MID-TERM REVIEW

Project ID:	10365
Project Name:	Implementation of Armenia's LDN commitments through sustainable land management and restoration of degraded landscapes
Countr(ies):	Armenia
Implementing Agency:	FAO

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I. Overview

A. Description

Project name Implementation of Armenia's LDN commitments through sustainable land management and restoration of degraded landscapes	
Country Armenia	
GEF ID 10365	Implementing Agency FAO
Executing Entity Ministry of Environment	
Trust Fund GET	Project Type FSP
Objective To support the national efforts to implement the LDN targets of Armenia through sustainable land management and restoration of degraded landscapes	

B. Key Dates

CEO Endorsement/Approval 9/16/2021	Agency Approval 6/24/2021
Implementation Start 9/1/2022	First Disbursement 11/30/2022
Expected MTR	MTR Submission 1/9/2026
Actual MTR 4/14/2025	Expected Completion 2/11/2025

II. PROGRESS STATUS AND ISSUES

A. Main MTR Findings

Executive Summary

Introduction

1. As per FAO and GEF requirements, a Mid-Term Review (MTR) is conducted for the FAO-implemented, GEF-funded project "Implementation of Armenia's Land Degradation Neutrality (LDN) commitments through sustainable land management and restoration of degraded landscapes." The MTR was carried out by an independent evaluation team (one national and one international consultant) to assess project progress, identify challenges and opportunities, and support adaptive management.

2. The objectives of the MTR are to:

    - Assess the project's relevance, effectiveness, efficiency, sustainability, and impact.
    - Identify challenges and recommend corrective measures.
    - Highlight success stories, good practices, and upscaling potential.

The MTR report is intended to inform three main audiences:

- FAO-GEF stakeholders, such as the Budget Holder (BH), the Environmental Project Implementation Unit (EPIU), FAO GEF Coordination Unit (FAO GEF CU), Project Steering Committee (PSC) members, FAO country-level technical specialists, and the country's GEF Operational Focal Point.
- National level stakeholders, such as the Ministry of Environment (MOE), Ministry of Economy (MOEC), and Ministry of Territorial Administration and Infrastructure (MTAI).
- Local level stakeholders, such as farmer groups and women groups, technical consultants and service providers.

3. A standard methodology was used during the MTR. The review followed FAO-GEF guidelines and UNEG standards, and used a consultative, mixed-methods approach. Analysis was based on the project's Strategic Results Framework (SRF) and Theory of Change (TOC). Data collection involved desk reviews, stakeholder interviews, field visits, and direct observation of project activities in Lori and Syunik regions. Gender considerations and social/environmental safeguards were integrated throughout the review process which was carried out by a two-person team and supported by the FAO OCBD.

4. The MTR was designed to provide credible and evidence-based information to assess the project against the FAO-GEF Criteria of: Relevance, Effectiveness, Efficiency, Sustainability, Factors affecting performance, and Cross-cutting dimensions. A list of MTR questions, grouped under these criteria, informed and directed the MTR.

5. The MTR took place between April and June 2025 with field visits taking place between 7 – 14 April 2025.

Main findings

RELEVANCE

Finding 1: The LDN project is relevant across the national, GEF programmatic and FAO policy framework.

Finding 2: There is less coherence with the stated policy objectives in the project's strategy and interventions especially where they relate to the SLM measures in component 2, the means to deliver project interventions and the choice of pilot sites.

EFFECTIVENESS

Finding 3: The project was designed for a three-year implementation period which is unrealistic for a complex LDN project.

Finding 4: The criteria for selecting pilot sites does not provide the best justification for demonstrating LDN.

Finding 5: The SLM activities introduced do not necessarily represent innovative approaches or in some instances approaches which will have a significant effect on LDN.

Finding 6: The project has prepared management plans for each community using the FAO Land degradation Assessment in Drylands (FAO-LADA) approach including resource mobilisation.

Finding 7: The level of beneficiary investment in SLM activities is very low leading and raises questions regarding the sustainability of the activities post project.

Finding 8: Considerable work has been carried out under Outcomes 1.2 and 1.3. This will need to be accelerated if it is to completed before the close of the project.

Finding 9: There is unconvincing progress with the value chains. While the 2024 Project Implementation Report (PIR) reports that work has commenced on the value chains there is contradictory evidence, and the project still plans to engage a technical Consultant to produce these value chains. Women are likely to be the greatest beneficiaries of the value chain activities.

Finding 10: There is low or absent SLM or LDN recognition at the community level who appear to regard the objective of the project as a rural development goal.

EFFICIENY

Finding 11: There have been significant delays encountered in the first part of the project.

Finding 12: The project design is complex and arguably better suited to a direct implementation modality rather than an Operational Partner Implementation Modality (OPIM) which has reduced the efficiency of implementation.

Finding 13: The main project components (activities, outputs and deliverables) are, on the whole, either not fully implemented to the expected mid-term levels or are works in progress.

Finding 14: The project has a large EPIU - 9 positions (4 full time, 6 part time and 1 service contract). Some of the project outcomes may have been more effectively and efficiently achieved through contracting service providers.

Finding 15: There is a significant contrast between the project's presence within the communities in Syunik and Lori.

Finding 16: The efficiency of the project has increased considerably since 2023 and the appointment of current PC.

Finding 17: There is an unrealistic understanding of the status of the project. While the efficiency and effectiveness of the project has improved dramatically since early 2024 there are still considerable challenges to achieving the expected results.

