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## REQUEST FOR PROPOSAL (RFP 009/22)

NAME & ADDRESS OF FIRM	DATE: February 08, 2022
	REFERENCE: Assessment of the Potential for Application of Incentive Mechanisms for Double (Secondary) Water Use in Armenia

Dear Sir / Madam:

We kindly request you to submit your Proposal for ***Assessment of the Potential for Application of Incentive Mechanisms for Double (Secondary) Water Use in Armenia*** (the detailed TOR is attached separately as Annex 1a).

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Proposals may be submitted on or before, **22 February 2022, 4:00 pm local Yerevan time (GMT +4) via email only:**

[tenders.armenia@undp.org](mailto:tenders.armenia@undp.org)

Please note that proposals received through any other e-mail address will not be considered. Your Proposal must be expressed in the English, and valid for a minimum period of 60 days calendar days.

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation. If you are submitting your Proposal by email, kindly ensure that they are signed and in the .pdf format, and free from any virus or corrupted files.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link:

<http://www.undp.org/content/undp/en/home/operations/procurement/protestandsanctions/>

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link: [http://www.un.org/depts/ptd/pdf/conduct\\_english.pdf](http://www.un.org/depts/ptd/pdf/conduct_english.pdf)

Thank you and we look forward to receiving your Proposal.

Sincerely yours,

*Procurement Unit  
UNDP Armenia*

## Description of Requirements

Context of the Requirement	<b>Consulting Services on Assessment of the Potential for Application of Incentive Mechanisms for Double (Secondary) Water Use in Armenia.</b>
Implementing Partner of UNDP	Ministry of Environment of RA
Brief Description of the Required Services <sup>1</sup>	The objective of this assignment is to study and identify the economic privileges/incentives of double (secondary) water use by water users, possibilities of introduction, application of such incentives in Armenia, to meet the objective of the RA Government in establishing justified regulations for water reuse under Article 25.1 of the RA Water Code.
List and Description of Expected Outputs to be Delivered	– As per Annex 1a – Terms of Reference (TOR)
Person to Supervise the Work/Performance of the Service Provider	Project Coordinator of EU4Sevan (Environmental Protection of Lake Sevan)
Frequency of Reporting	<b><i>As per TOR (Annex 1a) Section 5</i></b>
Progress Reporting Requirements	<b><i>As per TOR (Annex 1a) Section 5</i></b>
Location of work	<input type="checkbox"/> Exact Address as provided below <input checked="" type="checkbox"/> At Contractor's Location
Expected duration of work	4 months.
Target start date	March 2022
Latest completion date	June 2022
Travels Expected	As per Annex 1a – Terms of Reference (TOR)
Special Security Requirements	<input type="checkbox"/> Others <input checked="" type="checkbox"/> Not Required
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	<input type="checkbox"/> Office space and facilities <input type="checkbox"/> Land Transportation <input type="checkbox"/> Others <input checked="" type="checkbox"/> N/A
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required

<sup>1</sup> A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars (USD) <input checked="" type="checkbox"/> Local Currency (AMD) (will be converted in accordance to UNORE)			
Value Added Tax on Price Proposal <sup>2</sup>	<input type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes <input checked="" type="checkbox"/> must be exclusive of VAT and other applicable indirect taxes			
Validity Period of Proposals ( <i>Counting for the last day of submission of quotes</i> )	<input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.			
Partial Quotes	<input checked="" type="checkbox"/> Not Permitted			
Payment Terms <sup>3</sup>	Outputs	Percentage	Timing	Condition for Payment Release
	<b><u>Deliverable 1:</u></b> Inception report, including detailed work-plan for the assignment and methodology with incorporated comments and recommendations from project management. <b><u>Deliverable 2:</u></b> Draft report on results of reviewing the legal and institutional framework for double (secondary) water use in Armenia, recent developments both in the country and at international level, with a focus on identified policy, legal and institutional deficiencies and barriers to facilitate double (secondary) water use under projected water scarcity conditions due to climate change.	40%	3 months after contract signing	Within thirty (30) days from the date of meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.
	<b><u>Deliverable 3:</u></b> A workshop with stakeholders organized and a final report submit summarizing the interim reports, including chapters on recommendations and next steps for improving the legal and institutional framework and development of	60%	4 months after contract signing	

