maximum of around 13.2°C and an average August maximum of 27.5°C. The current annual probability of a heat wave (defined as a period of 3 or more days where the daily temperature is above the long-term 95<sup>th</sup> percentile of daily mean temperature) is around 3%. The model ensemble projects that the annual probability of a heatwave could increase from 5% to 18% (depending on emission scenarios) by the end of the century. The country is also projected to experience a significant increase in the number of very hot days ( $T_{max} > 35^{\circ}\text{C}$ ). However, these increases primarily reflect the continual rise in temperatures against the model baseline period of 1986–2005.

**Droughts:** two primary types of droughts may affect Armenia, meteorological (usually associated with a precipitation deficit) and hydrological (usually associated with a deficit in surface and subsurface water flow, potentially originating in the region's wider river basins). When low hydrological flows also coincide with imperfect crop choices and land management practices, agricultural drought can also result. At present, Armenia faces a significant annual probability of severe meteorological drought, as defined by a standardized precipitation evaporation index of less than 2.

The 2001 drought highlighted the vulnerability of the rural poor to drought. Agencies working in the region reported more than 25,000 poor households affected, the majority of whom were dependent on local food production which was severely damaged by the drought. The model ensemble projects a dramatic increase in the annual probability of drought increasing from 20% to over 80% (depending on emission scenarios) by the 2090s. Global overview of changes in drought conditions under different warming scenarios supports extreme projections, suggesting that the West Asia region could experience a considerable increase in the frequency of extreme drought. Under 1.5°C of warming what is currently a 1-in-100-year event may return every 20 years, and under 2°C of warming such an event may recur every 10 years or less<sup>7</sup>.

**Extreme Precipitation, Flood, and Landslide:** heavy rainfall events are known to trigger landslides and floods in rural areas of Armenia, often affecting poorer and more isolated rural communities. River levels in Armenia are particularly variable, and high flows often hit communities without forewarning, resulting in flood disasters. Flooding can result in damage to subsistence agriculture and increase the incidence of poverty and health issues. Floods also represent a risk to national economic productivity particularly when affecting the capital city, Yerevan. While most climate models project a small increase in the intensity of extreme precipitation events, uncertainty remains in precipitation projections and model ensemble estimates. The general shift in the seasonality of precipitation away from the summer months, combined with the projected loss of many of Armenia's glaciers will likely intensify extreme events and highlight a need for disaster risk reduction measures. However, research and development in the climate modelling arena is needed to support decision makers and planning efforts, specifically more reliable downscaled modelling and additional work will be needed in order to better understand and map rural exposure and vulnerability.

## Climate change impacts

### *Natural resources*

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<sup>7</sup> [Global Changes in Drought Conditions Under Different Levels of Warming](#), Naumann, G., Alfieri, L., Wyser, K., Mentaschi, L., Betts, R. A., Carrao, H., . . . Feyen, L. (2018).

**Water:** uncertainty remains around the precise trajectory of future change in the availability of water resources in Armenia and river flows are expected to reduce dramatically. While vulnerability for basin and watersheds vary, under a “worst-case scenario”, average decrease in river flow is estimated at 39% by the end of the century<sup>8</sup>. These changes would have a significant impact on the levels of Armenia’s lakes and reservoirs, with implication for society potentially coming from the resulting damage to fish stocks and decline in water levels and water quality. However, caution should be applied as these projections are derived from a single climate scenario; other scenarios provide less consistent trends. More recent analysis of runoff from Caucasus Glaciers suggests a significant increase in the short-term (up to 2022) as melting intensifies, but near total loss of glaciers and glacial meltwater towards the end of the 21st century.

A likely impact of the loss of Armenia’s mountain glaciers is an increase in variability of water flows as glaciers typically act to smooth runoff over the year. Water scarcity towards the end of summer (August, September) is likely to increase. Armenia has already experienced declines in annual precipitation and desertification has been documented around the nation, including in the Ararat Valley, an important agricultural production area<sup>9</sup>. More information is needed to understand the potential threat of a broader restructuring of the nation’s ecosystems, particularly whether tipping points threaten the viability of current agricultural operations.

**Soil and land cover:** a key route through which climate change may lead to soil and land degradation is through its impact on soil moisture. With very large increases in the frequency and intensity of drought projected over Armenia, the potential for declines in soil quality are significant. The Caucasus region is among many regions where an expansion of the arid and semi-arid area is projected, with the affected area growing rapidly over the 21st century under higher emissions pathways. Such changes will reduce ecosystem productivity resulting in species range shifts, and potential loss of biodiversity.

Linked to issues of land degradation and drought are potential changes to Armenia’s forest cover, Armenia’s NC4 estimates a potential loss of 14,000–17,500 ha (around 3%–4%) by 2030 as a result of changes to ecosystems and growing conditions, as well as increased frequency of forest fire, pest and disease outbreaks, and invasive species. Armenia has already begun to enact adaptation and restoration plans to reduce deforestation through its National Forest Policy and Strategy, improved wildfire management policies and specific area action plans such as the City of Yerevan 5-Year Plan (2019–2023) to restore the city’s buffer forest layer by 40 hectares. A general trend of species range shifts towards higher altitudes is expected and conversion of lower altitude land cover to arid forest types, steppe, and semi-desert. Armenia’s National Strategy and Action Program to Combat Desertification was ratified in 2015 to increasing the effectiveness of land management, raising public awareness on desertification issues and their solutions, as well as international cooperation<sup>10</sup>.

## Economic sectors

### *Agriculture*

Climate change in Armenia is likely to influence food production via direct and indirect effects on crop growth processes. Direct effects include alterations to carbon dioxide availability, precipitation, and temperatures. Indirect effects include through impacts on water resource availability and seasonality, soil organic matter transformation, soil erosion, changes in pest and disease profiles, the arrival of invasive species, and decline in arable areas due to desertification. On an international level, these impacts are expected to damage key staple crop yields, even on lower emissions pathways. Projections estimate 5% and 6% declines in global wheat and maize yields respectively even if the Paris Climate Agreement is met

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<sup>8</sup> [Republic of Armenia – Fourth National Communication on Climate Change to the UNFCCC](#)

<sup>9</sup> [Republic of Armenia – Fourth National Communication on Climate Change to the UNFCCC](#)

<sup>10</sup> [National Strategy and Action Program to Combat Desertification in the Republic of Armenia](#)

and warming is limited to 1.5°C. Shifts in the optimal and viable spatial ranges of certain crops are also inevitable, though the extent and speed of those shifts remains dependent on the emissions pathway.

In some cases, changing temperature and rainfall patterns may be favorable for crop production. Under all scenarios of future climate change, the agricultural growing season could extend by 10–40 days in Armenia. However, this may also present challenges due to uncertainty and potential declines in future water resources. Armenia is already struggling with land degradation on most agricultural land; climate change could accelerate this degradation as temperatures rise and extreme weather events increase in frequency and severity. Temperature extremes are likely to result in sub-optimal growing conditions for many of Armenia's highest grossing crops, typically grains and vegetables. The increase in the number of very hot days (>35°C), even in the order of 5 days as projected for the low emissions pathway, is likely to damage yields for almost all crops grown in lowland areas of Armenia as well as for a majority of crops grown in intermediate and upland areas<sup>11</sup>. Studies have suggested pressure will be amplified by a potential doubling of the average water requirement of Armenia's crops as temperatures rise. As the glacier supply depletes, and its regulating effect on flows reduces, effective water storage and management infrastructure will grow in importance.

Armenia implemented sustainable agricultural development strategies to increase the unused arable land in rotation by approximately 10,000 hectares per annum in an effort to combat projected yield reductions<sup>12</sup>. Projections show that by the 2070s, potato crop yields will decrease by 21%, with the highest level of reduction expected in Shirak and Syunik marzes. The largest decline in the grape yields will be recorded in the Ararat Valley – by 20%<sup>13</sup>. At the same time the area of high productivity land is projected to shrink, with a 17% increase in less productive desert and meadow-steppe land. Agriculture, Forestry and Fisheries make up Armenia's lowest paid sector yet continue to employ over 30% of the population. These high levels of vulnerability, and risks in both slow and rapid onset hazards emphasize the serious risks climate change represents in Armenia, particularly under higher emissions pathways.

A further, and perhaps lesser appreciated influence of climate change on agricultural production is through its impact on the health and productivity of the labor force. Labor productivity during peak months has already dropped by 10% as a result of warming, and a decline of up to 20% might be expected by the 2050s under the highest emissions pathway. In combination, it is highly likely that the above processes will have a considerable impact on national food consumption patterns both through direct impacts on internal agricultural operations, and through impacts on the global supply chain. Without adaptation, the economic environment for smallholder agricultural operations is likely to become increasingly hostile<sup>14</sup>.

### *Urban and energy*

Research has established a reasonably well constrained relationship between heat stress and labor productivity, household consumption patterns, and (by proxy) household living standards. In general terms, the impact of an increase in temperature on these indicators depends on whether the temperature rise moves the ambient temperature closer to, or further away from, the optimum temperature range. The optimum range can vary depending on local conditions and adaptations. In Armenia, a general decline in productivity is expected due to high temperatures that are offset by a reduction in the frequency of extreme low temperatures. This trend can be measured in the change to the annual heating and cooling degree days. The full model ensemble projects an increase in the annual cooling requirement of around 1,000°C (degree days), versus a decline in the heating requirement of around 2,000°C (degree days). This

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<sup>11</sup> [Building resilience to climate change in South Caucasus agriculture](#). World Bank

<sup>12</sup> [Strategy of the Main Directions Ensuring Economic Development in Agricultural Sector of the Republic of Armenia for 2020–2030](#)

<sup>13</sup> [Republic of Armenia – Fourth National Communication on Climate Change to the UNFCCC](#)

<sup>14</sup> [Environmental and socio-economic vulnerability of agricultural sector in Armenia](#), Melkonyan, A. (2014), Science of The Total Environment

points towards a potential net energy saving. Armenia's energy policy is focused on ensuring independence and increased security of the energy sector and promotion of the sustainable development of the energy sector based on efficient use of local primary (renewable) energy resources, further development of the nuclear energy sector, diversification of energy supply sources and introduction of energy efficient and advanced technologies. In the medium term, meeting increases in electricity demand, energy system reliability, and affordability of electricity services are important challenge to be addressed<sup>15</sup>. The country has begun to increasingly invest in the development of renewable energy sources and, more specifically, in recent years, electricity generation at photovoltaic (PV) solar plants, with a longer-term interest in further development of wind and nuclear energy.

The effects of temperature rise and heat stress in urban areas are increasingly compounded by the phenomenon of the Urban Heat Island (UHI) effect. Dark surfaces, residential and industrial sources of heat, an absence of vegetation, and air pollution can push temperatures higher than those of the rural surroundings, commonly anywhere in the range of 0.1°C–3°C in global mega-cities. As well as impacting on human health (see Communities) the temperature peaks that will result from combined UHI and climate change, as well as future urban expansion, are likely to damage the productivity of the service sector economy, both through direct impacts on labor productivity, but also through the additional costs of adaptation. The Armenian economy has great dependence on activity in its capital city, Yerevan, where around half of the nation's industrial production takes place. While the economy of the city is strong, and poverty rates comparatively low, the health risks of high temperatures require consideration. The 2018 heatwave, during which a new temperature record was set in Yerevan of 42°C, illustrated the strain that extreme climate events can place on the energy system, with technical faults and high demand putting strain on the energy system. Research suggests that on average, a one degree increase in ambient temperature can result in a 0.5%–8.5% increase in electricity demand.

Heating requirements continue to be an important part of Armenian energy needs. Individual heat boilers are primarily used for heating, of which 50% use natural gas. Natural gas is followed by wood use for heating, with an estimated 35% of Armenian households using wood for heating. This is primarily driven by affordability. As the country's deforestation rates are likely to continue, the use of biomass for heating is likely to continue to the trend, which is expected to adversely affect the poorest households due to a decline in firewood availability and price increase.

### *Communities*

**Poverty and inequality:** high poverty rates prevail in Armenia. These are in part linked to high unemployment rates, but also to the poor productivity of the agricultural sector which employs around 35% of the working population. According to the Armenian Statistical Committee wages in the agriculture, fisheries, and forestry sector are the lowest of all the primary sectors. Many households are dependent on remittances received from migrant workers. Disruption of remittance flows is possible as a result of climate change but is an issue which is poorly understood. Due to potential high impacts of climate change on the agricultural sector in Armenia, alongside the increased risk of climate-related disasters, the country faces major challenges from climate change, particularly under higher emissions pathways.

Many of the climatic changes projected are likely to disproportionately affect the poorest groups in society. For instance, heavy manual labor jobs are common among the lowest paid whilst also being most at risk of productivity losses due to heat stress. Poorer businesses are least able to afford air conditioning, an increasing need given the projected increase in cooling days. Poorer farmers and communities are least able to afford local water storage, irrigation infrastructure, and technologies for adaptation. According to

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<sup>15</sup> [Armenia Power Sector Policy Note](#), World Bank (2016).

the FAO, most agricultural holdings remain small, with an average size of 1.4 ha, many farming households are poor and many already rely on remittances sent from household members who migrate for work during fallow periods on the farm.<sup>60</sup> Climate changes, such as changes to growing seasons, extreme weather events and species range shifts (potentially resulting in new invasive species) further threatens to expose a lack of adaptability and resilience in the population dependent on the agricultural sector. The majority of agricultural small-holders are not covered by any insurance system, resulting in reduced resilience to disaster events.

**Gender:** An increasing body of research has shown that climate-related disasters have impacted human populations in many areas including agricultural production, food security, water management and public health. The level of impacts and coping strategies of populations depends heavily on their socio-economic status, socio-cultural norms, access to resources, poverty as well as gender. Research has also provided more evidence that the effects are not gender neutral, as women and children are among the highest risk groups. Key factors that account for the differences between women's and men's vulnerability to climate change risks include gender-based differences in time use; access to assets and credit, treatment by formal institutions, which can constrain women's opportunities, limited access to policy discussions and decision making, and a lack of sex-disaggregated data for policy change<sup>16</sup>.

**Human health:** risk to human health from climate-related hazards are expected to increase, particularly under higher emissions pathways. Risks include the increased probabilities of drought, exacerbated by the loss of mountain glaciers, and heat waves. Immediate risks include heat-related sicknesses and the increased vulnerability to malaria outbreaks. These impacts are likely to be followed by the risks to nutrition of associated agricultural losses and water shortages. Experience can be drawn from the 2001 drought, which necessitated emergency food distribution by the World Food Program to around 200,000 citizens in response to high levels of malnutrition. *Nutrition:* The World Food Program estimate that without adaptation the risk of hunger and child malnutrition on a global scale could increase by 20% respectively by 2050<sup>17</sup>. Projections suggest there could be approximately 81 climate-related deaths per million population linked to lack of food availability in Armenia by the 2050s. *Heat-Related Mortality:* research has placed a threshold of 35°C (wet bulb ambient air temperature) on the human body's ability to regulate temperature, beyond which even a very short period of exposure can present risk of serious ill-health and death. Temperatures significantly lower than the 35°C threshold of "survivability" can still represent a major threat to human health. Climate change could push global temperatures closer to this temperature "danger zone" both through slow onset warming and intensified heat waves. Armenia has also been identified as a having particularly poor air quality in many of its urban and developed areas and associated issues may be amplified by increased incidence of extreme heat<sup>18</sup>. It is estimated that without adaptation, annual heat-related deaths in the Central Asian region, could increase 139% by 2030 and 301% by 2050.

#### Priority areas for climate change adaptation

Armenia's climate change vulnerabilities are largely driven by its geographic, hydrological, and socio-economic characteristics. As a mountainous, landlocked country, it is particularly susceptible to extreme weather events, water scarcity, and ecosystem degradation. The country has already seen an average temperature rise of 1.2°C over the past century, which has exacerbated these challenges. In response, Armenia has laid out an ambitious adaptation agenda through its NAP, focusing on critical sectors such as water resources management, agriculture, infrastructure, and ecosystem protection. These adaptation strategies are essential for Armenia's sustainable development and its ability to safeguard its population,

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<sup>16</sup> [Gender Equality, Poverty Reduction, and Inclusive Growth](#), World Bank Group (2016)

<sup>17</sup> [Two minutes on climate change and hunger: A zero hunger world needs climate resilience](#), WFP (2015)

<sup>18</sup> [Armenia Environmental Performance Index](#) (2019).

natural resources, and economy from the growing impacts of climate change.

**Water resources management** - water scarcity is one of the most pressing issues facing Armenia due to declining snowpack, erratic precipitation, and rising temperatures. Projections indicate that by 2050, the country's river runoff could decrease by as much as 30%, primarily affecting water availability in the agriculturally significant Ararat Valley. This area, which accounts for over 40% of Armenia's agricultural production, is highly dependent on irrigation, and reduced water availability poses a severe threat to crop yields and rural livelihoods.

*To address this, Armenia's adaptation strategy prioritizes improving the efficiency of water use through investments in modern irrigation systems. Currently, more than 80% of irrigation water is lost due to inefficient distribution methods, including outdated canals. Adaptation measures include the introduction of drip and sprinkler irrigation technologies, which can reduce water usage by up to 50%, as well as the construction of new reservoirs to capture excess rainwater during periods of heavy precipitation. Protecting critical watersheds, such as those around Lake Sevan, is also a major focus. The lake, which is the largest freshwater body in the Caucasus, plays a vital role in Armenia's water security, and efforts to restore and protect its watershed are essential for ensuring long-term water availability.*

**Agriculture and food security** - agriculture remains a key sector for Armenia's economy, contributing approximately 14% of the country's GDP and employing nearly one-third of its workforce. However, it is also one of the most vulnerable sectors to climate change. Rising temperatures, increased frequency of droughts, and changing precipitation patterns are expected to significantly reduce crop yields, particularly for staple crops like wheat, barley, and grapes. Projections suggest that, without adaptation, yields for these crops could decline by up to 15-20% by 2040.

*In response, Armenia's adaptation measures in agriculture focus on promoting climate-smart agriculture practices. These include the development of drought-resistant crop varieties, conservation agriculture techniques, and improved soil management practices. Increasing the efficiency of irrigation systems is also critical, with targeted investments in water-saving technologies expected to reduce water demand in the agricultural sector by up to 30%. Expanding access to agricultural insurance schemes is another key component, enabling farmers to manage risks associated with crop failures due to extreme weather events.*

**Infrastructure resilience** - Armenia's infrastructure, particularly in urban areas like Yerevan, is highly vulnerable to the impacts of climate change. The country experiences extreme weather events, including heavy rainfall and heatwaves, which pose significant risks to buildings, roads, and energy systems. Poorly maintained drainage systems and the concentration of infrastructure in flood-prone areas exacerbate the risk of damage from flash floods. Moreover, Yerevan and other cities face increasing risks from urban heat islands, which can exacerbate the health impacts of heatwaves.

*To strengthen infrastructure resilience, Armenia is focusing on nature-based solutions, such as the integration of green infrastructure into urban planning. This includes the installation of green roofs and the development of permeable surfaces that can absorb excess rainfall, thereby reducing the risk of urban flooding. Additionally, the government is investing in the retrofitting of critical infrastructure, including hospitals, schools, and transportation networks, to ensure that they are resilient to extreme weather events. Energy efficiency improvements in buildings are also a priority, with the goal of reducing the energy demand during heatwaves and making the country's energy grid more resilient.*

**Ecosystem-based adaptation** - Armenia's rich biodiversity and ecosystems, including its forests and mountain grasslands, are highly sensitive to the impacts of climate change. Rising temperatures and

prolonged droughts are expected to increase the frequency of wildfires and pest infestations, which could lead to the loss of up to 17,000 hectares of forest by 2030. This would not only reduce biodiversity but also exacerbate soil erosion and reduce carbon sequestration, further contributing to climate change.

*To address these challenges, Armenia has prioritized ecosystem-based adaptation (EbA) in its climate strategies. This involves reforestation and afforestation projects aimed at restoring degraded landscapes and enhancing the resilience of forest ecosystems. Sustainable forest management practices are also being promoted to reduce the risk of wildfires and pest outbreaks. Additionally, the introduction of agroforestry systems, which integrate trees into agricultural landscapes, provides multiple benefits, including improved soil health, increased biodiversity, and enhanced carbon storage. These measures are expected to increase national forest cover, reduce vulnerability to climate impacts, and contribute to Armenia's long-term climate resilience.*

Armenia's adaptation strategy is focused on reducing vulnerability and building resilience across key sectors that are critical to its economy and environment. By investing in water management, climate-smart agriculture, resilient infrastructure, and ecosystem-based adaptation, the country is laying the foundation for a sustainable future in the face of a changing climate. However, the success of these efforts will depend on continued international support and the effective implementation of national policies that integrate climate risks into all levels of planning and decision-making.

The proposed Armenia National Adaptation Facility will play a pivotal role in financing community-led adaptation projects, which are essential for fostering local ownership and addressing specific climate vulnerabilities at the grassroots level. By empowering local communities to design and implement adaptation solutions tailored to their unique environmental and socio-economic conditions, the facility ensures that adaptation measures are not only contextually appropriate but also more sustainable in the long run. Community involvement is critical in ensuring that adaptation projects are responsive to local needs, build local capacity, and strengthen resilience through direct participation in decision-making processes.

Community-led adaptation helps to enhance resilience where it is most needed - at the local level. These projects can address a wide range of climate impacts, such as water shortages, agricultural stress, and infrastructure vulnerability. By decentralizing adaptation efforts, the facility allows for greater flexibility and responsiveness, ensuring that even small, remote, or vulnerable communities benefit from targeted interventions. Furthermore, such initiatives often integrate traditional knowledge and practices, which are valuable in devising effective, locally relevant solutions to climate change impacts.

#### International partnership and reporting framework

Armenia ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1993, the Kyoto Protocol in 2002 and the Paris Agreement in 2017. The country's position under the Convention and the Paris Agreement is set out in the "Intended Nationally Determined Contributions" (INDC), approved by the Government of Armenia (GoA) and submitted to the UNFCCC on 22 September 2015. With the ratification of the Paris Agreement, the INDC of Armenia became its NDC for the period of 2015 – 2050. In its updated in 2021 [NDC](#), the Republic of Armenia intends to adhere to a ten-year NDC implementation period (2021-2030), including up-front information on the emission reductions to be achieved by 2030 and on adaptation measures to be undertaken as part of the NDC. Armenia's NDC establishes the country's strong commitment to climate change adaptation measures and identifies its efforts in national greenhouse gas mitigation efforts. In Armenia, key sectors identified for adaptation action include natural ecosystems, human health, water resources management, agriculture, forestry, and fisheries, energy, human settlements, infrastructure, and tourism. Country has also delivered its [Fourth National Communication on Climate Change](#) (in 2020) and its [Third Biennial Report](#) (in 2021) under the

### National strategies

In accordance with the “Strategy of the main directions ensuring economic development in agricultural sector of the Republic of Armenia for 2020-2030” and Government Programme for 2021 – 2026 the core of the agricultural policy will be the increase of agrarian efficiency, increase of the food security level, introduction of modern technologies, increase of exportation volumes, growth of profitability of all entities engaged in the entire value chain of agriculture - small households, farming cooperatives, processors, and exporters. More specifically, the Government has prioritized cooperation between education, scientific, research , and industrial sectors, supporting the introduction of new technologies and expanding non-agricultural activities in rural communities.

### National Adaptation Planning

On 13 May 2021, the Government of the Republic of Armenia approved the “National Action Program of Adaptation to Climate Change and the List of Measures for 2021-2025” ([NAP](#)). The general objective of the NAP is to promote the reduction and management of climate risks in Armenia. This will occur by addressing the impacts of climate change, by taking full advantage of emerging opportunities, by reducing socio-economic vulnerabilities, and avoiding losses and damages due to climate change. The process will be further supplemented by building mechanisms that enable adaptation of population as well as natural, productive and infrastructure systems. The NAP process aims to ensure coordinated deployment of sectoral and regional adaptation measures. It also unifies the strategic sector and regional investment plans in climate change adaptation.

The NAP includes a series of complementary documents, that create an information baseline for moving forward, and a set of implementable, concrete measures, identified by multiple stakeholders, that are essential to reducing current and projected climate impacts in the most vulnerable national development sectors. Among them, Sector and Marz Adaptation Plans should be mentioned. The sector adaptation plans (hereinafter - SAPs) and marz adaptation plans (hereinafter - MAPs) provide the foundation for operationalizing adaptation planning within the existing governance structures. Individual SAPs and MAPs outline the sectoral and regional responses to the challenges presented by climate change and help prioritize adaptation activities across the country. To date, SAPs for Agricultural and Water sectors and MAPs for Tavush and Shirak regions have been developed and adopted.

### *Sectorial NAPs (SAPs)*

As per Agricultural SAP, the following 8 groups of priority measures are proposed to increase climate resilience of the sector:

1. Expansion of the list of insurable crops and risks, introduction of new insurance products;
2. Implementation of advanced irrigation technologies and organization of efficient agriculture;
3. Support to entities engaged in seed breeding and seed production in the conditions of climate change;
4. Support for the introduction of nursery certification system in RA;
5. Application of measures to mitigate the negative impact of hazardous hydrometeorological phenomena (HHMP);
6. Promotion and development of resource-saving agriculture;
7. Implementation of measures aimed at development of fodder production, improvement of fodder quality and increase of production volumes;

8. Capacity building of structures, agricultural farms and relevant specialists involved in agricultural sector;

As per Water SAP, the following 3 groups of priority measures are proposed to increase climate resilience of the sector:

1. Knowledge & adaptation capacities building for population (with specific focus at women and remote communities) and CSOs;
2. Coordination & enforcement of planning policies;
3. Investments in sustainable & reliable water services and assets;

#### *Regional (marz) NAPs (MAPs)*

As it has already been mentioned, the Marz Adaptation Plans for two regions of Armenia (Tavush and Shirak) has been developed and adopted so far decompressing priority measures to be implemented in the targeted sector taking into account regional specificities.

### **Project/Programme Objectives:**

This Project is submitted to the Adaptation Fund by National Implementing Entity “Environmental Project Implementation Unit” state agency under the Ministry of Environment of Armenia for funding solicitation under the Enhanced Direct Access framework to channel adaptation finance targeting addressing existing barriers and empowerment of regional stakeholders and beneficiaries to identify, appraise and implement projects (with participation of the private sector) aimed at increasing resilience of Armenia’s vulnerable communities.

The **overall objective** of the proposed Project is to enhance the country's capacity to effectively respond to the adaptation challenges posed by climate change and enhance adaptation resilience in the regions and municipalities of Armenia through establishment of a National Adaptation Finance Facility.

**Specific objectives** of the Project are:

- **Increasing climate resilience of Armenia's regions** to the impacts of climate change. This involves identifying and addressing vulnerabilities in various sectors, such as agriculture, water resources, infrastructure, and ecosystems, to ensure they can withstand the changing climate and associated risks;
- **Promoting regional inclusivity** by involving various stakeholders at the regional level (regional and municipal authorities, CSOs and private sector). Collaborative efforts will ensure that adaptation measures are tailored to the specific needs and conditions of different regions and municipalities within Armenia;
- **Launching and operationalizing innovative financial instrument** (National Adaptation Finance Facility) that will provide funding for “incremental adaptation costs”, thus enabling private sector to come in with implementation funding. The facility will further fundraise to receive contributions from international donors, government budgets, private sector investments, and other funding sources to support regional adaptation projects effectively;
- **Capacity-building activities** to enhance the technical and institutional capabilities of regional stakeholders involved in climate adaptation. This will ensure that projects are identified, structured, implemented, and monitored effectively to maximize their impact and sustainability;

- **Enhance knowledge transfer and data management** to make informed decisions and develop effective adaptation resilience seeking projects. This will include assessments of climate risks, conducting vulnerability assessments, and using scientific data to inform decision-making processes;
- **Advance policy-making and good governance reform** to create an enabling environment for climate adaptation in the regions. This will include aligning marz adaptation plans (MAPs) and sectorial adaptation plans (SAPs) with climate resilience goals and integrating climate considerations into relevant policies and regulations.

By achieving these objectives, the Project aims to strengthen Armenia's ability to respond proactively and effectively to the challenges of climate change at the regional and municipal level, ultimately contributing to the country's adaptation resilience-building and safeguarding the well-being of its communities.

### **EDA's rationale and Project's justification**

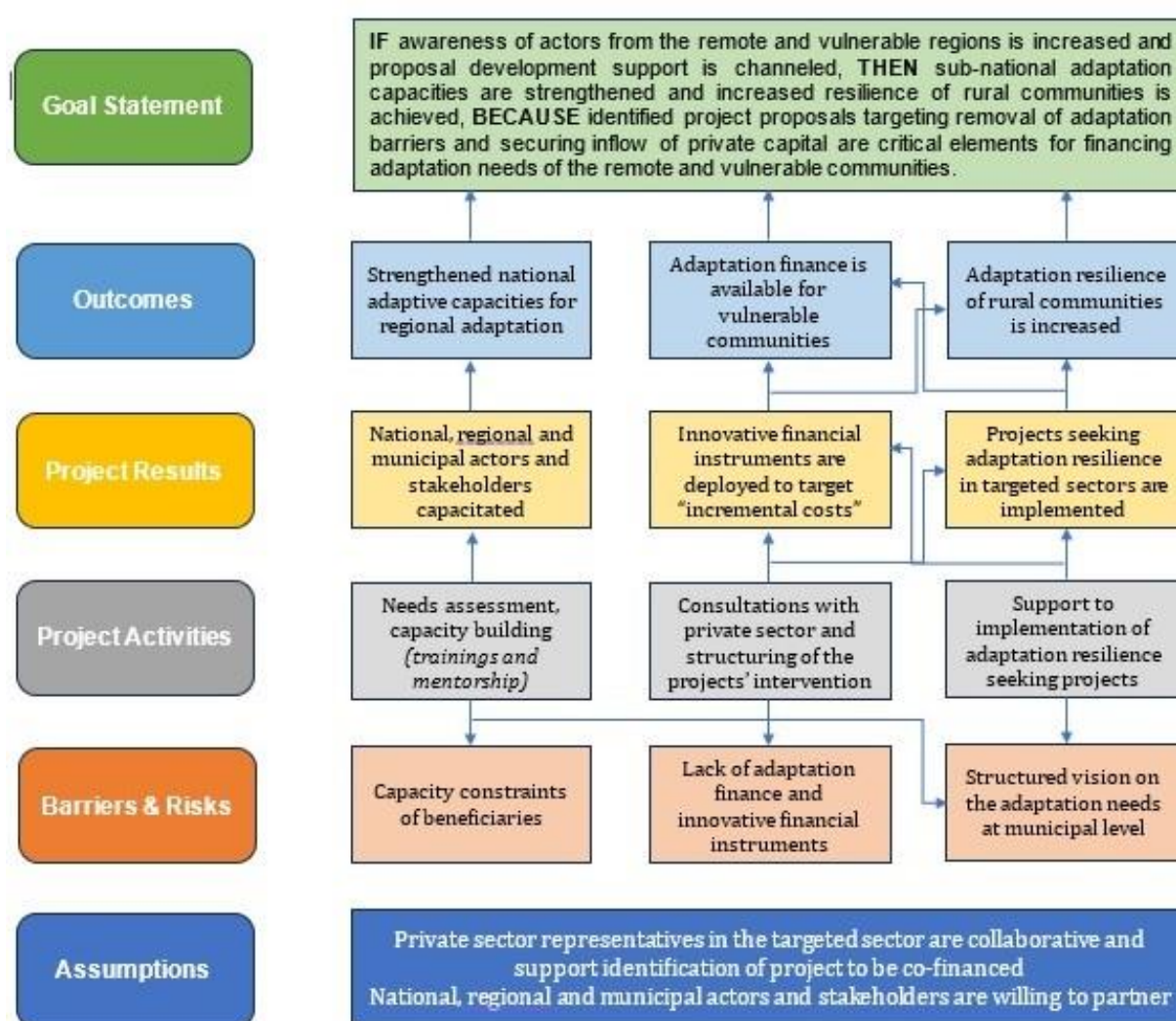
The proposed Project aims to establish a robust National Adaptation Finance Facility to reinforce Armenia's adaptive capacity, fostering resilience at regional and municipal levels. This initiative is devised to respond efficiently to the distinct adaptation challenges emerging due to climate variability in the manner described below:

- **EDA suitability:** EDA is identified as the ideal modality for this initiative due to its inherent structure and benefits, as it empowers sub-national entities, fostering a decentralized approach where local organizations can autonomously identify and address their specific adaptation needs. This bottom-up approach ensures that interventions are meticulously tailored to the unique socio-environmental context of different regions and municipalities in Armenia, thereby addressing the granular adaptation needs efficiently;
- **Localized decision-making:** Through projects supported by National Adaptation Finance Facility decentralized decision-making processes will be facilitated which will place on the forefront of the adaptation efforts the local entities, including small, community-based organizations and business entities. They will be entrusted with identifying, planning, and implementing adaptation measures that are critically aligned with their respective vulnerabilities and capacities. This decentralization enhances the relevance and effectiveness of adaptation actions, ensuring they are deeply rooted in the local context and addressing specific community-level challenges;
- **Capacity building and empowerment:** National Adaptation Finance Facility is not merely a funding mechanism; it's a holistic framework that builds the capacities of sub-national entities. Through EDA, local organizations in Armenia will receive not only financial support but also technical assistance and capacity-building opportunities. This empowerment enables them to take proactive measures, fostering a sense of ownership and responsibility towards sustainable adaptation practices;
- **Responsive to diverse needs:** Armenia encompasses regions with varied climate vulnerabilities. National Adaptation Finance Facility's flexible and inclusive approach allows for a diverse range of local organizations to actively participate and receive support, ensuring that adaptation measures are not generalized but are responsive to the particular risks and adaptive capacities of different areas;
- **Strengthened accountability and transparency:** With decision-making and implementation responsibilities with the engagement of local entities, there is an inherent system of accountability and transparency built into the National Adaptation Finance Facility approach. Localized management of funds and projects through Regional Climate Adaptation Committee (please refer to the Organigram of the Facility) will ensure that resources are utilized judiciously, with clear accountability mechanisms in place, fostering trust among stakeholders and beneficiaries;

- **Community-centric adaptive solutions:** By enabling sub-national entities to design and implement projects, the National Adaptation Finance Facility ensures that the voices and needs of communities are heard and addressed. This approach fosters community-centric solutions, with local organizations being more attuned to the socio-cultural dynamics, ensuring that adaptation measures are not only technically sound but also socially accepted and sustainable.

The proposed approach is not merely a procedural choice; it is a strategic decision aimed at fostering localized, community-centric and efficient climate adaptation measures. National Adaptation Finance Facility will serve as a conduit for empowering local entities, nurturing their capacities, and ensuring that adaptation initiatives are deeply ingrained within the social and environmental tapestry of Armenia's diverse regions and municipalities. Through this approach, the project will not only address immediate adaptation needs but also build a foundation for sustained resilience and proactive climate action at the grassroots level in Armenia.

### TOC Diagram of the Project:



### **Project/Programme Components and Financing:**

Armenia faces increasing challenges posed by climate change, which necessitates the establishment of a National Adaptation Finance Facility. This project aims to create a dedicated financial mechanism to enhance the country's capacity to respond effectively to climate impacts and promote sustainable

development at the regional and municipal levels. The project, with a total budget of **4,760,000 \$**, is designed with three key components: Policy delivery, Capacitating stakeholders and Channeling adaptation finance.

**Component 1: Policy delivery** - Policy decompression at the regional/municipal level

This component focuses on ensuring that national climate adaptation policies are effectively delivered and implemented at the regional and municipal levels in Armenia. The project will involve a comprehensive policy decompression process, which translates national-level policies into actionable and region-specific guidelines, allowing for more effective implementation.

**Proposed activities:**

- **Conduct regional climate vulnerability assessments:** the project team, in collaboration with regional stakeholders, will conduct detailed vulnerability assessments to identify the specific climate risks and challenges faced by each region and municipality;
- **Regional policy framework development:** based on the vulnerability assessments, a regional policy framework will be formulated, aligning national, sectorial and regional adaptation goals with the specific needs of the targeted vulnerable communities. This will involve a participatory approach, engaging local authorities, communities, and other relevant stakeholders
- **Capacity building for policy implementation:** workshops, training and follow up mentorship sessions will be organized to build the capacity of regional and municipal officials and stakeholders in understanding and implementing the climate adaptation policies. This will enhance their ability to integrate climate considerations into decision-making processes;
- **Establish regional climate adaptation committees:** to ensure effective policy delivery, Regional Climate Adaptation Committees will be established, bringing together representatives from regional and municipal governments, NGOs, private sector, and local communities to coordinate and oversee policy implementation;

**Component 2: Capacitating stakeholders** - mapping, needs assessment and capacity building of key actors

This component aims to strengthen the capacity of key stakeholders involved in climate adaptation at the regional and municipal levels. By identifying their needs and providing targeted capacity-building initiatives, the Project seeks to enhance the effectiveness of adaptation efforts.

**Proposed activities:**

- **Stakeholder mapping:** a comprehensive stakeholder mapping exercise will be conducted to identify and engage relevant actors, including local NGOs, community-based organizations, academic institutions, and private sector entities;
- **Needs assessment:** the identified stakeholders will undergo a needs assessment process to identify gaps in their knowledge, skills, and resources related to climate adaptation;
- **Tailored capacity building:** based on the needs assessment, capacity-building programs, workshops, training and mentorship sessions will be designed and implemented to enhance the capabilities of stakeholders in planning and implementing climate resilience measures;
- **Knowledge sharing and networking:** the project will facilitate knowledge-sharing platforms and networking events, fostering collaboration and exchange of best practices among stakeholders at the regional and municipal levels;

**Component 3: channeling adaptation finance** - identification, appraisal, and financing of viable projects

This component focuses on identifying and financing viable climate adaptation projects at the regional and municipal levels. By channeling funds from the National Adaptation Finance Facility, the Project aims to support on-the-ground initiatives that enhance climate resilience.

Proposed activities:

- **Project identification and screening:** the Project team, in collaboration with stakeholders, will identify potential climate adaptation projects in different regions. These projects will undergo initial screening to ensure alignment with the regional policy frameworks;
- **Project appraisal and feasibility study:** viable projects will undergo a detailed appraisal and feasibility study to assess their technical, financial, social, and environmental viability. This will involve consultations with relevant experts and stakeholders.
- **Financial mechanism setup:** the National Adaptation Finance Facility will be established, including setting up the necessary financial instruments and governance structures to manage and disburse funds.

*“Environmental Project Implementation Unit” State Agency under the Ministry of Environment of Armenia is national accredited entity to Adaptation Fund Green Climate Fund. It has in place all necessary policies and procedures to effectively and efficiently manage the Project (including identify, assess, finance, provide monitoring, evaluation and impact assessment to the sub-granting projects). It will also engage with private sector entities to identify viable projects that are not financed due to low IRR (caused by “incremental costs”) and will make sure that proposed projects, after receiving financing from Facility are capable to attract commercial funding.*

- **Project financing:** approved projects will receive funding from the facility, and mechanisms will be put in place to ensure timely disbursement and effective project monitoring and evaluation;

*Potential areas for intervention (summarized under the outputs of Component 3 in the table below) has been identified through the comprehensive desk research of available literature (National Communications, sectorial and regional adaptation plans, etc) and further validated during rigorous consultation with the project stakeholders, carried out in two rounds – during Concept Note Design and Full Proposal development stages. Indicatively, the maximum size of the grants to be made available for potential beneficiaries should be no more than 100,000 USD. Also additional selection criteria for leveraging commercial funding equivalent to 1:4 might be introduced (for some sectors/sub-sectors);*

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
<b>Component 1: Policy delivery</b> - policy decompression at the regional/municipal level	<ul style="list-style-type: none"> <li>➤ detailed vulnerability assessments of <b>10</b> regions are carried out;</li> <li>➤ regional policy frameworks for <b>10</b> regions are formulated;</li> <li>➤ <b>50</b> workshops, training and follow up mentorship sessions are organized to build the capacity of <b>500</b> regional and municipal officials and stakeholders;</li> </ul>	Increased regional/municipal capacities to contribute towards formulation and execute actions deriving from National Adaptation Plan, Sectorial Adaptation Plans and Regional Adaptation Plans	<b>300,000</b>

	➤ 10 regional climate adaptation committees are established and operational;		
<b>Component 2:</b> <b>Capacitating stakeholders</b> - mapping, needs assessment and capacity building of key actors	➤ 10 regional stakeholder mapping exercise is conducted to identify and engage 100 relevant actors; ➤ needs assessment of stakeholder groups is carried out; ➤ 50 capacity-building programs, workshops, training and mentorship sessions are designed and implemented to enhance the capabilities of stakeholders; ➤ knowledge-sharing platform is established and operational; ➤ 50 networking events, fostering collaboration and exchange of best practices among stakeholders at the regional and municipal levels are organized;	Capacitated stakeholders are better able to contribute towards needs identification, policy formulation and execution, as well as supporting private sector entities to implement projects seeking adaptation resilience of targeted municipalities	300,000
<b>Component 3:</b> <b>Channeling adaptation finance</b> - identification, appraisal, and financing of viable projects	➤ Minimum 100 climate adaptation projects in all targeted regions are identified, appraised and consulted with local/municipal stakeholders; ➤ Minimum 50 climate adaptation projects from all targeted regions are approved for funding (minimum 20 in partnership with private sector), including: <ul style="list-style-type: none"> <li>✓ 10 projects supported in the field of climate resilient crops cultivation, utilization of drip irrigation and other water saving technologies and livestock management;</li> <li>✓ 5 pilots of water harvesting, and storage are implemented;</li> <li>✓ 5 demonstration projects targeting promotion of climate-resilient buildings, urban planning and greening are implemented;</li> <li>✓ 5 small scale projects aimed at reforestation and advancement of sustainable management practices are supported;</li> <li>✓ 5 interventions supporting usage of mobile technologies for transmitting weather forecasts</li> </ul>	Adaptation resilience of vulnerable communities in Armenia is increased through implementation of locally driven projects with participation of private sector;	3,800,000

	<p>and implementation of social protection measures are carried out;</p> <ul style="list-style-type: none"> <li>✓ 5 demonstration projects advancing local critical infrastructure are implemented;</li> <li>✓ 10 projects leveraging renewable energy for increased adaptation resilience (e.g. Agrivoltaic approach, solar-powered pumps) are supported;</li> <li>✓ 5 initiatives aimed at increased awareness, gamified education and sustainable tourism benefited from financial support;</li> </ul>		
Project/Programme Execution cost			<b>60,000</b>
Total Project/Programme Cost			<b>4,460,000</b>
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			<b>300,000</b>
<b>Amount of Financing Requested</b>			<b>4,760,000</b>

### Projected Calendar:

*Indicate the dates of the following milestones for the proposed project/programme*

<b>Milestones</b>	<b>Expected Dates</b>
Start of Project/Programme Implementation	01 September 2025
Mid-term Review (if planned)	01 September 2027
Project/Programme Closing	01 September 2029
Terminal Evaluation	10 December 2029

## PART II: PROJECT / PROGRAMME JUSTIFICATION

**A. Describe the project/programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.**

Climate change adaptation is increasingly recognized as a critical priority for enhancing the resilience of communities, ecosystems, and economies worldwide. Effective adaptation goes beyond national strategies and requires localized, community-driven actions that address specific vulnerabilities and risks. By empowering local communities to lead adaptation projects, it ensures that interventions are tailored to the unique environmental, social, and economic conditions of each area. Community-led adaptation is particularly important because it fosters local ownership, incorporates traditional knowledge, and builds capacity at the grassroots level. This approach ensures that adaptation efforts are not only relevant but also sustainable in the long term, directly contributing to enhanced resilience and reducing the vulnerability of those most affected by climate impacts.

**Component 1: Policy delivery** - policy decompression at the regional/municipal level

**Adaptation activities:** this component focuses on the effective implementation of national climate adaptation policies at the regional and municipal levels. It involves:

- Conducting detailed climate vulnerability assessments across Armenia's regions to identify localized risks and impacts.
- Translating national-level adaptation strategies, such as the NAP and SAPs, into region-specific action plans that are tailored to the needs of each municipality.
- Establishing Regional Climate Adaptation Committees to ensure participatory governance and coordination among local authorities, civil society, and the private sector.
- Organizing capacity-building workshops and mentorship sessions to train 500 regional and municipal officials in climate adaptation planning and implementation .

**Contribution to climate resilience:** by enhancing policy implementation at local levels, this component builds institutional capacity to respond to climate change impacts. It ensures that adaptation measures are not only top-down but are localized and practical, addressing the specific needs of different communities. By involving local governments and stakeholders in adaptation planning, this component fosters ownership and sustainability of climate actions, thus increasing overall climate resilience across Armenia's regions.

**Component 2: Capacitating stakeholders** - mapping, needs assessment and capacity building of key actors

**Adaptation activities:** this component aims to strengthen the ability of stakeholders at various levels to identify, plan, and execute climate adaptation actions. Key activities include:

- Conducting stakeholder mapping and needs assessments to identify the gaps in knowledge, skills, and resources among local actors.
- Designing and implementing tailored capacity-building programs that address these gaps, including workshops and training sessions on climate adaptation and risk management.
- Facilitating knowledge-sharing platforms to promote collaboration among stakeholders, enabling the exchange of best practices and solutions for climate resilience.

- Hosting networking events that engage private sector actors, local NGOs, and municipal authorities to foster partnerships and expand the scope of adaptation efforts .

**Contribution to climate resilience:** by building the capacity of key actors, this component ensures that stakeholders are better equipped to plan, finance, and implement climate adaptation initiatives. The focus on knowledge sharing and collaboration strengthens Armenia’s adaptive capacity by promoting the dissemination of innovative solutions and ensuring that adaptation measures are implemented efficiently and effectively. This ultimately supports the long-term resilience of vulnerable sectors and communities.

**Component 3: Channeling adaptation finance** - identification, appraisal, and financing of viable projects

**Adaptation activities:** the facility will identify, appraise, and finance a wide range of climate adaptation projects designed to increase the resilience of local communities. Examples of projects include:

- **Climate-resilient agriculture:** promoting drought-tolerant crop cultivation, advanced irrigation systems like drip irrigation, and sustainable livestock management practices.
- **Water harvesting and storage systems:** developing small-scale water harvesting structures and reservoirs in areas facing increasing water scarcity due to changing rainfall patterns./
- **Ecosystem-based adaptation:** supporting reforestation, wetland rehabilitation, and other ecosystem restoration projects to enhance biodiversity and reduce the impacts of land degradation.
- **Climate-resilient infrastructure:** retrofitting existing infrastructure to withstand extreme weather events and integrating green infrastructure in urban areas to manage heat and water stress.
- **Renewable energy solutions:** introducing solar-powered water pumps and supporting the use of renewable energy to enhance climate resilience in rural and agricultural areas .

**Contribution to climate resilience:** by directly financing community-led adaptation projects, this component ensures that local solutions are tailored to the specific climate risks faced by each region. These interventions address critical vulnerabilities in water management, agriculture, and infrastructure, reducing the exposure of local communities to climate-induced hazards. Moreover, the inclusion of private sector partnerships through co-financing mechanisms encourages innovation and leverages additional resources, further increasing the impact and sustainability of these projects. This component plays a crucial role in enhancing the resilience of vulnerable regions and sectors in Armenia.

#### Intervention rationale

Establishment and operationalization of the Armenia National Adaptation Funding Facility is aimed at mitigating climate finance divide between vulnerable regions of Armenia and piloting innovative local adaptation actions towards achievement of national adaptation targets communicated through the National Adaptation Plan, Sectoral Adaptation Plans (so far approved for agriculture and water sectors, remaining ones are under design) and Marz (regional) Adaptation Plans (for 2 regions are approved and remaining 8 are in the pipeline).

“Environmental Project Implementation Unit” State Agency under the Ministry of Environment of Armenia, being nationally accredited entity with the Adaptation Fund and Green Climate Fund, will serve as secretariat and ensure management of targeted (sectorial and regional) call for small project proposals.

