



## PROJECT DOCUMENT

Ethiopia



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**Project Title: Institutional Strengthening for Catalysing Forest Sector Development Project in Ethiopia**

**Project Number:**

**Implementing Partner: Ministry of Environment, Forest and Climate Change**

**Responsible Parties to the IP: SLU, CIFOR, WGCF-NR**

**Start Date: 2018**

**End Date: 2022**




**PAC Meeting date:**

### **Brief Description**

Ethiopia's continued development is under serious threat. In particular, rapid population growth and the concentration of most Ethiopians in rural areas is putting pressure on the country's natural resource base. Projections indicate that unless action is taken to change the traditional development path, an area of 9 million ha might be deforested between 2010 and 2030 and over the same period. Deforestation for agricultural expansion and forest degradation for fuel wood demand remains to be the two critical drivers of change in the forested landscapes of Ethiopia. The increased pressure from agricultural land expansion (expected to increase from 12.6 million hectares in 2010 to 27 million hectares in 2030) would result in the deforestation of nearly 9 million hectares of forestland. Ethiopia's desire to increase forest cover from the current 15.5% to 30% by 2030, technical capacities need to be expanded beyond what currently exists to support and derive innovation and stronger engagement with private sector and civil society partners who can create sustainable and cost-effective forest sector development models.

Institutional Strengthening for the Forest Sector Development Program of Ethiopia has been designed to support capacity building efforts. Overall, the performance of the program has been substantial in achieving its targets with the participation of multiple stakeholders while using a flexible approach to create multifunctional landscapes. However, to make the achievements sustainable, additional support was required focusing on building technical capacities at various levels thereby catalyzing large scale investments in wider areas. This proposal was then initiated as a second phase to sustain the progress made in the first phase

To realize the long-term development planning benefits from a carbon-intensive to a carbon-neutral and climate-resilient development pathway. The Institutional strengthening for Catalysing Forest Sector Development Project in Ethiopia project will take a four-pronged approach to: i) Enhance an enabling environment for strong forest sector delivery; ii) Promote a sustainable forest production; iii) Enhance the forest ecosystem services; and iv) Foster model environmental stewardship. The following three outcomes will be delivered through this initiative:

-  Strengthening the capacity of forest sector at strategic and operational levels;
-  Creating multi-functional landscapes in rural and urban areas;
-  Substantially reduce the vulnerability of poor communities to extreme events.

To achieve these outcomes, the proposed Institutional Strengthening for Catalysing Forest Sector Development Project for Ethiopia is aimed to overcome key barriers including: i) inadequate technical and technological capacities at federal, regional and district levels; ii) lack of forest governance system and poor coordination with other sectors; iii) limited incentive and access to finance for private sector in forest sector

development; iv) lack of sustainable Forest Management System; and v) lack of integrated urban planning system. This project, which builds on several development initiatives in the country, will be implemented by the Ministry of Environment, Forestry and Climate Change with the support of UNDP, and is expected to commence in September 2018 and be completed by 2022.

The goal of this project is therefore to create strengthened forestry sector and resilient social, economic and ecological systems. The focus areas for this proposed forest sector development program is structured in four components: Enhancing enabling environment for forest sector development program, promoting sustainable forest production and Forest Land Landscape Restoration (FLR), Enhancing forest environmental services and fostering model environmental stewardship in selected urban areas. The overall objective of this program is to promote sustainable and competitive tree-based production systems in the rural and urban landscapes of Ethiopia thereby contributing for community and ecosystem resilience.

Contributing Outcome (UNDAF/CPD, RPD or GPD):

UNDAF outcome (5): By 2020 Key government institutions at federal and regional level are better able to plan, implement and monitor priority climate change mitigation and adaptation actions and sustainable natural resource management. The expected out comes and outputs are:

Outcome 1. Capacity of the forest sector strengthened at strategic and operational levels

Outcome 2. Multi-functional landscapes created in rural and urban areas

Outcome 3. Vulnerability of poor communities to extreme events reduced

Output 1. Enabling environment for strong forest sector delivery enhanced.

Output 2. Sustainable forest production promoted

Output 3. Forest Ecosystem Services enhanced

Output 4. Model environmental stewardship fostered in selected urban areas

Implementing Partner Ministry of Environment, Forest and Climate Change

Responsible partners: CIFOR, Wondo Genet College of Forestry and Natural resources; Ethiopian Environment and Forest Research Institute; Selected TVETs

Contributing Outcome (UNDAF/CPD, RPD or GPD):  
 UNDAF outcome (5): By 2020 Key government institutions at federal and regional level are better able to plan, implement and monitor priority climate change mitigation and adaptation actions and sustainable natural resource management.  
 Indicative Output(s) with gender marker<sup>2</sup>:

<b>Total resources required:</b>	46,544,881USD	
<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	1,250,000 USD
	<b>Sweden:</b>	23,000,000 USD
	<b>Government: In-kind</b>	5,000,000 USD
	<b>Unfunded:</b>	17,294,881 USD

Agreed by (signatures)<sup>1</sup>:

Government	UNDP	Implementing Partner
Print Name: Mr. Admasu Nebebe	Print Name: Louise Chamberlain	Print Name: Dr. Gemedo Dalle
Date:	Date:	Date:



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## ACRONYMS

BOA	Bearou of Agriculture
CIFOR:	Centre for International Forestry Research
CPD:	Country Program Document
CRGE:	Climate Resilient Green Economy
CSA:	Central Statistics Agency
EBI:	Ethiopian Biodiversity Institute
EEFRI:	Ethiopian Environment and Forest Research Institute
ECRA	Ethiopia Custom and Revenue Authority
ETB:	Ethiopian Birr
FCPF:	Forest Carbon Partnership Facility
FDRE:	Federal Democratic Republic of Ethiopia
FLR:	Forest Landscape Restoration
GEF:	Global Environmental Facility
GTP:	Growth and Transformation Plan
GVP:	Gross Value of Production
IS-CFSDP	Institutional Strengthening for Catalysing Forest Sector Development Program
LULUCF:	Land use, Land-use Cover change and Forestry
M&E:	Monitoring and Evaluation
MEFCC:	Ministry of Environment, Forest and Climate Change
MOA:	Ministry of Agriculture (previous Ministry)
MOANR:	Ministry of Agriculture and Natural Resources
MOLF:	Ministry of Livestock and Fishery
MPFT:	Multi-purpose Fodder Trees
NFPA:	National Forest Priority Area
NDC:	Nationally Determined Contributions
NFPA:	National Forest Priority Area
NFSDP:	National Forest Sector Development Programme
NRM:	Natural Resource Management
NTFP:	Non-Timber Forest Product
PES:	Payment for Ecosystem Services
PFM:	Participatory Forest Management
PPP:	Public Private Partnership
PRM:	Participatory Resource Management
REDD+:	Reduction of Emissions from Deforestation and Forest Degradation
RET:	Rural Energy Technologies
RIF:	REDD+ Investment Framework
SUPFMP	Scaling up Participator Forest Management Project
SDG:	Sustainable Development Goal
SFM:	Sustainable Forest Management
TBL:	Tree Based Livelihood
ToC:	Theory of Change
TOT:	Training of Trainers
WRI:	World Resource Institute
WGCFNR:	Wondo Genet College of Forestry and Natural resources

## I. EXECUTIVE SUMMARY

Ethiopia's fast economic growth is taking place but conserving its forests with an increasing forest product demand has become a persisting challenge. Equally, the country well recognizes the key role forestry plays in setting a sustainable and green development path. Accordingly, the Ministry of Environment, Forest and Climate Change of Ethiopia was established in 2013 (proclamation 803/2013) and is mandated, inter alia, to coordinate forestry, environmental and climate change issues. As part of its mandate, the Ministry has recently embarked in a ten-year National Forest Sector Development Program (NFSDP). The overall vision of the ten-year National Forest Sector Development Program (NFSDP) aims at transforming Ethiopia's forest sector in a way that increases its contribution to the GDP, generate employment and enhance quality environmental services. To achieve these visions, the sector development program has identified five main pillars or action programs viz; Enabling environment and institutional development, sustainable forest production and value chain; Forest environmental functions; forests and rural livelihoods and promoting urban greening and urban forests.

The NFSDP document also outlines in detail action programs that would be implemented in the short and long-term to achieve its desired goal by 2027. In order to contribute for the implementation of this NFSDP, this technical proposal identified priorities from the five action programs.

Institutional Strengthening for the Forest Sector Development Program (ISFSDP) of Ethiopia has been designed to support capacity building efforts. Overall, the performance of the program has been substantial in achieving its targets with the participation of multiple stakeholders while using a flexible approach to create multifunctional landscapes. However, to make the achievements sustainable, additional support was required focusing on building technical capacities at various levels thereby catalysing large scale investments in wider areas. This proposal was then initiated as a second phase to sustain the progress made in the first phase. The ISFSDP project will continue implementation as per the previously allocated budget of 6.5million USD until 2020 and the ISCFSDP will extend its implementation at scale starting in 2018 and end by 2022.

The goal of this project is to create strengthened forestry sector and resilient social, economic and ecological systems. The focus areas for this proposed forest sector development program is structured in four components: Enhancing enabling environment for forest sector development program, promoting sustainable forest production and Forest Land Scape Restoration (FLR), Enhancing forest environmental services and fostering model environmental stewardship in selected urban areas. The overall objective of this program is to promote sustainable and competitive tree-based production systems in the rural and urban landscapes of Ethiopia thereby contributing for community and ecosystem resilience.

The program will be implemented on a phased approach; a short inception phase of designing long-term collaboration followed by two subsequent phases. The first phase includes development of long-term project proposal, TOT for forest extension agents on forest management and utilization,

critical gap analysis, identify key PPP challenges and opportunities and strengthen PPP, establishing strong linkages with existing initiatives, creating additional capacities on critical gaps (e.g. directives/guideline, incentives for the private sector etc), prepare for the inception of graduate training and action research, establishing baselines. The second phase focuses on TOT on entrepreneurship, forest governance and urban landscape management, designing road-map for long-term capacity building, training on FSM framework implementation, initiate Tree-based Livelihoods (TBL), undertake research on new production systems and trade-offs, mapping wood/non-wood forest product market, assess and initiate linkage with financial institutions and finally strengthen PES guideline, identify key biodiversity resource to be utilized at economic scale using local knowledge. The detailed action plan is being developed. This will be followed by a third phase to capitalize on the experience of the preceding two phases and scale-up best practices. The program will be implemented for the next five years through a bilateral and multilateral support from different partners in our climate partnership agreement. The financial support from SIDA and engagement of the Swedish Agricultural University (SLU) as responsible partner, will be key for the implementation of the activities outlined above during the interim period. SIDA has also shown interest to provide support for the initial phases, while the remaining finance is expected to be covered through 'crowding-in' funding support from other global partners.

The project implementation areas will be selected in the future in consultation with the regional states and other stakeholders.

## **II. DEVELOPMENT CHALLENGE**

Ethiopia is the second-most populous country in Africa, with over 100 million residents. For the last 10 years, Ethiopia has experienced one of the world's fastest economic growth rates with real Gross Domestic Product (rGDP) growth averaged 10.9 per cent, between 2004 and 2014. Economic growth has been accompanied by significant reductions in poverty, with extreme poverty falling from 55 per cent in 2000 to 22 per cent in 2014. Despite this progress, Ethiopia's continued development is under serious threat due to rapid population growth and the concentration of most Ethiopians in rural areas which is putting pressure on the country's natural resource base. Ethiopia's forests underpin key sectors of the economy with immense potential to contribute to social and economic development of the country through a range of environmental, ecological, economic and social services. In addition to the diverse wood and non-wood products gained from the forestry sector, Ethiopia's forested landscapes provide a wide range of environmental services benefitting both forest communities and the rest of the population. Forest values related to ecosystem services, such as watershed protection and associated benefits related to energy and soil protection, ecotourism potential and biodiversity conservation, contribute significantly to the health and wealth of Ethiopia. Thus, the overall development challenge of the forest sector in Ethiopia is the high rate of deforestation and forest degradation with its subsequent social, ecological and economic impacts.

Deforestation for agricultural expansion and forest degradation for fuel wood demand remains to be the two critical drivers of change in the forested landscapes of Ethiopia.

The increased pressure from agricultural land expansion (expected to increase from 12.6 million hectares in 2010 to 27 million hectares in 2030) would result in the deforestation of nearly 9 million hectares of forestland. Projections indicate that unless action is taken to change the traditional development path, over the same period, annual fuel wood consumption could rise by 65 per cent, leading to forest degradation due to the extraction of more than 22Mt of woody biomass. Given Ethiopia's desire to increase forest cover from the current 15.5% to 30% by 2030, technical capacities need to be expanded beyond what currently exists to support and derive innovation and stronger engagement with private sector and civil society partners who can create sustainable and cost-effective forest sector development models.

