



Project Document

Ministry of Environment and Forest

and

United Nations Development Programme
Ethiopia



Empowered lives.
Resilient nations.

Programme Title:	Institutional Strengthening for Forest Sector Development in Ethiopia
UNDAF Pillar:	Economic Growth and Risk Reduction
UNDAF Outcome(5)	By 2020, the governance systems, use of technologies and practices, and financing mechanisms that promote low carbon climate-resilient economy and society are improved at all levels.
UNDAF Output(s):	UNDAF Output 5.2: Policies, strategies, plans and coordination mechanisms that promote climate resilient green economy and society are developed/updated. UNDAF Output 5.5: Capacities at national, regional and woreda institutions having the necessary human resource, technical capacity, system and procedures to plan, coordinate and implement CRGE.
Expected Programme Output(s):	Output 1: The institutional capacity of the forest sector strengthened at all levels; Output 2: Forest conservation and development for their multiple benefits enhanced; Output 3: Private sector involvement in forest development facilitated; Output 4: Science and innovation for enhancing sustainable forest management promoted; Output 5: Stakeholders engagement in forest development enhanced
Implementing party:	Ministry of Environment and Forest
Responsible partners:	MEF, UNDP, MoFED, MOA (Natural Resources Directorate), Ministry of Education, Mekelle University, Hawassa University, Norwegian Forest and Landscape Research, Norwegian Forest Group

Brief Description of the Project

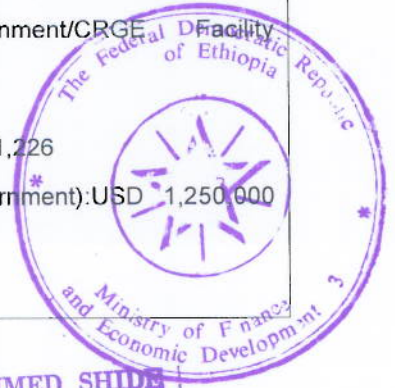
The government of Ethiopia has a strong commitment and recognition of the importance of the forest sector, considering the sector as one of the four pillars in the Climate Resilient Green Growth (CRGE) strategy and having established the Ministry of Environment and Forest (MEF). The newly established MEF urgently requires institutional strengthening support at all levels, so that the sector can effectively and efficiently discharge its responsibilities. In order to realize the forestry components of the CRGE strategy, implement REDD+ strategy, realize the targets set in the GTP, adequately plan and implement GTP2, the newly established Ministry of Environment and Forest and its replica in regional states and city administrations are facing significant capacity constraints at systemic, institutional and individual levels. Therefore, strengthening the institutional capacity of the sector to implement sustainable forest management is critically important. The forest sector needs an innovative and holistic approach to realize its strategic role in supporting the sustainable development of the country.

The present program is targeting to enhance the capacity of the forest sector to fulfill its mandate



at all levels; increase forest coverage that boosts carbon sequestration and other environmental services as well as the promotion of sustainable supply of wood and wood products. Promotion of broad-based stakeholder engagement in forest conservation and development including the private sector and enhancement of the forest development policies, strategies and interventions led by innovation are also focus areas of the program

UNDAF Programme Period:	2012-2016	Total resources required: USD22,464,942
Key Result Area (Strategic Plan) and Sustainable Development	Environment	<ul style="list-style-type: none"> Norwegian Government/CRGE Facility USD10,523,716 UNDP: USD500,000
Atlas Award ID:	_____	
Start date:	2015	Unfunded budget: USD10,191,226
End Date:	2019	In-Kind contributions (Government): USD 1,250,000
LPAC Meeting Date:	17/03/2015	
Management Arrangement:	NIM	



[Handwritten signature]

AHMED SHIDE
State Minister

Agreed by MoFED: _____

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Agreed By MEF: _____

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State Minister

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Agreed by UNDP: _____



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LIST OF ACRONYMS

<i>BoEd</i>	<i>Bureau of Education</i>
<i>BoEF</i>	<i>Bureau of Environment and Forest</i>
<i>CRGE</i>	<i>Climate Resilient Green Economy</i>
<i>EFAP</i>	<i>Ethiopian Forestry Action Programme</i>
<i>FAO</i>	<i>Food and Agricultural Organization</i>
<i>FCPF</i>	<i>Forest Carbon Partnership Facility</i>
<i>GDP</i>	<i>Gross Domestic Product</i>
<i>GHG</i>	<i>Green House Gas</i>
<i>GTP</i>	<i>Growth and Transformation Plan</i>
<i>MEF</i>	<i>Ministry of Environment and Forest</i>
<i>MoFED</i>	<i>Ministry of Finance and Economic Development</i>
<i>MRV</i>	<i>Measuring, Reporting and Verification</i>
<i>NFAP</i>	<i>National Forestry Action Programme</i>
<i>NICFI</i>	<i>Norway's International Climate and Forest Initiative</i>
<i>NTFPs</i>	<i>Non-Timber Forest Products</i>
<i>OFWE</i>	<i>Oromia Forest and Wildlife Enterprise</i>
<i>PFM</i>	<i>Participatory Forest Management</i>
<i>REDD</i>	<i>Reducing Emission from Deforestation and Forest Degradation</i>
<i>R-PP</i>	<i>Readiness Preparation Plan</i>
<i>SFM</i>	<i>Sustainable Forest Management</i>
<i>WBISPP</i>	<i>Woody Biomass Inventory Strategic Plan Project</i>
<i>UNDP</i>	<i>United Nations Development Programme</i>



1 SITUATION ANALYSIS

1.1 Socio-economic and ecological benefits of forest resources in Ethiopia

Forest resources are among the natural resources that have substantial socio-economic, cultural and ecological importance. They are important for soil and water conservation, watershed protection, nutrient recycling, nitrogen fixation, amenity and recreation, creation of microclimate, wildlife habitat, gene conservation and carbon sequestration from the atmosphere¹.

Even if only the formally recognized, officially reported monetary contributions of forests to the economies of the developing world are taken into account, they exceed USD 250 billion – more than double the flow of total development assistance and more than the annual global output of gold and silver combined².

The development, conservation and sustainable utilization of forests plays a significant role in the enhancement of the national economy, helps to mitigate and adapt to climate change and helps to meet the needs of the society for forest products. As such, the beneficiaries from the sector range from smallholders for firewood, soil fertility and feed improvement in agroforestry, industries from commercial forestry to the international community through REDD+ and CDM. The Tourism, Wildlife, Agriculture, Energy and Water sectors also directly or indirectly benefit from forest sector development.

The country has a potential to tap into the economic benefits from industrial and fuel woods supplied by the forestry sector. In the year 2005 alone, the value of industrial wood removed amounted to USD 74,552,000 while that of fuel wood was USD 641,734,000³.

The contributions of non-wood forest products to the national economy through the production of e.g. gums and incense, medicinal plants, honey and beeswax are also considerable. In 2005, the value of non-wood forest products extracted was estimated at USD 36,583,000 bringing the total value for the year to USD 752,869,000⁴. Between 1997 and 2010, about 6,174 tons of gum Arabic and about 33,865 tons of other gums and resins were exported from Ethiopia, which generated more than USD 72 million⁵. Revenues from incense and gums were estimated at USD 9.6 million for 2009 alone⁶.

The annual honey production in Ethiopia is estimated to range between 30 000 and 50 000 ton. Ethiopia is also one of the five big wax exporters to the world market, with an annual production estimated at 5 000 tons and revenues from beeswax were estimated at USD 9.6 million and from beeswax USD 19.8 million for 2009 alone⁷.

¹ Roper 1999; Teketay 2004 and 2004–2005.

² Arun Agrawal, et al. Economic Contributions of Forests, 2012

³ FAO (2006). Global Forest Resources Assessment 2005: Progress towards Sustainable Forest Management

⁴ FAO (2006). Global Forest Resources Assessment 2005: Progress towards Sustainable Forest Management

⁵ Ethno Botany Research and application journal, 19 December, 2013

⁶ African Forest Forum, 2011. Forest Plantation and Wood lands in Ethiopia. Volume 1 Issue 12, 2011

⁷ African Forest Forum, 2011. Forest Plantation and Wood lands in Ethiopia. Volume 1 Issue 12, 2011



Forests provide households with more income than the combined income from other activities for low income groups in northern and western Ethiopia.⁸ Studies demonstrated that the value of non-timber forest products (NTFP) to the rural societies in Ethiopia indicated that most rural households use NTFPs for different purposes such as food, medicine and income generation⁹.

Medicinal plants also play an important role in the Ethiopian healthcare. About 1000 plant species are documented as being used in traditional medicines and the total value added to the economy from traditional medicine in the year 2005 was estimated at USD 210 million and about 56 000 tons of medicinal plants harvested, mainly from wild plants, are used per annum in Ethiopia¹⁰.

The wildlife sector also benefits from tourists, who are attracted by the biological diversity and high level of endemism within the forest. One of the most pressing problems of the wildlife sector of the country is the destruction of wildlife habitats as a result of competing economic and social service demands. It is logical that habitats which include the high forests, savannah and bush lands of the country be regulated and conserved.

The prevailing critical farm constraints such as deteriorating soil quality, loss of biodiversity, and excessive soil erosion can be ameliorated via well-planned agroforestry practices. Strengthening extension services with qualified personnel and judicious provisions of appropriate agricultural technologies significantly contributes to efforts of achieving food self-sufficiency. The immediate viable means of reversing the current trends of worsening climatic upsets and land degradation problems is embarking on assertive tree planting programmes with multipurpose species and coherent supplementary conservation works.

Forestry's contribution to employment generation is undocumented. Most forestry operations are undertaken in rural Ethiopia and a large number of laborers are required for forest nursery operations, afforestation and for the construction and maintenance of roads. Forest industry employment amounted to about 2.2% of the total work force in the country and contributed 2.8 % to employment in the agricultural sector in 1988/1989¹¹.

There is a vast mass of degraded land that can be used for accruing foreign currency through carbon sequestration, both from the Kyoto Protocol and other voluntary markets including REDD+. It is estimated that USD 320 million can be accrued from the available forest resources of the Bale Mountains alone over a span of 20 years¹².

The economic contribution of forest resources was 11.60 percent of GDP in 1995 and 9.0 percent in 2005 without considering the watershed benefit of this resource¹³. However, as attested in the official national account, the economic contribution of the forestry sector was only 6.4 percent and 4.7 percent at current prices, in 1995 and 2005 respectively¹⁴.

Ethiopia is endowed with diverse ecosystems in which diverse flora and fauna as well as microbial resources are found. The major ecosystems include: *afroalpine and sub-afroalpine, montane dry forest and scrub, montane moist forest, acacia-comiphora woodland, combretum-terminalia woodland, lowland humid forest, aquatic, wetland, montane grassland, and desert and semi desert ecosystems.*

⁸Babulo B, Muys B, Nega F, Tollens E, Nyssen J, Deckers J, Mathijs E. 2008.

⁹Household livelihood strategies and forest dependence in the highlands of Tigray, Northern Ethiopia

⁸ African Forest Forum, 2011. Forest Plantation and Wood lands in Ethiopia. Volume 1 Issue 12.

¹¹ Ministry of Agriculture and Rural Development (1992). Ethiopian Forestry Action Plan

¹² Forum for Environment, 2009. *Ethiopian Forestry at Cross Roads The need for Strengthened Institutional set up. Policy brief.*

¹³ Environmental Economics Policy Forum for Ethiopia, January 2010. *Green Accounting Puts Price on Ethiopian soil erosion and deforestation;*

¹⁴ Environmental Economics Policy Forum for Ethiopia, January 2010. *Green Accounting Puts Price on Ethiopian soil erosion and deforestation;*

1.2 Status of forest resources in Ethiopia

During the last 5 decades, since early 1960s, the highland forest cover of Ethiopia has significantly reduced to as low as around 4% in early 1990s. The latest data on forest of Ethiopia are available from the 2010 Forest Resource Assessment conducted by FAO, This data set show a forest cover of 12.2 million ha (>11%) in 2010, while other wooded areas cover 44.65 million ha¹⁵.

