



FAO-GEF Project Implementation Report

2023

Period covered: 1 July 2022 to 30 June 2023

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1. Basic Project Data

General Information

Region:	FAO Regional Office for Europe and Central Asia (REU)
Country (ies):	Armenia
Project Title:	Implementation of Armenia's LDN commitments through sustainable land management and restoration of degraded landscapes
FAO Project Symbol:	GCP/ARM/010/GFF
GEF ID:	10365
GEF Focal Area(s):	Land Degradation
Project Executing Partners:	Environmental Project Implementation Unit (EPIU) SA
Initial project duration (years):	3 years
Project coordinates: <i>This section should be completed ONLY by:</i> <i>a) Projects with 1st PIR;</i> <i>b) In case the geographic coverage of project activities has changed since last reporting period.</i>	Lori region (Atan, Ahnidzor, Lortur, Shamut, Qaring, Marts villages) Syunik region (Sarnakunq, Spandaryan, Tsghuk, Gorayq villages)

Project Dates

GEF CEO Endorsement Date:	16 September 2021
Project Implementation Start Date/EOD :	11-Feb-2022
Project Implementation End Date/NTE¹:	11-Feb-2025
Revised project implementation End date (if approved) ²	N/A

Funding

GEF Grant Amount (USD):	\$2,183,105
Total Co-financing amount (USD)³:	\$12,018,000
Total GEF grant delivery (as of June 30, 2023 (USD):	\$541,989
Total GEF grant actual expenditures (excluding commitments) as of June 30, 2023 (USD)⁴:	\$143,078
Total estimated co-financing materialized as of June 30, 2023⁵	\$ 2,112,370

¹ As per FPMIS

² If NTE extension has been requested and approved by the FAO-GEF Coordination Unit.

³ This is the total amount of co-financing as included in the CEO Document/Project Document.

⁴ The amount should show the values included in the financial statements generated by IMIS.

⁵ Please refer to the Section 13 of this report where updated co-financing estimates are requested and indicate the total co-financing amount materialized.

M&E Milestones

Date of Last Project Steering Committee (PSC) Meeting:	30.05.2023
Expected Mid-term Review date⁶:	Tentative date: third quarter of 2024
Actual Mid-term review date (if already completed):	N/A
Expected Terminal Evaluation Date⁷:	Will be discussed with OED 6 months before the project's NTE date
Tracking tools (TT)/Core indicators (CI) updated before MTR or TE stage (provide as Annex)	

Overall ratings

Overall rating of progress towards achieving objectives/ outcomes (cumulative):	<i>Moderately Unsatisfactory</i>
Overall implementation progress rating:	<i>Moderately Unsatisfactory</i>
Overall risk rating:	<i>Low</i>

ESS risk classification

Current ESS Risk classification:	Low
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Status

Implementation Status (1st PIR, 2nd PIR, etc. Final PIR):	1st PIR
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Project Contacts

Contact	Name, Title, Division/Institution	E-mail
Project Coordinator (PC)	Koryun Bznuni/ EPIU-Operational Partner	ani.sirakanyan@gmail.com
Budget Holder (BH)	Raimund Jehle/ FAOR, REU	Raimund.Jehle@fao.org
GEF Operational Focal Point (GEF OFP)	Hakob Simidyan, Minister of Environment	h.simidyan@env.am
Lead Technical Officer (LTO)	Starr, Carolina/ FAO, REU	Carolina.Starr@fao.org
GEF Technical Officer, GTO (ex Technical FLO)	Basaran, Kaan / FAO, REU	Kaan.Basaran@fao.org

⁶ The Mid-Term Review (MTR) should take place after the 2nd PIR, around half-point between EOD and NTE. The MTR report in English should be submitted to the GEF Secretariat within 4 years of the CEO Endorsement date.

⁷ The Terminal Evaluation date should be discussed with OED 6 months before the project's NTE date.

2. Progress towards Achieving Project Objective(s) (Development Objective)

(All inputs in this section should be cumulative from project start, not annual)

Project or Development Objective	Outcomes	Outcome indicators ⁸	Baseline	Mid-term Target ⁹	End-of-project Target	Cumulative progress ¹⁰ since project start Level (and %) at 30 June 2023	Progress rating ¹¹
To support the national efforts to implement the LDN targets of Armenia through sustainable land management and restoration of degraded landscapes	Outcome 1.1: Enhanced enabling environment for LDN at national level	New cross-sectoral policies/laws Intersectoral coordination mechanisms for LDN	LDN principles are not part of the SLM and are not yet integrated in the existing national legal and policy frameworks	Draft LDN cross-sectoral policy framework	Two cross-sectoral policies/One law integrating LDN principles. Functioning intersectoral coordination mechanisms for LDN (horizontal and vertical)	PMU was designed (Project coordinator, project assistant, two community facilitators as well as project's national experts) Stakeholders meeting and discussions at national and sub-national levels, as well as meeting with residents of target communities (5%)	MS
	Outcome 1.2: Enhanced understanding of land degradation drivers informs LDN target setting at the national and community levels	LDN mapping that specify how gender differences and inequalities contribute to land degradation	There is no comprehensive LDN mapping available that builds on a consensus map and understanding of drivers	LDN trends and drivers mapped using a gender lens; LDN local baseline established and mapped	LDN trends and drivers mapped using a gender lens; LDN local baseline established and mapped LDN targets established in target communities in Lori and Syunik	SLM expert, who should perform the works on both of the outputs, has been hired. Meetings were organized with the leaders and beneficiaries of 4 settlements in Lori region. The meetings were attended by 44 people, 18 of whom were women. In Syunik Marz, meetings were organized with the leaders and beneficiaries of 3 settlements. The meetings	MU

⁸ This is taken from the approved results framework of the project.

⁹ Some indicators may not identify mid-term targets at the design stage (refer to approved results framework) therefore this column should only be filled when relevant.

¹⁰ Please report on results obtained in terms of Global Environmental Benefits and Socio-economic co-benefits as well.