The institutional Strengthening for the Forest Sector Development Project which is under implementation with the support of Swedish and Norwegian support since 2015, has contributed a lot to overcome the above discussed challenges. The objective of the on-going project has been enhancing and stimulating sustainable forest development in line with GTP and CRGE; fostering institutional support at all levels; promoting popular participation; strengthening science and Innovation and promoting private sector engagement.

To sustain the progress made by this project, there is a need to build technical and technological capacities of the forestry research and extension system by revitalizing the practical training; promoting the private sector and small holder's engagements. The CFSDP will make use of knowledge, good practices and lessons learned from previous work for scaling-up best practices from the previous project achievement.

### **The problem the project seeks to address**

The fundamental problem that this project seeks to address is linked to a lack of inadequate **technical and technological capacities** at federal, regional and district levels to assert control, develop and manage the forest resources of the country. This limits the effectiveness and the delivery of catalysing large-scale investments in the forest sector. The limited capacity extends to **research and education centres**, including their capacity to collect and register documentation of data to understand how to develop best practices to optimize diversity in production systems (cyclic plantations, enrichment planting etc) including their impact on watershed hydrology but also to **forest rangers and forest extension agents** who lack the appropriate capacities to undertake field planting, establishment and management of the hugely proposed forest expansion program under the National Forest Sector Development Program(NFSDP).

Although, Ethiopia has seen the establishment of an **increasing number of urban centres** which demand sustainable urban and pre-urban forest planning and management to create a pleasant and healthy environment for the growing urban population, there are nonetheless limited green areas in the urban centres and recreational facilities and green infrastructures in urban centres. As a valuable

natural resource, urban forest provides direct and indirect benefits such as recreation, climate amelioration, employment generation; and ecosystem services.

Furthermore, there is limited engagement by **smallholder farmers**, communities, the private sector and public enterprises in the forest resource development and expansion due to an obvious absence of relevant regulations and guidelines to implement the various provisions stipulated in the policies and proclamations including the recently issued forest proclamation. The limited involvement extends to the **private sector engagement** in forest conservation and development in Ethiopia owing to a lack of access to permits to acquire land and planting material to establish large plantation, limited information on market price for forest products and costs of silvicultural practices, which in turn reduces the incentives for plantation establishment.

### **Objectives**

To allow Ethiopia to promote sustainable and competitive tree-based production systems in the rural and urban landscapes in the country thereby contributing to community and ecosystem resilience – it is essential to:

- ✚ **Strengthen the capacity of forest sector** at strategic and operational levels;
- ✚ **Create multi-functional landscapes** in rural and urban areas;
- ✚ Substantially **reduce the vulnerability of poor communities** to extreme events.

### **Proposed Solution**

The proposed solution includes the development of **capacity strengthening programs** at federal, regional and district levels focusing on training of forest rangers and forest agents as well as strengthening capacities of research institutes. It will involve the development of recreation parks focusing on individual city environments based on the socio-cultural and economic realities. This will be linked to technical capacity building efforts supported by piloting of **model urban greening infrastructure** in selected cities and pre-urban areas need. Awareness raising of green facilities and support for preparation and enforcement of guideline for integration of green facilities in city planning will be an important dimension of the multi-functional landscapes in rural and urban areas.

**Engaging smallholders** in forest resource development and organizing them as cooperatives and establishing market linkages is an important step to effectively achieve Ethiopia's forest sector development agenda which will ultimately reduce the vulnerability of poor communities to extreme events. Smallholder land owners need to be organized and their efforts coordinated for a better bargaining position if they are to benefit from commercial tree planting schemes. This requires strong support for the establishment strategically located forest growers' associations or cooperatives which can be catalytic to technological and economic advancement of successful tree growers in these rural parts of Ethiopia.

Evidently, there are strong interests and needs by farmers to convert their 'unproductive' farm land in to other land uses including forestry. The highlands of Ethiopia have long been farmed and their productivity for crop has tremendously decreased to the extent that their output is no longer able to



create enough livelihoods for the farmer. These areas need to be converted in to other land uses including forestry such as Tree-Based Livelihoods (TBL) as forest-prenuers on private landholdings. Improved **management of existing forest resources** should start from designing SFM framework for plantation and natural forests. Such framework will help in designing management plan for individual forests/stands while the implementation of which can be achieved through various approaches. Furthermore, there are substantial opportunities for Forest Landscape Restoration (FLR) in Ethiopia, hence a key important area of engagement for this project is to pilot forest sector investment in communal lands through forest landscape restoration in order to catalyze economic and environmental benefits.

Joint business ventures **through PPP** can be good options to manage existing forest plantations while attracting foreign direct investment into the forest sector. Such partnerships can offer several advantages such as knowhow and technology transfer and attract greater financial resources to quickly transform the current poorly managed forest stands into more productive stands. This would improve the efficiency, competitiveness and economic progress of the sector.

### **Barriers to proposed solution**

- I. Limited Capacity and functional institutional set-up
- II. Lack of Forest governance system and poor integration with other sector
- III. Limited Incentive and financial market for private sector involvement
- IV. Lack of SFM system and limited competent forest business enterprise
- V. Poor green infrastructure in and around urban centres
- VI. Lack of integrated urban planning system

These challenges impacted to increased deforestation, land degradation, drought and vulnerability which in turn are exacerbated by the effects of climate change.

## **III. STRATEGIES**

The **National Forest Sector Development Program (NFSDP)** serves as the roadmap for future forestry actions for the enhancement of sustainable forest management in the country from 2018-2027. The overall objective of the NFSDP<sup>2</sup> is to increase the value of trees and forests in their different landscape contexts, acknowledging that most of the pressure on these trees stems from outside the forestry sector. The proposed project is directly linked to these national priorities, and therefore, will contribute towards the national goals and targets in these areas.

UNDP's catalytic interventions in Ethiopia are helping to enhance the country's progress towards meeting its development agenda of sustainable and equitable growth. UNDP has played a leading

role in coordinating the preparation and launch of the CRGE Facility. The facility has helped Ethiopia access global financing such as from the Green Climate Fund. Through its CRGE programme, UNDP pioneered the agenda of the CRGE mainstreaming into the Growth and Transformation Plan (GTP)<sup>3</sup> and UNDP's Country Programme Document as well as the Country Programme Action Plan are aligned with the **GTP**. The same is true of the United Nations Development Assistance Framework (UNDAF) 2016-2020<sup>4</sup> that represents the strategic response of the UN Country Team to the national development priorities articulated in the second Growth and Transformation Plan (GTP II). The project will contribute to:

- ✚ **GTP Pillar 3:** Enhance transformation of the domestic private sector to enable it to become a capable development force
- ✚ **GTP Pillar 6:** Accelerate human development and technological capacity-building and ensure its sustainability and
- ✚ **GTP Pillar 9:** Build a climate- resilient green economy

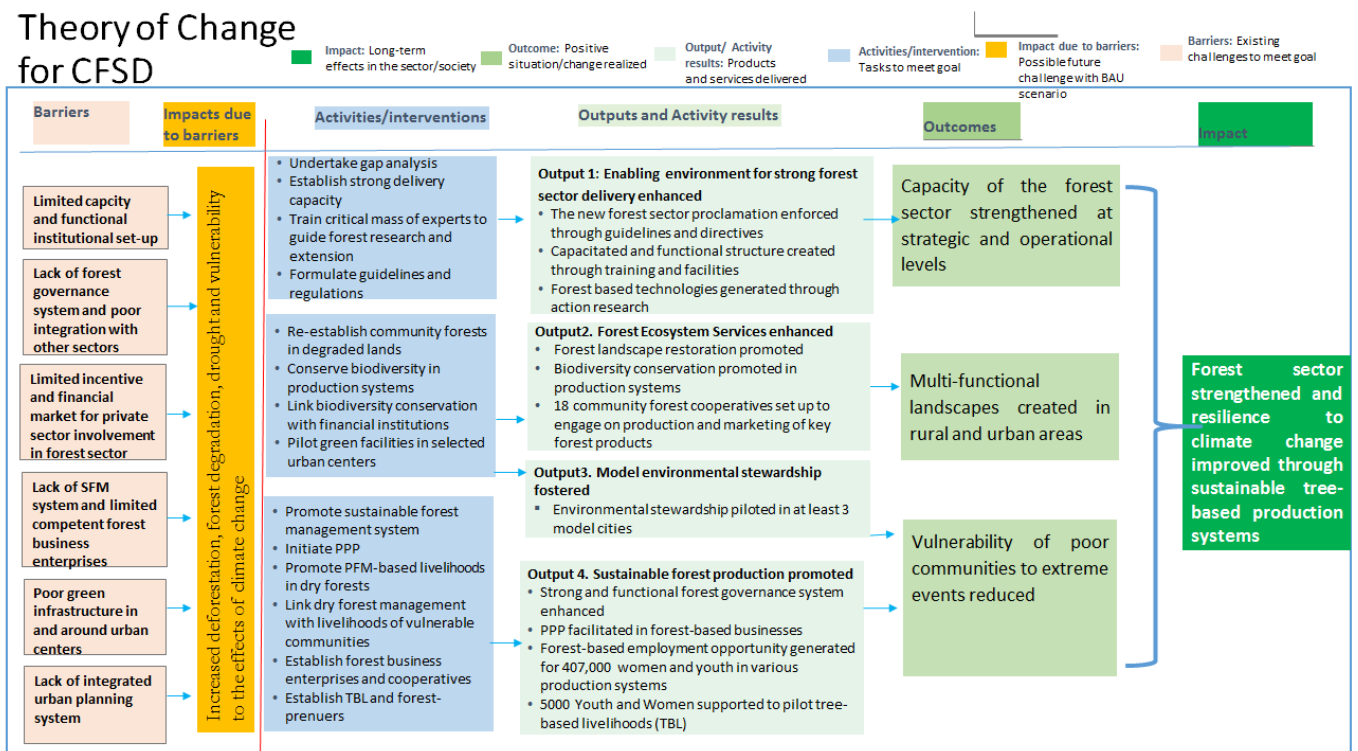
The Theory of Change (ToC) for this Project will support the national efforts of overcoming the development challenges of the forestry Sector such as increased deforestation and forest degradation, drought and vulnerability to the effects of climate change. It will not only contribute to generating strong technical capacities at federal, state and district levels but also establishing sustainable and competitive production-industry- market linkage and making efforts to pilot proven models to enable immediate inception of the next-generation change models in the forestry sector. The results will also contribute to the following CPR Outcomes of the corporate level UNDP Strategic Plan (2018 to 2021):

- ✚ **Outcome 1: Advance Poverty Eradication in all its forms and dimensions**  
**Output Level:** Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains
- ✚ **Outcome 2: Accelerate structural transformations for sustainable development**  
**Output Level:** Low emission and climate resilient objectives addressed in national, sub-national and sectoral development plans and policies to promote economic diversification and green growth
- ✚ **Outcome 3: Strengthen Resilience to shocks and crises**  
**Output level** Innovative nature-based and gender-responsive solutions developed, financed and applied for sustainable recovery

Hence, the objectives of this Project are very much in line with the Government of Ethiopia's

priorities and UNDP Ethiopia's Country Programme Action Plan while also contributing to UNDP's corporate level outcomes.

## Theory of Change for CFSD



This theory of change is designed considering this part of project as the continuation of the on-going Institutional Strengthening for the Forest Sector Development Program to extend its implementation at scale. A mid-term review has been conducted on the existing project and overall, the performance of the ongoing project has been substantial in achieving its targets with the participation of multiple stakeholders while using a flexible approach to create multifunctional landscapes. However, to make the achievements sustainable, additional support was required focusing on building technical capacities at the grass root level supported by scientific approaches. This will then help to catalyze large scale investments in wider areas.

The CFSDP will focus on enhancing technical and technological capacities of forestry development agents and research centers. Moreover, it will help to promote the private sector and small-holders engagements and by fostering training of forest rangers and forest extension agents. Further, the next generation models that include the commercialization of the forestry sector using the achievements made by the previous Institutional Strengthening of the Forestry Sector in Ethiopia project required another level of engagement that includes Catalyzing Forest Sector Development in Ethiopia. Therefore, this project was designed to be the second phase with more result-oriented approach and playing catalytic role for the implementation of the ten-year National Forest sector Development Program (NFSDP).

## Focus and Approach

Given the focus of this Project on strengthening capacity to catalyse the implementation of the NFSDP and improving resilience to climate change, the following are some of the key strategies supporting the ToC:

i) **Capacity development at federal, regional and district levels.**

Complementing other existing programmes (e.g. REDD+ Investment Programme; Institutional Strengthening for the forest sector development project), this project will provide additional support to strengthening capacities of government authorities to effectively function as there is a limited capacity and functional institutional set up at various levels. The capacities of the Ministry of Environment, Forest and Climate Change and its equivalent in the regions, the Ethiopian Forest Environment Research Institute, Wondo Genet College of Forestry and Natural Resource, Ethiopian Biodiversity Institute, Forest and Wildlife Enterprises in the Amhara and Oromia regions will be enhanced by this support.