In spite of the diverse economic and ecological roles played by the forest resources, it is often hard to quantify the economic contributions of the services and products provided. Its contribution to the GDP is therefore underreported.

In Ethiopia the multiple benefits of forest resources are not fully explored, forested lands are not managed to provide sustainable use of the resources. The growing population of Ethiopia causes a higher demand for fuel wood and land for agricultural production, which in turn creates needs for new farmland and timber – both of which currently result in deforestation and forest degradation.

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, annual fuel wood consumption will rise by 65% – leading to forest degradation of more than 22 million tons of woody biomass¹⁶.

Currently, the country is spending a large amount of its financial resources on importing wood products such as timber. The demand is still higher than the supply. Due to the shortage of wood and wood products, the national wood and wood products import bill is rising sharply from 15 million USD in 1995 to over 120 million USD in 2010/2011¹⁷. Moreover, by 2030 fuel demand is estimated to be between 120 and 140 million m³ and meeting of fuel demand by then would require 6-7 million ha of land under plantations¹⁸. There is a huge gap between demand and supply of forest products and services in Ethiopia and the demand for wood fuel as of 2009 is 77 million m³ against 9.3 million m³ of sustainable supply¹⁹.

The absence of data on economic contributions related to non-timber forest products and their value, and the lack of information systems that can systematically incorporate such data are major bottlenecks not to better understand the forest sector contributions. Data gaps and absence of reliable information are a major problem in estimating the economic contributions of forests beyond what is available in official reports. Currently, the planning process, administration and management of industrial forest plantations and wood processing plants are not integrated, except in the newly established Oromia Forest & Wildlife Enterprise. This has affected both the industry and the forest plantation sectors.

The study conducted by the Environmental Economics Policy Forum for Ethiopia in 2010 indicated that the net amount of soil eroded was about 130 million metric tons in 1995, and that this had increased to 182 million

¹⁵ FAO (2006). Global Forest Resources Assessment 2005: Progress towards Sustainable Forest Management

¹⁶ EFDRE, 2011. Climate Resilient Green Economy Strategy of Ethiopia

¹⁷ Melaku Bekele and Habtemariam Kassa, 2012. Forest policy, Strategies and laws of Ethiopia: Opportunities and Challenges to developing the Sector.

¹⁸ Melaku Bekele and Habtemariam Kassa, 2012. Forest policy, Strategies and laws of Ethiopia: Opportunities and Challenges to developing the Sector. Presentation at the National Dialog on Sustainable Agricultural Intensification in Ethiopia and its role on the Climate Resilient Green Economy initiative in Ethiopia

¹⁹ African Forest Forum 2011. Forest plantations and wood lands in Ethiopia. Volume 1 Issue 12



metric tons in 2005. The nutrient loss from lost soil in terms of phosphorus and nitrogen was 1.1 million metric tons in 1995 and 1.3 million metric tons in 2005. The same study indicated that the monetary value of productivity loss, due to soil loss, is estimated at 639 million 766 Ethiopian Birr in 1995 and 2005, respectively.

Ethiopia's forest resource conservation, development and utilization today is not the product of a long evolving process in which different land-use planning measures have been devised and used to meet changing needs and various ecological conditions of the country. On the contrary, the absence of sound and comprehensive land-use policies encompassing the identification, selection and appropriation of suitable areas for forestry development based on production and environmental protection is an outstanding forestry problem in Ethiopia.

The decision to invest on forest by the private sector depends on the expected returns on investment and perceived degree of risk. Long term investments like forest plantation establishment need to provide the investor with a larger potential rate of return. Investors must have access to funds to acquire land and planting material to establish a large enough area of plantation. Information on market price for forest products and costs of silvicultural practices is limited, which reduces the incentives for plantation establishment. Investing in forestry, which is a long term investment with high capital demand, is obviously risky in nature. There is a lack of knowledge about future inputs and output prices and marketability of the final product.

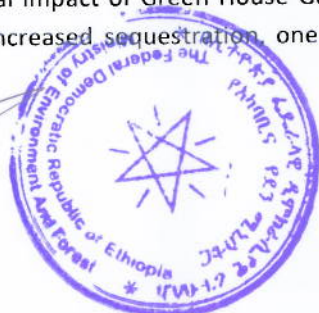
2 REVIEW OF NATIONAL POLICIES AND STRATEGIES RELEVANT FOR THE SECTOR AND INSTITUTIONAL DEVELOPMENT

2.1 National policies and strategies development

The Environmental Policy of Ethiopia, which is one of the outputs of the Conservation Strategy of Ethiopia, was approved on April 2, 1997 by the Council of Ministers. The Environmental Policy of Ethiopia embraced the concept of sustainable development. The Environment Policy of Ethiopia states as its goal "to improve and enhance the health and quality of life of all Ethiopians and to promote sustainable social and economic development through the sound management and use of natural, human-made and cultural resources and the environment as a whole so as to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. Forest conservation and development is one of the ten sectorial policy provisions of the Environmental policy of Ethiopia.

The government issued the Forest Policy and Forest Development, Conservation and Utilization proclamation in 2007 to ensure sustainable supply of forest products to the society, thereby also contributing to the national economy. The Policy encourages public private partnership for forest conservation and development and puts in place various incentive mechanism to promote the private sector in forest conservation and development.

The Climate Resilient Green Economy (CRGE) strategy puts forestry as one of the four pillars. The CRGE seeks to put Ethiopia on the path of environmentally sustainable economic development while offsetting the potential impact of Green House Gas (GHG) emissions associated with Ethiopia's ambitious growth plans by 2030. Increased sequestration, one of the abatement levers for the forestry component, alone require the



coverage of 7 million hectare through large and small scale afforestation/ reforestation/area closure and forest management of wood lands and forests²⁰ (CRGE, 2011).

By the end of the current Growth and Transformation Plan, the total area rehabilitated through soil and conservation work is expected to reach 10.21 million ha. Additionally, a total of 7.78 million ha is expected to be developed through community based watershed development²¹.

2.2 Institutional development

The government has established a Ministry of Environment and Forest in 2013. The Oromia National Regional State has established in 2009 the Oromia Forest and Wildlife Enterprise (OFWE). OFWE manages all state forests and protected areas in Oromia, while tapping into the economic potential of forests and parks. OFWE manages many natural forests through PFM arrangement. The Amhara Regional State also established its "Amhara Forest Enterprise" in 2011.

3 SYNERGIES AND COMPLEMENTARITIES OF THE PROGRAMME WITH REDD+ INITIATIVE

The institutional strengthening for the forest sector development programme fully recognizes the complementarities and synergy with REDD+ readiness. REDD+ has defined scope and outputs mainly focused on readiness. The key components of the REDD+ readiness include:

- Establishing the National REDD+ management structure and functionality
- Awareness raising on REDD+
- Developing the National REDD+ Strategy
- Developing Reference Scenario /Reference Emissions Levels/ Reference Levels
- Design MRV for Emissions and Removals
- REDD+ piloting in Oromia region which has a separate portfolio pledged by Norway
- Additional study and design on REDD+ pilots for three other regions.
- Supporting the Government of Ethiopia in navigating REDD+ readiness and designing a model for regional REDD+ under the UNFCCC Warsaw Framework

Therefore, this new institutional strengthening program, which has got; institutional development, Forest development, Private sector involvement, Stakeholder engagement and Science and Innovations important pillars will complement REDD-readiness and the actual REDD+ implementation in Ethiopia

3.1 Strategy and UNDP's comparative advantages

The overarching strategic approach of the United Nations Development Assistance Framework (UNDAF) (2012-2015) is to strengthen capacities of national actors, systems and institutions, through targeted and catalytic interventions that accelerate broad-based development. The UNDAF is framed around three strategic

²⁰ EFDRE, 2011. Climate Resilient Green Economy Strategy of Ethiopia

²¹ MoFED, 2010. Growth and Transformation Plan of Ethiopia



priorities: enhanced economic growth and poverty reduction; democratic governance and capacity development; and development of a low-carbon and climate-resilient economy.

UNDP has supported the government financially and technically in the formulation of the CRGE strategy which took forestry as one of the four pillars and Agriculture focused Climate Resilient Strategy in which forestry is one of the focus areas. The UNDP projects and programmes supported the preparation of climate change adaptation programmes of all regional states and city administrations. These adaptation programmes served as a basis during the formulation of CRGE strategy. UNDP played a leading role in coordinating the preparation and launch of the CRGE Facility, which put Ethiopia in a better position to access global climate finance such as Green Climate Fund. UNDP, through its CRGE programme, pioneered the agenda of CRGE mainstreaming into the national planning, budgeting and M&E and development cooperation system of the country. The mainstreaming initiative involved advocacy, training of various scope, leadership development, development of tools and review and/or development of instruments. UNDP has been given the role of coordinating the CRGE capacity building activities by MoFED.

This Institutional Strengthening for the Forest Sector Development Programme in Ethiopia is part of the UNDP's capacity building programme for the CRGE implementation. UNDP Ethiopia will mobilize available experts from UNDP's regional center and headquarters to effectively implement this program. The experiences gained from the implementation of forestry programmes under the UN-REDD in Africa and elsewhere will be utilized.

4 OBJECTIVES, OUTPUTS AND ACTIVITIES

The government of Ethiopia has strong commitment and recognition on the importance of the forest sector by considering the sector as one of the four pillars in the CRGE strategy and by establishing the Ministry of Environment and Forest (MEF). The newly established MEF urgently requires for institutional strengthening support at all levels so that the sector can effectively and efficiently discharge its responsibilities.

Moreover, in order to realize the forestry components of the CRGE strategy, implement REDD+ strategy, realize the targets set in the GTP1, adequately plan and implement GTP2, the newly established Ministry of Environment and Forest and its replica in regional states and city administrations are facing huge capacity constraints at systemic, institutional and individual levels.

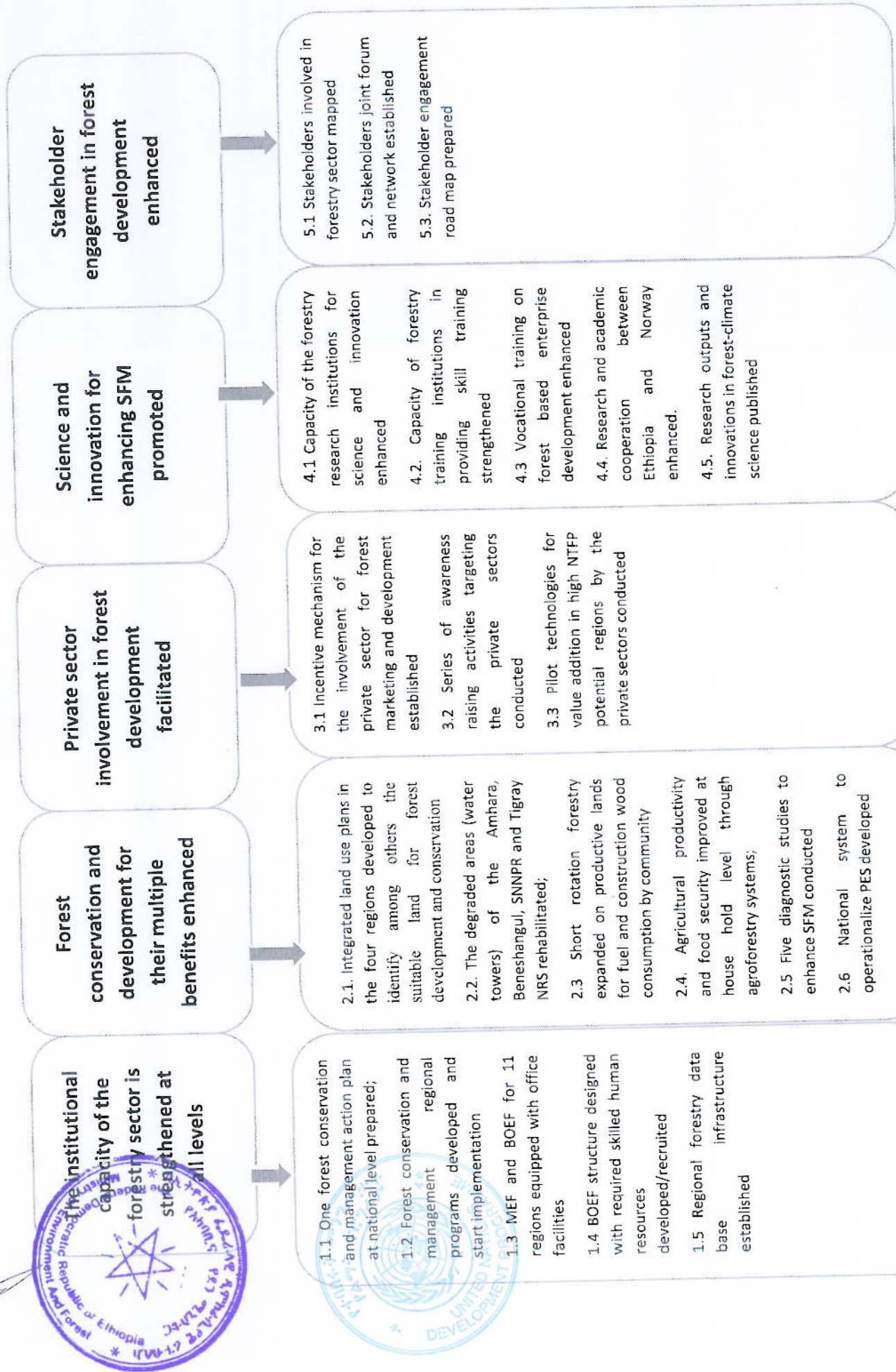
Therefore, strengthening institutional capacity of the sector to implement sustainable forest management is critically important. Therefore, the forest sector needs an innovative and holistic approach to realize its strategic role in supporting the sustainable development of the country.