#### Priorities of the Armenia National Adaptation Funding Facility

Potential priority areas for intervention has been identified through the comprehensive desk research of available literature (National Communications, sectorial and regional adaptation plans, etc) and further

validated during rigorous consultation with the project stakeholders, carried out in two rounds – during Concept Note Design and Full Proposal development stages:

### 1. **Agriculture and food security:**

- **Climate-resilient crop cultivation:** supporting farmers in adopting climate-resilient crop varieties and sustainable farming practices to enhance food security through enhancing access to climate resilient seed varieties, providing capacity building for sustainable farming practices, supporting exchange of experience among beneficiaries and providing market access channels
- **Irrigation and water management:** implementing water-efficient irrigation systems and water management practices to cope with changing precipitation patterns via financing installation of the drip irrigation systems and other water efficient technologies, facilitating knowledge management practices on water management and conservation technologies;
- **Livestock management:** promoting climate-smart livestock practices to improve animal welfare and maintain productivity in the face of climate stresses. More specifically, support to the projects aimed at breeding livestock varieties that are resilient to climate stresses (heat and drought), cultivating pasture management practices aimed at improving forage quality and availability, piloting index-based insurance products to protect livestock keepers from climate-induced losses, capacity enhancement for livestock keepers on climate-smart livestock management practices will be implemented through the facility

### 2. **Water resources:**

- **Water harvesting and storage:** developing small-scale water harvesting and storage systems to secure water supply during periods of water scarcity through supporting construction of community/farm-level water harvesting and storage systems such as rooftop water harvesting systems, small ponds and reservoirs under community management,
- **Watershed management:** implementing measures to protect and restore watersheds, ensuring sustainable water availability for communities and ecosystems via financing watershed restoration and conservation projects (planting native and drought-resistant trees in watershed areas), advancement of local capacities in the field of watershed protection;

### 3. **Infrastructure and built environment:**

- **Climate-resilient buildings:** integrating climate resilience features into infrastructure development, including earthquake-resistant and weatherproof structures. More specifically, it is expected that Facility will finance the projects in the following sectors/sub-sectors: training of construction companies, architects and engineers in the field of climate resilient construction practices, including retrofitting of existing public/private buildings, designing models of affordable and climate resilient housing for rural communities and implementation of awareness raising activities;
- **Urban planning and green spaces:** incorporating climate adaptation considerations into urban planning and creating green spaces to mitigate heat island effects through implementation of the projects to increase urban green covers and green corridors, construction of the sustainable urban drainage systems to manage rainwater runoff, reduce flooding risks, and create greener urban environments, introduction of the climate resilient urban master-planning (integrating climate resilience into the regional city's master planning and zoning regulations)

### 4. **Biodiversity and ecosystems:**

- **Ecosystem restoration:** undertaking projects to restore degraded ecosystems, such as reforestation and wetland rehabilitation, to enhance biodiversity and ecosystem services. More specifically ecosystem

restoration initiatives (afforestation, reforestation, wetland rehabilitation), community-based conservation projects (biodiversity conservation and sustainable management practices);

- **Protected area management:** strengthening management of protected areas to conserve biodiversity and enhance resilience to climate impacts via development and implementation of adaptive management plans for protected areas,

#### 5. **Community resilience and social protection:**

- **Early warning systems:** supporting development of community-based early warning systems to alert on imminent climate related risks. This could be carried out through design/customization of mobile applications that will provide information about extreme weather events and further guidance to the farmers;
- **Social safety nets:** implementing social protection measures to support vulnerable communities during climate-related emergencies via establishing climate-related emergency fund (for vulnerable communities) and rolling out protection schemes

#### 6. **Disaster risk reduction:**

- **Community-based disaster preparedness:** enhancing community resilience through disaster preparedness and risk reduction measures. Potential activities to be supported include development of the community disaster response and evacuation planning and financing small-scale infrastructure projects that enhance community resilience to disasters, such as elevated roads, embankments, and community shelters;
- **Climate-resilient infrastructure:** upgrading critical infrastructure (roads and transportation systems, water supply and sanitation facilities, energy systems, critical public buildings, flood protection and management) to withstand extreme weather events and reduce disaster risks;

#### 7. **Renewable energy:**

- Promoting use of solar powered water pumps for irrigation in rural communities and utilization of Agrivoltaic technology (installation of solar PV modules on farmlands);

#### 8. **Education and awareness:**

- **Climate change education:** integrating climate change education into school curricula and awareness campaigns to foster climate-resilient behaviors, raising awareness among community members about climate risks and adaptive measures, enhancing the knowledge and skills of professionals in various sectors (in fields like agriculture, healthcare, urban planning, and emergency management) to address climate risks and implement resilience measures;

#### 9. **Tourism and cultural heritage:**

- **Sustainable tourism:** promoting climate-responsible tourism practices to protect cultural heritage and natural landscapes with specific focus on development of eco-tourism sites and promotion of associated businesses, construction/advancement/retrofitting facilities;
- **Cultural heritage preservation:** safeguarding cultural heritage sites from climate impacts through conservation and adaptive measures.

While the “Environmental Project Implementation Unit” (EPIU) State Agency under the Ministry of Environment of Armenia has significant experience and expertise in implementing multi-million adaptation projects targeting vulnerable regions and communities, there has been no prior need to establish sub-granting procedures or adopt the necessary manuals for such processes. Recognizing the

importance of these procedures for the successful implementation of this project, a comprehensive **sub-granting manual** and other essential guidance documents were developed during the Full Funding Proposal Preparation stage. These documents, now attached as Annex I, will be formally approved by the EPIU to ensure the smooth management and execution of sub-granting mechanisms throughout the project's lifecycle.

#### Complementarity and coherence of the projects supported by the Armenia National Adaptation Funding Facility

The combination of individual projects financed by the National Adaptation Finance Facility will work synergistically to contribute to the overall increase in resilience of the vulnerable regions in Armenia. Each project, designed to address specific challenges in various sectors and sub-sectors, will collectively reinforce and complement one another, resulting in a comprehensive and integrated approach to building climate resilience. Here's how the combination of individual projects will contribute to the overall increase in resilience:

1. **Cross-sectoral approach:** the diverse set of projects spanning different sectors and sub-sectors, such as agriculture, water resources, infrastructure, biodiversity, and public health, ensures a cross-sectoral approach to climate adaptation. Resilience-building efforts in one sector can positively impact other sectors, leading to a more resilient and interconnected system;
2. **Multi-level governance:** with projects implemented at both the regional and municipal levels, the combination allows for adaptive governance and decision-making processes that are responsive to local conditions and needs. Regional projects can be tailored to address specific vulnerabilities, while municipal projects can target localized challenges, enhancing overall adaptation capacity;
3. **Complementary actions:** individual projects will be identified to complement each other, with one project's outputs serving as inputs or prerequisites for others. For example, a project focused on watershed management may contribute to enhanced water availability for another project implementing climate-resilient agriculture practices;
4. **Enhancing community resilience:** projects targeting community resilience, early warning systems, and social safety nets will empower vulnerable communities to withstand and recover from climate impacts. These community-level efforts create a foundation for overall regional resilience, as strong and adaptive communities can contribute to the success of other projects;
5. **Ecosystem-based adaptation:** projects focused on ecosystem restoration and biodiversity conservation will contribute to the resilience of natural ecosystems. Healthy and resilient ecosystems provide vital services, such as flood regulation and water purification, benefiting other sectors and reducing vulnerability to climate hazards;
6. **Infrastructure resilience:** projects aimed at climate-resilient infrastructure and green urban planning will protect critical assets and reduce vulnerability in cities and towns. Climate-proofed infrastructure ensures the continuity of essential services during extreme weather events, reinforcing overall regional resilience;
7. **Risk reduction and preparedness:** projects addressing disaster risk reduction and preparedness will build the capacity of communities and institutions to anticipate, respond to, and recover from climate-related disasters. This reduces the potential for long-term damages and disruptions to other development initiatives;
8. **Leveraging financing:** the combination of projects creates opportunities for leveraging funding from various sources, including national budgets, international donors, private investments, and climate

funds. This enhances the overall financial capacity to implement multiple projects simultaneously and at scale;

9. **Learning and knowledge exchange:** as different projects are implemented across regions, lessons learned and best practices can be shared and disseminated. This knowledge exchange fosters continuous improvement, adaptive management, and replication of successful approaches to increase resilience.
10. **Long-term sustainability:** the collective impact of these individual projects contributes to the long-term sustainability of climate resilience efforts. As regional and municipal governments integrate adaptation into their development plans, resilience-building becomes a continuous process rather than a one-time initiative.

By combining diverse projects that address various aspects of climate resilience, the National Adaptation Finance Facility in Armenia will ensure a holistic and integrated response to the challenges posed by climate change. The collective effort of these individual projects will lead to an overall increase in resilience, strengthening the capacity of vulnerable regions to cope with the impacts of a changing climate and promoting sustainable development for the future.

- B. Describe how the project/programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project/programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.**

The EDA modality and objective is explicitly designed to deliver a more equitable flow of adaptation finance to vulnerable communities. The eligibility criteria for funding are limited (earmarked) for local government and Adaptation Fund projects only and is targeted to vulnerable communities (rural). As such, these groups that will benefit from the grant finance. All interventions in the programme and projects will work following the principles of gender responsiveness and inclusivity during implementation.

The nature of this EDA approach means there is no agreed list of projects yet identified. These projects will emerge from the call for proposals for sub-national projects. Therefore, the focus is on the structure of the process for delivering the EDA mechanism. However, the EDA has a focus on a specific sub-set of projects that align to local programming priorities from the NDC, through a specific call for proposal. These areas are focused on local-level climate change impacts that affect rural communities and the actions below are chosen as they will deliver concrete tangible benefits to local communities in one or more of the investment windows.

### 1. Economic Benefits

The project is designed to deliver both immediate and long-term economic benefits, particularly for vulnerable and marginalized communities, helping to build sustainable economic resilience. These economic benefits include:

- **Job creation:** the project will drive significant job creation, particularly in sectors like infrastructure development, environmental conservation, and service industries. The focus will be on vulnerable communities, including rural areas where access to stable employment is limited. By fostering employment opportunities, the project will empower these communities to become self-reliant, promoting sustainable economic development and reducing the poverty gap;
- **Gender consideration:** a strong gender-focused approach will ensure that women are actively included in economic activities, particularly in non-traditional sectors such as environmental management, construction, and renewable energy. This will address gender disparities in employment and provide

women with opportunities to earn sustainable incomes, helping them to secure economic independence;

- **Capacity building:** through comprehensive training and skill development programs, the project will enhance the employability and expertise of local populations. Special focus will be given to vulnerable groups, including women and youth, enabling them to take active roles in climate adaptation projects and beyond. This will not only improve individual livelihoods but also strengthen local economies by building a skilled and adaptive workforce;
- **Sustainable livelihoods:** the project will emphasize the promotion of sustainable agricultural practices and resource management, ensuring food security and economic stability for rural and indigenous populations. By transitioning away from unsustainable livelihoods, which are often vulnerable to environmental degradation and climate change, the project will provide communities with more resilient and diversified income streams. This shift will protect against economic shocks and ensure long-term sustainability.

## 2. Social benefits

The project will foster improved social outcomes for vulnerable groups by addressing their specific needs, promoting social inclusion, and reducing inequalities. Key social benefits include:

- **Improved access to services:** the project will improve access to essential services such as clean water, sanitation, and healthcare for the most vulnerable populations. These services are critical for enhancing the overall well-being of communities, particularly in underdeveloped and rural areas where such access has historically been limited. The project's interventions will reduce health disparities and improve the quality of life for those living in poverty.
- **Strengthening local governance:** by actively involving local communities, particularly marginalized and indigenous groups, in decision-making processes, the project will empower them to have a say in shaping the interventions that directly affect their lives. This participatory approach will build local ownership, foster social cohesion, and ensure that solutions are tailored to the unique challenges faced by these communities.
- **Gender inclusion:** In alignment with the Adaptation Fund's Gender Policy, the project will ensure that women not only participate but lead in decision-making processes, from planning to implementation. By actively promoting women's involvement in leadership roles, the project will help dismantle traditional gender barriers and ensure that women's voices are heard and valued at every stage. This will strengthen gender equality and women's empowerment, leading to broader societal benefits.
- **Reduction of social inequalities:** by targeting interventions toward the most vulnerable, including those disproportionately affected by climate change and economic marginalization, the project will help reduce entrenched social inequalities. Specific initiatives such as financial inclusion programs, access to microfinance, and educational opportunities will empower vulnerable groups to improve their socio-economic standing and reduce dependency on external aid.

## 3. Environmental Benefits

The project will significantly enhance environmental sustainability and resilience by promoting ecosystem restoration and climate adaptation strategies, benefiting both the environment and the communities that depend on it. Key environmental benefits include:

- **Ecosystem conservation:** through active restoration and conservation efforts, the project will protect vital ecosystems that are crucial for community survival, such as forests, wetlands, and watersheds.

By preserving biodiversity and natural resources, the project will safeguard the ecosystem services that these communities rely on for clean water, fertile soil, and sustainable livelihoods. This, in turn, will contribute to long-term environmental health and resilience.

- **Climate change adaptation:** the project will strengthen the climate resilience of vulnerable communities by promoting climate-smart agricultural practices, sustainable land management, and ecosystem-based adaptation strategies. These interventions will reduce the risks associated with extreme weather events, such as droughts and floods, and mitigate the impacts of environmental degradation, ensuring that communities can adapt to the changing climate while maintaining sustainable livelihoods.
- **Risk management and environmental impact assessment:** Before mitigation measures proposal it risk assessment and management procedures should be undertaken in order to fully understand the possible adverse impacts on environment. After that, in compliance with the Environmental and Social Policy (ESP), the project will implement an Environmental and Social Management Plan (ESMP), ensuring that all activities are monitored for potential negative environmental impacts. This includes waste management, pollution control, and resource conservation efforts to ensure that environmental risks are identified early and mitigated effectively. This proactive approach will safeguard ecosystems and reduce the potential for environmental harm.
- **Sustainable energy Use:** by introducing renewable energy technologies, such as solar power, the project will reduce communities' dependence on fossil fuels and promote the use of clean energy alternatives. These technologies will not only lower greenhouse gas emissions but also provide reliable and sustainable energy access in remote and rural areas, contributing to both environmental sustainability and improved community resilience.

### **Component-based analysis of economic, social and environmental benefits**

#### **Component 1:** Policy Delivery - Policy decompression at the regional/municipal level

This component is fundamental to translating national climate adaptation policies into actionable and locally relevant frameworks. It ensures that climate resilience is built from the ground up, focusing on regional and municipal stakeholders, which makes the following benefits more impactful:

#### **1. Economic Benefits:**

- The **regional vulnerability assessments** will lead to targeted investments in the most vulnerable areas, creating opportunities for localized economic development. Vulnerable communities, particularly those in rural areas, will benefit from job creation in the adaptation activities that arise from policy implementations.
- **Capacity-building workshops** will improve economic participation by enhancing the skills of municipal officials and stakeholders. These programs will boost local employment in climate adaptation sectors, promoting inclusive economic growth by offering training opportunities for women and marginalized groups.

#### **2. Social Benefits:**

- The **development of regional policy frameworks** using a participatory approach will ensure the inclusion of marginalized groups in decision-making processes. By engaging local communities in the formulation of policies, the project will strengthen social cohesion and ensure that adaptation solutions meet the specific needs of vulnerable populations, including women, the elderly, and indigenous people.

- Establishing **Regional Climate Adaptation Committees** will give local communities a voice in overseeing and coordinating the implementation of policies, empowering them socially and fostering leadership among vulnerable groups, including women.

### 3. **Environmental Benefits:**

- The policy frameworks will ensure that environmental risks are managed effectively at the local level, emphasizing **sustainable land and water management practices**. These region-specific guidelines will protect vital ecosystems such as watersheds and forests, reducing the risk of biodiversity loss and enhancing environmental resilience.

### **Component 2:** Capacitating stakeholders - mapping, needs assessment and capacity building of key actors

This component focuses on empowering stakeholders, ensuring that they are well-equipped to implement climate adaptation measures at regional and municipal levels. The benefits from this component contribute significantly to long-term sustainability and resilience:

#### 1. **Economic benefits:**

- By conducting a **stakeholder mapping** exercise and subsequent **needs assessment**, the project ensures that local NGOs, community-based organizations, and private sector entities have the necessary skills and knowledge to implement climate adaptation solutions. This will enhance local economic development by ensuring that key actors are equipped to identify and leverage climate finance opportunities.
- **Capacity-building programs** tailored to the identified gaps will enhance the economic viability of adaptation projects, particularly in rural and vulnerable communities where access to resources and knowledge is limited.

#### 2. **Social benefits:**

- The **needs assessment** will identify specific knowledge gaps among vulnerable groups, enabling the project to address social inequalities by ensuring that marginalized groups are not left behind in the adaptation process. This will foster greater social inclusion, particularly for women and indigenous communities, by providing them with the skills to engage actively in climate resilience projects.
- **Knowledge-sharing platforms** and **networking events** will promote collaboration between stakeholders, fostering a sense of community and social solidarity, while also allowing the exchange of best practices to ensure that successful adaptation strategies are widely adopted.

#### 3. **Environmental benefits:**

- The project will ensure that stakeholders understand and apply sustainable practices in areas such as **agriculture, water management, and biodiversity conservation**. Through the targeted training sessions, stakeholders will be equipped to implement environmentally sound and climate-resilient practices that benefit both ecosystems and communities.

### **Component 3:** Channeling adaptation finance - identification, appraisal and financing of viable projects

This component is key to delivering tangible economic, social, and environmental benefits by providing direct financing to climate adaptation projects, ensuring that these projects align with both regional policy frameworks and the specific needs of vulnerable communities.

#### 1. **Economic benefits:**

- The **identification and screening of viable projects** ensures that resources are directed toward initiatives that will generate significant economic benefits, such as sustainable agriculture, renewable

energy solutions, and water management projects. Vulnerable groups, including women and smallholder farmers, will benefit from financial support to implement climate-resilient practices, fostering long-term economic sustainability.

- By conducting **feasibility studies** for each project, the initiative will ensure that only technically and financially viable projects are implemented, maximizing the return on investment and creating a sustainable economic model for future adaptation efforts.

## 2. **Social benefits:**

- Financing **community-led projects** will empower local populations, particularly marginalized groups, to take ownership of adaptation initiatives. This will increase their resilience to climate change and reduce the social inequalities exacerbated by environmental degradation and climate-induced disasters.
- Projects that involve **social protection measures**, such as early warning systems and disaster preparedness, will enhance the social resilience of vulnerable communities.

## 3. **Environmental Benefits:**

- The project selection process will prioritize **ecosystem-based adaptation initiatives**, such as reforestation and water conservation projects, that contribute to long-term environmental sustainability and climate resilience.
- By financing projects that promote **renewable energy and sustainable infrastructure**, the project will reduce greenhouse gas emissions and protect vulnerable ecosystems from further degradation.

### **Compliance with the Environmental and Social Policy (ESP) and Gender Policy of the Adaptation Fund**

There is a full set of checks included throughout the grant management process, from early concepts through to proposals and finally for project approval. This framework is delivered through a set of guidance manuals, set out in Appendix V.

As part of the application process, and as part of the EMSF framework, applicants have to undertake an environmental and social screening for their project which in turn informs the relevant E&S tools required. The environmental screening procedure can lead to one of the following decisions:

" All category A projects require a full ESIA and other special studies (RAP, biodiversity management study, etc.) with in-depth climate adaptation assessment and consideration of the aspects related to climate change adaptation (climate resilience) and mitigation;

" For projects classified as category B+ and/or B, it will be required that the appropriate level of environmental and social impact assessment be carried out, and Environmental Management Plan and Climate adaptation and mitigation plan be prepared accordingly;

" For projects classified as category C, no full environmental and social assessment will be carried out, however, a partial ESIA or a simple ESMP will be sufficient.

Environmental Impact assessments (EIAs) are mandatory for major development projects, activities and programs in the Republic of Armenia. The EIA process is overseen by ME (Ministry of Environment) which provides expertise approvals of ESIA/EIA. As EPIU is part of Government of Armenia, this cascades through to all funded activities under grant management. A series of systems and processes are in place to ensure environmental and social safeguards.

EPIU's [Environmental and Social Policy \(ESP\)](#) is in place to address and manage social, environmental and climate change risks for EPIU- funded projects and also help EPIU to comply with international

environmental and social standards. These would be applied to the EDA. The programme will only approve proposals that meet the (ESP) and the AF guidance.

The EPIU ESP undertakes screening of all proposed projects and goes through a rigorous analysis. This ensures EPIU projects are in line with international practice. As such we believe the EPIU ESP, [Gener Policy](#) and [Grievance Mechanism](#) is in line with the Adaptation Fund Environmental and Social Policy and Gender Policy as all projects/programmes will be screened for their environmental and social impacts, that those impacts will be identified, and that the proposed project/programme be categorized according to its potential environmental and social impacts.

#### **Environmental and social impacts and risks identified during the project planning stage and mitigation measures**

The following are the key risks and impacts identified during the project's Environmental and Social Impact Assessment (ESIA) and stakeholder consultations. The project addresses these risks through mitigation measures to align with national technical standards and the Adaptation Fund's policies:

<b>Risk</b>	<b>Potential Impact</b>	<b>Risk Level</b>	<b>Mitigation Measures</b>
<b>I. Environmental impacts and risks</b>			
Ecosystem disruption and biodiversity loss	Ecosystem disruption could occur due to agricultural expansion, infrastructure development, and water management systems that may affect natural habitats and biodiversity, particularly in sensitive areas like wetlands, forests, or riparian zones. Deforestation and land conversion could lead to habitat fragmentation, threatening wildlife populations and local ecosystems.	<i>Moderate to High</i>	<ul style="list-style-type: none"> <li>➤ Conduct comprehensive Ecosystem and Biodiversity Assessments prior to any land-use change.</li> <li>➤ Promote ecosystem-based adaptation practices such as agroforestry, reforestation, and sustainable land management, ensuring that ecosystems are preserved.</li> <li>➤ Develop buffer zones around critical habitats to reduce the impact on wildlife and natural resources.</li> </ul>
Water resource depletion and pollution	Intensive water use for agricultural and infrastructure activities can deplete local water resources, leading to water scarcity in vulnerable regions. Additionally, the use of fertilizers and pesticides in agriculture could lead to water pollution if not managed properly.	<i>Moderate</i>	<ul style="list-style-type: none"> <li>➤ Implement sustainable water management systems such as drip irrigation and rainwater harvesting to reduce water consumption.</li> <li>➤ Introduce pesticide and fertilizer management plans to minimize water contamination.</li> <li>➤ Ensure compliance with national water use regulations and permit systems to avoid over-extraction of water resources.</li> </ul>
GHG emissions	Construction activities, transportation, and the use of energy-intensive technologies	<i>Low to Moderate</i>	<ul style="list-style-type: none"> <li>➤ Incorporate renewable energy solutions such as solar and</li> </ul>

	could contribute to greenhouse gas emissions. Though renewable energy components are integrated into the project, temporary activities such as road building and transportation could increase carbon emissions.		wind energy to offset carbon emissions. ➤ Use energy-efficient technologies during the construction and operation phases.
<b>Soil degradation and erosion</b>	Soil degradation and erosion could result from infrastructure development, unsustainable farming practices, and deforestation. If not managed, soil quality may decline, leading to reduced agricultural productivity and increased vulnerability to climate change.	<i>Moderate</i>	<ul style="list-style-type: none"> <li>➤ Adopt soil conservation techniques such as contour plowing, terracing, and the use of cover crops to prevent erosion.</li> <li>➤ Promote climate-smart agriculture that maintains soil fertility and reduces degradation.</li> <li>➤ Conduct land use planning to prevent unsustainable expansion into erosion-prone areas.</li> </ul>
<b>II. Social impacts and risks</b>			
<b>Displacement or restriction of land use</b>	The expansion of agricultural land, construction of water management infrastructure, or renewable energy projects may result in the displacement of communities or restriction of land use, affecting indigenous and local populations that rely on land for their livelihoods.	<i>High</i>	<ul style="list-style-type: none"> <li>➤ Conduct Free, Prior, and Informed Consent (FPIC) consultations with affected communities to ensure their participation in decision-making processes.</li> <li>➤ Develop a Resettlement Policy Framework (RPF) if any displacement is required, ensuring fair compensation and livelihood restoration.</li> <li>➤ Incorporate social safeguards to protect land rights and ensure that communities are not negatively impacted by land-use changes.</li> </ul>
<b>Gender inequality</b>	Women may face disproportionate impacts due to their roles in water collection, agricultural labor, and household responsibilities. If gender considerations are not fully integrated, the project could exacerbate existing gender inequalities.	<i>Moderate to High</i>	<ul style="list-style-type: none"> <li>➤ Implement a Gender Action Plan (GAP) to ensure that women benefit equally from project interventions, including access to jobs, training, and leadership opportunities.</li> <li>➤ Conduct gender-sensitive consultations to understand the specific needs and</li> </ul>

			<p>challenges faced by women in vulnerable communities.</p> <ul style="list-style-type: none"> <li>➤ Promote gender-equitable resource distribution, particularly in access to water and land for agricultural activities.</li> </ul>
<b>Livelihood impacts</b>	Changes in land use, agricultural practices, and water availability may affect the livelihoods of rural and indigenous populations, particularly those dependent on subsistence farming or traditional land-use practices.	<i>Moderate</i>	<ul style="list-style-type: none"> <li>➤ Promote sustainable livelihoods through capacity-building programs, including training in climate-resilient agriculture, renewable energy, and ecosystem-based approaches.</li> <li>➤ Develop alternative income-generating opportunities, such as eco-tourism, agroforestry, and renewable energy-related jobs, to diversify economic activities in rural communities.</li> </ul>
<b>Health and safety risks</b>	Construction and infrastructure development activities may pose health and safety risks to workers and nearby communities, including accidents, exposure to hazardous materials, and the spread of communicable diseases such as HIV/AIDS.	<i>Moderate</i>	<ul style="list-style-type: none"> <li>➤ Implement Occupational Health and Safety (OHS) protocols in compliance with requirements of OHSAS 180001 at all construction sites, ensuring that workers have access to protective equipment and safe working conditions.</li> <li>➤ Establish health screening and awareness programs to prevent the spread of communicable diseases among workers and local communities.</li> <li>➤ Provide regular safety training and monitor compliance with safety standards throughout the project.</li> </ul>
<b>Cultural heritage and indigenous rights</b>	In regions with indigenous populations or significant cultural heritage, there is a risk of disturbing sacred sites or infringing on indigenous rights. Infrastructure projects may inadvertently damage cultural heritage sites or violate the rights of indigenous peoples.	<i>Low</i>	<ul style="list-style-type: none"> <li>➤ Conduct Cultural Heritage Assessments prior to infrastructure development to identify and protect culturally significant areas.</li> <li>➤ Ensure FPIC is obtained for all activities affecting indigenous lands and develop a Cultural Heritage Management Plan to mitigate risks to sacred sites.</li> <li>➤ Work with indigenous leaders to ensure that project activities align with their cultural</li> </ul>

			practices and protect their heritage.
<b>III. Climate related risks</b>			
Increased vulnerability to climate change	The project's focus on climate adaptation helps reduce vulnerability, but poor execution of the project could inadvertently increase the vulnerability of certain communities to climate risks such as floods, droughts, or extreme weather events.	<i>Moderate</i>	<ul style="list-style-type: none"> <li>➤ Incorporate climate risk assessments into all components of the project, ensuring that infrastructure and agricultural practices are resilient to changing climatic conditions.</li> <li>➤ Ensure that all project activities, including water management and land-use planning, are climate-smart, reducing the exposure of vulnerable communities to climate risks.</li> </ul>

### Conclusion

The project identifies several environmental and social risks that are relevant to its objectives. These include potential impacts on ecosystems, water resources, biodiversity, and the livelihoods of vulnerable populations, as well as gender inequalities and cultural heritage risks. Through the use of Environmental and Social Impact Assessments (ESIA), stakeholder consultations, and the implementation of mitigation strategies, these risks will be effectively managed in compliance with national regulations and the Environmental and Social Policy (ESP) of the Adaptation Fund.

### **C. Describe or provide an analysis of the cost-effectiveness of the proposed project/programme.**

The chosen bottom-up approach of the Armenia National Adaptation Funding Facility, complemented by other strategic considerations, forms the core of our project's methodology, ensuring that it is the most logical and cost-effective solution for addressing the identified climate risks and impacts. The following factors further justify the approach:

- **Project scale and scope:** The project's scale and scope are meticulously planned to enhance cost-effectiveness. By focusing on the most critical vulnerabilities within the regions, the project avoids the pitfalls of larger, more generalized initiatives. This targeted approach ensures that the budget is used efficiently, delivering high-impact results where they are most needed. A well-sized project, addressing key issues, offers a more sustainable and impactful solution compared to broader, less focused efforts.
- **Integrated and cross-sectoral approach:** Adopting an integrated approach that spans across different sectors adds to the cost-effectiveness of the project. By tackling multiple climate adaptation challenges concurrently and finding synergies between various sectors, the project maximizes resource utilization. This holistic approach not only ensures a comprehensive response to climate risks but also enhances the overall impact of the project, making it more sustainable in the long run.
- **Innovation and technology:** The integration of innovative practices and technologies plays a vital role in enhancing the project's cost-effectiveness. The use of climate-resilient and sustainable technologies, for instance, can significantly reduce maintenance costs over time and amplify the project's impact. These technologies and practices represent an investment in future-proofing the regions against climate risks, ensuring that the project's benefits extend well into the future.

Comparing this with a top-down approach, it becomes evident that the bottom-up strategy, with its focus on local involvement, specific vulnerabilities, and integrated solutions, is more cost-effective. A top-down approach, even when inclusive of stakeholder participation, often lacks the granular understanding of local needs and may result in less effective and cost-efficient outcomes. In contrast, the bottom-up approach, complemented by a well-defined project scale, an integrated methodology, and the use of innovative technologies, ensures that the project is both economically viable and sustainable.

And finally, the engagement of the private sector for co-financing is a pivotal aspect of our project's strategy, enhancing its overall impact and sustainability. The involvement of private entities not only diversifies the funding base but also brings in valuable expertise, innovation, and efficiency in project implementation. By collaborating with the private sector, the project can leverage additional resources, both financial and technical, which are crucial for scaling up the adaptation efforts and ensuring their long-term viability. This partnership approach aligns with modern sustainable development practices, where public-private collaborations play a key role in achieving comprehensive and enduring climate adaptation outcomes. The private sector's contribution, therefore, is not just a financial boost but an integral part of the project's framework, driving it towards greater success and sustainability.

The proposed project is designed to maximize cost-effectiveness by targeting climate adaptation efforts in a strategic, long-term manner. The project will conduct detailed vulnerability assessments in 10 regions, rather than relying on outdated data, to ensure that investments are directed at areas with the most pressing climate risks. By proactively identifying high-risk regions, this approach prevents future costs related to climate impacts, with estimates suggesting that every \$1 spent on vulnerability assessments could save around \$4 in rehabilitation expenses. This proactive strategy ensures that adaptation measures are more efficient, reducing the need for emergency interventions.

Moreover, updated regional policy frameworks tailored to the specific vulnerabilities of each region will promote sustainable economic growth and resilience. These policies will enable better resource allocation and prioritization, helping to prevent duplicated efforts and wasted investments. By focusing on climate-smart infrastructure and sustainable development, the project ensures that the economic benefits of increased resilience are realized in the long term.

The capacity-building component of the project, involving workshops and mentorship programs, further enhances cost-effectiveness. Rather than relying solely on passive tools like manuals, these interactive sessions provide hands-on experience and allow stakeholders to ask questions and address real-time challenges. This approach minimizes the risk of failed implementations, saving time and resources while empowering officials and stakeholders to make informed decisions that enhance climate resilience.

Lastly, the project will finance at least 50 climate adaptation projects, ensuring broad geographic and sectoral reach. By supporting smaller, region-specific projects, the initiative fosters strong local engagement and ownership, which is critical for long-term sustainability. Engaging local stakeholders in the identification and design of these projects ensures that interventions are well-aligned with community needs. Additionally, partnering with the private sector on at least 20 of these projects spreads financial risk and leverages additional funding, making the overall investment more resilient and impactful. This diverse portfolio of smaller projects allows for flexibility, scalability, and the testing of innovative approaches, all of which contribute to the cost-effective success of the project.

### **Benefits from proposed interventions, alternatives and reasons for not adopting**

Output	Alternative measure	Reason for not adopting	Cost effectiveness rationale	Benefits from proposed intervention
<b>Output 1.1</b> - Detailed vulnerability assessments of 10 regions are carried out	Use needs assessments provided in the existing regional development strategies for 2017-2025	<p>The regional development strategies were developed in 2017 and never updated. Which means climate related risks and challenges related to vulnerability are not up to date</p> <p>Those strategies do not reflect the current climate, socio-economic, and environmental challenges facing these regions.</p> <p>The existing regional strategies were likely focused on broader socio-economic development and may not have placed a strong emphasis on climate change vulnerability.</p> <p>They might lack detailed data on exposure, sensitivity, and adaptive capacity related to climate impacts, which are critical for developing targeted interventions</p>	<p>Minimize future costs for climate impacts by identifying the regions, sectors and communities more at risk. Every 1 USD spent for this activity serves around 4 USD for rehabilitation from damages.</p> <p>Relying on older, less specific data may result in investments that do not adequately address current vulnerabilities.</p> <p>Conducting new assessments ensures that investments are made in areas with the most pressing climate risks, improving the efficiency and cost-effectiveness of interventions.</p> <p>Detailed assessments allow for the identification of multiple co-benefits (e.g., improved agricultural productivity, enhanced water resource management) that can be integrated into the current project, increasing the return on investment.</p>	<p>Early identification of potential risky areas, sectors</p> <p>Opportunity to develop targeted and efficient adaptation strategies</p> <p>Implementation of proactive adaptation measures to prevent or reduce future damages</p> <p>Improve community resilience, particularly for vulnerable populations</p> <p>Opportunity to create evidence-based climate policies</p> <p>Conducting new vulnerability assessments will provide up-to-date, accurate data on climate-related risks, enabling stakeholders to make informed decisions on adaptation measures.</p> <p>Having a clear understanding of vulnerabilities, the intervention will support sustainable, long-term adaptation planning, reducing the need for emergency responses and costly disaster recovery efforts in the future</p>

Output	Alternative measure	Reason for not adopting	Cost effectiveness rationale	Benefits from proposed intervention
<b>Output 1.2</b> Regional policy frameworks for 10 regions are formulated	Reliance on existing regional policy framework	<p>The regional policy framework is based in the regional development strategies adopted in 2017 which does not address current climate related risks and challenges</p> <p>Existing regional policy frameworks are insufficient for addressing current and emerging challenges. The dynamic nature of climate change, technological advancements, and regional development needs requires policy frameworks that reflect up-to-date information.</p>	<p>Formulating regional policies can help reduce post-disaster recovery costs by providing a structured approach to addressing climate risks.</p> <p>Clear regional policies allow for more efficient resource allocation, reducing the likelihood of duplicated efforts or wasted investments (around 10-15% savings on regional infrastructure investments)</p> <p>Potential boost of economic productivity (up to 5-10%) due to increased resilience and stability achieved by implementation of climate-smart policies</p>	<p>Proactively management of risks (flooding, drought, and extreme weather) and reduction of future damages to infrastructure and livelihood</p> <p>Stable economic growth by fostering climate-resilient infrastructure and promoting sustainable business practices.</p> <p>Efficient use of public and private resources by prioritizing investments in climate-smart infrastructure and sustainable development projects</p>
<b>Output 1.3</b> 50 workshops, training and follow up mentorship sessions are organized to build the capacity of 500 regional and municipal officials and stakeholders	An alternative is development and dissemination of manuals and guidelines	<p>Regional and municipal officers and stakeholders don't have opportunities to ask questions and clarify important issues</p> <p>Preparation and dissemination of guidelines and manuals require more time and resources and there is no guarantee that the stakeholders will open and read those documents</p>	<p>Relatively low initial investment with long-term return potential: without proper training, there is a higher risk of policy implementation failures, leading to wasted resources, inefficiencies, and unachieved policy goals.</p> <p>trained officials are more capable of making informed decisions, leading to better resource</p>	<p>A pool of knowledgeable officers, capable of responding to future climate challenges.</p> <p>Long-term cost savings by reducing the need for emergency responses and disaster recovery efforts</p> <p>Improved delivery of essential public services, such as disaster preparedness and infrastructure management.</p> <p>Increased awareness on climate risks and</p>

Output	Alternative measure	Reason for not adopting	Cost effectiveness rationale	Benefits from proposed intervention
		Manuals and guidelines, while useful, are often passive tools that do not provide the level of engagement, interaction, and hands-on experience that workshops and training sessions offer. Without direct training and mentorship, stakeholders may struggle to apply the knowledge in practice or fully understand the nuances of implementation.	allocation Mentorship reduces the need for retraining or reworking failed projects, saving regions both time and money.  During training sessions, participants can receive immediate feedback on their questions or challenges, leading to quicker problem-solving and more efficient application of learned concepts, reducing the need for costly troubleshooting later on.	adaptation solutions, leading to involvement of communities in decision-making processes and climate resilience actions.
<b>Output 1.4</b> 10 regional climate adaptation committees are established and operational	Policy delivery without involvement of key partners and stakeholders (NGOs, private sector, etc.)	Involvement of wide range stakeholders ensuring experience sharing and effective collaboration between public and private sectors  Government entities alone may lack the necessary expertise, insights, and resources to develop and implement comprehensive climate adaptation strategies.  Involving NGOs and private sector partners brings additional knowledge, technical skills, funding opportunities, and	Well-coordinated policies can prevent climate-related damages and avoid substantial economic losses A coordinated approach reduces duplication of efforts between regional, municipal, and local stakeholders, ensuring that resources are allocated efficiently, and projects complement one another. Such committees allow for the rapid identification of climate risks and ensure faster	Reduced losses from climate impacts through better coordination and risk management Better coordination among various stakeholders, leading to more effective climate adaptation efforts Knowledge sharing and capacity building platform among stakeholders, encouraging sharing of best practices and innovative solutions. Improved monitoring, evaluation and accountability of adaptation policies and strategies

Output	Alternative measure	Reason for not adopting	Cost effectiveness rationale	Benefits from proposed intervention
		innovation into the process, which can significantly improve the quality and effectiveness of the adaptation efforts.	responses, reducing the cost of recovery by up to 30%	
<b>Output 2.1</b> 10 regional stakeholder mapping exercise is conducted to identify and engage 100 relevant actors	Stakeholders are engaged on a case-by-case basis or through existing networks without conducting a formal stakeholder mapping exercise or based on open call	<p>Risk of not effectively reaching all relevant stakeholders</p> <p>There is a risk to exclude important actors who may not be as visible or well-connected.</p> <p>Some key actors, such as local grassroots organizations, marginalized communities, or smaller private sector entities, might be overlooked, leading to incomplete engagement.</p>	<p>Lead to more effective partnerships and collaboration, potentially saving 20-30% in future engagement costs.</p> <p>Reduction of wasted time and resources in reaching out to less relevant stakeholders.</p>	<p>Tailored communication strategies for different stakeholders based on their interests, motivations, and potential contributions.</p> <p>All relevant and important stakeholders, including local communities, NGOs, private sector entities, and government agencies, are identified and engaged. This leads to more inclusive and balanced decision-making</p>
<b>Output 2.2</b> Needs assessment of stakeholder groups is carried out	Decisions are made based on general assumptions about stakeholder needs or by using previous studies and reports.	<p>Needs assessment is important to identify knowledge and skills related gaps for developing relevant capacity building action on climate adaptation</p> <p>General assumptions or previous studies may not reflect the current needs of stakeholder groups, particularly in the context of changing circumstances such as climate impacts, policy shifts, or technological advancements.</p>	<p>Targeted allocation of resources based on identified specific gaps in knowledge, skills and resources allows to reduce overall support costs by 20-30%</p> <p>Reduces the risk of investing in irrelevant or ineffective initiatives, maximizing the impact of available resources.</p>	<p>Enables to design of customized training programs leading to better knowledge usage</p> <p>Gives stakeholders an opportunity to voice their opinions and concerns, fostering a sense of ownership over the process.</p> <p>Supports in development of more effective climate adaptation policies.</p> <p>Strengthens trust and collaboration between the project team and stakeholders, leading to</p>

Output	Alternative measure	Reason for not adopting	Cost effectiveness rationale	Benefits from proposed intervention
		General assumptions could lead to ineffective or misaligned interventions that do not address the real challenges faced by stakeholders.		more effective and sustainable outcomes.
<b>Output 2.3</b> 50 capacity-building programs, workshops, training and mentorship sessions are designed and implemented to enhance the capabilities of stakeholders	An alternative is development and dissemination of manuals and guidelines	Guidelines and manuals are not targeted on specific needs of stakeholders Stakeholders will not have an opportunity to ask questions and discuss topics for more comprehensive understanding Preparation and dissemination of guidelines and manuals require more time and resources and there is no guarantee that the stakeholders will read those documents	Tailored programs based on conducted needs assessment can improve training outcomes by 20-40% compared to generic approaches, minimizing time and resource wastage on irrelevant topics. By eliminating irrelevant content, the training time and costs can be reduced by approximately 10% Tailored capacity-building efforts in climate adaptation and project development can generate long-term benefits Peer learning can reduce the need for repeated formal training sessions by 10-20%	Better decision-making, planning, and execution of climate-related efforts Customized trainings based on needs of stakeholders leading to more sustainable, long-term improvements in climate resilience Opportunities to exchange best practices, share innovations, and learn from each other Better prepared stakeholders that will be able to engage in policy dialogue, design and implement climate resilience measures more effectively
<b>Output 2.4</b> Knowledge-sharing platform is established and operational	The project relies on existing communication channels, such as email lists, informal meetings, or social media groups	A knowledge-sharing platform brings together a wide range of data, tools, research, and best practices into one easily accessible location, eliminating the need for multiple disconnected	Instead of funding multiple regional and local information sharing events, it is more efficient to establish and maintain one central platform that reaches all	A platform provides users continuous and long-term access to relevant materials (adaptation strategies, training materials, best practices, etc.), their updates and new content from one place

Output	Alternative measure	Reason for not adopting	Cost effectiveness rationale	Benefits from proposed intervention
		<p>information sources.</p> <p>Without a dedicated platform, stakeholders may receive a flood of emails, messages, or fragmented pieces of information from various sources, leading to information overload or confusion.</p> <p>The lack of a centralized system makes it difficult to filter and prioritize relevant knowledge.</p>	<p>stakeholders and brings together all necessary information and materials.</p> <p>With a platform climate change adaptation related materials are reachable to thousands of people without significantly increasing operating costs.</p> <p>Users of the platform will have saving of travel and logistics expenses, which can be reallocated to their economic development</p>	<p>Climate knowledge can be shared to a broad range of stakeholders</p> <p>Maintains institutional memory ensuring that climate adaptation efforts are not interrupted by staff turnover</p>
<p><b>Output 2.5</b></p> <p>50 networking events, fostering collaboration and exchange of best practices among stakeholders at the regional and municipal levels are organized</p>	<p>Communication through virtual platforms (e.g., email groups, webinars, or existing professional networks).</p>	<p>Networking events ensure consistent engagement keeping continuous collaboration.</p> <p>In-person events often facilitate hands-on learning and the exchange of practical, context-specific knowledge.</p> <p>Regular interactions strengthen relationship among stakeholders building trust and long-term cooperation</p> <p>Local stakeholders, who might not be able to travel to long distances, have an opportunity to receive knowledge from the first hand and discuss topics of their interest</p>	<p>Events in various locations saves travel costs, and accommodation and time lost for local stakeholders</p> <p>Smaller, regional events require less costs for venues and simpler logistical arrangements</p> <p>These events allow more diverse stakeholders, including those from remote or under-resourced areas, to participate without facing the financial or time burdens</p>	<p>Development of new partnerships among regional/local authorities, NGOs and businesses, leading to more coordinated climate adaptation efforts</p> <p>Shared successful strategies and lessons learned from previous initiatives can help to avoid common mistakes and replicate successes in regions.</p> <p>In-person events foster higher levels of engagement and commitment from participants compared to virtual alternatives.</p> <p>The events lay the</p>

Output	Alternative measure	Reason for not adopting	Cost effectiveness rationale	Benefits from proposed intervention
		during the events in their regions.		<p>groundwork for lasting networks of stakeholders who can continue to collaborate even after the project ends.</p> <p>This event can highlight and raise awareness about climate challenges and solutions at local and regional levels.</p>
<p><b>Output 3.1</b></p> <p>Minimum 100 climate adaptation projects in all targeted regions are identified, appraised and consulted with local/municipal stakeholders</p>	Decisions are based on expert opinions, existing data, or higher-level priorities, rather than actively engaging local stakeholders in project identification and appraisal.	<p>Without input from local and municipal stakeholders, projects may not fully address the specific needs, vulnerabilities, or priorities of the communities.</p> <p>Stakeholders who are not consulted during the project selection and appraisal phase may feel excluded from the process. This can result in a lack of ownership and commitment to the project, leading to challenges during implementation, delays, or even resistance from local communities or authorities.</p>	<p>The identified projects are more likely to align with the real needs and priorities of the targeted regions. This ensures that resources are invested in projects that will have the most significant impact, reducing the risk of wasted efforts on less relevant or ineffective initiatives.</p> <p>Consulting with local/municipal stakeholders prevents failure of projects due to lack of local input and ownership</p>	<p>Consulting with local and municipal stakeholders:</p> <ul style="list-style-type: none"> <li>ensures that the projects are tailored to the unique needs, conditions, and priorities of each region</li> <li>fosters a sense of local ownership.</li> </ul> <p>Appraisal ensures that only the most viable and impactful projects are selected for implementation.</p> <p>Engaging local authorities in the project identification and appraisal process builds their capacity for climate adaptation planning and implementation</p>
<p><b>Output 3.2</b></p> <p>Minimum 50 climate adaptation projects from all targeted regions are approved for funding (minimum 20 in</p>	A few large-scale projects are funded that cover broad areas or address overarching issues.	Large-scale projects often take a top-down approach and may not address the specific climate vulnerabilities, needs, and conditions of individual regions or communities.	By funding 50 smaller projects, resources are distributed across more regions, ensuring that climate adaptation measures reach more areas and	<p>More regions benefit from climate adaptation efforts.</p> <p>Smaller, region-specific projects foster greater local involvement, including</p>

Output	Alternative measure	Reason for not adopting	Cost effectiveness rationale	Benefits from proposed intervention
partnership with private sector)		<p>Small-scale, region-specific projects tend to have higher local stakeholder engagement, as they are more likely to involve local authorities, businesses, and community groups.</p> <p>Private sector companies, especially SMEs, are more likely to engage in smaller, localized projects that align with their business interests and capacity.</p>	<p>communities. This reduces the risk of certain regions being left behind and ensures a more equitable distribution of benefits.</p> <p>Approving many smaller projects spreads the financial risk across multiple initiatives.</p> <p>Smaller projects allow for more flexibility, as they can be scaled up or adjusted based on their initial success. This approach allows for lessons learned from one project to inform others, improving overall efficiency and effectiveness.</p>	<p>municipalities, community organizations, and local businesses.</p> <p>This engagement leads to stronger local ownership and a higher likelihood of long-term project success and sustainability.</p> <p>Multiple smaller projects allow for a diversity of approaches and solutions to be tested across different regions. This encourages innovation, leading to more resilient climate adaptation practices overall.</p>

**D. Describe how the project/programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national adaptation plan (NAP), national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.**

The proposed project is strategically designed to align with Armenia's national and sub-national sustainable development strategies. It is closely tied to the country's key frameworks, including the National Adaptation Plan (NAP), Sectoral Adaptation Plans (SAPs), and Marz (regional) Adaptation Plans (MAPs). This ensures a coherent and integrated approach to addressing climate change across various sectors and regions of Armenia, as detailed below:

**National Adaptation Plan (NAP)** - the project's alignment with the **National Adaptation Plan** and the associated **List of Measures for 2021-2025** (NAP) is central to its design. The NAP's overarching goal is to mitigate and manage the climate risks facing Armenia by tackling the adverse impacts of climate change, minimizing vulnerabilities, and preventing potential losses. The proposed project complements these objectives by establishing a dedicated financial mechanism to implement adaptation measures identified in the NAP.

By focusing on critical sectors such as agriculture, water resources, infrastructure, ecosystems, disaster risk reduction, renewable energy, education, and cultural heritage, the project addresses the NAP's key

priorities. Specific initiatives include promoting climate-resilient agricultural practices, enhancing water harvesting and storage capacity, incorporating climate resilience into infrastructure, and supporting renewable energy solutions. These interventions contribute to Armenia's long-term climate resilience, foster sustainable development, and help build adaptive capacity within the country, in direct alignment with the strategic goals outlined in the NAP.

**Sectoral Adaptation Plans (SAPs)** - the **Sectoral Adaptation Plans** serve as a framework for operationalizing climate adaptation in various sectors and regions of Armenia, outlining specific strategies to manage the unique challenges posed by climate change. The project aligns with the **Agricultural SAP** and **Water SAP** by addressing key adaptation measures that are essential for climate resilience in these sectors.

In the agricultural sector, the project supports climate-resilient crop cultivation, advanced irrigation techniques, and climate-smart livestock management. These initiatives will enhance food security and enable farmers to better manage the adverse effects of changing climatic conditions. In the water sector, the project focuses on water harvesting, storage solutions, and watershed management, which directly contribute to securing water resources during periods of scarcity and ensuring sustainable availability for both communities and ecosystems. Through these interventions, the project plays a critical role in supporting the implementation of the SAPs and strengthens the climate resilience of Armenia's key economic sectors.

**Marz (Regional) Adaptation Plans (MAPs)** - The project also aligns with the **Marz Adaptation Plans** (MAPs), which address the specific climate vulnerabilities and adaptation needs of Armenia's regions. In particular, the project supports the goals identified in the MAPs for the Tavush and Shirak regions, focusing on region-specific adaptation strategies to address the localized impacts of climate change.

By deploying financial resources and technical support, the project enables the implementation of adaptation measures identified in the MAPs, tailored to the unique socio-economic and environmental characteristics of each region. For instance, it strengthens community resilience through disaster preparedness initiatives and risk reduction measures, which are critical to reducing vulnerability in these regions. Additionally, the project promotes climate-responsible tourism practices, supporting the MAPs' objectives to protect cultural heritage and natural landscapes. By advancing sustainable tourism, the project not only safeguards cultural and environmental assets but also enhances the region's capacity to adapt to climate-related challenges.

**E. Describe how the project/programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.**

As part of the EPIU grant application form, applicants have to consider the relevant national technical standards and legal requirements (see also Appendix 1). Any projects funded under the EDA will comply with national standards, because this is a condition of grant financing.