¹¹ Use GEF Secretariat required six-point scale system: **Highly Satisfactory** (HS), **Satisfactory** (S), **Moderately Satisfactory** (MS), **Moderately Unsatisfactory** (MU), **Unsatisfactory** (U), and **Highly Unsatisfactory** (HU). Refer to Annex 1.

		LDN targets set in Lori and Syunik	LDN targets are only set at national level			were attended by 32 people, 13 of them women. (2 %)	
	Outcome 1.3: Enhanced capacity to implement LDN at national and local levels	Number of people, including women, with enhanced capacity in LDN implementation. DSS for LDN	There is limited understanding of the LDN concept and its implementation and no DSS for LDN in place	100 people trained at national level and 500 at sub-national level (of which 50% are women)	100 people trained at national level and 500 at sub-national level (of which 50% are women) DSS for LDN in place	The work has not yet started and according to the schedule, the works will start in the second half of the year (0 %)	MU
	Outcome 2.1: Resilient SLM practices and investments introduced on degraded land in target Regions	<p>Number of ha of land with restored grasslands</p> <p>Number of ha of land with restored forest land</p> <p>Number of ha of land under SLM, including forest land, grasslands and croplands</p> <p>Amount of carbon sequestered through restoration and SLM</p> <p>Number of beneficiaries (households in pilot districts)</p>	<p>A baseline FAO/GCF project is supporting forestry investments in the two target districts, but SLM and restoration using an integrated landscape approach is not practiced in the two target districts</p> <p>Status of degradation was assessed using rapid LADA during the PPG</p>	LD trends and drivers mapped using a gender lens; LDN local baseline established and mapped	<p>4,000 ha of degraded grasslands restored</p> <p>7,300 ha of forest lands restored within the State Forest Fund and established in abandoned lands</p> <p>166,000 ha under SLM practices in target regions (of which: 110,000 ha forests; 50,000 ha grasslands; 6,000 ha croplands)</p> <p>32,274,507 tCO₂-eq sequestered</p> <p>2,500 beneficiaries (target households in Lori and Syunik districts)</p>	SLM and value chain experts have been hired and started to work. Visits were organized with SLM and value chain experts to the communities included in the program. During the meetings, the experts presented clear schedules of data collection and implementation of works to the heads of the settlements. (3 %)	MU

	Outcome 2.2: Key land-based value-chains strengthened and made more resilient and equitable	Number of value chains strengthened; number of VCs focused on women Number of value-chain actors with enhanced capacity in value-chain management	Value addition to agricultural products from the two selected districts is limited which negatively affects income generation and equity	Draft at least on value chain for each target region	Two value chains improved (at least one focused on women) 350 value-chain actors with strengthened capacity (disaggregated by gender and youth)	Expert have started works on one of the outputs. In Syunik and Lori marzes, the value chain expert provided detailed information about value chains to the leaders of the settlements and the staff members of the local self-government bodies. The value chains that are most acceptable for the settlements were discussed. (2 %)	MU
	Outcome 3.1: Project monitoring and evaluation and monitoring and assessment of global environmental benefits and LDN	M&E system in place for monitoring of project progress and GEBs	No system in place, No monitoring system for LDN exist	Implementation of the project based on adaptive results based-management	Project delivers expected results and GEBs and co-benefits established Functioning LDN reporting to the UNCCD	Monitoring and evaluation system is put in place by project team (4 %)	MU
	Outcome 3.2: Lessons learned and dissemination of knowledge to support scaling up of LDN	Direct and indirect beneficiaries with improved knowledge and increased awareness on restoration and SLM in line with LDN principles	0	5 knowledge products and training/awareness raising materials on SLM and LDN	10 knowledge products and training/awareness raising materials on SLM and LDN Public awareness raising campaign reaches 2,500 people	Technical task has been developed, communication expert has been hired who will carry out the works according to the requirements of the technical task A technical task for the implementation of knowledge raising and dissemination activities is being developed. (2 %)	MU

Measures taken to address MS, MU, U and HU ratings on Section 2

Outcome	Action(s) to be taken	By whom?	By when?
Outcome 1.1: Enhanced enabling environment for LDN at national level	1. Policy review and mapping of entry points for LDN , 2. Analysis of policy gaps. 3. Drafting of cross-sectoral policies.	Policy and land tenure expert	1. Policy review and mapping of entry points for LDN and Analysis of policy gaps works will be completed in the fourth quarter. 2. Drafting of cross-sectoral policies will start in the fourth quarter and will be completed in the first quarter of 2024, according to the schedule.
Outcome 1.2: Enhanced understanding of land degradation drivers informs LDN target setting at the national and community levels	1. Assessment of SLM at demo sites using LADA/WOCAT 2. Valuation of the costs of land degradation using ELD 3. The actual process of LADA implementaion in Gorayq, Tsghuk, Sarnakunq, Spandaryan,Atan, Ahnidzor, Lorut, Marts, Shamut, Qarinj regions. 4. Assesment of drivers of degradation and barriers to SLM 5. Valuation of the costs of land degradation in Syunik and Lori using ELD 6. Analysis of land cover, productivity and soil organic carbon. 7. LDN indicator assessment and maps in targeted regions(Gorayq, Tsghuk, Sarnakunq and Spandaryan, Atan Ahnidzor, Lorut, Marts, Shamut and Qarinj)	SLM expert	The work has started and will be completed in the fourth quarter.
Outcome 1.3: Enhanced capacity to implement LDN at national and local levels	Develop and implement a training program	A specialized organization will be chosen, which will develop and implemet the training program together with the program experts	The work has not yet started and according to the schedule, the works will start in the second half of the year. Dates for the courses will be chosen, which will be most convenient for the beneficiaries and will not

Outcome	Action(s) to be taken	By whom?	By when?
			interfere with the implementation of agricultural work.
Outcome 2.1: Resilient SLM practices and investments introduced on degraded land in target Regions	Implementation of stakeholders analysis concentrating on power structures and gender dimensions for equitable participation in Gorayq, Tsghik, Sarnakunq, Spandaryan, Atan, Ahnidzor, Lorut, Shamut and Qarinj	SLM and value chain experts	Works will be completed in the fourth quarter.
Outcome 2.2: Key land-based value-chains strengthened and made more resilient and equitable	1. Life Cycle Assessment of the land-based value chains 2. Selection of value chains to be implemented in target regions based on environmental and socio-economic sustainability criteria.	Value chain expert	The works will be completed in the third quarter.
Outcome 3.1: Project monitoring and evaluation and monitoring and assessment of global environmental benefits and LDN	Timely monitoring of project outcomes, outputs, and activities	Project team	Periodically until the end of the fourth quarter and will continue into next year.
Outcome 3.2: Lessons learned and dissemination of knowledge to support scaling up of LDN	1. 5 knowledge products and training/awareness raising materials on SLM and LDN, 2. Development of communication strategy	Communication, SLM, Value chain experts	The works will start in the third quarter and be completed in the fourth quarter.