<sup>2</sup> VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

<sup>3</sup> UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

	privileges/incentives for double (secondary) water use in the country.			
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	Astghik Danielyan, Project CoordinatorEU4Sevan (Environmental Protection of Lake Sevan)			
Type of Contract to be Signed	<input checked="" type="checkbox"/> Contract for Services			
Criteria for Contract Award	<input type="checkbox"/> Lowest Price Quote among technically responsive offers <input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution), where the minimum passing score of technical proposal is 70%.  <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.			
Criteria for the Assessment of Proposal	<p><b><u>Technical Proposal (70%)</u></b></p> <p><input checked="" type="checkbox"/> Expertise of the Firm (<b>max score: 400</b>), including:</p> <ul style="list-style-type: none"> <li>At least 3 years of experience in the field of the assignment (<b>max score: 150</b>);</li> <li>Proven successful completion of at least 2 contracts of similar value, nature and complexity (for Consortium/Association all Parties cumulatively should meet the requirement). Demonstrated knowledge and practical experience on similar engagements (Company/Organization or its experts) (<b>max score: 150</b>);</li> <li>Reference list of the most recently implemented relevant projects needs to be submitted alongside the offer, including the contact details and statement/confirmation of organizations/clients on the success of similar complexity projects. (<b>max score: 100</b>);</li> </ul> <p><input checked="" type="checkbox"/> Methodology, its Appropriateness to the Conditions and Implementation Plan (<b>max score: 250</b>), including:</p> <ul style="list-style-type: none"> <li>Task implementation approach, including detailed description of implementation methods and milestones to carry out the proposed task; a detailed work plan with timelines for the Deliverables/Outputs (<b>max score: 250</b>)</li> </ul> <p><input checked="" type="checkbox"/> Qualification of Key Personnel (<b>max score: 350</b>), including:</p> <ul style="list-style-type: none"> <li><b>Key Expert 1: Team Leader - Water Policy Specialist (35 days)</b> as per Annex 1a (TOR), section 7 - Qualifications of key personnel (<b>max score: 150</b>);</li> </ul>			

	<ul style="list-style-type: none"> <li>• <b>Key Expert 2: Environmental Economist (25 days)</b> as per Annex 1a (TOR), section 7 - Qualifications of key personnel (<b>max score: 100</b>);</li> <li>• <b>Key Expert 3: Environmental Law Expert (15 days)</b> as per Annex 1a (TOR), section 7 - Qualifications of key personnel (<b>max score: 100</b>);</li> </ul> <p><b><u>Financial Proposal (30%)</u></b> To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.</p>
UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider
Annexes to this RFP <sup>4</sup>	<input checked="" type="checkbox"/> Detailed TOR (Annex 1) <input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) <sup>5</sup> <input type="checkbox"/> Others <sup>6</sup>
Contact Person for Inquiries (Written inquiries only) <sup>7</sup>	<i>Procurement Unit, UNDP Armenia</i> <a href="mailto:procurement.armenia@undp.org">procurement.armenia@undp.org</a> Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.
Other Information [pls. specify]	

<sup>4</sup> Where the information is available in the web, a URL for the information may simply be provided.

<sup>5</sup> Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

<sup>6</sup> A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

<sup>7</sup> This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

## **TERMS OF REFERENCE**

### **Consulting Services on Assessment of the Potential for Application of Incentive Mechanisms for Double (Secondary) Water Use in Armenia.**

#### **1. Background**

Armenia is considered as a country with high baseline water stress by the World Resource Institute, and is ranked as the 34<sup>th</sup> most water stressed country among the 164 UN member countries. According to the Organization for Economic Co-operation and Development (OECD), Armenia is a country with low water availability, and subject to water stress with 45% Water Exploitation Index<sup>8</sup>. The proper management of water resources plays a key role in the socio-economic development of Armenia. Taking into account all available water resources in the country, Armenia has sufficient resources to supply approximately 3,100 m<sup>3</sup> per capita per year<sup>9</sup>. These water resources, however, are not evenly distributed in space and time.