The specific adaptation interventions (climate smart agriculture and sustainable land management for vulnerable communities) also comply with national standards. The following laws and Technical Standards are applicable to this project:

#### **General overview of compliance with Armenian national laws and standards**

The project is committed to meeting all relevant national technical standards in Armenia, with particular emphasis on environmental, social, and construction-related regulations. These standards ensure that the project operates within Armenia's legal framework and contributes to sustainable development goals. Additionally, the project complies with the **Environmental and Social Policy (ESP)** of the Adaptation

Fund, ensuring that environmental and social risks are thoroughly assessed, monitored, and mitigated throughout the project lifecycle.

Compliance with the following Armenian legal instruments will guide the project's execution:

1. **Law on Environmental Impact Assessment and Expertise** (HO-110-N, 2014): Governs the procedures for conducting environmental impact assessments (EIA) and public consultations for projects with potential environmental impacts.
2. **Urban Development Code** (2015): Provides the framework for construction and urban planning in Armenia, including building codes, safety regulations, and energy efficiency standards.
3. **Water Code of Armenia** (2002): Regulates the sustainable use of water resources, water rights, and permits for water extraction and use.
4. **Law on Specially Protected Areas** (2006): Defines the protection and management of Armenia's protected natural areas, ensuring conservation of biodiversity and ecosystem services.
5. **Law on Flora** (1999) and **Law on Fauna** (2000): Regulates activities affecting Armenia's biodiversity, ensuring sustainable use of natural resources and protection of ecosystems.
6. **Law on Waste** (2004): Governs waste management practices, including the disposal, recycling, and management of hazardous and non-hazardous waste.
7. **Law on Energy Efficiency and Renewable Energy** (2004): Sets standards for energy efficiency and encourages the development of renewable energy sources.

#### **Component-based compliance with national standards and the ESP**

##### **Component 1:** Policy delivery – policy decompression at the regional/municipal level

The first component focuses on ensuring that national climate adaptation policies are translated into actionable guidelines at the regional and municipal levels. This process requires compliance with environmental laws and technical standards relevant to policy development and implementation.

1. **Compliance with the Law on Environmental Impact Assessment and Expertise:** For any policies or programs that may result in significant environmental impacts at the regional or municipal level, the project will adhere to Armenia's EIA law (HO-110-N, 2014). This law mandates that detailed environmental impact assessments be conducted before policies are implemented, ensuring that potential risks are identified and mitigated.
  - **Public Consultation:** The law requires public consultations as part of the EIA process, ensuring that regional stakeholders, particularly vulnerable and marginalized communities, are actively involved in the policy development process. This aligns with the **ESP's requirement for participatory decision-making**.
  - **Categorization of Projects:** Depending on the potential environmental risks, projects may be categorized under different risk levels (as per Article 14 of the EIA Law). Policies with moderate or high risks will undergo a full EIA, while lower-risk initiatives may require a simpler environmental review.
2. **Urban Development Code Compliance:** Any infrastructure developments under this component, such as setting up regional climate adaptation committees or building adaptation infrastructure, will comply with the **Urban Development Code** (2015), ensuring that urban planning and construction meet the technical requirements for safety, resilience, and energy efficiency.

- **Seismic Safety Standards:** As Armenia is located in a seismic zone, all infrastructure will comply with **Armenian Seismic Construction Norms (ACN II-6.02-89)**, ensuring that new buildings can withstand earthquakes. This is especially critical for regional climate adaptation infrastructure that needs to be resilient to natural disasters.

**Component 2:** Capacitating Stakeholders – Mapping, Needs Assessment, and Capacity Building of Key Actors

This component focuses on building the capacity of key stakeholders to implement climate adaptation policies, which involves a range of legal and technical requirements related to education, public participation, and environmental stewardship.

1. **Stakeholder Participation Under the EIA Law:** In alignment with Article 11 of Armenia's **Law on EIA**, stakeholder participation is mandatory in the decision-making process for any activities that may impact the environment. This component will ensure that all capacity-building efforts, including workshops and training programs, incorporate stakeholder feedback and participation in line with national regulations.
2. **Compliance with the Law on Waste:** The project's capacity-building activities related to sustainable resource management, including waste reduction and recycling, will adhere to the **Law on Waste (2004)**. Any technical training provided to local stakeholders will include proper waste management practices, particularly in rural areas where waste disposal infrastructure may be underdeveloped.
  - **Training on Hazardous Waste Management:** Specialized training will be provided for handling hazardous waste, ensuring compliance with Articles 8 and 9 of the Waste Law, which govern the proper storage, transportation, and disposal of hazardous materials. This will ensure that stakeholders are equipped to manage waste responsibly in alignment with the project's environmental goals.
3. **Water Resource Management Compliance:** Training and capacity-building related to water resource management will follow Armenia's **Water Code (2002)**. This includes ensuring that water use for climate adaptation activities, such as irrigation systems, adheres to national water rights and permits. Stakeholders will be trained in water-saving techniques and sustainable water use, ensuring that local water resources are protected.
  - **Water Use Permits:** Any use of water resources for adaptation projects will require permits issued by the **Ministry of Environment**, as outlined in Article 45 of the Water Code. These permits regulate water extraction to prevent overuse and ensure that local ecosystems are not harmed by excessive water consumption.

**Component 3:** Channeling adaptation finance – Identification, appraisal and financing of viable projects

This component involves the identification and financing of climate adaptation projects at the regional and municipal levels, ensuring that these projects meet national technical standards and contribute to Armenia's environmental goals.

1. **Environmental and Social Impact Assessments (ESIA):** Each project identified for financing will undergo an **Environmental and Social Impact Assessment (ESIA)** in accordance with the **Law on Environmental Impact Assessment and Expertise**. The ESIA process will assess the potential environmental and social impacts of proposed projects, including their effect on biodiversity, water resources, and local communities.
  - **Mitigation Measures:** Based on the findings of the ESIA, projects will include specific mitigation measures to minimize any negative impacts, in compliance with Articles 21-23 of the EIA Law. These

measures will be incorporated into the project's **Environmental and Social Management Plan (ESMP)**, ensuring long-term environmental sustainability.

2. **Biodiversity Conservation Compliance:** Projects that impact natural ecosystems, such as reforestation or watershed management, will adhere to Armenia's **Law on Flora (1999)** and **Law on Fauna (2000)**. These laws regulate activities that affect Armenia's biodiversity, ensuring that ecosystems are conserved, and any interventions do not harm protected species or habitats.
  - **Specially Protected Areas:** Projects near or within Armenia's **Specially Protected Natural Areas (SPNA)** must comply with the **Law on Specially Protected Areas (2006)**. This requires additional environmental assessments and permits to ensure that biodiversity is not compromised by project activities.
3. **Energy Efficiency and Renewable Energy Compliance:** Climate adaptation projects that promote renewable energy (e.g., solar or wind energy) will comply with Armenia's **Law on Energy Efficiency and Renewable Energy (2004)**. This law promotes the development of renewable energy sources and sets standards for energy-efficient technologies.
  - **Energy Efficiency Standards:** All energy infrastructure funded through the project will meet the national standards for energy efficiency, as outlined in Articles 9 and 10 of the law. This ensures that renewable energy systems contribute to both climate resilience and the reduction of greenhouse gas emissions.
4. **Compliance with the Law on Waste:** For any projects involving infrastructure development or agricultural activities, the project will ensure compliance with the **Law on Waste (2004)**. Waste generated by construction or agricultural production will be managed according to national standards for safe disposal and recycling, particularly in rural or underserved areas.

**F. Describe if there is duplication of project/programme with other funding sources, if any.**

During the planning stage of this project several ongoing programs and projects have been identified implementing climate adaptation-related activities. During the project implementation the team will regularly communicate with relevant stakeholders and partners to identify any potential overlaps, avoid duplications and ensure complementarity of efforts. Below is a preliminary list of programs and projects which will be further reviewed to ensure coordination and avoid duplication.

The Sustainable and Inclusive Growth in Mountainous Armenia (SIGMA)	<p>Funded by the Swiss Agency for Development and Cooperation (SDC), this project aims to alleviate poverty and inequality in Armenia's mountainous regions of Shirak, Lori, Tavush, and Gegharkunik. Implemented by DAI Global UK and its Armenian branch, in partnership with AMPERA Consulting Company, the project employs a Market System Development (MSD) approach to foster linkages between farmers, small rural businesses, and private companies, known as "catalysts of rural growth."</p> <p>Within this framework, the project collaborates with these catalysts to co-invest in cross-cutting systems within the agriculture and tourism sectors. These systems in the agriculture sector include irrigation, agro-machinery, aggregation and processing, crop seeds and seedlings, beekeeping support services, and agri-technologies. To ensure inclusivity, the project prioritizes the active involvement of women, people with disabilities, and ethnic minorities.</p>
Modernizing Vocational Education and Training in	MAVETA aims at exploring innovative ways to shift work-based learning from a niche to the mainstream. Funded by the SDC, this EUR 1.8 million

Agriculture in Armenia (MAVETA)	<p>initiative aims to enhance the knowledge and skills of male and female professionals, in agriculture and related fields, fostering sustainable, climate-friendly growth, increasing incomes, and promoting self-employment opportunities for rural workers. To achieve these goals, MAVETA focuses on two key areas:</p> <p>developing a dual agricultural vocational education and training (VET) system in Syunik, Lori, Tavush, Armavir, and Yerevan. This involves creating need-based curricula, transforming VET institutions into local knowledge hubs, engaging private companies, and empowering women and vulnerable individuals to participate in A-VET courses.</p> <p>improve the legal and regulatory framework by revising laws, fostering stakeholder collaboration, and enhancing the capacities of the private sector and public actors.</p>
Promoting Green Deal Readiness in the Eastern Partnership Countries (PROGRESS)	<p>Funded by the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety, and Consumer Protection and implemented by a GIZ-led consortium, this 4.5-year project supports Eastern Partnership countries in their transition to climate-oriented, resilient, and green economic development.</p> <p>It aims to transform selected agricultural and related industrial food value chains by promoting innovative technologies, tools, and methodologies that enhance sustainability, climate resilience, and long-term greenhouse gas (GHG) mitigation. The project also seeks to improve enabling framework conditions.</p> <p>Two value chains in Armenia have been selected for further interventions within the project's scope.</p>
Land Restoration and Ecosystem Service Improvement through Use of Fruit and Nut Tree Biodiversity in Armenia	<p>Funded by the World Bank and co-financed by the GEF and implemented by "Hayantar" SNCO and REC Caucasus Armenia, this three-year project aims to address landscape degradation and promote ecosystem restoration in Armenia through improved national strategies and policies. The project will focus on enhancing the use of local agrobiodiversity in land and ecosystem restoration, demonstrating and scaling up effective restoration practices, and marketing ecosystem services produced through restored lands.</p> <p>Implementation will occur in pilot areas of Lori, Tavush, Syunik, Shirak, Vayots Dzor, Gegharkunik regions and Yerevan city. A study will be conducted to identify potential restoration directions for degraded lands and ecosystems in urban and peri-urban areas, focusing on indigenous fruit and nut tree species.</p> <p>The projects approach involves strengthening the enabling environment through national strategies and policies, while also promoting behavioral changes through training for policymakers, smallholders, and local communities in sustainable conservation and utilization of fruit and nut tree resources.</p>
Conservation and Sustainable Management of Land Resources and High Value Ecosystems in Lake Sevan Basin for Multiple Benefits	<p>This UNDP/GEF funded project aims to promote land degradation neutrality and restore and improve the use of land and water resources in the Lake Sevan basin, particularly in Gegharkunik and Vayots Dzor regions.</p> <p>The project plans to restore 5,800 hectares of forest and promote biodiversity-friendly, land degradation neutrality-compatible sustainable</p>

	land management practices in the Lake Sevan production landscapes. Additionally, the project will identify and promote innovative financing and incentive mechanisms for integrated landscape management aligned with land degradation neutrality.
Armenia Integrated Resilient Landscape Improvement Project (AIR LIP)	<p>Funded by the GEF and SIDA and co-funded by the Government of Armenia this project aims to strengthen community engagement and improve the management of forests, pastures, wetlands, and protected areas in selected regions of Armenia. The project is implemented by EPIU SNCO and has the following three main components:</p> <p>Institutional capacity development and community engagement: The project will finance analysis and revisions of existing policy, legal, frameworks for forests, pastures, and protected areas to help align these with national and international obligations including NDC commitments. Under this component the project will finance a range of important and necessary capacity-building activities (including on-the-job training) for operational and technical staff, including community representatives on landscape management, forest conservation, and pasture management, etc.</p> <p>landscape restoration, conservation, and management through the restoration of degraded areas. The forest restoration and management improvement sub-component will be implemented in Vanadzor, Stepanavan, and Kapan forestry enterprises and Margahovit, Gyulagarak, Caucasian Rose-Bay, Zangezur and Khustup sanctuaries. The main target areas for the sub-component directed to restoration and integrated pasture management are meadows above and around the forests of Vanadzor and Stepanavan forestry and Margahovit, Gyulagarak, and Caucasian Rose-Bay sanctuaries. For conservation of biodiversity, project will support in establishment of the model Protected Landscape on wetland-dominated community lands (candidate Emerald Site “Araks Valley”, which unites both sites: Khor Virap and Armash wetlands), and in improvement of management of existing protected areas.</p> <p>the third component of the project - community forestry management, livelihood, and ecotourism development – will support forest-based livelihoods through agroforestry, non-timber forest products (collection and processing of wild fruits, flowers, berries, edible mushrooms, honey), value chain development, and ecotourism around protected areas.</p> <p>The project has forth component, which relates to project management and monitoring activities.</p>
Decarbonization and Climate Resilience in the Eastern Partnership (EU4ClimateResilience)	<p>This multi-donor four-year action supports the green transition, enhances decarbonization, boosts energy security, and increases climate resilience in the Eastern Partnership countries, including Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. It is co-financed by the European Union and the Federal Ministry for the Environment, Nuclear Safety, and Consumer Protection, and is implemented by GIZ and OECD.</p> <p>The project aims to improve the capacity of participating countries to measure and reduce national emissions, increase adaptation to the impacts of climate change, and demonstrate the benefits of adaptation through the financing of several demonstration projects.</p>
USAID Economic Foundations for a Resilient Armenia Activity	This five-year (2023-2028), \$24.5 million budget activity focusing on delivering technical assistance to the government and supporting the private sector and associations in the key areas of agriculture, tourism and high-tech industries. The primary objective of the program is to strengthen Armenia's

	<p>economic resilience and promote competitiveness and economic governance.</p> <p>The program aims to improve Armenia's economic resilience by enhancing its economic stewardship, particularly in the tourism, high-tech, and agriculture sectors. Through institutional and human capacity development, legal framework improvements, and increased export competitiveness, the project seeks to drive economic growth, create jobs, and improve living standards. By collaborating with industry associations and businesses, the program aims to increase sales, access high-value markets, and promote sector competitiveness. Additionally, it focuses on mobilizing investment, building financial networks, and assisting Armenia in navigating economic fluctuations.</p>
Innovative Agriculture Training and Learning Camp – Agri Camp	<p>Funded by USAID and implemented by International Center for Agribusiness Research and Education (ICARE), this six-year program aims to promote innovative agriculture in Armenia by enhancing regional agricultural cooperatives, farmers, and SMEs, fostering market growth, and establishing new connections with international distributors for increasing export volumes.</p> <p>Key strategies include improving professional knowledge and skills of ANAU students and staff, strengthening agricultural cooperation and business development, as well as designing, piloting, and testing agricultural data and mapping systems.</p> <p>To promote innovative approaches, the program will provide modern knowledge and skills in areas like IT solutions, sustainable and smart agriculture (circular economy, green agriculture, intensive agriculture), and other technologies necessary for meeting market demand and achieving sector competitiveness.</p>
Irrigated agriculture development in Ararat and Armavir marzes (IADAAM)	<p>The main aim of the project financed by the Agence Française de Développement through the European Union (implementation period 2024-2026) is to support the Government of Armenia in policy matters linked with development of modernized irrigated agriculture. The project plans to provide technical assistance to modernize the irrigation sector in Ararat and Armavir regions. Beyond supporting the Government of Armenia in improving agricultural policies and reforms, the project is also supporting the efforts directed to the adaptation to climate change and making agricultural production more resilient to the effects of changing weather events e.g. draught, heavy rains and hail.</p> <p>It is expected that will provide funds to farmers for pilot projects directed to modernization of irrigation systems. The investment support funds, planned to be established by the support of the project dedicated to ease farmers' individual and collective investment capacities (access to finance).</p>
USAID South Caucasus Regional Water Management (SCRWM) Program	<p>The goal of the goal 5-year program is to support effective regional cooperation and water management for the promotion of regional stability and resilience through advancing stakeholder engagement and effective regional cooperation in water management.</p> <p>Through grant projects the program seeks to catalyze grassroots and community-led initiatives, support capacity-building efforts, and promote inclusive approaches to address shared water security and water-related climate change challenges.</p>

	Creating a harmonized approach to transboundary water governance and introducing new technologies and approaches for rational water usage are key objectives of the program as well.
Recovery, resilience, development for Syunik (R2D SYUNIK)	<p>The 11mln project is implemented within the Resilient Syunik Team Europe initiative in cooperation with local governments and co-financed by the European Union and Austrian Development Cooperation. The main objective of the project is to enhance recovery and resilience of micro, small and medium enterprises and sustainable small-scale communal infrastructure in Syunik region of Armenia. One of the components of this five-year project (implemented by the Austrian Development Agency) is improve the availability of sustainable, green community infrastructures in the Syunik region.</p> <p>This component foresees identification and renovation of sustainable and green community infrastructures. This includes infrastructures that help improve the environmental conditions of communities and contribute to the protection or sustainable use of natural resources, with a focus on climate protection.</p>

To avoid duplication and ensure complementarity with existing projects, programs, and future initiatives, the project implementation team will adopt the following strategic approaches and steps:

- **Mapping:** Continuously monitor and identify ongoing and new projects or programs in the target areas, including initiatives from state and regional/local authorities, non-governmental organizations, international organizations, and other development partners. The team will actively seek opportunities for collaboration or complementarity rather than duplication.
- **Consultations:** The project implementation team will initiate consultations with relevant stakeholders, other projects, and potential partners to understand ongoing and planned initiatives and identify areas for collaboration. Existing networks and partnerships will be leveraged to strengthen collaboration and avoid duplication.
- **Coordination mechanisms:** EPIU will establish coordination mechanisms, such as regular meetings or platforms, where representatives from different projects can meet regularly, share information, update their plans and identify potential synergies.
- **Information sharing:** The project team will establish clear communication channels to ensure timely information sharing and coordination among stakeholders. This transparency will help to avoid unintentional duplication.
- **Joint planning:** Engage in joint planning sessions with other projects to develop a coherent and integrated approach to addressing common challenges. Encourage collaboration and knowledge-sharing among project teams to identify opportunities for joint activities or resource sharing.
- **Regular review and adjustment:** The project progress will be regularly monitored and compared with the goals of other initiatives. Strategies and implementation approaches will be adjusted as needed to avoid duplication and ensure complementarity.

**G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.**

The learning and knowledge management function of the proposed Project will be implemented to capture, analyze, and disseminate lessons learned throughout the implementation process. It will play a crucial role in promoting a culture of continuous learning and improvement, ensuring that valuable insights gained during the Project's execution are shared widely and applied in future adaptation efforts.

The following key features define the learning and knowledge management:

- **Learning mechanisms:** the Project will establish robust mechanisms to capture lessons learned at various stages, including planning, implementation, and monitoring. These mechanisms will include regular workshops, stakeholder consultations, evaluations, and internal reviews. Learning will be encouraged not only from successes but also from challenges and setbacks, fostering a culture of openness and adaptability;
- **Knowledge repository:** a dedicated knowledge repository will be developed to compile all the collected data, reports, research findings, and best practices. This centralized database will serve as a comprehensive resource for project stakeholders, providing easy access to relevant information and experiences. It will be organized in a user-friendly manner, facilitating knowledge sharing and dissemination;
- **Knowledge exchange:** the Project will facilitate knowledge exchange platforms, bringing together stakeholders from various sectors, institutions, and communities. These platforms could take the form of workshops, conferences, webinars, or online forums. By providing a space for dialogue and collaboration, stakeholders can share their experiences, exchange ideas, and learn from each other's successes and challenges;
- **Capacity building:** the learning component will include targeted capacity-building activities to enhance the skills and knowledge of project stakeholders. Training sessions, workshops, and skill development programs will be conducted to strengthen the capacity of individuals and institutions involved in climate adaptation efforts;
- **Documentation and reporting:** regular documentation and reporting will be an integral part of the learning process. Project progress, achievements, and challenges will be thoroughly documented, along with the strategies and solutions adopted to overcome obstacles. These reports will be widely shared to facilitate learning among stakeholders and the broader climate adaptation community;
- **Continuous improvement:** the learning and knowledge management component will emphasize continuous improvement. Lessons learned will be systematically analyzed and used to update project strategies and activities, ensuring that the project remains responsive to changing conditions and emerging challenges;
- **Stages of knowledge gathering and dissemination:** knowledge will be systematically gathered at distinct stages of the project lifecycle: during initiation for baseline understanding, at planning stages for strategy alignment, throughout implementation for real-time learning, and at monitoring and evaluation phases for outcome assessment. Dissemination of this knowledge will be aligned with these stages, ensuring that learnings are shared at critical junctions for maximum relevance and impact.
- **Target recipients of knowledge dissemination:** the primary recipients of this disseminated knowledge will include project stakeholders, local and national government bodies, partner NGOs, community organizations, and relevant private sector entities. Furthermore, insights will also be shared with the broader climate adaptation community, including international bodies, to contribute to the global understanding of climate resilience strategies.
- **Tracking, analysis and feedback loop:** experiences and learnings gained through the project will be meticulously tracked using a combination of quantitative metrics and qualitative assessments. This data will be analyzed to extract actionable insights and lessons. These findings will then be integrated back into the project under the EDA framework, ensuring continual refinement of strategies and approaches. Additionally, a structured feedback mechanism will be established to disseminate these

insights outwardly to external stakeholders, thereby facilitating broader application and informing future climate adaptation initiatives.

By implementing a robust learning and knowledge management function, the proposed Project will be able to maximize its impact and contribute significantly to the collective knowledge base on climate adaptation. The captured lessons and experiences will be disseminated widely to benefit other projects, programs, and initiatives in Armenia and beyond, fostering a culture of learning and resilience-building in the face of climate change.

Also, the current Learning Project (funded by AF and aimed at spreading the knowledge and integrating key lessons learned into the learning curricula of National Agrarian University), an integral component of the project's framework, is poised to significantly enhance the knowledge management process. Designed to meticulously gather, analyze, and disseminate knowledge acquired during the implementation of the project, the Learning Project will serve as a pivotal mechanism for capturing valuable insights and lessons. Its role extends beyond mere data collection; it actively transforms project experiences into actionable knowledge, which will be systematically distributed to relevant stakeholders. This process ensures that the lessons learned are not only retained within the project but are also shared broadly, contributing to a wider understanding and application of successful climate adaptation strategies. The Learning Project, therefore, stands as a cornerstone in building a comprehensive knowledge base, fostering continuous learning and improvement, and amplifying the overall impact of the project through informed decision-making and adaptive management practices.

**H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.**

#### **Stakeholders' engagement**

During July 27 - August 1, 2023, the experts responsible for the design of Concept Note along with representatives of EPIU visited the pre-identified communities in 6 regions of Armenia and conducted focus group discussions with the engagement of local residents, community leaders, and representatives of local organizations which were organized to obtain insights from various stakeholder groups. These discussions provided a platform for stakeholders to express their views, concerns, and suggestions regarding the project. Separate discussion was conducted for different stakeholder segments, including marginalized and vulnerable communities, to ensure that their unique perspectives were captured.

The second round of consultations to ensure the project design reflected the needs and priorities of local communities across Armenia's regions has been carried out from August 6 to August 27, 2024. The consultations took place through focus group discussions, meetings with local officials, and a dedicated workshop. Initially, experts from the consulting team, in collaboration with the Environmental Project Implementation Unit (EPIU), visited the target regions. Initial meetings with local officials helped to introduce the project and collect early feedback.

Later, on September 06, 2024, a national consultation workshop was held with representatives from the Ministry of Environment, all 10 regional governments, local governments and CSOs, focusing on identifying potential risks, challenges, and specific considerations related to vulnerable groups and sustainability. Summarized key takeaways from the second round of consultations are provided in the Annex IV (Report on Stakeholder Consultations).

Consultation venues were selected to be easily accessible to all, including individuals with disabilities. Information was presented in formats and languages understandable to various groups, taking into account literacy levels and language preferences. Efforts were made to ensure representation of

marginalized and vulnerable groups in consultation processes. Invitations were extended through community organizations, NGOs, and networks that work closely with these groups. Multiple channels, including anonymous options, were provided for stakeholders to share their feedback and concerns, allowing individuals who might be hesitant to speak in public forums to express their views.

The consultation process was initiated at the earliest stages of project development to ensure the inclusion of diverse stakeholder perspectives, especially those from vulnerable groups such as women, indigenous peoples, and marginalized communities. It followed a **free, prior and informed consultation** approach, enabling all stakeholders to meaningfully participate in decision-making and contribute to the project design.

#### *Key stakeholders consulted*

The consultation process involved a wide array of stakeholders, each selected for their relevance to climate adaptation efforts:

- **Local communities:** communities living in climate-vulnerable areas, including drought-affected agricultural regions, forest-dependent populations, and rural areas reliant on water resources, were central to the consultations.
- **Women's groups:** women's cooperatives, gender-focused NGOs, and advocacy organizations were consulted to ensure that gender perspectives were integrated into every stage of the project.
- **Indigenous communities:** special consultations were conducted with indigenous groups where present, addressing their cultural and environmental concerns.
- **Local government authorities:** local government bodies, municipal councils, and community leaders were engaged to understand the administrative and infrastructural challenges facing vulnerable communities.
- **NGOs and civil society:** environmental and social NGOs provided technical inputs on climate resilience, conservation, and social equity.
- **Private sector:** businesses and entrepreneurs in sectors such as agriculture, renewable energy, and water management participated to discuss how the project could support sustainable economic development.

#### *Engagement with vulnerable groups*

The project placed a strong emphasis on **inclusivity and equity**, ensuring the engagement of vulnerable groups through specific measures:

- **Gender-sensitive consultations:** special efforts were made to include women, with meetings scheduled at times convenient for them and female facilitators where necessary. Concerns such as women's access to resources, their role in climate resilience, and their vulnerabilities were prioritized.
- **Inclusion of marginalized communities:** in areas with indigenous or marginalized populations, consultations were held in local languages using culturally appropriate methods. **Free, prior and informed consent (FPIC)** was obtained for any project activities that might affect their lands or resources.

#### *Tools and methods for consultation*

To ensure comprehensive stakeholder participation, a range of methods were employed:

- **Community workshops:** participatory workshops were held in different regions, providing a platform for local communities to share concerns and suggestions. These interactive sessions encouraged open dialogue on the project's potential environmental and social impacts.
- **Focus group discussions (FGDs):** separate FGDs were organized for specific groups such as women, youth, farmers, and indigenous populations, offering a focused space for detailed input on their unique challenges.
- **Surveys and questionnaires:** surveys were distributed to gather specific feedback on project components, including water management, agriculture, and renewable energy.
- **Public hearings:** public hearings were held at the local level, allowing all interested stakeholders, including civil society, to voice their opinions in a formal setting.

#### *Key inputs from the consultations*

The consultations yielded critical insights, shaping the project's focus areas:

- **Gender-specific concerns:** women highlighted the need for improved water access, particularly for household and agricultural use. They emphasized the importance of gender-responsive agricultural practices, such as irrigation systems that reduce their workload.
- **Climate vulnerability of marginalized communities:** indigenous and rural communities stressed the need for protecting natural resources like forests and rivers, which are essential for their livelihoods. They also called for climate-resilient infrastructure to mitigate extreme weather impacts.
- **Economic and livelihood needs:** vulnerable communities emphasized the need for income-generating activities that align with climate resilience strategies, such as eco-tourism, sustainable agriculture, and renewable energy.
- **Environmental concerns:** NGOs raised concerns about infrastructure development in ecologically sensitive areas, leading to the integration of environmental safeguards in the project.

#### *Integration of feedback into project design*

The feedback received through consultations was systematically analyzed and incorporated into the project design in several ways:

- **Gender action plans:** the project developed gender action plans to ensure that women benefit equitably from project activities, including access to employment, leadership roles, and training in climate-resilient practices.
- **Environmental safeguards:** the project strengthened its environmental safeguards based on NGO feedback, incorporating ecosystem-based adaptation strategies to protect biodiversity and ecosystems.
- **Livelihood support programs:** economic concerns from vulnerable communities shaped the creation of livelihood support programs, focused on sustainable agriculture, water conservation, and renewable energy initiatives.

#### *Stakeholder engagement and grievance mechanism*

The project also integrates a stakeholder engagement framework and a **grievance mechanism** to ensure transparency and responsiveness throughout implementation:

- **Identification of stakeholders:** the project engaged national agencies and pre-identified communities most affected by climate vulnerabilities, chosen based on detailed geographic, environmental, and socio-economic analyses.

- **Inclusive consultation methods:** consultations employed various inclusive methods, including community meetings, focus group discussions, and interviews, ensuring that vulnerable and marginalized groups were actively involved.
- **Incorporating vulnerable groups' feedback:** the project gave special attention to the feedback from vulnerable and marginalized groups, ensuring that their input directly influenced project design.
- **Project design adjustments:** specific interventions were tailored to address the challenges faced by these groups, such as improved access to resources and capacity-building initiatives. The project design was refined based on ongoing consultation inputs.
- **Feedback loop and transparency:** a feedback loop was established to ensure that stakeholders were informed about how their contributions were incorporated into the project. This transparent process was critical in building trust and ensuring that the project remained responsive to community needs.

#### *Continuous consultation and future engagement*

While extensive consultations have already been carried out with key stakeholders - including national agencies, regional and municipal authorities, civil society, academia, and vulnerable communities - these initial discussions will be followed by more rigorous consultations during the full proposal design stage. This iterative and inclusive approach will ensure that the project remains aligned with the needs and priorities of the communities it aims to benefit, ensuring the best possible outcomes for climate resilience and adaptation.

## I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

The proposed project seeks financing of **\$4.76 million** to establish the **National Adaptation Funding Facility** for Armenia, aimed at addressing the critical adaptation needs of vulnerable communities across sectors such as agriculture, water resources, disaster risk reduction, infrastructure, and biodiversity. The funding requested is based on the **full cost of adaptation**, which reflects the additional, incremental costs required to build climate resilience and mitigate the impacts of climate change beyond the baseline activities already supported by existing development frameworks.

### *Full cost of adaptation rationale*

Climate change imposes direct and indirect impacts on Armenia's key economic sectors, natural resources, and vulnerable communities. These impacts disproportionately affect marginalized groups, including women, rural populations, and those relying on natural resources. The proposed project addresses **incremental adaptation costs**, which represent the additional investments necessary to safeguard these sectors and populations from worsening climate risks.

The full cost of adaptation reasoning, as endorsed by the Adaptation Fund, recognizes that adaptation interventions often require **additional resources** over and above traditional development initiatives. These costs are incurred due to the need to protect livelihoods, ecosystems, and infrastructure from increasing climate variability and extreme events. The project does not replace baseline development activities but rather ensures they are adapted to withstand projected climate impacts.

### *Alignment with Adaptation Fund guidelines*

The Adaptation Fund's approach to the **full cost of adaptation** emphasizes that funding should be focused on meeting the specific adaptation needs of developing countries. In line with these guidelines, the requested funding is targeted at covering the essential costs of adaptation in Armenia, including:

- **Climate-resilient agriculture:** the incremental costs associated with shifting from traditional agricultural practices to climate-smart, resilient farming techniques, such as the adoption of drought-tolerant crop varieties and the introduction of advanced irrigation technologies. These costs exceed the typical development budget for agriculture but are essential to protect livelihoods in the face of climate change.
- **Water resources management:** the adaptation project includes additional measures for water harvesting, storage systems, and watershed management. These actions are critical in mitigating the increasing water scarcity driven by reduced precipitation and climate variability. The costs of building and maintaining climate-resilient water systems are higher than standard infrastructure projects but are vital to secure water availability for vulnerable populations and ecosystems.
- **Disaster risk reduction and infrastructure:** Armenia's infrastructure, particularly in urban and rural areas, is increasingly exposed to climate-related disasters such as floods, droughts, and landslides. The proposed funding will cover the adaptation-specific costs required to retrofit existing infrastructure, such as reinforcing public buildings, roads, and irrigation systems to withstand extreme weather events. These investments exceed the typical maintenance and development costs of infrastructure but are crucial for climate-proofing essential assets and protecting vulnerable communities.
- **Ecosystem-based adaptation:** protecting Armenia's ecosystems, such as forests, wetlands, and watersheds, requires incremental investment in ecosystem restoration and biodiversity conservation. These ecosystems are vital for natural disaster risk reduction and maintaining water

cycles, but adaptation-specific interventions—such as reforestation, wetland rehabilitation, and sustainable land management—are necessary to enhance resilience to climate stressors.

- **Capacity building and institutional strengthening:** the requested funding also includes resources for strengthening local and regional governance systems, ensuring that adaptation measures are effectively planned, implemented, and monitored. Capacity-building efforts are critical to enable regional and municipal authorities, NGOs, and community groups to manage climate risks and implement locally driven adaptation solutions. These costs are beyond standard governance frameworks and are specifically designed to enhance climate resilience.

#### *Costs Linked to Vulnerable Populations*

The requested funding is also focused on addressing the **unique vulnerabilities** faced by marginalized and disadvantaged groups, who often bear the brunt of climate impacts. These groups include women, indigenous populations, smallholder farmers, and rural communities who rely heavily on climate-sensitive resources. The full cost of adaptation for these populations involves:

- **Gender-responsive adaptation measures:** women's access to resources and participation in decision-making processes are crucial for building community resilience. The project includes gender-specific adaptation strategies, such as the development of gender-sensitive agricultural practices and increasing women's participation in climate-resilient livelihoods. These measures require additional investments to ensure that women benefit equitably from adaptation actions.
- **Indigenous and rural community support:** the project includes culturally appropriate adaptation measures, such as protecting indigenous land rights and promoting sustainable use of natural resources. These actions necessitate additional costs for engaging indigenous and rural communities in a participatory and inclusive manner, ensuring that their specific needs are addressed.

#### *Leveraging co-benefits and scaling up*

While the project focuses on the full cost of adaptation, it also recognizes the potential for **co-benefits** in terms of economic development, social inclusion, and environmental conservation. The requested funding will not only support immediate adaptation needs but will also create long-term benefits such as:

- **Economic resilience:** by supporting climate-smart agricultural practices and renewable energy technologies, the project will foster sustainable economic growth in rural areas, generating employment and improving food security. These activities help create resilient livelihoods that can withstand climate shocks but require adaptation-specific investments to make this transition.
- **Environmental sustainability:** the ecosystem-based adaptation approaches promoted by the project will enhance biodiversity, improve water management, and reduce the risk of land degradation. These outcomes support Armenia's long-term sustainability goals, but the upfront costs associated with restoring and conserving ecosystems are higher than standard development interventions.
- **Social equity:** the focus on vulnerable groups ensures that the most affected populations are not left behind in adaptation efforts. By promoting inclusive consultations, capacity building, and equitable access to resources, the project strengthens social cohesion and resilience. However, achieving these social outcomes requires targeted and incremental investment in outreach, education, and participation mechanisms.

The requested funding of \$4.76 million is directly aligned with the **full cost of adaptation** approach, ensuring that Armenia can implement critical adaptation measures that would not be covered by baseline development budgets. The project's focus on vulnerable communities, climate-resilient infrastructure, sustainable agriculture, and ecosystem restoration demonstrates a comprehensive and inclusive approach to building long-term resilience to climate change. By addressing the incremental costs of adaptation, this project will safeguard Armenia's most vulnerable populations and natural resources, ensuring a sustainable and climate-resilient future.

### Consideration of funding alternatives

In addressing the full cost of adaptation reasoning, it is essential to clarify the effectiveness of the proposed National Adaptation Finance Facility model in achieving the project objectives, independent of external funding sources like the private sector and other donors.

- **Self-sufficiency of proposed activities:** The Facility is designed to fund "incremental adaptation costs," enabling it to function effectively even in the absence of private sector implementation funding. The focus is on utilizing the allocated budget in a manner that ensures the core objectives of climate adaptation are met through direct interventions. This approach is structured to minimize reliance on external funding, thereby reducing potential risks associated with the unavailability of additional financial resources.
- **Achieving project objectives:** the proposed activities under the Facility are tailored to address specific climate vulnerabilities and adaptation needs within Armenia. These activities include developing localized solutions, enhancing community resilience, and implementing sustainable adaptation technologies. By focusing on these critical areas, the Facility aims to achieve its adaptation goals, ensuring effective climate response strategies are in place.
- **Beyond "business as usual":** the proposed model represents a significant departure from conventional climate adaptation strategies, which often follow a top-down, government-centric approach. The "business as usual" methods typically involve centralized decision-making, with little to no input from the local communities most affected by climate change. These methods often fail to account for the unique and localized nature of climate impacts, leading to solutions that are not fully effective or sustainable in the long term. In contrast, the Facility model introduces several innovative elements that set it apart:
  - ✓ **Localized decision-making:** unlike the centralized approach, the model emphasizes local decision-making. This ensures that the people who are most affected by climate change have a say in the solutions that are implemented. By empowering local communities and entities to identify their own needs and solutions, the Facility fosters more relevant and effective adaptation strategies.
  - ✓ **Community-driven approaches:** the Facility model is built around the principle of community engagement and participation. This approach recognizes that local communities possess invaluable knowledge and insights about their environment and are best positioned to identify practical and sustainable adaptation measures. By involving communities in the decision-making process (through engaging them into the Regional Climate Adaptation Committees), the Facility ensures that the adaptation strategies are not only accepted but also actively supported by those they are meant to serve.
  - ✓ **Diverse and tailored solutions:** recognizing the diverse nature of climate impacts across different regions and communities, the model advocates for tailored solutions rather than a

one-size-fits-all approach. This flexibility allows for the development of a range of strategies that are specifically designed to address the unique climate challenges of each community, leading to more effective and long-lasting adaptation outcomes.

- ✓ **Integration of traditional knowledge and modern science:** The model values the integration of traditional knowledge with modern scientific understanding. This blend of knowledge bases ensures that adaptation strategies are both culturally sensitive and scientifically sound, leading to solutions that are more holistic and sustainable.
- ✓ **Capacity building and empowerment:** a key feature of the Facility is its focus on capacity building and empowerment of local stakeholders. By providing training and resources, the model ensures that communities are not only recipients of aid but also active participants in creating and sustaining their own adaptive capacities.
- **Justification for adoption:** The adoption of these activities is justified by their potential to foster a resilient community approach to climate adaptation. This method is particularly pertinent in Armenia, where diverse regional climates and socio-economic conditions necessitate a more nuanced and localized adaptation strategy. The Facility's approach ensures that each community's unique vulnerabilities and strengths are considered, leading to more effective and sustainable adaptation outcomes.

In conclusion, the proposed model is a comprehensive, stand-alone approach that effectively addresses the adaptation needs of Armenia's diverse communities. It is an innovative and necessary departure from traditional methods, offering a more sustainable, inclusive, and effective pathway to achieving the country's climate adaptation goals.

#### **J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project/programme.**

The design of the **National Adaptation Funding Facility** project has carefully integrated sustainability principles across all components to ensure that the outcomes are long-lasting and resilient to future climate and socio-economic challenges. The sustainability of the project's outcomes is anchored in three key areas: **institutional, environmental, social and economic sustainability**. These pillars are woven into every stage of the project, from planning and implementation to monitoring and capacity building, ensuring that the project not only delivers immediate results but also fosters long-term resilience.

##### *Institutional sustainability*

To ensure the project's institutional sustainability, the design emphasizes building local and national capacities, strengthening governance systems, and embedding climate adaptation practices into existing frameworks. This approach guarantees that the benefits of the project will persist beyond the funding period.

- **Capacity building and knowledge transfer:** a core component of the project is the development of local capacities through targeted training, workshops, and mentoring programs for regional authorities, local NGOs, private sector stakeholders, and community leaders. By empowering these actors to independently plan, implement, and monitor adaptation projects, the project ensures that institutional knowledge and skills will be retained long after project completion. This capacity-building approach strengthens Armenia's ability to sustain climate adaptation initiatives on a continuous basis.

- **Institutional ownership:** the project is designed to be led and managed by the **EPIU** under the Ministry of Environment of Armenia, which is already accredited with the Adaptation Fund and Green Climate Fund. The institutional ownership of the project enhances sustainability by ensuring that national systems and structures are responsible for overseeing the long-term implementation of adaptation measures, integrating them into existing governance frameworks.
- **Policy alignment and integration:** the project's design ensures that its activities are fully aligned with Armenia's **NAP, SAPs** and **MAPs**. This integration guarantees that project outcomes will be institutionalized within national and sub-national policy frameworks, making it easier for the government to secure ongoing support, financing, and capacity for the continuation of adaptation efforts. The alignment with sectoral and regional policies ensures that the project's outcomes are consistent with broader national development strategies, fostering long-term commitment and sustainability.

### *Environmental sustainability*

The project's design embeds **environmental sustainability** as a fundamental principle by promoting nature-based solutions, sustainable resource management, and climate-resilient infrastructure that enhances ecosystem health while addressing climate vulnerabilities.

- **Ecosystem-Based Adaptation:** the project promotes ecosystem-based adaptation strategies, such as reforestation, wetland restoration, and sustainable land management. These nature-based solutions are designed to strengthen the resilience of natural ecosystems, ensuring they continue to provide essential services such as flood control, water purification, and carbon sequestration. By restoring and protecting ecosystems, the project contributes to the long-term environmental sustainability of Armenia's landscapes, ensuring that these natural systems can adapt to and mitigate the impacts of climate change.
- **Climate-resilient infrastructure:** the project focuses on climate-proofing infrastructure to withstand extreme weather events such as floods, droughts, and landslides. The use of durable, climate-adaptive materials in the retrofitting and construction of infrastructure, such as public buildings and irrigation systems, ensures that the physical assets built or rehabilitated by the project will have a long lifespan, reducing the need for future repair or replacement and minimizing environmental degradation.
- **Sustainable water resource management:** water scarcity is a major challenge for Armenia, and the project addresses this by incorporating sustainable water management practices, including water harvesting, improved irrigation systems, and watershed management. These interventions are designed to ensure that water resources are used efficiently and that future water availability is secured for both human consumption and ecosystems. Sustainable water practices not only meet immediate adaptation needs but also enhance resilience to future climate variability, ensuring the long-term environmental sustainability of water resources.

### *Social Sustainability*

The project's focus on community engagement, inclusivity, and local ownership ensures that the outcomes will be socially sustainable, equitably benefiting all population groups, including marginalized and vulnerable communities.

- **Local community ownership and empowerment:** sustainability is reinforced through the **active participation of local communities** in the design and implementation of the project. By incorporating **community-led adaptation** and ensuring that local voices are central to decision-

making, the project fosters a sense of ownership among the beneficiaries. This local ownership ensures that adaptation measures are more likely to be maintained and replicated, as communities are directly invested in their success. Community involvement ensures that the knowledge and skills required to maintain project outcomes are retained locally, further supporting sustainability.

- **Gender equality and social inclusion:** the project integrates a gender-responsive approach, ensuring that women and other vulnerable groups actively participate in, and benefit equitably from, all project activities. By addressing gender-specific vulnerabilities and promoting the economic and social empowerment of women, the project contributes to the broader social sustainability of adaptation efforts. Gender Action Plans are incorporated to ensure that women's roles in climate resilience are strengthened and that social inequalities are reduced, making the outcomes more sustainable for future generations.
- **Education and awareness:** the project includes comprehensive educational programs aimed at raising awareness of climate risks and adaptation strategies. By building local knowledge and understanding of climate change and resilience, the project ensures that communities are equipped to continue adapting to future climate challenges. This focus on education not only enhances the immediate impact of the project but also creates a foundation for long-term behavioral change and community-driven adaptation initiatives.

#### *Economic Sustainability*

Economic sustainability is achieved by ensuring that the project outcomes lead to resilient livelihoods, long-term economic benefits, and the financial sustainability of adaptation interventions.

- **Resilient livelihoods and economic diversification:** the project promotes climate-resilient livelihoods, particularly in the agriculture and renewable energy sectors. By introducing **climate-smart agricultural practices** and supporting the adoption of **renewable energy technologies**, the project enables communities to diversify their income sources, making them less vulnerable to climate-induced shocks. These sustainable livelihoods ensure that economic gains are maintained over the long term, reducing dependency on external support and enhancing community resilience to future climate impacts.
- **Financial mechanisms and sustainability of the National Adaptation Funding Facility:** The establishment of the **National Adaptation Funding Facility** ensures that financial resources are available for ongoing adaptation measures beyond the life of the project. By providing a dedicated financial mechanism to support adaptation projects at the regional and local levels, the facility creates a long-term, sustainable source of funding for climate resilience efforts. The facility is designed to leverage additional resources from international donors, the private sector, and government budgets, ensuring the sustainability of financial flows for adaptation over time.
- **Private sector engagement:** the project actively involves the private sector in adaptation efforts, particularly in sectors such as agriculture, water management, and renewable energy. By promoting partnerships with local businesses and entrepreneurs, the project ensures that private sector actors contribute to and benefit from adaptation activities, creating a **sustainable economic model** that continues beyond the project's duration. Private sector engagement helps ensure that adaptation solutions are market-driven and economically viable, enhancing the financial sustainability of project outcomes.

#### *Long-term monitoring and adaptive management*

To ensure the sustainability of outcomes, the project incorporates **robust monitoring and evaluation**

(M&E) mechanisms, allowing for ongoing tracking of progress and adaptability to changing conditions.

- **Monitoring and evaluation:** the project includes a comprehensive M&E framework, which will be used to track the progress of adaptation interventions, measure their effectiveness, and ensure that project outcomes are sustainable in the long term. The M&E framework will include indicators for environmental, social, and economic sustainability, allowing for adaptive management practices that ensure continuous improvement and relevance of project interventions.
- **Feedback loops and continuous learning:** the project design incorporates mechanisms for feedback and continuous learning, ensuring that stakeholders are kept informed of progress and that their input is used to refine and improve adaptation measures. This iterative approach enhances the adaptability and sustainability of project outcomes by allowing for real-time adjustments based on stakeholder feedback and evolving climate risks.

The Regional Adaptation Committees play a fundamental, ongoing role in supporting and advancing climate adaptation initiatives at the regional level. Their responsibilities extend beyond initial needs assessments. First, they are pivotal in continuous monitoring and evaluation processes. They will consistently oversee the progress and effectiveness of implemented projects, ensuring these initiatives meet their set objectives and respond adequately to evolving local climate adaptation needs. Second, the Committees serve as facilitators of knowledge transfer and expertise sharing among different regions and communities. This function is crucial for disseminating successful practices, lessons learned, and innovative solutions across various areas, promoting a more coordinated and informed approach to climate adaptation.

Furthermore, they provide invaluable support and guidance to project beneficiaries during the implementation phase. They offer technical assistance, resources, and problem-solving capabilities, ensuring that the projects are executed efficiently and effectively. For long-term engagement, the Committees' operational framework will be integrated into existing regional governance structures, ensuring institutionalization and sustainability. This integration allows the committees to draw on government support and resources, making their operation less dependent on external funding and more embedded in the regional administrative and planning processes.

As for the continued resourcing of the National Adaptation Funding Facility, a multi-faceted strategy is envisioned. After the initial project funds are disbursed, the Facility plans to attract additional financial resources through partnerships with government agencies, international donors, and the private sector. These partnerships will be forged based on shared interests and commitments to climate resilience and sustainable development goals.

**K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project/programme.**

EPIU has policies in place to identify and mitigate these risks. EPIU's ESP and Gender Policy is in place to address and manage social, environmental and climate change risks for EPIU-funded projects and also help EPIU to comply with international environmental and social standards. EPIU will ensure the same level of AF environmental and social policy risks identification and compliance are ensured for all sub-project. This is also reflected in the EPIU application form and process.

For the purpose of this EDA project, EPIU will develop an Environmental and Social Management Plan (ESMP) to capture the typical Environment and Social (E&S) impacts and associated mitigation measures. The ESMP will include a review process that ensures all ESP risks were identified, an

assessment of their anticipated impacts, their respective management/ avoidance strategy, and incorporation of the measures in the workplan.

The project, designed to enhance climate resilience and sustainable development, is subject to various environmental and social risks that must be carefully identified, assessed, and mitigated. In alignment with the **Environmental and Social Policy (ESP)** of the Adaptation Fund and relevant Armenian laws, the project adopts a comprehensive risk management framework to address these risks at every stage of implementation.