3. Implementation Progress (IP)

(Please indicate progress achieved during this FY as per the Implementation Plan/Annual Workplan)

Outcomes and Outputs ¹²	Indicators (as per the Logical Framework)	Annual Target (as per the annual Work Plan)	Main achievements ¹³ (please DO NOT repeat results reported in previous year PIR)	Describe any variance ¹⁴ in delivering outputs
Outcome 1.1	New cross-sectoral policies/laws Intersectoral coordination mechanisms for LDN	Draft a new cross-sectoral policy on LDN	Expert to work on both outputs has been hired, works on the Output 1.1.1 have been started.	Works on outputs has been started with a delay
Output 1.1.1	LDN Policy assessment Policy framework supporting LDN	1. Developing drafting for Policy and land tenure expert TOR. 2. Reviewing the draft TOR with project's LTO. 3. Policy review and mapping of entry points for LDN 4. Analysis of policy gaps. 5. Drafting of cross-sectoral policies.	Technical task has been developed, policy and land tenure expert has been hired, policy review started.	The works have been delayed by 5 months. The following works have not been performed: 1. Policy review and mapping of entry points for LDN, 2. Analysis of policy gaps. 3. Drafting of cross-sectoral policies.
Output 1.1.2	Horizontal intersectoral coordination mechanism at national level Vertical intersectoral coordination mechanisms	1. Implementation of the UNCCD and SLM by analysis of the existing mechanisms. 2. Development of new TORs for the existing UNCCD coordination mechanism, including gender responsive 3. Establishment of intersectoral coordination mechanisms to support gender responsive	According to the schedule, works have to be started in the Q4 2023. Works will be mainly performed by the policy and land tenure expert, who has been already hired.	No deviation from the plan have been observed for current output
Output 1.2.1	LD assessment and cost assessment that specify how gender differences and inequalities contribute to land degradation	1. Assessment of SLM at demo sites using LADA/WOCAT 2. Valuation of the costs of land degradation using ELD	Technical task have been developed, expert have been selected who will carry out the works according to the requirements of the technical task	The works have been delayed by 5 months.

¹² Outputs as described in the project Logframe or in any approved project revision.

¹³ Please use the same unit of measurement of the project indicators as per the approved Implementation Plan or Annual Workplan. Please be concise (max one or two short sentence with main achievements)

¹⁴ Variance refers to the difference between the expected and actual progress at the time of reporting.

		<p>3. Reviewing the draft TORs. with project's LTO.</p> <p>4. The actual process of LADA implementaion in Gorayq, Tsghuk, Sarnakunq, Spandaryan,Atan, Ahnidzor,Lorut,Marts,Shamut,Qarinj regions.</p> <p>5. Assessment of drivers of degradation and barriers to SLM</p> <p>6. Valuation of the costs of land degradation in Syunik and Lori using ELD</p>		
Output 1.2.2	LDN indicator assessment and maps from target regions	<p>1. Analysis of land cover, productivity and soil organic carbon.</p> <p>1. LDN indicator assessment and maps in targeted regions (Gorayq, Tsghuk, Sarnakunq and Spandaryan, Atan Ahnidzor, Lorut, Marts, Shamut and Qarinj)</p>	Technical task have been developed, expert have been selected who will carry out the works according to the requirements of the technical task	<u>The works have been delayed by 5 months.</u>
Output 1.3.1	<u>LDN training modules, including one dedicated to gender issues</u>	<p>1.Developing drafting for DSS Devolopment expert TOR as well as national capacity building program on LDN for key decision makers and practitioners, TORs should include gender-responsive achievement of LDN at national and sub-national levels.</p> <p>2.Reviewing the draft TORs with project's LTO.</p>	The work has not yet started and according to the schedule, the works will start in the second half of the year	Not applicable
Output 1.3.2	<u>National capacity building programme in LDN</u> <u>Number of people trained, including women</u>	Develop National capacity building program on LDN for key decision-makers and practitioners at national and sub-national level	The work has not yet started and according to the schedule, the works will start in the second half of the year	Not applicable
Output 1.3.3	<u>DSS for intersectoral and gender equitable governance of land and natural resources for LDN</u>	In 2023, no works are planned	In 2023, no works are planned	Not applicable