However, such efforts require strong local capacity and system that can handle substantial changes as the result of emerging issues. Therefore, this project becomes more imperative as it focuses on institutional strengthening efforts at all levels, which eventually may evolve to sustainable activities on the ground.

The overall objective of this project is to strengthen government capacity in the forest sector at all levels and spearhead the implementation of the forestry component contained in the GTP and CRGE Strategy. The Specific objectives of the project are to: Enhance and stimulate sustainable forest development in line with GTP and CRGE; Foster institutional strengthening at all levels; promote popular participation; Strengthen Science and Innovation and Promote private sector engagement. The five major pillars of the project are: Institutional development; Forest development; Private sector involvement; Stakeholder engagement and Science and Innovation.



The complementary Outputs of the Program



4.1 Output 1: The institutional capacity of the forestry sector is strengthened at all levels

The project will build the ministry's planning and implementing capacity at national and regional levels in order to realize the forestry target contained in the GTP and CRGE Strategy. The national forest conservation and development action plan and region specific programs will also be developed and updated to provide clear guidance on how to undertake forest conservation and development towards improving food security and the attainment of the CRGE and GTP targets. The forestry institutions at national and regional levels will also be supported in human resource development and office facilities. Moreover, regional forestry database infrastructure will be established to fill the gap in data management and handling.

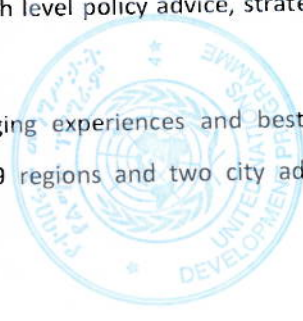
Ministry of Environment and Forest is a newly established institution. The government is committed to expand the structure down to the lowest administrative unit in order to achieve the envisaged objectives. However, in order to effectively implement the project activities new project offices will be opened in selected woredas and these offices will be linked with the national focal unit to be established in this project.

The existing national forestry action plan (Ethiopian Forestry Action Plan) which was prepared in 1994 is outdated and has to be reviewed. A National Forestry Action Plan (NFAP) will be developed in line with the emerging issues in the area of forestry and taking into account new evolutions such as the establishment of the Ministry of Environment and Forest; impact of climate change and the decision of the government to consider forestry as one of the pillars of CRGE Strategy. The REDD+ strategy under preparation will be considered as part of the wider forestry action plan. The NFAP will be aligned to the GTP, the CRGE Strategy and the REDD+ Strategy (in the making) and take into account the emerging institutional arrangement at regional level. The preparation of the NFAP (2015-2025) will involve regional and federal government institutions, civic societies, development partners, and academia and research institutions.

The National Regional States and City Administrations will develop their respective forest conservation and development programs in line with the NFAP and their respective forest resources conditions. The programs will be developed by analyzing the socio-economic, institutional, ecological conditions, and on the basis of the regional climate change adaptation plans. The project formulation will follow the same pattern of NFAP described above.

The structural set up BOEF will be designed. Regional organograms will be developed depending on regional conditions and demands. Skilled human resources will be recruited. To this effect, a long term institutional human resource development plan will be developed. In order to fulfill the critical demand identified in the human resource development plan, 11 qualified staff will be recruited at federal and regional level. The personnel will be in charge of providing high level policy advice, strategy development and technical support to the regional and federal ministry.

In addition to this, in the spirit of bringing experiences and best practices Regional forestry database infrastructure will be established in the 9 regions and two city administrations. As discussed above the



availability of forestry related data is limited. Regions should have facilities to keep, avail and process forestry related data for forest conservation and development. Therefore, local database infrastructure will be established per region equipped with facilities and manpower.

Forest management requires defined engagement of stakeholders to avoid possible duplication of efforts and potential conflicts. The responsibility of different stakeholders, including the local communities, will be defined and communicated before any afforestation/ reforestation and revegetation program is started. Frameworks will include use rights, tenure arrangements, and safeguards and benefit sharing arrangements in the later stage of the forest development program. Any lost opportunity of local communities will be identified and proper safe guard mechanism will be proposed. Local arrangements will be agreed and signed at different levels to build confidence and ensure sustainability of land use changes as the result of the afforestation/ reforestation and revegetation program.

4.2 Output2: Forest conservation and development for their multiple benefits enhanced

Ethiopia's forest conservation and development activities are not yet guided by integrated land use plans. This has created unnecessary competition between land use practices. Therefore, the future forest conservation activities should be supported by integrated land use plans. The project will pilot the preparation of integrated land use plans in the four regions.

The traditional and modern agroforestry practices will be enhanced in selected agro-ecological zones of the country. Short rotation forestry will be expanded on productive lands for fuel and construction wood production. A need assessment for undertaking a land use plan will be conducted in the four regions. This will include assessment of existing land use in the respective regions. Required capacity building activity will be done and experts will be deployed to prepare regional integrated land use plans.

The final plan will be presented to regional governments and other stakeholders for review. The integrated land use plan is expected to identify among others the suitable land for forest development and conservation. The final plan will include mapping the land use practices in the regional scale fuel and construction wood consumption.

Degraded mountainous areas in Tigray, Amhara and Beneshangul National Regional States which have got water towers potential will be identified and mapped. The rehabilitation of the identified areas will be supported. As per the agreed criteria, the program will select the degraded areas which can serve as water tower and prepare restoration map in the different regions. The experiences of SLM and PSNP in watershed management of degraded lands can be cited as one of the important lessons.

In order to limit the demand for fuel wood and construction materials and minimize the required foreign currency, short rotation forestry will be designed and implemented. The short rotation forestry includes primarily plantation establishment of the fast growing species. Afforestation/ reforestation and revegetation

at the scale that is planned in Ethiopia need Farmers Managed Natural Regeneration (FMNR) and good quality nurseries that can produce high quality seedlings. Cultivation of a number of different species is also needed. Nevertheless, supply of good quality planting materials is a constraint. To overcome this challenge, improvement in nursery techniques need to be designed and implemented. To this effect, the active participation of and partnerships among private sector, organized communities (youth, women etc) and public sector in form of partnership will be employed.

Agricultural productivity and food security at household level have been severely affected in the country. Factors include among others population pressure and decline in soil fertility. This situation is further aggravated, particularly by drastic increase of price of commercial fertilizers. In light of this, the project tries to respond to this challenge by supporting introduction of an agro-forestry system in selected agro-ecological zones of the country and development of a roadmap that will upscale the system based on the lessons learned from implementation of the pilot projects.

Added to this, the forestry sector in the country is highly constrained by a lack of adequate and real time data and information. This makes it difficult to make informed decisions and to enhance Sustainable Forest Management practices in the country. The project will therefore commission important and timely diagnostic studies for informed decision making.

In addition to their direct benefits, forest resources are of paramount importance to promote ecosystem services. However, in Ethiopia the ecosystem services rendered by forest resources are not well documented and valued. Therefore, the project will support introduction of Payment for Ecosystem Services of forest resources. The thematic areas to be covered through this system include, among others, wildlife habitats, tourism, climate amelioration, biodiversity conservation, soil fertility improvement, hydropower sources, water resources and Non-Timber Forest Products.

This means that the realization of Payment for Ecosystem Services will benefit sectors such as the Ministry of Water, Irrigation and Energy, resort hotels, companies such as Bedele Brewery which reusing the Collobus monkey as trade mark, the Ethiopian Wildlife Conservation Authority, specialty NTFPs traders (certified forest coffee, honey, bamboo),etc

4.3 Output 3: Private sector involvement in forest development facilitated

To develop large scale forestry plantations and other forestry activities it is important to include the private sector. Funding of commercial plantations can be a combination of private funding, grants and soft loans. Next generation plantations have the potential of being part of the climate change solution as well as securing energy & rural livelihoods through the development of forest-based businesses. Such plantations should also be sufficiently financially attractive to motivate local investors. Together with the Norwegian Forest Group and other private sector entities, the barriers and root causes which hinder the participation of the private sector

and public private partnership will be identified and the required incentive measures will be developed and proposed for adaptation by the government. A series of private sector targeted awareness raising activities will also be conducted at national and regional levels. The private sector will be involved in the development of short rotation plantation and the marketing of forestry products preferably in non-timber forest products.

The project will support the preparation of the incentive mechanisms which will facilitate the involvement of the private sector in forest development, marketing and value addition. The role of the private sector in forest conservation and development should be in line with the Growth and Transformation Plan of the country, the Climate Resilient Green Growth Strategy, the Climate Resilience Strategy – Agriculture, and other policies and strategies which are relevant for sustainable forest management.

The potential of the country in non-timber Forest Products is high and the local communities are benefiting from the extraction of these resources. The economic, ecological and social benefits of these resources for sure will increase by value addition activities. The potential to attract the private sector is therefore very high.

4.4 Output 4: Science and innovation for enhancing sustainable forest management promoted

Research in forestry is at its infancy in Ethiopia. There is a critical need to strengthen focused research that can directly feed into the current development efforts. Rehabilitating degraded lands and existing forest management practices requires knowledge based engagements. In this regard, the project aims to build and support existing national training and research capacities by providing facilities and technical support. The forestry sector has to be supported by strong research and trained human resources so that it can play its role foreseen in the CRGE strategy and long-term national development plan. Hence, strengthening the capacities of forestry research and training institutions should be part of the forestry sector development program. The research and training institutions also have to regularly review and update their programs to match the current and future needs of the country. This may also require capacitating technical and vocational training institutions at regional level to train a critical mass of people on forestry extension and development.

Existing forestry research programs mainly focused on adaptation trials of exotics introduced to the country, ecological explorations and some timber and non-timber forest products. This research does not meet the current needs. Hence, forestry research should be revitalized under the new institute of environment and forestry research.