In order to address temporal variations in river runoff, the country has built 87 dams with a total capacity of 1.4 billion cubic meters. Most of these dams are single purpose, mainly for irrigation. On average, the per capita storage capacity of Armenia is about 450 m<sup>3</sup>, which is considered low for a semi-arid country, and represents less than 20% of the per capita storage capacity of neighbouring countries of Azerbaijan and Turkey.

According to the 4<sup>th</sup> National Communication report to UNFCCC<sup>10</sup>, around 88% of total freshwater use is accounted for by agricultural activities, the largest portions of which are irrigation (57% for irrigation) of total freshwater use for this sector. The remaining 39% is used for utilities, industrial water supply, fish farming sectors. As of 2019, about 1069.5 mln m<sup>3</sup> of water was abstracted annually for irrigation purpose and 754.3 mln m<sup>3</sup> for fish farming. Groundwater resources play an important role in the overall water balance of Armenia. About 96% of water used for drinking purposes and about 40% of water abstracted in the country comes from groundwater.

Based on data of the RA Statistical Committee, as of 2020, the volume of wastewater discharged to water bodies amounts to 777.1 mln m<sup>3</sup>, of which 214.8 mln m<sup>3</sup> without sufficient treatment. About 80-90% of wastewater in the country is not collected and reused. Untreated wastewater is sometimes used for irrigation, especially in Ararat valley, with no control of health risks. This situation is exacerbated by the lack of enforcement and regulation of industrial wastewater discharges: a large number of industrial or commercial users are not connected to the sewer networks and discharge untreated sewage into water bodies. This

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<sup>8</sup> According to OECD, if the Water Exploitation Index is higher than 40%, then the country is considered under water stress.

<sup>9</sup> According to the Republic of Armenia Law "On National Water Program of the Republic of Armenia" (2006) the total annual quantity of usable surface water resources composes about 8.1 billion m<sup>3</sup>, and the quantity of usable groundwater resources composes 1 billion m<sup>3</sup>.

<sup>10</sup> [https://unfccc.int/sites/default/files/resource/NC4\\_Armenia\\_.pdf](https://unfccc.int/sites/default/files/resource/NC4_Armenia_.pdf)

creates negative environmental impacts, harming the surface and groundwater bodies and biodiversity, including the Lake Sevan ecosystem. According to Draft Sevan River Basin Management Plan (EUWI+, 2020)<sup>11</sup>, submitted to the RA Ministry of Environment, the total amount of domestic wastewater discharged in the sewer networks in Sevan River Basin District is 4.2 million m<sup>3</sup>/year. The municipal wastewater is not treated properly before being discharged into rivers and then into Lake Sevan, which contributes to the eutrophication of the Lake.

According to the OECD Report on Promoting Reforms in Economic Mechanisms of Water Management in Armenia (2014), the key objectives of the reform in economic mechanisms should be based on the OECD principles of "polluter pays" and "beneficiary pays" for financing water resources management. Despite the fact that the RA Water Code and RA Tax Code also follow these principles, the "user pays" principle does not yet apply in Armenia. Further analyses are needed to identify the best approaches for introducing applicable incentive mechanisms for water reuse in Armenia.

According to the amendment of the RA law "On approving the annual and complex programs of measures for restoration, preservation, reproduction and use of Sevan Lake's ecosystem" 17.08.2021 HO-322-N<sup>12</sup>, in 2021 the maximum annual outflow from the Lake increased from 170 million m<sup>3</sup> to 245 million m<sup>3</sup>, due to increase in irrigation water demand. Thus, the double (secondary) use of treated wastewater will reduce the pressure on the Lake Sevan and contribute to the restoration of the lake's ecosystem. It is necessary to bring ecosystem-based approach as a basis for planning and management of productive landscape in the Lake Sevan basin and sectoral development in an integrated manner to help minimize further deterioration of ecosystems and enhance sustainable livelihood opportunities for communities.

In the meantime, Armenia is highly vulnerable to climate change. The country shows high exposure, high sensitivity and limited adaptive capacity to climate change. Future climate change projections indicate a continued increase in temperature and decrease in precipitation. The impacts of climate change will particularly be severe for agriculture, as crop yields are predicted to decline and the demand for irrigation water is projected to increase. With expected overall decrease in water resources, the demand for water in different water use sectors will be difficult to fully meet under future climate change scenarios.