### **General overview of environmental and social risks**

The environmental and social risks identified as relevant to the project span multiple areas, including potential impacts on ecosystems, communities, and social structures. The project components - policy implementation, stakeholder capacity building, and financing of adaptation projects - each present distinct risks that require targeted management strategies. The risks fall under the following broad categories:

1. **Biodiversity and ecosystem risks:** the project involves activities that may impact natural ecosystems, particularly through land use changes, reforestation, and water management. Such activities may disrupt local ecosystems, particularly if they affect biodiversity-rich areas or protected zones.
2. **Water resource management risks:** water-related activities, such as irrigation and conservation efforts, pose risks of over-extraction or mismanagement of water resources, which could lead to degradation of local water systems and reduced water availability for communities and ecosystems.
3. **Construction-related environmental risks:** infrastructure developments (e.g., solar installations, water systems) could lead to habitat destruction, increased pollution (e.g., from construction waste), and long-term environmental degradation if not managed correctly.
4. **Social and community risks:** the project could affect local communities, particularly vulnerable groups such as women, indigenous people, and those living in poverty. If not managed properly, the project may unintentionally displace communities, exacerbate existing social inequalities, or fail to provide equitable benefits.
5. **Gender-specific risks:** there is a risk that women may be excluded from decision-making processes or that gender inequalities may be exacerbated if gender considerations are not integrated into every aspect of the project. Additionally, women may be disproportionately affected by environmental changes or social disruptions.
6. **Cultural and indigenous rights:** the project may impact indigenous populations and cultural heritage sites. Ensuring the **Free, Prior, and Informed Consent (FPIC)** of indigenous communities is critical to mitigate risks associated with violating cultural or land rights.
7. **Labor and human rights risks:** the project, particularly during construction and capacity-building phases, must ensure that workers' rights are respected and that labor laws, including fair wages and safe working conditions, are upheld to avoid exploitation.

### **Environmental and social risk management framework**

In line with the requirements of the Adaptation Fund's **ESP** and Armenia's national regulatory frameworks, the project will employ a **risk management approach** that involves identifying, assessing, mitigating, and monitoring risks at every stage. Below is a detailed breakdown of the identified risks

and the management strategies in place.

## 1. Biodiversity and ecosystem risks

### Identified risks:

- Disruption of ecosystems and loss of biodiversity due to infrastructure development (e.g., solar installations, reforestation projects).
- Potential harm to **Specially Protected Natural Areas (SPNAs)** and key biodiversity zones if activities are conducted without adequate assessment.

### Risk Management:

- **Environmental Impact Assessments (EIA)** will be conducted for all activities that may affect biodiversity. In compliance with **Armenia's Law on Specially Protected Areas (2006)** and **Law on Flora and Fauna**, the project will avoid encroaching on protected areas unless legally permitted.
- Activities such as reforestation and agroforestry will be guided by **nature-based solutions** that enhance biodiversity rather than degrade it. The project will implement ecosystem restoration strategies that prioritize native species and avoid invasive species.
- A **Biodiversity Management Plan** will be integrated into the **Environmental and Social Management Plan (ESMP)** to ensure that all environmental interventions align with conservation objectives, particularly in ecologically sensitive areas.

## 2. Water resource management risks

### Identified risks:

- Over-extraction of water resources for irrigation and water conservation projects, potentially leading to reduced water availability for communities and ecosystems.
- Risk of water contamination due to mismanaged agricultural practices or infrastructure developments near water bodies.

### Risk management:

- **Sustainable Water Management Practices** will be adopted in compliance with Armenia's **Water Code (2002)**. The project will ensure that all water use is regulated through permits, and the sustainable use of water resources will be a priority to avoid depletion.
- The project will promote water-efficient technologies, such as **drip irrigation** and **rainwater harvesting**, to ensure that water resources are used judiciously.
- **Water Quality Monitoring** will be implemented to prevent contamination of water sources. The project will adhere to national water quality standards and ensure that agricultural runoff or construction waste does not degrade local water supplies.

## 3. Construction-related environmental risks

### Identified risks:

- Habitat destruction, deforestation, and soil degradation due to construction activities.
- Generation of waste and pollution from construction materials and equipment.

### Risk management:

- All construction activities will comply with **Armenia’s Urban Development Code (2015)** and related construction safety standards. This includes adhering to **seismic safety regulations** to ensure resilience to natural disasters.
- **Environmental Construction Codes** will be enforced, ensuring that minimal habitat disruption occurs. Construction near ecologically sensitive areas will be subject to additional safeguards to protect biodiversity.
- A **Waste Management Plan** will be implemented to handle construction waste in line with Armenia’s **Law on Waste (2004)**. Waste minimization and recycling practices will be adopted, and hazardous materials will be safely disposed of according to national regulations.

#### 4. Social and community risks

##### Identified risks:

- Risk of displacing vulnerable communities or disrupting social cohesion, especially if local communities are not adequately involved in project planning and implementation.
- Unequal distribution of project benefits, particularly if vulnerable groups (e.g., women, indigenous populations) are excluded from decision-making processes.

##### Risk management:

- The project will follow a **participatory approach**, ensuring that local communities are actively involved in planning, decision-making, and implementation. This will align with the **ESP’s requirement for Free, Prior, and Informed Consent (FPIC)**, particularly when working with indigenous communities.
- The project will include **Social Impact Assessments (SIA)** to evaluate how each component affects local communities. Measures will be put in place to ensure that benefits are equitably distributed, with a focus on vulnerable groups.
- **Stakeholder engagement plans** will ensure that all voices, particularly those from marginalized communities, are heard and considered in project decisions. This will mitigate the risk of social conflicts and ensure project ownership among local populations.

#### 5. Gender-specific risks

##### Identified risks:

- Risk of excluding women from key decision-making processes, which could exacerbate existing gender inequalities.
- Unequal access to economic opportunities for women in climate adaptation sectors.

##### Risk management:

- The project will comply with the **Gender Policy of the Adaptation Fund**, ensuring that gender equality is mainstreamed throughout all activities. A **Gender Action Plan (GAP)** will be developed to address gender-specific vulnerabilities and ensure equal access to project benefits.
- Gender-disaggregated data will be collected to monitor women’s participation and ensure that they benefit equally from the project’s economic and social interventions.

- Capacity-building programs will specifically target women, ensuring their involvement in leadership roles and technical sectors such as environmental management and construction, which are traditionally male-dominated.

## 6. Cultural and indigenous rights

### Identified risks:

- Potential violation of indigenous rights, particularly if activities occur on land historically used or occupied by indigenous groups.
- Risk of disrupting cultural heritage sites or practices.

### Risk management:

- The project will ensure **Free, Prior, and Informed Consent (FPIC)** from indigenous communities before initiating any activities that may affect them. This aligns with both national laws on cultural heritage and international human rights frameworks.
- **Cultural Heritage Assessments** will be conducted to identify and protect culturally significant sites. Any project activities near heritage sites will be carefully managed to prevent damage or disruption.

## 7. Labor and human rights risks

### Identified risks:

- Exploitation of workers, including inadequate wages, unsafe working conditions, or violation of labor rights.
- Risk of violating human rights, particularly in relation to land rights or community displacement.

### Risk management:

- The project will ensure that all labor practices comply with **Armenia's Labor Code (2004)** and international labor standards, including fair wages, safe working conditions, and the right to unionize.
- A **Labor Rights Monitoring System** will be established to ensure that workers' rights are respected throughout the project's lifecycle. This will include regular audits of construction sites and capacity-building activities to ensure compliance with national and international labor laws.

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>		<p><b>Risk</b> - potential non-compliance with relevant laws and regulations at the local, national, or international levels.</p> <p><b>Project's Approach</b> - Full compliance with all applicable domestic and international laws, regulations, and legal requirements to ensure the Project's activities are conducted in a responsible and lawful manner. Compliance with the law serves as a foundation for the project's legitimacy, credibility, and acceptance by stakeholders and the broader community. By upholding legal standards, the Project will seek to minimize any potential legal</p>

		<p>risks, conflicts, or negative impacts on the environment, communities, and vulnerable groups.</p> <p><b><u>Mitigation Measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Implementation of the comprehensive legal assessment (at the Full Funding Proposal Design Stage) to identify and understand legal framework and key requirements applicable to the Project's activities.</li> <li>➤ Engagement of the legal expertise (whenever required during Project execution stage) to provide guidance and support in navigating complex legal frameworks and ensuring adherence to all relevant laws;</li> <li>➤ Proactive seeking and obtaining all necessary permits, licenses, and approvals required for Project activities from relevant government authorities, ensuring timely and proper compliance;</li> <li>➤ Implementation of periodic reviews to assess ongoing compliance with evolving legal requirements and making necessary adjustments to ensure continued adherence;</li> <li>➤ Engagement with local communities and stakeholders to raise awareness of legal aspects related to the Project, promoting a shared understanding of the Project's compliance with the law;</li> <li>➤ Maintaining transparent records of all legal compliance efforts, reporting on regulatory adherence and demonstrating accountability to relevant authorities and stakeholders;</li> </ul>
<i>Access and Equity</i>		<p><b><u>Risk</u></b> – Lack of fair and equal opportunities by vulnerable and marginalized groups/ communities to benefit from Project's activities.</p> <p><b><u>Project's approach</u></b> - Recognizing the importance of inclusivity, the Project will seek to address disparities and promote social justice by providing equitable access to project resources, services, and opportunities. It will aim to prioritize the needs of vulnerable communities, including women, children, national, religious and cultural minorities, persons with disabilities, and other marginalized groups, to ensure they are not left behind in the Project's development and implementation. By embracing the principles of access and equity, the Project seeks to foster an inclusive and sustainable approach that promotes social cohesion and empowers all stakeholders to participate fully in the Project's benefits.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Conducting a comprehensive needs assessment to identify the specific challenges and barriers faced by vulnerable and marginalized groups. This assessment will inform targeted strategies to address their unique needs;</li> <li>➤ Engaging in participatory planning and decision-making processes, involving representatives from vulnerable</li> </ul>

		<p>communities to ensure their voices and perspectives are considered;</p> <ul style="list-style-type: none"> <li>➤ Investing in capacity-building initiatives to empower vulnerable groups with the skills, knowledge, and resources necessary to actively participate in and benefit from Project activities.</li> <li>➤ Adopting a gender-responsive approach, recognizing the specific needs and roles of women and men in the community. It will promote gender equality by ensuring equal access to project benefits and opportunities;</li> <li>➤ Prioritization of the development of accessible infrastructure and services to ensure that persons with disabilities can fully participate in and benefit from the Project;</li> <li>➤ Designing and implementing targeted interventions to address disparities and close gaps in access to resources and opportunities among different social groups.</li> <li>➤ Establishing a robust monitoring and evaluation system to track the impact of its activities on access and equity, making data-driven adjustments to ensure inclusivity;</li> </ul>
<i>Marginalized and Vulnerable Groups</i>		<p><b><u>Risk</u></b> – specific needs and concerns of marginalized and vulnerable groups for active participation and meaningful inclusion into the Project’s activities are not addressed.</p> <p><b><u>Project’s approach</u></b> - Project recognizes that certain communities, such as ethnic, religious and cultural minorities, refugees, internally displaced persons, and other vulnerable populations, are disproportionately affected by climate change impacts and often face significant barriers to accessing resources and opportunities. The Project is committed to providing tailored support and targeted interventions to empower these groups, enhance their resilience, and uplift their livelihoods. By acknowledging and prioritizing the needs of marginalized and vulnerable communities, the Project aims to create a more equitable and inclusive approach to climate adaptation and promote social justice.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Engaging in extensive consultations and dialogues with representatives from marginalized communities to understand their unique challenges, perspectives, and priorities;</li> <li>➤ Designing context-specific and culturally sensitive solutions that align with the aspirations and traditional knowledge of marginalized groups, ensuring the relevance and effectiveness of interventions;</li> <li>➤ Prioritization of the capacity building and empowerment initiatives to strengthen the resilience of marginalized communities, equipping them with the tools and skills to cope with climate-related challenges;</li> </ul>

		<ul style="list-style-type: none"> <li>➤ Adopting community-based approaches that empower local marginalized groups to actively participate in decision-making processes, enhancing ownership and sustainability of project outcomes;</li> <li>➤ Incorporating robust social safeguards to prevent harm and protect the rights and interests of vulnerable communities, ensuring that project interventions do not exacerbate existing vulnerabilities;</li> <li>➤ Engagement of the gender and social inclusion specialists who will provide expertise in designing gender-responsive and inclusive interventions for marginalized groups;</li> <li>➤ Establishment of the comprehensive monitoring and evaluation system that tracks the impact of its activities on marginalized and vulnerable communities, ensuring transparency and accountability;</li> </ul>
<i>Human Rights</i>		<p><b><u>Risk</u></b> – Human rights are not properly upheld and promoted throughout Project’s interventions.</p> <p><b><u>Project’s approach</u></b> – Project recognizes that climate change impacts are intrinsically linked to human rights, and therefore, all efforts will be made to ensure that the project respects, protects, and fulfills the fundamental rights of all individuals and communities, without discrimination. The Project will adhere to the principles enshrined in international human rights instruments and frameworks, including the Universal Declaration of Human Rights, other relevant conventions and national legislation. It will strive to prevent any adverse impacts on human rights and work towards enhancing the enjoyment of these rights for vulnerable and marginalized populations. By adopting a human rights-based approach, the Project seeks to foster a just and equitable society where the dignity and well-being of all are safeguarded, irrespective of their background or circumstances.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Conduct a comprehensive human rights impact assessment to identify potential risks and ensure that project interventions align with human rights principles;</li> <li>➤ Prioritizing non-discrimination and ensuring equal access to project benefits and opportunities for all individuals and communities, without any form of discrimination based on race, ethnicity, gender, religion, disability, or other status;</li> <li>➤ Utilisation of FPIC (Free, Prior, and Informed Consent) to ensure full participation and consent of local communities in decision-making processes that affect them;</li> <li>➤ Facilitating meaningful and inclusive participation of affected communities in Project planning, implementation, and evaluation, allowing them to voice their concerns and contribute to decision-making;</li> </ul>

		<ul style="list-style-type: none"> <li>➤ Utilisation of the transparent and accessible grievance mechanism to address any human rights-related complaints or concerns raised by project-affected communities;</li> <li>➤ Implementation of human rights training for the project staff and stakeholders to ensure a clear understanding of their responsibilities and obligations regarding human rights compliance;</li> <li>➤ Promoting accountability and transparency in all Project's activities, disclosing information about project plans, progress, and outcomes to the public and affected communities;</li> </ul>
<i>Gender Equality and Women's Empowerment</i>		<p><b><u>Risk</u></b> – Gender equality and women's empowerment are not promoted throughout Project's design and implementation.</p> <p><b><u>Project's approach</u></b> – Recognizing the differential impacts of climate change on women and men, the Project aims to mainstream gender considerations in all activities to ensure that women have equal access to resources, opportunities, and decision-making processes. It will work towards dismantling gender-based barriers and stereotypes, enabling women to actively participate in climate adaptation efforts and benefit equitably from project interventions. By addressing gender disparities, the Project seeks to create an inclusive and gender-responsive approach to climate adaptation, contributing to more sustainable and resilient outcomes.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Conducting gender analysis at the outset of the Project to identify gender-specific vulnerabilities, needs, and opportunities, informing the project's gender mainstreaming strategies;</li> <li>➤ Actively engaging women at all levels of decision-making, from community consultations to project planning and implementation, ensuring their voices are heard and valued;</li> <li>➤ Designing capacity-building initiatives to enhance the knowledge and skills of women, enabling them to participate effectively in climate adaptation activities and leadership roles;</li> <li>➤ Promoting equal access to resources and services for women, including access to Project's activities, to support their economic and social empowerment;</li> <li>➤ Tailoring of the climate adaptation services and interventions in the manner to address the specific needs and priorities of women, taking into account their roles as caregivers, food providers, and guardians of natural resources;</li> <li>➤ Providing training to women on climate-resilient livelihood options, fostering economic independence and reducing vulnerability;</li> </ul>

		<ul style="list-style-type: none"> <li>➤ Implementing monitoring and evaluations of gender-specific outcomes using gender-responsive indicators to assess progress towards gender equality and women's empowerment;</li> </ul>
<i>Core Labour Rights</i>		<p><b><u>Risk</u></b> – lack of compliance with the international and national labour standards and requirements.</p> <p><b><u>Project's Approach</u></b> - commitment to uphold and promote core labour rights in all aspects of its implementation, including insurance of fair and decent working conditions for all workers involved in project activities, as identified by the International Labour Organization (ILO), to protect the rights of workers and foster a conducive and respectful work environment. Targeting prevention of any exploitation, discrimination, or violation of workers' fundamental rights, promoting social justice and equitable benefits for all individuals engaged in the Project. By upholding core labour rights, the Project aims to contribute to sustainable development that respects the dignity and well-being of workers and their communities.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Adherence to relevant international labour conventions (ILO) and standards, national requirements to protect the rights of workers, ensuring they are not subjected to any forms of forced labour, child labour, or discrimination;</li> <li>➤ Collaboration with contractors, suppliers, and stakeholders to ensure ethical labour practices throughout the supply chain and value chain, promoting fair wages, safe working conditions, and respect for workers' rights;</li> <li>➤ Establishment of a transparent and accessible grievance mechanism to address any labour-related concerns or complaints raised by workers, providing a safe avenue for reporting and resolving issues;</li> <li>➤ Engagement with workers, providing them with information about their rights, promoting workers' organizations and collective bargaining, and encouraging their participation in decision-making processes that affect their working conditions;</li> <li>➤ Implementation of training and capacity-building initiatives to raise awareness among project stakeholders, contractors, and workers about core labour rights and the importance of adhering to ethical labour practices;</li> <li>➤ Utilisation of regular monitoring and reporting mechanisms to assess the Project's compliance with core labour rights and identify areas for improvement;</li> </ul>
<i>Indigenous Peoples</i>	<p><b>N/A</b></p> <p><i>(Armenia's population is 96% homogeneous)</i></p>	

<i>Involuntary Resettlement</i>	<b>N/A</b> <i>(for the case of small-scale community grants)</i>	
<i>Protection of Natural Habitats</i>		<p><b><u>Risk</u></b> – Activities of proposed small-scale grants negatively impacts natural habitats and ecosystems, risks their preservation and lead to unjustified conversion and degradation.</p> <p><b><u>Project's approach</u></b> – Project recognizes the intrinsic value of biodiversity and the ecological services provided by these habitats, making their protection a priority. The Project will adhere to international standards and best practices for the conservation of natural habitats, as defined by the International Union for Conservation of Nature (IUCN).</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Conducting screening of the potential impacts on natural habitats of proposed for funding small-scale projects to identify areas of concern and ecological sensitivities;</li> <li>➤ Prioritization of the small-scale projects' initiatives aiming to restore or rehabilitate degraded habitats to enhance their ecological value.</li> <li>➤ Engagement with local communities and relevant stakeholders to raise awareness about the significance of natural habitats and encourage their active participation in conservation efforts;</li> <li>➤ Implementation of the continuous monitoring and evaluation to ensure strict adherence to protection measures and timely interventions if any potential threats to natural habitats are identified;</li> <li>➤ Increasing awareness and capacity building for local stakeholder groups and beneficiaries to strengthen efforts for habitat protection and ensure long-term sustainability;</li> </ul>
<i>Conservation of Biological Diversity</i>		<p><b><u>Risk</u></b> – Project's activities result in significant or unjustified reduction or loss of biodiversity in intervention areas.</p> <p><b><u>Project's approach</u></b> – The Project recognizes the crucial role of biological diversity in building resilience to climate change and ensuring ecosystem stability. It prioritizes the conservation of biological diversity and commits to minimizing any significant or unjustified reduction or loss of biodiversity within its intervention areas. The Project acknowledges the importance of conserving unique species, habitats, and ecological processes, and aims to integrate biodiversity considerations into its planning, implementation, and monitoring.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Implementation of the screenings of proposed for funding consideration small-scale grant projects to assess the existing</li> </ul>

		<p>biodiversity within the project area, identifying key species, habitats, and ecosystem functions;</p> <ul style="list-style-type: none"> <li>➤ Prioritization of the Ecosystem-based Adaptation measures, such as the restoration of natural ecosystems, to enhance biodiversity and ecosystem resilience to climate change;</li> <li>➤ Carrying out regular monitoring and reporting to assess the status of biodiversity conservation and to track the Project's impact on biological diversity;</li> <li>➤ Collaboration with local and international conservation organizations (wherever necessary) to access expert knowledge and best practices for biodiversity conservation;</li> </ul>
<i>Climate Change</i>		<p><b><u>Risk</u></b> – Proposed for funding small-scale projects do not contribute towards increasing adaptive capacities of targeted vulnerable communities.</p> <p><b><u>Project's approach</u></b> – The Project places climate change at the core of its objectives, recognizing the urgent need to address the adverse impacts and risks posed by climate change. It aims to support climate-resilient small-scale projects to enhance the adaptive capacity of vulnerable communities and ecosystems. The Project adopts a holistic approach to climate change via prioritization of the adaptation efforts to build resilience to current and future climate impacts.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Promoting adoption of renewable energy technologies (such as solar) energy in adaptation infrastructures (solar powered irrigation, Agrivoltaic technology, etc.);</li> <li>➤ Support afforestation and reforestation efforts in adjacent communities and increasing resilience and income generation;</li> <li>➤ Promotion of the climate-resilient and sustainable agricultural practices;</li> </ul>
<i>Pollution Prevention and Resource Efficiency</i>		<p><b><u>Risk</u></b> – pollution prevention and resource efficiency approaches are not integrated in the design of the small-scale projects to be supported by the Project.</p> <p><b><u>Project's approach</u></b> – The Project places a strong emphasis on pollution prevention and resource efficiency, recognizing the importance of sustainable resource management to achieve long-term environmental and social benefits. It aims to support projects that maximize energy efficiency, minimize material resource use, reduce waste generation, and prevent the release of pollutants into the environment. By supporting resource-efficient interventions, the Project seeks to reduce its ecological footprint and minimize negative impacts on ecosystems and communities.</p> <p><b><u>Mitigation measures:</u></b></p>

		<ul style="list-style-type: none"> <li>➤ Prioritizing the use of energy-efficient technologies and practices in project supported to reduce energy consumption and associated emissions;</li> <li>➤ Supporting water-efficient technologies and practices to reduce water consumption and promote responsible water use;</li> <li>➤ Promoting climate-smart and sustainable agricultural practices to reduce the use of chemical inputs and prevent soil and water pollution;</li> </ul>
<i>Public Health</i>		<p><b><u>Risk</u></b> – Vulnerable communities are negatively impacted/ disproportionately affected by health-related challenges.</p> <p><b><u>Project's approach</u></b> – Throughout design stage the Project aims to safeguard the well-being of communities and individuals in its areas of influence.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Requirement to small projects' Environmental, Social and Health Management Plans (where relevant) to design and implement measures and actions to assess and manage specific risks and impact to targeted vulnerable communities arising from the activities of these projects;</li> </ul>
<i>Physical and Cultural Heritage</i>		<p><b><u>Risk</u></b> – Supported small-scale projects small negatively impact on physical and/or cultural resources and natural values and assets located in beneficiary or adjacent communities.</p> <p><b><u>Project's approach</u></b> – The preservation of physical and cultural heritage is a key aspect of the small projects' design, acknowledging the importance of safeguarding irreplaceable natural, cultural, and historical assets from potential climate impacts. The Project aims to protect and conserve significant physical and cultural heritage sites, structures, and landscapes that hold cultural, historical, and ecological value for local communities and the broader region. By integrating measures to safeguard these assets, the Project aims to ensure the continuity of cultural traditions, promote sustainable tourism, and foster community resilience.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Requirement to small projects' Environmental, Social and Health Management Plans (where relevant) to design and implement measures and actions to assess and manage specific risks and impact to targeted vulnerable communities arising from the activities of these projects;</li> </ul>
<i>Lands and Soil Conservation</i>		<p><b><u>Risk</u></b> – Supported small-scale projects do not contribute towards sustainable practices of lands and soil conservations.</p> <p><b><u>Project's approach</u></b> – Recognizing the importance of productive lands and soil health for sustainable agriculture and ecosystem services, the Project emphasizes lands and soil conservation as a fundamental aspect of its climate adaptation strategies in targeted vulnerable regions. By prioritizing support to small-scale projects</p>

		<p>that promote soil health, prevent land degradation, and enhance land productivity, the Project aims to strengthen the resilience of agricultural systems and protect valuable ecosystems from the impacts of climate change. Through sustainable land management practices, the Project seeks to secure food production, preserve biodiversity, and maintain vital ecosystem services for the benefit of local communities and the environment.</p> <p><b><u>Mitigation measures:</u></b></p> <ul style="list-style-type: none"> <li>➤ Prioritization of the small-scale projects (for funding consideration) that target:</li> <li>➤ Soil erosion control, through implementing measures such as terracing, contouring, and agroforestry to reduce soil erosion and prevent land degradation;</li> <li>➤ Conservation agriculture - promoting the adoption of conservation agriculture practices, such as minimum tillage and crop rotation, to improve soil health and water retention;</li> <li>➤ Sustainable land use planning - incorporating climate-resilient land use planning to avoid encroachment into vulnerable areas and protect natural habitats;</li> <li>➤ Reforestation and afforestation - undertaking reforestation and afforestation efforts to restore degraded lands and mitigate the impacts of climate change;</li> <li>➤ Watershed Management - implementing integrated watershed management approaches to protect soil and water resources, particularly during extreme weather events;</li> <li>➤ Soil moisture management - introducing water conservation techniques, like rainwater harvesting and efficient irrigation methods, to preserve soil moisture and optimize water use;</li> <li>➤ Capacity Building - providing training and technical support to farmers and communities in sustainable land management practices and climate-adaptive agriculture;</li> </ul>
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## PART III: IMPLEMENTATION ARRANGEMENTS

### A. Describe the arrangements for project/programme implementation.

The project is slated for a four-year implementation period commencing in September 2025. The designated implementing entity (IE) for this endeavor will be the Environmental Project Implementation Unit (EPIU), which serves as the National Implementing Entity for the Adaptation Fund. The Government of the Republic of Armenia has specifically endorsed EPIU's role in executing this project, drawing upon its extensive experience, successful track record, and established collaborations with national stakeholders, including public and private entities, academia, and NGOs.

**The Project Management Board (PMB)** will assume responsibility for making key decisions pertaining to the project. Its role extends to project assurance through monitoring and evaluation, performance enhancement, accountability, and learning. The PMB will approve multi-year and annual work plans, supervise their execution, and review reports. This board will comprise representatives from relevant ministries, local self-government bodies, and EPIU staff, with one member selected as the PMB secretary.

The Environmental Projects Implementation Unit (EPIU), serving as the National Implementing Entity (NIE), will undertake comprehensive management of the project. This encompasses facilitating interactions with the Adaptation Fund Board (AFB) and pertinent stakeholders, supervising portfolio implementation, overseeing budget reporting, ensuring the delivery of quality outputs and deliverables, managing fund disbursement, monitoring progress, integrating lessons learned into subsequent projects, and sustaining relationships with stakeholders.

Day-to-day project management will be diligently overseen by the EPIU's dedicated project management unit, working closely with the beneficiary communities. This specialized unit will be entrusted with a spectrum of responsibilities, crucially including the Monitoring and Evaluation (M&E) function. The M&E activities will be meticulously designed and implemented to align with the Adaptation Fund's stringent social and environmental standards.

Furthermore, the unit will oversee the procurement of goods and services, mobilize technical expertise, and implement risk mitigation strategies. The recruitment process will be initiated to onboard specialized experts, including but not limited to project coordinators, procurement specialists, accountants, social and gender specialists, environmental specialists, and monitoring and evaluation specialists. Engaging these experts will be pivotal for ensuring seamless coordination, efficient implementation, and robust monitoring of the project, with a keen focus on adhering to gender-responsive and environmentally sustainable principles and practices.

#### Operational framework of the Armenia National Adaptation Funding Facility

Operational/Management framework of the Armenia National Adaptation Funding Facility will be comprised of the following functions:

**Steering committee:** the Steering Committee will play a crucial role in providing strategic direction and oversight to the Armenia National Adaptation Funding Facility. Comprised of 7 representatives from key stakeholders, including government officials, climate experts/influencers, key donor agencies and civil society organizations, the Steering Committee will guide the overall vision, objectives, and policies

of the Fund. It will approve funding priorities, reviews recommendations of independent assessment group and approve project proposals, as well as ensure the effective utilization of resources. The committee also will be responsible for reviewing and approving project implementation monitoring and evaluation reports, ensuring transparency, accountability, and alignment with the Fund's goals.

**“Environmental Project Implementation Unit” State Agency under the Ministry of Environment of Armenia:** will acts as the central coordinating body responsible for managing the day-to-day operations of the Fund. It will facilitate the submission of project proposals, ensure compliance with funding guidelines, provide mentorship support and guidance to the Regional Climate Adaptation Committee (to be established in all 10 regions of Armenia) and oversee the disbursement of funds to approved projects. The EPIU will also play a vital role in financial management, budget allocation, and reporting to the Steering Committee and relevant stakeholders. Additionally, it will establish partnerships with implementing entities and ensure efficient coordination among all parties involved in project implementation. Also, the EPIU, as the executing entity, will be responsible for the knowledge management component of the project. EPIU's role involves coordinating and integrating all knowledge-related activities within the project's framework, ensuring that knowledge management is effectively implemented throughout the project lifecycle.

**Roster of assessors:** the roster of assessment experts will consist of 10-12 highly qualified and impartial professionals in various fields related to climate adaptation. The groups of 3 to 5 assessors will be established each time to review proposals submitted under specific solicitations (sector, sub-sector or region specific) issued by the Armenia National Adaptation Funding Facility. They assess project effectiveness, efficiency, and impact, providing valuable insights and recommendations to the Steering Committee for evidence-based decision-making. The experts' role ensures rigorous scrutiny of project proposals and enhances the overall quality and accountability of the Fund's activities.

**Regional climate adaptation committees:** these committees operate at the regional level and are tasked with conducting thorough climate needs assessments within their respective areas. Comprising climate experts, local authorities, community representatives, and relevant stakeholders, these committees identify and prioritize climate vulnerabilities, risks, and adaptation opportunities. They engage in stakeholder mobilization and community consultations to ensure that adaptation measures address the specific needs and contexts of the regions they represent.

**Beneficiaries on the ground:** the beneficiaries encompass a diverse group of stakeholders, including private sector entities, civil society organizations, social enterprises, business associations, and regional and municipal authorities. They are the ultimate recipients of the adaptation initiatives supported by the Fund. Beneficiaries play a vital role in project implementation, ensuring that adaptation measures are effectively applied at the grassroots level. Their active involvement fosters local ownership, social acceptance, and sustainability of adaptation actions, contributing to building resilient communities and ecosystems in the face of climate change impacts.

#### Step-by-step description of the sub-granting approach<sup>19</sup>

##### **Step 1.** – Definition of the regional climate change priorities to be supported by the Facility

Regional Climate Adaptation Committees, with the coordination from EPIU are implementing consultations with the local organizations comprising of private sector entities<sup>20</sup>, civil society

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<sup>19</sup> Detailed Sub-Granting Manual is designed and provided in the Annex I.

<sup>20</sup> **Conflict of Interest Disclaimer:** Private sector entities, NGOs, social enterprises, and business associations that obtain voting

organizations, social enterprises, business associations, and regional and municipal authorities with the purpose to identify the priority list of sectors/subsectors/topics for potential support from the Armenia National Adaptation Funding Facility.

### **Step 2.** – *Approval of the regional funding priorities*

Steering Committee review submissions from the Regional Climate Adaptation Committee and approve the region-specific lists of potential intervention areas (sectors/sub-sectors/topics). EPIU, acting as secretary to the Steering Committee ensure proper coordination, alignment with the priorities of Adaptation Fund and, when necessary, implements consultations with the Adaptation Fund.

### **Step 3.** – *Launch of the Call for Proposals*

Based on the region-specific list of potential intervention areas (approved by the Steering Committee) and approved by the Steering Committee Sub-granting Manual (Annex I), EPIU launches and administers the Call for Proposals. Also, it provides regular updates to the Steering Committee on the progress and key milestones of the process.

### **Step 4.** – *Review of the proposals received*

EPIU is assigning assessors (3-5 assessors for each proposal out of the list of 10-12 experts) to review and score each proposal received in the response to the Call for Proposals. Assessment matrix is developed and annexed to the Sub-granting Manual. The review process is anonymous and nobody except a few responsible officials from EPIU (that will sign Non-Disclosure Agreement beforehand) is aware about details of the assessors and project proposals they are reviewing.

EPIU consolidates responses from assessors and after screening submits recommendations on the awards to the Steering Committee.

### **Step 5.** – *Approval of the sub-grants*

The Steering Committee reviews assessment of the experts and recommendations from EPIU and decides on the award of sub-grants. The process is carried out in accordance with the requirements of the Sub-granting Manual.

### **Step 6.** – *Publication of the information about the awards*

Once the decision on the award of sub-grants is taken by the Steering Committee the EPIU communicates results of the selections to the entities submitted proposal in the response to the call for proposals. If requested by latters, EPIU should also provide de-briefings to unsuccessful bidders in the manner and within the timelines described in the Sub-granting Manual.

### **Step 7.** – *Appeal*

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membership in the Regional Climate Adaptation Committees will not be eligible to submit proposals for sub-grants. Nevertheless, the Regional Climate Adaptation Committees may, on a non-voting basis, invite such organizations to contribute their insights, experiences, and recommendations in establishing funding priorities for their respective regions.

Unsuccessful bidders will have the opportunity to appeal to the Steering Committee to review their respective decision. The procedure should be described in detail in the Sub-granting Manual. However, no sub-granting award should be signed until the timeline for appeal is passed, or the Steering Committee review all appeals, makes final decisions and notifies unsuccessful bidders.

#### **Step 8.** – *Signature of sub-granting agreement and commencement of the Projects*

Once the decision on sub-granting awards is in force, EPIU signs the agreements (model agreements will be designed by EPIU beforehand and approved by the Steering Committee) with successful entities. Proposals submitted in the response to the Call for Proposals should be annexed to this agreements, and key provisions/commitments will have to become mandatory for implementation (otherwise laying the ground for the termination of the Agreement).

#### **Step 9.** – *Implementation arrangements for the sub-grants*

Agreements, signed by EPIU should contain the following mandatory requirements:

- Key milestones, Project phases and payment structure tailored to the latters;
- Reporting arrangements;
- Monitoring arrangements;
- Audit requirements;
- Termination clause;

Based on these, EPIU will implement regular monitoring of the Projects' implementation and provide the Steering Committee with regular briefings.

#### **Step 10.** – *Impact assessment*

Within one year after completion of the projects, EPIU commissions implementation of the impact assessment to the professional consulting company.

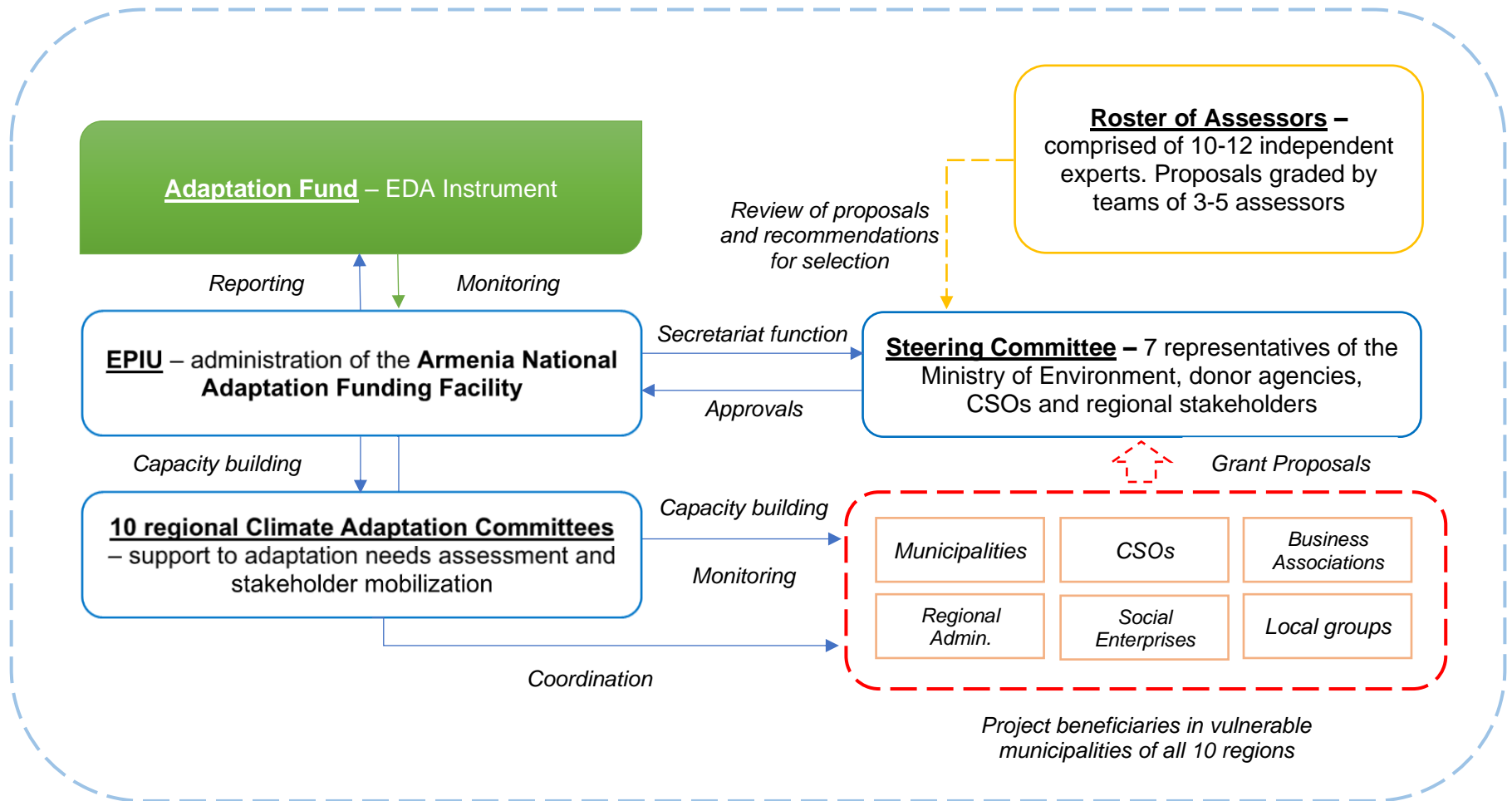
#### **Organigram of the operations of the Armenia National Adaptation Funding Facility**

The **Organigram** demonstrates how the Armenia National Adaptation Funding Facility operates by streamlining the flow of funds from international donors to regional and local stakeholders through the facility's governance and management structure. Key components of the organigram include:

- **Regional climate adaptation committees:** these committees play a crucial role in decision-making and overseeing the implementation of adaptation projects. They ensure that funding decisions are made transparently and inclusively, with input from local stakeholders, including vulnerable groups.
- **Local project implementers:** these are the community-based organizations, NGOs, and private sector entities that will receive funding and are responsible for executing adaptation projects on the ground. Their role is to ensure that the projects are responsive to the needs of vulnerable communities and align with the regional adaptation frameworks.
- **Monitoring and evaluation units:** these units are tasked with assessing the progress of funded projects and ensuring compliance with the Environmental and Social Policy (ESP) and Gender

Policy of the Adaptation Fund. They will also track the economic, social, and environmental outcomes of each project to ensure that the intended benefits are realized.

Organigram of the operations of the Armenia National Adaptation Funding Facility:



**B. Describe the measures for financial and project/programme risk management.**

<b>Risk</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation Measures</b>
<i>Institutional Risks</i>			
Not all essential stakeholders might possess the necessary capacity and dedication to actively engage throughout the entire process, spanning from inception to completion, and some could perceive exclusion. Subsequently, resistance may arise from certain stakeholders when it comes to embracing the proposed measures.	Medium	High	<ul style="list-style-type: none"> <li>➤ The Project will capitalize on an active approach to stakeholder engagement, fostering regular consultations within the designated beneficiary communities:</li> <li>➤ To ensure equitable participation across various segments such as women, youth, the elderly, and potentially vulnerable groups, focused consultations and collaborative working groups will be established. These avenues will provide ample opportunities for addressing the distinct requirements of these stakeholder categories.</li> <li>➤ The process of selecting project beneficiaries will entail multiple stages: (1) identifying potential beneficiaries through community consultation meetings, (2) municipalities offering recommendations, and (3) final beneficiaries chosen via face-to-face meetings and farm visits. These visits will evaluate the beneficiary's farming skills and readiness to embrace the project's terms.</li> <li>➤ To facilitate community members and stakeholders in raising concerns, a grievance redress mechanism will be implemented.</li> </ul>
Project outcomes, including properties such as, greenhouses, dryers, etc. are not well protected	Low	Medium	<ul style="list-style-type: none"> <li>➤ Binding legal agreements will be established with beneficiaries who receive project assets such as greenhouses and dryers. These agreements will outline the beneficiaries' responsibility to uphold the assets' functionality and cover any repair costs required to maintain their</li> </ul>

			<p>operational status. In instances of negligence, the contract will specify the obligation to return the asset to the project in proper working order for potential reassignment to other beneficiaries.</p> <ul style="list-style-type: none"> <li>➤ Beneficiaries will also receive informative materials and leaflets detailing proper maintenance and operation of the provided assets.</li> <li>➤ The assets distributed will be marked with the logos of the project and the Project Implementation Unit (PIU).</li> </ul>
Delays in project implementation including those related to delayed procurement	Low	High	<ul style="list-style-type: none"> <li>➤ During the Project inception stage, the project's implementation plan will be revised and updated.</li> <li>➤ The advancement of project implementation within set timelines will be overseen through bi-weekly meetings conducted by the PIU team.</li> <li>➤ Adherence to the Republic of Armenia's public procurement procedures is required by the PIU, where specific minimum timelines for various procurement stages are defined. To mitigate potential delays resulting from delayed procurement, the project timeframe includes maximum deadlines.</li> <li>➤ Project activities have been meticulously prepared for completion within the proposed timeline.</li> <li>➤ Monitoring initiatives will guarantee the realization of implementation objectives throughout the project's execution.</li> </ul>
Implementation capacity constraints with limited human resources in national and regional authorities to ensure a timely implementation and the sustainability of the project.	Low	Low	<ul style="list-style-type: none"> <li>➤ Knowledge and awareness building is one of the key components of the project.</li> <li>➤ Project will equip all relevant authority workers, decision makers and local population</li> </ul>

			will have sufficient knowledge on the landscape and ecosystem adaptation to climate change and efficient management of climate smart agricultural techniques.
<i>Social Risks</i>			
Project beneficiaries are resistant to change and/or the new technologies applied are difficult to manage	Medium	Medium	<ul style="list-style-type: none"> <li>➤ During the implementation phase consultations of different stakeholders will ensure the ownership building for the project.</li> <li>➤ Project will ensure active participation of stakeholders</li> <li>➤ Awareness and knowledge raising activities will increase the capacity for managing the new technologies applied and will ensure that beneficiaries are not resistant towards adaptation activities.</li> </ul>
<i>Financial Risks</i>			
Mismanagement of resources	Low	High	<ul style="list-style-type: none"> <li>➤ Financial risk management will be possible by continuous evaluations, audits and reports as mentioned in M&amp;E plan of the project.</li> </ul>
Delays in the disbursement of funds.	Low	Low	<ul style="list-style-type: none"> <li>➤ EPIU will ensure that all the funds are properly managed; all procurement activities are completed in a timely manner.</li> </ul>

### **C. Measures for environmental and social risk management, in line with the Environmental and Social Policy and Gender Policy of the Adaptation Fund**

EPIU's ESP and Gender Policy is in place to address and manage social, environmental and climate change risks for EPIU-funded projects and also help EPIU comply with both national and international environmental and social standards.

The EPIU's ESP undertakes a screening of all projects and goes through a rigorous analysis. This ensures EPIU projects are in line with international practice, and match to the areas included in the AF ES Policy.

#### **General provisions for environmental and social risk management**

The project adopts a comprehensive approach to **environmental and social risk management** in accordance with the **Environmental and Social Policy (ESP)** and **Gender Policy** of the Adaptation Fund. These provisions ensure that the project does not generate unintended environmental or social harm and that the benefits are distributed equitably, particularly to vulnerable groups. The following general principles guide the risk management framework:

1. **Compliance with National Laws and International Standards:** The project is committed to full compliance with Armenia's legal framework, including the **Law on Environmental Impact Assessment (EIA)**, **Water Code**, **Urban Development Code**, and other relevant laws. Additionally, the project will adhere to international environmental and social standards, particularly those outlined in the **Adaptation Fund's ESP**. This ensures that all project activities are legally sound and ethically conducted.
2. **Participation and Inclusivity:** Environmental and social risk management measures are built on a foundation of inclusivity. This includes active stakeholder engagement, particularly with vulnerable communities, women, and marginalized groups. The project ensures that these groups have a voice in decision-making processes, following **Free, Prior, and Informed Consent (FPIC)** guidelines for indigenous and vulnerable populations.
3. **Transparency and Accountability:** All risk management processes will be conducted with transparency and accountability. The project will establish clear mechanisms for reporting environmental and social performance, including grievance mechanisms to address concerns raised by affected communities. Regular audits and monitoring will ensure ongoing compliance with both national regulations and the **Adaptation Fund's ESP**.
4. **Gender Mainstreaming:** Gender equality is a central theme in the project's risk management strategy. The project will implement gender-responsive planning and decision-making processes to ensure that women and men benefit equally from the project's outcomes. A **Gender Action Plan (GAP)** will be developed to address gender disparities, and gender-specific risks will be actively monitored and mitigated.

#### **Component-based measures for environmental and social risk management**

Each component of the project is subject to specific environmental and social risks. Below is a detailed breakdown of risk management strategies tailored to the unique risks and impacts of each component.

##### **Component 1:** Policy delivery – policy decompression at the regional/municipal level

###### **Environmental risks:**

- **Risk:** Policy implementation may lead to unintended environmental impacts if regional policies fail to consider local ecological sensitivities.
- **Mitigation:** Environmental screenings and impact assessments will be integrated into the policy formulation process. Regional vulnerability assessments will identify key environmental risks, and policies will be adapted to mitigate any negative impacts, ensuring alignment with national **EIA** standards.

###### **Social risks:**

- **Risk:** Marginalized and vulnerable groups may be excluded from regional policy decisions.
- **Mitigation:** Participatory approaches will be central to policy development. Vulnerable groups, including women and ethnic minorities, will be consulted throughout the policy process to ensure their voices are heard. Additionally, decision-making bodies, such as **Regional Climate Adaptation Committees**, will include representatives from these groups.

##### **Component 2:** Capacitating stakeholders – mapping, needs assessment and capacity building of key actors

###### **Environmental risks:**

- **Risk:** Capacity-building activities related to water or land management may unintentionally promote practices that harm ecosystems or increase resource depletion.

- **Mitigation:** Training programs will emphasize sustainable resource management and environmental protection. Capacity-building initiatives will be guided by **environmental best practices**, with special attention to water conservation, sustainable agriculture, and biodiversity protection. All capacity-building programs will incorporate environmental risk assessments.

#### **Social risks:**

- **Risk:** Failure to include women and marginalized groups in capacity-building efforts may reinforce existing social inequalities.
- **Mitigation:** All training and capacity-building programs will be gender-responsive, ensuring that women and vulnerable groups are prioritized. **Needs assessments** will be conducted to identify barriers to participation, and targeted strategies will be implemented to address these barriers, promoting equitable access to resources and skills development.

**Component 3:** Channeling adaptation Finance – identification, appraisal and financing of viable projects

#### **Environmental Risks:**

- **Risk:** Funded adaptation projects may result in environmental degradation, particularly if they involve infrastructure development in sensitive ecosystems or excessive resource extraction.
- **Mitigation:** All adaptation projects will undergo a detailed **Environmental and Social Impact Assessment (ESIA)** prior to funding approval. The **ESIA** will evaluate the potential environmental risks, particularly in relation to biodiversity, water resources, and land use. The project selection process will prioritize **ecosystem-based adaptation** measures, ensuring that projects contribute to long-term environmental sustainability.

#### **Social Risks:**

- **Risk:** Financing mechanisms may exclude vulnerable groups or reinforce existing economic disparities.
- **Mitigation:** The project will ensure that adaptation finance is accessible to vulnerable groups, particularly women, rural communities, and indigenous populations. A **Gender Action Plan (GAP)** will be implemented to ensure that financial resources are distributed equitably and that women have equal access to adaptation funds.

#### **D. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan, in compliance with the ESP and the Gender Policy of the Adaptation Fund.**

The Project's monitoring and evaluation (M&E) arrangements encompass a comprehensive approach to oversee project progress and assess its outcomes. The M&E activities will be managed within the allocated M&E budget, as detailed below. Monitoring and evaluation will be a collaborative effort involving the Project Team, with verification by the National Implementing Entity (NIE). The progress will be evaluated based on predefined targets and indicators established in the Project Results Framework.

The Project Management Unit (PMU) will establish a robust system for monitoring the project's progress. This system will facilitate data collection and recording through participatory mechanisms, enabling the monitoring and evaluation of both outcome and output indicators. Key tasks during the Project Launch workshop will include introducing the project's results framework to all stakeholders, presenting the project team, fostering ownership, and planning the work plan in alignment with the project's results framework. This will involve defining roles, responsibilities,

and functions of both the NIE and the Project Management team. Additionally, the M&E indicators, budget, and work plan will be collaboratively agreed upon and scheduled.