Today's forestry operations need skills to manage forests for multiple purposes, including conservation, provision of ecosystem services and forest products, adaptations to and mitigation of climate change. Moreover, there is a need to train students on the role of the private sector in forest conservation, development, marketing and utilization. The formal and informal forestry education should prepare students and trainees for such diverse forest development activities. The education and training component of the

project consists of short-term training activities in forestry or other related areas. The short-term training program to selected community members and farmers provides hands-on experience, practical information and skills necessary for the immediate implementation of forest, including seed handling, management of nursery and restored landscape through FMNR, agro-forestry and forest gardens. In this regard, the following activities are foreseen:

Forestry is a public venture and requires mass communication about the sector and its opportunities. Moreover, there is the potential to create green jobs that can support a significant number of unemployed youth. However, short-term vocational training on green jobs and forest related business management is required.

Generation of knowledge through research and exchange of information on climate change, mitigation and adaptation related programs and disseminate information on latest research findings through published outputs to prominent national and international institutions is vital. Promoting inter-institutional information sharing and linkages through information exchange and networking with actors and stakeholders is also important. Staff exchange for sharing experiences with international partner institutions, and establishing local net-work with schools, colleges and universities to disseminate information on latest research findings will be valuable

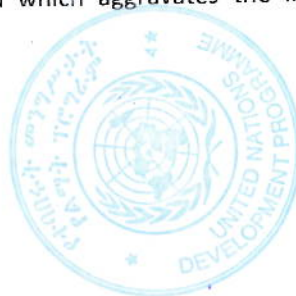
4.5 Output 5: Stakeholders engagement in forest development enhanced

In the context of Ethiopia, broad based stakeholder's engagement in forest conservation, management and marketing is highly required. Therefore, the meaningful participation of Civil Society Organizations (CSOs), Research Organizations, Higher learning Institutions, Community Based Organizations, relevant Professional Associations such as Ethiopian Foresters Association, etc will be supported by the program.

5 EXPECTED GLOBAL, NATIONAL AND LOCAL BENEFITS

The forestry sector at all levels will be equipped with the forest conservation and development programme and action plans, office facilities and equipment data bases and procedures tools, etc.to coordinate and operationalization of the forestry components contained in the CRGE strategy and GTP in particular, and contribute for the attainment of the government vision of becoming carbon neutral and climate resilient by 2025.

The programme implementation will contribute to filling the fuel-wood deficiency gaps, which more than 80% of the rural population is suffering of and which aggravates the impoverishment of the environmental resources



The implementation of the forestry component in the CRGE strategy will place Ethiopia internationally at the forefront of successfully increasing the forest coverage, by minimizing deforestation and forest degradation and decreasing the emission level due to deforestation and forest degradation.

6 PARTNERSHIPS

The government, multilateral, bilateral and civil society organizations are putting a lot of effort to increase the forest covers of the country by rehabilitating the degraded lands and enhance the sustainable forest management practices in the country through various approaches including participatory forest management. Forestry is one of the selected key sectors in the CRGE strategy and this has created a favorable environment for the development partners and non-governmental organizations to invest in forestry.

6.1 Government and donor resources

The Government of Ethiopia (GoE) requires a budget of USD 14.12 million for the period 2012-2015 for R-PP implementation. The FCPF grant funded USD 3.6million of the requested budget, while NICFI and DFID have made a commitment to the GoE to provide the additional USD 9.4million. The Oromia Forested Landscape Project, with the financial support of USD 10 million from the World Bank , is expected to address the main 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. FAO with the financial support of the World Bank / FAO are supporting the government of Ethiopia in the establishment of MRV and Reference Emission Level for REDD+.

Participatory forest management (PFM) was introduced as one of the solutions to solve the problem of open access to forest resources and promote sustainable forest management in the country through community participation. It was introduced in early 1990s by NGOs into Chilimo and Bonga (by FARM Africa), Borana (SOS Sahel), and Adaba Dodolla (GTZ) forests. The experiences from these pilot projects have demonstrated good achievements as a result PFM is now well established in Ethiopian forest management system and is being scaled up in different forest areas of Amhara, Oromia, B/gumuz and SNNP regions. Two of the regions, Oromia and SNNP, have prior experience in PFM while the other two are new for the practice.

Scaling up participatory forest management (SUPFM) project is a 60 months project running 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 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 the area of PFM and NTFP development.

MoA with the support from development partners has started establishment of four Tree Seed Centers (construction of one started this EFY) at SNNP (Awasa), Oromia (Suba), Amhara (Bahr Dar) and Tigray (Mekele) regional states. The centers are elected based on the recommendation of WBISSP to have a decentralized seed centers in different agro-ecologies. The construction of Awasa Tree Seed Center has been completed and currently fulfilling with seed processing and handling facilities is undergoing while the construction of those at B/dar and Suba is promising.

Besides, the Ministry of Agriculture with the financial and technical support from FAO (496,000USD) has implemented a project which has got objectives of assessing the forest resources of the country so as to provide up-to-date qualitative and quantitative information on the state, use, management and trends of these resources.

6.2 Synergies with ongoing UNDP programs and projects

The UNDP country office engagements which are relevant to the forestry sector depicted here under.

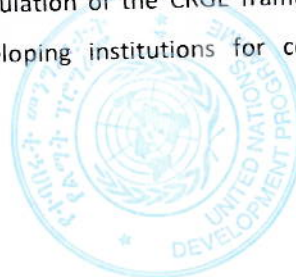
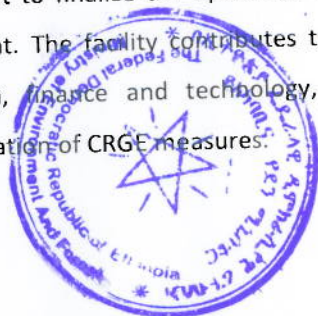
6.2.1 Pillar 1: Strengthening national policy, strategy and planning

UNDP has been constantly engaged with DRMFSS and other development partners in development of various policy related initiatives. It has been closely working with DRMFSS and other agencies for the approval of DRM policy which is a milestone for the country in the field of Disaster Risk Management Initiatives. It has also substantially contributed in the finalization of the DRM Strategic Programme Implementation Framework (SPIF) a national action plan on DRM to be implemented at various levels.

UNDP is engaged in strategic and technical assistance for the development of enabling policy and institutional framework for in situ conservation of agro-biodiversity. UNDP has supported the development of first five years wildlife marketing strategic and yearly marketing action plans which will contributed to the growth of eco-tourism in the country. The existing old wildlife policy has been updated and legislation drafted. Sustainable financing mechanism for the conservation and development of protected areas was formulated through the creation of trust fund. Moreover, national agro-biodiversity marketing strategy is designed.

6.2.2 Pillar 2: Supporting institutional development and capacity building

Following the establishment of the CRGE Facility in late 2012, UNDP has provided advisory, technical and financial support to finalize the operation manual, including by facilitating broad stakeholder consultations and engagement. The facility contributes to the formulation of the CRGE framework, enhancing means of implementation, finance and technology, and developing institutions for coordination of formulation and implementation of CRGE measures.



Under the ongoing initiative of capacity building and leadership development, UNDP has been supporting the provision of trainings and 14 senior level government officials for undertaking masters and doctoral courses on DRM aimed at creating leadership and a team of experts on DRM for the country to support the future DRM initiatives for substantial reduction of disaster risks.

UNDP continued supporting the African Centre for Disaster Risk management (ACDRM) and Ethiopian Emergency Coordination Centre (EEC) to strengthen their capacity to provide the service they are established for. In collaboration with ACDRM, pilot Community Based Disaster Resilience Assessment was conducted aimed at identifying the existing community resilience to various disasters and coping mechanisms which will inform the policy decisions at the zonal and federal level to inform the policy decisions for mainstreaming community disaster preparedness and resilience into the ongoing development initiatives at various levels.

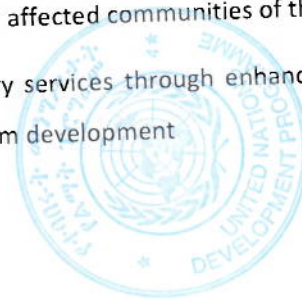
6.2.3 Pillar 3: Support to resilience building through disaster risk reduction, and conservation and sound management of natural capital

UNDP's CRGE project has also supported the Ethiopian government efforts of mainstreaming and implementing the CRGE strategy in some of the key sectors focusing on Water and Energy, Agriculture and Industry.

In addition to establishing the CRGE Facility, the Ministry of Finance and Economic Development (MoFED) has led in capacity development and training for CRGE implementation at sub-national levels. The areas of support include among others: mainstreaming of CRGE at macro level development plans and programmes, development of Climate Resilient Strategies at sub-national and district levels, capacity need assessment of key ministries (Agriculture, Industry and Ministry of Finance and Economic Development) to mainstream and implement CRGE strategy in their respective sectors. The CRGE mainstreaming tools developed with the support of UNDP are fundamental tools in adequately incorporating the climate change agenda at the planning stage and also for the subsequent monitoring and evaluation.

UNDP, Ethiopia has been implementing a multi-donor and multi-year Disaster Risk Management and Livelihood Recovery Programme (DRR/LR) in the most hazard prone regions of the country. This programme is being implemented in partnership with Disaster Risk Management and Food Security Sector (DRMFSS) of the Ministry of Agriculture. The programme aims at enhancing institutional capacity to lead cost-effective, systematic and sustainable actions towards the protection of lives, livelihoods and property of vulnerable population through risk reduction measures against various natural disasters affecting the country. The main engagement at community level includes:

- Restoration of livelihood and improved food security through cash for work, community based livelihood support for the most disaster affected communities of the selected regions of the country
- Access to food, water, basic veterinary services through enhancement of the physical, human and social assets aiming towards longer-term development



- Development of Community Based Disaster Risk Management (CBDRM) planning and implementation at community/district levels to ensure effective and future disaster preparedness

UNDP is assisting in climate change vulnerability identification, prioritization of local level climate change adaptation measures and investment plan preparation, as well as the formulation of a strategy to build the adaptive capacity of the country to conserve agro-biodiversity in the face of changing climate.



7 RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country Programme/UNDAF Results and Resource Framework: Outcome 5: By 2015, the governance systems, use of technologies and practices, and financing mechanisms that promote low carbon climate-resilient economy and society are improved at all levels UNDAF Output 5.2. Policies, strategies, plans and coordination mechanisms that promote climate resilient green economy and society are developed/updated; UNDAF Output 5.5. Capacities at national, regional and woreda institutions having the necessary human resource, technical capacity, system and procedures to plan, coordinate and implement CRGE</p>				
<p>Outcome indicators as stated in the Country Programme/UNDAF Results and Resources Framework, including baseline and targets:</p>				
<p>Applicable Key Result Area (from 2014-2017 Strategic Plan): Environment and Sustainable Development</p>				
<p>Partnership Strategy: refer to pages 22-24</p>				
<p>Project title and ID (ATLAS Award ID):</p>				
INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output1: The institutional capacity of the forestry sector is strengthened at all levels</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> - Ministry of Environment and Forest established with very limited capacity. - Absence of regional (sub-national) structures - Out dated Ethiopian Forestry Action Plan (\$994) - Woody Biomass Inventory and Strategic Planning Project(2004) - Emerging forest-based 	<p>Targets</p> <ul style="list-style-type: none"> - One National Forestry Action Plan; - 11 Regional Forest Action Plans - Forest sector structures designed in nine regional states and two city administrations; - Forest sector structures established in nine regional states and two city administrations; - Forest sector development 	<p>Activity Result1.1 Forest management offices established at Regional and National levels</p> <p>1.1.1 Conduct consultation with the regions and select the location of project offices</p> <p>1.1.2 Establish regional forest management offices in all regions and provide the required IT equipment and other office facilities</p> <p>1.1.3 Provide technical assistance at federal level to support program implementation</p> <p>1.1.4 Provide project staff for regional level project implementation</p> <p>1.1.5 Provide training for federal and region forest offices</p>	<p>MEF and UNDP</p>	<p>Funded: 1,020,728 Unfunded: 920,272</p>