<u>Outcome</u> <u>2.1</u>	<u>Number of ha of land with restored grasslands</u> <u>Number of ha of land with restored forest land</u> <u>Number of ha of land under SLM, including forest land, grasslands and croplands</u> <u>Amount of carbon sequestered through restoration and SLM</u> <u>Number of beneficiaries (households in pilot districts)</u>	Draft Integrated Land Management (ILM) plans for the target regions (Lori and Sisian) with identification of restoration and SLM activities in different land-use classes for achieving LDN targets in regions	SLM and value chain experts have been hired and started to work	There is a slight delay in the beginning of the works, but they should be completed as planned
<u>Output</u> <u>2.1.1</u>	Number of ILM plans that reflect priorities of both women and men Number of ha covered by ILM plans	1. Draftings of LDN and SLM expert, SLM expert, Community facilitators. 2. Reviewing the draftings with project's LTO. 3. Approval of TORs 4. Implementation of Procurement Processes of experts 5. Hiring of Experts 6. Implementation of stakeholder analysis concentrating on power structures and gender dimensions for equitable participation in Gorayq, Tsghik, Sarnakunq, Spandaryan, Atan, Ahnidzor, Lorut, Shamut and Qarinj	Works will be mainly performed by the SLM and value chain experts, who have been hired already. Works on all the sub-goals of the output have been started.	The works have been delayed by 4 months.
<u>Output</u> <u>2.2.1</u>	Number of life cycle assessment of value chains (SLCAs and LCSAs) Number of business plans for the selected value chains that work for women	1. Development of TORs for international Gender and VC experts. 2. Reviewing TORs with project's LTO 3. Approval of TORs 4. Implementation of Procurement Processes of experts 5. Hiring of Experts 6. Life Cycle Assessment of the land-based value chains 7. Selection of value chains to be implemented in target regions based on	The work has just started and is progressing according to schedule	The works have been delayed by 4 months, but will be completed according to the schedule

		environmental and socio-economic sustainability criteria.		
Output <u>2.2.2</u>	Number of curricula modified to include management of the whole value chain	3 university Curricula modified to include relevant LDN topics and later to be adopted by the National Agrarian University of Armenia	Training of the extension service in new business models, as well as marketing of selected value chains	
Outcome <u>3.1.2</u>	M&E system ensuring timely delivery of project benefits in terms of GEBs and gender disaggregated co-benefits in target regions	Timely monitoring of project outcomes, outputs, and activities	Works are carried out by the project coordinator and project assistant	The works have been delayed by 3 months
Output <u>3.1.3</u>	Monitoring system	Harmonisation and digitization of land cover data together with the Land Cadaster, and of land productivity monitoring using remote sensing (NDVI) and national data on soil fertility		
Output <u>3.2.1</u>	Direct and indirect beneficiaries with improved knowledge and increased awareness on restoration and SLM in line with LDN principles	3 knowledge products and training/awareness raising materials on SLM and LDN	Technical task have been developed, expert have been selected who will carry out the works according to the requirements of the technical task	The works have been delayed by 4 months. The following works have not been performed: Development of communication strategy

4. Summary on Progress and Ratings

Please provide a summary paragraph on progress, challenges and outcomes of project implementation consistent with the information reported in sections 2 and 3 of the PIR (max 400 words)

The OPA was signed on 16th of September 2022. Soon after projects' OPA was signed Environmental Projects Implementation Unit, State Agency began organizing Project's Inception Workshop which was held on October 5 of 2022. More than 40 participants from different Ministries, NGO's, International organizations and Representatives from target regions attended the Project's Inception Workshop in Yerevan. As a result of collaborative discussions among respectful colleagues the most effective means of project implementation were registered for project's implementation phases. Project's annual detailed working plan was later developed in close cooperation with PD, NPD and Project's LTO. Project Steering Committee was designed at the end of 2022 (Order 368-A, 10/24/2022). During project implementation PSC will approve Annual Work Plans and Budgets on a yearly basis and will provide strategic guidance to the Project Management Team and to all executing partners. At the end of 2022 the offer package to qualify the Project as a charitable project was developed and sent to the RA relevant body. On 18th of January the Project was qualified as a charitable (exemption from value added tax) project (ORDER 53-A, 01/18/2023). Under direct supervision and guidance of project's leading technical officer the TORs for Community Facilitators, Communication, SLM, VCs, Gender and Policy and land tenure experts were drafted and developed to hire Project Management Unite staff. After TOR's approval, the policy and land tenure expert, SLM and value chain experts, communication expert has been hired, according to RA's appropriate legislation acting rules.

Intensive stakeholder meetings and discussions are being organized at national and sub-national levels by Project's Coordinator, National Project Director and EPIU SA leaders. On 28th of April in Sisian and on 3th of May in Lori local-level Inception Workshops were organized and held in target regions. The inception workshops were completed successfully resulting in a clear understanding across stakeholders as to how the project will be delivered, some modifications to governance arrangements; and identification of issues for follow-up, as well as recognizing the urgent need for a comprehensive and conceptualized understanding of vulnerability and adaptation to the impacts of land degradation in target regions. A new cross-sectoral policy on LDN, draft intersectoral coordination mechanisms for LDN (horizontal and vertical), LD maps at different scales, LD assessment report based on LADA/WOCAT tools, LDN indicator assessment and maps from Lori and Syunik, hard and soft copies of LDN training modules, reports from training events, Integrated Land Management plans for each target region, two value chains (at least one focused on women), LDN monitoring system based on the three global indicators, 5 knowledge products and training/awareness raising materials on SLM and LDN are the main framework results planned to be accomplished by the end of the year(2023).

The main challenge to achieving the planned results in 2023 is the delay in the start of the works by 3-5 months, which has mainly objective and sometimes subjective reasons. In order to neutralize this challenge, EPIU and PMU have initiated a number of urgent organizational measures:

1. The experts were instructed to work on a schedule that would make it possible to compensate for the late start of work.
2. Questionnaires for assessing the needs and capacities of the communities were prepared, through which the necessary data are collected in a very short time.

3. The project coordinator, assistant and experts of the team are in daily contact with the communities and discuss the possibilities of quick implementation of the planned works.
4. It was decided to organize trainings in the communities in September-November, to develop, publish and distribute booklets and information leaflets about the activities planned by the Project.
5. Every week, a meeting of PMU members is organized at EPIU, where the status of the works planned by the Project and the implementation schedule are discussed.
6. The chairman and members of the management board are regularly briefed on how to overcome the challenge of delay in works.
7. Bids for the purchase of works provided by the Program are being processed quickly, and the tenders for them will be organized in order of priority.
8. The communication expert (Stella Khachatryan) develops both a communication strategy and a work plan and implementation schedule.

Development Objective (DO) Ratings, Implementation Progress (IP) Ratings and Overall Assessment

Please note that the overall DO and IP ratings should be substantiated by evidence and progress reported in the Section 2 and Section 3 of the PIR. For DO, the ratings and comments should reflect the overall progress of project results.