Throughout the project duration, the PMU and the dedicated monitoring and evaluation division will shoulder the responsibility for ongoing monitoring. Their actions will be guided by the Annual Operating Plan (AOP), which outlines all essential activities for the current year. Quarterly Status Reports (QSRs) will provide insights into the progress of executed activities. AOPs will be annually agreed upon during NIE meetings and will be guided by the project's results framework.

A significant feature of our M&E framework will be the incorporation of sex-disaggregated data in our data collection, analysis, and reporting processes. This approach ensures that the project's impacts on different gender groups are accurately captured and understood, providing a basis for gender-responsive project implementation and adjustment. Even though the specific arrangements for M&E, including the mechanisms for collecting and analyzing sex-disaggregated data, will be further refined during the project inception phase, the commitment to gender-sensitive M&E is unequivocal and will be a guiding principle throughout the project lifecycle.

To bolster the effectiveness of the project's M&E function, the unit will actively utilize gender-responsive indicators, facilitating a nuanced understanding of the project's gender-differentiated impacts and contributing to the development of interventions that are sensitive to the needs and priorities of all gender groups.

Monitoring and Evaluation (M&E) processes have been designed with a gender-sensitive lens, with a focus on women groups. This targeted approach in M&E aims to meticulously assess the direct and indirect benefits accruing to women as a result of the project, providing valuable insights into the project's impact on promoting gender equity and women empowerment.

Several reports and evaluations will be developed over the project's lifecycle, including:

- **Inception Workshop Report:** This report, prepared after the inception workshop, will detail the roles, responsibilities, actions, and functions of all stakeholders. It will also encompass the first AOP and monitoring plan for the initial year.
- **Annual Operating Plan (AOP):** AOPs, to be approved by the NIE before each operating period, will outline all planned activities, milestones, and goals for the year. It will include the necessary financial activities relevant to the period.
- **Quarterly Status Reports (QSRs):** These reports, to be submitted by the project management unit at the end of each operating quarter, will track the execution of indicators as defined in the project results framework. They will also address challenges faced and constraints encountered during execution.
- **Annual Management Reports (AMR):** The AMR, covering the last AOP, will compare actual results against the targets and milestones outlined in the AOP. If necessary, it will propose improvements and corrective measures for the upcoming AOP.
- **External Audit Reports:** These reports, aligned with government Financial Regulations, will be prepared in conjunction with periodic financial statements.
- **Mid-term Evaluation:** Conducted halfway through project implementation, this external evaluation will assess progress towards achieving outcomes, taking into account project effectiveness and efficiency. It will suggest corrective actions if needed.

- **Final Report:** This report, presented three months before project completion, will primarily focus on assessing project results against planned outcomes. It will also evaluate project impacts and sustainability.
- **Final External Evaluation:** This evaluation will emphasize project impacts, sustainability, and long-term effects. It will provide recommendations for further actions to ensure project sustainability. These M&E arrangements will incorporate a gender-responsive stakeholder consultation process. If specific gender targets or gender-responsive outcomes are identified, a dedicated specialist will monitor these aspects closely.

M&E Budget breakdown:

Item	Responsible	Project Lifespan				Total
		1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>d</sup> year	4 <sup>th</sup> year	
Quarterly and annual Reports	<i>EPIU PMU</i>	-	-	-	-	-
Final Report	<i>EPIU PMU</i>	-	-	-	-	-
Project Management Board Meetings	<i>Project manager</i>	1,000\$	1,000\$	1,000\$	1,000\$	<b>4,000\$</b>
Remuneration of engaged external assessors	<i>Local expert/s</i>	-	40,000\$	-	-	<b>40,000\$</b>
Inception and Final Workshops	<i>EPIU PMU</i>	2,000\$	-	-	2,000\$	<b>4,000\$</b>
Mid-term evaluation	<i>International Expert</i>	-	-	20,000\$	-	<b>20,000\$</b>
Final Evaluation	<i>International Expert</i>	-	-	-	20,000\$	<b>20,000\$</b>
External Audit	<i>National audit company</i>	3,000\$	3,000\$	3,000\$	3,000\$	<b>12,000\$</b>
<b>TOTAL:</b>		<b>6,000\$</b>	<b>44,000\$</b>	<b>24,000\$</b>	<b>26,000\$</b>	<b>100,000\$</b>

**E. Include a results framework for the project proposal, including milestones, targets and indicators, including one or more core outcome indicators of the Adaptation Fund Results Framework, and in compliance with the Gender Policy of the Adaptation Fund.**

Result	Indicator	Baseline <sup>21</sup>	Milestone <sup>22</sup> (end of year 2)	End of Project target <sup>23</sup>	Means of verification	Responsibility
<b>Objective:</b> Project is to enhance the country's capacity to effectively respond to the adaptation challenges posed by climate change and enhance adaptation resilience in the regions and municipalities of Armenia through establishment of a National Adaptation Finance Facility.	<ul style="list-style-type: none"> <li>➤ % increase in climate resilience of key sectors (<i>agriculture, water, infrastructure, ecosystems</i>);</li> <li>➤ N of regional adaptation projects implemented with stakeholder involvement (regional authorities, CSOs, private sector);</li> <li>➤ <b>Number</b> of regional stakeholders trained and capacitated in climate adaptation project design and implementation;</li> </ul>	-	<b>50,000</b> direct beneficiaries out of which <b>40%</b> are women  <b>5</b> regions <b>25</b> communities <b>25</b> projects <b>250</b> stakeholders	<b>100,000</b> direct beneficiaries out of which <b>40%</b> are women  <b>10</b> regions <b>50</b> communities <b>50</b> projects <b>500</b> stakeholders	<ul style="list-style-type: none"> <li>➤ Semi-annual project reports;</li> <li>➤ Annual PPRs;</li> <li>➤ Surveys;</li> <li>➤ M&amp;E interim and final reports;</li> <li>➤ Impact assessment report (upon completion);</li> </ul>	EPIU, targeted municipalities and settlements;
<b>Component 1: Policy delivery</b> - policy decompression at the regional/municipal level						
<b>Outcome 1:</b> Increased regional/ municipal capacities to contribute towards	<ul style="list-style-type: none"> <li>➤ N of detailed regional vulnerability assessments;</li> <li>➤ N of regional policy frameworks;</li> </ul>	-	<ul style="list-style-type: none"> <li>➤ <b>10</b> of detailed regional vulnerability assessments;</li> <li>➤ <b>10</b> of regional policy frameworks;</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>10</b> of detailed regional vulnerability assessments;</li> <li>➤ <b>10</b> of regional policy frameworks;</li> <li>➤ <b>50</b> of workshops, training and follow</li> </ul>	<ul style="list-style-type: none"> <li>➤ Semi-annual project reports;</li> <li>➤ Annual PPRs;</li> <li>➤ Surveys;</li> <li>➤ M&amp;E interim and final</li> </ul>	EPIU, targeted municipalities and settlements;

<sup>21</sup> Achieved in the result of implementation of the pilot Project "Strengthening land based adaptation capacity in communities adjacent to protected areas in Armenia"

<sup>22</sup> Include also beneficiaries indicated in the baseline

<sup>23</sup> Include also beneficiaries indicated in the baseline

Result	Indicator	Baseline <sup>21</sup>	Milestone <sup>22</sup> (end of year 2)	End of Project target <sup>23</sup>	Means of verification	Responsibility
formulation and execute actions deriving from National Adaptation Plan, Sectorial Adaptation Plans and Regional Adaptation Plans	<ul style="list-style-type: none"> <li>➤ N of workshops, training and follow up mentorship sessions</li> <li>➤ N of regional and municipal stakeholders benefited from capacity building activities;</li> <li>➤ N of the regional climate adaptation committees;</li> </ul>		<ul style="list-style-type: none"> <li>➤ 25 of workshops, training and follow up mentorship sessions</li> <li>➤ 250 of regional and municipal stakeholders benefited from capacity building activities;</li> <li>➤ 10 of the regional climate adaptation committees;</li> </ul>	<ul style="list-style-type: none"> <li>up mentorship sessions</li> <li>➤ 500 of regional and municipal stakeholders benefited from capacity building activities;</li> <li>➤ 10 of the regional climate adaptation committees;</li> </ul>	<ul style="list-style-type: none"> <li>reports;</li> <li>➤ Impact assessment report (upon completion);</li> </ul>	
<b>Component 2: Capacitating stakeholders</b> - mapping, needs assessment and capacity building of key actors						
<b>Outcome 2:</b> Capacitated stakeholders are better able to contribute towards needs identification, policy formulation and execution, as well as supporting private sector entities to implement projects seeking adaptation resilience of targeted municipalities	<ul style="list-style-type: none"> <li>➤ N of regional stakeholder mapping exercises conducted and N of relevant actors identified;</li> <li>➤ N of needs assessment of stakeholder groups;</li> <li>➤ N of capacity-building programs, workshops, training and mentorship sessions are designed and implemented to enhance the capabilities of stakeholders;</li> </ul>	➤ -	<ul style="list-style-type: none"> <li>➤ 10 regional stakeholder mapping exercises conducted and 100 of relevant actors identified;</li> <li>➤ 10 needs assessment of stakeholder groups;</li> <li>➤ 25 of capacity-building programs, workshops, training and mentorship sessions are designed and implemented to enhance the capabilities of stakeholders;</li> <li>➤ Knowledge-sharing platform;</li> <li>➤ 25 networking events,</li> </ul>	<ul style="list-style-type: none"> <li>➤ 10 regional stakeholder mapping exercises conducted and 100 of relevant actors identified;</li> <li>➤ 10 needs assessment of stakeholder groups;</li> <li>➤ 50 of capacity-building programs, workshops, training and mentorship sessions are designed and implemented to enhance the capabilities of stakeholders;</li> <li>➤ Knowledge-sharing platform;</li> <li>➤ 50 networking events,</li> </ul>	<ul style="list-style-type: none"> <li>➤ Semi-annual project reports;</li> <li>➤ Annual PPRs;</li> <li>➤ Surveys;</li> <li>➤ M&amp;E interim and final reports;</li> <li>➤ Impact assessment report (upon completion);</li> </ul>	EPIU, targeted municipalities and settlements;

Result	Indicator	Baseline <sup>21</sup>	Milestone <sup>22</sup> (end of year 2)	End of Project target <sup>23</sup>	Means of verification	Responsibility
	<ul style="list-style-type: none"> <li>➤ Knowledge-sharing platform;</li> <li>➤ N of networking events, fostering collaboration and exchange of best practices among stakeholders at the regional and municipal levels;</li> </ul>		fostering collaboration and exchange of best practices among stakeholders at the regional and municipal levels;	fostering collaboration and exchange of best practices among stakeholders at the regional and municipal levels;		
<b>Component 3: Channeling adaptation finance</b> - identification, appraisal, and financing of viable projects						
<b>Outcome 3:</b> Adaptation resilience of vulnerable communities in Armenia is increased through implementation of locally driven projects with participation of private sector	<ul style="list-style-type: none"> <li>➤ N of climate adaptation projects in all targeted regions identified, appraised and consulted with local/municipal stakeholders;</li> <li>➤ N of climate adaptation projects from all targeted regions approved for funding (% with private sector participation), including: <ul style="list-style-type: none"> <li>✓ N of projects supported in the field of climate resilient crops cultivation, utilization of drip irrigation and other water</li> </ul> </li> </ul>	-	<ul style="list-style-type: none"> <li>➤ 100 climate adaptation projects in all targeted regions identified, appraised and consulted with local/municipal stakeholders;</li> <li>➤ 50 climate adaptation projects from all targeted regions approved for funding (% with private sector participation), including: <ul style="list-style-type: none"> <li>✓ 10 of projects supported in the field of climate resilient crops cultivation, utilization of drip irrigation and other water</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ 100 climate adaptation projects in all targeted regions identified, appraised and consulted with local/municipal stakeholders;</li> <li>➤ 50 climate adaptation projects from all targeted regions approved for funding (% with private sector participation), including: <ul style="list-style-type: none"> <li>✓ 10 of projects supported in the field of climate resilient crops cultivation, utilization of drip irrigation and other water</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Semi-annual project reports;</li> <li>➤ Annual PPRs;</li> <li>➤ Surveys;</li> <li>➤ M&amp;E interim and final reports;</li> <li>➤ Impact assessment report (upon completion);</li> </ul>	EPIU, targeted municipalities and settlements;

Result	Indicator	Baseline <sup>21</sup>	Milestone <sup>22</sup> (end of year 2)	End of Project target <sup>23</sup>	Means of verification	Responsibility
	<p>saving technologies and livestock management;</p> <p>✓N of pilots of water harvesting, and storage are implemented;</p> <p>✓N of demonstration projects targeting promotion of climate-resilient buildings, urban planning and greening are implemented;</p> <p>✓N of small scale projects aimed at reforestation and advancement of sustainable management practices are supported;</p> <p>✓N of interventions supporting usage of mobile technologies for transmitting weather forecasts and implementation of social</p>		<p>saving technologies and livestock management;</p> <p>✓5 pilots of water harvesting, and storage are implemented;</p> <p>✓5 demonstration projects targeting promotion of climate-resilient buildings, urban planning and greening are implemented;</p> <p>✓5 small scale projects aimed at reforestation and advancement of sustainable management practices are supported;</p> <p>✓5 interventions supporting usage of mobile technologies for transmitting weather forecasts and implementation of social protection</p>	<p>saving technologies and livestock management;</p> <p>✓5 pilots of water harvesting, and storage are implemented;</p> <p>✓5 demonstration projects targeting promotion of climate-resilient buildings, urban planning and greening are implemented;</p> <p>✓5 small scale projects aimed at reforestation and advancement of sustainable management practices are supported;</p> <p>✓5 interventions supporting usage of mobile technologies for transmitting weather forecasts and implementation of social protection</p>		

Result	Indicator	Baseline <sup>21</sup>	Milestone <sup>22</sup> (end of year 2)	End of Project target <sup>23</sup>	Means of verification	Responsibility
	<p>protection measures are carried out;</p> <p>✓N of demonstration projects advancing local critical infrastructure are implemented;</p> <p>✓N of projects leveraging renewable energy for increased adaptation resilience (e.g. Agrivoltaic approach, solar-powered pumps) are supported;</p> <p>✓N of initiatives aimed at increased awareness, gamified education and sustainable tourism benefited from financial support;</p>		<p>measures are carried out;</p> <p>✓5 demonstration projects advancing local critical infrastructure are implemented;</p> <p>✓10 projects leveraging renewable energy for increased adaptation resilience (e.g. Agrivoltaic approach, solar-powered pumps) are supported;</p> <p>✓5 initiatives aimed at increased awareness, gamified education and sustainable tourism benefited from financial support;</p>	<p>measures are carried out;</p> <p>✓5 demonstration projects advancing local critical infrastructure are implemented;</p> <p>✓10 projects leveraging renewable energy for increased adaptation resilience (e.g. Agrivoltaic approach, solar-powered pumps) are supported;</p> <p>✓5 initiatives aimed at increased awareness, gamified education and sustainable tourism benefited from financial support;</p>		

**F. Demonstrate how the project/programme aligns with the Results Framework of the Adaptation Fund**

**Alignment of the Project with Adaptation Fund's priorities**

<b>N</b>	<b>Priority sectors of Adaptation Fund</b>	<b>AF Project Areas</b>	<b>Potential projects to be supported through Facility (concordant with the NAP, SAPs and MAPs)</b>
<b>1.</b>	Agriculture	Climate resilient technologies and practices: ➤ drought tolerant seeds; ➤ improved irrigation systems; ➤ sustainable land management practices;	➤ Advanced irrigation technologies; ➤ Seed breeding and seed production; ➤ Resource saving agricultural practices; ➤ Hydroponic food production; ➤ Improvement of pastures and grasslands; ➤ Fodder production;
<b>2.</b>	Disaster Risk Reduction	➤ risk and vulnerability assessments; ➤ strengthening climate information and early warning systems;	➤ anti-hail systems; ➤ forest belts and windbreaks in areas most susceptible to strong winds;
<b>3.</b>	Ecosystem-based Adaptation	➤ wetlands management and conservation; ➤ river restoration; ➤ enhancing governance of natural resources;	➤ Fish farming;
<b>4.</b>	Food Security	➤ helping farmers adapt to the changing climate;	➤ Advanced irrigation Technologies; ➤ Seed breeding and seed production; ➤ Resource saving agricultural practices; ➤ Hydroponic food production;
<b>5.</b>	Forests	➤ fight land degradation; ➤ create smart agricultural practices; ➤ integrate adaptive measures within communities to conserve their forests and rich biodiversity;	➤ forest belts and windbreaks in areas most susceptible to strong winds;
<b>6.</b>	Cross-sectoral	➤ Establishment of National Adaptation Fund; ➤ Other cross-sectoral activities;	➤ Water-agriculture; ➤ Water-renewable energy (solar); ➤ Agriculture-renewable energy (solar);
<b>7.</b>	Rural Development	➤ reversing land degradation;	➤ Combating land degradation;

		➤ enhancing ecosystem services, to improve a rural population's ability to cope with climate change as well as their ability to generate income;	➤ Recultivation;
8.	Urban Development	➤ adapting to sustainable challenges and engineering innovative ideas;	➤ Urban adaptation technologies;
9.	Water Management	➤ households employing techniques to harvest rainwater; ➤ watersheds, where ecosystem-based adaptation can improve the ability of natural systems to function effectively, thus securing water resources on a regional scale;	➤ Water-saving technologies;

### Alignment of the Project with Adaptation Fund's Strategic Result Framework

STRATEGIC RESULTS FRAMEWORK OF THE ADAPTATION FUND	
Expected Results	Project's Alignment
<u>Goal:</u> Assist developing country Parties to the Kyoto Protocol and the Paris Agreement that are particularly vulnerable to the adverse effects of climate change in meeting the costs of concrete adaptation projects and programmes in order to implement climate-resilient measures.	Through establishing of the <b>National Adaptation Finance Facility</b> proposed Project seeks to enhance the country's capacity to effectively respond to the adaptation challenges posed by climate change and enhance adaptation resilience in the regions and municipalities of Armenia.
<u>Impact:</u> Increased resiliency at the community, national, and regional levels to climate variability and change.	Resiliency at the national, regional and municipal level will be increased through: <ul style="list-style-type: none"> <li>➤ <b>Advancing policy making and good governance capacities</b> of key actors and stakeholders;</li> <li>➤ <b>Ensuring synchronization</b> between and on-the-ground delivery of the priority measures defined in the National Adaptation Plan, Sectorial Adaptation Plans, Regional (Marz) Adaptation Plans and other strategy documents;</li> <li>➤ <b>Introduction of the innovative financial instruments</b> targeted towards addressing "incremental costs of the adaptation projects" and seeking engagement of the private sector actors;</li> <li>➤ <b>Increasing awareness of the key stakeholders and collaborators</b> in vulnerable municipalities on the challenges of adaptation resilience in their respective communities and available mitigation instruments;</li> </ul>
<b><u>Outcome 1: Reduced exposure to climate-related hazards and threats</u></b>	
<u>Output 1.2:</u> Targeted population groups covered by adequate risk reduction systems	<b><u>Component 3 of the Project</u></b> – Channeling Adaptation Finance to the resilience building projects:

	➤ <b>Projects to be financed through Facility</b> – anti-hail protection of the crops;
<b><u>Outcome 2: Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses</u></b>	
<b><u>Output 2.1:</u></b> Strengthened capacity of national and sub-national centers and networks to respond rapidly to extreme weather events	<b><u>Component 2 of the Project</u></b> – Capacitating stakeholders through mapping, needs assessment and capacity enhancement (trainings and mentorships where applicable);
<b><u>Output 2.2:</u></b> Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance	<b><u>Component 2 of the Project</u></b> – Capacitating stakeholders through mapping, needs assessment and capacity enhancement (trainings and mentorships where applicable); ➤ Support in formulation of the projects seeking direct access to adaptation finance;
<b><u>Outcome 3: Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level</u></b>	
<b><u>Output 3.1:</u></b> Targeted population groups participating in adaptation and risk reduction awareness activities	<b><u>Component 2 of the Project</u></b> – Capacitating stakeholders; Under this component, awareness raising in targeted municipalities will be carried out with the purpose to: 1) increase awareness of the population on available adaptation and risk reduction activities, and 2) mobilization of the active groups among population;
<b><u>Output 3.2:</u></b> Strengthened capacity of national and subnational stakeholders and entities to capture and disseminate knowledge and learning	<b><u>Component 2 of the Project</u></b> – Capacitating stakeholders through mapping, needs assessment and capacity enhancement (trainings and mentorships where applicable);
<b><u>Outcome 4: Increased adaptive capacity within relevant development sector services and infrastructure assets</u></b>	
<b><u>Output 4:</u></b> Vulnerable development sector services and infrastructure assets strengthened in response to climate change impacts, including variability	<b><u>Component 3 of the Project</u></b> – Channeling Adaptation Finance to the resilience building projects: ➤ <b>Projects to be financed through Facility</b> – strengthening infrastructure assets’ (owned by households, farmers and SMEs in vulnerable regions) adaptability to the negative impacts of climate change;
<b><u>Outcome 6: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas</u></b>	

<u>Output 6:</u> Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	<p><b>Component 1 of the Project</b> – Decompressing policy delivery at regional and municipal level.</p> <p>Under this component the Project will help to translate key points from national strategies (National Adaptation Plan, Sectorial Adaptation Plans and Regional Adaptation Plans) into the local actions (including annual set of activities implemented by regional and municipal authorities).</p>
<b>Outcome 7: Improved policies and regulations that promote and enforce resilience measures</b>	
<u>Output 7:</u> Improved integration of climate-resilience strategies into country development plans	N/A
<b>Outcome 8: Support the development and diffusion of innovative adaptation practices, tools and technologies</b>	
<u>Output 8:</u> Viable innovations are rolled out, scaled up, encouraged and/or accelerated.	<p><b>Component 3 of the Project</b> – Channeling Adaptation Finance to the resilience building projects:</p> <p>➤ <b>Projects to be financed through Facility</b> – all those mentioned in the 4<sup>th</sup> column of the Table “<b>Alignment of the Project with Adaptation Fund’s priorities</b>”;</p>

Project Objective(s)	Project Objective Indicator(s)	Fund Outcome	Fund Outcome Indicator	Grant Amount (USD)
To enhance the country's capacity to effectively respond to the adaptation challenges posed by climate change and enhance adaptation resilience in the regions and municipalities of Armenia through establishment of a National Adaptation Finance Facility	<ul style="list-style-type: none"> <li>➤ Number of vulnerable municipalities benefiting from the enhanced direct access to adaptation finance;</li> <li>➤ Proportion of vulnerable municipalities covered;</li> <li>➤ Number of people residing in vulnerable municipalities benefiting from the enhanced direct access to adaptation finance;</li> <li>➤ Proportion of people residing in vulnerable municipalities benefiting from the enhanced direct access to adaptation finance;</li> </ul>	<p><b>Outcome 2:</b> Strengthened institutional capacity to reduce risks associated with climate-induced socioeconomic and environmental losses</p>	<ul style="list-style-type: none"> <li>➤ <b>2.1.1. N</b> of staff trained to respond to, and mitigate impacts of, climate-related events (by gender);</li> <li>➤ <b>2.2.1. N</b> of targeted institutions benefitting from the direct access and enhanced direct access modality</li> </ul>	
Project Outcome(s)	Project Outcome Indicator(s)	Fund Output	Fund Output Indicator	Grant Amount (USD)
<b>Policy Delivery - Policy Decompression at the Regional/Municipal Level</b>				

Increased regional/ municipal capacities to contribute towards formulation and execute actions deriving from National Adaptation Plan, Sectorial Adaptation Plans and Regional Adaptation Plans	<ul style="list-style-type: none"> <li>➤ N of detailed vulnerability assessments carried out;</li> <li>➤ N of regional policy frameworks formulated;</li> <li>➤ N of capacity building events carried out, and</li> <li>➤ N of regional and municipal officials and stakeholders engaged in the capacity building activities;</li> <li>➤ N of regional climate adaptation committees established;</li> </ul>	<p><b>Output 2.2:</b> Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance</p> <p><b>Output 6:</b> Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability</p>	<p><b>2.2.1</b> No. of targeted institutions benefitting from the direct access and enhanced direct access modality;</p> <p><b>6.2.1.</b> Type of income sources for households generated under climate change scenario</p>	<b>300,000</b>
<b>Capacitating Stakeholders</b> - Mapping, Needs Assessment, and Capacity Building of Key Actors				
Capacitated stakeholders are better able to contribute towards needs identification, policy formulation and execution, as well as supporting private sector entities to implement projects seeking adaptation resilience of targeted municipalities	<ul style="list-style-type: none"> <li>➤ N of regional stakeholder mapping exercise conducted, and N of relevant actors engaged;</li> <li>➤ N of needs assessment of stakeholder groups is carried out;</li> <li>➤ N of capacity-building programs, designed and implemented to enhance the capabilities of stakeholders;</li> <li>➤ knowledge-sharing platform is established and operational;</li> <li>➤ N of networking events, fostering collaboration and exchange of best practices among stakeholders at the regional and municipal levels are organized;</li> </ul>	<p><b>Output 2.2:</b> Increased readiness and capacity of national and sub-national entities to directly access and program adaptation finance</p>	<p><b>2.2.1</b> No. of targeted institutions benefitting from the direct access and enhanced direct access modality</p>	<b>300,000</b>
<b>Channeling Adaptation Finance</b> - Identification, appraisal, and financing of viable projects				
Adaptation resilience of vulnerable communities in Armenia is increased through implementation of locally driven projects with participation of private sector	<ul style="list-style-type: none"> <li>➤ N of climate adaptation projects in all targeted regions identified, appraised and consulted with local/municipal stakeholders;</li> <li>➤ N of climate adaptation projects from all targeted</li> </ul>	<p><b>Outcome 3:</b> Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level;</p>	<p><b>3.2.</b> Percentage of targeted population applying appropriate adaptation responses</p> <p><b>Indicator 6.1.1</b> No. and type of adaptation assets (tangible and</p>	<b>3,800,000</b>

	regions are approved for funding ➤ N of projects implemented in partnership with private sector;	<b>Outcome 6:</b> Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas;	intangible) created or strengthened in support of individual or community livelihood strategies	
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G. Include a detailed budget with budget notes, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.

Output	Item	Budget Notes	Budget during Project lifespan (in USD)				Total Budget (in USD)	Comments
			Year 1	Year 2	Year 3	Year 4		
<b>Component 1: Policy delivery</b> - policy decompression at the regional/municipal level	Consulting Company N 1	Vulnerability assessment of the regions	50,000	-	-	-	300,000	-
	Consulting Company N 2	Formulation of the regional climate change committees and design of regional the regional policy frameworks	100,000	100,000	-	-		-
	Consulting Company N 3	Organization of the workshops	10,000	20,000	20,000	-		-
<b>Component 2: Capacitating stakeholders</b> - mapping, needs assessment and capacity building of key actors	Consulting Company N 4	Mapping and needs assessment of the regional stakeholders	50,000				300,000	-
	Consulting Company N 5	Capacity building events	50,000	50,000	50,000			-
	Consulting Company N 6	Knowledge sharing platform		25,000				-
	Consulting Company N 7	Networking events			25,000	50,000		-
<b>Component 3: Channeling adaptation finance</b> -	Sub-Grantees	Financing of the regional	-	1,900,000	1,900,000	-	3,800,000	-

identification, appraisal, and financing of viable projects;		adaptation projects						
<b><u>TOTAL for Project's Components</u></b>			<b>260,000</b>	<b>2,095,000</b>	<b>1,995,000</b>	<b>50,000</b>	4,400,000	
<b><u>Project Execution costs (EPIU)1.5% of total budget</u></b>			15,000	15,000	15,000	15,000	60,000	
<b><u>TOTAL Project Costs</u></b>			275,000	2,110,000	2,010,000	65,000	<b>4,460,000</b>	
<b><u>IE Fee / Oversight Costs (*max 8.5% of total budget)</u></b>			55,000 \$	93,000\$	73,000\$	75,000\$	<b>300,000</b>	
<b><u>GRAND TOTAL</u></b>			293,000	2,251,000	2,175,000	69,000	<b><u>4,760,000</u></b>	

IE Fee / Oversight Costs (\*max 8.5% of total budget)

Item	Responsible	Project Lifespan				Total
		1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>d</sup> year	4 <sup>th</sup> year	
I. Project Management						
Project Manager	EPIU PMU	15,750\$	15,750\$	15,750\$	15,750\$	63,000\$
Project Coordinator	EPIU PMU	13,000\$	13,000\$	13,000\$	13,000\$	52,000\$
Monitoring Specialist	EPIU PMU	8,000\$	8,000\$	8,000\$	8,000\$	32,000\$
Social and Gender risk assessment specialist	EPIU PMU	7,250\$	7,250\$	7,250\$	7,250\$	29,000\$
Environmental risk specialist	EPIU PMU	6,000\$	6,000\$	6,000\$	6,000\$	24,000\$
Subtotal for Project Management		49,000\$	49,000\$	49,000\$	49,000\$	196,000\$
II. Monitoring & Evaluation						
Quarterly and annual Reports	EPIU PMU	-	-	-	-	-
Final Report	EPIU PMU	-	-	-	-	-
Project Management Board Meetings	Project manager	1,000\$	1,000\$	1,000\$	1,000\$	4,000\$
Remuneration of external assessors	Local expert/s	-	40,000\$	-	-	40,000\$
Inception and Final Workshops	EPIU PMU	2,000\$	-	-	2,000\$	4,000\$
Mid-term evaluation	International Expert	-	-	20,000\$	-	20,000\$
Final Evaluation	International Expert	-	-	-	20,000\$	20,000\$

External Audit	<i>National audit company</i>	3,000\$	3,000\$	3,000\$	3,000\$	<b>12,000\$</b>
<i>Subtotal for Monitoring &amp; Evaluation</i>		16,000\$	14,000\$	34,000\$	36,000\$	<b>100,000\$</b>
<b>TOTAL</b>		<b>55,000 \$</b>	<b>93,000\$</b>	<b>73,000\$</b>	<b>75,000\$</b>	<b>296,000 \$</b>

Project Execution costs (EPIU)1.5% of total budget

Item	Project Lifespan				Total
	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>d</sup> year	4 <sup>th</sup> year	
Finance Officer	6,000\$	6,000\$	6,000\$	6,000\$	<b>24,000\$</b>
Administrative Support	3,500\$	3,500\$	3,500\$	3,500\$	<b>14,000\$</b>
Procurement Specialist	3,000\$	3,000\$	3,000\$	3,000\$	<b>12,000\$</b>
Field trips	2,500\$	2,500\$	2,500\$	2,500\$	<b>10,000\$</b>
<b>TOTAL:</b>	<b>15,000\$</b>	<b>15,000\$</b>	<b>15,000\$</b>	<b>15,000\$</b>	<b>60,000\$</b>

**H. Include a disbursement schedule with time-bound milestones.**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Total</b>
Scheduled Date	September 2025	January 2026	January 2027	January 2028	
Project Funds	260,000	2,095,000	1,995,000	50,000	<b>4,400,000</b>
Project Execution costs	15,000	15,000	15,000	15,000	<b>60,000</b>
Total Project Cost	275,000	2,110,000	2,010,000	65,000	<b>4,460,000</b>
IE Fee / Oversight Costs	55,000 \$	93,000\$	73,000\$	75,000\$	<b>300,000</b>
Total Project/ Programme Cost	293,425	2,251,370	2,175,850	69,355	<b><u>4,760,000</u></b>

## Annex I. – Sub-Granting Manual

### PART I. - Basic Principles

#### I. Thematic directions for sub-grants

These Guidelines are designed with the purpose of managing the sub-granting process by EPIU within the framework of the Project “National Adaptation Funding Facility” financed by the Adaptation Fund.

Thematic directions for the sub-granting should: 1) mandatory be compliant with the initial priorities identified through this Funding proposal, further validated by Regional Climate Committees during the first phase of the Project and finally approved by the Steering Committee of the Project, and 2) contribute towards achievement of the specific qualitative and quantitative benchmarks outlined in this Funding Proposal.

##### 1.1 Eligibility Criteria

Sub-granting should be carried out through a competitive Call for Proposals as described in these Guidelines. For each call, Guidelines for Grant Applicants should be designed and published that, inter alia, defines the following eligibility criteria:

- **Thematic coverage** – in accordance with the requirements stipulated in the section 1.1 above;
- **Location** – regions and municipalities of Armenia;
- **Eligibility of applicants** – non-for profit and for profit entities having in mind that:
  - ✓ CSOs should be primary beneficiaries;
  - ✓ State Non-Profit Organizations could be sub-grantees in well-justified cases;
  - ✓ Commercial entities could be sub-grantees in well-justified cases, however, should not aim at receiving the profit;
  - ✓ International organizations and donor agencies can't be sub-grantees;
- **Eligibility of activities** – specific types of activities that are eligible should mandatorily be defined;
- **Eligibility of costs** – the list of ineligible costs should also be published. Indicative list is presented below:
  - ✓ debts and debt service charges (interest);
  - ✓ provisions for losses or potential future liabilities;
  - ✓ costs declared by the sub-grant recipient and financed by another project;
  - ✓ purchases of land or buildings, except where necessary for the direct implementation of the Project;
  - ✓ credit to third parties;
  - ✓ salary costs of the personnel of national administrations.
- **Minimum and maximum budget;**

- **Minimum and maximum duration;**
- **Minimum and maximum mandatory co-financing requirement** – with the minimum threshold equivalent to 15%;

## 1.2 Transparency

The information about grants' availability and requirements (e.g. Guidelines for Grant Applicants) must be publicized widely and made available for consultancy to third parties using the most suitable means of communication and, as a minimum requirement, EPIU's and Government Procurement websites.

The transparency of the process should be ensured in compliance with the following 4 key principles<sup>24</sup>:

- **Principle 1 - Maximize access to information.** The EPIU reaffirms its commitment to transparency in all of its activities and therefore seeks to maximize access to any documents and information that it produces and to information in its possession that is not on the list of exceptions.
- **Principle 2 - Limited exceptions.** Any exceptions to disclosure will be predicated upon the possibility, narrowly and clearly defined, that the potential harm to interests, entities or parties arising from the disclosure of information would outweigh the benefits, that the EPIU is legally obligated to non-disclosure or has received information from third parties clearly marked as confidential. The EPIU may, in exceptional circumstances, decide not to disclose or delay dissemination of information that would normally be accessible if it determines that the harm that might occur by doing so will outweigh the benefits of access. The EPIU may also, in exceptional circumstances, make available to the public information ordinarily excluded from disclosure when it determines that the benefit would outweigh the potential harm, except where the EPIU is legally obligated to confidentiality.
- **Principle 3 - Simple and broad access to information.** The EPIU will employ all practical means to facilitate access to information, maximize access to such information, and use clear and cost-effective procedures and timelines for processing requests.
- **Principle 4 - Explanations of decisions and right to review.** When denying access to information on request the EPIU will provide an explanation for its decision. Requesters who believe they have been denied access to information in an unlawful manner will have the right to have such decision reviewed by the Ministry of Environment of the Republic of Armenia.

## 1.3 Impartiality, Conflict of Interest and Confidentiality

The grant award process must be completely impartial. This means that the proposals must be evaluated by an evaluation committee using published criteria (i.e. the evaluation grid).

EPIU expressively condemns any distortive act done by its employees and other members of the evaluation committee due to conflict of interest and misconduct.

According to EPIU's Policies on Integrity Framework (includes Policy on Prohibited Practices, Staff Code of Conduct, Policy on Ethics and Conflicts of Interest), a conflict of interest is when the impartial and objective exercise of the functions of a voting member of the Proposal Evaluation

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<sup>24</sup> As defined in the GCF ["Information Disclosure Policy"](#) (GCF Board Decision B.12/35, paragraph (a).)

Committee is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with the applicant. If any member has a personal or economic relationship/interest related to any of the applicants (be it organization or any of its members) s/he shall declare such relationship and withdraw from the decision making process. Acts likely to be affected by a conflict of interest may, inter alia, take one of the following forms:

- Granting oneself or others unjustified direct or indirect advantages;
- Refusing to grant an applicant the rights or advantages to which that applicant is entitled;
- Committing undue or wrongful acts or failing to carry out acts that are mandatory.

Members of the PEC must sign the Annex I.I - Declaration of Impartiality and Confidentiality in which they declare to abide by these principles.

## **PART II. - Sub-granting management structures**

### **2.1 Proposal Evaluation Committee**

#### *2.1.1 Composition and functions*

The Proposal Evaluation Committee should be comprised from Chairperson, Secretary, and 3 Evaluators and is responsible for the following:

- The administrative check of the applications received against criteria defined in the section 4.3 of these Guidelines;
- The evaluation of the proposals, their scoring and ranking in accordance with the requirements described in the section 4.5 of these Guidelines.

Subject of the respective decision of the Chairman of Evaluation Committee, bidders can be invited to attend the opening session.

Summary of the opening session should be drafted and signed by all members of the PEC.

#### *2.1.2 Chairperson*

- a) It is appointed for each Call for Proposals by the Director of EPIU and should normally be the Head of Procurement Section;
- b) Ensures the Committee impartiality and transparency;
- c) Represents the PEC in case a clarification is requested by the Complaint Committee;
- d) Leads and is responsible for the decisions taken by the PEC;
- e) Coordinates the work during the opening session/administrative check and the whole evaluation process in accordance with procedures sets in these Guidelines;
- f) Calls for PEC meetings, sets the meeting agenda and time schedule, moderates among different evaluations with the objective to find consensus;
- g) Decides whether the evaluation process must be derogated or restarted. This decision must be well justified in writing and reasons must be included in the evaluation report.

### *2.1.3 Secretary*

- a) Is appointed by the Director of EPIU from admin staff of the EPIU;
- b) Has non-voting rights;
- c) Is responsible for carrying out all administrative tasks connected with the evaluation procedure, including:
  - i. Circulating, collecting and archiving the “Declarations of impartiality and confidentiality” (Annex I.I to these Guidelines) signed by the evaluators;
  - ii. Drafting minutes of meetings;
  - iii. Compiling the administrative eligibility report and the final evaluation report;
  - iv. Compiling communication letters to applicants;
  - v. Archiving documentation;

### *2.1.4 Evaluators*

- a) The roster of evaluators to be composed in the result of competitive shortlisting process and finally approved by the Steering Committee of the Project
- b) Evaluators shall have the technical and administrative capacities to give an informed opinion on the proposals;
- c) Evaluators, must sign the “Declaration of impartiality and confidentiality” (Annex I.I to these Guidelines) that will be kept in the archive and annexed to the Evaluation Final Report. Their name, should remain undisclosed to third parties;
- d) Evaluators must attend all meetings except, if not requested, the proposal opening session (i.e. those meetings in which the administrative check is done). Any absence must be recorded and explained in the evaluation report;
- e) All evaluators have equal voting rights;

## **2.2 Complaints Committee**

### *2.2.1 Composition and Functions*

The Complaints Committee is comprised from the Deputy Director of EPIU and two senior level employees, who does not take part in the PEC and the PMT.

The CC will seek to ensure that all requests and complaints are treated seriously and constructively. It will also seek to ensure answers will be provided promptly with fairness and consistency, and with due regard to the EPIU’s Policies on Integrity Framework (includes GENDER POLICY([https://www.epiu.am/wp-content/uploads/2020/10/EPIU\\_GENDER-Policy\\_2020.pdf](https://www.epiu.am/wp-content/uploads/2020/10/EPIU_GENDER-Policy_2020.pdf)), PROJECT LEVEL GRIEVANCE MECHANISM(<https://www.epiu.am/wp-content/uploads/2020/10/NIE080-REACC-1-3-PROJECT-LEVEL-GRIEVANCE-MECHANISM.pdf>) and ANTI-FRAUD AND ANTICORRUPTION POLICY([https://www.epiu.am/wp-content/uploads/2020/10/EPIU\\_Anti\\_Fraud\\_Policy.pdf](https://www.epiu.am/wp-content/uploads/2020/10/EPIU_Anti_Fraud_Policy.pdf))).

The Complaints Committee:

- a) Is responsible for addressing request for clarifications and/or complaints after the launch of a Call for Proposal. The Compliance Committee can request the support of the chairperson and the members of the evaluation committee in order to produce an exhaustive and thoughtful reply.
- b) Has the power to re-admit an applicant that has lodged a complaint considered as justified.

All its communications shall be in writing and annexed to the Final Evaluation Report.

## 2.3 Project Management Team

For the overall coordination of activities and reporting purposes of each Sub-granting Project/Programme, the Project Management Team shall be formally appointed by the Director of EPIU. The Project Management Team shall be composed of:

**The Project Manager** - responsible for the overall coordination of the Sub-Grant Project/Programme including:

- Strategic coordination of sub-grantees;
- Ensuring compliance with the Policies and Procedures of the Donor and EPIU;
- Supervising/authorizing the transfer of funds and authorize budget variations;
- Supervising monitoring plan and activities;
- Securing achievement of expected results and objectives;
- Conflict resolution;
- Reporting;

**The Sub Grant Coordinator** - responsible for the operational aspects of the Sub-Granting Project/Programme, including:

- Operational coordination of sub-grantees;
- Preparation of the Call for Proposal and the Applicants' Guidelines;
- Finalization of the award procedure/final negotiation with eligible applicants;
- Preparation of Implementation Agreements with sub-grantees;
- Supervising implementation of the monitoring function;
- Quality check on sub-grantees expenditures;
- Reporting;

**Environmental and Social Expert** – responsible for the supervision of the environmental and social aspects of the Sub-Granting Project/Programme, including:

- Specific supervision of sub-grantees on E&S aspects
- Check on sub-grantees E&S documentation;
- Preparation of E&S format and templates;
- Training and capacity building in E&S aspects towards sub-grantees

**The Finance Officer** – responsible for the overall supervision of the financial aspects of the Sub-Granting Project/Programme, including:

- Specific supervision and leading on sub-grant budget;
- Specific supervision and leading on sub-grantees accountancy;
- Checks on sub-grantees financial documentation;
- Preparation of all finance format and templates;
- Training and capacity building in finance aspects towards sub-grantees;

## **PART III. - Calls for Proposals**

### **3.1 Overview**

Each sub-grant should contribute towards achievement of the specific qualitative and quantitative benchmarks of the Project “National Adaptation Funding Facility” financed by the Adaptation Fund.

### **3.2 Guidelines for sub-grant applicants**

In order to ensure the widest possible participation and the requisite of transparency, a specific Guidelines for Sub-Grant Applicants should be produced for each Call for Proposal on the basis of a standard format.

Guidelines for Sub-Grant Applicants should be published at the websites of the EPIU and State Procurement, as well as widely disseminated through the social media.

The Guidelines for Sub-Grant Applicants should mandatory contain:

- a) The exact total amount to be awarded in the form of sub-granting;
- b) Minimum and maximum amount that may be allocated to third parties per proposal;
- c) Objectives and results to be obtained by the sub-grantees;
- d) The definition of eligible applicants which may receive such financial support and the criteria to give it;
- e) A non-exhaustive list containing the types of activities which may be eligible for sub-granting;
- f) The definition of eligible and ineligible costs;
- g) Indications on how to apply;
- h) Indications on evaluation and selections of applications;
- i) An indicative time schedule of the awarding process.

## **PART IV. - Grant Award Project Cycle**

### **4.1 Step 1. – Announcement of the Call for Proposals and info session**

EPIU shall ensure appropriate promotion and dissemination of information to all interested stakeholders. The information campaign, including Guidelines for Sub-Grant Applicants, shall

include but not be limited to: publications in local and/or national newspapers and web publications.

The deadline for submission of proposals should not be less than 30 calendar days.

Information sessions should be organized during the first 10 days after announcement, including in the targeted regions, municipalities.

After info sessions, potential applicants can request clarifications (up to 10 days before the deadline). Minimum 8 days before the deadline EPIU shall publish consolidated compendium of all questions and official answers.

#### 4.2 Step 2. – Submission of Proposals

Proposals must be submitted in accordance with the instructions given in the Guidelines for Sub-Grant Applicants. On receiving proposals EPIU will give them a protocol number.

If received by hand the receiver must provide a receipt (“Annex II. – Receipt Form”). The receptionist shall be instructed by the Secretary to the PEC on the proper way to fill the form (including assigning proper protocol numbering). The envelopes shall remain closed until the opening session.

#### 4.3 Step 3. – Opening session and administrative check

The Secretary to the Evaluation Committee, under the supervision of the Chairperson and eventually with the support of other members of the Committee opens the numbered envelopes and proceeds with the administrative check.

This is based on the “Annex I.III – Administrative Check Form”, by which Evaluation Committee certifies that:

- a) The application complies with the **submission deadline** as detailed in the Applicants’ Guidelines. If the deadline has not been met, the application will automatically be rejected;
- b) The applicant satisfies the **administrative criteria** (Annex I.III - Part A). In case of missing documents, the Secretary reports to the Chairperson that will request the incumbent to complete the application within the next 5 working days. If the request is not or partially satisfied, the application will automatically be rejected;
- c) The application satisfies the **eligibility criteria** (Annex I.III - Part B). If any of the requested information is missing or is incorrect, the application may be rejected on the sole basis and application will not be evaluated further;

After the administrative check the Secretary will prepare a table as per “Annex I.IV – Administrative Check Summary Table”, for approval of the PEC as a whole and then prepare the communication letters to applicants to inform them about the outcome of the check.

The Chairperson can decide to derogate to the standard procedure. The motivation shall be clearly explained in the Final Evaluation Report.

#### 4.4 Step 4. – Requests for clarifications/complaints

Applicants whose application was rejected at the stage of the administrative check, can request for clarifications or lodge a complaint within 5 working days after the notification of the decision to

the CC in writing (specific e-mail address shall be written in the Applicants Guidelines).

The CC replies within five 5 working days and takes position (confirming or retracting) on the decision of the PEC. All requests for clarification/complaints shall be duly included in the evaluation final report.

#### 4.5 Step 5. – Evaluation

The Chairperson fixes the first meeting of the PEC in which s/he:

- 1) must check that the Declarations of Confidentiality and Impartiality have been signed by each voting member and properly archived by the Secretary;
- 2) sets the indicative timetable for individual evaluations and plenary session/s;
- 3) shares the results of the administrative check and distributes the proposals to the evaluators

Voting members evaluate the proposals using the “Annex V. – Application Evaluation Form”.

##### 4.5.1 Application Evaluation Form

The Application Evaluation Form is comprised of two separate parts: 1) information for identification of the Applicant, and 2) scoring criteria with the reference to the **Evaluation Grid** published in the Guidelines for Sub-Grant Applicants.

The evaluation grid sticks pragmatically to the paragraphs of the Project Application Form and the evaluator must assign a score from “1” to “5” on each topic on the sole basis of what is stated in the project proposal regardless of the reputation of the applicant and any other external, not requested, information.

The evaluation grid is divided into 4 following sections: 1) the operational capacity of the Applicant, 2) the relevance of the Project towards the objectives and priorities of the Call for Proposals, 3) the quality of the Project proposal, and 4) the budget/cost effectiveness. Each section contains a box for comments and justifications.

The evaluation of a project proposal is performed in two interactions:

1. Initially evaluators evaluate individually each proposal and assign a personal score. The evaluators **must** use the comments/justification box in each section to explain the score they are assigning and/or to recommend budget or action reviews.
2. Next, the PEC, in plenary session and collectively reviews the individual evaluations and prepares a **consolidated Evaluation Form** assigning a final score. The arithmetical average of the individual evaluations is the general rule to apply. In case individual scoring differ considerably, under the coordination of the Chairperson, a debate shall bring consensus. As *extrema ratio*, the arithmetical average will still prevail. The consolidated evaluation form must synthesize the comments on the individual forms and include points eventually discussed in plenary session. The discussion shall be reflected in the Evaluation Final Report.

The definitive ranking is finally brought up on a table in the Evaluation Final Report.

##### 4.5.2 Final Evaluation Report

At the end of the process, in the last meeting, PEC finalizes the Final Evaluation Report as per “Annex VI. – Final Evaluation Report”. The Report is a summary of the whole evaluation process and, together with its annexes, provides a comprehensive and detailed description of the decision making process. In the **summarizing table** a single list of the projects evaluated shall be drafted in descending order starting with the highest score downwards according to the final score obtained through the evaluation grid. Applications are ranked and classified as following:

- **Recommended** - are those applications that received the higher score and that are suitable to be awarded the grant, taking into consideration the availability of funds. Although it is possible to recommend projects for a total amount superior to the budget availability and then reduce the financial requests of single proposals during negotiation phase, it is advisable to remain very close to the limit in excess.
- In **Reserve list** - are those applications that received a sufficient score and that would be suitable to be awarded a grant but for which there is no availability of funds. They will be taken into consideration in the event of other candidates on the recommended list renouncing the grant, or in case of further budget availability. The Reserve list is valid only for the Call for Proposal for which applicants have applied. Applications put on a reserve list cannot be taken into consideration for other Calls for Proposals.
- **Not Recommended** - are those applications that did not receive the minimum score established in the Guidelines for Sub-Grant Applicants and that are considered of too poor quality to be awarded a grant.

The final evaluation report is signed by all members of the Committee and shared with Boar of Directors of EPIU for approval.