<p>enterprises in regions;</p> <ul style="list-style-type: none"> - Absence of a comprehensive, integrated and functional forest sector database <p>-</p> <p><u>Indicators:</u></p> <p>Existence of sub national structures established in nine regional state and two city administrations;</p> <p>Presence of National forest conservation and development action plan;</p> <p>Presence of forest conservation and development programmes in regions and city administrations ;</p> <ul style="list-style-type: none"> -Existence of functional offices at national and sub-national levels; - Existence of forest conservation and development database operational at national and regional levels; 	<p>structures become functional at all levels;</p> <ul style="list-style-type: none"> - Put in place the required skilled human resources for federal and emerging regions; -ESMF Produced - Forest conservation and development database become operational at all levels; 	<p>Activity Result 1.2: National Forest Action plan prepared</p> <p>1.2.1 Review the forest policy and legislation at national and regional levels</p> <p>1.2.2 Develop the National Forest Action Plan</p> <p>1.2.3 Undertake capacity building activities for the implementation of National Forest Action Plan</p> <p>1.2.4 Develop coordination framework for effective stakeholder engagement</p> <p>1.2.5 Publication and dissemination of NFAP</p> <p>1.2.6 Mainstream the NFAP to GTP2</p> <p>Activity Result 1.3: Regional Forest Action Plan prepared</p> <p>1.3.1 Review the National Forest Action Plan and draft the Regional Forest Action Plans</p> <p>1.3.2 Under take capacity building activities for the implementation of Regional Forest Action Plan</p> <p>1.3.3 Develop coordination mechanism for the implementation of the Regional Forest Action Plans</p> <p>1.3.4 Publication and dissemination of RFAP</p> <p>Activity Result 1.4: BoEF structure designed and required skilled human resources developed/recruited</p>	<p>UNDP</p> <p>UNDP</p>	<p>Funded : 299,000 Unfunded :1000</p> <p>Funded: 119046 Unfunded: 180954</p>
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		<p>1.4.1 Prepare a long term human resource development plan for the sector</p> <p>1.4.2 Develop regional organograms that fit into regional conditions and demands;</p> <p>Activity Result 1.5 Environmental, social management framework for the rehabilitation and afforestation program prepared</p> <p>1.5.1. build technical capacity to assess, identify and rehabilitate degraded forest areas through Afforestation/ reforestation program</p> <p>1.5.2 Prepare Environmental Social Management Frame work</p> <p>1.5.3 Validate and produce the final ESMF</p> <p>1.5.4 Provide training on the implementation , monitoring and evaluation of ESMF activities</p> <p>Activity Result 1.6 Regional forestry data base infrastructure established</p> <p>1.6.1 Regional forestry data base infrastructure established</p> <p>1.6.2 Equip the regional database infrastructure with facilities</p>	MEF	<p>Funded 264000</p> <p>Unfunded: 259000</p> <p>Funded : 120,000</p> <p>Unfunded :80000</p> <p>Funded: 390,000</p>
<p>Output 2: Forest conservation and development for their multiple benefits enhanced</p> <p><u>Baseline:</u></p>	<p>Targets:</p> <p>Clearly defined and Integrated Rural Land Use plans that support development and conservation</p>	<p>Activity Result 2.1: Integrated land use plans piloted in the selected woredas of the regions</p> <p>2.1.1 Capacity building activities to undertake integrated land use plan;</p>	Ministry of Environment and Forest	<p>funded 92,000</p> <p>unfunded:8,000</p>



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<ul style="list-style-type: none"> - Absence of clearly defined Rural Land Use plan that supports the development and conservation of forest resources ; - Degraded lands rehabilitation program exists in some parts of Ethiopia; - Absence of harmonized agroforestry systems and practices by agro ecological zones; - Lack of comprehensive evaluation system for ecological, social and economic benefits of forest resources and their contribution to GDP <p>Indicators:</p> <ul style="list-style-type: none"> - Presence of clearly defined and integrated Rural Land Use plans that support development and conservation of forest resources in pilot regional sates; - Proportion of degraded land demarcated and mapped; - Proportion of degraded land rehabilitated - Presence of project designed document on forest to access carbon finance - Existence of a roadmap for 	<p>of forest resources in eight selected sites;</p> <ul style="list-style-type: none"> - 300,000 ha of degraded land be demarcated and mapped; 200,000 ha of degraded land rehabilitated ; - 30,000 ha. mapped and demarcated 30, 000 ha covered through short rotation plantation programmes - One Project Design Document on forest prepared to access carbon finance; - Criteria for implementation of agro forestry system in the pilot regions developed; - Improved Agroforestry system in four pilot regions - One roadmap for implementation of agro forestry system in the country developed 	<p>2.1.2 Prepare integrated land use plan for pilot areas in the four regions.</p> <p>2.1.3 Review the draft land use plan with regional stakeholders and finalize the plan</p> <p>Activity Result 2.2: Degraded areas mainly (water towers) of the Amhara, Beneshangul, SNNPR and Tigray NRS rehabilitated</p> <p>2.2.1 Develop criteria for the selection of the degraded areas;</p> <p>2.2.2 Prepare restoration map for the degraded areas of each region.</p> <p>2.2.3 Support the rehabilitation of the identified areas;</p> <p>2.2.4 Support forest carbon Project Design Document A/R preparation</p> <p>Activity Result 2.3: Short-rotation forestry expanded for fuel and construction wood consumption</p> <p>2.3.1. Prepare identification criteria for the selection of sites for the establishment of short rotation plantation</p> <p>2.3.2. Undertake socio economic studies of the sites and select appropriate tree species</p> <p>2.3.3. Identify 3 sites /region and prepare management plans and start implementation:</p> <p>2.3.4 Seed supply and Nursery management</p> <p>Activity Result 2.4 Agricultural productivity</p>	<p>Ministry of Agriculture</p> <p>Funded :1,636,000 Unfunded; 114,000</p> <p>MEF</p> <p>Funded:3,100,000 Unfunded:5,650,000</p> <p>MEF/UNDP</p> <p>Unfunded : 98284</p>
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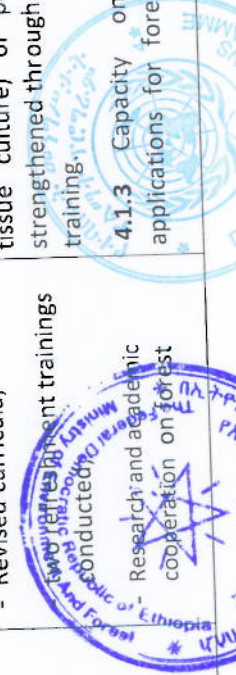
<p>implementation of agro forestry system in the country</p> <ul style="list-style-type: none"> - No of pilot sites per regions effectively implemented - Payment for Ecosystem Services; - Number of areas covered per region and city administration through short rotation plantation programmes; 	<p>and food security improved at house hold level through agroforestry system</p> <p>2.4.1 Develop criteria on the selection of agro ecological zones to pilot agro forestry system;</p> <p>2.4.2 Select the agro ecological zones where the agro forestry system will be piloted;</p> <p>2.4.3 Under take the socio economic study of the area and design the agro forestry system appropriate for the selected sites;</p> <p>2.4.4 Prepare road map for the implementation and scale up of the show case and start implementation</p> <p>Activity Result 2.5 Under take diagnostic studies to enhance SFM</p> <p>Action 2.5.1 five diagnostic studies conducted</p> <p>Activity Result 2.6 National system to operationalize PES developed</p> <p>2.6.1 Identify the major beneficiaries and the associated benefits from the conservation of forest resources</p> <p>2.6.2 Prepare inception note on how to design and realizes system in Ethiopia;</p> <p>2.6.3 undertake consultative meetings on the PES system for the relevant stake holders including the private sector;</p> <p>2.6.4 realize the PES system using piloting approach</p>	<p>Funded: 71,716</p> <p>funded: 75,000</p> <p>Unfunded: USD:100,000</p>
<p></p>	<p>UNDP</p> <p>UNDP</p>	<p></p>



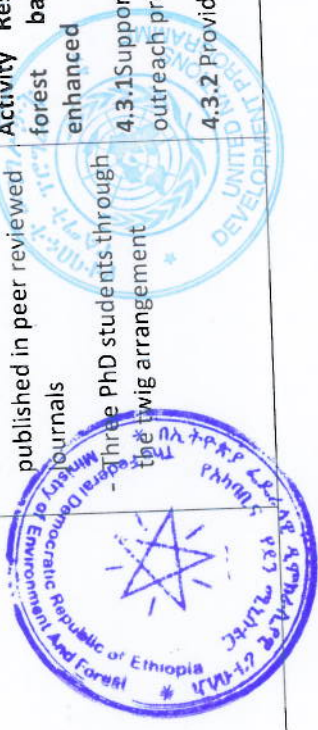
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<p>Output 3: Private sector involvement in forest development facilitated</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> - Inadequate involvement of the private sector in forest conservation and development <p><u>Indicators:</u></p> <ul style="list-style-type: none"> - Number of awareness raising workshops and study tours organized to enhance the involvement of the private sector; - Existence of Incentive Mechanism to promote the involvement of the private sector in the conservation and development of forest resources; - Number of Study tours conducted outside the country - Number of best practices disseminated - Number of technologies with value addition; - A document on market study; - Amount of seed money provided for local communities for new technology 	<p>Targets:</p> <ul style="list-style-type: none"> - Four awareness raising workshops organized - 3 study tours conducted to enhance the involvement of the private sector; - Incentive Mechanism to promote the involvement of the private sector in the conservation and development of forest resources developed; - 5 best practices disseminated on the involvement of the private sector in forest conservation & development - Three new technologies for value addition introduced; - A document on value chain and market study 	<p>Activity result 3.1: Promote Private Sector Participation in Forest Sector Development</p> <p>3.1.1 Promote the .Participation of the Community Based Organizations, NGOs and individuals on forest conservation and management</p> <p>3.1.2 Promote investment and technology transfer and adoption for value addition to forest products</p> <p>3.1.3 Awareness of private sector enhanced on various issues around forest sector development</p> <p>3.1.4 Support the private sector for technology piloting for value addition and high NTFP potential regions</p> <p>Activity Result 3.2: Incentive mechanism for active involvement of private sector for forest marketing and development put in place (to be cross referenced activity result1)</p> <p>3.2.1 Conduct diagnostic study/bottlenecks analysis on the constraints and challenges which hinder the involvement of the private sector in forest conservation, management and marketing of forest products;</p> <p>3.2.2 Conduct validation on study findings and prepare action plan for enhanced participation of private sector</p> <p>3.2.3 Establish incentive mechanism</p> <p>Activity Result 3.3: Technologies for value addition in high NTFP potential regions by the</p>	<p>UNDP/MEF</p> <p>UNDP</p> <p>UNDP</p> <p>MEF</p> <p>MEF</p> <p>/UNDP</p> <p>UNDP</p> <p><i>funded: USD: 345,000</i></p> <p><i>funded: USD: 50,000</i></p> <p><i>funded: USD: 200,000</i></p>
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	<p>private sectors piloted</p> <p>3.3.1 Prepare criteria to select the regions as well as the types of Non Timber Forest Products for piloting</p> <p>3.3.2 Organize and avail reliable and up to date information on the potential of Non Timber Forest products in the country</p> <p>3.3.3 Conduct market study on Non Timber Forest Products before and after value addition;</p> <p>3.3.4 Undertake value chain analysis of the NTFP including the technological adoption and marketing linkages</p> <p>3.3.5. Provide seed money for new technologies</p>		
	<p>Activity Result 4.1 Capacity of the forestry research institutions for science and innovation enhanced</p> <p>4.1.1 Identify gaps in resource requirement for the new forestry research institution.</p> <p>4.1.2 Research capacity on forest genetics, screening of indigenous trees genotypes through collections, and propagation (micro, tissue culture) of potential planting stocks strengthened through provision of facilities and training.</p> <p>4.1.3 Capacity on GIS/Remote sensing applications for forest cover and conditions</p>	<p>Targets:</p> <ul style="list-style-type: none"> - One National forestry research strategy developed; - Four regional and one federal research institutions capacity built - Revised curricula; <p>Research and academic cooperation on forest</p>	<p>Output 4: Science and innovation for enhancing sustainable forest management promoted</p> <p><u>Baseline:</u></p> <p>Existence of training and research Institutions</p> <p>Absence of national forestry research strategy</p> <p>Curriculum not aligned to the development demand</p> <p>In adequate capacity of research/education</p>
<p>Funded: 555000</p> <p>Unfunded: 45000</p>	<p>MEF</p> <p>Selected Research organizations in north and south;</p>		