Coordination between the different partners working on implementing the project's activities will be strengthened with support from UNDP which will create a platform for sharing information among partners and engaging on joint planning, programming and monitoring to complement each other's initiatives.

ii) **Promoting Gender Equality and Social Inclusion:**

Processes and mechanisms for implementing the Project will also be gender and social inclusion responsive. Priority will be given to women's engagement in training activities and youth who will be supported for skill enhancement activities. Issues of local level discrimination based on cultural traditions will be identified through the initial assessment and relationship between practices of exclusion and local level tensions will be studied further through qualitative ethnographic research. Such analyses will feed into innovations in programming processes and implementation mechanisms. Throughout the Project design and implementation, sex disaggregated data (sex, social groups, socio-economic status, age, etc.) will be collected and monitored. Efforts will be made to set disaggregated targets for key project initiatives and disaggregate the monitoring indicators accordingly. The mobilization support will include elements of women's empowerment as it will involve working through women's groups, increasing their access to resources, and giving them relevant information on key issues related to access to basic services, their rights, etc. Finally, this Project will be important to ensure that there are systemic actions to strengthen gender equality by enhancing the role and status of women from actions to benefits and from planning to implementation.

iii) **Building on completed projects and emerging projects:**

One of the key strategies of this project is to utilize the expertise and lesson learned from projects supported by UNDP (and even other UN agencies wherever possible) so that duplication is minimized, inputs provided complement each other, and support to the government or the community become part of an integrated package.

This Project will also specifically partner with the UNDP supported project for specific technical and programmatic support as per their comparative advantages: Support to Ethiopia's Climate Resilient Green Economy project. Other UNDP supported projects' experiences and expertise will be drawn upon as and when needed. In addition, UNDP will be supporting the implementation of the REDD+ Investment Program in Ethiopia.

**iv) Private Sector engagement**

UNDP recognized the value of entrepreneurship as the driving force behind private sector growth and it has clearly outlined the need to work in partnership with the private sector to engage in context-specific responses to the Sustainable Development Goals in its new strategic plan (2018-2021). UNDP's believes private sector as critical development partner by adopting business practices that move communities towards inclusive and sustainable development. UNDP will broaden and deepen its responsible engagement with the private sector, working with Governments to mobilize private sector capital for domestic investments in accordance with national development priorities. Therefore, UNDP sees a world where the private sector is a transformative partner in the elimination of poverty and inequality and the sustainable management of natural resources. UNDP engagement with the private sector has covered a range of areas, including agriculture, the extractive industry, tourism, education, energy, and finance, health, and information technology, to create positive development in remote, rural and urban areas.

The Regional Service Centre for Africa (RSCA) Inclusive Growth and Sustainable Development Cluster (IGSD) Private Sector Unit is working to accelerate progress toward the Sustainable Development Goals (SDGs) by supporting the development of inclusive, pro-poor markets across Africa and creating linkages, promoting innovative approaches and catalysing action for the SDGs.

**v) South-South Cooperation**

UNDP sees South-South and Triangular cooperation as an accelerator and multiplier of sustainable development. And as the leading development agency in the UN system, UNDP plays a key role as a catalyst of South-South cooperation. Its global footprint and knowledge base makes UNDP a valued partner for developing countries to turn to one another and work together to achieve the Sustainable Development Goals. UNDP has made a strategic commitment to helping countries to expand engagement in mutual learning and solution sharing for a more rapid and sustainable development progress.

### **Cooperation with Swedish University of Agricultural Science (SLU)**

The Ministry of Environment Forest and Climate Change and SLU have signed MOU for the implementation of Institutional Strengthening for Catalysing Forest Sector Development in Ethiopia Project. This will have subsequent Letter of Agreement (LOA) with concrete roles and responsibilities in the operationalization of the MOU. So far, SLU has been actively involved in the designing of this project- their support was launched through a scoping mission in 2017 where they participated in refining the key areas of engagement and concrete activities of this project in close consultation with relevant stakeholders. This was followed by a MEFCC and UNDP mission to Sweden in 2018 to further agree on project's vision, duration and needed resources.

### **Cooperation with South Korea**

With the support of UN-REDD Programme, UNDP Policy Centre Seoul and UNDP Ethiopia, Ministry of Environment, Forest and Climate Change embarked on a high-level visit to Republic of Korea and the People's Republic of China in March 2016 to share experiences and design a roadmap for the forest sector development program that can serve as a master plan for the coming ten years. The knowledge exchange in Korea included the participation of high-level government officials including, three Ministers, six presidents of Regional States, bureau heads, development partners and senior experts. The visit created an excellent opportunity to share knowledge and design a joint cooperation engagement framework. The experience from Korea has been shared with relevant actors in the Ministry of Environment and Forest, and with Ethiopian institutions and is further digested, to was adapted to context, traditions and available options in Ethiopia to help create a knowledge base and strategic direction for the implementation of CRGE and REDD+ strategy. Both countries signed an MOU with specific and agreed upon specific areas of cooperation. This joint cooperation agreement will be further operationalized, and the project will make use of the MOU to implement some of its project areas.

### **Cooperation with Indian University**

An MOU has been signed by Ethiopian government with the Indian University and this project will continue using this agreement for the implementation of long term training in forestry that can complement the proposed activities in this project.

## **IV. RESULTS AND PARTNERSHIPS**

The Theory of Change highlights as the overall **objective and the impact** of the project the ability “to strengthen forest sector and improve resilience to climate change through sustainable tree-based production systems.”

This will be achieved by delivering three integrated and complementary outcomes:

1. Capacity of the forest sector strengthened at strategic and operational levels
2. Multi-functional landscapes created in rural and urban areas
3. Vulnerability of poor communities to extreme events reduced

The detailed results, indicative activities are detailed below for each associated outcome

## ***Outcome 1. Capacity of the forest sector strengthened at strategic and operational levels***

### ***Expected Results***

#### **Output 1.1 Enabling environment for strong forest sector delivery enhanced.**

The achievements of the previous project both at strategic level (e.g. developing a ten-year National Forest Sector Development Program) and piloting model approaches have gained trust to be showcases for other similar government efforts in the country. Recently, there is strong government and donors interest to scaleup the model and accordingly the Royal Norwegian Government has supported with additional 37 million USD through the REDD+ Investment plan.

Capitalizing on the previous experience, this project will support to make forestry as one of the main development agenda in Ethiopia. Therefore, this output aims to contribute; providing strategic support to MEFCC through strengthening the existing project delivery unit, providing skill-based training for critical mass of forestry experts; promoting forest-based technology generation; formulation of directives, regulations and guidelines; improving forest governance and developing human capacity through the provision of tailor made skill training.

Early successes will be critical to gain momentum in the targeted activities while inspiring interest and buy-in from different stakeholders. This requires strengthening the interactions and collaboration between the various institutional actors in the form of twinning arrangement through stronger project delivery unit at the Ministry.

Further, the NFSDP, developed by Institutional Strengthening of the Forest Sector Development Project in Ethiopia; requires continued and heightened production of targeted academically trained staff that will sustain the planned skill-based training program, which is required to fully undertake the sector's long-term forest development program. Thus, targeted capacity development effort is required through graduate research in areas of Forest management, Soil management, Agroforestry, Forest Landscape Restoration, Wood science, Pathology and Forest Economics. Through this output a sustained effort will be guaranteed to support the skill-based training program for the implementation of the NFSDP.

#### ***The key activities and action areas planned under this output are outlined as follows;***

##### ***Activity 1.1.1 Project delivery unit strengthened***

Further enhancing and strengthening the existing project management unit by bringing more professionals (PFM and A/R experts, Planning, monitoring and delivery experts, administrative support experts, communication and marketing specialists, training, research and SLU support experts) in the Ministry will serve as a strategic boost to MEFCC and builds the capacity of the sector to deliver activities at greater scale. This includes expanding partnerships, exploring opportunities in the public and private sector and creating momentum and coordination for executing Project activities through twinning cooperation (a concept for boosting sectoral and organizational development) with implementing partners. This will create improved coordination to facilitate cross-functional collaboration to achieve the targets set in the program.

The project management unit, which has worked efficiently with the existing project will continue to be the central coordination body for this project and so will need to be measured through the results

of the major project pillars. The unit will have more basic operational personnel to meet delivery and reporting both within GoE and to the donors.

***Activity 1.1.2 directives and regulations are formulated to operationalize the forest sector policy and proclamation***

The issued forest policies, strategies and proclamations must be operationalized through establishing directives and regulations to provide basis for concrete action plans and programs. This will guide and motivate smallholder farmers, communities, the private sector and public enterprises to be involved more in the forest resource development and expansion. Organized women and jobless youths by the existing project will be the first beneficiaries from the *development of directives and regulations*.

*The key actions under this activity is:*

- ❖ preparation of 1 directive for the forest proclamation and formulation of 3 guidelines (proclamation, investment, safeguard guidelines).
- ❖ Some of the work activities/areas identified to be included in the development of the directives and guidelines are:
  - ❖ provisions for private forest concessions,
  - ❖ Incentive packages for forest investment,
  - ❖ benefit sharing mechanisms,
  - ❖ provisions for Joint ventures involving public- private partnerships,
  - ❖ provisions and legal codes for sustainable forest management,
  - ❖ Seed certification and planting material quality control, timber and NTFP quality standards and certification,
  - ❖ regulation of harvesting and marketing of forest products, forest production and trade licensing.

***Activity 1.1.3 dedicated institutions to govern forest resources at various levels are capacitated***

Forest governance in Ethiopia has been challenges by the institutional dynamism in the last many years. Recently, there are positive progress to improve the governance system of the forest resources by supporting through new institutions, policies and strategies. However, there is an urgent need to establish and/or strengthen these new institutions, which in so far were supported by the Institutional Strengthening for the Forest Sector Development Project. This will create better governance system in forest resources at the regional level with cascading structures to the local level and considering regional specificities and peculiarities.

Key actions under this activity are:

- ❖ conducting national capacity gap assessment;
- ❖ the sector should grow towards producing gender targeted landscape activities by providing training for experts (including women) on forest governance and on creating



gender responsive activities. ***The intension is that women represent 30% of the experts trained.***

#### **Activity 1.1.4 Specially tailored skill training conducted**

*The Institutional Strengthening for the Forest Sector Development Project has provided pilot skill training at federal, regional and district levels. However, more training for critical mass of field experts is required on management planning, decision making and entrepreneurial skills for women is vital to build capacity at systemic level. Women forest owners and extension agents will be provided training on decision making tools. This will be linked to forest establishment, management and utilization as well as on how to benefit and sustain decent and green jobs including tree-based livelihoods will be the focus of this output. On the other hand, ToT will be provided for key regional experts. These special training programs can be run in collaboration with the responsible Parties; the Swedish Agricultural Sciences (SLU), historic allies of Ethiopia for many years, Wondo Genet College of Forestry and Natural Resources (WGCF-NR) and other regional training centers. Intensive practical trainings can be offered in the nearby plantation and natural forest sites of the respective training centers. The intensive training is planned to be run in cycles of one month for ToT Project and three months for extension agents and forest owners.*

*The key actions under this activity are:*

- ❖ Training 185 women as change agents for leadership and decision making;*
- ❖ higher level TOT for 120 regional experts that will further provide tailored training for extension agents at the TVET colleges (such as Mertolemariam) for 4,500 extension agents which will further train 8,500 forest owners. Women will be trained through the higher-level TOT and as extension agents at TVET colleges.*

#### **Activity 1.1.5 Training centers and Colleges capacitated with the required facilities and tools**

The targeted development of the forest sector in the NSFDP, developed by Institutional Strengthening for the Forest Sector Development in Ethiopia project, will require continued and heightened production of academically trained staff and field level practitioners. Thus, the ambitious transition of the sector will, already in a shorter perspective, need targeted capacity development in the extension system. The plan is to build up and increase forest extension on the local level. In this process, it will be crucial to build the capacities of the local training centres with the required facilities and tools. Training of Trainers (ToT) for extension agents is one of the most urgent process to launch. WGCF-NR could be a good environment for that and able to host it within a short time. However, the College itself will require some level of additional facilities to effectively deliver the ToT. Training on sustainable forest management, gender aspects, mapping forest resources basis, identifying forest products and producing a forest management plan will be required. Twinning arrangement between WGCFNR, CIFOR

and SLU will be used as one means to facilitate transfer of knowledge, skills, technologies and research outputs.