It should be noted that:

- a) PEC may reject a proposal if it has selected another which is of a similar nature but has been awarded a higher score (i.e. two or more proposals having similar objectives, and/or proposing similar activities with the same partners and/or in the same geographical area);
- b) PEC may decide not to allocate all the available funds if it finds that there are too few proposals of the quality required to receive a grant;
- c) Any attempt by a candidate or applicant to influence the process in any way (whether by making contact with members of the evaluation committee or otherwise) will result in the immediate exclusion of its proposal from further consideration;
- d) The Chairperson of the Evaluation Committee decides whether the evaluation process must be restarted or if derogations are needed. That decision must be communicated in writing and reasons must be included in the evaluation final report;
- e) Letters to successful and unsuccessful applicants must be sent within 10 working days of the award.

#### 4.6 Step 6. – Requests for clarification/complaints

Applicants whose application was rejected can request for clarifications or lodge a complaint within 5 working days after the notification of the decision to the Complaint Committee in writing (specific e-mail address shall be written in the Guidelines for Sub-Grant Applicants). The CC replies within 5 working days and take position (confirming or retracting) on the decision of the PEC. All requests for clarification/complaints shall be duly included in the evaluation final report.

#### **4.7 Step 7. – Final Negotiation**

In this phase the successful applicants are summoned by the PMT to discuss of eventual request for minor modifications. Requests for adjustments/modifications can include only points highlighted during the evaluation in the appropriate comment/justification box. Even if modifications of the budget and/or the action (including the action plan) are requested, the core of the proposal shall not be altered. Modifications cannot lead in any case to an increase in the amount of the grant. It is in this phase that it is recommended to proceed with the pre-award assessment of the sub-grantees to assess together program/admin/financial capabilities and limits and identify needs for specific trainings and support.

#### **4.8 Step 8. – Signature of the Sub-Granting Agreement**

The relations between EPIU and the Sub-grantee are regulated by the Sub-Granting Agreement and its annexes. The agreement is prepared by the PMT, it is signed by the Director of EPIU and it takes effect on the date of the last signature.

#### **4.9 Step 9. – Filing**

All documentation related to the evaluation process must be archived in order under the direct responsibility of the secretary of the PEC and the supervision of the Chairperson.

The folder must include:

- 1) The call for proposal;
- 2) All applications received;
- 3) All communication between the PEC and CC with applicants;
- 4) The Final Evaluation Report with annexes;
- 5) Sub-granting agreement between EPIU and Sub-Grantee;

#### **4.10 Step 10. – Publication**

At the end of the process EPIU will publish on its webpage the list of the organizations that received the grant. The list shall include the name of the organization, the title of the project, location of implementation and a summary of the narrative objectives/expected results.

### **PART V. - Administering Grants' Post-awards**

EPIU shall administer the Sub-grants through dedicated PMT (Section 2.3 of these Guidelines) that shall necessarily deliver technical assistance to and mentorship of Sub-grantees, attend events and conduct site visits.

The PMT shall use standard Reporting Templates to capture pertinent and timely information about Sub-grantee activities and performance, PMT observations and findings, and recommendations for improvements or remedial actions, as necessary, to inform responsive and adaptive management decisions.

Award administration encompasses oversight and management of the Sub-grant from Sub-grant award signing to completion and close-out. The nature and extent of administration can range from reviewing and analyzing performance reports or performing site visits to more intensive involvement, depending on the level of risk associated with the Sub-grantee.

Immediately after the Sub-grant award is fully executed, PMT will conduct a Kick-off meeting to ensure Sub-grantees fully understand all terms and conditions of the Sub-grant Award, implementation plan and timetable (milestones and schedule of disbursement), as well as the roles and responsibilities of EPIU and Sub-grantee staff. Discussions will also include details of required reporting, deliverables, and other obligations, including EPIU's right to inspect the work in progress, Sub-Grantees' management systems, and performing audits during or after the period of performance.

PMT shall share all necessary and appropriate report templates with Sub-Grantees immediately post-award and/or as they are needed during the period of performance.

The PMT is responsible for overseeing all grant management details, including review of financial reports, regular correspondence, site visits and other monitoring tasks. It is also responsible for processing all grant modifications, suspensions and/or termination of grant activities.

### **5.1 In-Kind Grants Disbursements**

In-kind Sub-grants disbursements relieve Sub-grantees of some of the administrative requirements of cash grants and help to protect the integrity of the procurement process. EPIU may provide in-kind assistance by procuring contributions and delivering them as needed. This option shall be used only in cases when Project foresees procurement of goods and/or services of high value and/or complex nature, where highly qualified procurement expertise is critical for providing the "best value for money". Such cases should be discussed with Sub-grantees prior to the sub-grant award and shall be properly justified/reflected in the Evaluation report (in the form of annexed side letter).

### **5.2 Use and Disposition of Program Income from Grants**

Program Income is defined as income earned by the Sub-grantee that is directly generated by a supported Sub-grant activity or earned because of the Sub-grant Award. It may result from activities integrally related to the grant, or from activities which are incidental to the main purpose of the grant. Program Income may be earned both from Sub-grantee activities and from services provided by an individual performing a role in the Sub-grant activity. The period for earning program income is any income earned by a Sub-grantee during grant implementation, as reflected in the final financial report.

Examples of program income include:

- Fees for services performed and for the sales of services;
- Use or rental of real or personal property acquired with Sub-grant funds;
- Sale of commodities or items produced under the Sub-grant;
- Payments of principal and interest on loans made with Sub-grant funds; and
- Any donations that are solicited by the Sub-grantee during a Sub-grant activity.

The Sub-grantee shall inform PMT of any Program Income generated under the grant and agrees to EPIU's disposition of such program income that shall be applied and used in the following

descending order:

1. Added to funds committed by EPIU and the Sub-grantee to the Project or Program, and used to further eligible Project or Program objectives;
2. Used to finance the Sub-grantee's contribution to the Project or Program; and
3. Deducted from the total Project or Program allowable cost in determining the net allowable costs on which the EPIU's share of costs is based.

If the terms and conditions of the Sub-grant Award do not specify how Program Income is to be used, then number 2 above shall apply automatically.

Grantees shall have no obligation to the EPIU regarding Program Income earned after the end of the Sub-grant period.

### **5.3 Publications and Media Releases**

When publications are financed under a Sub-grant Award, the Sub-grantee shall provide EPIU with electronic copies of all published works developed under a Sub-grant Award with lists of other written work produced under the Sub-grant Award.

Electronic documents must consist of only one electronic file that comprises the complete and final equivalent of a hard copy. Electronic documents should be in PDF (Portable Document Format). Submission in other formats is acceptable but discouraged.

Each document submitted should contain essential bibliographic elements, such as 1) descriptive title; 2) author(s) name; 3) Sub-grant number; 4) Name of the donor and EPIU; 5) strategic objective; and 6) date of publication.

In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost, any profits, or royalties up to the amount of such cost shall be credited to the award unless the Sub-grant award has identified the profits or royalties as Program Income.

Except as otherwise provided in the terms and conditions of the Sub-grant Award, the author or the Sub-grantee is free to copyright any books, publications, or other copyrightable materials developed during or under the Sub-grant Award, but EPIU reserves a royalty-free non-exclusive and irrevocable right to reproduce, publish, or otherwise use and to authorize others to use the work for its purposes.

### **5.4 Monitoring, Reporting and Audits**

EPIU shall develop a monitoring and evaluation plan to track Sub-grantee deliverables and overall performance.

The Sub-grantee shall maintain books, records, documents, and other evidence relating to their work. Accounting records that are supported by documentation will at a minimum show all costs incurred under the Sub-grant Award, receipt and use of goods and services acquired under the Sub-grant Award, costs from other sources, the overall progress of the work.

All Sub-grantees will be subject to regular and periodic monitoring visits and reporting requirements. All Sub-grantees must submit a final report on activities and finances.

PMT will closely monitor overruns in expenditure categories or budgeted line items. If major budget shifts are anticipated or observed, the Grantee must request a modification to the Sub-grant

Award to ensure proper monitoring and to avoid overruns. Under certain circumstances, such as when a grant is over a certain threshold established by the Steering Committee, before Sub-grants are issued the Sub-grant Award may specify that the Sub-grantee is restricted from transferring funds among expenditure categories. Such a restriction would require the Sub-grantee to get prior approval from PMT before making budget shifts that expect to exceed 10% of the total budget.

All sub-grants above threshold defined by EPIU and agreed with the donor should be mandatory audited by reputable audit company (selected by EPIU in competitive manner) and the costs shall be included in the budget of the Sub-grant.

For large scale projects (determined as such and/or required by donors) external evaluation might also be performed by the company selected by the EPIU.

For both cases mentioned above, respective information on the requirements and anticipated budget implications shall be clearly articulated through Guidelines for Sub-grant Applicants to allow them properly to budget such expenditures in their proposals.

### 5.5 Amendments and Extensions

Sub-grantees are required to request prior approvals for any deviations to the budget or activities. The Sub-grantee should contact the PMT to discuss necessary changes to the award as soon as possible, at least one month before new or changed activities are to take place. The following deviations will be considered:

- Change of key personnel specified in the award;
- Addition of funding and/or revision of funding allocation among project objectives; and
- Change of duration of the project (not to exceed the one-year threshold).

Amendments to the Sub-grant Award must be made through formal written processes between EPIU and designated representative of the Sub-grantee.

Amendments to grant budgets and/or activities will largely be avoided by proper pre-Sub-grant Award program design, cost analysis and budget review. Nonetheless, unavoidable changes in circumstances may necessitate an amendment or extension. Period of performance changes or extensions are preferable to cost amendments whenever possible.

### 5.6 Grantee Responsibilities

Each Sub-grant Award shall include a clause that states:

*The Recipient has full responsibility for executing the project or activity being supported by the Sub-grant and for complying with the award conditions. Although the Recipient is encouraged to ask for the opinion and support of EPIU about any problems that may arise, this suggestion does not diminish the responsibility of the Recipient. The Recipient must apply solid technical and administrative criteria. The Recipient agrees to notify EPIU about any significant problems associated with the administrative or financial aspects of the grant award.*

### 5.7 Termination and Suspension

The Grant Award shall state that EPIU retain the right to unilaterally terminate a grant, in whole

or in part, or suspend payments, should the Sub-grantee become insolvent during grant implementation or should the Sub-grantee not meet their responsibilities as set forth in the Sub-grant Award. A Termination Letter shall be sent to the Sub-grantee and placed in the Sub-grantee's file and will include the following:

- Reasons for the termination;
- Effective termination date; and
- Portion of grant activities and/or budget allocation to be terminated.

## 5.8 Records

The Sub-grantee shall maintain financial records, supporting documents, statistical records and all other records pertinent to the grant in accordance with standard accounting principles or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantiate charges to the Sub-grant Award. Accounting records that are supported by documentation will, at a minimum, be adequate to show all costs incurred under the sub-grant - receipt and use of goods and services acquired, the costs of the program supplied from other sources, and the overall progress of the program.

Unless otherwise notified, Sub-grantee records which pertain to the Sub-grant Award shall be retained for a period of three years from the date of submission of the final expenditure report and may be audited by EPIU or representative of the donor.

## 5.9 Grant Files and Close-out

EPIU reserves the right to conduct financial reviews or audits, and to otherwise ensure the adequate accountability of Sub-grantees. The grant files will contain the essential documents to demonstrate that the Sub-grant was successfully completed and that funds were spent prudently with costs justified.

To prepare grant files for close-out, EPIU will maintain an on-going official grant Master File, which will include documents that must be preserved in case of audit. This file will be clearly organized and easy to understand. An auditor with very little prior knowledge of the EPIU or the Grant Award can quickly review the file and conclude whether the grant funds were used for their designated purpose, whether systematic and competitive procurement procedures were used, and whether all funds were properly accounted for.

Sub-grant paperwork beyond a single copy of the items on these checklists can be disposed of after close-out.

EPIU is responsible for ensuring that the Grantee has completed all requirements for close-out and shall include information on grant close-out in monthly reports of grant activities.

## **Annex I.I - Declaration of impartiality and confidentiality**

I, the undersigned, hereby declare that I agree to participate in the evaluation of the proposals received in the framework of the Call for Proposal "... .." launched on ...../...../..... as a voting member of the Proposal Evaluation Committee.

By making this declaration, I declare that I am aware that a conflict of interests exists where the impartial and objective exercise of the functions of a Proposal Evaluation Committee is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with a recipient.

### **Therefore:**

- I hereby declare that, to my knowledge, I have no conflict of interest with the operators who have applied to participate for this grant award.
- I confirm that if I discover during the evaluation that such a conflict exists or might exist, I shall declare it immediately to the chairperson of the evaluation committee. In the case that such conflict is confirmed by the chairperson, I agree to cease from participating in the evaluation committee.
- I confirm that I have familiarized myself with the information available to date concerning this Call for Proposals, including the provisions of the Operational Manual for the Sub-Granting Manual relating to the evaluation process.
- I shall execute my responsibilities impartially and objectively. I further declare that, to the best of my knowledge, I am not in a situation that could cast doubt on my ability to evaluate the applications.
- I shall maintain the strictest confidentiality in respect of all information acquired as a result of my involvement in the evaluation process of the above-mentioned call, as well as any information relating specifically to the object of this call.
- I undertake neither to disclose such information to any person who is not already authorized to have access to such information, or to discuss it with any person in any public place or where others could overhear it. I furthermore undertake to use this information only in the context, and for the purposes of, the evaluation of this specific call.
- After the conclusion of the evaluation I undertake not to retain copies of any written information, as well as any templates or models used in the course of my duties. I undertake to

maintain this duty of confidentiality after the conclusion of my term as a member of this evaluation committee

- I understand that any unauthorized disclosure by me will result in the termination of my role as a member of this evaluation committee and may also render me liable to legal action.

Name of PEC Member:

Signature:

Date:

## Annex I.II - Receipt Form

### ACKNOWLEDGEMENT OF RECEIPT – HAND DELIVERY

Name and Address of the Applicant

Call for Proposals: (*reference number and title*)

Title of the Project: “.....”

Your application was received on “*date and hour*” and was assigned the following Reference Number “... ..”.

EPIU

Applicant

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date and hour of receipt*

\_\_\_\_\_  
*Date and hour of receipt*

### Annex I.III - Administrative Check Form

Reference number of the Call for Proposals:	
Name of the Applicant:	
Reference number of the Applicant ( <i>assigned by the PEC</i> )	
Title of the Project:	

N	Checkpoints	YES	NO
	The submission deadline has been met		
<b>PART A. – Administrative</b>			
	The correct grant application form has been used		
	The Logical Framework has been completed and enclosed		
	The Budget is presented in the format requested and stated in AMD		
	One original copy (signed) of Package is included		
	An electronic version of the proposal is enclosed ( <i>for hand delivery cases</i> )		
	The Declaration of Honour has been filled and signed		
	Profile of the organization, signed by its legal representative, including all the past and present projects ( <i>presented in the format contained in the Application Form</i> )		
<b>PART B. – Eligibility</b>			
	The proposal has been typed and is in English/Armenian ( <i>as relevant</i> )		
	The amount requested is within the minimum and maximum allowed by the Call for Proposals		
	Mandatory co-financing requirements are met		
	The applicant is a legal person ( <i>NGO or commercial entity, as relevant</i> )		
	The duration of the action is within the limits of the Call for Proposals		
	The action will be implemented in eligible regions/municipalities		

<b>DECISION:</b>
------------------

<b>A</b>	The PEC has decided to evaluate the full application, which passed the administrative check	
<b>B</b>	The PEC has requested integration of missing documents	
<b>C</b>	The PEC has rejected the application	

Signature of the Secretary of PEC

#### Annex I.IV - Administrative Check Summary Table

<b>Title of the Call for Proposals:</b>	
<b>Reference Number:</b>	
<b>Deadline for Submission:</b>	
<b>Min/Max amount allowed:</b>	
<b>Co-financing requirement:</b>	
<b>Duration allowed:</b>	
<b>Eligible regions:</b>	
<b>Legal entity type:</b>	

<b>N</b>	<b>Name of the Applicant</b>	<b>Reference Number</b>	<b>Request for additional documents</b>	<b>Documents received</b>	<b>Missing documents</b>	<b>Decision</b>	<b>Points of non-compliance (to be shared with Applicants)</b>
1.							
2.							
3.							
...							
n							
		<b>Name</b>			<b>Signature</b>		
Chairperson							
Secretary							
Evaluator							

Evaluator		
-----------	--	--

## Annex I.V - Application evaluation form

Date:	
Completed by:	

### I. Identification Data

Title of the Call for Proposals:	
Reference Number:	
Applicant Name:	
Applicant Reference Number:	
Title of the Project:	
Regions/municipalities targeted:	
Project Budget:	
Amount requested:	
Co-financing:	
Duration:	

### II. Evaluation Grid

**Scoring guidelines:** 1= very poor; 2= poor; 3= adequate; 4= good; 5= very good

The evaluation grid sticks pragmatically to the paragraphs of the Project Application Form. The evaluator must assign a score on each topic on the sole basis of what is stated in the proposal regardless of the reputation of the applicant and any other external, not requested, information.

Each section contains a box for comments. These comments serve to explain the reasons behind the score assigned and to address the issues covered by that section. Comments **must** be made on each section. Extra space may be used for comments if required.

Please remember that only the points raised formally in the “Comments & Justification” field can be part of the negotiation with awarded applicant.

1. Operational capacity	Score	Total	Comments and Justification
1.1 Does the applicant have sufficient knowledge of the issues to be addressed?	1 – 5 * 2	/10	
1.2 Does the applicant have sufficient management capacity? (Including staff, equipment and ability to handle the budget for the action?)	1 – 5 * 2	/10	

*If the total score for this section is less than 12 points, the application will be rejected.*

2. Relevance	Score	Total	Comments and Justification
2.1 How relevant is the proposal to the particular needs and constraints of the country or region?	1 – 5 * 2	/10	
2.2 How relevant is the proposal to the objectives and priorities of the Call for Proposals?	1 – 5 * 2	/10	
2.3 How clearly defined and strategically chosen are the final beneficiaries and/or target groups? Have their needs been clearly defined and does the proposal address them appropriately?	1 – 5	/5	

3. Quality of the Project Proposal	Score	Total	Comments and Justification
3.1 Are the activities proposed appropriate, practical, and consistent with the expected results?	1 – 5 * 2	/10	
3.2 Are the project indicators SMART (specific, measurable, achievable, relevant, time-bound)?	1 – 5	/5	
3.3 Is the action plan clear and feasible?	1 – 5	/5	
3.4 Is the visibility of the Project clearly explained and appropriate?	1 – 5	/5	
3.5 What is the degree of sustainability of the expected results?	1 – 5	/5	
3.6 Is the implementation methodology clearly explained?	1 – 5	/5	

4. Budget and the cost-effectiveness of the Project	Score	Total	Comments and Justification
4.1 Are the activities appropriately reflected in the budget?	1 – 5 * 2	/10	
4.2 Is the ratio between the inputs/resources and the expected results satisfactory?	1 – 5 * 2	/10	

5. Total Score and Recommendations	Score
1. Operational capacity	/20
2. Relevance of the Project	/25
3. Quality of the Project Proposal	/35

4. Budget and the cost-effectiveness of the Project	/20
<b>TOTAL:</b>	<b>/100</b>

<b>Recommended</b>	
<b>Provisionally selected</b>	
<b>Not recommended</b>	

## Annex I.VI - Final Evaluation Report

Title of the Call for Proposals:	
Reference Number:	

### 1. Timetable

	Date	Time	Purpose of the meeting	Attendance
Meeting 1				
Meeting 2				
----				
Meeting n				

### 2. Administrative and Eligibility Check

The evaluation committee made a first administrative and eligibility check based on Annex III – Administrative check form. Total number of applications received was “N”. Out of them:

- a) “N” applications passed the check and were allowed the next phase of the evaluation;
- b) “N” applications were rejected automatically because they were submitted after the deadline;
- c) “N” applications were rejected automatically because they were missing one or more of the points stated in Annex III – Administrative check form Part B;
- d) “N” applications were missing one or more documents listed in Annex III – Administrative check form Part A.

Of these:

- i. “N” supplied requested documentation within the time limit and were therefore allowed the next phase of evaluation;
- ii. “N” did not supply requested documentation or supplied incomplete or insufficient documentation or supplied it past the time limit and were therefore rejected;

Detailed results are showed in Minutes of the Meeting (annexed to this document). Applicants were notified in writing.

#### 2.1 Requests for Clarifications/Complaints

A total of “N” applicants requested for clarifications or lodged a complaint within the set deadline. The Complaints Committee has analyzed the request/complaint and took position on the decision of the PEC. Of these:

- i. The decisions of the PEC were confirmed for “N” applications and the applicants were finally not admitted to the next phase of the evaluation;

- ii. The decisions of the PEC were retracted for “N” applications and the applicants were admitted to the following phase of the evaluation;

Applicants concerned were notified in writing.

Finally, the total number of applications that were allowed the next phase of the evaluation is “N”.

### **3. Evaluation**

The evaluation committee assessed “N” applications using the “Annex V - Application evaluation form” to give their personal scoring.

The evaluation committee then discussed them and the final result and ranking is displayed in the table below in a descending order starting with the project that has received the highest score. The minimum score allowed to be considered eligible for a grant was established to be “N”.

*“Narrative of all relevant discussions that took place in the plenary sessions of the PEC”*

The total budget available for this call for proposal is AMD “N”.

The first “N” project proposals have been recommended for grant award for a total budget request of AMD “N”.

The PEC reserves to negotiate the budget with the applicant in order to cut “N” approximately.

#### 4. Summary Table

<b>Title of the Call for Proposals:</b>	
<b>Reference Number:</b>	

<b>N</b>	<b>Name of Applicant</b>	<b>Title of the Project</b>	<b>Protocol N</b>	<b>Final Score</b>	<b>Grant amount requested (AMD)</b>	<b>Duration (months)</b>	<b>Thematic Area</b>	<b>Comments/ Justification</b>

Number of Applications Recommended: \_\_\_\_\_

Total amount requested by the selected Applications (AMD): \_\_\_\_\_

Total amount available (AMD): \_\_\_\_\_

Total budget cut requested (%): \_\_\_\_\_

Signatures:

	<b>Name</b>	<b>Signature</b>
Chairperson		
Secretary		
Evaluator		
Evaluator		

## Annex II. – Gender Assessment

### I. Introduction

This Gender Assessment will serve as a resource for the RoA Ministry of Environment, Environmental Project Implementation Unit State Agency during the projects implementation and some elements will be used as an awareness-raising tool for the wider public. In addition to the work conducted during the preparation of the funding proposal, a series of consultations with diverse groups, including grass root women's groups and women from female headed households will be held under various project components throughout the project cycle. Similarly, the surveys planned at mid-term and conclusion of the project will ensure that the questionnaires are developed in a gender responsive manner, and gender analysis is conducted based on the survey results.

### II. Existing Gender Inequality in Armenia

Attainment of women and men's equality is one of the main goals and an important part of the international development agenda. The principle of gender equality reflects the idea that it is impossible to achieve full realization of human rights without ensuring equal rights, responsibilities, and opportunities for men and women. This principle is stressed in numerous international documents, agreements, national constitutions, and legislative acts of the states of the world, including the Republic of Armenia.

In recent years, Armenia has made certain progress in human development including gender equality. The progress is mainly achieved thanks to the improvements in legislative environment and policy frameworks triggered by international conventions on gender equality and women rights as well as changes in the national legislation.

Thus, equal rights and equal opportunities for citizens are currently enshrined in the Armenian Constitution (articles 28, 29, 30, 86, 87) and in the RoA *Law on provision of equal rights and equal opportunities for women and men* adopted in 2013.

Armenia is a member of more than 40 international organizations, including the United Nations; the Council of Europe; the Asian Development Bank; the World Trade Organization; World Customs Organization; the Organization of the Black Sea Economic Cooperation; and La Francophonie. During the independence Armenia signed and adopted almost all the international documents and treaties on gender equality. Below is the list of Republic of Armenia legally binding laws and political commitments to reduce gender inequalities ratified by the country, such as:

- Beijing Declaration and Platform for Action;
- Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and Optional Protocol to the Convention on the Elimination of All Forms of Discrimination Against Women;
- Council of Europe Declaration on Equality of Women and Men;
- Declaration: Making Gender Equality a Reality (119th Session of the Committee of Ministers, Madrid, 12 May 2009);
- International Covenant on Civil and Political Rights and Optional Protocol to the International Covenant on Civil and Political Rights;
- International Covenant on Economic, Social and Cultural Rights and Optional Protocol to the International Covenant on Economic, Social and Cultural Rights;
- Istanbul Declaration on Equality Between Men and Women as a Fundamental Criterion of

Democracy;

- PACE Resolution 1489 (2006): Mechanisms to Ensure Women's Participation in Decision Making;
- Recommendation CM/Rec(2007)17 of the Committee of Ministers to Member States on Gender Equality Standards and Mechanisms;
- Recommendation Rec(2003)3 of the Committee of Ministers to Member States on Balanced Participation of Women and Men in Political and Public Decision Making;
- Transforming Our World: The 2030 Agenda for Sustainable Development – Resolution;
- Universal Declaration of Human Rights (UDHR);

Despite the professed commitment to gender equality the situation leaves much to be desired, especially from the perspective of substantive equality, which encompasses not only equal rights but also equality of opportunity and equality of outcomes. This gap between rhetoric and reality is most vividly demonstrated in low participation in political and economic decision-making, the feminization of poverty and higher rates of women in low-paid jobs and in unemployment, which further undermine their status in the society.

The gender situation in country is reflected in the Gender Gap/Inequality Index<sup>25</sup>, according to which Armenia ranks 64<sup>th</sup> among 146 countries (2024) with an overall score around [72.1](#).



Armenia's Human Development Index value for 2022 is 0.79 - which put the country in the High human development category - positioning it at [75 out of 204 countries and territories](#) where Gender Inequality Index<sup>26</sup> and Gender Development Index<sup>27</sup> are taken into account.

<sup>25</sup> The Index is calculated by the World Economic Forum (WEF) in four key areas of economy, politics, education and health. The index reflects most accurately the problem of ineffective use of human capital and proves that the countries that make ineffective use of the half of their labor resources risk diminishing competitiveness.

<sup>26</sup> **Gender Inequality Index (GII)** reflects gender-based inequalities in three dimensions: Reproductive health is measured by maternal mortality and adolescent birth rates; Empowerment is measured by the share of parliamentary seats held by women and attainment in secondary and higher education by each gender; Economic activity is measured by the labour market participation rate for women and men. The GII can be interpreted as the loss in human development due to inequality between female and male achievements in the three GII dimensions, *ibid*

<sup>27</sup> **Gender Development Index (GDI)** is based on the sex-disaggregated Human Development Index, defined as a ratio of the female to the male HDI. The GDI measures gender inequalities in achievement in three basic dimensions of human development: health (measured by female

As evidenced by the indicators, the best situation is in economic participation and opportunity and educational attainment.

In “health and survival” sector, where differences in life expectancy and in sex ratio at birth are also taken into consideration, Armenia ends up with the 138th (out of 146) rank<sup>28</sup> because of the practice of sex-selective abortions. Nevertheless, in this area some positive changes have been taking place. The reported boy preference has decreased significantly, being replaced by a response favoring no gender for any future child. According to the National statistical service data for 2017, unlike 2011, when 59.3 percent explicated reported believing that the environment (that is the reference network) preferred a boy over a girl, this number has declined to a level of 36.7 percent. The real situation has been also changed: in 2016, the birth ratio of boys to girls dropped to [112 boys per 100 girls](#) instead of 115 boys per 100 girls, as it was five years ago<sup>29</sup>.

*Table 1: Demographic statistics disaggregated by sex<sup>30</sup>*

Demographic profile	Women #	Men #	Women %
Total population	1 571 757	1 405 373	53
Rural	551 362	527 628	51
Urban	1 020 395	877 745	53,8
Life expectancy at birth - rural	78.7	71.7	
Life expectancy at birth - urban	78.1	71.2	
Total births 2022, girls and boys	17 139	19 236	47.1
Number of pensioners	283 350	185 440	60,4

Women have a higher life expectancy at birth – 78.3 years compared to 71.6 years of men.

Studies demonstrate that men more rarely realize their exposure to the risk of getting ill, infliction of traumas and emergence of different problems with health than women. In spite of the fact, that men’s risk of developing drug addiction or alcoholism is much higher, men of all ages underestimate, to a large degree, the risks associated with smoking and use of alcohol and narcotic substances. Contemporary researchers consider one of the social factors of men’s morbidity to be the traditional masculine ideology which ascribes to men and expects from them a certain standard of behavior: not to turn to doctors, not to accept one’s weaknesses, to avoid self-revelation, etc<sup>31</sup>.

According to the World Bank, percentage of the population living below the national poverty line, was 24.8% percent<sup>32</sup>, which means that almost every fourth person lived in a household below the upper poverty line. Poor are 25.6% of women headed households and 24.5 percent of Male headed households.<sup>33</sup>

Armenia exhibits gender parity in enrolment rates from primary to higher education, with the only significant deviation occurring when students enter vocational or professional education. Boys more often enter vocational education after having completed basic or general education. Females are more often in Bachelor’s or master’s level of education:

*Table 2: Gross Enrolment Ratio in Vocational and Professional Education, 2023<sup>34</sup>*

Vocational and Professional	Female students, %	Male students,
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and male life expectancy at birth), education (measured by female and male expected years of schooling for children and mean years for adults aged 25 years and older); and command over economic resources (measured by female and male estimated GNI per capita), ibid

<sup>28</sup> ibid

<sup>29</sup> [Women and Men in Armenia](#), Statistical Booklet, NSS 2023,

<sup>30</sup> ibid

<sup>31</sup> [Men and Gender Equality in Armenia](#), Report, UNFPA 2016, P.187

<sup>32</sup> World Bank, [Armenia Overview](#),

<sup>33</sup> [https://armstat.am/file/article/poverty\\_2023\\_en\\_2.pdf](https://armstat.am/file/article/poverty_2023_en_2.pdf)

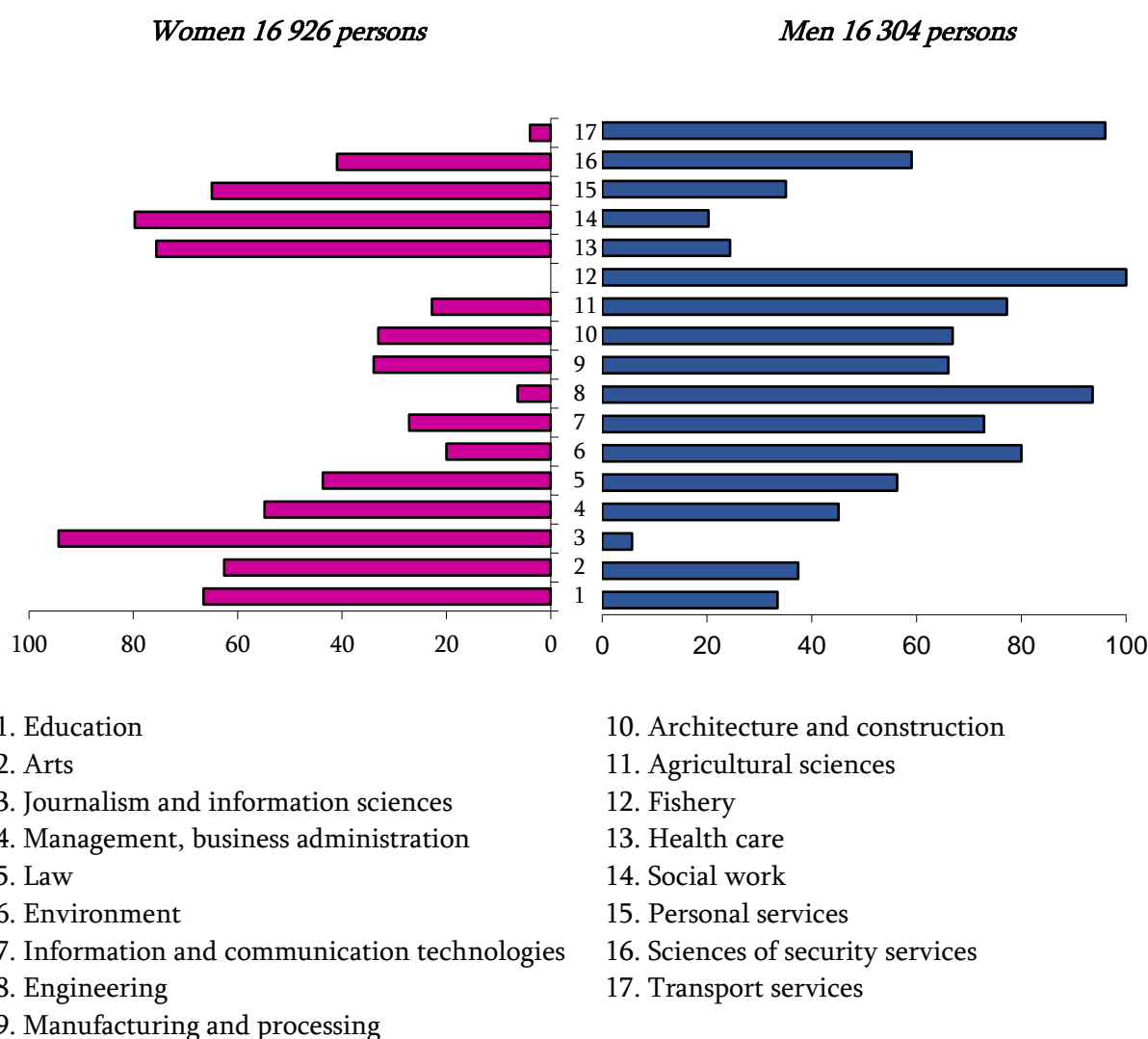
<sup>34</sup> [Women and Men in Armenia](#), Statistical Booklet, NSS 2023,

Education		%
Preliminary (Vocational) Education	2.8	8.1
Middle Vocational Education	16.7	14.1
First Stage of Higher Education (Bachelor's degree)	64.4	43.9
Second Stage of Higher Education (Master's degree)	16.6	8.5

The low level of girls' enrolment in primary vocational educational institutions can be explained, on the one hand, by a not very high rating of these institutions (usually children with poorer progress in studies get enrolled in primary vocational institutions) and, on the other hand, by lack of professions considered "feminine" in society. In addition, in the case of younger age girls, their parents prefer that they study at their community school rather than go to another community, even if it is for educational purposes. There are no such obstacles in the case of boys.

There are major differences between girls and boys in terms of choice of professions in middle vocational education where the number of girls is higher in the areas of journalism (92%), social work (77%) and health care (69%).

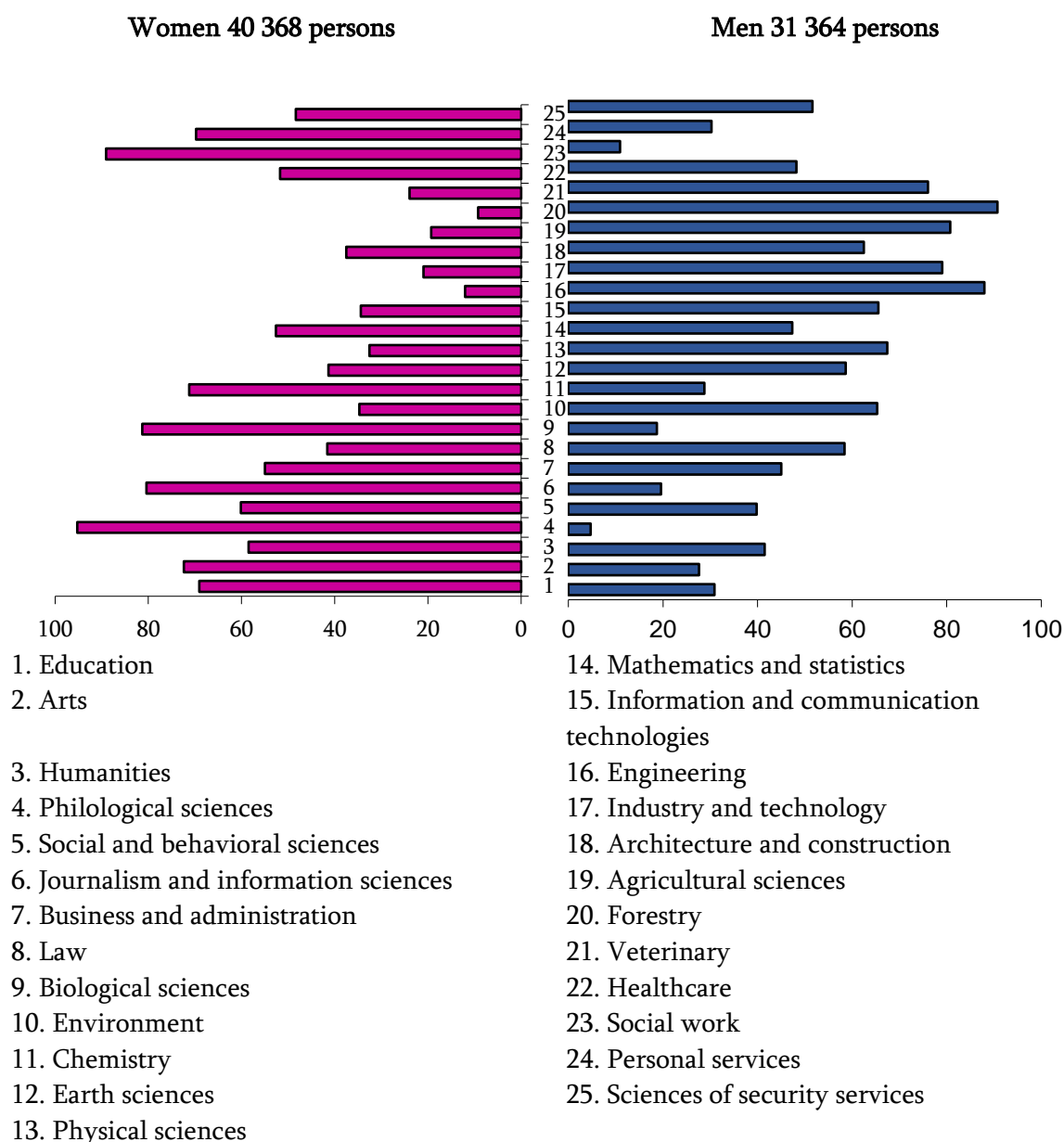
*Table 3: Students in Middle Vocational Education Institutions by Specialization, 2022/2023<sup>35</sup>*



<sup>35</sup> ibid

The situation is different at Higher/ University education level, where women make up to 57% of enrolled persons. However, despite women's high level of educational attainment, this has not resulted in corresponding gains in the labor market. As with employment, there are clear gender patterns in subjects of study. Young women dominate the “traditionally female” areas of study (i.e., education, social sciences, services, and health) while young men are concentrated in technical fields (i.e., law, energy, transport, and construction). These technical fields generally correlate with jobs in higher-paying sectors, while the humanities lead to work in lower-paid public sector jobs.

Table 4: Students in Higher Educational Institutions by the Specialization, 2022/2023 <sup>36</sup>



Among the numerous young women who complete higher education, many do not become employed after graduation, either because their qualifications do not meet labor market demands or because they marry and are expected to take on a family focused role.<sup>37</sup>

<sup>36</sup> *ibid*

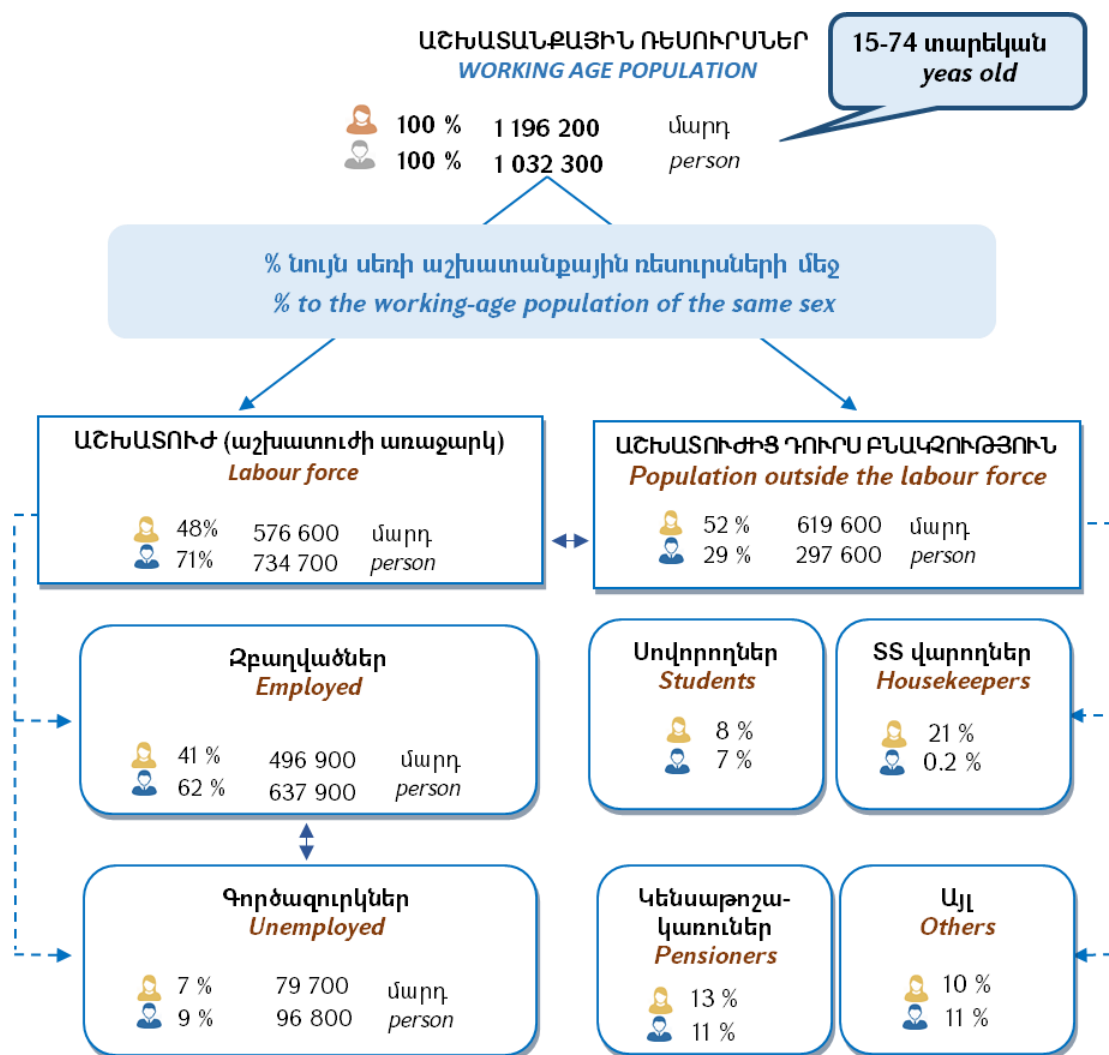
<sup>37</sup> Asian Development Bank. Armenia country gender assessment. Mandaluyong City, Philippines: Asian Development Bank, 2015

Stereotypes remain influential in Armenia. For instance, overwhelming majority of the public surveys indicated that around 85% of respondents agreed with the statement that “a man should normally be the breadwinner” (only 14% thought this role should be shared equally and 1% that this was women’s role).<sup>38</sup>

As to the indicators of a gender imbalance in the economic sphere (employment rates for men and women, men’s and women’s pay for equal work, the proportion of men and women among specialists and technical staff), Armenia ranks 71<sup>th</sup>.<sup>39</sup>

The total share of women in labor resources is a little bit bigger than that of men. However, only 41% of women are employed, while among men the percentage is 62. At the same time women make up 62% of the *long-term unemployed* and 67,8% of the officially registered unemployed in the Republic of Armenia, whereas labor migration occupies a significant place in the employment structure of men<sup>40</sup>.

Table 5: Working age population, 2023<sup>41</sup>



Married men are more than twice as likely as married women to be employed (89% versus 42%). Employed men are more likely to be paid in cash (87%) than employed women (65%). Similarly,

<sup>38</sup> [Altered Gender Roles in Armenian Families](#), AUA 2019, ; Caucasus Research Resource Centers–Armenia and UNDP. 2011. 2011 [Social Cohesion Survey](#).

<sup>39</sup> [Gender Gap Index](#)

<sup>40</sup> *ibid*

<sup>41</sup> [Women and Men in Armenia](#), Statistical Booklet, NSS 2023,

employed women are more likely to be unpaid (9%) than employed men (1%)<sup>42</sup>.

At the same time the situation on the Armenian labor market<sup>43</sup> is characterized by the existence of *vertical* (unequal access to career hierarchies) and *horizontal* (in jobs and employment spheres) segregation of the labor market, which brings about a significant gender pay gap. In 2022 Gender pay gap indicated as 39.2%.<sup>44</sup> GG is especially high in the 25 to 34 age groups (in average - 40%), mainly due to engagement of women in family responsibilities (pregnancy, childbirth, childcare, older people care etc.)<sup>45</sup>. The gender pay gap is not always reduced due to women's high level of educational attainment because of obstacles to women's career growth. Thus, vertical segregation remains even in the spheres where women's employment traditionally predominates such as health care, education, culture, social welfare and agriculture.

A gender analysis of the unemployment also reveals high rate of unemployment among youth - Almost 31.6% of female and 24.3% of male youth aged 15 to 24 are neither in education, nor in employment.<sup>46</sup>

Here it is important to point out that the youth in Armenia is defined as the citizens aged 18-30 and according to the National Statistical Service the number of young people living in Armenia is 905.2 thousand people which accounts for 27.9 % of the population. The ratio between male and female is accordingly 49.4 and 50.6 per cent, and the ratio of urban and rural youth is 62 % to 38 %. The major challenges Armenian youth is facing now are the high level of poverty (20.4 per cent of poor and 3.1 per cent of extremely poor) and unemployment. The high rate of youth unemployment (55.9 %) is connected not only with the hard socio-economic situation of the country but also with the inconsistency between the education system's products and the requirements of the labor market.

Similarly, according to the official statistics, the proportion of older people (65+) in Armenia currently is at 11.8 %. While currently much lower than the levels seen in Western European countries, the proportion of older persons in Armenia is rapidly catching up, and this fast rate of increase makes the changes especially challenging. According to expert estimates, by 2050, almost one third (31.5 percent) of Armenia's population will be over 60. A high degree of vulnerability can be observed among older people living alone, especially women. A significant factor that has quickened the pace of change is the massive emigration of young people: around two thirds of Armenians live outside of the country and net migration out of the country is about 0.5 per cent of the total population each year. Combined with a total fertility rate of 1.74 children per woman — well below the level of about 2.1 required for long-term generational replacement — and a gain in life expectancy of almost six years since 1990, the phenomenon of demographic ageing in Armenia is now striking.

The state measures to support women to balance work and -family responsibilities, are minimal. As a result, there are 2.4 times more men in managerial positions as compared to **women**<sup>47</sup>

*Table 6: Employed Population by Major Sectors of Economic Activity*<sup>48</sup>, 2022

A	Agriculture
B, C, D, E	Industry
F	Construction
G, H, I	Trade and repair, Transport and storage, Accommodation and

<sup>42</sup> 2015-16 Armenia Demographic and Health Survey (ADHS), P.16 <http://armstat.am/file/article/adhs-himnakan-2015-english.pdf>

<sup>43</sup> The problematic nature of the labor market in Armenia is revealed by the 2013 Human Capital Index. As to the Index, according to the [Human Capital Report 2013](#) of the World Economic Forum (WEF) Armenia ranks 73<sup>rd</sup> out of 122 countries. This is accounted for by an extremely low (113<sup>th</sup>) rank in the "workforce and employment" category.

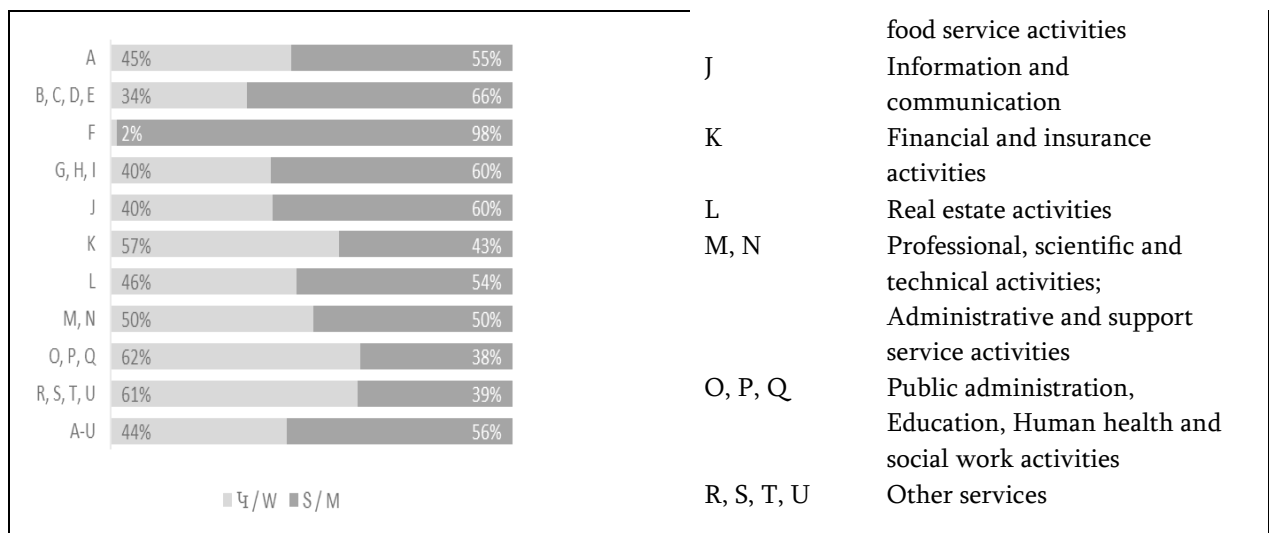
<sup>44</sup> [Women and Men in Armenia](#), Statistical Booklet, NSS 2023,

<sup>45</sup> In 2022, 52% of women aged 15-74, or 620,000 women, did not have a job and did not look for it, being mainly engaged in housekeeping. <https://armstat.am/file/article/gender-2023.pdf>

<sup>46</sup> *ibid*

<sup>47</sup> [Women and Men in Armenia](#), Statistical Booklet, NSS 2023,

<sup>48</sup> Based on the national version of Classification of Types of Economic Activity (NACE rev. 2).