Thus, considering the above-said and the importance of efficient use of surface, groundwater and thermal water, and projected stress on water resources due to climate change, the Government of Armenia seeks to encourage secondary (double) use of water – as alternative source of water to address water demand in different sectors - by introducing legal regulations and incentives for treated water reuse in the country.

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<sup>11</sup> <https://www.euwipluseast.eu/en/component/k2/item/1269-armenia-sevan-river-basin-management-plan-2020-arm?fromsearch=1>  
<sup>12</sup>



## 2. Objective

The objective of this assignment is to study and identify the economic privileges/incentives of double (secondary) water use by water users, possibilities of introduction, application of such incentives in Armenia, to meet the objective of the RA Government in establishing justified regulations for water reuse under Article 25.1 of the RA Water Code. The assignment should also include the study and analysis of international best practices, lessons learned on water double (secondary) use regulations and establishment of incentive mechanisms. Implementation of this study will help the GoA to address also country's compliance requirements to the EU Urban Wastewater Treatment Directive, Water Framework Directive and the EU Regulation 2020/741 of 25.05.2020 on minimum requirements for water reuse<sup>13</sup>.

Water reuse can provide alternatives to existing water supplies and be used to enhance water security, sustainability, and resilience. Reuse of water is considered as an adaptation measure to save resources through reuse for non-for-drinking uses. Water reuse is commonly and successfully practiced in several EU member states, as well as outside of the EU, such as Israel, USA, Australia, and Singapore. However, this practice is so far deployed below its potential in Armenia. Water reuse initiative can be implemented at a variety of spatial scales and involve different actors. The measure is difficult to implement in a country without an adequate institutional and normative background to facilitate re-use, or where socio-cultural acceptance and conflicts may hamper the adaptation. Looking at the institutional setting, the implementation of the measure may require modification in legislation.

For this purpose, in 2015, the 21.12.15 AL-19-N amendment was made in the RA Water Code to define the concept of "double (secondary) water use" and Article 25.1 was added: "Double (secondary) use of water resources" (<https://www.arlis.am/documentview.aspx?docid=103124>). This new article of Water Code encourages the use of wastewater discharged from fish and crayfish farming for agricultural or industrial purposes: accordingly, norms for re-calculating water use fees should be established to encourage the double (secondary) use of water by water users. Later, in 2018, with the amendment of Article 5 of Law AL-126-N, 02.03.18 (<https://www.arlis.am/documentview.aspx?docid=120447>) the Article 25.1 of Water Code was revised again and expanded for wastewater discharged for other purposes. According to the mentioned change, in case of a double (secondary) water use, the privileges for calculating water use fees for a first user carrying water from a water resource should be established in the RA Tax Code.

According to the draft document on amendment to the RA Tax Code, circulated by the RA Ministry of Environment in 2020, it was proposed to set a differentiated tariff for water use fee to ensure double (secondary) water use of water resources by users (0.5 coefficient of water use fee rate for first water user, and no fee for secondary water user). However, as a result of the internal circulations and discussions, these privileges were considered as not legally equivalent and not based on the principle of justice. Currently, despite the reforms in the water legislation to facilitate water reuse in Armenia, having the 02.03.18 AL-126-N

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<sup>13</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0741&from=EN>

amendment to Article 25.1 of Water Code, which came into force on 01.01.2020, double/secondary water use remains unregulated.

The study will be implemented as part of UNDP's support to the Government of Armenia, namely the Ministry of Environment, in the framework of two UNDP projects: "Environmental Protection of Lake Sevan – EU4Sevan" and "National Adaptation Plan (NAP) to Advance Medium and Long-Term Adaptation Planning in Armenia."

### **3. Scope of work**

Under direct supervision of the Environmental Protection of Lake Sevan (EU4Sevan) project, as well as in close coordination and collaboration with the UNDP-GCF Project, consultants and all relevant stakeholders, the Consulting Company will be responsible for review and identification of obstacles in legal regulations for effective application of double (secondary) water use in Armenia, provide recommendations aimed at overcoming the gaps in respective legal regulations and set up economic privileges for double (secondary) water use, as indicated below.