	FY2023 Development Objective rating¹⁵	FY2023 Implementation Progress rating¹⁶	Comments/reasons¹⁷ justifying the ratings for FY2023 and any changes (positive or negative) in the ratings since the previous reporting period
Project Manager / Coordinator			<i>Taking into account some delays in the project delivery, actions were taken within the framework of the project implementation to compensate the omissions caused by the delay. Prior to the formation of the project staff, EPIU employees supported the project: they organized and carried out numerous visits to the communities included in the project, as well as invested their best experience and capacities in the development of the necessary terms of references. The project's expert team has been formed, which works intensively to promote the project. A constant communication has been maintained with the OP and LTO, as well as with other foreign partners.</i>
Budget Holder	Moderately Satisfactory (MS)	Moderately Satisfactory (MS)	<i>For the successful implementation of the project, the BH unit continuously supports OP on different matters (budget management, reporting, work plan, etc.) more than it was supposed to during the formulation phase. However, every effort is made to improve cooperation. And OP, in turn, needs to strengthen capacities and communication to accelerate project delivery, enabling to achieve the project's main goals on time, assuring good quality with joint efforts.</i>
GEF Operational Focal Point¹⁸			
Lead Technical Officer¹⁹	MU	U	<i>The project has major delays, the communication with the executing agency is poor and overall the LTO guidance is not followed by them.</i>
GEF Technical Officer, GTO (ex Technical FLO)	MU	MU	<i>The launching period of project has taken some time and now that the necessary technical and operational capacities are in place, the implementation should accelerate to be able to deliver the intended results in the foreseen timeframe.</i>

¹⁵ **Development Objectives Rating** – A rating of the extent to which a project is expected to achieve or exceed its major objectives. For more information on ratings and definitions, please refer to Annex 1.

¹⁶ **Implementation Progress Rating** – A rating of the extent to which the implementation of a project's components and activities is in compliance with the projects approved implementation plan. For more information on ratings and definitions, please refer to Annex 1.

¹⁷ Please ensure that the ratings are based on evidence

¹⁸ In case the GEF OFP didn't provide his/her comments, please explain the reason.

¹⁹ The LTO will consult the HQ technical officer and all other supporting technical Units.

5. Environmental and Social Safeguards (ESS)

This section is under the responsibility of the LTO (PMU to draft)

Please describe the progress made to comply with the approved ESM plan. Note that only projects with **moderate** or **high** Environmental and Social Risk, approved from June 2015 should have submitted an ESM plan/table at CEO endorsement. This does not apply to **low** risk projects. Please indicate if new risks have emerged during this FY.

Social & Environmental Risk Impacts identified at CEO Endorsement	Expected mitigation measures	Actions taken during this FY	Remaining measures to be taken	Responsibility
ESS 1: Natural Resource Management				
ESS 2: Biodiversity, Ecosystems and Natural Habitats				
ESS 3: Plant Genetic Resources for Food and Agriculture				
ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture				
ESS 5: Pest and Pesticide Management				
ESS 6: Involuntary Resettlement and Displacement				
ESS 7: Decent Work				
ESS 8: Gender Equality				
ESS 9: Indigenous Peoples and Cultural Heritage				
New ESS risks that have emerged during this FY				

In case the project did not include an ESM Plan at CEO endorsement stage, please indicate:

Initial ESS Risk classification (At project submission)	Current ESS risk classification Please indicate if the Environmental and Social Risk classification is still valid ²⁰ . If not, what is the new classification and explain.
Low	Low

<i>Please report if any grievance was received as per FAO and GEF ESS policies. If yes, please indicate how it is being/has been addressed.</i>

²⁰ **Important:** please note that if the Environmental and Social Risk classification has changed, the ESM Unit (Esm-unit@fao.org) should be contacted. The project shall prepare or amend an Environmental and Social Management Plan (ESMP) or other ESS instruments and management tools based on the new risk classification (please refer to page 13 <https://www.fao.org/3/cb9870en/cb9870en.pdf>)

6. Risks

The following table summarizes risks identified in the Project Document and reflects also any new risks identified during the project implementation (including COVID-19 related risks). The last column should be used to provide additional details concerning manifestation of the risk in the project, as relevant.

	Type of risk	Risk rating ²¹	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
1	Project execution under the new government that is reviewing procedures for management of international funds	M/L	Y	The Ministry of Environment (Executing Entity) has assured that changes will only involve the legal definition of the Project Implementation Unit and it will not change its functions or composition.	As assured by the Ministry of Environment the only change involved Project Implementation Unit: the project is implemented by Environmental Projects Implementation Unit State Agency	
2	Weak cooperation between key institutional stakeholders (i.e. Environment and Agriculture sectors)	M/M	Y	This risk will be mitigated under Component 1 of the project that will strengthen the intersectoral coordination mechanism to enhance cooperation on LDN.	Central government supports strengthening mechanisms for Land Degradation Neutrality in RA. The project is in alignment with the Government's Decision (08/08/2021 Decision N 1363) in the sphere of complex protection, improvement and restoration of natural resources	
3	Lack of political support to LDN and SLM in the context of grasslands and pastures	L/L	Y	Political support is high in Armenia for SLM and LDN, which is demonstrated by policy reform processes initiated both in the agriculture and forestry sector. This project will provide an opportunity to strengthen the LDN framework that requires inter-sectoral coordination and to demonstrate good practices in the field.	Inter-sectoral coordination mechanisms are being developed to meet LDN needs not only at sub-national but also at national levels	
4	Low technical capacity in operationalizing LDN at national, regional and landscape level affecting project implementation	L/L	Y	Capacity development for LDN will be provided under Components 1 and 2, which will mitigate the risk. Component 3 will in addition provide capacity building for replication of the LDN in other regions.	The project team organized meeting/discussions in all communities. The program, the goals of the program and the problems that need to be solved in order to achieve these goals were presented in detail. During the discussions, community leaders and beneficiaries mentioned the problems, the solutions of which will have a positive impact on achieving the project's goal. All offers have been collected and are currently under review.	