Three **barriers** are identified by the MTR which may prevent the project from achieving its objective:

i. **Structural weaknesses in the OPIM arrangement prevent the project from utilising FAO's technical resources:** FAO has considerable experience in implementing LDN projects and in particular LDN and SLM interventions and represents an important pool of technical capacity. However, due to the way that the project is set up it seems to be unable to utilise this experience because of the financial arrangements reducing the comparative advantage of the FAO.

ii. **Unrealistic assessment of project results leading to confused monitoring and evaluation and unrealised project risks:** The project's monitoring and evaluation reporting is over-optimistic. The time remaining to achieve the project's results is very short. While the project has made considerable progress in the last year, in a large part due to the present PC and with a FAO M&E Specialist in place, assessments of progress are still over-optimistic.

iii. **Low awareness of LDN at the community level and weak linkages between LDN and rural development challenges:** The SLM activities, in the main, do not provide sufficient innovation and SLM benefits or may create environmental risks (for instance ploughing and fertilizer application). They may provide rural development benefits but even these are restricted and, in some cases, greater buy-in by the community could result in upscaling the impact.

FACTORS AFFECTING PROGRESS

Finding 25: The Project Document analysis is confusing and has a number of inherent weaknesses which may reduce the effectiveness of the interventions.

Finding 26: This was the first OPIM project carried out in Armenia. The project was designed in a way that would better suit direct implemented by FAO, according to KI feedback and would have benefitted from a simpler design.

Finding 27: The project was designed for a three-year implementation which is an overly optimistic expectation given the proposed interventions, the number of outcomes (7) and outputs (18) and the complexity and adaptive nature of the intervention.

Finding 28: The Project Document risk assessment was weak and does not appear to have been adequately addressed during the inception phase and subsequent Project Implementation Report (PIR).

Finding 29: The project's TOC is confusing and un-necessarily complicated making it hard to follow the logic of any causal pathways.

Finding 30: The project has experienced procurement challenges especially in engaging technical assistance.

Finding 31: There have been three PCs during the life of the project which has significantly impacted the progress. The third PC was appointed in March 2024 and has proven to be very effective significantly increasing the rate of delivery.

Finding 32: There have been significant delays in establishing the project which have affected the project's performance.

Finding 33: The project has a large Project Implementation Unit and technical assistance component including 9 positions (4 full time, 6 part time and 1 service contract).

Finding 34: Annual Work Plans and Budgets (AWP/B) are preprepared by the EPIU and agreed by the PSC. Bbudget execution in the first and second year was very low (2022 $12,064, 2023 $128,901). Expenditure has increased in 2024 ($519,570) and at 31/12/2024 there was 33% budget delivery. The Workplan and Budget 2025 – 2026 shows a forecast of $1,150,618 for 2025 and $185,224 to June 2026. Based on the historic data this is very ambitious.

Finding 35: The slow start up and delays in addressing implementation and execution challenges does not indicate that the project is sufficiently adaptive in its management.

Finding 36: Poor communication between FAO and the PSC and EPIU on the challenges facing the project and a belief that the Project Document must be rigidly adhered to militate against adaptive management.

Finding 37: There has been a budget revision without any deviation in budget categories to accommodate the project extension. Financial management is through the BH Financial Assistant. All re-allocated funds remain within the original budget line. Budget execution. Budget execution (up to 31/12/2024) is $658,374 (33%) of the total $1,996,380 with a remaining $1,338,006. Co-financing delivery has been low $2,170,370 or 18% of the co-financing at the CEO approval. The Workplan and Budget 2025 – 2026 shows a forecast of $1,150,618 for 2025 and $185,224 to June 2026.

Finding 38: According to the FAO Project Team an audit has already been carried out and another is planned after the MTR. No financial issues were raised with the MTR by KIs during the MTR.

Finding 39: The risk assessment in the Project Document is insufficient and lacks the level of critical analysis necessary to identify risks and ensure sufficient preparedness in project responses.

Finding 40: Risk management has been poor resulting in the project reaching a stage where it has very limited time to address structural and implementation issues.

Finding 40: Risks are not being identified and adding to the risk register and the project's overall risk rating has remained the same through successive PIRs despite a lack of progress in achieving its mid-term targets.

Finding 41: There is a confusion of roles within the FAO-OPIM arrangements which results in a diffuse responsibility and reduces the effectiveness of the project oversight role.

Finding 42: While stakeholder feedback indicated that there is a general opinion that there are weaknesses in the Project Document there is also a belief that the implementation cannot deviate from the Project Document.

Finding 43: There is an underestimation of the GEF Agency effort and resources required to provide oversight to an OPIM project such as this.

Finding 44: It is hard to assess how effective the project partnerships are given the delays, but it is likely that weak project partnerships at the higher institutional level have contributed to some of the delays.

Finding 45: The PSC membership is largely institutional and does not have any community, private sector or non-governmental representation on it.

Finding 46: The logical hierarchy, activities, outputs, outcomes, objective as presented in the Project Document's SRF are confusing.

Finding 47: Project M&E is taking place according to the M&E plan but compounded weaknesses in the system are not identifying implementation issues and challenges.

Finding 48: Weaknesses inherent in the Project Document SRF make it difficult for the project's management to effectively monitoring progress towards results.

CROSS-CUTTING PRIORITIES

Finding 49: Gender dimensions are being addressed but there is limited tangible evidence that this is having a significant impact in the piloted communities.

Finding 50: There was little tangible evidence of impact on women's equality in SLM activities and resource management at the community level.

Finding 51: There is confusion surrounding the Grievance Redress Mechanism (GRM). It is not clear how it relates to the project communities and no grievances have been reported.