***Activity 1.1.6 Robust and effective vertical and horizontal information flow among relevant institutions established***

Establishing robust information flow among forest sector institutions is vital. Robust information flow is required at vertical and horizontal levels. This requires establishing data platforms that complement each other. Information will be generated on a regular basis, e.g., on outcomes, result, and impact, with the active involvement of beneficiaries. A two-way flow of information will be maintained between this project and other similar programs with a focus on implementing institution involved.

The key actions under this activity are:

- ❖ Establish robust information flow among forest sector intuitions
- ❖ Ethiopian statistical yearbook of forestry will be produced every year.
- ❖ A knowledge exchange forum, e.g., website, knowledge platform or learning network, will facilitate the flow of this information between regions and Woredas, and potentially to the public at large.

***Activity 1.1.7 forest based technology generation and development enhanced***

Ethiopian Environment and Forest Research Institute (EFERI) should endeavour to package its research innovations in a way that supports forest sector development in the country. Accordingly, this FIP plans to strengthen the existing seed centers which are serving as the main seed source for the country. Establishing forest seed orchards around the already established seed centers in the 4 regions will help to improve seed production. The institute has taken the initiative to develop a system of seed and seedling certification and standardization to avoid the supply of poor quality tree seeds.

Further, EEFRI should have a devoted database infrastructure unit that is involved in archiving and dissemination of proven technologies.

The key actions under this activity are:

- ❖ conducting action research, establishment of 1 clonal nursery;
- ❖ strengthening four seed centers, research laboratories and establishing database infrastructure and knowledge management unit.

***Outcome 2 Multi-functional landscapes created in rural and urban areas***

***Output 2.1. Forest environmental services enhanced***

Forest values related to ecosystem services, such as watershed protection and associated benefits related to biomass energy and soil protection, ecotourism potential and biodiversity conservation, contribute significantly to the health and wealth of Ethiopia. Moving forward, future studies can help to better understand the full range of economic and non-economic

values of Ethiopia's forests, including their role in poverty reduction, to continue providing policy-makers with important information regarding Ethiopia's forest sector development.

***Activity 2.1.1. Forest landscape restoration and biodiversity conservation promoted***

Forest landscape restoration includes sustainably managing existing forests and rehabilitating the degraded ones through assisted natural regeneration. This all complements with biodiversity conservation. This Project will embark on selected landscapes and scale up best practices gained from the previous projects (e.g. Sustainable Land Management, Institutional Strengthening for the Forest Sector Development projects) to augment restoration of productivities and ecosystem functions across the landscapes. Both afforestation/reforestation and management of existing forests are imperative for Ethiopia to generate income and conserve ecosystem functions.

**Activity 2.1.2 Financial markets as a tool for biodiversity conservation enhanced**

Unlike other economic sectors, the forestry sector in Ethiopia suffers much on the access to credit and loan facilities. This strongly is linked to the poor market mechanisms developed in the sector. The financial institutions will then require to open windows to catalyse the private sector in forest investment. One such opportunity is strengthening the collateral and insurance schemes in the sector. The fact that forestry is long-gestation investment shall not deter the financial institutions to support investment in the sector. This Project will start by providing initial guarantor for small scale forest farming and eventually facilitate the dialogue between the financial institutions and the private sector to initiate support schemes. Through the dialogues and previous experiences in other sectors, detail manual will be prepared on how to establish collateral and insurance scheme between financial institutions and individual woodlot/forest owners.

The key actions under these activities are;

- ❖ building capacity of farmers towards building multifunctional resilient landscape,
- ❖ piloting forest landscape restoration in 10,000ha of degraded natural forests and communal lands;
- ❖ mapping and describing changes in diversity of production systems, understanding trade-offs and changes in water regime in production systems, create financial markets to enhance biodiversity conservation;
- ❖ producing 3 guidelines on Payment for Ecosystem Services (PES);
- ❖ production of 1 national document on the extent and status of the National Forest Priority Areas (NFPAs)
- ❖ preparation of Forest Management Plans for 3 NFPAs;
- ❖ establishment of 2 botanical gardens and production of 1 national document on priority areas for restoration including their investment options;

- ❖ Facilitate financial guarantee and insurance mechanisms for small scale forest farming;

### ***Output 2.2. Model environmental stewardship fostered in selected urban areas***

Fostering environmental stewardship has got paramount importance in the city's green areas development as well as overall urban development plan. Moreover, in countries such as Ethiopia where the strategic development plan is prioritizing the achievement of "Climate Resilient Green Economy (CRGE)", fostering environmental stewardship in the cities will not only promote clean, green and liveable cities but also contribute to the achievement of the general goal of the country towards climate smart growth.

To this effect, under this component model urban greening infrastructure will be designed and piloted in the selected three cities and moreover integration of urban greening in the overall cities development plans will be conducted in the same selected cities.

The key activity results and action areas planned under this output are summarized as follows;

#### ***Activity 2.2.1 Model urban greening infrastructure piloted***

The development and management of contemporary urban green spaces and recreation parks are required specifically focusing on individual city's environmental, socio-cultural and economic situations, realities and capabilities.

The key actions under this activity are;

- ❖ providing training for 15 experts on urban green landscape design;
- ❖ facilitating exposure visit for 9 key personnel;
- ❖ design green infrastructure for 3 model cities and
- ❖ creation of 500ha of pre-urban forests.

#### ***Activity 2.2.2 Integration of urban greening in city planning promoted***

Cities that are interested to achieve the highest quality of recreation park need design for the park while, at the same time, fostering environmental stewardship in the city's green areas development as well as overall urban development plan. Moreover, in countries such as Ethiopia where the strategic development plan is prioritizing the achievement of "Climate Resilient Green Economy (CRGE)", urban green parks development will not only promote clean, green and liveable cities but also contribute to the achievement of the wider vision of the country at large.

The key actions under this activity is;

- ❖ production of 1 national guidelines for integration of green facilities in city planning.

### **Outcome 3: Vulnerabilities of poor communities to extreme events reduced**

#### ***Output 3.1 Sustainable forest production promoted***

The forest product demand in Ethiopia is increasing faster which is further aggravated by the rapidly growing and urbanizing population, with the attendant increase in demand for wood, which calls for closing the production gap. Identifying supports needed to facilitate the transition of smallholders from annual crops production to tree growing livelihoods is one focus area. There is therefore the need for increased production and productivity of forests and trees outside forests by engaging young men and women as the forest based-entrepreneurs; including scaling up of those pilots established with the support of previous projects.

Establishing forest business enterprises and enhancing forest governance system; designing SFM frame work; initiating and fostering PPP; creating value chain and market linkages and restoring forest landscape in communal pilot sites will be an area of focus.

***The key activities and action areas planned under this output are summarized as follows;***

***Activity 3.1.1 Forest business enterprises established, and associated governance system enhanced***

In Ethiopian landscapes, smallholder farmers must continue to remain actively involved in tree planting in the form of woodlots but be better organized and coordinated to benefit more and contribute to commercial forest resource development. Therefore, establishing strategically located tree growers' association can be catalytic to technologically and economically advance successful tree grower in the rural Ethiopia. Identifying supports needed to facilitate the transition of smallholders from annual crops production to tree growing is key issue. On the other hand, there are strong interests and needs **by farmers to** convert their 'unproductive' farm land in to other land uses including forestry. The highlands of Ethiopia have long been farmed and their productivity for crop has tremendously decreased to the extent that their output is no longer able to create enough livelihoods for the farmer. These areas need to be converted in to other land uses including forestry such as Tree-Based Livelihoods (TBL) as forest-prenuers on private landholdings.

Supporting the restoration of degraded natural forests and communal lands through building the capacity of farmers to create multifunctional-resilient landscape and creating favourable conditions (e.g. linking with financial institutions) is very important aspect of creating community forestry. This has two major values: 1) a certain proportion of the land use need to be enriched with mixed high value (indigenous) species. 2) The condition to manage all re-established community forests according to a management plan, means that there may be an expanding source for higher value wood in the future. Thus, efforts for this will be very important and should be actively supported, as well as analysed and evaluated for biodiversity and impact on other ecosystem services (egg. carbon and water). Pilot projects supported, and demonstration of good examples will be crucial.

The actions under this activity are:

- ❖ establishing six tree growers' cooperatives;
- ❖ identifying national document produced for potential plantation zones and creation of 315,000 jobs primarily for women and youth.

- ❖ pilot Tree-Based Livelihoods (TBL) as forest-prenuers on private landholdings. The land owner will be supported with cost sharing scheme from the Project until the first harvest. Later, the land owners will then graduate in to tree-based livelihood systems and required to re-pay part of the cost incurred to be used as revolving fund for other similar initiatives. This scheme can be implemented along the value chain from seed supply, nursery, plantation establishment or marketing as a business model. This initiative will be linked to local micro-finance institutions as feasible. The Project will further support this scheme by creating market linkage and small-scale wood processing facilities.

**Activity 3.1.2 Sustainable forest management (SFM) framework designed and promoted**

*The existing commercial plantation stands established by government and previous project initiatives; including 10,000 hectares developed by the ISFSDP, and natural forests badly demand proper management. This will help the resources to be more productive and sustainable. Improved management of existing forest resources should start from designing SFM framework for plantation and natural forests.*

*Even if the cyclic system, based on a 6 years rotation, developed by the smallholders was truly impressive and obviously a great business-success, there may well be technical improvement in this system to increase production and sustainability. This is an example where trials and research both for advice and demonstration may be useful.*

*The key actions under this activity are;*

- ❖ *1 national and 9 regional SFM framework documents prepared;*
- ❖ *65 experts trained on SFM and SFM piloted in 3 forest priority areas.*
- ❖ *Undertake special studies on cyclic cultivations, value additions and marketing of currently existing small holder plantations;*

**Activity 3.1.3 Public Private Partnership (PPP) initiated and fostered**

Joint venture on the existing forest plantations could be the most viable option for attracting foreign direct investment into the forest sector. Such partnerships can offer several advantages such as knowhow and technology transfer and attract greater financial resources to quickly transform the current poorly managed stands into more productive stands. This would improve the efficiency, competitiveness and economic progress in the sector.

The private sector could be encouraged to conjoin with organized smallholder groups/community groups public enterprises and foreign investors in a Joint venture in the forest sector. The partnership or joint venture engagements could be in the form of small and large scale private forest investments involving domestic and foreign direct investment; smallholder farm households based commercial plantation development; public investment (federal and regional governments) and/or a combination of the above.

The key actions under this activity are;

- ❖ formulation of document on challenges and opportunities of PPP;
- ❖ facilitate the participation of 12 key personnel on exposure visit;
- ❖ facilitation of linkages for 3 local joint ventures establishment on forest business and facilitation of linkages for 3 joint ventures establishment between local and external firms.

***Activity 3.1.4 Management of dry forests and promotion of key selected forest products/services***

Sustainable woodland management is required to ensure Ethiopia's natural forest and woodlands continue to provide diverse commercially important NTFPs. The most commercially attractive of the NTFPs are gum and incense, honey and bees wax, medicinal plants, forest coffee and bamboo. Gum and incense represent the second most important forest goods in terms of export and foreign currency earning after forest coffee. Ethiopia's vast woodlands hold huge gum and incense producing potential. This can be done partnering with model companies (e.g. IKEA, Goodwood) in Sweden.

The key actions under this activity are;

- ❖ Establishment of 350,000ha of dry forests through PFM/PRM and create additional 92,000 jobs;
- ❖ production of one document for value chain and marketing of key forest products; establishment of 12 cooperatives for managing 3 key forest products and piloting of value addition technologies for 2 forest products, including by producing innovative machines (locally if possible) and
- ❖ creation of globally accepted standard and certification of 3 forest products.

**Resources Required to Achieve the Expected Results**

The total financial resources required for the implementation of the Project in five years is 46,544,881USD of which SIDA shall contribute 23,000,000 USD while UNDP and government In-kind contribution will be 1,250,000 and 5, 000, 000 USD respectively. The rest 17,297,881USD is to be mobilized from other source of funding (TBC). Local sector Ministries, Centre for International Forestry Research (CIFOR); Wondo Genet College of Forestry and Natural Resources (WGCFNR) and other local partners shall provide technical support for the implementation of the project.

***Partnerships***

For the project to perform its tasks and responsibilities, it will require to develop and maintain effective partnership with all stakeholders, including development partners both for technical support and resource mobilization objectives. The Project shall seek to work effectively with all identified stakeholders to ensure that it executes its mandate effectively, and in doing so shall take full cognizance of activities of the Project and other similar initiatives to maximize synergies and reduce duplication.