<p><u>Indicators:</u></p> <ul style="list-style-type: none"> - National forestry research strategy put in place - Number of research institutions supported - Number of technologies adopted; - Number of revised curricula; - Number of professionals received refreshment training; - Number of toolkits for environmental training produced; - Number of forestry enterprises established; - Number research papers published - Number of staff exchange in the context of south-south and north-south cooperation framework 	<p>knowledge and innovation exchange through twing arrangement</p> <ul style="list-style-type: none"> - New technologies adopted; - One national GIS facility strengthened; - Two refreshment trainings conducted; - Two environmental education toolkits developed; - 22 school environmental clubs established - 5 staff exchange on forest knowledge and innovation through twing arrangement -5,000 youth trained on environmental clubs establishment and operationalization - 15 green enterprises established - 10 research papers published in peer reviewed journals - Three PhD students through the twing arrangement 	<p>monitoring strengthened through provision of facility and on-job training.</p> <p>4.1.4 Capacity on innovate timber and non-timber forest products development built through provision of missing forest utilization technologies and on-job training.</p> <p>4.1.5 Conduct forest biomass estimation and carbon stock modelling for indigenous tree species</p> <p>Activity Result 4.2: The capacities of forestry training institutions in providing skill training strengthened</p> <p>4.2.1 Support the integration of forestry into the curricula of tertiary education</p> <p>4.2.2 Enhance the capacity of teachers /professors on forest course development</p> <p>4.2.3 Support development of in-service training programmes for federal and regional institutions to provide refreshment trainings of forestry and natural resources management</p> <p>4.2.4 Support development toolkits for use in schools environmental education and public outreach programmes</p> <p>Activity Result 4.3: Vocational training on forest based enterprise development enhanced</p> <p>4.3.1 Support school environmental and public outreach programmes</p> <p>4.3.2 Provide short term vocational training on</p>	<p>MEF and Ministry of Education</p> <p>Funded: 398,000 Unfunded: 302000</p> <p>MEF</p> <p>Funded: 200,000 Unfunded 250,000</p>
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	<p>green jobs and forest business management</p> <p>4.3 Support the establishment of green enterprises among others through the provision of seed money as revolving fund</p> <p>Activity Result 4.4: Capacity of forestry training and research institutions enhanced</p> <p>4.4.1 Enhance capacity of forestry training and research of tertiary institutions</p> <p>4.4.2 Support research relevant to forest policy development and forest management</p> <p>4.4.3 Connect the country to forest knowledge and innovation through twinning arrangement for continuous capacity building.</p> <p>4.4.4. Develop and execute a collaborative research agenda for the forestry sector</p> <p>4.4.5. Publish and disseminate research findings with strong linkages with industry</p> <p>4.4.6. Promote inter-institutional information sharing and linkages through networking</p>	MEF/UNDP	<p>Funded: 805,284</p> <p>Unfunded: 194716</p>
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<p>Output 5: Stakeholders engagement in forest development enhanced</p> <p><u>Baseline:</u> No stakeholder map/database</p> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> - Number of forestry action data base established; - Presence of plat forms for the engagement of stake holders in forestry - Web site established for information and knowledge sharing. - Stake holder engagement road map developed - Annual conferences conducted 	<p>Targets:</p> <ul style="list-style-type: none"> - One forestry action data base established; - One stakeholder engagement road map developed; - 12 plat forms of forestry actors established at federal and regional levels - One interactive website for information and knowledge sharing developed; - Roles and responsibilities of key actors in the forestry sector identified and communicated 	<p>Activity Result 5.1: Stakeholders involved in forestry sector mapped</p> <p>5.1.1 Undertake Forestry Action Intelligence and produce master database.</p> <p>5.1.2 Conduct stake holder mapping for the forestry sector</p> <p>Activity Result 5.2: Put in place platform for the engagement of stakeholders in forestry activities</p> <p>5.2.1 Organize consultative meetings to enhance the role of the Platform in the forestry sector</p> <p>5.2.3 Interactive website for information and knowledge sharing established</p> <p>Activity Result 5.3 Engagement road map prepared for forestry sector</p> <p>5.3.1 identify the respective roles and responsibilities of the major Stakeholders in forestry</p> <p>5.3.2 prepare road map on the short and long term engagement of the major stakeholders in the forestry sector</p>	<p>MEF and UNDP</p> <p>MEF</p> <p>MEF</p> <p>UNDP</p>	<p>Funded: 23000 Unfunded: 2000</p> <p>Funded: 62000 Unfunded: 88,000</p> <p>Funded 35000 Unfunded 15000</p> <p>Funded : 600,000 Unfunded: 400,000</p>
<p>6. Organization and Management</p>		<p>Procurement of vehicles for regions and MEF</p>		



administrations; Presence of National forest conservation and development action plan; Presence of forest conservation and development programmes in regions and city administrations ; -Existence of functional offices at national and sub-national levels; - Existence of forest conservation and development database operational at national and regional levels;	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	Contractual Service	27,000
	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	Contractual Service	27,000
	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	Contractual Service	27,000
	10,000											Contractual service	10,000
Action 1.1.5 Provide training for federal and regional forest officers	7,500	7,500	7,500									Contractual service	15,000
				21,028								Contractual service	21,028
Sub Total	239,950	237,450	212,450	175,978	89,950	64,950						Contractual service	1,020,728

Activity Result: 1.2 National Forest Action Plan prepared

Targets - One National Forestry Action Plan; - 11 Regional Forest Action Plans - Forest sector structures designed in nine regional states and two city administrations; - Forest sector structures established in nine regional states and two city administrations; - Forest sector development structures become functional at all levels; - Put in place the required skilled human resources for federal and emerging regions;	Action 1.2.1 Review the forest policy and legislation at national and regional levels	15,000	15,000							UNDP	Norway	NC	30,000
		30,000	30,000									IC	60,000
Action 1.1.2.2 Develop the National Forest Action Plan	Action 1.1.2.3 Under take capacity building activities For the implementation of National Forest Action Plan	25,000	25,000							UNDP	Norway	IC	50,000
		30,000	30,000	30,000						UNDP	Norway	Nation Consultants (3)	90,000
Action 1.2.4 Develop coordination mechanisms for effective stakeholder engagement	Action 1.2.5 Identification and dissemination of NFPs	8,000	8,000								Norway	Supplies	8,000
												Travel	8,000
- ESMF Produced									20,000	UNDP	Norway	Training, workshops and conference	20,000
									15,000	UNDP	Norway	Workshop	15,000
									5,000	UNDP	Norway	Publication	5,000



-Forest conservation and development database become operational at all levels;	Action 1.2.6 Mainstream the NFAP to GTP 2		10,000								Local consultant Supply	10,000
	Sub Total		33000	121,000	75,000	30,000	15,000	25,000				299,000
	Activity Result 1.3 Regional Forest Action Plans Prepared											
	Action 1.3.1 Review the National Forest Action Plan and draft the Regional Forest Action Plans			69,046							Local Consultants	69,046
	Action 1.3.2 Under take capacity building activities for the implementation of Regional Forest Action Plan				25,000						Training	25,000
	Action 1.3.3 Develop coordination mechanism for the implementation of the Regional Forest Action Plans					20,000					workshops	20,000
	Action 1.3.4 Publication and dissemination of RFAP							5,000			publication	5,000
	Sub Total			69,046		25,000	20,000	5,000				119,046
	Activity Result 1.4 BOEF structure designed											
	Action 1.4.1 Prepare a long term human resource development plan for the sector		30,000	11,000							Local Consultant	41,000
					11,000						Travel	11,000
					13,375						Supply	13,375
				20,000							Local Consultant	20,000
	Action 1.4.2 Develop regional interlocking program and job description that fit regional conditions and demands.				34,000						Training, workshops and conference	34,000



Sub Total (per Quarter)		324,158	479,704	447,033	257,561	368,659	323,659	
Sub Total (Per half year)		803,862	704,594	692,318				
Subtotal 2007/08 OR 2014-2016		2,200,774						2,200,774
Out Put 2 Forest and Conservation Development enhanced for their multiple benefits Baseline: <ul style="list-style-type: none"> - Absence of clearly defined Rural Land Use plan that supports the development and conservation of forest resources ; - Degraded lands rehabilitation program exists in some parts of Ethiopia; - Absence of harmonized agroforestry systems and practices by agro ecological zones; - Lack of comprehensive evaluation system for ecological, social and economic benefits of forest resources and their contribution to GDP Indicators: <ul style="list-style-type: none"> - Presence of clearly defined and integrated Rural Land Use plans that support development and conservation of forest resources; - Proportion of degraded land demarcated and mapped; 1 - Proportion of degraded land 	Activity Result 2.1: Integrated land use plans piloted in the selected woredas of the regions							
	MEF							Norway
	30,000							30,000
		12,000						12,000
		6,000						6,000
		5,000						5,000
								6,000
								5,000
								6,000
								5,000
							10,000	
							8,000	
							10,000	
							10,000	
							18,000	
							92,000	
Activity Result 2.2: Degraded areas mainly (water towers) of the Amhara, Beneshangul, SNNPR and Tigray NRS rehabilitated								
MEF							Norway	
30,000							30,000	
	23,000						23,000	
	21,000						21,000	
							8,000	
							10,000	
							18,000	
							92,000	



resources;	Action 3.1.4 Promote the Participation of the Community Based Organizations, NGOs and individuals on forest conservation and management						UNDP	Norway	Training	9000
<ul style="list-style-type: none"> - Number of Study tours conducted outside the country - Number of best practices disseminated - Number of technologies with value addition; - A document on market study; - Amount of seed money provided for local communities for new technology 						9000				
<p>Targets</p> <ul style="list-style-type: none"> - Four awareness raising workshops organized - 3 study tours conducted to enhance the involvement of the private sector; - Incentive Mechanism to promote the involvement of the private sector in the conservation and development of forest resources developed; - 5 bestpractices disseminated on the involvement of the private sector in forest conservation & development - Three new technologies for value addition introduced; 							UNDP	Norway	travel	15000
<ul style="list-style-type: none"> - A document on value chain and market study 							UNDP	Norway		15000
<p>Sub Total per Quarter</p>			94,000	15000	39,000	26,000				274,000
<p>Sub Total per half year</p>		0	94,000	115,000	110,000	26,000				65,000
			209,000							



Subtotal 2007/08 OR 2014-2016		274,000						274,000			
Activity Result 4.1 Capacity of the forestry training and research institutions enhanced											
<p>Output 4: Science and innovation for enhancing sustainable forest management promoted;</p> <p>Existence of training and research Institutions</p> <p>Absence of national forestry research strategy</p> <p>Curriculum not aligned to the development demand</p> <p>In adequate capacity of research/education</p> <p>Indicators:</p> <ul style="list-style-type: none"> - National forestry research strategy put in place - Number of research institutions supported - Number of technologies adopted; - Number of revised curricula; - Number of professionals received refreshment training; - Number of toolkits for environmental produced, - Number of forestry enterprises established - Number research papers 	<p>Action 4.1.1 Enhance capacity of forestry tertiary training and research institutions</p> <p>15,000</p>							Norway	NC	15,000	
	<p>Action 4.1.2 Develop and execute a collaborative research agenda for the forestry sector</p> <p>25,000</p>	25,000	25,000	25,000	25,000	25,000			Norway	Contractual service	100,000
	<p>Action 4.1.3 support research relevant to forest development and forest management</p> <p>15,000</p>	15,000	103,284	60,000	70,000				TRAC	Contractual service	103,284
									Norway	Contractual service	130,000
									Norway	IC	20,000
										travel	15,000
										supply	15,000
										Contractual service	50,000
										Travel	100,000
										Publication	50,000
									Contractual service	52,000	
									publication	20,000	
									Local Consultant	15,000	
									Training	15,000	



Subtotal (2007/2008 OR 2014-2016)	1,189,148	1,485,694	1,512,024	1,466,218	1,659,100	1,521,816
Total Per quarter						
Total Per half year	2,674,842		2,978,242		3,180,916	
Total 2207/2008 OR 2014-2016						8,834,000

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8 MANAGEMENT ARRANGEMENTS

Management arrangements

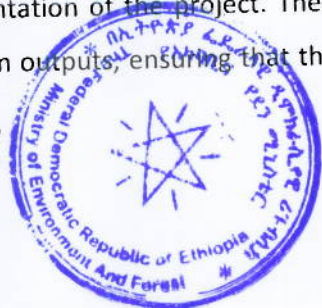
Structures of the Institutional Strengthening for the Forest Sector Development in Ethiopia

The structure of the Program is shown in figure 1 below. This program which is developed to strengthen the institutional capacity of the Forest Sector will be nationally implemented by the Ministry of Environment and Forest. The program will be implemented as Fast Track Investment of the CRGE Facility and National Implementation Modality (NIM) is guided by UNDP NIM rules and regulations as well as the National Project Implementation Manual (PIM) approved by the government of Ethiopia. The Fast Track Investment guidelines and PIM will guide the implementation of this project document.