**Task 1: Review of existing environmental fees (water abstraction fees) and economic mechanisms for water resources management in Armenia in order to identify gaps and possible reform options to overcome them.**

1.1 Review and analyze environmental fees (water abstraction fees) and economic mechanism for water resources management to identify gaps and barriers for establishing financial incentives for double (secondary) water use in Armenia, in particular:

- *Examine national policy on setting up or regulating environmental fees (water abstraction fees) and economic turnover mechanism, including conduct a study on preconditions for pricing a water fee for different sector water users (drinking water supply, irrigation, fish-farming, etc)*
- *Identify gaps and barriers in establishment of financial incentives for double (secondary) water use in Armenia.*

1.2 Identify possible reform options for existing environmental fees (water abstraction fees) system to overcome revealed gaps for establishing financial incentives for double (secondary) water use in Armenia, in particular:

- *Provide at least two different scenarios for possible reforming environmental fees (water abstraction fees) and the existing system of economic mechanism, including the risk assessment of increasing water tariffs for drinking and irrigation water supply for residents.*
- *Provide recommendations for establishing financial incentives for double (secondary) water use following scenarios of reforming environmental fees (water abstraction fees) in the country. Properly assess the expected results of the proposed options, including environmental, socio-economic impacts.*
- *Conduct risk assessment (social, environmental, economic, etc) for proposed scenarios of reforming environmental fees (water abstraction fees) and they possible application for*

*encouraging double (secondary) water use in the country.*

- *Identify the necessary preconditions for the implementation of reforms and the possibility of establishment of financial incentives for double (secondary) water use, indicating the required and/or desired changes (regulations, institutional and governance framework, etc.) that will be needed to support the changes.*

### **Deliverable:**

Report on identified gaps and possible reform options for improving environmental fees (water abstraction fees) and economic mechanisms in order to establish financial incentives for double (secondary) water use in Armenia.

### **Task 2: Review of legal and institutional framework, and economic mechanisms for enforcing double (secondary) water use in Armenia.**

2.1 Review and provide in-depth analysis of national policy, legal and institutional regulations, identify gaps and barriers for double (secondary) water use in Armenia, in particular:

- *Examine national policy, all legal and institutional regulations that reflect or may possibly be relevant for double (secondary) water use in Armenia, such as the RA Water Code, Tax Code, regulations on water permitting for use in different sectors, procedure for water use in fishery, etc.*
- *Identify gaps and barriers in legal and institutional framework for double (secondary) water use in Armenia.*

2.2 Review international best practices on legal and institutional regulations governing double (secondary) water use with particular focus on tax policy in different countries, including:

- *Analyze the international legal, policy and institutional framework under CEPA Provision related to Water quality and resource management, including but not limited to the Water Framework Directive (2000/60/EC), and the Urban Waste Water Treatment Directive (91/271/EEC), Water Framework Directive and the EU Regulation 2020/741 of 25.05.2020 on minimum requirements for water reuse, etc.*
- *Review lessons learnt from existing legal provisions for double (secondary) water use cases in different countries and consider their possible implementation and risks in Armenia.*

2.3 Identify and assess risks (financial, legal, environment, health or other) during double (secondary) water use by different water users in Armenia, in particular:

- *Identify all possible legal, institutional, corruption, financial, environmental, health and other risks associated with the double (secondary) water use discharged after first use. The risks of the double (secondary) water use of treated water should also include the uncertainty of the demand of treated waste water which can limit the economic sustainability of investments; social tensions because of non-acceptance; public health*

*risks, especially if illegal and unhealthy wastewater reuse practice expands rapidly due to water scarcity, as well as over stringent regulation or the lack of appropriate treated wastewater reuse guidelines, awareness and good practice know-how.*

***Deliverable:***

Report on results from the review of legal and institutional framework for double (secondary) water use, recent developments in the country and at international level, with a focus on identified policy, legal and institutional deficiencies, economic barriers and risks related to facilitation of double (secondary) water use in Armenia.