Progress challenges and outcomes of stakeholder engagement

6. The project has faced a number of challenges which have slowed progress. Even with the extension until July 2026 and the effective personnel changes and additions (PC, M&E Specialist, Awareness Specialist), the project achievements are still vulnerable. Many of the activities are still underway and have not yet reached the level expected by the at the mid-term by the project's SRF making the project vulnerable. Additional time to complete these activities may reduce risks, particularly the procurement challenges related to technical assistance. Additional time for implementation would also allow the project to review the social and environmental procedures and identify any implementation and residual risks against the GEF 2024 Risk Appetite as well as strengthening the stakeholder buy-in of SLM and LDN.

Progress on gender-responsive measures, indicators and intermediate results

7. The project addresses gender dimensions in design and documentation, but this does not appear to translate into impacts on gender equality (within the project's limited gender remit, likely a GEN1 marker) at the community level. Interventions intended to promote women's equity (for instance, value chains, vegetable production) may pose risks of unintended consequences, suggesting the need for an Environmental and Social Commitment Plan (ESCP). Support has mostly targeted traditional income-generating roles (for instance, vegetable growing, beekeeping) without challenging gender norms.

8. Cultural and traditional barriers are often cited as limiting women's involvement in project activities at the community level, but the project lacks active strategies to address or overcome these obstacles.

9. Therefore, gender considerations are present in theory but are not translating into effective, inclusive practices at the community level. While the project has a gender action Plan, this needs to be operationalised through practical engagement at the community level in order to generate pragmatic experience and knowledge regarding the LDN-gender nexus. Furthermore, the work on value chains needs to be accelerated because this would likely provide a stronger basis for engagement of women in the community.

Knowledge activities/products and lessons learned

10. The knowledge products and gender sensitive materials are all in the draft stage or under finalization and the MTR is unable to assess.

Conclusions

Conclusion 1 Relevance: The LDN project demonstrates strong formal alignment with national policies, the GEF programmatic framework, and FAO strategic priorities. This relevance is more apparent in high-level documentation than in on-the-ground implementation. The project is well-framed within Armenia's national environmental and sustainable development goals, particularly its LDN Strategy and UNCCD commitments, and is supported by a range of policy instruments and programmatic goals. However, the project's strategic design and choice of SLM measures under Component 2 lack sufficient grounding in localized land degradation issues and their underlying drivers and rather lean towards conventional rural development approaches. Furthermore, feedback from key informants suggests a focus on increasing agricultural production rather than addressing the core issues of land degradation.

Conclusion 2 Progress towards outcomes: The LDN project has made progress in several areas, particularly with increased activity in 2024 under the recently appointed PC. However, foundational design flaws, slow early implementation, and limited strategic alignment with the complexities of LDN are all affecting delivery. A three-year implementation period was overly ambitious for a project of this scope, failing to account for known start-up challenges, seasonal constraints, and the time required for stakeholder engagement and systems development. The selection of pilot sites and interventions, while generating rural development benefits, often lacks clear relevance to LDN objectives, with many activities reflecting traditional agricultural support rather than innovative, SLM solutions.

Moreover, the MTR challenges the sustainability of these interventions due to low beneficiary investment and heavy reliance on project resources. The limited community awareness of LDN and climate change, as well as weak integration of local perspectives into planning and decision-making, further undermines the project's long-term impact. Efforts under GIS/mapping and planning (Outcomes 1.2 and 1.3) show promise but require accelerated progress and more capacity-building to meaningfully support decision-making frameworks. Similarly, while value chain activities may have potential—especially for women—the current strategy lacks clarity and a grounded understanding of existing capacities and constraints as well as tangible results.

Without stronger alignment between high-level goals and field-level implementation, deeper stakeholder engagement, and with the unrealistic remaining timeframe the project's ability to achieve lasting LDN outcomes remains uncertain but may be improved if given additional time to consolidate outputs and outcomes.

Conclusion 3 Efficiency: There have been recent improvements in project coordination and activity delivery which are commendable, especially since the appointment of the current PC in March 2024 and the FAO M&E Specialist in 2023. The project remains significantly behind schedule and faces substantial structural and operational challenges. Delays in early implementation, high staff turnover, and a mismatch between design complexity and technical procurement needs with the implementation modality have collectively undermined the project's efficiency, particularly in procurement, technical assistance, and adaptive management. Although progress has accelerated in 2024, only 13 months remain before the revised end date of July 2026, and most components remain either incomplete or in early stages of execution.

The ambitious and complex project design, coupled with a large project EPIU, may have benefited from greater delegation to specialized service providers or non-state actors to ensure more efficient and community-centered delivery. A disparity in community engagement between Lori and Syunik highlights the unevenness of implementation and the need for more tailored and inclusive local facilitation strategies. While there is broad stakeholder consensus that project efficiency has improved, the perception that the project is now "on track" may obscure the reality and without a dramatic increase in delivery pace, improved resource use, and stronger focus on outcome achievement, the project may not fully meet its objectives.

Conclusion 4 Sustainability: There are substantial concerns regarding the long-term sustainability of the LDN project's outputs and outcomes. While some recent progress is evident, particularly since 2023, the project remains at risk across financial, socio-political, institutional, and environmental dimensions. Financial sustainability is undermined by the incomplete implementation of key components, such as the enabling environment and DSS, and the lack of clear post-project funding mechanisms. Limited institutional embedding, stakeholder reliance on ongoing external support and minimal beneficiary investment are further compounding these risks. Socio-political sustainability is also uncertain, as KIs at both institutional and community levels show limited engagement with LDN principles *per se*, instead prioritizing infrastructure development and production-focused approaches that may be incompatible with long-term land stewardship.