UNDP will play a quality assurance role and will work with MEF and MOFED to mobilize resources to adequately capitalize the program. 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 program 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 extra-ordinary 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 and Forests who will also chair the SC.

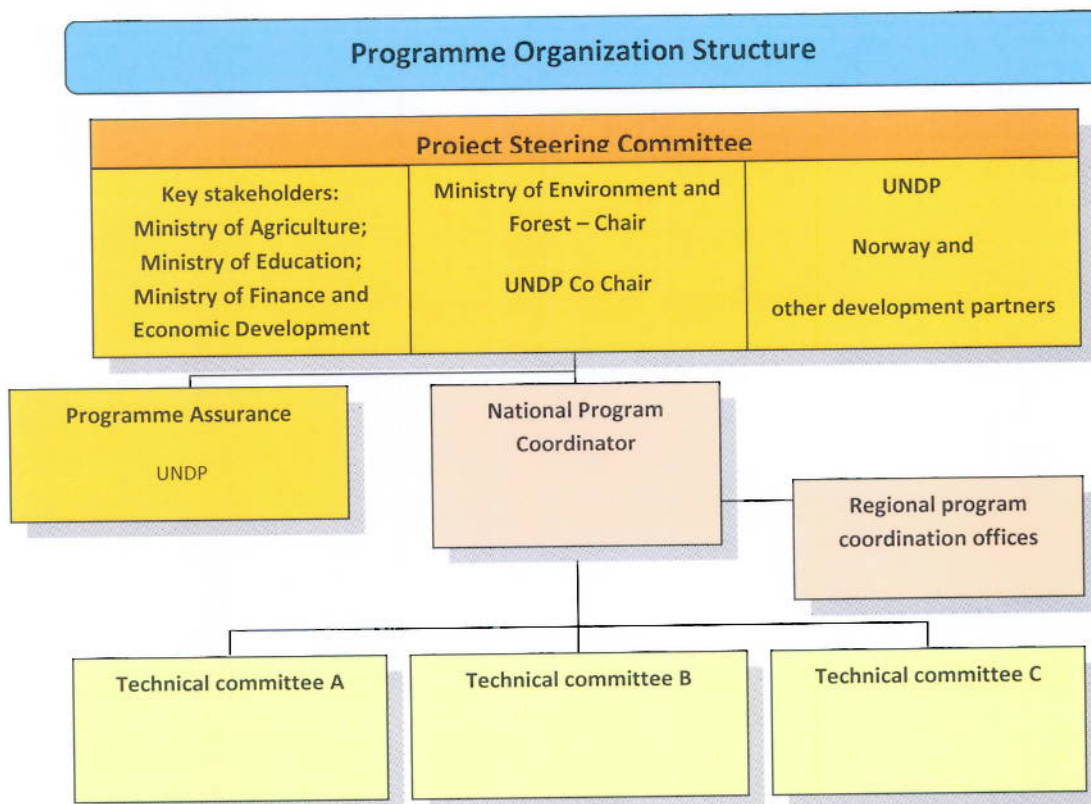
The SC shall appoint a Technical Committee with representation of development partners, key government ministries, private sector, civil society, and other non-state actors. The Technical Committee which will review the operational policies and progress on program outputs, provide project assurance, and provides regular reports to the SC. In this capacity, the Technical Committee will support the technical implementation of the project. The Program Steering Committee will monitor functions and delivery of program outputs, ensuring that the program is on-source towards achieving the overall



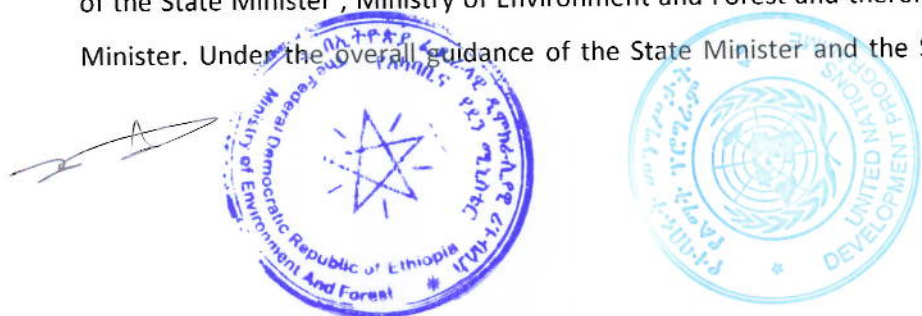
outcomes. Additional specific responsibilities will include, but are not limited to, ensuring: beneficiary needs and expectations are being met or managed; risks are being controlled; the program remains viable; internal and external communications are working; quality management procedures are properly followed; and that the Program Steering Committees decisions are followed and revisions are managed in line with procedures laid-down in the PIM.

The steering committee will comprise representatives from MoA, MoWEE, MOFED, MEF, MoE, Norway, UNDP plus a maximum of two from participating development partners. The Minister of MEF as the implementing partner, will appoint the Steering Committee.

Figure 2: Management Arrangement of Institutional Strengthening for the Forest sector Development in Ethiopia



The National Program Coordinator who will lead the Program on a day-to-day basis, under the guidance of the State Minister, Ministry of Environment and Forest and therefore reporting directly to the State Minister. Under the overall guidance of the State Minister and the Steering Committee, the National



Program Coordinator will utilize advisory support from the technical committee, international experts or consultants that may be recruited for the implementation of the Program. The Program will have its operational office in MEF and will work closely with other line Ministries, MOFED and UNDP to reach-out to its clients/beneficiaries across the country.

Partnership Arrangements

In order for the Program 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 Program will develop stakeholder engagement road map and web site created for effective interaction among partners for the implementation of the program. The focus of the stakeholder engagement road map will be to ensure better coordination of program activities and to provide a platform for better harmonization of development assistance and resources allocated to support the implementation of this Program. The Program 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 Program and other similar initiatives to maximize synergies and reduce duplication.

The Organizational Structure of the Program

The day-to-day management of the Project will be carried out by a Project Coordination Office (PCO) under the overall guidance of the PSC and the daily supervision of the Project Coordinator. The PCO will be institutionally configured within the existing MEF structure to maintain sustainability. The PCO will be based in Addis Ababa and reports to the State Minister of Forest Sector at the Ministry of Environment and Forest. The State Minister also chairs the PSC. The PCO will be composed of a national project coordinator, project assistant and administrative assistant.

The Project Coordinator will be responsible to mobilize national technical experts within MEF and beyond to back stop the implementation of the project effectively and on schedule. The project implementation will also be supported by the international technical adviser.

UNDP Ethiopia maintains to provide technical support and facilitate most of the capacity building activities of the Project. UNDP will work closely with MEF for monitoring Project



implementation, timely reporting of the progress as per the reporting format of the CRGE Facility. It also supports MEF in the procurement of the required expert services and other Project inputs and administers the required contracts. Furthermore, it supports the coordination and networking with other related initiatives and institutions in the country.

Figure 1 shows the proposed organizational structure for the Program and comprises of the SC, the National Program Coordinator, experts administrative support staffs at national level and the required staffs at regional levels. The Program will have a robust management and governance structure for effective implementation, monitoring, compliance, and quality assurance. Below we propose a synopsis, not at all exhaustive, of the roles of the Steering Committee and the Technical committee of the Program.

The Steering Committee

The Program will be governed by a Steering Committee composed of MEF, MoFED, MoA, MoE Representatives, UNDP and Norway plus a maximum of two from participating development partners. 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 program will have a technical committee to support the implementation of the program.

The Program coordination Office

The day-to-day management of the programme is being carried out by a Programme Coordination Office (PCO) under the overall guidance of the PSC and the daily supervision of the National Program Coordinator. The PCO is based in Addis Ababa and reports to Ministry of Environment and Forest. In addition to the National Program Coordinator the PCO will be composed of a Forest Officer and administrative assistant. The National Program Coordinator will be recruited by UNDP.

The NPC will be supported by the group of national technical experts which MEF will constitute to back stop the implementation of the program. The programme implementation will also be supported by the international technical adviser.



UNDP is responsible for monitoring program implementation, timely reporting of the progress to the Royal Norwegian Government as per the reporting format of the Donor. It also supports the implementing agency in the procurement of the required expert services and other program inputs and administer the required contracts. Furthermore, it supports the co-ordination and networking with other related initiatives and institutions in the country.

9 MONITORING FRAMEWORK AND EVALUATION, REPORTING AND AUDIT

9.1 Monitoring

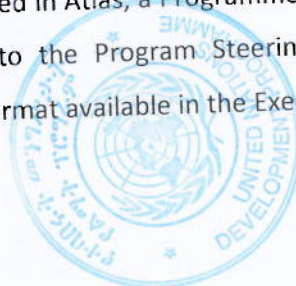
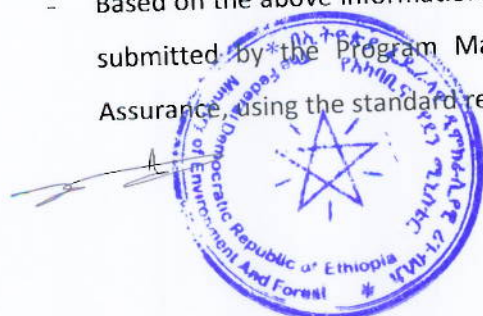
The performance of the program at federal and regional level will be monitored and evaluated by the Ministry of Environment and Forest and its replica in the regions. The CRGE Facility Monitoring and Evaluation System will be used to monitor and evaluate the program. As per the newly designed CRGE Facility M& E system MEF will submit quarterly progress reports (both technical and financial) for each individual program / project. Quarterly reporting captures activity and output-level information, as well as lessons and insights from responses to the M&E Questions. The narrative section of the quarterly report, therefore, should include a summary of activities and outputs contributing to expected outcome. Moreover, the Ministry is responsible to undertake an Annual Reflection Session and prepare an Annual Performance Assessment Report

This program will also be monitored by UNDP and MEF joint engagement. The program will be monitored based on the Monitoring and Evaluation guidelines of UNDP and on the UNDAF M&E matrix and Programme Monitoring Framework, which provide detailed M&E information on UNDAF results.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the programme will have clear information on quarterly/biannual monitoring through the following:

Within the annual cycle (adjust as appropriate):

- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the program implementation.
- Based on the above information recorded in Atlas, a Programme Progress Reports (PPR) shall be submitted by the Program Manager to the Program Steering Committee through Program Assurance, using the standard report format available in the Executive Snapshot.