The Consulting Company should prepare final report, which will summarize the key results of all implemented tasks with focusing on revealed gaps and shortcomings, and include the chapter on recommendations and next steps for improving environmental fees (water abstraction fees) system, legal and institutional framework and the establishment of financial incentives for double (secondary) water use in the country.

***Deliverable:***

Final report, summarizing the interim reports, including recommendations and next steps for improving environmental fees (water abstraction fees) system, legal and institutional framework and the establishment of financial incentives for double (secondary) water use in the country.

#### ***4. Modalities of work***

The selected Consulting Company will report directly to Environmental Protection of Lake Sevan (EU4Sevan) UNDP Project Coordinator. The Consulting Company will also have to work and coordinate closely with the Strategic Policy and Water Policy Departments of the Ministry of Environment of the Republic of Armenia. Particularly, upon commencement of the assignment, the Consulting Company shall discuss and agree the details of the expected recommendations on reforming water tariffs' system and relevant legislation for double (secondary) water use to be developed.

All deliverables should be produced in electronic formats. All reports shall be provided in Armenian and English languages, in Word and Pdf versions. The charts, graphs and maps shall be provided in editable format(s). All deliverables should clearly define all data inputs and outputs, and deliverables should be developed to facilitate future identification and reporting and include all raw input and output data.

The Consulting Company will be expected to provide overall management of the task implementation, quality control/quality assurance, data organization, analysis of results and final reports with oversight, guidance, and input from the Project Coordinator and its partners.

## 5. *Draft Timeframe of the Services*

The start date for the Consultancy Services will be upon signing of the contract between the Contractor and UNDP Armenia. The Services are expected to be completed within 4 months (*preliminary expected to be implemented from February to May 2022*) after contract signature according to the following tentative time schedule.

*Tentative time schedule for implementation of the assignment*

Deliv.	Description	M1	M2	M3	M4
1	Inception report, including detailed work-plan for the assignment and methodology with incorporated comments and recommendations from project management.				
2	Draft Report on identified gaps and possible reform options for improving environmental fees (water abstraction fees) and economic mechanisms in order to establish financial incentives for double (secondary) water use in Armenia.				
	Draft Report on results from the review of legal and institutional framework for double (secondary) water use, recent developments in the country and at international level, with a focus on identified policy, legal and institutional deficiencies, economic barriers and risks related to facilitation of double (secondary) water use in Armenia.				
3	Organization of a workshop to present the recommendations for reforming environmental fees (water abstraction fees) and water legislation to solicit comments and feedback from stakeholders including ministries, state bodies, local government, academics, CSOs, industry, fishery and farmers units, for preparing the final report, summarizing the key results of all implemented tasks.				
	Final report, summarizing the interim reports, including recommendations and next steps for improving environmental fees (water abstraction fees) system, legal and institutional framework and the establishment of financial incentives for double (secondary) water use in the country.				

*Note: M – month; Deliv. – Deliverable, Blue Color – Implementation timeline.*

All the results must be submitted in Armenian and English.

Upon commencement of the assignment the Consulting Company shall prepare an Inception Report, outlining the overall approach and workplan for implementation of the assignment. During implementation of the assignment the Consulting Company shall organize at least one workshop to present and discuss the results of the implemented tasks with relevant stakeholders.

The workshop is planned to present the interim results of the work and will tentatively take place upon preparation of draft Deliverable 2 (revealed gaps and recommendations/scenarios for reforming environmental fees (water abstraction fees) and improving national legislation, water policy to establish financial incentives for double (secondary) water use in Armenia, including a draft list of potential financial privileges that could be applied for double (secondary) water use of water by water users. It is expected that the Consulting Company will incorporate the feedback obtained from the workshop participants in the final report.

## **6. *Qualifications of the company***

- Contractor is a legally registered entity, or consortium of legal entities
- At least 3 years of experience in the field of the assignment
- Proven successful completion of at least 2 contracts of similar value, nature and complexity (for Consortium/Association all Parties cumulatively should meet the requirement)
- Demonstrated knowledge and practical experience on similar engagements (Company /Organization or its experts)
- Reference list of the most recently implemented relevant projects needs to be submitted alongside the offer, including the contact details and statement/confirmation of organizations/clients on the success of similar complexity projects.