Institutionally, the project has not had sufficient time to foster the adaptive capacity or collective understanding required to address land degradation as a complex, adaptive challenge. The continued dominance of conventional, top-down approaches hampers the behavioural changes envisioned in the Theory of Change. Meanwhile, environmental sustainability cannot be assessed meaningfully due to the late start of field interventions and the lack

of a formal environmental risk analysis. Overall, there is a significant risk that many SRF targets will remain unmet by the revised project end date in July 2026. Rather than prioritizing completion of all outputs, the project should focus its remaining time and resources on delivering a smaller number of high-quality, sustainable outcomes, particularly in enabling policy frameworks and institutional capacity. Alternatively, it might seek to obtain a further extension to reduce the vulnerabilities inherent in utilising the remaining 67% of the budget in the remaining 18 months.

Conclusion 5 Factors affecting progress – design and strategy: The project's design and readiness were marked by several critical weaknesses that have constrained its effectiveness and efficiency. The Project Document lacks a robust and coherent problem analysis, particularly in identifying and articulating the complex and interrelated root causes of land degradation. This shortcoming has led to an intervention logic that is unclear and not fully aligned with the realities on the ground, weakening the strategic direction of the project from the outset.

The strategic and technical complexity of the design may have reflected FAOs considerable experience of GEF LDN projects, but it was not accompanied by corresponding adjustments to the project design, risk management, or implementation experience necessary to fit the project to OPIM. As a result, the project inherited a complex and ambitious framework better suited to an international agency, creating implementation challenges that national systems were not fully equipped to manage within the three-year timeframe.

The initial project risk assessment was weak and failed to anticipate or mitigate key institutional and operational risks, particularly those related to inter-sectoral coordination, policy reform, and project governance. These risks have materialized during implementation and compounded the project's challenges. The overly complex TOC provided little practical value to the project team, further hindering strategic coherence and adaptive management.

The project's design suffered from a combination of overly ambitious targets, underestimated risks, and a poor match between complexity and implementation modality. These factors have reduced the project's readiness and its capacity to deliver sustainable results.

Conclusion 6 Factors affecting progress – management arrangements and implementation: The project's implementation, execution and management have been marked by a slow start, delays in mobilizing technical assistance, limited adaptive response, and persistent structural challenges. Despite recent improvements under the current PC and with support of the FAO M&E Specialist, these issues have hindered progress and highlight broader concerns with oversight, risk management, and stakeholder engagement. While institutional responsibilities were defined in formal agreements, practical coordination challenges and procedural delays—particularly related to the OPA modality—contributed to missed or delayed opportunities for adaptive management.In the remaining time left for the project, a clear, time-bound recovery strategy and improved coordination across project partners will be essential to maximize results within the remaining project period.

Conclusion 7 M&E and project SRF: The project's M&E systems are weak and lack the rigor needed to effectively track progress and inform adaptive management. Confusion within the SRF and a lack of utility in the TOC, combined with weak indicator design and limited data, has hindered meaningful assessment of outcomes. Reporting has at times been overly optimistic and not sufficiently evidence-based, particularly in areas such as land restoration. These weaknesses reflect broader issues in project planning and oversight and underscore the need for clearer roles, stronger data systems, and more realistic performance assessment in the project reporting.

Conclusion 9 Stakeholder engagement: Project partnerships and stakeholder engagement is hard to determine given that there have been significant delays, however they appear to have been limited and uneven, contributing to delays in implementation and weakening institutional awareness of LDN issues and solutions. While the PSC is intended to support inclusive governance, its composition lacks representation from key groups such as the private sector, civil society, and community stakeholders as well as the FAO which has resulted in limited participation from local representatives, suggesting that opportunities for broader engagement and ownership have been missed.

Strengthening stakeholder involvement and awareness of LDN and the accelerating effects of climate change at all levels is essential to improving project performance and sustainability.

Conclusion 10 Overall performance and outlook: While recent improvements under the current PC have accelerated delivery and coordination, the project remains significantly behind schedule and faces major challenges related to strategic clarity, efficiency, sustainability, and stakeholder engagement. Project design weaknesses, particularly an overambitious scope, weak risk analysis, and poor alignment between high-level goals and local realities have constrained progress from the outset.

Key components such as stakeholder engagement, the enabling environment and the DSS remain underdeveloped given the time remaining. Monitoring and evaluation systems are weak, reporting is overly optimistic, and the sustainability of interventions is doubtful due to limited community ownership and unclear post-project support mechanisms. With only 13 months remaining until the revised project end date, it is unlikely that the project will fully meet its original targets.

To achieve the greatest impact in the time remaining, the project should consider shifting the focus of effort from completing all outputs to delivering a smaller set of high-quality, sustainable outcomes such as those that strengthen institutional frameworks, enhance local capacities, and support strategic policy development. Alternatively, the project might seek an additional extension to reduce these risks. A clear exit strategy, more inclusive stakeholder engagement, and improved coordination will be critical to achieving this.

Conclusion 11 Conclusion Cross-cutting: While gender considerations are included in the project's design and documentation, there is limited evidence that these efforts are translating into meaningful or measurable impact at the community level. Gender-sensitive language and frameworks are present, but implementation remains weak, with few tangible outcomes observed, particularly in women's participation in sustainable land management or decision-making. Cultural barriers to women's involvement are acknowledged but not actively addressed through adaptive strategies. The project's GRM is unclear and not accessible to community members, undermining its potential role in safeguarding rights and equity. Greater awareness and specific actions to address existing socio-cultural prejudices are needed to ensure that gender equity and social safeguards are not only included on paper but also realized in practice.