Approximately 35 %<sup>49</sup> of all employed population are involved in the area of agriculture, of which 45% are women, however, in men's employment structure the share of agriculture stands at 31% and in women's employment structure it comprises 37%, which makes women a rather important actors in agriculture development. In addition, the number of women engaged in non-formal employment in agriculture is 82 percent.

In family farming, a strong gender-based segregation of tasks exists. Men tend to be more present in those tasks that are capital-intensive, involving higher amount of machinery and technology, and in those tasks that are better paid. Women from rural communities are strongly involved in livestock farming, particularly in dairy production (including milking, milk processing, and the marketing of milk and other dairy products). Poultry production in Armenia is also almost completely the responsibility of women, including feeding, watering, slaughtering and trade in small scale (of both poultry and eggs). Both women and men are deeply involved in the crop production sector, with clear-cut roles and responsibilities. Women are generally responsible for seeds - including buying, sowing and marketing, and are strongly engaged in harvesting of most crops where this is done by hand, as they do not usually drive tractors or operate other agricultural machinery. Regarding the two main cash crops cultivated in Armenia, apricots and grapes, women are mainly responsible for picking up the apricots and putting them in boxes and for processing apricots, producing dry fruits, juices and jams.<sup>50</sup> In its Concluding observations on the combined fifth and sixth periodic reports of Armenia, the UN CEDAW Committee expressed concern by the lack of social, health and economic infrastructure in rural environments, as well as by the concentration of rural women in the informal sector.

Traditionally men involvement in construction activities is at 98% level and women are more involved in *Public administration, Education, Human health* and *Social work* activities (62%) as well as other service provision (61%). Gender Gap: analysis of the discriminatory approaches towards women research, implemented by UNFPA in Armenia reveals that due to the limitations towards women employment and their discrimination in the labor market, Armenia suffers an annual GDP loss equal to 50-60 million dollars<sup>51</sup>.

In Armenia the violence against women (VAW) is recognized as a serious problem, based on the findings of the first Nationwide Survey on Domestic Violence against Women in Armenia (2008-

<sup>49</sup> [Labour market in the Republic of Armenia](#), 2011-2015 P.12

<sup>50</sup> Even though there is no official statistic, the fact was registered by different research conducted throughout Armenia, including Gender assessment report of the "Development of Agriculture in Syunik marz" project ACIDI/VOCA, and Gender approaches of "Water to market" activity, MCA-Armenia, January 2011, as well as voiced by the participants of the focus groups conducted within the framework of the Assessment.

<sup>51</sup> [Gender Gap: analysis of the discriminatory approaches towards women](#) (Գենդերային ճեղքվածք. Կանանց նկատմամբ խտրական դրսևորումների ախտորոշիչ ուսումնասիրություն) // 2016 // UNFPA

2009)<sup>52</sup>, UN CEDAW Committee's Concluding Observations regarding the combined third and fourth periodic reports of Armenia<sup>53</sup> as well as the Nationwide survey on Men and Gender equality (2016)<sup>54</sup>. According to the latest "Survey on Domestic Violence Against Women"<sup>55</sup> implemented by the National statistical service in 2021 women ever experienced physical, sexual and psychological violence by their partners comprised 35.9%.

The Government regards the advanced development of the entrepreneurship, in particular of small and medium size businesses, as an effective way for solving employment and social problems. According to the Republican Union of Employers of Armenia, women account for not more than 10 percent among entrepreneurs in small and medium sized and big businesses. In micro businesses, the number of women constitutes 20-25 percent<sup>56</sup>.

The obstacles that women have to overcome before they go into business include lack of confidence and risk management skills, the lack of business contacts, entrenched and perpetuated stereotypes about women's role and their participation in economy and in business in particular. Objective reasons include limited access to funds, difficulties in obtaining loans, the absence of savings and property for collateral, burdensome interest rates, unfavorable business environment and informal payments to officials to facilitate business<sup>57</sup>.

In its Concluding observations on the combined fifth and sixth periodic reports of Armenia, the UN CEDAW Committee recommended to reinforce measures to expand women's access to microfinance and microcredit at low interest rates, enabling women to engage in income-generating activities and to start their own businesses<sup>58</sup>.

*The Foundation of Doing Business*<sup>59</sup> by World Bank Group has traditionally assumed that the entrepreneurs or workers discussed in the case studies were men. This was incomplete by not reflecting correctly the *Doing Business* processes as applied to women—which in some economies may be different from the processes applied to men. Starting this year, *Doing Business* measures the starting a business process for two case scenarios: one where all entrepreneurs are men and one where all entrepreneurs are women. Within the registering property indicators, a gender component has been added to the quality of land administration index. This component measures women's ability to use, own, and transfer property according to the law.

Armenian law provides equal property rights to women and men, but in practice women are in more unequal situation due to the following reasons/peculiarities: 1) Since independence the Government of Armenia privatized land in 1991 and 1992 by dividing it among households. Land ownership was awarded to the person who was identified as the "head of the household". Although in the context of Armenia, both women and men play equally important role as breadwinners, the majority of land was registered on the name of men as "household head by default". Women received land titles only in case of absence of a male head of the family. 2) Limited knowledge by women and whole communities about women's ownership rights over land contributed to the problem. This includes limited knowledge about rights and of the consequences of not having land registered also in their name; 3) another reason is "inheritance practices" widely accepted in Armenia. - parents usually grant the house, vehicle and

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<sup>52</sup> *Report on Nationwide Survey on Domestic Violence against Women in Armenia (2008-2010)*. Yerevan: UNFPA and RoA NSS, 2011.

<sup>53</sup> *Concluding Observations of the Committee on the Elimination of Discrimination against Women: Armenia*. Geneva, 2009. UN Document CEDAW/C/ARM/CO/4/Rev.1

<sup>54</sup> *Report on Nationwide survey on Men and Gender equality in Armenia*, UNFPA, Yerevan 2016,

<sup>55</sup> ARMSTAT 2021 <https://www.armstat.am/en/?nid=81&id=24>

<sup>56</sup> *Gender policy in Armenia and the right of women entrepreneurship*

<sup>57</sup> *Gender Assessment USAID/Armenia*.

<sup>58</sup> *Concluding observations* to the 5th and 6th *Armenia's State Periodic Reports* Armenia CEDAW/C/ARM/CO/5-6, Distr.: General, 25 November 2016,

<sup>59</sup> The Foundation of Doing Business by World Bank Group measures aspects of business regulation affecting domestic small and medium-size firms defined based on standardized case scenarios and located in the largest business city of each economy. *Doing Business covers 11 areas of business regulation across 190 economies*. WBG, 2017

other property to sons, and daughters are having nothing or less from their parents and almost nothing from the husbands' families; 4) women have limited access and control over financial resources that's why are less able to purchase land and other property than men; 5) Lack of control over their own earnings - only 34 in urban and 11 percent of women in rural areas decide about their earnings.<sup>60</sup>

Households headed by men are more likely to keep livestock, and to have a larger number of animals across all categories, than female-headed households. When female headed households have livestock, they tend to have cattle and poultry, possibly because dairy farming is traditionally “female” work or because selling extra milk and eggs is a relatively simple way to supplement the household income. Men have greater involvement in grazing, feed production and purchasing and sales of livestock.<sup>61</sup>

Limited access to productive resources is a serious constraint to rural women's agricultural activity. For instance, rural women have little or no direct access to farm equipment such as tractors, combines and harvesters. Traditionally, these are operated only by men. Even female heads of household do not personally use these resources, they hire in assistance or ask male relatives to help.<sup>62</sup>

Markets accessibility depends greatly on the mobility of the producer or the accessibility of the community. Cars and machinery are rarely owned by women. In rural areas, in more than 95 percent of car and machinery owners are men, as are 100% of agricultural machinery operators in the marzes. Female car owners and female drivers are increasingly prevalent in urban areas, especially in Yerevan, but continue to be rare in rural areas.<sup>63</sup>

Lack of access to transportation impedes women's income earning opportunities, through sale of their agriculture and other production. Dairy products are mostly sold at place rather than in other rural or urban markets. In the absence of dairy products collection systems, there is a need to take the products directly to the urban market. As a result, women, and mostly lonely women and even women heads of households have no opportunity to do that due to stereotypical practices and lack of transportation.<sup>64</sup>

In most of the households the husband is the main decision-maker. However, the Decision-making at household level can vary - there are also households where decisions are taken jointly by the husband and wife.

Only twenty-eight percent of women are the main decision makers about their own *health care*, 14% decide mainly themselves about major *household purchases*, and decisions about *visits to the woman's family or relatives* are also mostly made jointly (80 percent), with 13 percent of women making this decision by themselves - in all other cases the decision are taken jointly.<sup>65</sup>

According to the Global Gender Gap Report 2024, with respect to the political empowerment indicator (which is based on gender representation in decision-making structures) Armenia is ranked 70<sup>th</sup>, which means that it bettered its position even compared with 2023<sup>66</sup>. Women's representation in the National Assembly and other elected bodies is slowly advancing in Armenia. In 1999, women held only 3 per cent of seats in the Parliament and only 10.7 per cent in 2012. As a result of the parliamentary elections, the representation of women in the National Assembly of Armenia increased up to 36 per cent<sup>67</sup> of all members of the National Assembly improving the country's rank on the list of the Inter-Parliamentary Union (IPU). This result may be considered as a step forward due to the quota which requires at least

<sup>60</sup> [Prevalence of and Reasons for Sex Selective Abortions in Armenia](http://unfpa.am/sites/default/files/Sex-selective%20abortions%20report%20Eng.pdf), UNFPA 2012, [http://unfpa.am/sites/default/files/Sex-selective abortions report Eng.pdf](http://unfpa.am/sites/default/files/Sex-selective%20abortions%20report%20Eng.pdf); [Sex Imbalances at Birth in Armenia: Demographic Evidence and Analysis Report](#), UNFPA 2013, Missing Girls in the South Caucasus, World Bank, CRRG 2014.

<sup>61</sup> ACIDI/VOCA “Development of Agriculture in Syunik marz” project documents, 2011

<sup>62</sup> [From the gender analysis of the project on “Water-to-Market Activity \(2006-2011\)”](#) carried out in 2007 within the framework of the Millennium Challenge Account:

<sup>63</sup> *ibid*

<sup>64</sup> “Gender and Transport” Background materials of the 2011 International Transport Forum, Leipzig, Germany, 2011

<sup>65</sup> Armenia Demographic and Health Survey 2015-16, Report, National Statistical Service Armenia, Yerevan 2016, *Table 15.8*

<sup>66</sup> [https://www3.weforum.org/docs/WEF\\_GGGR\\_2024.pdf](https://www3.weforum.org/docs/WEF_GGGR_2024.pdf)

<sup>67</sup> <http://www.parliament.am/deputies.php?lang=eng> : 38 female MPs out of 107 members of Parliament

30 percent representation of each sex stipulated in the Electoral Code. The quota provision/ requirement was also added for the local self-governance elections and worked quite effective.

Although the number of women MPs has increased as compared with the previous convocations, nevertheless, women are not represented in leadership (chairmen or deputy) and only 2 women are holding the positions of heads of standing committees<sup>68</sup>.

During the entire period of the democratic transition (1991-2024), women did not run for the position of the Armenian President or *held* a position of a Prime Minister or Speaker of the National Assembly.

In April 2018 as a result of a series of anti-government protests in Armenia, a new Prime Minister was appointed. Armenia's new government is a technical cabinet to administer the country until new parliamentary elections. Almost all the officials of the former government were changed and it provided opportunity to women to be appointed to some decision making positions. Nevertheless, there are only 2 women out of 12 in the political position (Ministers)<sup>69</sup> and 12 women (26%) in discretionary positions of a deputy minister in the executive branch of the Government. There are no women among the governors (marzpets)<sup>70</sup>, with only four out of 71 enlarged communities are headed by women (4%).

*Table 7: Women in leadership and decision-making positions, 2023*

Position	# women	# men	% women
Number of Deputies in the National Assembly of RA <sup>71</sup>	38	69	36
Ministers <sup>72</sup>	2	10	16
Deputy Ministers <sup>73</sup>	12	80	13
Judicial bodies at national level - Judges <sup>74</sup>	93	203	31
Judicial bodies at national level – Lawyers (advocates) <sup>75</sup>	1 125	1 413	44
Members of the Constitutional Court <sup>76</sup>	1	8	11
Council members of the Central Bank <sup>77</sup>	1	4	20
Ambassadors <sup>78</sup>	6	36	14

*Table 8: Women in regional (provincial) administrations, 2023<sup>79</sup>*

Position	# Women	#Men	Women %
Marzpet (Head of province)	0	10	-
Head of community	4	67	6
of which Capital city - Yerevan	0	1	-
Council members of community	405	986	29
of which Capital city - Yerevan	19	46	29

<sup>68</sup>National Assembly of the Republic of Armenia / Council, <http://www.parliament.am/Council.php?do=members&lang=eng>

<sup>69</sup> As to the Armenian legislation, the hierarchy in the public administration system includes 3 categories: political, discretionary positions and civil servants, [www.gov.am](http://www.gov.am)

<sup>70</sup> Head of regional authority in Armenia

<sup>71</sup><http://www.parliament.am/deputies.php?lang=eng>

<sup>72</sup><http://gov.am/am/structure/>

<sup>73</sup><http://gov.am/am/structure/>

<sup>74</sup>Women and Men in Armenia, Statistical Booklet , NSS, Yerevan 2023 <https://armstat.am/file/article/gender-2023.pdf>

<sup>75</sup>ibid

<sup>76</sup>ibid

<sup>77</sup>ibid

<sup>78</sup>ibid

<sup>79</sup> ibid

Number of women elected as members of community councils decreased based on the decision to enlarge the communities (currently it is 72 enlarge communities uniting 916 geographical locations), however showing positive tendency of increase due to quota introduced for local electoral processes as well.

However, women's participation in decision making can vary in accordance with age, residence, and education. Decision making in the community level depends also on the following aspects:

1) *Cultural norms and stereotypes* which affect women's participation in the decision making: Women are not generally prominent in local community-level decision making, and are very rarely elected as members of community councils. The Gender assessment conducted by USAID in 2010 pointed out that while "there is evidence that societal views of the "appropriate" roles for men and women are quite rigid and influenced by patriarchal traditions"<sup>80</sup>, there is significant variation within Armenia, and some marzes appear to be more socially conservative than others in relation to gender roles and women's status. Nevertheless, the perception of men as the main decision-makers and leaders in society is prevalent and influences women's access to political positions and participation in public life overall. The influence of traditional roles affects women's own confidence and perception of what is appropriate.

2) *Knowledge*: on management is depending on the level of education and/or experiences, accessibility to consultancies; on average, women enjoy less education than men in some areas and consultancies focus in general on men. There is no Government policy in place to promote women education in management and entrepreneurship. Small efforts have been made to offer training, retraining or vocational education to women to equip them with adequate skills and competence and to match those with the existing challenges and opportunities. The Government policies to promote small and medium businesses have yet to become gender sensitive.

3) *Access to financial resources*, and financial independence. Given the more limited range of employment and income opportunities for women, particularly in rural areas, and continuing gender inequality in income and salary levels. Women face more difficulties in receiving a loan and in having access to the family budget. Sometimes women have no own funds even to register her candidacy for the local elections, which means that they should check their availability with other members of the family.

According to the National statistical service of Armenia in 2023 the executive staff picture was as follows:

Table 9: Female staff in regional and local administrations<sup>81</sup>

Position	Women%	Men%
Deputy Marzpet	6	9410
Regional administration Marzpetaran staff	50	50
Deputy head of community	6	94
Community staff	49	51
Deputy of Yerevan city mayor	0	100
Yerevan city municipality staff	53	47

Thus, the governance pyramid, which is primarily male-oriented and which does not reflect the existing gender balance in the society, inequality of women's and men's rights and opportunities in political, economic and social spheres and the maintained and even constructed by some media outlets<sup>82</sup>

<sup>80</sup> Gender Assessment, USAID/Armenia, Yerevan 2010

<sup>81</sup> ibid

<sup>82</sup> [Woman's image as represented in Armenian media](#). Analytical report on monitoring. ProMedia-Gender NGO with support from UNFPA, 2011.

the division of gender roles hinders the development processes is an obstacle to the country's full-fledged integration into international agenda.

### **III. Legal and Administrative Framework on Gender Equality in Armenia**

Since independence, the Government of the Republic of Armenia has been steadily incorporating the international *acquis* on gender equality and establishing a number of laws and policies to address gender inequalities. In 1998, the Armenian Government issued Decree No. 242 "On the Basics of the Programme for the Improvement of the Status of Women in the Republic of Armenia" and Decree No. 406 "On Approving the National Plan for the Improvement of Women's Status and Enhancement of Their Role in the Society for the Period 1998-2000 in the Republic of Armenia." In April 2004, the Armenian Government adopted the first National Action Plan on Improving the Status of Women, and, since then, increased efforts have been carried out to contribute to the reduction of gender inequalities in the country.

The main document that reflects current Armenia's commitment to gender equality policy is the *RoA Gender Policy Concept Paper* approved by the Armenian Government in February 2010<sup>83</sup>. The mission of the *Gender Policy Concept Paper* is to facilitate *gender mainstreaming* in all spheres of socio-political and socio-economic life and in policies at all levels of government *as a tool for* ensuring sustainable democratic development of the society and for consolidating democratic, open and just civil society and the rule-of-law State.

Of great significance for gender policy implementation and for addressing the issues of imbalanced rights and opportunities was the *Law of the Republic of Armenia on provision of equal rights and equal opportunities for women and men*<sup>84</sup> that was adopted in 2013. It regulates the issue of ensuring equal rights and equal opportunities to women and men in the fields of politics, public administration, labour and employment, entrepreneurship, health care and education.

The Law is a document that has incorporated to the maximum extent the requirements of the Convention on the Elimination of all Forms of Discrimination against Women<sup>85</sup> and the CEDAW Committee's recommendations<sup>86</sup>.

In particular, the Law:

- introduces the concept of "gender-based discrimination" into the legislation,
- prohibits discrimination on the grounds of sex,
- introduces the concepts of direct and indirect discrimination into the legislation,
- provides the opportunity and the procedure for protecting citizens from discrimination on the grounds of sex,
- introduces legal responsibility of officials and employers for discrimination,
- contributes to the development of culture of gender equality and to the elimination of gender stereotypes that underlie discriminatory practices,
- outlines the spheres, framework and timeline for the use of temporary special measures aimed to redress a gender imbalance,
- codifies the necessity to establish national machinery for gender equality, and

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<sup>83</sup> *RoA Gender Policy Concept Paper*, 2010(in Armenian) [http://www.gov.am/u\\_files/file/kananc-xorh/Gender-hayecakarg.pdf](http://www.gov.am/u_files/file/kananc-xorh/Gender-hayecakarg.pdf)

<sup>84</sup> Armenian version <http://www.parliament.am/legislation.php?sel=show&ID=4761>

<sup>85</sup> <http://www.un.org/womenwatch/daw/cedaw/cedaw.htm>

<sup>86</sup> *Concluding observations of the UN Committee on the Elimination of Discrimination against Women/* Forty-third session / 19 January-6 February 2009/, CEDAW/C/ARM/CO/4/Rev.1 /

- makes provisions for the monitoring and reporting mechanism concerning the implementation of gender policies.

In line with the recommendations established by the Committee on the Elimination of Discrimination against Women in 2010<sup>87</sup>, amendments to the Constitution made in December 2015 included important articles and provisions such as: *General Equality before the Law* (Article 28), *Prohibition of Discrimination* (Article 29) and *Equality of Rights for Women and Men* (Article 30)<sup>88</sup>.

In the context of the Platform and the establishment of the new Sustainable Development Goals, the government of Armenia made a commitment at the Global Leader's Meeting on Gender Equality and Women's Empowerment in September 2015 to ensure the effective implementation of the Law of the Republic of Armenia on "Equal Rights and equal opportunities of women and men", and to sign the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence.

All these documents are important because they not only provide a framework for promoting gender equality and women's empowerment but also advocate gender mainstreaming and demonstrate how the gender component can be integrated into the national policies and programs.

During this period amended were also other laws and Codes that aim to protect exclusively women's rights as well as to secure gender equality<sup>89</sup> <sup>90</sup>. It is unfortunate that insignificant and occasional amendments have not yet brought about a dramatic change in the situation. The real practices do not match the broad rights of women that are codified in legal norms. The mismatch between the rights and opportunities is a main obstacle to ensuring equality. Thus the existence of functional and efficient gender equality mechanisms and National machinery in the public administration system is crucially important for the formulation and implementation of the national gender equality policies grounded in the principles outlined in international and national documents.

According to the CEDAW Committee General Recommendation No. 6, the machineries should be endowed with professional capacity and authority to be able to advice on the impact on women of all government policies, to monitor the situation of women comprehensively and to help formulate new policies and effectively carry out strategies and measures to eliminate discrimination<sup>91</sup>.

Therefore, there is a growing realization that the national machinery is absolutely indispensable and, hence, that it has to be established to perform its main function to effectively mainstream a gender perspective into legislation, state policies, national programs and projects.

The *Gender mechanism* in the Republic of Armenia is made of a variety of institutions with a specific roles and responsibilities in the: identification of gender issues, analysis of the needs for women and

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<sup>87</sup> <http://www.refworld.org/publisher,CEDAW,,ARM,52dd05054,0.html>

<sup>88</sup> Amendments to the Constitution of the Republic of Armenia, December 2015, [Armenian version](#)

<sup>89</sup> In order to fulfil the implementation of the 29th article of the Constitution of Armenia "Prohibition of Discrimination", the Ministry of Justice in 2019 drafted a **Law "On ensuring legal equality"**, which refers to "Direct and indirect discrimination, incitement to discrimination, harassment, segregation, victimization, associated discrimination and temporary special measures "This is actually the law prohibiting discrimination against different groups, such as Persons with Disabilities, Older people, LGBTI, etc and this law is found in its draft version yet. This is distinguished from the below mentioned actual Law on "Ensuring Equal rights and Equal opportunities for women and men", as adopted in 2013, which is the law on Gender equality.

<sup>90</sup> Earlier significant steps towards combating domestic violence were made in 2017 by the adoption of the Law on prevention of violence within the family, protection of victims of violence within the family and restoration of peace in the family<sup>90</sup> that ensures preventive and protective mechanisms for the victims of domestic violence, while it also guarantees the social assistance. It should be noted that the mechanisms needed for the proper implementation of that law were adopted at some later time, through issuing relevant orders<sup>90</sup>. However, the adoption of such law was unprecedented for Armenia and has its influence both as a prevention measure, the first ever national legal document prohibiting violence in the family, as well as protection measures prescribing the organization of proper services to the victims of violence.

<sup>91</sup> General recommendations made by the *Committee on the Elimination of Discrimination against Women*. General Recommendation No. 6 "[Effective National Machinery and Publicity](#)" (seventh session, 1988).

men, drafting of the policies that address the inequalities, implementation of the gender policies, monitoring and evaluation of those policies and interventions, decisions making on behalf of women and men in need so *that no one is left behind*. *Among the institutional mechanisms for gender equality in Armenia the following structures could be mentioned:* Council on Women's Issues, Ministry of Labour and Social Issues, Departments for Children's, Family and Women's Issues at the Regional Governance Offices, Gender Policy Implementation Commissions, Council on Preventing and Combating Violence against Women and Domestic Violence in Armenia and others. In fact, all the mentioned structures are by default institutional mechanisms for implementation of gender policies and for attaining gender equality and should be supported with the National machinery on Gender equality as indicated in the number of international treaties and documents committed by the Republic of Armenia.

#### **IV. Gender Issues in the target areas of the projects**

Armenia is a country with an ambitious climate change mitigation agenda, which makes significant efforts towards low carbon development through increasing the share of renewable energy, promoting energy efficiency, preserving and enhancing forest-covered areas, and reporting regularly to the UNFCCC<sup>92</sup>. Climate change is leading to an increase in the frequency of extreme weather events, thereby increasing desertification and land degradation. Therefore, the most vulnerable sectors are those dealing with water resources, agriculture, forestry, health care, transport, and energy.

The Prospective Development Strategy for 2014-2025 mentions climate change as an important issue to be addressed to improve the economic growth, with a strong focus on mitigation measures and reduction of emissions. Currently there is a number of climate relevant/ environmental laws and policies, such as: Water Code (2002), Law on Energy Saving and Renewable Energy (2004), National Forest Policy, (2004), Strategy of the Main Directions Ensuring Economic Development in Agricultural Sector 2020-2030, (2019), Strategic Programme for the Development of the Energy Sector of the Republic of Armenia (until 2040)). Unfortunately, these existing laws and policies do not have a specific focus on climate change. The National Strategy on Disaster Risk Management (2017) integrates climate change actions and is in line with Sustainable Development Goals (SDGs)<sup>93</sup>. The National Action Programme of Adaptation to Climate Change and the list of Measures for 2021-2025 were approved by the Government in 2021, and Water Sector Adaptation Plan and its Program of Measures for 2022-2026 adopted in 2022. Unfortunately, these existing laws and policies do not have a specific focus on gender equality or just transition issues. Gender issues are taken into account only in the Program on Energy Saving and Renewable Energy for 2022-2030 and its Action Plan for 2022-2024 and National strategy on gender equality for 2024-2026 (pending adoption) has a section on climate change and gender.

In line with the revised European Neighborhood Policy (ENP) the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) was signed in 2017 and in 2021, entered fully into force thorough ratification by the Republic of Armenia, all EU Member States and the European Parliament. This was an important, positive milestone for EU-Armenia relations and inter alia envisioned reforms in the rule of law and respect of human rights as well as those aimed at enhancing the responsiveness and effectiveness of public institutions and at promoting conditions for sustainable and inclusive development.

In terms of financial assistance envisioned by the 2021-2027 multi-annual indicative programme (MIP) for EU support to Armenia the focus on enhancing Armenia's environmental and climate resilience, which includes sustainable use of resources, promotion of green growth, decarbonization and scaling up renewable energy generation, improving energy efficiency and security is recognized as one of the priority areas (priority 3). Among other priorities "enabling a more resilient, fair and inclusive society

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<sup>92</sup> <https://eu4climate.eu/armenia/>

<sup>93</sup> <https://sdgs.un.org>

through increased democracy, migration management, promotion of social inclusion and enhanced public healthcare systems” (priority 5) is mentioned.

The designated authority for climate change in Armenia is the Ministry of Environment and the Inter-Agency Coordination Council for the Implementation of the Requirements and Provisions of the UNFCCC established in 2012 and revised in 2021. The count of high-level and mid-level decision-makers responsible for addressing climate policy matters within the Ministry of Environment showed 86% of women involved in staff and 73% of Women involved into the Interagency Coordination Council.<sup>94</sup>

According to the International Labour Organization (ILO), gender equality is one of the main dimensions in green agenda as ensures “*fair and inclusive environment to everyone concerned, creating decent work opportunities and leaving no one behind*”.<sup>95</sup> Thus in terms of policy development the following principles should guide the transition to environmentally sustainable economies and societies: (i) Policies must respect, promote and realize fundamental principles and rights at work. (ii) Policies and programs need to take into account the strong gender dimension of many environmental challenges and opportunities. Specific gender policies should be considered in order to promote equitable outcomes. (iii) Coherent policies across the economic, environmental, social, education/training and labour portfolios need to provide an enabling environment for enterprises, workers, investors and consumers to embrace and drive the transition towards environmentally sustainable and inclusive economies and societies.<sup>96</sup>

The main document to regulate the area is the Constitution of the republic of Armenia, and particularly its Chapter 3 on Legislative guarantees and main objectives of state policy in social, economic and cultural spheres, that define national policy and approaches in setting up *Working Conditions, Social Security, Decent Living and Minimum Salary, and Health Care*.

The recent amendments to the Labour Code of the Republic of Armenia were initiated based on the Armenia’s international obligations in the field and relate to gender equality issues, maternity issues and paternity leaves, labor rights of persons with disabilities as well as professional and vocational education and internship opportunities. However, the majority of the state documents and procedures on social security and health care are at best gender neutral and not even sensitive or responsive.

### **Access to resources and services**

Armenia proclaiming itself the part of the Green Deal also tries to set out a roadmap for a new type of policies that will focus on the sectors most affected by the transition. Thus, the Armenia government should ensure the instruments of fair compensation for health, environment, jobs and economic assets, including access to resources.

Some research<sup>97</sup> shows that disadvantaged groups of population, including women and young girls bear a disproportionate amount of the environmental and economic costs of the extractive economy while receiving very few of the associated benefits. Among difficulties faced by these groups of population are lack of resources available to deal with the financial, social, and environmental impacts of climate change.

Women’s equal access to and control over economic and financial resources is crucial for the achievement of gender equality and empowerment of women, and more importantly for equitable and sustainable economic growth and development of the country. Gender equality in the distribution of economic and financial resources has positive multiplier effects for a range of key development goals,

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<sup>94</sup> [Women and Men in Armenia](#), Statistical Booklet, NSS 2023,

<sup>95</sup> <https://www.eurofound.europa.eu/en/european-industrial-relations-dictionary/just-transition>

<sup>96</sup> [Guidelines for a just transition towards environmentally sustainable economies and societies for all](#), ILO, 2015;

<sup>97</sup> Seth B. Shonkoff et al., [The climate gap: environmental health and equity implications of climate change and mitigation policies in California](#) - a review of the literature. Climatic Change (2011) 109 (Suppl 1):S485–S503, ;

including poverty reduction and the welfare of children. Long-standing inequalities in the gender distribution of economic and financial resources, all over the world, have placed women at a disadvantage relative to men in their capability to participate in, contribute to and benefit from broader processes of development. The Economic resources used in the production of goods and services are mainly categorized as Land and other natural resources, Labor and financial resources, as well as entrepreneurship. Due to the gender inequality and discrimination, women have less access and control over resources.

One of the most important resources in rural Armenia is land and real estate. Although there is some official statistics providing info on the Agricultural holdings by sex of the owner, where women in average comprise 1/3 it is true on land sized less than 0.1 ha only:

Table 10: Agricultural Holdings by sex<sup>98</sup>

Total holdings	Of which by land, ha												
	< 0.1ha	0.1-0.19	0.2-0.49	0.5-0.99	1-1.99	2-2.99	3-4.99	5-9.99	10-19.99	20-49.99	50-99	100-199	200> ha
<b>Agricultural holdings by sex of head of HH</b>													
<b>Women</b>	19688	6121	10421	13670	14498	6139	4273	2060	412	78	13	2	0
<b>Men</b>	50242	15569	26348	41277	46791	20848	14829	8254	1916	538	82	27	10

Armenian law gives equal property rights to both women and men, but in practice women rarely exercise these rights due to the following reasons: 1) registration practices<sup>99</sup>; 2) Inheritance practices giving preference to sons; 3) Access to resources: Women are less able to purchase property than men, due to their limited access to, and control over financial resources either through income or credit. 4) Limited knowledge by women and whole communities about women's ownership rights, including over land. This includes limited knowledge about rights and of the consequences of not having land registered also in their name.<sup>100</sup>

The sum of renewable groundwater and renewable surface water resources in Armenia are as follows:

Table 11: Renewable water resources in Armenia

Renewable Water Resources	8 billion m <sup>3</sup> /year
Water Resources per Capita	2,652 m <sup>3</sup> /person/year
Water Dependency	12%

In 2024, the water abstraction in Armenia comprised 2 829.8 mln. cub. M (excluding Hydro plant stations PSs), water use – 2 176.3 mln. m<sup>3</sup> (83.6% – agriculture, fish breeding and forestry, 8.8% – industrial, communal and construction, 7.6% – drinking):

<sup>98</sup> [Agricultural census 2014](#)

<sup>99</sup> After the collapse of the Soviet Union the Land ownership was awarded to the person who was identified as the “head of the household”, although this could legally be a woman or a man, the majority of land was registered in the name of men as “representatives” of the whole household

<sup>100</sup> FAO.2017.56 pp <https://www.fao.org/3/i6737e/i6737e.pdf>

According to the RA Constitution the water resources are under exclusive ownership of the state (Article 10), thus the data could not be disaggregated by the sex of owners, but the citizens and legal entities of Armenia are the members of water-users associations. Unfortunately, there is no sex-disaggregated data available on membership and engagement in Water User Associations of Armenia. The water user right is given by default with the land property, thus registered mainly on men's name. Meanwhile, despite the substantial investments in the water sector that have led to improvements in both the reliability and quality of the water supply available to the population, about 560 communities in rural areas are not connected to the grid, and 40 000 rural inhabitants do not have access to a piped water supply. Overall, the access to clean water is around 96.3%, which is measured through a Proportion of households with centralized water supply.<sup>101</sup>

In the picture of financial resources one of the most important part is on unpaid work done by women: ARMSTAT data demonstrates that many of these women may be registered under the category “Other” within the self-employed population. They can also be registered as a member of the “inactive population” under the category of “housekeepers”, who account for almost 21 percent of all women of working age in Armenia. There are 41 times more women in this category than men (ARMSTAT, 2023).

Moreover, the women are overrepresented in unpaid work in agriculture, especially in family farming. Based on the current survey data women have at least 50% of involvement in different value chains (VC) and even more than 80% in case the VC recognized as women area of work.

Table 12: Men Involvement in Agricultural Value Chain

N	Value chain	Men Involvement, %									
		10	20	30	40	50	60	70	80	90	100
1	Production					x	x	x	x	x	x
2	Harvest					x	x	x			
3	Processing			x	x						
4	Packaging		x	x							
5	Sale/distribution							x	x		

Table 13: Women Involvement in Agricultural Value Chain

N	Value chain	Women Involvement, %									
		10	20	30	40	50	60	70	80	90	100
1	Production					x	x	x	x		
2	Harvest							x	x		
3	Processing							x	x	x	x
4	Packaging								x	x	x
5	Sale/distribution							x	x		

Rural women working informally on family farms do not get any compensation defined by the Labor Code, such as maternity leave<sup>102</sup>, sick leave and childcare allowances, as they are considered either self-employed or inactive. In rural communities, two thirds of employed women do not get cash earnings when they are self-employed<sup>103</sup>.

The “time poverty” phenomena are recognized by a number of studies in Armenia and in other

<sup>101</sup> <https://sdg.armstat.am/6-1-1-a/>

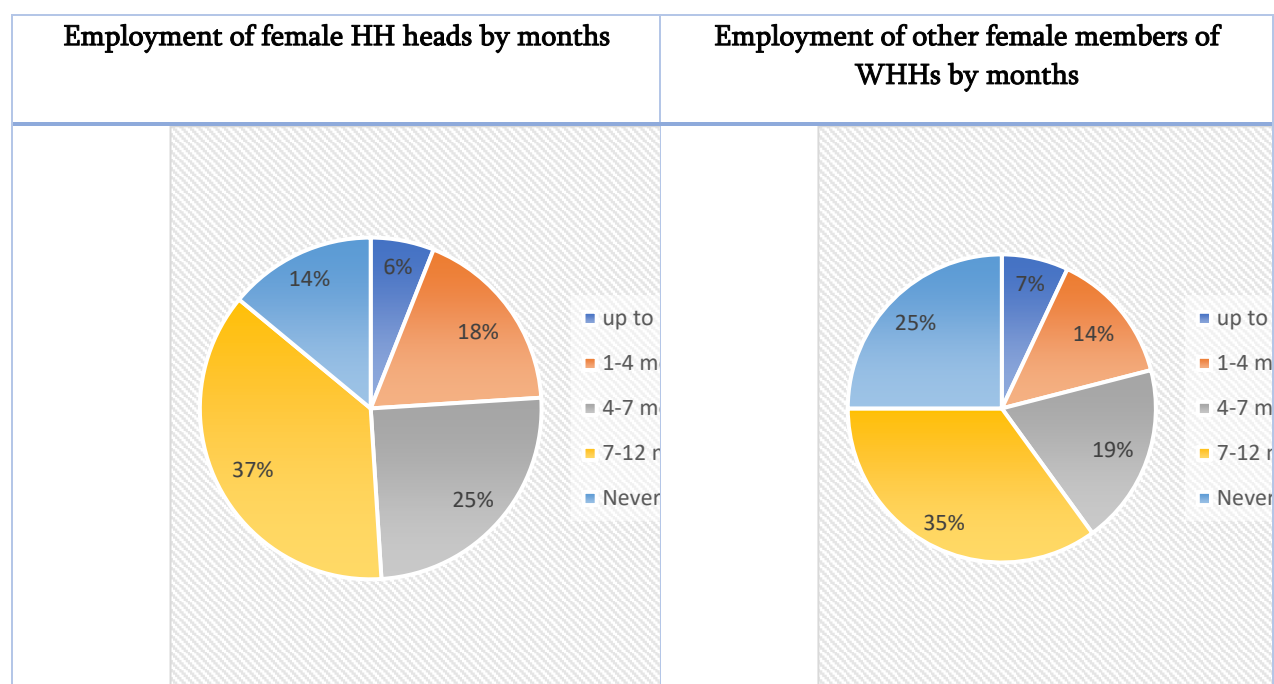
<sup>102</sup> Although since 2016 rural women, formally employed or not, are entitled to some payment (fix amount) for maternity leave, they receive money but do not use the right for a leave/rest.

<sup>103</sup> Gender Barometer Survey, Yerevan State University, 2019

countries: “Women experience time poverty due to their responsibility for unpaid domestic tasks. Women’s time poverty is accentuated when they enter the labour force and their domestic workload does not diminish”<sup>104</sup>. In rural areas, men are more likely to assume tasks using machinery and technology, leaving more time-consuming manual work to women. Moreover, in rural communities less than 1/3 of children are enrolled in kindergartens or preschool, and primary school hours tend to finish early in the afternoon; there is no system of home-based care for older people, etc. Thus, more support is needed to assist women with child and older people care options and in dealing with work-family balance.

Another interesting information concerns the overall percentage of women heads and members of households in agriculture<sup>105</sup>, which highlights the presence of serious discrimination against women in the agricultural labor market, starting from 1 month of work (6%) up to 7-12 months (37%) among female heads of households and 7% for short term and 35% for long term for other female family members. According to the data of a comprehensive agricultural registry, women head 25% of rural households. Women-headed households are more vulnerable and at risk of poverty due to the absence of the agricultural machinery, difficult access to land plots, and problems related to irrigation and financial means.

Table 14: Employment of female members of WHHs by months



Women are less able to purchase property or any equipment than men, due to their limited access to, and control over financial resources either through income or credits. In Armenia women make up only a third or even a quarter of the applicants for loans/credits due to the aforementioned stereotypical attitudes as well as their limited solvency.

Rural women usually benefit from micro-credit or loan programs provided by foreign and international programs/organizations, which make these funds available on the basis of a specific level of women’s involvement (“quotas”).

One of the most Important preconditions for the genuine equality is *access to services*. Overall, in Armenia the access to healthcare is ranked as 5.1, which is the number of medical doctors versus 1,000

<sup>104</sup> ADB, ARMENIA. COUNTRY GENDER ASSESMENT, 2019

<sup>105</sup> Agricultural Census of RA (2014)

population, which is measured through Health / medical doctor density and distribution<sup>106</sup>, whereas access to education is around 91.5% (Gross Enrolment Ratio in general education)<sup>107</sup>. However, the preschool education, including kindergartens as well as day-care centres for children and older people and of those with disabilities (which are the main parts of care work done by women) is not yet available in all regions and geographic locations.

## V. Recommendations

Climate change impacts men and women differently due to differences in their gender roles, societal norms and values. Women, who make up most of the poor, generally have lower incomes, less access to credit and decision-making authority, and limited control over resources, which increase their vulnerability in case of emergency and climate impacts. It is crucial to see and understand gender picture of the society to mainstream development programs and projects as climate change efforts can be more effective when gender and social peculiarities are considered. Climate change interventions can also provide opportunities to empower women – recognizing women’s role in some agricultural value chains as well as their capacities of women community activists. Incorporating gender considerations into climate change and disaster risk reduction approaches can *inter alia* improve women’s, and their families’, resilience to climate change. Thus, the following approaches and actions are recommended:

- The analysis of the existing gender inequalities, men labour migration, as well as demographic situation in the targeted areas showed that it is highly recommended to involve women, into the process of the project implementation. Women’s participation in the project will be twofold: 1) Women will be considered as agents and main advocates for behavior and attitude change in the families, as well as on community and at the national level. This function *inter alia* could be paralleled with monitoring activities implemented by them; and 2) Women will be involved in the project as active participants: staff and/or providers of the planting material through tree nurseries and farming cooperatives organized and administered by them. Both functions shall be based on their participation in educational and awareness raising activities.
- Women shall be also involved as project beneficiaries - participating in capacity building activities and receiving vocational education. The project shall set a minimum target at 30 percent of all beneficiaries of the project to be women, as this is the UN recommended quota to ensure critical mass of women’s representation. However, this represents just a target, and not a goal. The goal should be 50 percent or even more depending on demographic representation in the project area. Also, actual participation can be higher, and the project team will apply all possible efforts to achieve that.
- While the risks of escalating the level of VAW due to the project implementation are assessed as low, to avoid any negative implications, caused by the involvement of women in the project activities, the project should dedicate specific attention to a profound awareness raising work with communities and families, especially men. Media resources will be also used for this purpose and profound awareness raising on VAW will be integrated into the overall community level work.
- Considering the demographic structure of targeted areas and the vulnerability faced particularly by older and young female Armenians, the project shall pay special attention to the involvement of lonely elderly, especially women as beneficiaries. In this context, the project implementation shall ensure periodic collection of sex and age disaggregated data and analysis in the area.
- The project shall approach to gender expertise to further develop gender balanced approaches and to adjust the proposed Gender action plan.

<sup>106</sup> <https://sdg.armstat.am/3-c-1/>

<sup>107</sup> <https://databank.worldbank.org/source/world-development-indicators/Series/EG.CFT.ACCS.ZS>

- Based on this assessment, a Gender and Social Inclusion Action Plan (GAP) has to be prepared to implement the gender strategy and to ensure inclusion of disadvantaged groups (poor families, elderly, single-headed households and youth). The GAP is in line with the overall project implementation plan and timeline; thus, all activities are incorporated into the relevant components of the project.

### ANNEX III. – Gender Action Plan

The GAP of the project is based on the UNFCCC GAP priorities set forth by parties at COP 25. Furthermore, it is advised by Adaptation Fund's Gender policy, the local gender equality situation in Armenia and will lead to overcome the existing inequalities as well as to build gender responsive approaches to Climate change activities and initiatives in general. The below plan is compiled in accordance with the project's TOC and intervention framework.

**Project's Objective:** to enhance the country's capacity to effectively respond to the adaptation challenges posed by climate change and enhance adaptation resilience in the regions and municipalities of Armenia through establishment of a National Adaptation Finance Facility.

**Goal:** **IF** awareness of actors from the remote and vulnerable regions is increased and proposal development support is channeled, **THEN** sub-national adaptation capacities are strengthened and increased resilience of rural communities is achieved, **BECAUSE** identified project proposals targeting removal of adaptation barriers and securing inflow of private capital are critical elements for financing adaptation needs of the remote and vulnerable communities.

<i>Outputs</i>	<i>Gender Responsive Action</i>	<i>Performance Indicator</i>	<i>Project Target</i>	<i>Budget</i>	<i>Timeframe (year to implement)</i>				<i>Responsible</i>
<b>Component 1: Policy delivery</b> - policy decompression at the regional/municipal level					<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	
<u>Outcome 1.</u> Increased regional/ municipal capacities to contribute towards formulation and execute actions deriving from National Adaptation Plan, Sectorial Adaptation Plans and Regional Adaptation Plans	A. Ensure sex disaggregated statistical data is collected and gender consideration are taken into account within the framework of vulnerability assessments of 10 regions to be undertaken.	- Availability of sex-disaggregated statistical data and indicators and their use in monitoring and reporting -Vulnerability assessments are gender -responsive	100% of all project documentation contain data disaggregated by sex, and where possible by age. Project related documentation and materials are gender responsive	Assessment related expenses	<b>x</b>				EPIU and local municipalities
	B. Ensure participation of women activists and	% of women activists and	Project related documentation	Monitoring related expenses	<b>x</b>				EPIU and local municipalities

	Gender equality oriented local and national CSOs in implementation of vulnerability assessment	professional CSOs involved in the process	and materials are gender responsive						
	C. Target the staff responsible for vulnerability assessment implementation with gender sensitization and mainstreaming training	# and % of women and men assessors trained on gender mainstreaming issues	At least 60 % of the assessors trained on gender mainstreaming issues	Training related expenses	x				EPIU
	D. Regional policy frameworks for 10 regions are developed in participatory manner, with special attention towards gender equality issues.	# and % of women participated in development of the regional policy frameworks	Gender perspective is duly mainstreamed in all regional policy frameworks	Participation related expenses		x			EPIU and local municipalities
	E. Ensure that regional policy frameworks for 10 regions are gender responsive	Regional policy frameworks are gender-responsive and address the needs of both women and men.		Monitoring related expenses		x			EPIU
	F. Ensure that gender equality topics are included into the module and agenda of the training programs for regional and municipal officials	gender equality topics are included into the module and agenda of the training programs for regional and municipal officials	All training programs include gender equality topics	Training related expenses	x	x			EPIU

	G. Build the capacity and technical expertise of regional and municipal officials and stakeholders on gender equality issues, gender analysis, and gender responsive approaches	“No exclusion policy” is in place to ensure regional and municipal officials are trained on gender sensitive and responsive approaches	At least 60 percent regional and municipal officials are sensitized in gender, and trained in gender analysis, and gender-responsive approaches	Training related expenses	x	x	x	x	EPIU
	H. Support women to ensure their participation in 10 regional climate adaptation committees to be established	# and % of women and men involved in regional climate adaptation committees	At least 30% of people involved in regional climate adaptation committees is women	Management related expenses	x	x	x	x	EPIU

<i>Outputs</i>	<i>Gender Responsive Action</i>	<i>Performance Indicator</i>	<i>Project Target</i>	<i>Budget</i>	<i>Timeframe (year to implement)</i>				<i>Responsible</i>
<b>Component 2: Capacitating stakeholders</b> - mapping, needs assessment and capacity building of key actors					<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	
<u>Outcome 2.</u> Capacitated stakeholders are better able to contribute towards needs	I. Ensure women activists and gender equality related CSOs are included/ contacted for regional stakeholder mapping exercise	% of women activists and professional CSOs involved in the process	At least 15% of stakeholders are dealing with GE and women issues	Monitoring related expenses	x				EPIU and local municipalities

identification, policy formulation and execution, as well as supporting private sector entities to implement projects seeking adaptation resilience of targeted municipalities	J. Ensure Gender equality considerations are taken into account for the needs assessment of stakeholder groups	Needs assessment documents are gender-responsive and address the needs of both women and men.	Gender perspective is duly mainstreamed in all project documents and materials	Monitoring related expenses	x				EPIU and local municipalities
	K. Capacity-building programs, workshops, training and mentorship sessions include gender equality related topics to enhance the capabilities of stakeholders to implement gender-responsive projects	Capacity building programs are gender-responsive		Training related expenses	x	x	x	x	EPIU
	L. Ensure women and professional CSOs participation in knowledge exchange platforms	% of women activists and professional CSOs involved in the process	At least 30% of participants are dealing with GE and women issues	Monitoring related expenses	x	x	x	x	EPIU and local municipalities
	M. Ensure participation of both women and men in networking events, fostering collaboration and exchange of best practices among stakeholders at the	# and % of women and men involved	At least 30% of people involved is women	Monitoring related expenses	x	x	x	x	EPIU and local municipalities

	regional and municipal levels								
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<i>Outputs</i>	<i>Gender Responsive Action</i>	<i>Performance Indicator</i>	<i>Project Target</i>	<i>Budget</i>	<i>Timeframe (year to implement)</i>				<i>Responsible</i>
<b>Component 3: Channeling adaptation finance</b> - identification, appraisal, and financing of viable projects					<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	
<u>Outcome 3:</u> Adaptation resilience of vulnerable communities in Armenia is increased through implementation of locally driven projects with participation of private sector;	N. ensure that climate adaptation projects in all targeted regions are gender-responsive and reflect the needs of both women and men	- Availability of sex-disaggregated statistical data and indicators and their use in monitoring and reporting -project proposals are gender - responsive	100% of all project documentation contain data disaggregated by sex, and where possible by age. Project related documentation and materials are gender-responsive	Monitoring related expenses			<b>x</b>	<b>x</b>	EPIU
	O. Ensure initiatives aimed at increased awareness and capacity building on gender equality issues in CC adaptation context.	At least 5 projects are aimed at increased awareness and capacity building on gender equality issues in CC adaptation context.	The targeted population is aware of gender equality issues and approaches	Monitoring related expenses			<b>x</b>	<b>x</b>	EPIU

### Management of procurements and activities of the projects.

1. **The management and coordination** of the project will be organized in a way to provide secure and enabling work environment to all employees, a place of work that is gender responsive and recognizes the role of men and women as equal players, agents and leaders of change.

