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| Programme: | Integrated Biodiversity Management, South Caucasus (IBiS) |
| PN: | 15.2101.2-002.00 |
| Assignment: | Implementation of a Feasibility Study for Payment for Ecosystem Services Scheme (PES) in Armenia |
| Period: | 04/02/2019 – 30/04/2019 |

1. **Brief programme information**

The biodiversity of the South Caucasus is of global importance, but the huge variety of species and the proper functioning of the ecosystems are under threat. There is considerable pressure from the exploitation of natural resources by the local population, private industry and governments.

In each of the three countries of the South Caucasus – Georgia, Armenia and Azerbaijan – there are National Biodiversity Strategy and Action Plans (NBSAPs) and initial sectoral strategies for managing biodiversity and ecosystem services. As yet, however, these are unable to withstand the challenges posed by the conflicting interests of different sectors (forestry, pasture farming, agriculture, nature conservation and tourism). There is a lack of coordination between the various state and non-state actors and population groups (e.g. shepherds and farmers). In addition, there is not enough reliable data available on the different sectors to support planning and decision-making processes.

Within the framework of the Caucasus Initiative of the German government, the programme cooperates primarily with the environment ministries of the three different countries of the South Caucasus. The programme follows a multi-level approach. At national level, it promotes the development or revision of biodiversity strategies and regulations, particularly in forest and pasture management, and in erosion control. The experience gained from the pilot measures at district, municipal and local levels are incorporated into this process. As part of these pilot measures, relevant actors are provided with the skills needed to implement integrated approaches for sustainable management of biodiversity and ecosystem services.

The module objective of the programme is to promote better coordination of biodiversity and ecosystem services management across sectors on the basis of solid data. The programme comprises four areas of intervention with the following objectives:

1. Instruments and coordination processes for the sustainable management of biodiversity and ecosystem services at local level are tested.
2. The implementation capacity of line ministries, their subordinate bodies and of training institutions regarding the management of biodiversity and ecosystem services is improved.
3. The perception of the general public towards the importance of biodiversity and ecosystem services is more positive.
4. The regional exchange on sustainable management of biodiversity and ecosystem services is improved.

IBiS follows up on the achievements of the programmes “Sustainable Management of Biodiversity, South Caucasus” and “Integrated Erosion Control in Mountainous Regions”, and is due to last four years (from December 2015 to November 2019). The programme is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry of Economic Cooperation and Development (BMZ).

1. **Context**

Reaching the ambitious national and international biodiversity targets and implementing the new overarching development agenda 2030 needs sustainable financing of biodiversity conservation and maintaining of ecosystem services – in protected areas and beyond. GIZ can count on extensive experience in supporting biodiversity conservation planning, management and financing. Despite these efforts, the funding shortage continues to prevail in many countries including Armenia. Building on the implemented work (e.g., training on biodiversity finance and preparedness), and in order to make the results practical, accessible and applicable for the policy-makers and government planners in the sector of biodiversity in Armenia, GIZ IBiS plans to support the Armenian Government in not only learning about the biodiversity financing opportunities and innovative finance mechanisms but also in practical implementation of innovative finance mechanisms, and for making an efficient use of the existing resources. Based on this, GIZ aims to support the Government of Armenia in implementation of a feasibility study for one of the innovative finance mechanisms – a scheme for payment of ecosystem services (PES). Although the concept of ecosystem services is still quite new in Armenia, there are positive trends of integrating ecosystem services and PES schemes into national programmes and action plans, and the framework conditions enable the implementation of PES schemes. PES schemes can serve to extend biodiversity conservation beyond the protected area network, by making sustainable land use practices economically viable. In this context, the promotion, piloting, and practical implementation of PES schemes in Armenia seems pertinent.

1. **Objectives and tasks**

The objectives of the assignment are to contribute to the needs assessment.

The consultant is expected to fulfil the following tasks:

TASK 1. Development of a draft feasibility study: in-depth analysis of literature and data, visits to pilot sites for interviews with potential PES partners and further stakeholders and experts.

TASK 2. Contribution to organisation, co-facilitation and documentation of workshops in one or two pilot areas aimed at the development of an implementation roadmap with different stakeholders.

TASK 3. Contribution to organisation, co-facilitation, and development of a national validation workshop in Yerevan with a larger stakeholder group.

TASK 4. Based on final feedback on the draft report by the international consultant, finalization of the report including a proposal and 1 or 2 roadmaps (i.e., the final PES proposal).

1. **Expected outputs**

Expected outputs are:

Output 1 Draft report on the PES feasibility study including the following sections and building upon the previously implemented work: (i) biophysical baseline, (ii) appraisal of economic feasibility, (iii) social acceptability, (iv) governance aspects for implementation, (v) regulatory aspects of PES schemes.

Output 2 Workshop/s in one or two pilot areas for the development of an implementation roadmap implemented, key steps and recommendations for establishing PES schemes in one or two pilot areas are documented. A brief report on the workshops.

Output 3 Validation workshop in Yerevan where the draft proposal is discussed with a larger stakeholder group. A brief report on the workshop.

Output 4 Final PES Feasibility study report with a revised proposal and 1 or 2 roadmaps.

Reports are to be prepared according to the official IBiS report format.

All documents shall be delivered electronically (MS Word) in the English language to GIZ.

The consultant is expected to work closely with the international consultant and the working group nominated by the Ministry of Nature Protection. The consultant is expected to coordinate very closely with Tobias Wittmann and Alla Berberyan (both GIZ Armenia).

The consultant shall report to Alla Berberyan and Tobias Wittmann.

**5. Time frame and work schedule**

Deadlines for tasks and outputs are as follows:

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| Task | Number of days | Deadline |
| Output 1: PES Feasibility analysis including biophysical, socio-economic, governance and regulatory aspects | 23 days | 01.03.2019 |
| Output 2: Workshop/s in one or two pilot areas for developing implementation roadmap/s | 6 days | 15.03.2019 |
| Output 3: Validation workshop in Yerevan | 3 days | 15.03.2019 |
| Output 4: Revision and finalisation of the report including a proposal and 1 or 2 roadmaps | 3 days | 08.04.2019 |
| **Overall number of travel days:** | **3-4** |  |
| **Overall number of days:** | **35** |  |