Table 1 Recommendations

Rec. no.	Rationale for recommendation	Recommendation	Responsibility	Time/dates for actions
Strategic relevance				
1.	This is the first OPIM FAO-GEF project in Armenia. There has been confusion in the implementation and execution arrangements (for instance these have extended to carrying out the logistics of the MTR). This has impacted on the project (see finding 38) and it is worth noting that that when this is linked to the financial resources available to the Implementing Agency (see lesson 2) it is further compounded. According to the FAO these exist. However, in the MTR experience these may not be to the practical, every day, problem	Develop clear practical **day to day operational** guidelines on OPIM for Country Offices. This should include standardised training materials and procedures for OPIM PIUs[1][1].	FAO	Long term.

	solving level necessary to prepare a CO and PIU for the challenges of OPIM under often very different circumstances.			
Effectiveness				
2.	The communication between FAO and the EPIU are not properly structured, possibly due to the confusion in the roles of Implementing and Executing Agencies under an OPIM arrangement. This leads to inefficiencies and critically the weak monitoring of risks (see section 4.2.2, (ii)).	Develop a communication protocol between the FAO Country Office and the EPIU including shared folders and events timetable as well as summaries of all project's technical reports in English.	FAO & EPIU	Immediate as part of the Management Response.
Factors affecting performance				
3	FAO is not included in the PSC which lessens the project assurance and oversight role and reduces internal communications (see section 4.2.2, (ii), findings 35, 36 & 45).	FAO should be included in the PSC	MOE & FAO	Immediate as part of the Management Response.
Efficiency				
4	The Work Plan and Budget 2025 – 2026 is extremely ambitious and will only take in one more agricultural season. There is a risk that activities are rushed and as has been stated in this report, there are very likely compound risks and stochastic events which make the project extremely vulnerable. The forecast budget burn rate for the remaining period of the project - 67% forecast execution in 18 months versus the competed 33% in 34 months (see finding 34 & 47)	Consider a further extension of the project to allow a more realistic delivery of project results and reduce the risk of even minor externalities and unidentified risks on a project which is already under pressure.	MOE & FAO, PSC to approve	Immediate as part of the Management Response.
5	The project has experienced considerable procurement challenges, especially as these relate to technical services. These include Civil Service constraints on fee rates, identifying very niche technical expertise and experience and identifying and contracting technical services (see finding 12 & 26).	Request for a hybrid procurement agreement to utilise the considerable resources available to the GEF Agency and reduce the procurement and delivery risks during the remaining implementation time.	EPIU & FAO, PSC to approve	Immediate as part of the Management Response.
Sustainability & catalytic effect/replication				
6	Despite the efforts of the project in the previous year the delivery of project results is still very vulnerable. Realistically, even with an additional extension to the project there is a risk that a number of outputs will be incomplete or will be rushed increasing the risk of sustainability. The TE will recognize this and it is better to have a smaller number of tangible and sustainable results than	Review the project outputs and activities in the 2025-26 AWP&B and any further AW&B. Identify outputs and activities which can be: Completed by the EOP Realistically handed over and continued after the EOP	EPIU, PSC & FAO	Immediate as part of the Management Response.

	to try to complete everything (see section 4.2.1).	Will not be completed or continued after the EOP State clearly which outputs are to be completed and which will not be, develop an exit plan demonstrating how any activities and outputs not completed will be continued post EOP.		
Cross-cutting dimensions				
7	The MTR considers that the social and environmental risks as presented in the Project Document related to the SLM interventions are under-rated leading to the possibility that there are unrealized, and compound social and/or environmental risks related to the component 2 SLM activities (see sections 4.5.5.2 & 4.6.2).	Carry out a rapid social and environmental risk assessment on the field SLM activities and value chains.	EPIU	Immediate as part of the Management Response.

Table 2 MTR Ratings and achievements summary table

GEF criteria/ sub-criteria	Rating	Summary comments
A Strategic relevance		
A1 Overall Strategic Relevance	S	See below.
A1.1 Alignment with GEF and FAO strategic priorities	S	The project is aligned with key international frameworks, including the GEF focal area objectives on sustainable land management (SLM) and UNCCD land degradation neutrality (LDN), the FAO Country Programme Framework (2024–2025), and the FAO Strategic Framework 2022–31, supporting goals related to sustainable agriculture, climate resilience, biodiversity, and inclusive rural development.
A1.2 Relevance to national, regional and global beneficiary needs	S	The LDN project is broadly aligned with Armenia's national policy objectives and international commitments, including the UNCCD obligations.
A1.3 Complementarity with existing interventions	S	The project is co-financed by the Forest resilience of Armenia through enhancing adaptation and rural green growth via mitigation project funded by Geen Climate Fund (GCF) project.
B Effectiveness		
B1. Overall assessment of project results	MS	There has been a low rate of delivery during the first half of the project making it hard for the MTR to assess the effectiveness of the project in achieving its objectives and many of the project's outputs are still in progress with considerable risks that they may not be completed before the projects close. A Moderately Satisfactory rating is given at the MTR with the caveat that this can be increased if there is additional time to complete many of the outputs and outcomes. However, this will need a clear and coherent plan in place to achieve this.
B1.1 Delivery of project outputs	MS	As above, most outputs are still under way and behind schedule considering the remaining time available for their completion. Of the 17 SRF indicators the MTR rates, 9 MU, 4 MS, 3 S, and 2 are un-reported on at the MTR.
B1.2 Progress towards outcomes and project objective	MS	As above, most outcomes are still under way and behind schedule considering the remaining time available for their completion. 6 indicators are MU, 6 indicators are MS, and 3 are not able to be reported. 5 outcomes are rated MS, and 2 are rated MU
- Outcome 1.1: Enhanced enabling environment for LDN at national level	MS	**Moderately Satisfactory**. A key mid-term target (development of one policy) has not yet been achieved, partly due to a lengthy stakeholder consultation process. Although work on policy review, gap analysis, and gender-responsive legislation is ongoing, there are concerns about completing them before the project's end. The MTR suggests referring to 'draft' policies or laws, as final approval lies outside the project's control. Additionally, the resource mobilization plan faced significant stakeholder criticism. Despite this, progress on drafts and processes boosts confidence in eventually achieving the outcome. However, additional time for this process would be beneficial.
- Outcome 1.2: Enhanced understanding of land degradation	MS	**Moderately Satisfactory.** Progress is mixed. While LADA assessments have been completed and baselines established, key analyses, such as cost assessments and gender variations, still