²¹ Risk ratings means a rating of the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risk of projects should be rated on the following scale: Low, Moderate, Substantial or High. For more information on ratings and definitions please refer to Annex 1.

	Type of risk	Risk rating ²¹	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
5	Natural changes in agro-ecological zones due to gradual changes in climate and the incidence of extreme events	M/H	Y	SLM practices to be demonstrated and scaled up by the project are proven to enhance resilience to climate change, such as improved grazing rotation and and multi-purpose agroforestry practices.	Although the actual work has not started yet, many discussions have been organized, during which participants have been provided with information on the importance of sustainable land management. The direct link between sustainable land management and mitigating the negative effects of climate change has been explained.	
6	Lack of local stakeholder engagement and commitment to adopt SLM to achieve LDN	L/L	Y	Implementation will be undertaken through community-based participatory approaches that address local cultural, socio-economic and ecological concerns. The project will provide incentives to farmers to engage in various activities that target LDN, involving both capacity building, awareness raising, and value chains strengthening. The local stakeholders have already participated in the stakeholder consultation meeting that took place on 12 September 12 2019 and have been consulted in all steps of the PPG process.	Regional coordinators have been appointed who work continuously with beneficiaries and community leaders. A project coordinator and a project assistant visit the communities and introduce the project. Project experts organize meeting/discussions with the beneficiaries in the communities. In Syunik and Lori Regions, regional start-up seminars were organized, where representatives of relevant departments, regional authorities, community authorities, and public organizations were invited.	
7	Impacts of climate change and associated hazards threatens agricultural production and peoples livelihoods	H/M	Y	The condition of the land is highly variable temporally, largely due to climate variability. Progress toward LDN will take climate change impacts into consideration in both the monitoring of drivers of LD and the implementation of SLM practices that will be selected based both on their productivity enhancing impact as well as their resilience to climate change.	A knowledge raising program is being developed, within the framework of which information will be provided to the population regarding the negative consequences of climate change.	
8	Impact of COVID-19 causes significant economic downturn that impacts project outcomes	M/M	N	Globally this is a real risk for the project's goals and this will be monitored, and adaptive management applied if necessary. The potential availability of co-financing could also be affected by changes in government fiscal priorities and exchange rates.	Impact of COVID-19 doesn't exist anymore	
9	Impact of COVID-19 would affect the engagement of local farmers and communities	M/M	N	At the national level, Government has its protocols in place for staff, and is requiring a full normal workload. Meetings are being conducted in small groups and via video. Nevertheless, response times are normal, The Ministry of Environment (MoE) is fully engaged on this proposal and is expecting FAO to move forward with the work. At the district level, precautions will be taken adhering to normal protocols established by the government	Impact of COVID-19 doesn't exist anymore	

	Type of risk	Risk rating ²¹	Identified in the ProDoc Y/N	Mitigation Actions	Progress on mitigation actions	Notes from the Budget Holder in consultation with Project Management Unit
10	Consequences derived from the Nagorno-Karabakh conflict and potential resurgence of conflict	M/M	Y	At national level Strong focus on the recovery of the conflict and lack of capacity of the executing organization in follow up with all projects activities. During the inception phase a structured context analysis will be undertaken to inform the project's design /implementation and identify the leading causes and drivers of localized disputes, tensions and conflicts, map local stakeholders and detail localized conflict lines and the perception of the concerned actors	The current normalization process for peaceful settlement of the conflict describes intensive ongoing negotiations between the Governments of Republic of Armenia and Azerbaijan to demarcate the border between the Republic of Armenia and the Republic of Azerbaijan for demarcation and delimitation of state boards of both countries. In any case in Gorayk, Tsghuk, Spandaryan and Sarnakunk communities of Syunik marz, during the implementation of the mapping works planned by the program, such areas that do not border the Republic of Azerbaijan will be selected. The land areas of the bordering areas serve as a safe zone for the land areas implemented by the project.	
11	Support to COVID-19 recovery efforts in the context of this project	L/L	Y	It is expect that the project can increase resilience of food system, strengthen a land-based value chain and generate income for local communities. This can generate a positive response to the post-COVID-19 recovery process of the targeted communities.	The stages of defining the final list of works and selecting the beneficiaries will take into account the consequences of COVID-19 and the possibilities of their elimination.	

Project overall risk rating (Low, Moderate, Substantial or High):

FY2022 rating	FY2023 rating	Comments/reason for the rating for FY2023 and any changes (positive or negative) in the rating since the previous reporting period
L	L	

7. Follow-up on Mid-term review or supervision mission (only for projects that have conducted an MTR)

If the project had an MTR or a supervision mission, please report on how the recommendations were implemented during this fiscal year as indicated in the Management Response or in the supervision mission report.

There was no Mid-term review, as the project has not reached yet midpoint of the 2nd year of project implementation.

MTR or supervision mission recommendations	Measures implemented <u>during this Fiscal Year</u>
Recommendation 1:	
Recommendation 2:	
Recommendation 3:	
Recommendation.....	
Recommendation.....	

Has the project developed an Exit Strategy? If yes, please summarize	
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8. Minor project amendments

Minor amendments are changes to the project design or implementation that do not have significant impact on the project objectives or scope, or an increase of the GEF project financing up to 5% as described in Annex 9 of the GEF Project and Program Cycle Policy Guidelines²². Please describe any minor changes that the project has made under the relevant category or categories and provide supporting documents as an annex to this report if available.