**Strategic and implementation support:** Swedish Embassy, UNDP and CIFOR will provide strategic support to the implementation of this Project by offering project delivery support, catalyzing performance management process (M&E) for innovative programmes and capacity building efforts. They would provide targeted, hands-on support to the federal unit and MEFCC. CIFOR, from the pool of national and international experts, will provide comparative advantage to technically support the research and capacity building targets on forest business enterprises. CIFOR will be responsible to enhance the economic return from forests through strengthening forest business enterprises and establishment of strong market linkage along the value chain. CIFOR will also engage in mobilization and implementation of new generation models and technologies. UNDP will play its role in the implementation based on its comparative advantages such as supporting the implementing agency in the procurement of the required materials and expert services and other Project inputs, identify and provide topnotch experts for technical assistance and administer the required contracts. These partners will also provide support by accessing technical and technological capacities from external sources.

**Technical Responsible Partner to the IP:** SLU, CIFOR and WGCENR will provide demand led technical assistance to set-up the capacity building and research activities and steer their implementation. They will also provide hands-on support for the technical trainings while providing additional support of assessing multiple new partnerships. Apart from this, the Swedish University of Agricultural Sciences (SLU), is responsible partner to the IP and its role for each activity will be defined explicitly with subsequent LOA. To this effect, SLU and the MEFCC have already signed MoU. This will help to jointly plan research and long-term training between responsible parties and MEFCC. CIFOR, SLU and WGCENR would also provide additional demand-led technical assistance to support specific innovations like making rigorous analysis, establishing baselines, providing technical forestry trainings and data management.

**Implementing institutions:** MEFCC is the key implementing partner (IP). However, MEFCC may sub-contract or delegate other organizations such as WGCENR, EBI, EEFRI and regional institutions; to be responsible for the implementation of some activities as per their mandate. In such arrangements, the IP may request UNDP for direct payments. Furthermore, they would be responsible for generating insights through data analytics and crafting policy briefs for the scaling up of any successful results through their research engagement. At regional level, regional institutions will guide the implementation of some of the components. Finally, each institution would conduct M&E for all Project being supported

### ***Risks and Assumptions***

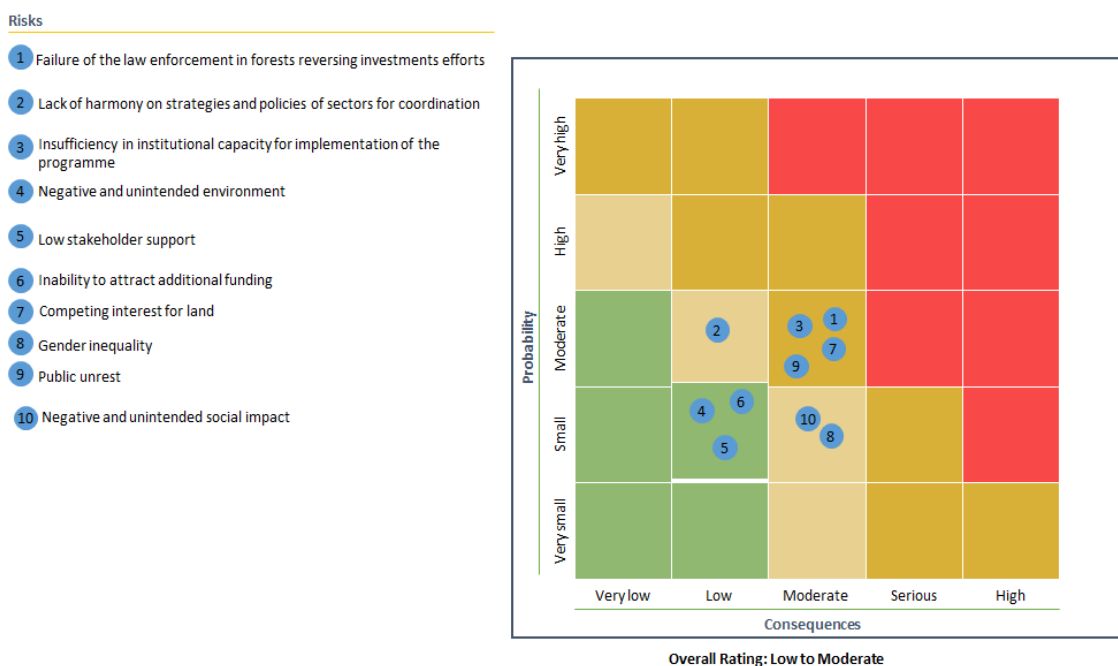
The Programme will be executed by various implementing institutions across levels and multifunctional landscapes and will engage local communities. It will have enormously positive environmental and social benefit. It will tackle the country's environmental challenges of deforestation and forest degradation through multi-faceted interventions to reduce degradation, restore biodiversity and enhance communities' livelihoods and resilience. It will contribute to a range of policy goals, including building green economy, biodiversity conservation, NFSDP goals,



improved livelihoods and poverty reduction, and enhanced forest governance capacity. The Programme will provide win-win outcomes in terms of forest conservation and socio-economic benefits for the communities concerned.

Still, the Programme may have potential risks to consider and careful design and assessment is required to pre-empt any negative fallout (detail risk matrix is shown in Annex 3). Some of the risks may be site specific while others are broader and will require different approaches to deal with throughout the Project implementation. The implementation of this Project will strictly employ standard environmental and social safeguard.

## The risk framework



### Stakeholders Engagement

The implementation architecture of this Project will be guided through multiple actors on the ground. This requires strong coordination set-up at federal and regional levels while leveraging demand-led technical assistance from the responsible parties to the IP (SLU) and other partners.

The Ministry of Environment, Forest and Climate Change, through the national delivery unit will ensure coordination and harmonize activities between different actors (EEFRI, EBI, WGCF-NR, Regional Institutions and training centers).

The various knowledge and communication products will be generated by the project as shown in section III: Results and Partnership and some of which are relevant for informed policy decision, further research, visibility of UNDP and government, etc

### ***Sustainability and Scaling Up***

The project will be implemented in existing key government institutions mainly in building their capacities in skilled human resource development, availing the required facilities, etc which enabled them to implement the National Forest Sector Development targets in their respective organizations. The promotion of PPP; small land owner's involvement in various arrangement of the Project such as pilot tree-based livelihoods forest-prenuers on private land holdings; tree growers; cooperatives are important for ensuring the sustainability of the program.

At the end of the project the various activities/results of the project will be owned by the federal, regional, district levels government offices and the local government offices. On the ground activities such as restoration of degraded lands; peri urban forest; etc will be owned and managed by the organized local communities/ Cooperatives/ joint ventures, etc and the government offices will continue providing technical supports and putting in place the required policy and legislative measures as deemed necessary.

## **V. PROJECT MANAGEMENT**

### **Cost Efficiency and Effectiveness**

As illustrated in the section VIII of the document the project implementation will be supported by the FSDP coordination office at federal and regional levels. Under the coordination offices at federal and regional levels the following functional units will be established to ensure cost efficiency and effectiveness: Participatory Forest Management and A/ R; Land scape restoration Planning and Monitoring; Administrative support; Public relation and marketing and training and research and SLU Affairs. Moreover, the Project will leverage activities and partnerships of the Institutional Strengthening the Forest Sector Development; PSNP and Participatory Forest Management in Oromia sustainable Land Management initiatives of the Ministry of Agricultural and Livestock, etc The Project will work in close collaboration with the Forest Transformation Unit for the implementation of its various activities and make use of the models produced by FSTU.

### ***Project Management***

The Project will be coordinated by the Ministry of Environment, Forest and Climate Change For detail Project management please see section VIII: Governance and Management Structure

### ***Report***

Both the implementing partner, through the national Project coordinator, and the Responsible Parties to the IP (SLU), will produce joint annual plans, annual, semiannual and quarterly reports for follow up and evaluation as per the letter of agreement to be signed between them. The annual narrative and financial report to be prepared shall be shared with the Programme Steering

Committee, which will be shared later with the Government of Ethiopia and Sweden and other Project financiers. MoFEC will oversee the progress from the Ethiopian government side while the Swedish Embassy will do the same from the Swedish government side.

***Audit***

The programme will be audited according to UNDP rules and regulations for NIM/Nationally Implemented projects and according to the rules and regulations of the donor.

UNDP has a Partnership and Management Support Unit which deals with resource mobilization and donor intelligence. Moreover, the Unit is providing technical support in financial management and enabling projects to be clean from audit by providing field level technical supports at federal regional and district levels.

## VI. RESULTS FRAMEWORK

### Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:

By 2020 Key government institutions at federal and regional level are better able to plan, implement and monitor priority climate change mitigation and adaptation actions and sustainable natural resource management

### Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Please include the UNDAF indicators

**Applicable Output(s) from the UNDP Strategic Plan: End Multidimensional Poverty through Integrated Poverty Solutions;  
Advance Sustainable Development By Accelerating Structural Transformation**

**Project title and Atlas Project Number: Institutional Strengthening for Catalysing Forest Sector Development in Ethiopia**

EXPECTED OUTPUTS	OUTPUT INDICATORS <sup>5</sup>	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)						DATA COLLECTION METHODS & RISKS	
			Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	FINAL		
<b>Output 1</b> <i>Enabling environment for strong forest sector development Project implementation on enhanced.</i>	1.1 Number of enforced proclamations	Reports from MEFCC, CIFOR and regional offices;	The new forest proclamation is functional but not well enforced due to lack of directives and regulation	2	4							<i>Timely delivery of targets Periodic reports from MEFCC</i>
	1.2 Number of strong and functional institutional set-up	<i>Published documents by MEFCC; CIFOR and regional offices</i>	<i>There is no strong institutional set-up specially at the grass root level</i>	1	4	7	9	11				<i>Unavailability of the required budget Periodic reports from MEFCC</i>

	1.3 Percentage of appropriate forest-based technologies generated and adopted	<i>Evaluation reports by EEFRI, SLU and CIFOR</i>	<i>Forest based technologies for value addition are not strong enough</i>	4%	27%	56%	79%	100%		<i>Active stakeholder participation Periodic reports from ME FCC</i>
	Capacitate the training centers and provide specially tailored skill training on forest establishment and management	<i>Evaluation reports by WGC FNR, SLU and CIFOR</i>	<i>There is no capacitated training center that provide skill training in forestry</i>	4%	17%	66%	79%	100%		<i>Active stakeholder participation and Periodic reports</i>
<i>Out Put 2: forest ecosystem services Enhanced</i>	2.1 Hectares of Forest landscape restored	<i>Reports by regions, ME FCC</i>	<i>There are degraded areas to be restored</i>	7210	93730	194670	292500	360,500		<i>Lack of law enforcement for protecting the NFPAs Availability of land</i>
	2.2 % Financial markets explored and utilized to assist biodiversity conservation	<i>Reports by regions, ME FCC, SLU EBI and EEFRI</i>			27%	54%	79%	100%		<i>Periodic reports from ME FCC</i>
<i>Output 3. Model environmental stewardship fostered in selected urban areas</i>	3.1 <b>Number of</b> model cities with Environmental stewardship fostered and piloted though enhanced capacities and facilitation	<i>Reports by city councils, ME FCC, SLU and UNDP</i>	<i>Weak green infrastructure in model cities</i>			1	2	3		<i>Land availability Land use conflict Participation of urban and rural administration</i>

Output4. Sustainable forest Production and value chain promoted	<b>4.1 percentage of Strong and functional forest business enterprises established for enhanced economic return from forests</b>	<i>Reports by CIFOR and MEFCC</i>			4%	30%	54%	79%	100%		<i>Timely delivery of targets Periodic reports from MEFCC</i>
	<b>4.2 Number of PPP facilitated in forest-based business</b>	<i>Reports by regions, MEFCC, SLU, CIFOR and UNDP</i>	<i>There is no strong PPP scheme so far</i>				2	4	6		<i>Delay in putting in place the required directives and incentive mechanism Lack of effective enforcement of the issued directives and incentive mechanism Periodic reports from MEFCC</i>
	<b>4.3 Number of market linkage and value chain on key forest products created</b>	<i>Reports by CIFOR</i>	<i>There is no strong market linkage on important forest products</i>		1	2			3		<i>Periodic reports from MEFCC</i>
	<b>4.4 Number of Forest based employment opportunities generated</b>	<i>Reports by regions, MEFCC and UNDP</i>	<i>The employment opportunity of the sector is not clear</i>	8000	57,680	197,760	350,200	412,000			<i>Periodic reports from MEFCC</i>

## VII. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the Project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	UNDP, CIFOR, EBI, EEFRI, Sweden Embassy and MEFCC and collaborating organizations	Budgeted in the Multi Year Plan
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP, Sweden Embassy and MEFCC	Budgeted in the Multi Year Plan
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	UNDP, CIFOR, EBI, EEFRI, WGCENR, Sweden Embassy and MEFCC and collaborating organizations	Budgeted in the Multi Year Plan
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP and Sweden Embassy	Budgeted in the Multi Year Plan