## **7. *Qualifications of key personnel***

All experts who have a crucial role in implementing the contract are referred to as key experts. The tenderers shall submit CV's and statements of exclusivity and availability for the key experts listed below. Other experts' profiles (non-key) deemed relevant for the successful implementation of the project should be described and will be assessed in relation to the methodology and technical approach.

The tenderers are required to prepare a human resources deployment schedule illustrating the input, responsibilities and timing of all suggested experts.

The profiles of the key experts for this contract are as follows:

### **Key Expert 1: Team Leader - Water Policy Specialist (35 days)**

#### *Qualifications and Skills*

- Higher university degree in water policy, environmental policy or in a relevant discipline.
- Fluency in Armenian, knowledge of English is an advantage.
- Strong knowledge of Armenian environmental policy and water institution.
- Good understanding of IWRM principles, particularly in Armenia.
- Strong leadership skills, proven ability to work under pressure and handle multiple activities and tasks concurrently.
- Excellent drafting, communications, and team work skills.
- Knowledge of EU water acquis.

#### *Professional experience*

- At least 7 years of professional experience in the area of environmental, including water policy and institutional analysis.
- Experience in working as a team leader/project management in at least 2 projects of similar scope and complexity.
- Experience in development of analytical documents and reports.

### **Key Expert 2: Environmental Economist (25 days)**

#### *Qualifications and Skills*

- Higher university degree in economics, environmental economics, environmental sciences or similar relevant discipline.
- Strong knowledge and familiarity with water use tariffs, environmental taxes and regulations on a national and international level.
- Fluency in Armenian; knowledge of English is an advantage.
- Strong knowledge of Armenian environmental economic policy and institutional context.

#### *Professional experience*

- At least 5 years of professional experience in the area of natural resources management, economic evaluation, environmental economic assessments and payment for environmental services.
- Experience in working in the teams in the projects of similar scope and complexity, preferably in the field of water and climate change.
- Experience in development of analytical documents and reports.

### **Key Expert 3: Environmental Law Expert (15 days)**

#### *Qualifications and Skills*

- Higher university degree in law, environmental sciences, or similar relevant discipline
- Fluency in Armenian; knowledge of English is an advantage
- Strong knowledge of Armenian environmental legislation and institutional context.
- Strong managerial skills, proven ability to work under pressure and handle multiple activities and tasks concurrently
- Knowledge of EU water acquis

#### *Professional experience*

- At least 5 years of professional experience in the area of water legislative and institutional analysis.
- Experience in working in the teams in the projects of similar scope and complexity, preferably in the field of water and climate change.
- Experience in development of analytical documents and reports.

#### **Short-term non-key experts**

The Consulting Company can provide other short-term non-key experts as relevant according to the profiles identified in the Proposal, with clear justification. The pool of other experts should include a good mix of experiences and know-how to complement the key experts in delivering on the tasks. These profiles must indicate whether they are to be regarded as senior/junior so that it is clear which fee rate in the budget breakdown will apply to each profile. All experts must be independent and free from conflicts of interest in the responsibilities accorded to them. Civil servants cannot be recruited as experts.

For the short-term non-key experts, maximum of 5 working days each can be included in the proposal.

#### **8. Level of efforts of the key personnel**

Within their offers, the tenderers are required to suggest experts (alongside with their CVs, highlighting relevant experience, against the general requirements for expertise). The proposed allocation of level of effort for each key expert is provided in the table below. However, if deemed necessary, in their technical proposals the tenderers can make corresponding adjustments in the level of efforts in line with their proposed methodology for implementation of the assignment.

	Overview of key experts and level of effort						
	Resources (expert days)						Total
	Key experts (KE)			Non key experts			
	KE 1	KE 2	KE 3	Non-KE 1	Non-KE 2	Non-KE 3	
Deliverable 1							
Deliverable 2							
Deliverable 3							
Total number of expert days:	35	25	15				

#### **9. Facilities to be provided by the Consulting Company**

The Consulting Company must ensure that experts are adequately supported and equipped.



In particular it must ensure that there is sufficient administrative and secretarial provision to enable experts to concentrate on their primary responsibilities. The Consulting Company should provide their own office equipment, including in particular IT equipment and any other equipment needed to perform the activities of the contract. The Consulting Company shall provide all necessary equipment devices for field work and mapping.