Category of change	Provide a description of the change	Indicate the timing of the change	Approved by
Results framework			
Components and cost			
Institutional and implementation arrangements			
Financial management			
Implementation schedule			
Executing Entity			
Executing Entity Category			
Minor project objective change			
Safeguards			
Risk analysis			
Increase of GEF project financing up to 5%			
Co-financing			
Location of project activity	<p>As a result of amendments in the “Law on Administrative-Territorial Division” of the Republic of Armenia, small communities have been united in large ones. In this case Gorayq was Consolidated into Sisian community Has no negative impact on the program and the activities planned by the program. Enlargement of municipalities has a positive effect, as the budgets of municipalities increase and an opportunity is created to use the budget money more effectively in each settlement.</p> <p>2. During the Inception Workshop organized in Lori region, the deputy governor and the head of the Tumanyan community asked to include in the program 2 additional settlements, which have the same problems as other settlements.</p>	<p>1. 1st of December 2022</p> <p>2. April-May 2023</p>	<p>This issue was discussed in the management board and there were no objections. Dsegh and Chkalov settlements were selected.</p>
Other minor project amendment (define)	The Project coordinator’s BL was used the project assistant to support daily coordination and management of the project without deviation in the Budget Line.		FAO

²² Source: <https://www.thegef.org/council-meeting-documents/guidelines-project-and-program-cycle-policy-2020-update>

9. Stakeholders' Engagement

Please report on progress and results and challenges on stakeholder engagement (based on the description of the Stakeholder engagement plan) included at CEO Endorsement/Approval during this reporting period.

Stakeholder name	Type of partnership	Progress and results on Stakeholders' Engagement	Challenges on stakeholder engagement
Government institutions			
Ministry of Environment	Government partnerships	Beneficiary selection criteria were developed in collaboration with project experts and discussed in the communities. They will serve as a basis for the subsequent selection of beneficiaries.	The knowledge that is gleaned from different stakeholder perspectives help in better and informed decision making for project implementation
Lori and Syunik Marzpetarans	Regional partnership	Effective decision making	
Tumanyan and Sisian (Gorayq)Communities:	Community partnership	Better relationships with stakeholders (Knowing their specific needs and demands, understanding what is urgent for the target regions)	Understand which type of stakeholder is the most important for project and find out the right period and the right ways to engage them.
Projects' target villages: Atan , Ahindzor, Lorut, Shamut, Qarinj Marts, Sarnakunt, Spandaryan, Gorayq and Tsghuk	Community partnership	Prevention of project delays or roadblocks Risk management and accountability (identifying potential negative risks while discussing project implementation details with individuals. So by preventing those threats, PMU can make sure that the project moves smoothly and takes its due course.)	While engaging stakeholders properly, we get to better achieve our time, scope, quality, cost and other targets for project implementation. Reaching out to stakeholders, PMU is making them aware that we value their perspective and opinion. This collaborative approach has build goodwill and trust towards project implementation body, stakeholders and projects' direct and indirect beneficiaries.
NGOs²³			
Armenian National Agrarian University	Cooperation partnership	Close cooperation with ANAU branches located in Lori and Sisian	Promoting agricultural education in target regions and support the sustainability of the target regions as ANAU is heavily involved in both educational and scientific activities

²³ Non-government organizations

10. Gender Mainstreaming

Information on Progress on Gender-responsive measures as documented at CEO Endorsement/Approval in the gender action plan or equivalent (when applicable) during this reporting period.

Category	Yes/No	Briefly describe progress and results achieved during this reporting period.
Gender analysis or an equivalent socio-economic assessment made at formulation or during execution stages.		Project's Gender analysis are planned to be taken during 3 Q of 2023.
Any gender-responsive measures to address gender gaps or promote gender equality and women's empowerment?	Yes	No actions have been taken yet. Works will be carried out in the fourth quarter.
Indicate in which results area(s) the project is expected to contribute to gender equality (as identified at project design stage):		
a) closing gender gaps in access to and control over natural resources	Yes	Women use natural resources differently than men, which sets the stage for a variety of structural barriers. Differentiated resource use makes women vulnerable to economic, social, and external environmental influences, especially in rural areas so when ILM plans are developed gender differences will be taken into consideration SLM and LDN related activities and natural resource management programs can offer important opportunities for women's empowerment, sustainable resource management, and shared prosperity.
b) improving women's participation and decision making	Yes	PMU staff is trying to find ways to give women the confidence to voice their opinions by involving them into discussion and underlining their importance for example, inviting women to sit together for mutual support; actively inviting them to speak; or work in small groups, which may be less threatening.
c) generating socio-economic benefits or services for women	Yes	The project aims at SLM and LDN Sustainable land management is vital for achieving various environmental, social, and economic goals. By adopting sustainable land practices in target regions the health of ecosystems will be improved enhancing food security, improving the livelihoods of rural communities while reducing environmental degradation
M&E system with gender-disaggregated data?		
Staff with gender expertise	Yes	PMU is designed involving national gender expert
Any other good practices on gender		

11. Knowledge Management Activities

Knowledge activities / products (when applicable), as outlined in Knowledge Management Approach approved at CEO Endorsement / Approval, during this reporting period.

Does the project have a knowledge management strategy? If not, how does the project collect and document good practices? Please list relevant good practices that can be learned and shared from the project thus far.	It's planned to have knowledge management strategy, the activity is in process , at the end of the year the KMS will be developed , which will let us not only collect good practices but also contribute to the process of sharing lessons learnt . A knowledge raising program is being developed, within the framework of which information will be provided to the population regarding the negative consequences of climate change.
Does the project have a communication strategy? Please provide a brief overview of the communications successes and challenges this year .	Communication strategy is being developed by Project's Communication expert. For reporting period we don't have any communication successes to share with as the process hasn't been completed yet.
Please share a human-interest story from your project, focusing on how the project has helped to improve people's livelihoods while contributing to achieving the expected Global Environmental Benefits. Please indicate any Socio-economic Co-benefits that were generated by the project. Include at least one beneficiary quote and perspective, and please also include related photos and photo credits.	Human Interest Stories will be collected and shared as the implementation progresses.
Please provide links to related website, social media account	
Please provide a list of publications, leaflets, video materials, newsletters, or other communications assets published on the web.	
Please indicate the Communication and/or knowledge management focal point's name and contact details	The communication expert (Stella Khachatryan) stellamk87@mail.ru

12. Indigenous Peoples and Local Communities Involvement

Are Indigenous Peoples and local communities involved in the project (as per the approved Project Document)? If yes, please briefly explain.