<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	UNDP, Sweden Embassy and MEFCC and collaborating organizations	Budgeted in the Multi Year Plan
<b>Project Report</b>	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		UNDP, CIFOR, EBI, EEFRI, WGCENR, Sweden Embassy and MEFCC and collaborating organizations	Budgeted in the Multi Year Plan
<b>Project Review (Project Board)</b>	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	UNDP, CIFOR, EBI, EEFRI, Sweden Embassy and MEFCC	Budgeted in the Multi Year Plan

#### Evaluation Plan<sup>6</sup>

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
e.g., Mid-Term/final Evaluation	Sweden, UNDP, Regional Beaus, MEFCC and MoFEC	End Multi-dimensional poverty through integrated	UNDAF outcome (5): By 2020 Key government institutions at federal and regional	2020 and 2022	MEFCC and UNDP	Budgeted in the Multi Year Plan



		poverty solutions; advance sustainable development by accelerating structural transformation	level are better able to plan, implement and monitor priority climate change mitigation and adaptation actions and sustainable natural resource management.			
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## VIII. Multi-Year Work Plan

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year (USD)					RESPONSIBLE PARTY	PLANNED BUDGET			Remark							
		Y1	Y2	Y3	Y4	Y 5		Funding Source	Budget Description	Amount								
Output 1: Enabling environment for strong forest sector development Project implementation enhanced.	1.1 Activity: Strengthen the capacity of the existing delivery unit	481,666	509,666	367,000	519,666	71,000	MEFCC/ UNDP/ SLU	Sweden	Contractual service	584,355								
											Technical Assistance support	759,303						
											Material and equipment	605,330						
Gender marker:2	1.2 Activity: directives and regulations are formulated to operationalize the forest sector policy and proclamation	36,000	140,000	-	-	-	MEFCC/ UNDP/ /CIFOR	OSF	National Consultant	50,000								
											Workshop	55000						
									Publication and dissemination	71 000								
	1.3 Activity dedicated institutions to govern forest resources at various levels are capacitated	47,000	235,000	235,000	186,200	47,000	MEFCC/ UNDP/ SLU	Sweden	Contractual service	342,450								
															Material and goods	342450		
																Technical Assistance support	228300	
	1.4 Activity specially tailored skill training on forest establishment and management designed and conducted	708,594	1,544,805	1,554,805	1,141,000	708,594	MEFCC/ UNDP/ /CIFOR/WGCFNR SLU	Sweden/OSF	Technical Assistance support	394,768	OSF 3,300,000 Sweden: 2,519,798							
																Travel	52,616	
																	Training	5,100,000
																	Material	272,414

	1.5 Activity Capacitate the training centres and Colleges with the required facilities and tools			448,000	410,000	392,000	MEFCC/ UNDP/ /SLU/WGCFNR	UNDP	Contractual service	250,000	
									Material and equipment	1,000,000	
	1.6 Activity Establish robust and effective vertical and horizontal information flow among relevant institutions	-	--	225,000	365,000	235,000	MEFCC/ UNDP/ /SLU	OSF	National Consultant	50,000	
									IT equipment	150,000	
									Contractual service	625,000	
	1.7 Activity forest based technology generation and development enhanced	554,500	192,000	685,500	615,500	545,500	UNDP/MEFCC/ EEFRI and CIFOR	Sweden	Technical Assistance	210,000	
									Contractual service	1,305,500	
									Material and equipment	1,077,500	
	<b>Sub-Total for Output 1</b>	<b>2,152,760</b>	<b>1,597,260</b>	<b>3,505,305</b>	<b>3,699,971</b>	<b>2,570,700</b>					<b>13,525,996</b>
Output 2: Sustainable forest Production and value chain promoted  <i>Gender marker:2</i>	2.1 Activity Forest business enterprises established and governance system enhanced	757,500	329,000	875,000	985,000	1,027,500	UNDP/MEFCC/ CIFOR/	Sweden/OSF	Technical Assistance	454,460	OSF:973,265 Sweden: 3,000,735
									Contractual services	1,222,760	
									Travel	896,160	
									supply	1,074,460	
									meeting	326,160	
	2.2 Activity Sustainable forest management (SFM) framework designed and promoted	---	---	317,016	582,016	312,000	MEFCC/UNDP/ /CIFOR/SLU	OSF	International Consultant and National Consultant	403,678	
									Meeting	303,677	
									Travel and accommodation	503,677	
	2.3 Activity Public Private Partnership(PPP) initiated and fostered	141,000	50,000	141,000	128,000	128,000	MEFCC/ UNDP/ /SLU	Sweden	Contractual service	294,000	
									workshop	98,000	
Travel									196,000		
2.4 Activity Management of dry forests and	567,000	310,000	1,482,000	1,305,000	1,110,000	MEFCC/ /CIFOR/regions	Sweden/OSF	Contractual service	919,750	OSF:2,030,000 Sweden 2,744,000	
								Material and seed	3,074,800		

	promotion of selected forest products/services								supply	774450	
									workshops	5000	
	<b>Sub-Total for Output 2</b>	<b>1,465,500</b>	<b>689,000</b>	<b>2,815,016</b>	<b>3,000,016</b>	<b>2,577,500</b>	<b>10,547,032</b>				
Out Put 3: forest ecosystem services Enhanced	Activity 3.1 Forest landscape restoration and biodiversity conservation promoted	1,711,000	990,729	1,933,000	1,917,000	1,587,000	MEFCC/EEFRI/EBI/SLU/Regions	Sweden/OSF	Contractual service	3,415,729	OSF:4,015,729 Sweden:4,123,000
									Seed and material	3,011,500	
									Travel	1,711,500	
	Activity 3.2 Financial markets as a tool for biodiversity conservation enhanced	-		810,000	375,000	330,000	UNDP/MEFCC/EBI/CIFOR	OSF	National Consultant	100,000	
									Technical Assistance	605,000	
								Material and goods	810,000		
	<b>Sub total</b>	<b>1,711,000</b>	<b>990,729</b>	<b>2,743,000</b>	<b>2,292,000</b>	<b>1,917,000</b>	<b>9,653,729</b>				
Out Put 4 Model environmental stewardship fostered in selected urban areas Gender Marker 2	Activity 4.1 Model urban greening infrastructure piloted	427,415	284,000	427,415	340,415	185,415	MEFCC/ UNDP/ SLU	Sweden	Technical Assistance	802,247	
									Contractual service	176,206	
									Workshop	176,207	
	Activity 4.2 Integration of urban greening in city planning promoted	-		158,000	79,000	45,000	MEFCC/ UNDP/ SLU	OSF	National Consultant	34,000	
									TA	218,000	
								Meeting	30,000		
	<b>Subtotal</b>	<b>427,415</b>	<b>284,000</b>	<b>585,415</b>	<b>419,415</b>	<b>230,415</b>	<b>1,946,660</b>				
Filed Vehicles, Office Supplies and other Project Management Costs		1,424,500	372,000	320,500	371,500	285,500	MEFCC/UNDP	Sweden/OSF	Field Vehicle:	2,774,000	OSF: 800,000 Sweden 1,974,000
						Office supply:					
						Project mgt. and administration					
						M & E: 432,000					
General Management Support by UNDP		603,542	286,989	787,593	574,965	704,376	UNDP	Sweden/OSF	2,957,464	2,957,464	Sweden: 1,400,000 OSF:1,557,464

Mid-Term/final evaluation				70,000		70,000	MEFCC/UNDP	Sweden	IC 90,000 NC 50,000	140,000			
Sub total		2,028,042	658,989	1,178,093	946,465	1,059,876						5,871,464	
Government in-Kind contribution		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000						5,000,000	
Grand Total		7,784,717	4,219,978	10,826,829	10,357,867	8,355,491						46,544,881	
By source of fund	<b>Sweden</b>	<b>7,784,717</b>	<b>4,219,978</b>	<b>5,826,022</b>		<b>2,973,280</b>	<b>2,196,003</b>						<b>23,000,000</b>
	<b>UNDP</b>			<b>448,000</b>		<b>410,000</b>	<b>392,000</b>						<b>1,250,000</b>
	<b>OSF</b>			<b>4,552,807</b>		<b>5,974,587</b>	<b>6,767,487</b>						<b>17,294,881</b>
	<b>Government</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>						<b>5,000,000</b>

The ISFSDP project will continue implementation as per the previously allocated budget of about 6.5million USD until 2020 (Table below) and the ISCFSDP will extend its implementation at scale in 2018 and end by 2022.

The budget breakdown of the previous ISFSDP project supported by the Swedish government

<b>Out put</b>	<b>Activity Result</b>	<b>Total Budget (2017-2020)</b>
<b>The institutional capacity of the forestry sector is strengthened at all levels</b>	Forest management offices established at Regional and National levels	1,893,272
	National Forest Sector Development Program prepared	37,000
	Regional Forest Action Plan prepared	180,954
	BoEF structure designed and required skilled human resources developed/recruited	29,500
	Environmental, social management framework for the rehabilitation and afforestation program prepared	112,000
	Regional forestry data base infrastructure established	-
<b>Forest conservation and development for their multiple benefits enhanced</b>	Integrated land use plans piloted in the selected woredas of the regions	8,000
	Degraded areas mainly (water towers) of the Amhara, SNNPR and Tigray NRS rehabilitated	216,000
	Short-rotation forestry expanded for fuel and construction wood consumption	1,855,981
	Agricultural productivity and food security improved at house hold level through agroforestry system	96,000
	Under take diagnostic studies to enhance SFM	75,000
	National system to operationalize PES developed	50,000
<b>Private sector involvement in forest development facilitated</b>	Promote Private Sector Participation in Forest Sector Development	-
	Incentive mechanism for active involvement of private sector for forest marketing and development put in place	127,500
	Technologies for value addition in high NTFP potential regions by the private sectors piloted	-
<b>Science and innovation for enhancing sustainable forest</b>	Capacity of the forestry research institutions for science and innovation enhanced	45,000
	The capacities of forestry training institutions in providing skill training strengthened	22,000
	Vocational training on forest-based enterprise development enhanced	320,000
	Capacity of forestry training and research institutions enhanced	255,000
<b>Stakeholders engagement in forest development enhanced</b>	Stakeholders involved in forestry sector mapped	2,000
	Put in place platform for the engagement of stakeholders in forestry activities	88,000
	Engagement road map prepared for forestry sector	15,000
<b>Organization and Management</b>	Procurement of vehicles (motor bikes etc) for regions and MEFC	390,000
	Project management and Administrative cost including vehicle running cost	400,000
	Monitoring and evaluation	240,000
<b>Total</b>		<b>6,458,207</b>

## **IX. GOVERNANCE AND MANAGEMENT ARRANGEMENTS**

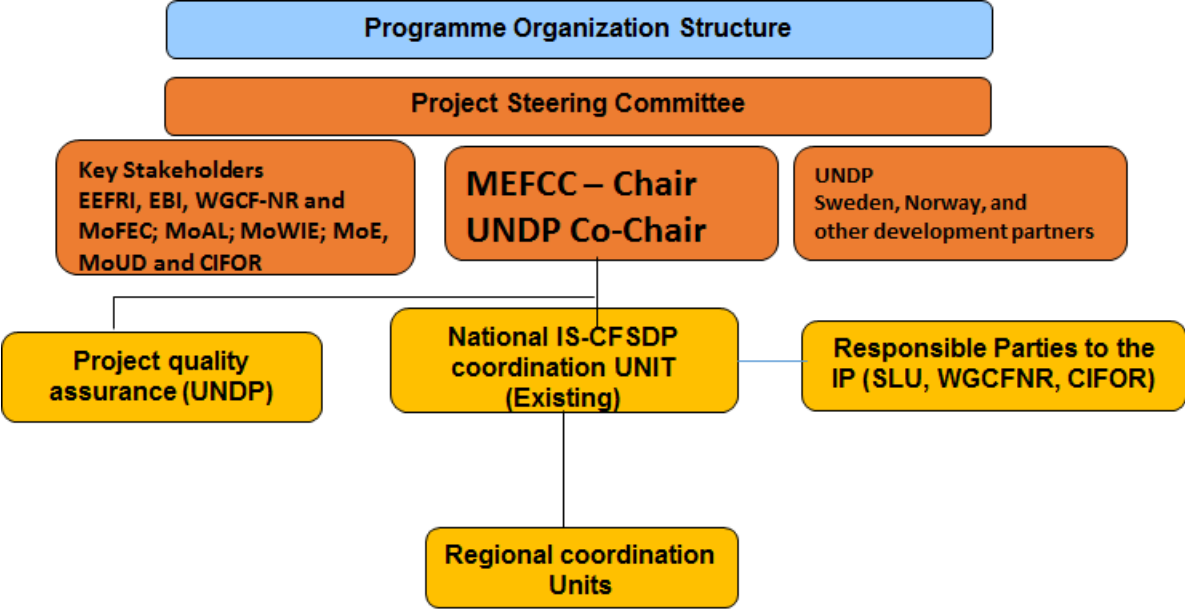
The management structure of the project shown in figure 1 below. This Project which is developed to strengthen the institutional capacity of the Forest Sector through the introduction of sustainable and competitive supply chain and enhancement of forest sector investment in the rural and urban landscapes of Ethiopia. The project will be nationally implemented by the Ministry of Environment Forest and Climate Change in line with the National Implementation Modality (NIM) guided by UNDP NIM rules and regulations as well as the National Project Implementation Manual (PIM) approved by the government of Ethiopia.