drivers informs LDN target setting at the national and community level		need to be completed and integrated before the end of the project and additional time would be useful before project closure. However, targets remain undefined, and it's unclear if enough data and stakeholder input exist to reach a consensus, raising concerns about completion.
- Outcome 1.3: Enhanced capacity to implement LDN at national and local levels	MS	**Moderately Satisfactory.** Progress is mixed. Indicator 5 appears on track with training materials and a gender module developed, though gender-disaggregated data is missing. The LDN National Capacity Building Programme has begun but faces coordination issues. Indicator 6 is harder to assess, with work delayed until later in the year, however TOR have been prepared There is confusion around the Decision Support System (DSS) due to overlap with other outcomes and outputs, highlighting issues in the project's logical framework
- Outcome 2.1: Resilient SLM practices and investments introduced on degraded land in target areas	MS	**Moderately Satisfactory.** Integrated Land Management (ILM) plans using participatory methods have made progress, with 601 hectares (ha)of degraded land reportedly improved across two communities. However, improvements are based on limited evidence (only one round of soil testing) and clearer, standardized indicators (for instance, LDN measures like cover, productivity, and SOC) are needed. Environmental risks of interventions (ploughing, fertilizer use) must also be assessed for long-term sustainability. The alignment of these actions with broader landscape restoration goals needs to be more embedded. Additionally, several targets were not reported at mid-term, gender disaggregation is missing, and there is confusion around reported outreach figures.
- Outcome 2.2: Key land-based value chains strengthened and made more resilient and equitable.	MU	**Moderately Unsatisfactory.** While some work is underway, there is insufficient evidence that the project will establish credible, sustainable value chains. Key issues include limited impact at beneficiary level (for instance, only 3 beehives per beneficiary), beneficiary investment (for instance, the berry farms) and sustainability (for instance, beneficiaries stating clearly that they would not continue to purchase fertilizer) and lack of structural support for long-term viability. Planned activities such as life cycle assessments and business plans have faced delays, mainly due to technical services procurement issues. Although the project team referenced earlier work, no supporting evidence was available at the mid-term review.
- Outcome 3.1: Project monitoring and evaluation and monitoring and assessment of global environmental benefits and LDN.	MS	**Moderately Satisfactory.** *T*here is confusion around the indicator's purpose. It should relate to project monitoring and global environmental benefits (GEBs), while UNCCD LDN indicators should be tracked through the DSS. SLM practices have been implemented, with 14 community-level management plans in place and expert reports confirming rollout. However, adoption levels remain unclear. M&E challenges are partly due to reporting issues but also due to a confusing strategic results framework and TOC.
- Outcome 3.2: Lessons learned and dissemination of knowledge to support scaling up of LDN.	MU	**Moderately Unsatisfactory.** Key informant (KI) feedback revealed low awareness of SLM and LDN. Stakeholders were primarily focused on conventional rural development, infrastructure and productivity, with little connection to sustainability or systemic resilience.
- Overall rating of progress towards achieving objectives/ outcomes	MS	There are aspects of the project that are behind schedule and very vulnerable without additional time to complete them. However, the present PIU provides a degree of confidence that these can be completed in time.
B1.3 Likelihood of impact	N/A	Not rated at MTR
C. Efficiency		
C1. Efficiency	MU	The project has faced major delays, complex implementation challenges, coordination issues and low early efficiency. While recent improvements under new leadership have accelerated delivery, the project remains significantly behind schedule, with many outputs still incomplete and a risk that key outcomes will not be achieved by the extended end date.
D. Sustainability of Project Outcomes		
D1. Overall likelihood of or risks to sustainability	ML	There are significant risks to the sustainability and completion of project outcomes, and with limited time remaining, efforts should prioritize quality delivery of key activities over completing all outputs, despite recent improvements in implementation. See below.
D1.1 Financial risks	MU	Financial sustainability of the project is uncertain, with most activities still incomplete and early signs indicating significant risks, particularly due to weak institutional embedding, limited stakeholder ownership, and a lack of clear post-project financing mechanisms.
D1.2 Socio-political risks	ML	Despite alignment with national policies, stakeholder feedback suggests limited socio-political support for LDN objectives, with a stronger focus on production over resilience; progress on policy integration is slow, and reliance on future project support and the current status of the National Resource Mobilization Plan do not provide a convincing case for sustainability.
D1.3 Institutional and governance risks	MU	The project has lacked sufficient time and focus to foster a collective, adaptive understanding of SLM and LDN, with stakeholders largely defaulting to conventional, technical solutions shaped by past systems, hindering the behavioural change (highlighted in the project's Theory of Change) needed for long-term impact.
D1.4 Environmental risks	N/A	Unable to assess.
D2 Catalyst and replication	MU	Unable to assess. Due to the incompleteness of the activities, outputs and outcomes and the time remaining for the project's completion the MTR is unable to comment on any replication and catalytic effects.
E. Factors affecting performance		