The following principles shall be kept:

- a) **Staff Policies:** All staff policies, rules and regulations will be guided by the principles of equal right and opportunities, as prescribed by AF and will be reviewed periodically.
- b) **Recruitment:** Will seeks gender balance in staffing. Women candidates will be encouraged to apply for all vacancies including management and leadership positions both at the field and head office. There will be adequate representation of women in recruitment and interview panels.
- c) **Capacity building for gender sensitization:** Workshops, training programs and other capacity development activities for promoting and enabling a gender responsive work culture will be organized. Also, regular trainings will be conducted on awareness and confidence building of field staff, with special focus on women staff.
- d) **Harassment:** Anti Sexual Harassment policy is in place and is gender neutral according to AF standards and practices.

2. **Programme**

- a) Building skills and capacities on gender perspectives to enable greater participation of all sections of community will be one of our objectives of the project,
- b) The project will promote equal participation of all stakeholders. To promote and assess inclusion of gender equality in the project, implementers will prepare and use a gender equality checklist

#### ANNEX IV. – Report on stakeholder consultations

Stakeholder consultations for development of “Enhanced Direct Access” full project proposal

##### **Background**

The “Environmental Project Implementation Unit” State Agency of the Ministry of Nature Protection of the Republic of Armenia (EPIU) has contracted “Consecoard” LLC (Consultant) to support in development of full proposal for the “Enhanced Direct Access” project (hereinafter Project). This project seeks to be submitted for funding to the Adaptation Fund (AF) and aims to establish a National Adaptation Finance Facility, designed to enhance the country's capacity to respond effectively to climate change and increase resilience at the regional and municipal levels.

**Specific objectives** of the Project are:

- **Increasing climate resilience of Armenia's regions** to the impacts of climate change. This involves identifying and addressing vulnerabilities in various sectors, such as agriculture, water resources, infrastructure, and ecosystems, to ensure they can withstand the changing climate and associated risks;
- **Promoting regional inclusivity** by involving various stakeholders at the regional level (regional and municipal authorities, CSOs and private sector). Collaborative efforts will ensure that adaptation measures are tailored to the specific needs and conditions of different regions and municipalities within Armenia;
- **Launching and operationalizing innovative financial instrument** (National Adaptation Finance Facility) that will provide funding for “incremental adaptation costs”, thus enabling private sector to come in with implementation funding. The facility will further fundraise to receive contributions from international donors, government budgets, private sector investments, and other funding sources to support regional adaptation projects effectively;
- **Capacity-building activities** to enhance the technical and institutional capabilities of regional stakeholders involved in climate adaptation. This will ensure that projects are identified, structured, implemented, and monitored effectively to maximize their impact and sustainability;
- **Enhance knowledge transfer and data management** to make informed decisions and develop effective adaptation resilience seeking projects. This will include assessments of climate risks, conducting vulnerability assessments, and using scientific data to inform decision-making processes;
- **Advance policy-making and good governance reform** to create an enabling environment for climate adaptation in the regions. This will include aligning marz adaptation plans (MAPs) and sectorial adaptation plans (SAPs) with climate resilience goals and integrating climate considerations into relevant policies and regulations.

A key role of the consultant was to facilitate stakeholder consultations across Armenia’s regions. These consultations focused on identifying the best strategies and approaches for implementing the proposed project activities. The consultant worked closely with a wide array of stakeholders, including regional authorities, civil society organizations (CSOs), local governance bodies, and private sector representatives. The goal was to ensure that the project would not only enhance the country’s adaptation resilience but also safeguard the well-being of local communities.

Particular attention was given to vulnerable groups, including women and marginalized populations, ensuring that their specific needs and challenges were addressed. Sustainability was a core consideration, and the consultant emphasized the importance of aligning the project's objectives with long-term climate adaptation goals. Through careful planning and a participatory approach, the consultant sought to create a robust framework that would empower communities to take ownership of adaptation initiatives while ensuring that resources were utilized efficiently and equitably across all regions.

This comprehensive consultation process provided a platform for open dialogue, where stakeholders could express their concerns, propose solutions, and share their experiences. By integrating local knowledge and priorities into the project design, the consultant ensured that the proposed activities would be not only relevant to the specific regional challenges but also effective in fostering sustainable, community-driven adaptation efforts.

### **Stakeholder consultations**

On July 26, 2024 the Consultant's team had meeting with the management and respective experts of the EPIU. During the meeting the lists of the target communities of the upcoming Project were discussed and agreed (see the list of the target marzes (regions) in the table below):

<b>N</b>	<b>Region</b>	<b>Participants</b>
<b>1.</b>	Shirak	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation Divisions, NGOs
<b>2.</b>	Kotayk	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation Divisions, NGOs
<b>3.</b>	Gegharkunik	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation Divisions, NGOs
<b>4.</b>	Tavush	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation Divisions, NGOs
<b>5.</b>	Lori	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation Divisions, NGOs
<b>6.</b>	Aragatsotn	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation Divisions, NGOs
<b>7.</b>	Armavir	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation Divisions, NGOs
<b>8.</b>	Ararat	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation

		Divisions, NGOs
9.	Vayots dzor	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation Divisions, NGOs
10.	Syunik	Deputy Governors, Heads and officials of the Agriculture and Environment Departments, Development Projects Development and Implementation Divisions, NGOs

Stakeholder consultations have been conducted in the format of Focus Group Discussions and a special workshop, ensuring broad representation of the government agencies, regional governments, local self-governance civil society organizations (CSOs), and other relevant stakeholders (please see the photos in the Annex). Key stakeholders were actively involved to ensure a holistic and inclusive approach to project development.

The main topics discussed with the stakeholders, among others, were as follows:

- Any specifics that need to be considered during designing the Project,
- Potential challenges and risks that upcoming Project may encounter during implementation,
- Any specifics related to vulnerable groups, including gender considerations
- Sustainability considerations,
- Any other project/programme with other funding sources.

Stakeholder consultations were carried out from August 6 to August 27, 2024, to ensure the project design reflected the needs and priorities of local communities across Armenia's regions. The consultations took place through focus group discussions, meetings with local officials, and a dedicated workshop. Initially, experts from the consulting team, in collaboration with the Environmental Project Implementation Unit (EPIU), visited the target regions. Initial meetings with local officials helped to introduce the project and collect early feedback.

Later, on September 06, 2024, a more comprehensive workshop was held with representatives from the Ministry of Environment, all 10 regional governments, local governments and CSOs, focusing on identifying potential risks, challenges, and specific considerations related to vulnerable groups and sustainability.

The consultations aimed to gather insights from the Ministry of Environment, regional government officials, local self-governance bodies, civil society organizations (CSOs), and other relevant stakeholders to ensure the project's components addressed the region's specific needs and challenges.

These consultations were invaluable in identifying regional-specific risks, challenges, and opportunities. They also addressed the importance of engaging vulnerable groups, including women and marginalized communities, and emphasized the need for careful beneficiary selection to ensure equitable access to project benefits. Furthermore, stakeholders discussed how to coordinate with other ongoing programs to maximize the project's impact.

### **Key findings and discussions**

➤ ***Regional and municipal adaptation needs***

The consultations underscored the importance of conducting detailed regional vulnerability assessments and creating region-specific adaptation frameworks. Representatives from regional governments, such as in Shirak, Kotayk, Gegharkunik, Tavush, Lori, and Aragatsotn, expressed a strong willingness to participate in the project and support its activities. However, it was highlighted that, out of the 10 target regions, only 4 have Regional Adaptation Plans (RAPs), and these need to be reviewed and updated. Stakeholders recommended that pasture management plans also be integrated into regional adaptation efforts, especially in agricultural areas vulnerable to climate change impacts.

➤ ***Capacity building and local participation***

Need for building the capacity of regional and municipal stakeholders emerged as a priority during the discussions. Stakeholders advocated for a strong focus on knowledge transfer through workshops, mentorship sessions, and the establishment of Regional Climate Adaptation Committees to oversee policy implementation. It was noted that existing multi-stakeholder platforms, such as those in Lori and Tavush, could serve as useful models for this project. The need for 50 workshops and follow-up mentorship sessions to build capacity among 500 officials and stakeholders was widely supported.

➤ ***Channeling adaptation finance and beneficiary selection***

Participants expressed strong support for the component focused on financing climate adaptation projects. The project aims to identify, appraise, and fund at least 50 projects, with a minimum of 20 implemented in partnership with the private sector. However, concerns were raised regarding the potential for well-resourced private sector entities and NGOs to dominate project proposal competitions, potentially marginalizing regional governments and community-based organizations (CBOs). To address this, stakeholders recommended establishing specific criteria to ensure fair and inclusive access to funding, with at least one project in each region targeting children and teens.

It was emphasized that the selection criteria for project beneficiaries must be carefully developed in close consultation with stakeholders to ensure a transparent, inclusive, and fair process. There was also a request for further exploration of legal mechanisms that would allow regional governments to implement projects directly, potentially through dedicated regional funds

➤ ***Gender and vulnerable group considerations***

Stakeholders strongly emphasized the need for gender-sensitive approaches throughout the project. The inclusion of women, children, and other vulnerable groups in project design and implementation is considered crucial for equitable development. Regional governments and CSOs suggested active engagement with women-led organizations, particularly in the planning and implementation of climate adaptation measures. It was proposed that youth eco-clubs and educational initiatives be established to raise awareness about climate resilience, ensuring that younger generations are actively involved.

➤ ***Coordination with other projects***

Participants highlighted the importance of aligning the EDA project with other ongoing national and regional initiatives. Coordination with state-supported programs, such as those promoting sustainable agriculture, water management, and renewable energy, was seen as essential to scaling up the impact of the project. Stakeholders advocated for better integration of adaptation projects with existing

environmental and economic development programs to avoid duplication of efforts and ensure efficient use of resources

For more details on the key discussions and outcomes please see the table below.

### Project components discussed and results of the discussions

Table below summarizes all the discussions and the results thereof during the stakeholder consultations, including during the workshop.

Project/Program Components	Expected Concrete Outputs	Results of discussions
<b>Component 1:</b> Policy Delivery - Policy Decompression at the Regional/Municipal Level	<u>Output 1.1</u> detailed vulnerability assessments of <b>10</b> regions are carried out	➤ Regional governments will support as much as possible
	<u>Output 1.2</u> regional policy frameworks for <b>10</b> regions are formulated	➤ The Ministry of Environment suggested to help regional government to develop regional adaptation plans (RAP). Currently 4 regions have RAPs, but they need to be reviewed. Also, there is a need for the development of remaining 6 RAPs.  ➤ It was suggested to support in development of pasture managements plans
	<u>Output 1.3</u> <b>50</b> workshops, training and follow up mentorship sessions are organized to build the capacity of <b>500</b> regional and municipal officials and stakeholders	➤ Regional governments will support as much as possible
	<u>Output 1.4</u> <b>10</b> regional climate adaptation committees are established and operational	➤ In Lori and Tavush regions there are multi-stakeholder platforms where all the topics on environment and green agriculture are discussed. Those platforms can serve as an effective platform for the upcoming Project.  ➤ Regional governments will support as much as possible  ➤ CSOs are ready to actively participate and contribute to the works of the committees
<b>Component 2:</b> Capacitating Stakeholders - Mapping, Needs Assessment, and Capacity Building of Key Actors	<u>Output 2.1</u> <b>10</b> regional stakeholder mapping exercise is conducted to identify and engage <b>100</b> relevant actors	➤ Stakeholders are ready to actively participate and contribute
	<u>Output 2.2</u> needs assessment of stakeholder groups is carried out	➤ Stakeholders are ready to actively participate and contribute
	<u>Output 2.3</u>	➤ Stakeholders are ready to actively participate and contribute

	50 capacity-building programs, workshops, training and mentorship sessions are designed and implemented to enhance the capabilities of stakeholders	
	<u>Output 2.4</u> knowledge-sharing platform is established and operational	➤ Stakeholders are ready to actively participate and contribute
	<u>Output 2.5</u> 50 networking events, fostering collaboration and exchange of best practices among stakeholders at the regional and municipal levels are organized	➤ Stakeholders are ready to actively participate and contribute
<b>Component 3:</b> Channeling Adaptation Finance - Identification, appraisal, and financing of viable projects	<u>Output 3.1</u> Minimum 100 climate adaptation projects in all targeted regions are identified, appraised and consulted with local/municipal stakeholders	➤ Stakeholders are ready to actively participate
	<u>Output 3.2</u> Minimum 50 climate adaptation projects from all targeted regions are approved for funding (minimum 20 in partnership with private sector), including:  ➤ 10 projects supported in the field of climate resilient crops cultivation, utilization of drip irrigation and other water saving technologies and livestock management;  ➤ 5 pilots of water harvesting, and storage are implemented;  ➤ 5 demonstration projects targeting promotion of climate-resilient buildings, urban planning and greening are implemented;  ➤ 5 small scale projects aimed at reforestation and advancement of sustainable management practices are supported;  ➤ 5 interventions supporting usage of mobile technologies for transmitting weather forecasts and implementation of social protection measures are carried out;  ➤ 5 demonstration projects advancing local critical infrastructure are implemented;	➤ Concern voiced about the risk that the private sector and NGOs, that are very knowledgeable and experienced in high quality project proposal writing, could “win” all the competitions, hence the regional and local governments and community-based organizations will not be able to benefit from this opportunity  ➤ There is a suggestion to define that at least one project in each region will be target children and teens  ➤ There is a need to further explore legal aspects of implementation of the projects by the regional government (may be through respective regional funds)  ➤ The criteria for selection of the potential beneficiaries shall be well thought and discussed

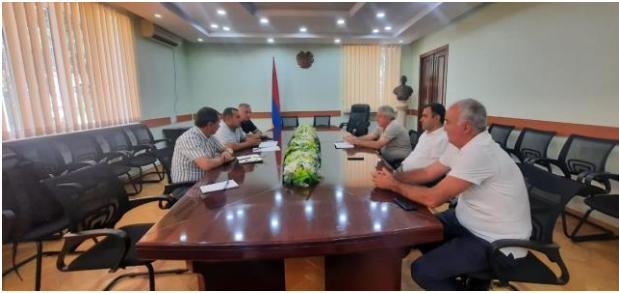
	<ul style="list-style-type: none"> <li>➤ 10 projects leveraging renewable energy for increased adaptation resilience (e.g. Agrivoltaic approach, solar-powered pumps) are supported;</li> <li>➤ 5 initiatives aimed at increased awareness, gamified education and sustainable tourism benefited from financial support;</li> </ul>	
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## Recommendations

Based on the consultations, the following recommendations were made to ensure the success of the project:

- Regional Adaptation Plans (RAPs): Update and expand the RAPs in all target regions to ensure they align with the latest climate vulnerability assessments.
- Capacity Building: Focus on comprehensive capacity-building initiatives at regional and municipal levels to ensure that stakeholders can effectively implement adaptation measures.
- Equitable Beneficiary Selection: Develop transparent and inclusive criteria for selecting project beneficiaries, ensuring that marginalized groups and local governments can access funding.
- Gender-Sensitive Approaches: Ensure the active participation of women, youth, and vulnerable groups in project activities, particularly in awareness-raising and educational campaigns.
- Coordination and Sustainability: Establish mechanisms for coordinating with ongoing state programs and other climate-related projects to maximize impact and avoid redundancy.

## Photos from consultation meetings



## Photos from the National validation workshop



## **ANNEX V: EXPANDED ENVIRONMENTAL AND SOCIAL GUIDANCE FOR PROJECT APPLICANTS**

### **1. Introduction**

This guide provides detailed instructions for incorporating environmental and social safeguards into project proposals, in alignment with the Environmental and Social Policy (ESP) and Gender Policy of the Adaptation Fund. The aim is to minimize adverse environmental impacts, promote social inclusion, and ensure sustainable outcomes. Each section below offers a step-by-step process to help applicants identify and manage risks.

### **2. Key Environmental and Social Principles**

Applicants must ensure compliance with the following principles, using the checklist provided.

*Checklist for Environmental and Social Compliance*

Principle	Yes	No	Further Assessment Needed	Action Required
Compliance with the Law				Ensure compliance with national environmental, social, and labor laws.
Access and Equity				Ensure all groups, including vulnerable populations, have equal access to project benefits.
Marginalized and Vulnerable Groups				Include specific provisions for marginalized and vulnerable communities.
Human Rights				Ensure that all project actions respect basic human rights, including the right to consultation.
Gender Equality and Women's Empowerment				Demonstrate how women's empowerment and gender equality will be integrated.
Core Labour Rights				Protect workers' rights, including fair wages, safety standards, and non-discrimination.
Indigenous Peoples				Ensure the inclusion and protection of indigenous communities through Free, Prior, and Informed Consent (FPIC).
Involuntary Resettlement				Avoid or minimize resettlement impacts; develop a Resettlement Action Plan if required.
Protection of Natural Habitats				Identify and protect critical natural habitats; avoid deforestation and habitat loss.
Conservation of Biological Diversity				Assess biodiversity impacts and integrate conservation measures.
Climate Change				Include climate resilience strategies and ensure the project reduces greenhouse gas emissions.
Pollution Prevention and Resource Efficiency				Implement resource efficiency measures and pollution control strategies.
Public Health				Incorporate public health measures, particularly for water sanitation, disease prevention, and worker health.
Physical and Cultural Heritage				Ensure the protection of cultural heritage sites and comply with local cultural protection laws.
Lands and Soil Conservation				Integrate soil and land conservation practices to prevent degradation and erosion.

**Instructions:**

- **Yes:** Indicates compliance or no further action needed.
- **No:** Indicates potential non-compliance; further analysis is required.
- **Further Assessment Needed:** Applicants must provide a detailed plan to address these risks.

**3. Project Design and Development***Step 1: Initial Environmental and Social Screening*

All applicants must conduct an Initial Screening to identify potential risks early on. The screening ensures that projects align with both environmental protection and social inclusivity goals. Below is the screening template.

Category	Potential Risk Identified	Risk Level	Mitigation Required	Next Steps
<b>Ecosystem Disruption</b>	Yes / No	High / Medium / Low	Habitat restoration required	Conduct detailed environmental analysis
<b>Water Resource Depletion</b>	Yes / No	High / Medium / Low	Water-saving technologies needed	Develop water conservation plan
<b>Social Exclusion of Vulnerable Groups</b>	Yes / No	High / Medium / Low	Consultation and inclusion plans	Engage directly with affected groups
<b>Gender Inequality</b>	Yes / No	High / Medium / Low	Gender Action Plan needed	Implement gender-sensitive training and capacity building
<b>Pollution Risks (water, air, soil)</b>	Yes / No	High / Medium / Low	Pollution control measures needed	Apply best practices for waste management
<b>Displacement of Communities</b>	Yes / No	High / Medium / Low	Resettlement or compensation needed	Develop a Resettlement Policy Framework (RPF)

### *Step 2: Environmental and Social Impact Assessment (ESIA)*

If the Initial Screening identifies significant risks, a full Environmental and Social Impact Assessment (ESIA) is required. The ESIA evaluates the project's potential effects on the environment and social groups.

#### ***ESIA Components:***

Component	Key Considerations
<b>Baseline Environmental Conditions</b>	Identify current environmental status, including biodiversity, water, land, and air quality.
<b>Potential Impact on Biodiversity</b>	Assess how the project affects local ecosystems and develop a biodiversity protection plan.
<b>Water Resource Use and Pollution Risks</b>	Evaluate water consumption and contamination risks, proposing mitigation strategies.
<b>Social Impact on Vulnerable Groups</b>	Identify social risks to marginalized groups and propose inclusivity measures.
<b>Gender Equality and Inclusion</b>	Assess how the project promotes or hinders gender equality, with gender-specific measures integrated.
<b>Climate Change Impacts</b>	Assess climate adaptation potential and contribution to GHG emissions.

### *Step 3: Environmental and Social Management Plan (ESMP)*

Following the ESIA, an Environmental and Social Management Plan (ESMP) should be created to manage identified risks. The ESMP ensures all impacts are mitigated, and monitoring processes are in place.

Risk	Mitigation Measures	Responsible Party	Timeline	Monitoring Indicator
<b>Water Resource Depletion</b>	Implement water-efficient technologies like drip irrigation	Environmental Specialist	Ongoing	Water usage records; bi-annual water audits
<b>Soil Degradation and Erosion</b>	Apply soil conservation techniques (e.g., terracing, cover crops)	Project Manager	Seasonal	Soil quality tests; erosion control monitoring
<b>Biodiversity Loss</b>	Create protected zones, conduct reforestation	Environmental Specialist	Immediate	Biodiversity surveys; ecosystem health reports
<b>Social Exclusion of Marginalized Groups</b>	Hold targeted consultations with affected groups	Social Specialist	Quarterly	Stakeholder feedback forms and inclusion reports
<b>Gender Inequality</b>	Implement a gender-responsive training program	Gender Specialist	Ongoing	Number of women involved in leadership roles

#### *Step 4: Gender Action Plan (GAP)*

The Gender Action Plan (GAP) ensures that the project promotes gender equality and women's empowerment. It sets specific gender-responsive goals and activities.

#### **Gender Action Plan Components:**

<b>Objective</b>	<b>Action</b>	<b>Timeline</b>	<b>Responsible Party</b>	<b>Indicator</b>
<b>Promote women's participation</b>	Provide leadership and decision-making roles for women in project committees	Immediate	Gender Specialist	% of women in leadership positions
<b>Ensure equal access to resources</b>	Ensure women's access to agricultural resources, energy, and training	Ongoing	Project Manager	% of women accessing training and resources
<b>Gender-sensitive capacity building</b>	Conduct gender-sensitivity training for staff and stakeholders	Ongoing	Gender Specialist	Number of gender trainings conducted

#### **Monitoring and Reporting Framework**

##### **Monitoring Plan Template**

This Monitoring Plan ensures that mitigation measures are implemented effectively and consistently monitored. Monitoring should be conducted regularly and documented in progress reports.

<b>Monitoring Activity</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Indicator</b>	<b>Corrective Action (if required)</b>
<b>Water Quality Testing</b>	Environmental Specialist	Quarterly	Water quality parameters (e.g., pollutants)	Enhance filtration or water-saving measures
<b>Biodiversity Surveys</b>	Environmental Specialist	Bi-Annual	Species diversity and health	Implement additional habitat protection plans
<b>Community Consultations</b>	Social Specialist	Quarterly	Number of consultations; feedback collected	Increase consultation frequency if needed
<b>Gender Equality Monitoring</b>	Gender Specialist	Bi-Annual	Women's participation and feedback	Adjust the Gender Action Plan based on feedback

## Quarterly Progress Report Template

Applicants are required to submit quarterly progress reports that include updates on environmental, social, and gender-related activities and outcomes.

Section	Details Required
<b>Project Summary</b>	Provide an overview of project activities and milestones achieved.
<b>Environmental Management</b>	Summary of environmental impacts, mitigation efforts, and monitoring results.
<b>Social Management</b>	Update on stakeholder engagement, consultations, and inclusion measures for vulnerable groups.
<b>Gender Action Plan Progress</b>	Status of gender-specific actions and participation rates for women.
<b>Public Health and Safety</b>	Measures taken to ensure worker safety and prevent public health risks.
<b>Grievances and Complaints</b>	Summary of grievances received, actions taken, and current status.

## Environmental and Social Manual for Project Implementation

### *1. Introduction*

This manual outlines the steps and responsibilities for ensuring that environmental and social risks are managed during the project implementation phase. The manual provides guidance for risk management, stakeholder engagement, and compliance with ESP and Gender Policy.

### *2. Roles and Responsibilities*

Role	Responsibilities
<b>Project Manager</b>	Oversees overall compliance with environmental and social safeguards
<b>Environmental Specialist</b>	Implements environmental monitoring, pollution control, and biodiversity conservation efforts
<b>Social Specialist</b>	Engages with stakeholders, conducts social impact monitoring, and addresses community grievances
<b>Gender Specialist</b>	Ensures that gender equality is integrated into all project activities, monitors the Gender Action Plan

### *3. Environmental and Social Risk Management Procedures*

#### Procedure for Risk Identification and Mitigation

- Conduct ongoing environmental and social risk assessments throughout project implementation.

- Update the Environmental and Social Management Plan (ESMP) if new risks emerge.

**Environmental Risk Management Checklist:**

Risk	Current Status	Action Required	Responsible	Deadline
Water contamination	Monitoring needed	Install additional filtration systems	Environmental Specialist	Immediate
Soil degradation	Identified	Implement erosion control measures	Project Manager	Seasonal
Community grievances	High	Hold additional consultations	Social Specialist	Ongoing

*4. Stakeholder Engagement and Consultation*

Stakeholder Group	Consultation Date	Feedback Provided	Action Taken
Local community leaders	April 10, 2024	Concern about water access during dry season	Developed community water management strategy
Indigenous representatives	April 25, 2024	Preservation of cultural sites	Included in Cultural Heritage Management Plan
Women's groups	May 5, 2024	Requested more leadership roles	Added women's leadership roles in implementation phase

*5. Health and Safety Guidelines*

Health and safety measures should be implemented to protect project workers and nearby communities. Safety protocols must be followed in all project sites.

**Health and Safety Compliance Checklist:**

Health and Safety Measures	Yes	No	Action Required	Responsible Party
Personal Protective Equipment (PPE)			Ensure all workers are provided with PPE	Safety Officer
Worker Health Screenings			Conduct regular health screenings	Health Specialist
Site Safety Signage			Install bilingual (Armenian/English) safety signs	Project Manager
Emergency Evacuation Procedures			Develop and practice evacuation plans	Safety Officer

#### 6. *Grievance Redress Mechanism (GRM)*

The Grievance Redress Mechanism (GRM) allows stakeholders to report issues or concerns throughout the project lifecycle. All complaints will be logged and addressed.

##### **GRM log example:**

<b>Date of Grievance</b>	<b>Complainant</b>	<b>Issue Raised</b>	<b>Action Taken</b>	<b>Status</b>
April 15, 2024	Community Member (Village A)	Concerns over road construction impacting farmland	Held meeting with landowners, adjusted route	Resolved
May 2, 2024	Women's group (Region B)	Limited access to water resources	Implemented gender-sensitive water distribution	In progress

## ANNEX VI: ANALYSIS OF THE 50 SELECTED PROJECTS UNDER THE PROGRAM FROM AN ENVIRONMENTAL AND SOCIAL PERSPECTIVE

Below is the structured approach we'll take for evaluating these projects. We will identify the risks, categorize the projects, and recommend **mitigation measures** while ensuring that each project aligns with key environmental and social objectives.

### *Step-by-Step Environmental and Social Analysis of the 50 Projects*

#### **1. Categorizing the Projects**

The 50 projects can be grouped based on their main components, which include:

- Agriculture and Water Management
- Renewable Energy Projects
- Infrastructure Development
- Capacity Building and Community Support
- Etc.

Each of these categories will have distinct environmental and social impacts that need to be considered.

#### **2. Environmental and Social Risks for Each Category**

##### *Category 1: Agriculture and Water Management*

Common Projects:

- Irrigation system installation
- Sustainable farming practices
- Water conservation projects

Potential Environmental Impacts:

- Water Depletion: Intensive use of water resources could lead to the depletion of local water bodies, affecting both human and ecological systems.
- Soil Degradation: Poor agricultural practices may lead to soil erosion and nutrient depletion.

- **Pesticide Use:** Chemicals used in agriculture could contaminate water sources and harm wildlife.

**Potential Social Impacts:**

- **Exclusion of Marginalized Groups:** Vulnerable groups, such as smallholder farmers and women, may not have equal access to project benefits.
- **Conflicts Over Water Resources:** Local communities might face conflicts over water allocation if resource distribution is not equitable.

**Mitigation Measures:**

- **Water-Saving Technologies:** Implement water-saving techniques such as drip irrigation and rainwater harvesting to reduce water consumption.
- **Soil Conservation Plans:** Introduce soil conservation practices like crop rotation, contour farming, and organic fertilizers to prevent soil erosion.
- **Inclusive Stakeholder Engagement:** Ensure equitable access to resources and project participation by consulting vulnerable groups, including women and indigenous communities.

**Checklist for Agriculture and Water Management Projects:**

<b>Risk</b>	<b>Potential Impact</b>	<b>Mitigation Measure</b>	<b>Monitoring Plan</b>
Water depletion	Risk of lowering water tables	Implement drip irrigation systems	Bi-annual water resource monitoring
Soil degradation	Risk of erosion and nutrient loss	Use soil conservation techniques	Soil health monitoring every quarter
Pesticide use	Risk of water contamination	Promote organic farming practices	Water quality testing regularly
Exclusion of marginalized groups	Inequitable access to project benefits	Targeted capacity building for vulnerable groups	Monitor participation rates of marginalized groups

*Category 2: Renewable Energy Projects*

**Common Projects:**

- Solar panel installation
- Wind energy projects
- Biogas and bioenergy production

**Potential Environmental Impacts:**

- **Land Use Change:** Construction of solar or wind farms may require large areas of land, leading to land degradation or habitat loss.
- **Biodiversity Impact:** Wind turbines can affect bird and bat populations if not placed correctly.
- **Resource Use:** Improper management of biogas projects can result in resource inefficiency.

Potential Social Impacts:

- Displacement or Land Use Conflicts: Projects requiring large land areas may lead to displacement of communities or conflicts with local land users.
- Gender Exclusion: Women may not be equally involved in renewable energy projects, especially in technical and leadership roles.

Mitigation Measures:

- Land Use Assessments: Conduct land assessments to minimize displacement and avoid critical habitats for biodiversity conservation.
- Community Consultation: Engage local communities early to address land conflicts and ensure equitable distribution of energy resources.
- Gender-Sensitive Training: Provide training and job opportunities for women in renewable energy installation and management.

**Checklist for Renewable Energy Projects:**

<b>Risk</b>	<b>Potential Impact</b>	<b>Mitigation Measure</b>	<b>Monitoring Plan</b>
Land use change	Risk of habitat loss	Conduct land and habitat assessments	Ensure project placement avoids critical habitats
Biodiversity impact	Bird and bat fatalities	Install bird-safe turbine technology	Regular biodiversity surveys
Displacement or land conflicts	Conflicts with local land users	Develop a land-use conflict resolution plan	Continuous engagement with land users
Gender exclusion	Low female participation	Gender-sensitive recruitment and training	Track gender participation in workforce

*Category 3: Infrastructure Development*

Common Projects:

- Construction of roads, bridges, or public buildings
- Development of irrigation infrastructure
- Community-based infrastructure projects

Potential Environmental Impacts:

- Habitat Destruction: Construction may disturb local ecosystems, particularly in sensitive areas.
- Water Contamination: Runoff from construction sites could pollute nearby water bodies.
- Greenhouse Gas Emissions: Infrastructure construction may result in short-term GHG emissions from heavy machinery.

Potential Social Impacts:

- Involuntary Resettlement: Construction projects may require the relocation of communities.
- Access to Resources: Infrastructure development may restrict access to critical resources like water or land for nearby communities.

Mitigation Measures:

- Habitat Conservation: Prioritize infrastructure placement that minimizes habitat disruption, and implement reforestation where applicable.
- Water Protection Measures: Implement runoff management practices to prevent contamination of water sources during construction.
- Resettlement Action Plan: Ensure that communities affected by displacement are compensated fairly and have access to alternative livelihoods.

**Checklist for Infrastructure Development Projects:**

<b>Risk</b>	<b>Potential Impact</b>	<b>Mitigation Measure</b>	<b>Monitoring Plan</b>
Habitat destruction	Loss of biodiversity	Implement buffer zones and conservation plans	Biodiversity monitoring during and after construction
Water contamination	Risk of polluting water bodies	Implement water protection measures	Monitor water quality during construction
Greenhouse gas emissions	Short-term emissions from machinery	Use energy-efficient construction machinery	Monitor emissions and fuel use
Involuntary resettlement	Displacement of communities	Develop a Resettlement Action Plan	Ensure community consultations and compensation

*Category 4: Capacity Building and Community Support*

Common Projects:

- Training programs for climate resilience
- Knowledge transfer on sustainable farming or renewable energy
- Community engagement in environmental conservation

Potential Environmental Impacts:

- Resource Mismanagement: Inadequate training in resource management could result in unsustainable practices.
- Waste Generation: Training workshops or events may generate waste if not properly managed.

Potential Social Impacts:

- Exclusion of Marginalized Groups: Vulnerable groups may not have access to training or capacity-building opportunities.
- Gender Inequality: Women might not benefit equally from training and capacity-building programs.

Mitigation Measures:

- Sustainable Training Practices: Use sustainable materials and methods in training workshops, minimizing waste generation.
- Inclusion Strategies: Develop inclusive training programs that prioritize participation from marginalized groups and women.

- Gender-Responsive Capacity Building: Design training materials that focus on gender equality, ensuring women have access to decision-making roles.

#### Checklist for Capacity Building Projects:

Risk	Potential Impact	Mitigation Measure	Monitoring Plan
Resource mismanagement	Unsustainable use of natural resources	Include resource management training	Monitor resource use after training
Waste generation	Increased waste from events	Implement waste management policies	Track and reduce event waste generation
Exclusion of marginalized groups	Inequitable access to training programs	Targeted outreach to vulnerable groups	Monitor participation rates by group
Gender inequality	Low participation of women	Gender-sensitive recruitment for training	Track female participation in training

### 3. General Mitigation and Monitoring Plan for All Projects

#### *Mitigation Measures and Monitoring*

To ensure that environmental and social risks are addressed across all categories, the following measures will be applied:

- Environmental Monitoring: Projects will be subject to regular environmental audits, focusing on water quality, air quality, biodiversity, and greenhouse gas emissions.
- Social Monitoring: Social impacts will be monitored by tracking community engagement, stakeholder consultations, and grievance mechanisms.
- Gender and Inclusion Monitoring: Gender-specific indicators will track women's participation, access to resources, and leadership roles in the projects.

#### Comprehensive Monitoring Table:

Category	Risk	Monitoring Frequency	Responsible Party	Key Indicators
Agriculture and Water Management	Water depletion, soil degradation	Quarterly	Environmental Specialist	Water usage, soil quality, biodiversity health
Renewable Energy	Land use conflicts, biodiversity impact	Bi-annually	Environmental and Social Specialists	Land-use change, bird/bat mortality, gender participation
Infrastructure Development	Resettlement, water contamination	Monthly	Social Specialist and Environmental Specialist	Resettlement outcomes, water quality reports
Capacity Building	Gender inequality, waste generation	Quarterly	Social Specialist	Gender participation rates, waste management outcomes

Analyzing the 50 selected projects through an environmental and social lens ensures that each project aligns with the objectives of sustainable development. The mitigation measures, checklists, and monitoring plans presented will ensure that all projects adhere to the Environmental and Social Policy (ESP) and Gender Policy of the Adaptation Fund, minimizing risks and maximizing benefits for vulnerable communities.

## **ANNEX VII: APPLICATION FORM FOR ENVIRONMENTAL AND SOCIAL SAFEGUARDS**

### **Section 1: General Information**

1. **Project Title:**
2. **Applicant Name/Organization:**
3. **Project Location** (Please specify the geographical area, region, or community):
4. **Contact Person:**
  - Name:
  - Email:
  - Phone:

### **Section 2: Project Description**

1. **Provide a brief description of the project objectives and components:**
2. **What are the expected outcomes and benefits of the project?** Please include both environmental and social benefits.
3. **What is the project's timeframe?** (Start date, end date, and key milestones)
4. **Total Budget:** (Please provide an estimate of the total budget, including resources allocated to environmental and social management)

### **Section 3: Environmental and Social Screening Checklist**

The following questions help identify potential environmental and social impacts associated with the project. Answer **Yes**, **No**, or **Further Assessment Needed** for each, and provide details where applicable.

### A. Environmental Risks

Environmental Risk	Yes	No	Further Assessment Needed	Details
Will the project cause significant changes in land use, leading to habitat loss or deforestation?				
Does the project involve activities in or near environmentally sensitive areas such as wetlands, forests, or protected areas?				
Will the project lead to an increase in greenhouse gas emissions or contribute to climate change?				
Will the project result in water contamination or the depletion of water resources?				
Is there a risk of air or soil pollution due to project activities?				
Will the project impact biodiversity, including endangered species or habitats?				
Will the project involve the use of pesticides, chemicals, or hazardous materials?				

### B. Social Risks

Social Risk	Yes	No	Further Assessment Needed	Details
Will the project affect marginalized or vulnerable groups, including women, indigenous peoples, or low-income communities?				
Could the project lead to displacement or resettlement of local communities?				
Does the project restrict access to natural resources (land, water) that local communities rely on for their livelihoods?				
Is there a risk of social exclusion or unequal access to project benefits, particularly for vulnerable groups?				
Will the project create conflicts over land use or resource distribution?				
Will the project impact the cultural heritage or practices of local communities?				

## Section 4: Environmental and Social Management Plan (ESMP)

If any risks were identified in the screening checklist, applicants are required to provide a detailed Environmental and Social Management Plan (ESMP). This plan should outline mitigation measures, responsibilities, and monitoring strategies.

### A. Risk Mitigation Plan

Identified Risk	Mitigation Measure	Responsible Party	Timeline	Monitoring Indicator
Example: Water contamination	Implement filtration systems and water-saving technologies	Project Manager	Before project start	Quarterly water quality tests
Example: Displacement of vulnerable communities	Develop a Resettlement Action Plan (RAP) and provide fair compensation	Social Specialist	Prior to construction	Number of resettled households
Example: Gender inequality in	Implement a Gender Action Plan to ensure	Gender	Ongoing	Percentage of women involved in

project participation	equal access for women	Specialist		decision-making
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## B. Gender Action Plan (GAP)

Provide a brief description of how the project will address gender considerations and promote women's empowerment. Include specific activities and measures to ensure that women have equal access to the project's benefits.

Gender Objective	Action Plan	Responsible Party	Timeline	Indicator
Promote women's participation in leadership roles	Provide leadership training for women in project activities	Gender Specialist	Immediate	Percentage of women in leadership roles
Ensure equal access to resources for women	Allocate resources for women's participation in training and access to project benefits	Project Manager	Ongoing	Percentage of women benefiting from training programs

## Section 5: Stakeholder Engagement and Consultation

### A. Stakeholder Consultation Process

1. **List the stakeholders that have been consulted during the project preparation phase** (including local communities, government agencies, and civil society organizations):
2. **Describe the key feedback provided by stakeholders** and how it has been integrated into the project design:
3. **Explain the process for ongoing engagement** with stakeholders throughout the project lifecycle, ensuring that marginalized and vulnerable groups are included.

Stakeholder Group	Date of Consultation	Key Issues Raised	Actions Taken
Example: Indigenous community leaders	June 1, 2024	Concern over land use for solar farm	Developed a land-use agreement with the community
Example: Women's groups in local villages	June 15, 2024	Lack of leadership roles for women	Developed leadership training program for women

## Section 6: Grievance Redress Mechanism (GRM)

1. **Describe the Grievance Redress Mechanism (GRM)** that will be implemented during the project. This should include how affected communities can raise concerns or complaints and how these grievances will be addressed.

GRM Component	Description
<b>Grievance Submission Process</b>	Provide a clear process for submitting grievances, including contact information for submitting complaints (e.g., email, phone,

	physical location).
<b>Grievance Review and Response</b>	Describe the process for reviewing complaints and the timeframe for providing a response.
<b>Appeal Process</b>	Outline an appeal process for complainants who are not satisfied with the initial resolution.
<b>Confidentiality and Anonymity</b>	Ensure that complainants can remain anonymous if they wish, and that grievances will be handled confidentially.

## Section 7: Monitoring and Reporting

Describe the monitoring and reporting process for environmental and social compliance throughout the project lifecycle.

<b>Monitoring Activity</b>	<b>Responsible Party</b>	<b>Frequency</b>	<b>Monitoring Indicator</b>
Environmental monitoring (e.g., water quality)	Environmental Specialist	Quarterly	Water quality reports, pollutant levels
Social monitoring (e.g., community consultations)	Social Specialist	Bi-annual	Number of consultations, feedback from community
Gender monitoring (e.g., women's participation)	Gender Specialist	Bi-annual	Percentage of women in leadership roles

## Section 8: Compliance with National Laws and Policies

1. **Does the project comply with all relevant national and local environmental, social, and labor laws?** Please list the relevant laws and provide details on how the project complies.

<b>Law/Regulation</b>	<b>Description</b>	<b>Project Compliance Measures</b>
Example: Environmental Impact Assessment Law	Requires an EIA for all major infrastructure projects	Completed EIA submitted to the Ministry of Environment

## Section 9: Certification

By submitting this application, I/we certify that the information provided is accurate and that the project will be implemented in compliance with the Environmental and Social Policy (ESP) and Gender Policy of the Adaptation Fund.

- **Signature of Applicant:** \_\_\_\_\_
- **Date:** \_\_\_\_\_

## Supporting Documents Checklist

- **Environmental and Social Screening Form** (completed)
- **Environmental and Social Impact Assessment** (if required)
- **Environmental and Social Management Plan (ESMP)**
- **Gender Action Plan (GAP)**
- **Stakeholder Consultation Documentation**
- **Grievance Redress Mechanism (GRM) Details**

## ANNEX VIII: APPLICATION EVALUATION PROCEDURE FOR ENVIRONMENTAL AND SOCIAL SAFEGUARDS

### 1. Initial Eligibility Screening

Upon receiving an application, the first step is to determine its eligibility by conducting an initial screening based on the completeness of the submission and compliance with fundamental environmental and social standards.

#### Eligibility Checklist:

Criteria	Yes	No	Remarks
Has the applicant submitted all required documents?			Ensure that the Environmental and Social Screening Form, ESMP, and other necessary documents are attached.
Does the project comply with national laws and regulations?			Cross-check compliance with local environmental and social regulations, including labor laws.
Are there any immediate red flags regarding environmental or social impacts?			Identify any significant risks requiring immediate attention or further review.
Is the project consistent with the Environmental and Social Policy (ESP) of the Adaptation Fund?			Ensure alignment with the fundamental principles of the ESP.
Does the project comply with the Adaptation Fund's Gender Policy?			Verify if gender considerations are properly integrated.

If any of the above criteria are marked **No**, the application may be deemed ineligible or require revision before moving to the next stage.

## 2. Detailed Environmental and Social Risk Assessment

After passing the initial screening, the project will undergo a detailed environmental and social risk assessment based on the identified risks and the proposed mitigation measures in the application. Each project will be evaluated using a scoring system that reflects its level of risk management and compliance.

### Scoring Criteria for Environmental and Social Aspects:

Category	Assessment Criteria	Score (0-5)	Comments
<b>Environmental Risks and Mitigation</b>	Does the project identify and address key environmental risks such as water pollution, biodiversity loss, and climate change impacts?		Review the ESIA and ESMP for completeness and effectiveness of proposed mitigation measures.
<b>Pollution Prevention and Resource Efficiency</b>	Does the project include measures to minimize pollution and ensure efficient resource use (e.g., water, energy, land)?		Evaluate the proposed technologies or practices for pollution control and resource efficiency.
<b>Climate Change Mitigation and Adaptation</b>	Does the project contribute to climate adaptation and mitigation, such as reducing GHG emissions or improving resilience to climate impacts?		Assess whether the project will make a measurable contribution to climate goals.
<b>Biodiversity and Natural Habitat Protection</b>	Does the project protect and conserve natural habitats, and mitigate biodiversity risks?		Ensure that biodiversity assessments and conservation plans are integrated.
<b>Social Risks and Vulnerable Groups</b>	Does the project identify potential social risks, particularly for marginalized groups, and propose adequate mitigation measures?		Assess whether social safeguards are in place to protect vulnerable groups, including women.
<b>Gender Equality and Women's Empowerment</b>	Does the project promote gender equality and empower women through specific actions and inclusion strategies?		Evaluate the robustness of the Gender Action Plan (GAP) and the measures for empowering women.
<b>Stakeholder Engagement and Consultation</b>	Has the applicant conducted consultations with affected stakeholders, especially vulnerable communities, during project planning?		Review consultation records and stakeholder feedback to determine inclusiveness and effectiveness.
<b>Grievance Redress Mechanism (GRM)</b>	Does the project include a clear and accessible grievance redress mechanism to address concerns raised by stakeholders?		Ensure that the GRM is adequately designed and can handle complaints in a timely manner.

### Scoring System:

- **0-1:** No or poor attention to risks and mitigation (significant revisions required).
- **2-3:** Basic risk assessment and mitigation measures (acceptable but needs improvement).
- **4-5:** Comprehensive and well-developed risk mitigation plan (meets or exceeds expectations).

### 3. Evaluation of Gender Considerations

In line with the Gender Policy of the Adaptation Fund, all projects must demonstrate that gender equality is actively promoted and integrated throughout the project. Each application will be evaluated based on the inclusion of gender-specific measures.

#### Gender Policy Compliance Checklist:

Gender Consideration	Yes	No	Remarks
Has a Gender Action Plan (GAP) been developed, including gender-specific indicators and targets?			
Are women actively involved in decision-making processes related to the project?			
Does the project provide equal access to resources and benefits for women?			
Are there any provisions to promote women's leadership and capacity-building in the project?			
Has the project included gender-sensitive consultations with local women's groups or community leaders?			

A project that answers **No** to any of the key questions may require further development of its gender inclusion strategy.

### 4. Evaluation of the Environmental and Social Management Plan (ESMP)

The Environmental and Social Management Plan (ESMP) is a critical component of the application. The evaluation will focus on the quality and feasibility of the mitigation measures, monitoring framework, and responsible parties for environmental and social compliance.

#### ESMP Evaluation Checklist:

ESMP Component	Yes	No	Remarks
Have all major environmental and social risks been identified?			Review the ESIA for any missing risk categories.
Are the mitigation measures appropriate and feasible?			Ensure that the proposed measures are realistic and achievable.
Are roles and responsibilities clearly defined in the ESMP?			Ensure that project staff and partners are assigned clear roles for implementing mitigation measures.
Is there a detailed monitoring framework in place?			Ensure that monitoring indicators and timelines are included.
Has a Grievance Redress Mechanism (GRM) been incorporated?			Confirm that the GRM is in place and designed to address stakeholder concerns effectively.

### 5. Stakeholder Engagement and Consultation Evaluation

Projects must demonstrate that stakeholder consultations were conducted during the planning phase, and that stakeholders, including vulnerable groups, were adequately informed and involved in decision-making processes. This section evaluates how well the applicant has engaged with relevant stakeholders.

### Stakeholder Engagement Evaluation Checklist:

Stakeholder Engagement	Yes	No	Remarks
Has the applicant consulted affected communities during the project planning phase?			
Were vulnerable and marginalized groups, including women and indigenous peoples, consulted?			
Was the feedback from stakeholders considered in the project design?			
Has the applicant proposed an ongoing stakeholder engagement strategy during the implementation phase?			
Are consultation records and stakeholder feedback included in the application?			

## 6. Approval and Decision-Making Process

Once the detailed evaluations are complete, the Selection Committee will review all scores and assessments to make final decisions. Applications that score well in both environmental and social categories, and demonstrate strong risk management and stakeholder engagement, will be considered for funding.

### Final Scoring Table:

Evaluation Category	Score (0-5)	Weight	Weighted Score	Comments
Environmental Risk Management		30%		
Social Risk Management		30%		
Gender Equality and Empowerment		20%		
Stakeholder Engagement		10%		
ESMP and Monitoring		10%		

## 7. Final Approval or Revision Recommendations

Based on the evaluation scores, the Selection Committee will decide on the following outcomes for each application:

- **Approved:** The project is approved for funding with no major revisions required.
- **Approved with Conditions:** The project is approved, but the applicant must make specific revisions to the environmental or social components before finalizing the funding agreement.
- **Further Revisions Needed:** The project requires significant changes to the environmental and social components and must be resubmitted for another round of evaluation.
- **Rejected:** The project is not approved due to significant non-compliance with the Environmental and Social Policy and/or Gender Policy.

For projects requiring revisions, detailed feedback will be provided, outlining the specific areas that need improvement.


## PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

**A. Record of endorsement on behalf of the government.** *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials of all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

<b>Hakob Simidyan</b>  <i>Minister of Environment of the Republic of Armenia</i>	10.08.2023
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**B. Implementing Entity certification** *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (National Adaptation Plan, Sectorial Adaptation plans and Marz (Regional) Adaptation Plans) and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.

<p><u>Name &amp; Signature:</u></p>  <p>Implementing Entity Coordinator:</p> <p>Armen Yesoyan, Director, "Environmental Project Implementation Unit" State Agency Under the Ministry of Environment of the Republic of Armenia</p>	
Date: 11.11.2024	Tel. and email: info@cep.am, +37410651631
<p>Project Contact Person:</p> <p>Margarita Gasparyan, Head of Cooperation with Donors Department, "Environmental Project Implementation Unit" State Agency under the Ministry of Environment of the Republic of Armenia</p> <p>Milena Kiramijyan, Chief Specialist of Cooperation with Donors Department, "Environmental Project Implementation Unit" State Agency under the Ministry of Environment of the Republic of Armenia</p>	
<p>Tel. And Email:</p> <p>margarita.gasparyan@epiu.am, +37410651631</p> <p>milena.kiramijyan@epiu.am, +37410651631</p>	