The Consulting Company is required to:

- Arrange and finance by own means all other services, documentation, logistical support, etc. which is deemed necessary for the successful implementation of the contract;
- Undertake the necessary security measure for the experts' safety.

#### 10. ***Schedule of payment***

Deliverables	Payment
<b>Deliverable 1:</b> Inception report, including detailed work-plan for the assignment and methodology with incorporated comments and recommendations from project management.	40%
<b>Deliverable 2:</b> Draft report on results of reviewing the legal and institutional framework for double (secondary) water use in Armenia, recent developments both in the country and at international level, with a focus on identified policy, legal and institutional deficiencies and barriers to facilitate double (secondary) water use under projected water scarcity conditions due to climate change.	
<b>Deliverable 3:</b> A workshop with stakeholders organized and a final report submit summarizing the interim reports, including chapters on recommendations and next steps for improving the legal and institutional framework and development of privileges/incentives for double (secondary) water use in the country.	60%

## Annex 2 - FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL<sup>14</sup>

*(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery<sup>15</sup>)*

[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions:

### A. Qualifications of the Service Provider

*The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following:*

- a) *Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
- b) *Business Licenses – Registration Papers, Tax Payment Certification, etc.*
- c) *Latest Audited Financial Statement – income statement or balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc. ;*
- d) *Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contract references;*
- e) *Certificates and Accreditation – including Quality Certificates, Patent Registrations, etc.*
- f) *Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.*

### B. Proposed Methodology for the Completion of Services

*The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work.*

### C. Qualifications of Key Personnel

*If required by the RFP, the Service Provider must provide:*

- a) *Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are experts, etc.;*
- b) *CVs demonstrating qualifications must be submitted; and*
- c) *Written confirmation from each personnel that they are available for the entire duration of the contract.*

<sup>14</sup> This serves as a guide to the Service Provider in preparing the Proposal.

<sup>15</sup> Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

D. **Cost Breakdown per Deliverable\***

	<b>Deliverables</b> <i>[list them as referred to in the RFP]</i>	<b>Percentage of Total Price (Weight for payment)</b>	<b>Price (Lump Sum, All Inclusive)</b>
1	<b>Deliverable 1:</b> Inception report, including detailed work-plan for the assignment and methodology with incorporated comments and recommendations from project management. <b>Deliverable 2:</b> Draft report on results of reviewing the legal and institutional framework for double (secondary) water use in Armenia, recent developments both in the country and at international level, with a focus on identified policy, legal and institutional deficiencies and barriers to facilitate double (secondary) water use under projected water scarcity conditions due to climate change.	40%	
2	<b>Deliverable 3:</b> A workshop with stakeholders organized and a final report submit summarizing the interim reports, including chapters on recommendations and next steps for improving the legal and institutional framework and development of privileges/incentives for double (secondary) water use in the country.	60%	
	Total	100%	

*\*This shall be the basis of the payment tranches*

E. **Cost Breakdown by Cost Component [This is only an Example]:**

<b>Description of Activity</b>	<b>Remuneration per Unit of Time</b>	<b>Total Period of Engagement</b>	<b>No. of Personnel</b>	<b>Total Rate</b>
<b>I. Personnel Services</b>				
1. Services from Home Office				
a. Key Expert 1				
b. Key Expert 2				
c. Key Expert 3				
d. Expert 3				
e. Expert 4				
f. ...				
2. Services from Field Offices				
a. Key Expert 1				
b. Key Expert 2				
c. Expert 3				
d. Expert 4				
3. Services from Overseas				
a. Expertise 1				
b. Expertise 2				
<b>II. Out of Pocket Expenses</b>				
1. Travel Costs				
2. Daily Allowance				
3. Communications				
4. Reproduction				
5. Equipment Lease				
6. Others				
<b>III. Other Related Costs</b>				
<b>TOTAL</b>				

*[Name and Signature of the Service Provider's  
Authorized Person]  
[Designation]  
[Date]*



*Empowered lives.  
Resilient nations.*

## **Annex 3- UNDP GENERAL CONDITIONS OF CONTRACT FOR SERVICES**

**(attached separately)**