E1. Project design and readiness	MU	The project design has a number of critical weaknesses, including a weak analysis of land degradation drivers, an overly complex and unclear theory of change, unrealistic three-year timeframe, insufficient risk assessment, and procurement challenges especially when it comes to technical assistance that reduced efficiency which have compounded to undermine the project's effectiveness and progress.
E2. Quality of project implementation	MS	The project has faced major delays due to procurement challenges, turnover in project coordinators, and slow initial setup, including late hiring and administrative hurdles; while recent progress has improved under new leadership, the project remains significantly behind schedule.
E2.1 Quality of project implementation by FAO (BH, LTO, PTF, etc.)	MS	There appears to be a confusion of roles and responsibilities regarding the oversight and project assurance. Decisions on issues affecting progress have not been taken expeditiously. FAO initially carried out this role through the BH and Finance Assistant. A FAO M&E Specialist was appointed in September 2023 leading to improvements.
E2.2 Project oversight (PSC)	MS	The PSC has met twice (according to the Project Document it should meet twice yearly). Decisions on issues affecting progress have not been taken expeditiously. The FAO, local communities and NGOs do not appear to have representation on the PSC.
E3. Quality of project execution	MS	See below.
E3.1 Project execution and management (PCU, partner performance, administration, staffing, etc.)	MS	There have been 3 Project Coordinators, the most recent appointed in March 2024 since which the implementation has improved considerably. However, critical roles such as an Awareness Specialist have only been filled since April 2025. While AWP&Bs are developed there have been delays in budget execution and procurement challenges which have affected the rate of delivery (to 31/12/2024: 2022 $12,064, 2023 $128,901, 2024 $519,570 or 33% budget execution and 18% of the co-financing at the CEO approval).
E4. Financial management and co-financing	MS	Financial management is through the BH Financial Assistant. There has been a budget revision without any deviation in budget categories to accommodate the project extension. All re-allocated funds remain within the original budget line. Budget execution. Budget execution (up to 31/12/2024) is $658,374 (33%) of the total $1,996,380 with a remaining $1,338,006. Co-financing delivery has been low According to the BH the project is audited once a year. The June 2024 PIR states that US$ 2,170,370 co-financing (18% of the co-financing confirmed at CEO approval) has been delivered.
E5. Project partnership and stakeholder engagement	MU	Project partnerships have been weakened by delays and limited stakeholder engagement, particularly at the institutional level which have affected component 1 delivery. Both design and implementation appear to have underestimated the challenge of stakeholder coordination and involvement. The PSC is largely institutional it is hard to see how stakeholders are effectively and equitably involved in decision-making on issues related to the component 1 and 2 activities.
E6. Communications, knowledge management and knowledge products	MU	The project has produced a communications strategy. However, this does not appear to have developed a collective understanding of LDN and the accelerating effect of climate change. Where there is an understanding, it does not appear to have developed shared approaches to the means to address these challenges and build resilience.
E7. Overall quality of M&E	MS	See below.
E7.1 M&E design	MU	Project M&E is taking place but compounded weaknesses in the system are not identifying implementation issues and challenges. Confusing indicators (the logical hierarchy, activities, outputs, outcomes, objective as presented in the Project Document's Strategic Results Framework (SRF)), and overly optimistic assessments; structural flaws in the SRF further reduce the effective tracking of progress and informed decision-making.
E7.2 M&E plan implementation (including financial and human resources)	MS	The project's M&E system is weak, with limited and unclear reporting (possibly due to the slow delivery of activities), overly optimistic evaluations, and a confusing results framework (SRF), making it difficult to monitor real progress or identify challenges; these issues suggest a lack of strategic oversight and clarity in project roles and responsibilities. There does not appear to have been any critical analysis of the project's SRF.
E8. Overall assessment of factors affecting performance	MU	The project appears to have been affected by compound issues – *inter alia:* poor design, mismatch of implementation modalities, unrealistic timeframes, confusing TOC (for instance, the four assumptions or drivers identified are arguably things the project was expected to achieve, the drivers of land degradation identified in the Project Document - deforestation, the collapse of old grazing regimes and, land fragmentation and land tenure, all three of which are quite likely to be factors in causing land degradation - are themselves complex and resulting from multiple and unpredictable cause and effect relationships and in the case of "the collapse of old grazing regimes" subject to a number of assumptions and challenges regarding their suitability and sustainability) and SRF, turnover of key staff, late delivery of activities. However, the critical issue being that key points in the project cycle have been missed when remedial actions could have been taken by the project partners such as during the inception phase and when it was clear that

		the project was struggling an extension was decided without a significant critical analysis and recovery plan.
F. Cross-cutting concerns		
F1. Gender and other equity dimensions	**MU**	Gender considerations are integrated into the project's design and planning, there is limited evidence of meaningful impact on women in pilot communities.
F2. Human rights issues	**N/A**	
F3. Environmental and social safeguards	**MU**	There is confusion around the project's Grievance Redress Mechanism (GRM). FAO states that it is compliant with the GEF and FAO guidelines, the EPIU has its own institutional GRM, but there is no discernible "project-level GRM. With no clear link to community stakeholders and no reported grievances; current channels are limited and may discourage women from raising potential concerns. There may also be unidentified and compound social and environmental risks in the component 2 SLM activities.

[1] In the experience of the MTR team, a UNDP Country Office engaged a previous member of staff from another Country Office to conduct internal training on the Direct Implementation Modality (UNDP equivalent of OPIM) under very similar circumstances.

B. Stakeholder Engagement

4.5.4 Project partnerships & stakeholder engagement

Finding 44: It is hard to assess how effective the project partnerships are, given the delays. KI feedback stated that weak project partnerships at the higher institutional level have contributed to some of the delays.

1. Challenges in stakeholder engagement are given as reasons for the delay in elements of component 1, especially in reaching a consensus with regard to the enabling environment, as reported in both the 2023 and 2024 PIRs. This was also reiterated by KI feedback. It is reasonable to assume that the project design underestimated the challenge of building a coalition of interests across institutional partners as well as other stakeholders (see findings 3, 10, and 27). These risks were identified in the Project Document (see finding 28); however, the proposed mitigation measures in the Project Document do not provide a convincing mitigation.