UNDP will play a quality assurance role and the fiduciary role of UNDP is critical in building credibility and confidence in the Forest Sector. In addition, UNDP will provide institutional and capacity building support and it will actively provide institutional capacity development necessary to promote Sustainable Forest Management and equipping the sector at all levels with necessary equipment and technical skills to enhance the organizational, systemic and individual capacity of the forestry sector.

This Project will be overseen by a Steering Committee (SC) which will be responsible for making operational policies and strategic management decisions, including approving annual work plans and budgets. The Steering Committee will meet regularly, at least quarterly, and on an extraordinary basis to provide immediate guidance on urgent operational and strategic matters. The SC will be under the overall executive oversight of the State Minister of Ministry of Environment Forest and Climate Change who will also chair the SC.

The SC shall appoint/endorse the IS-CFSDP Project Coordination Office members which will review the operational policies and progress on Project outputs, provide Project assurance, and provides regular reports to the SC. In this capacity, the IS-CFSDP Project Coordination Office will support the technical implementation of the program. Additional specific responsibilities will include, but are not limited to, ensuring: beneficiary needs and expectations are being met or managed; risks are being controlled; the Project remains viable; internal and external communications are working; quality management procedures are properly followed; and that the Project Steering Committees decisions are followed, and revisions are managed in line with procedures laid-down in the PIM.

**Figure 1: Management Arrangement of IS-Catalyzing Forest Sector Development in Ethiopia**



The Project Specialist for Forest Sector projects will lead the project on a day-to-day basis, under the guidance of the State Minister, Ministry of Environment, Forest and Climate Change. Under the overall guidance of the State Minister and the Steering Committee, the Project Specialist for Sector Projects will utilize advisory support from the members of FSDP Coordination Office and technical support from responsible parties to the IP (SLU, CIFOR and WGCFNR) and international experts or consultants that may be recruited for the implementation of the Program. The Project will have its operational office in MEFCC and will work closely with other line Ministries, MOFEC and UNDP to reach-out to its clients/beneficiaries across the country.

UNDP Ethiopia maintains to provide technical support and facilitate most of the capacity building activities of the Program. UNDP will work closely with MOEFCC for monitoring Project implementation, timely reporting of the progress as per the reporting format of the SIDA. It also supports MEFCC in the procurement of the required expert services and other Project inputs and administers the required contracts. Furthermore, it supports the co-ordination and networking with other related initiatives and institutions in the country.

MEFCC and UNDP in collaboration with other implementing partners will be responsible for monitoring Project implementation, timely reporting of the progress to the Government of Sweden as per the reporting format of the Donor. It also supports the implementing agency in the procurement of the required expert services and other Project inputs and administer the required



contracts. Furthermore, it supports the co-ordination and networking with other related initiatives and institutions in the country.

### **The Steering Committee**

*The Project will be governed by a Steering Committee composed of representatives from the Ministry of Finance and Economic Cooperation; Ministry of Water, Irrigation and Electricity; Ministry of Environment, Forest and Climate Change; Ministry of Agriculture and Livestock; Ministry of Education; CIFOR; WGCF-NR UNDP, Sweden. The objectives of the Steering Committee shall be to provide policy and strategic management support aimed at achieving greater coherence and consistency in the implementation of the program; to ensure the adequate flow of funds; to monitor the performance of monitoring and evaluation systems; to ensure consistency in reporting (thus transparency); and to provide policy guidance. The Project will have a technical committee to support the implementation of the program.*

### **The FSDP Project coordination Office**

The FSDP Project coordination Office shall be established within the premises of the Ministry to coordinate and facilitate the different tasks. The coordination Office shall strive to create and establish genuine dual institution twinning cooperation and partnership between the ministry, local universities and Swedish partners

The FSDP Project Coordination Office will manage all programmer-related information and communications (internal and external), including a public feedback mechanism. The FSDP Project Coordination Office “crowd-in” further funding from donors and coordinate all the support provided as related to this program.

The Project Specialist will be responsible to mobilize national technical experts within MEFCC and beyond to back stop the implementation of the Project effectively and on schedule. The Project implementation will also be supported by experts from SLU, CIFOR and WGCFNR (responsible parties to the IP).

### **Modalities of Project implementation**

#### **1. Phased Approach**

The existing delivery unit for IS\_CFSDP as an owner of the Project will run the implementation of the activities and the responsible parties to the IP will involve in the Project implementation to be defined by the LOA, with varying degree of involvement between the components. It is proposed that the Project implementation will have three phases.

**The first phase-** This phase includes activities planned for 2018 and it starts with brief inception activities. These activities include a short inception activities of Project design and coordination followed by TOT for forest extension agents on forest management and utilization, critical gap analysis, identify key PPP challenges and opportunities and strengthen PPP, establishing strong linkages with existing initiatives, creating additional capacities on critical gaps (e.g. directives/guideline, incentives for the private sector etc.), prepare for the inception of graduate training and action demand-driven research, establishing baselines (for detail see annex 1). The detailed action plan is being developed.

**The second phase –** The second phase starts from 2019 and basically focuses on two issues; first, scaling-up of the first phase and further initiation of new activities. The later includes; TOT on entrepreneurship, forest governance and urban landscape management, designing road-map for long-term capacity building, training on FSM framework implementation, initiate Tree-based Livelihoods (TBL), undertake research on new production systems and trade-offs, mapping wood/non-wood forest product market, assess and initiate linkage with financial institutions and finally strengthen PES guideline, identify key biodiversity resource to be utilized at economic scale (for detail see annex 1). The detailed action plan is being developed.

**The third phase-** The third phase will capitalize on the experience of the first two phases and scale-up best practices

The Project Steering Committee convene at the completion of each phase of the project to make decision among others on the required adjustment of the project.

## I. LEGAL CONTEXT

This programme document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Ethiopia and UNDP, signed on 6 February 1981.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partners shall:

- Put in place an appropriate security plan and maintain the security plan, considering the security situation in the country where the project is being carried;
- Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partners agrees to undertake all reasonable efforts to ensure that none of the funds received pursuant to the Programme Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999).

## II. ANNEXES

### Annex I. Project Quality Assurance Report

<i>Signature</i>	<i>Date</i>	<i>Description</i>
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have “checked” to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases, PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

**Annex II.** Detailed description of previous related projects and current initiatives:

**I. The Institutional Strengthening for the Forest Sector Development Project of Ethiopia**

It has been designed to support capacity building efforts co-funded by Norway, Sweden, UNDP, and Government of Ethiopia. Since 2015, the project has built the capacity of the sector to deliver its mandate at various levels. Moreover, the project has been undertaking serious afforestation and reforestation programs. So far, the project was piloted in nine woredas and has rehabilitated over 122,000ha and created over 7000ha new short rotation plantations. This was made possible through the participation of stakeholders and communities. Progress has been noted in strengthening gender aspects in project activities which benefited women in the longer term. Jobless and landless youth were actively engaged in the project implementation and hence marked employment opportunity was created through the project. 46,100 beneficiaries (21,272female) have benefited out of which 38,039 (13,005 female) gained semi-permanent (seasonal) job opportunities through this project.

Overall, the performance of the project has been substantial in achieving its targets with the participation of multiple stakeholders while using a flexible approach to implementation. The achievements of the project both at strategic level (e.g. developing a ten-year National Forest Sector Development Program) and piloting model approaches have gained trust to be showcases for other similar government efforts. Recently, there is strong government and donors interest to expand the model and accordingly the Royal Norwegian Government has put 35 million USD in the REDD+ Investment.

**The Oromia Forested Landscape Project**, on-going project with the financial support of the World Bank with a focus on aim of addressing the drivers of deforestation in the state by promoting activities in the forest, agriculture and energy sectors, such as participatory forest management, small and large scale forest plantations, climate smart agriculture (agroforestry, shade coffee), and energy-efficient technologies (cooking stoves, biogas) to the benefit of local communities and landholders.

**Scaling Up Participatory Forest Management (SUPFM) project** from 2009 to 2014 with a total budget of EUR 7.5 million. Out of the total budget EUR 1.5 million is covered by the GoE as matching fund to cover salary for experts at different levels, office services, fuel and lubricant costs and tax exemption for foreign purchases. SUPFM is also being implemented in 94 forest sites of the 4 regions with the involvement of MoA, Regional BoA and forest enterprises. The overall objective of the project is improving forest condition and forest-based livelihood options through enhanced capacity of both government institutions and the beneficiary communities to effectively and efficiently scale up best management practices in PFM and Non-Timber Forest Product (NTFP) development. Today, PFM is formally recognized, in forest proclamations of Ethiopia's Federal Government (Proclamation No. 542 of 2007) and several regional states. The approach has expanded significantly and the government is committed to scale up the approach further. Farm Africa's data (Temesgen and Lemenih 2011) suggest that nearly 40% of the country's forest resources, mainly

the high forests, are now under some form of PFM although Winberg (2010) is more cautious. Close to 1.5 million ha of natural forests are currently managed through PFM arrangements (Farm Afric2015). There is evidence that demonstrates the contribution of PFM in reducing deforestation and forest degradation and enhancing the social and economic importance of forests. However, much room for improvement remains for PFM in Ethiopia to realize sustainable forest management.

### **Promoting Sustainable Rural Energy Technologies for Household and Productive Uses**

The overall objective of this UNDP/GEF project (4.59 million USD) is to reduce Ethiopia's energy-related emissions via promoting renewable energy and low greenhouse gas producing technologies as a substitute for fossil fuels and non-sustainable biomass utilization in the country, focusing on rural household appliances for cooking, lighting and heating.

Promoting sustainable energy among rural community significantly contributes in improving adult women and female children under 15 years of age health, as the burden of firewood collection and cooking falls heavily on women and female children. Specifically, the intervention targeted women at both energy supply and demand side. Out of 550, 30% women, entrepreneurs focused on rural energy technology enterprise were provided with business development support.

Specifically, the interventions of the project have created enabling market-based environment for diffusion of more than 4,500 improved cookstove and 1,000 solar home system. UNDP directly supported in planning and implementing urban mitigation actions in six cities & towns (Adama, Bahir Dar, Bishoftu, Dire Dawa, Hawassa, Mekelle), through massive tree plantation on more than 3,500 ha. of peri-urban, open green spaces and riparian corridors as well as integrated solid waste management 130,000 tons per year.

### **V. REDD+ Investment Program in Ethiopia:**

REDD+ has great potential to deliver on the country's targets to lower deforestation and increase afforestation. Increasing the country's forest resource base through REDD+ support will contribute to a range of policy goals, including biodiversity conservation, provision of ecosystem services, such as water resource development and improved livelihoods. This Programme therefore aims to address the drivers of deforestation and forest degradation effectively through on-the-ground targeted interventions, re-enforced by the establishment of the appropriate policy environment, legal frameworks, institutional arrangements and capacity building.

Under the Framework Agreement between the Government of Ethiopia and the Royal Norwegian Government (Phase II), this proposal marks one of the first major investments in REDD+ in Ethiopia. The four-year programme would help to transform the way landscapes are managed in Ethiopia's major forest regions and – focusing on restoration in areas where forests have been lost – to reduce carbon emissions or increase removal. It will also help to reduce poverty, establish resilient livelihoods, conserve biodiversity and provide water. The Programme will foster equitable and sustainable low carbon development by enhancing countrywide and local institutions; providing incentives and information to create an enabling environment for the National Forest Sector

Development program implementation; REDD+ on-the-ground activities that address deforestation to reduce land-use based emissions; and enhance forest carbon stocks through afforestation, reforestation and landscape greening.

As part of the REDD+ Partnership Agreement, Norway has committed to provide USD100 million in Phase II: USD80 million will finance this programme proposal through the Climate Resilient Green Economy (CRGE) Facility, while the remaining USD20 million will finance other international partners through the Royal Norwegian Embassy in Addis Ababa.