Demographic studies by us have revealed that there are no Indigenous Peoples in the communities included in the Project.

Involvement of communities in the project program was carried out by the following process.

1. The director of EPIU sent an official letter to the governors of Syunik and Lori informing them about the start of the project and the communities included in the project.
2. The director of EPIU sent an official letter to the communities included in the project in Syunik and Lori marzes informing them about the start of the project.
3. Meetings were organized in Syunik and Lori marzes, in which the heads of marzes and communities, the project coordinator and the project assistant, the EPIU deputy director and the head of the department participated.
4. Meetings were organized in all settlements included in the project.

13. Co-Financing Table

Sources of Co-financing ²⁴	Name of Co-financer	Type of Co-financing ²⁵	Amount Confirmed at CEO endorsement / approval	Actual Amount Materialized at 30 June 2023	Actual Amount Materialized at Midterm or closure (confirmed by the review/evaluation team)	Expected total disbursement by the end of the project
State Institution	Environmental Project Implementation Unit (EPIU)	In-kind (salaries/office running costs)	USD 48,000	USD 12,000		USD 48,000
UN Agency	FAO	Grant/investment mobilized	USD 10,800,000	USD 1,079,370		
State Institution	Committee of Forest	In-kind (salary)	USD10,000	USD 3,000		USD 10,000
State Institution, Syunik province	Gorayk Community of Syunik Province	In-kind (salaries)	USD 50,000	USD 5,000		USD 50,000
Government of RA	Ministry of Economy of RA	In-kind	USD1,000,000	USD 1,000,000		USD 1,000,000
Government of RA	Ministry of Environment of RA	In-kind	USD100,000	USD 10,000		USD 100,000
State Institution	Armenian National Agrarian University	In-kind	USD10,000	USD 3,000		USD 10,000
TOTAL			USD 12,018,000	USD 2,112,370		

Please explain any significant changes in project co-financing since Project Document signature, or differences between the anticipated and actual rates of disbursement?

²⁴Sources of Co-financing may include: GEF Agency, Donor Agency, Recipient Country Government, Private Sector, Civil Society Organization, Beneficiaries, Other.

²⁵Grant, Loan, Equity Investment, Guarantee, In-Kind, Public Investment, Other (please refer to the *Guidelines on co-financing* for definitions)

https://www.thegef.org/sites/default/files/documents/GEF_FI_GN_01_Cofinancing_Guidelines_2018.pdf

Annex 1. – GEF Performance Ratings Definitions

Development Objectives Rating. A rating of the extent to which a project is expected to achieve or exceed its major objectives.	
Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings
Moderately Satisfactory (MS)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits
Moderately Unsatisfactory (MU)	Project is expected to achieve its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives
Unsatisfactory (U)	Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits
Highly Unsatisfactory (HU)	The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits

Implementation Progress Rating. A rating of the extent to which the implementation of a project’s components and activities is in compliance with the project’s approved implementation plan.	
Highly Satisfactory (HS)	Implementation of all components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be resented as “good practice”
Satisfactory (S)	Implementation of most components is in substantial compliance with the original/formally revised plan except for only a few that are subject to remedial action
Moderately Satisfactory (MS)	Implementation of some components is in substantial compliance with the original/formally revised plan with some components requiring remedial action
Moderately Unsatisfactory (MU)	Implementation of some components is not in substantial compliance with the original/formally revised plan with most components requiring remedial action.
Unsatisfactory (U)	Implementation of most components is not in substantial compliance with the original/formally revised plan
Highly Unsatisfactory (HU)	Implementation of none of the components is in substantial compliance with the original/formally revised plan.

Risk rating will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risk of projects should be rated on the following scale:	
High Risk (H)	There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.
Substantial Risk (S)	There is a probability of between 51% and 75% that assumptions may fail to hold or materialize, and/or the project may face substantial risks
Moderate Risk (M)	There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/or the project may face only moderate risk
Low Risk (L)	There is a probability of up to 25% that assumptions may fail to hold or materialize, and/or the project may face only low risks

Annex 2.

GEO LOCATION INFORMATION

The Location Name, Latitude and Longitude are required fields insofar as an Agency chooses to enter a project location under the set format. The Geo Name ID is required in instances where the location is not exact, such as in the case of a city, as opposed to the exact site of a physical infrastructure. The Location & Activity Description fields are optional. Project longitude and latitude must follow the Decimal Degrees WGS84 format and Agencies are encouraged to use at least four decimal points for greater accuracy. Users may add as many locations as appropriate. Web mapping applications such as [OpenStreetMap](https://openstreetmap.org/) or [GeoNames](https://www.geonames.org/) use this format. Consider using a conversion tool as needed, such as: <https://coordinates-converter.com> Please see the Geocoding User Guide by clicking [here](#)

Location Name	Latitude	Longitude	Geo Name ID	Location & Activity Description
Tumanyan	41.0019	44.6494	616132	Tumanyan community is located in Lori region (marz). As a result of community consolidation process, Atan, Ahnidzor, Shamut, Lorut, Karinj, Marts, Dsegh և Chkalov rural communities are now included in Tumanyan community's administrative units.
Atan	40.92972	44.84302	616873	Administrative unit of Tumanyan community
Ahnidzor	40.90764	44.82041	617000	Administrative unit of Tumanyan community
Shamut	40.93894	44.79424	616237	Administrative unit of Tumanyan community
Lorut	40.93717	44.77142	616465	Administrative unit of Tumanyan community
Karinj	40.97237	44.68979	616568	Administrative unit of Tumanyan community
Sarnakunk'	39.65008	45.88348		
Spandaryan	39.6197	45.92364		
Tsghuk	39.66723	45.85513		
Gorayk	39.68183	45.76149		

Please provide any further geo-referenced information and map where the project interventions is taking place as appropriate.



Sarnakunk.kml



Spandaryan.kml



Shahmut.kml



Marc.kml



Karinj.kml



Lorut.kml



Ahnidzor.kml



Atan.kml



Dsegh.kml



Chkalov.kml



Gorayq.kml



Tumanyan.kml