Finding 45: The PSC membership is largely institutional and does not have any community, private sector, or non-governmental representation on it.

2. The PSC, a project structure that allows stakeholder engagement in the implementation of a project, has only met three times. Minutes of meetings exist for two of these meetings (2023, 2024), and it is assumed that the third meeting was related to the project's Inception Workshop. According to the Project Document (p. 51), the PSC should meet "at least" twice a year.

3. The PSC includes the MOE, MOEC, MOTAI, and Lori and Syunik marzes. Notably, it does not include FAO or non-governmental organization representation or specific user groups or women's representation. The local community is represented on the PSC by the local Lori and Syunik Regional Village Administrations; however, it is not clear from the minutes of meetings if they actually attend the meetings.

C. Gender Equality

4.6.1 Gender and other equity dimensions

Finding 49: Gender dimensions are being addressed but there is limited tangible evidence that this is having a significant impact in the piloted communities.

1. No gender marker was given in the Project Document; however, it is likely that the project would have a GEN 1 Marker: *Promoting gender equality is relevant. Gender dimensions are systematically integrated in the project, even if the promotion of gender equality is not the main objective of the intervention**[1]***[2]. The Project Document mentions gender 189 times, mostly in relation to gender-responsive or gender-sensitive policy and legislation or gender-responsive SLM approaches and gender-responsive value chains, all of which are not yet at a stage where the MTR can evaluate effectiveness.

2. The Project Document has an extensive section (pp. 46 – 49) including a table (Table 8, p. 47) demonstrating how the project contributes to the objectives of FAO Policy on Gender (2013).

3. The EPIU includes a Gender Specialist and Gender Action Plan (GAP) was prepared during the PPG[2][3] and a subsequent GAP was issued in 2023 (2023 – 2025) but it is not clear whether this is the same Project Document Gap, an updated version or a new document. The MTR has not seen any reporting on the GAP. A Power Point Presentation "Gender and Land Rights" (undated) has been prepared which is an important document, but it does not specifically detail the Syunik and Lori communities.

4. Certain interventions, such a resource management plans, distribution of project benefits at the community level and the development of value chains, while intended to address issues of gender inequality, would likely require an ESCP[3][4] due to risks of unintended consequences arising during implementation.

Finding 50: There was little tangible evidence of impact on women's equality in SLM activities and resource management at the community level.

5. Stakeholder feedback and direct observations during the field mission did not reveal any significant impact on the lives of women in the communities. While the MTR was only able to reach a very small number of women (see section 1.5), in these instances the project had provided some support for relatively traditional income-generating activities (e.g. vegetable growing, beekeeping, etc.) but there was little to suggest that this was more than basic support to rural communities along existing gendered activities. Arguably, the work on value chains may have a more significant impact, however, the work around these is incomplete.

6. KI feedback frequently reiterated that it was challenging to reach women in the communities because of traditional and cultural norms and barriers. This is a reasonable observation; however, the MTR did not find in place any strategies which might positively alter this *status quo*.

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[1] FAO. 2024. Guide to mainstream gender in the FAO project cycle. Rome. https://doi.org/10.4060/cd0350en

[2] This document was not available to the MTR.

[3] Environmental and Social Management Guidelines, FAO, Rome, 2015, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://openknowledge.fao.org/server/api/core/bitstreams/a5ca44db-0cdd-43a4-bf87-9e063e6d8252/content

D. Knowledge Management

Knowledge activities/products and lessons learned

1. The knowledge products and gender sensitive materials are all in the draft stage or under finalization and the MTR is unable to assess.

III. Core Indicators

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
4000	11300		

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	11,300.00	0.00	

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Natural grass	4,000.00		0.00	

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
56000	166000		

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
56,000.00	166,000.00	0.00	

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Documents (Document(s) that justifies the HCVF)

Title

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	492672	32274507		
Expected metric tons of CO_2e (indirect)				

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	492,672	32,274,507	0	
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting	2021	2022		
Duration of accounting	20	20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)				
Expected metric tons of CO_2e (indirect)				

Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	750	1,250	0	
Male	1,750	1,250	0	
Total	**2,500**	**2,500**	0	**0**

IV: Co Financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Anticipated at CEO($)	Materialized at MTR($)
Recipient Country Government	Ministry of Environment of the Republic of Armenia	In-kind	Recurrent expenditures	100,000.00	30,000.00
Recipient Country Government	Ministry of Economy of the Republic of Armenia	In-kind	Recurrent expenditures	1,000,000.00	1,000,000.00
Recipient Country Government	"Environmental Project Implementation Unit" (EPIU) State Institution	In-kind	Recurrent expenditures	48,000.00	30,000.00
Recipient Country Government	Forest Committee of the Ministry of Environment of the Republic of Armenia	In-kind	Recurrent expenditures	10,000.00	6,000.00

Beneficiaries	Gorayq community of syunik Marz	In-kind	Recurrent expenditures	50,000.00	15,000.00
GEF Agency	FAO	Grant	Investment mobilized	10,800,000.00	1,079,370.00
Other	Armenian National Agrarian University	In-kind	Recurrent expenditures	10,000.00	10,000.00
Total Co-financing				**12,018,000.00**	**2,170,370.00**

Comments

V: ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
	Low	Not available at this stage	

Measures to address identified risks and impacts

Given that the late start of field activities it is not possible for the MTR to provide a concrete assessment of environmental sustainability without an environmental risk assessment on treatments such as ploughing and fertilizer applications.

The MTR is unable to assess the environmental sustainability at this stage.

VI. ANNEX

Uploaded Document

Document Category	Title
M and E Document	GEFID10365_MTR_FAO_Armenia