The Programme will be implemented through four interlocking pillars that will evolve over the course of the 5 years. In the first year (2017), the core activities under these four pillars will be:

- Support scale up of the community-based Afforestation/Reforestation activities under Institutional Strengthening for the Sector Development Project in Ethiopia.
- Start a deforestation and degradation prevention Programme in the southwest forest block (implementation in SNNPR and select parts of Oromia; preparation in Gambelia).
- Build a “Forest Sector Transformation Unit” within the forestry sector that serves as a strategic boost to MEFCC and builds out a pipeline of bankable projects targeting the CRGE and NFSDP goals for forests
- Pilot selected set of PPP/CSO models through the “Forest Sector Transformation Unit”, to enable launch of programs that are more scalable or engage civil society / the private sector in subsequent years

UNDP has signed government cost sharing agreement of 7.9 million USD to support the implementation of the REDD+ Investment Program. Accordingly, the 11 personnel recruitments nearly finalized; 41 vehicles and 17 motorcycles procured.

## Annex III. Social and Environmental Screening

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document. Please refer to the [Social and Environmental Screening Procedure](#) and [Toolkit](#) for guidance on how to answer the 6 questions.

### Project Information

Project Information	
1. Project Title	Institutional Strengthening of the Forest Sector through Catalysing Forest Development in Ethiopia
2. Project Number	00111071
3. Location (Global/Region/Country)	Ethiopia

### Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?
<b>Briefly describe in the space below how the Project mainstreams the human-rights based approach</b>
The project targeted the vulnerable communities residing in the urban and rural areas of the country to ensure that their constitutional right to live in clean and healthy environment by promoting restoration of degraded lands, commercial forestry, afforestation and reforestation and peri urban forest development. Moreover, urban greening is also one of the major focus areas of the project.
<b>Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment</b>
The project is planned to be implemented in the gender sensitive manner. Moreover, at the inception phase of the project gap analysis will be conducted
<b>Briefly describe in the space below how the Project mainstreams environmental sustainability</b>
The nature of the project will support to realization of the three pillars of Sustainable Development (ecological, social and environmental). This project is not a new project and it is the continuation of the Institutional Strengthening of the forest sector development project for which the Environmental Social Assessment is prepared.

### Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description: No Risk identified</i>	<i>Impact and Probability (1-5)</i>	<i>Significance (Low, Moderate, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</i>
Risk 1: ....	I = P =			
Risk 2: ....	I =			



	P =			
Risk 3: ....	I = P =			
Risk 4: ....	I = P =			
[add additional rows as needed]				
<b>QUESTION 4: What is the overall Project risk categorization?</b>				
<b>Select one (see <a href="#">SESP</a> for guidance)</b>			<b>Comments</b>	
<i>Low Risk</i>		<input checked="" type="checkbox"/>	<b>Most of the risk identified are related to policy harmonization; lack of capacity, political unrest which will not be risky in the new political situation of the country.</b>	
<i>Moderate Risk</i>		<input type="checkbox"/>		
<i>High Risk</i>		<input type="checkbox"/>		
<b>QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?</b>				
Check all that apply			<b>Comments</b>	
<i>Principle 1: Human Rights</i>		<input type="checkbox"/>	<b>The risk is operational: culturally oriented under participation of women in implementation</b>	
<i>Principle 2: Gender Equality and Women's Empowerment</i>		<input checked="" type="checkbox"/>		
<i>1. Biodiversity Conservation and Natural Resource Management</i>		<input type="checkbox"/>		
<i>2. Climate Change Mitigation and Adaptation</i>		<input type="checkbox"/>		
<i>3. Community Health, Safety and Working Conditions</i>		<input type="checkbox"/>		
<i>4. Cultural Heritage</i>		<input type="checkbox"/>		
<i>5. Displacement and Resettlement</i>		<input type="checkbox"/>		
<i>6. Indigenous Peoples</i>		<input type="checkbox"/>		
<i>7. Pollution Prevention and Resource Efficiency</i>		<input type="checkbox"/>		

### SESP Attachment 1. Social and Environmental Risk Screening Checklist

<b>Checklist Potential Social and Environmental <u>Risks</u></b>		<b>Answer (Yes/No)</b>
<b>Principles 1: Human Rights</b>		<b>Answer (Yes/No)</b>
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? <sup>7</sup>	NO
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	NO

4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	NO
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	NO
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	NO
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	YES
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	NO
<b>Principle 2: Gender Equality and Women's Empowerment</b>		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	NO
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	NO
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	YES
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	NO
<b>Principle 3: Environmental Sustainability:</b> Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
<b>Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management</b>		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	NO
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	NO
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	NO
1.4	Would Project activities pose risks to endangered species?	NO
1.5	Would the Project pose a risk of introducing invasive alien species?	NO
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	YES
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	NO
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	NO
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	YES
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	NO
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned,</i>	NO

	<i>then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	
<b>Standard 2: Climate Change Mitigation and Adaptation</b>		
2.1	Will the proposed Project result in significant <sup>8</sup> greenhouse gas emissions or may exacerbate climate change?	NO
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	NO
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	NO
<b>Standard 3: Community Health, Safety and Working Conditions</b>		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	NO
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	NO
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	NO
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	NO
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	NO
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	NO
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	NO
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	NO
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	NO
<b>Standard 4: Cultural Heritage</b>		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect, and conserve Cultural Heritage may also have inadvertent adverse impacts)	NO
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	NO
<b>Standard 5: Displacement and Resettlement</b>		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	NO
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	NO
5.3	Is there a risk that the Project would lead to forced evictions? <sup>9</sup>	NO
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	NO

<b>Standard 6: Indigenous Peoples</b>		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	NO
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	NO
6.3	<p>Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?</p> <p><i>If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i></p>	NO
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	NO
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	NO
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	NO
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	NO
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	NO
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	NO
<b>Standard 7: Pollution Prevention and Resource Efficiency</b>		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	NO
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	NO
7.3	<p>Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?</p> <p><i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i></p>	NO
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	NO
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	NO

**Annex IV. Risk Analysis.** Use the standard [Risk Log template](#). Please refer to the [Deliverable Description of the Risk Log](#) for instructions

#	Description	Date Identified	Type	Impact & Probability	Counter measures/ Management response	Owner
1	Political and governance: Failure of the law enforcement and competing interest for land	Project implementation 2018-2022	Political	Probability (medium -high) –Unwillingness/ to enforce existing forest law and regulation Impact –damage rehabilitation and plantation progresses made by the project P = 3 I =3 Risk = Pxl = 9	Conduct series of meetings with stakeholders and local authorities and reach consensus on law enforcement.	Federal ministries, Regional governments;
2	Lack of harmony on strategies and policies of sectors for coordination	Project implementation 2018-2022	Political	Probability – (High-medium) level of awareness of the decision makers including the parliamentarians on the integration of sectoral strategies Impact – Poor participation of the private sector P = 3 I =3 Risk = Pxl = 9	Awareness raising and effective communication strategy including collating, analyzing and availing the experiences of other countries in sectoral integration	Steering Committee, Ministry of Environment, Forests and Climate Change Ministry of Agriculture and NR
3	Insufficiency in institutional capacity for implementation of the programme and inability to attract additional funding	2018-2022	Operational	Probability (moderate)–delay in crowding-in funding from potential donors Impact – delay in the implementation of the project P = 3 I = 3 Risk = Pxl = 9	Putting in place working modality on how to reach different development partners around this project	UNDP and MEFC and UNDP,

4	Public unrest and low public support	Project implementation 2018 - 2022	Operational	Probability (low) – lack of peace and security; Impact –. delay in the planning and implementation of region specific restoration programme P = 2 I = 3 Risk = P x I = 6	Ensure public participation and bottom-up approach Establish continuous public awareness on the importance of this project and improve public trust;	Steering Committee, MEFCC and its regional Replica
5	Delay in procurement process	Project implementation 2018 - 2022	Operational	Probability (high) – Lengthy procurement process affects the timely implementation of the programme Impact – attaining the programme objectives constrained P = 3 I = 3 Risk = P x I = 9	Procurement by delegation and direct payment modalities	MEFCC, Programme Manager and Programme Management Office
6	Gender inequality	Project implementation 2018 - 2022	Operational	Probability (low) – Culturally oriented under participation of women in implementation P = 2 I = 3 Risk = P x I = 6	Outreach women groups in the various components, build their capacity and organize them	MEFCC, UNDP, Program Manager and Program Management Office

**1. Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment). Capacity assessment of the Ministry has been conducted

## **2. Project Steering Terms of Reference and TORs of key management positions**

The Programme Steering Committee is the group responsible for making by consensus management decisions for a project when guidance is required by the PCO, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, PSC decisions should be made in accordance to standards that shall ensure best value to money, fairness, integrity transparency and effective international competition. In case a consensus cannot be reached, final decision shall rest with the UNDP Programme Manager. Project reviews by this group are made at designated decision points during the running of a project, or as necessary when raised by the Project Manager. The Project Manager for decisions consults this group when PM tolerances (normally in terms of time and budget) have been exceeded.

Based on the approved annual work plan (AWP), the Project may review and approve project quarterly plans when required and authorizes any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan as well as authorizes the start of the next quarterly plan. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. In addition, it approves the appointment and responsibilities of the PCO and any delegation of its Project Assurance responsibilities.

Specific responsibilities of the PSC:

- Agree on NPC responsibilities, as well as the responsibilities of the other members of the Project Management team;
- Delegate any Programme Assurance function as appropriate;
- Review and appraise detailed Programme Plan and AWP, including Atlas reports covering activity definition, quality criteria, issue log, updated risk log and the monitoring and communication plans
- Provide overall guidance and direction to the programme ensuring it remains within any specified constraints;
- Address programme issues as raised by the NPC;
- Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- Agree on NPC tolerances in the Annual Work Plan and quarterly plans when required;
- Conduct regular meetings to review the Programme Quarterly Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans.
- Review and approve end program report, make recommendations for follow-on actions;
- Provide ad-hoc direction and advice for exception situations when NPC tolerances are exceeded;
- Assess and decide on project changes through revisions;

Closing a programme

- Assure that all Programme deliverables have been produced satisfactorily;
- Make recommendations for follow-on actions

Chair of the PSC

The MEFCC is ultimately responsible for the project supported by the Beneficiaries and Donors/partners. The implementing agency's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher-level outcomes. The implementing agency has to ensure that the project gives value for

money, ensuring a cost-conscious approach to the program, balancing the demands of beneficiary and supplier.

Specific Responsibilities of the implementing agency (as part of the above responsibilities for the PSC)

- Ensure that there is a coherent project organization structure and logical set of plans
- Set tolerances in the AWP and other plans as required for the NPC
- Monitor and control the progress of the programme at a strategic level
- Ensure that risks are being tracked and mitigated as effectively as possible
- Brief SC and relevant stakeholders about programme progress
- Organize and chair Steering Committee meetings

MEFCC is responsible for overall assurance of the programme as described below Programme Assurance. If the programme warrants it, the implementing agency may delegate some responsibility for the programme assurance functions.



## Project's compliance to Strategy for Sweden's Development Cooperation with Ethiopia

Sweden is the long-standing development partner for Ethiopia; for more than a century. Recently the Ministry of Foreign Affairs of Sweden issued a strategy for Sweden's development cooperation with Ethiopia which would remain active for the period of 2016-2020. Within the framework of this strategy, the aim is to contribute to a better environment, limited climate impact and enhanced resilience to climate change, as well as improved opportunities for poor people to make use of their rights. The project herein has multiple outcomes: particularly outcome one and two; with direct contribution for the expected results of the strategy as indicated in the table below;

Strategy for Sweden's development cooperation		This project	
Result areas	outputs	Key activities	Outcomes
<ul style="list-style-type: none"> <li>A better environment, limited climate impact and greater resilience to environmental impact, climate change and natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>Improved capacity among public institutions</li> </ul>	<ul style="list-style-type: none"> <li>Delivery unit strengthened</li> <li>Dedicated institutions to govern forest resources</li> <li>Training centres and Colleges capacitated</li> <li>Forest environmental</li> </ul>	<ul style="list-style-type: none"> <li>Capacity of the forest sector strengthened at strategic and operational levels</li> </ul>
	<ul style="list-style-type: none"> <li>Strengthened management of natural resources and ecosystem services</li> </ul>	<ul style="list-style-type: none"> <li>services enhanced</li> <li>Forest landscape restoration and biodiversity conservation</li> <li>Model environmental stewardship fostered</li> </ul>	<ul style="list-style-type: none"> <li>Multi-functional landscapes created in rural and urban areas</li> <li></li> </ul>
<ul style="list-style-type: none"> <li>Better opportunities and tools to enable poor people to improve their living conditions</li> </ul>	<ul style="list-style-type: none"> <li>Improved opportunities for productive employment particularly for women and young people</li> <li>Sustainable food security</li> <li>A more favorable business climate for sustainable and inclusive commercial activities</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerabilities of poor communities to extreme events reduced</li> <li>Forest business enterprises established</li> <li>Public Private Partnership (PPP) initiated and fostered</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerabilities of poor communities to extreme events reduced</li> </ul>