- A programme lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project.
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events.

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Programme Manager and shared with the Programme Steering Committee. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual UNDAF Review.** The Annual Review is a regular joint monitoring activity in the UNDAF M&E plan which provides the opportunity to jointly assess the performance, identify challenges, and draw lessons learnt to inform the revision of the AWP.

9.2 Reporting

The UNDP Programme Manager assigned will prepare an annual narrative and financial report on the supported activities, which will be shared with the Royal Norwegian Government and other project financiers. MEF will provide progress periodical report to MOFED as per the Facility format.

9.3 Audit

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

10 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 partner shall:

- Put in place an appropriate security plan and maintain the security plan, taking into account 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 partner agrees to undertake all reasonable efforts to ensure that none of the UNDP 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).



11 ANNEXES

11.1 Annex 1: Offline risk log

#	Description	Date Identified	Type	Impact & Probability	Counter measure Management res
1	Inadequate participation and ownership by the local communities including lack of incentive mechanism	Project implementation 2015-2020	Operational	<p>Probability –Unwillingness/ disrespect the decision of the local authorities to allocate degraded lands for afforestation/ reforestation;</p> <p>Impact –damage the planted trees/ and remains in different on the implementation of the project</p> <p>P = 3 I =3 Risk = P x I = 9</p>	<p>Conduct series of with local commu local authorities . consensus and d the degraded lar programme activ endorsement of leaders and loca Design and impl incentive mecha active involvem local communiti</p>



2	Delay in the approval process of incentive mechanism for the active involvement of the private sector in the conservation and management of forest resources as well as marketing with forest products	Project implementation 2015-2020	Political	Probability – Low level of awareness of the decision makers including the parliamentarians on the importance of involving the private sector in forestry sector Impact – Poor participation of the private sector P = 3 I = 3 Risk = P x I = 9	Awareness raising and effective communication strategy including collating, analyzing and availing the experiences of other countries in involving the private sector in the forestry sector	Steering Committee, Ministry of Environment and Forests, Ministry of Finance and Economic Development
3	Implementing the programme in very competitive environment	2015	Operational	Probability –delay in soliciting financial resources from potential donors Impact – delay in the implementation of the project P = 3 I = 3 Risk = P x I = 9	Putting in place working modality on how different development partners operate without duplication of effort	MoFED and MoEF,



4	Data on the forestry sectors not available or is more costly than anticipated	Project implementation 2012 - 2019	Operational	<p>Probability – Lack of reliable data on the survival rate of planted trees through social mobilization;</p> <p>Impact – delay in the planning of region specific restoration programme</p> <p>P = 2 I = 3 Risk = P x I = 6</p>	<p>Consider multiple sources and combine a bottom-up and top-down data gathering and identify least cost option</p> <p>Establish appropriate data gathering and analysis tools to reduce cost and improve scalability;</p>	Steering Committee,; MEF and Environment and Land Administration Agencies in regions
5	Delay in procurement process	Project implementation 2012 - 2019	Operational	<p>Probability – Lengthy procurement process affects the timely implementation of the programme</p> <p>Impact – attaining the programme objectives constrained</p> <p>P = 3 I = 3 Risk = P x I = 9</p>	Procurement by delegation and direct payment modalities	Programme Manager and Programme Management Office



6	Low survival of planted seedlings	Project implementation 2012 - 2019	Operational	<p>Probability – The survival of seedlings may be below the expected due to the species site mismatch, free grazing and climate effects</p> <p>Impact – Low survival of seedlings and delayed afforestation benefits Risk level = Medium</p> <p>P = 3</p> <p>I = 3</p> <p>Risk = P x I = 9</p>	Proper species-site match, plantation site management, protecting free grazing on plantation areas	Programme Manager and Programme Management Office
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11.2 Annex 2: TOR Key project personnel

11.2.1 Programme Steering committee

Composition and role

The set-up and organization of the Programme Steering Committee should be clearly indicated in the AWP, with an indication of the frequency of its meetings.

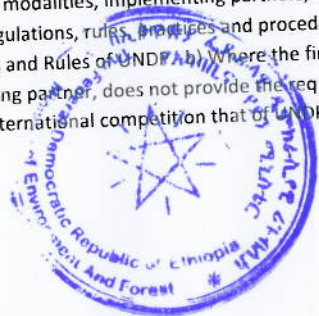
Overall responsibilities²²: The Programme Steering Committee is the group responsible for making by consensus management decisions for a project when guidance is required by the PCO, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP's ultimate accountability, PSC decisions should be made in accordance to standards²³ 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.

Composition and organization: This group contains three roles, including:

²²Source: Guidelines on UNDP Implementation of UNDAF Annual Review Process

²³UNDP Financial Rules and Regulations: Chapter E, Regulation 16.05: a) The administration by executing entities or, under the harmonized operational modalities, implementing partners, of resources obtained from or through UNDP shall be carried out under their respective financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. b) Where the financial governance of an executing entity or, under the harmonized operational modalities, implementing partner, does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition that of UNDP shall apply.



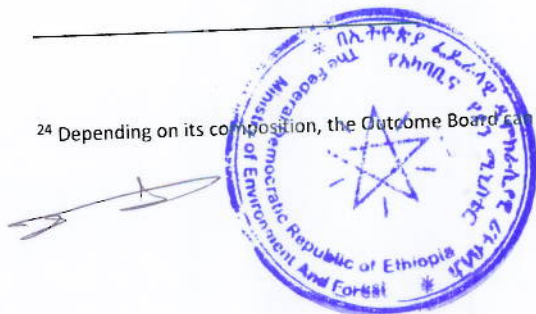
- 1) An Executive (Chair): individual representing the programme ownership to chair the group.
- 2) Donors and Partners: individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project. The donor's primary function within the Board is to provide guidance regarding the technical feasibility of the program
- 3) Beneficiaries/Responsible Parties: individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Beneficiary's primary function within the SC is to ensure the realization of programme results from the perspective of programme beneficiaries.

Potential members of the Project SC are reviewed and recommended for approval during the LPAC²⁴ meeting. For example, the implementing agency role can be held by a representative from the Government Cooperating Agency or UNDP, the Senior Supplier role is held by a representative of the Implementing Partner and/or UNDP, and the Senior Beneficiary role is held by a representative of the government or civil society. Representative of other stakeholders can be included in the Board as appropriate.

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;

²⁴ Depending on its composition, the Outcome Board can fulfill the function of the Project Appraisal Committee (LPAC)



- 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 implementing agency is ultimately responsible for the program, supported by the Beneficiaries and Donors/partners. The implementing agency's role is to ensure that the programme 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 programme gives value for money, ensuring a cost-conscious approach to the program, balancing the demands of beneficiary and supplier.

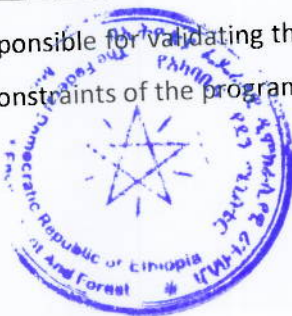
Specific Responsibilities of the implementing agency (as part of the above responsibilities for the PSC)

- Ensure that there is a coherent programme 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

The Implementing agency 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.

Beneficiaries/responsible parties

The Beneficiaries are responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the program. The role represents the interests of all those who will

benefit from the programme or those for whom the deliverables resulting from activities will achieve specific output targets. The Beneficiaries' role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. For the sake of effectiveness the role should not be split between too many people.

Specific Responsibilities:

- Ensure the expected output(s) and related activities of the program are well defined
- Make sure that progress towards the outputs required by the beneficiaries remains consistent from the beneficiary perspective
- Promote and maintain focus on the expected programme output(s)
- Prioritize and contribute beneficiaries' opinions on Steering Committee decisions on whether to implement recommendations on proposed changes
- Resolve priority conflicts

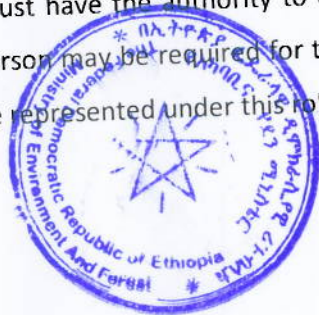
The assurance responsibilities of the Senior Beneficiary are to check that:

- Specification of the Beneficiary's needs is accurate, complete and unambiguous
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target
- Impact of potential changes is evaluated from the beneficiary point of view
- Risks to the beneficiaries are frequently monitored

Where the program's size, complexity or importance warrants it, the Senior Beneficiary may delegate the responsibility and authority for some of the assurance responsibilities.

Donors and partners

The Donors and Partners represent the interests of the parties, which provide funding and/or technical expertise to the program (designing, developing, facilitating, procuring, implementing). The Donor's primary function within the SC is to provide guidance regarding the technical feasibility of the program. The Donor role must have the authority to commit or acquire donor resources required. If necessary, more than one person may be required for this role. Typically, the implementing partner, UNDP and/or donor(s) would be represented under this role.



Specific Responsibilities:

- Make sure that progress towards the outputs remains consistent from the supplier perspective
- Promote and maintain focus on the expected programme output(s)
- Ensure that the supplier resources required for the program are made available
- Contribute opinions on Steering Committee decisions on whether to implement recommendations on proposed changes

If warranted, some of this assurance responsibility may be delegated (see also the section below program Assurance)

11.2.2 National Program Coordinator

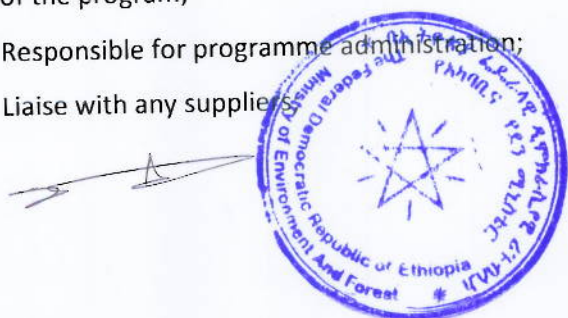
Overall responsibilities: The National Programme Coordinator has the authority to run the program on a day-to-day basis on behalf of the program Steering Committee within the constraints laid down by the Steering Committee. The National Program Coordinator is responsible for day-to-day management and decision-making for the program. The National Program coordinator prime responsibility is to ensure that the programme produces the results specified in the program document, to the required standard of quality and within the specified constraints of time and cost.

The Implementing Partner appoints the NPC who should be different from the Implementing Partner's representative in the Steering Committee. Prior to the approval of the programme the Programme Developer role is the UNDP staff member responsible for programme management functions during formulation until the NPC from the Implementing Partner is in place.

Specific responsibilities would include:

Overall programme management:

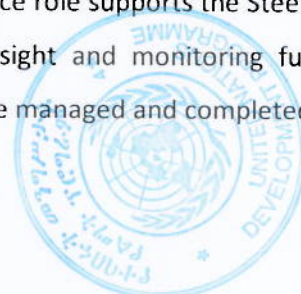
- Manage the realization of programme outputs through activities;
- Provide direction and guidance programme team(s)/ responsible party (ies);
- Liaise with the Steering Committee or its appointed Program Assurance roles to assure the overall direction and integrity of the program
- Identify and obtain any support and advice required for the management, planning and control of the program;
- Responsible for programme administration;
- Liaise with any suppliers



- Plan the activities of the programme and monitor progress against the initial quality criteria.
- Mobilize goods and services to initiative activities, including drafting TORs and work specifications;
- Monitor events as determined in the Monitoring & Communication Plan, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, using advance of funds, direct payments, or reimbursement using the FACE (Fund Authorization and Certificate of Expenditures);
- Monitor financial resources and accounting to ensure accuracy and reliability of financial reports;
- Manage and monitor the programme risks as initially identified in the Programme Brief appraised by the LPAC, submit new risks to the Steering Committee for consideration and decision on possible actions if required; update the status of these risks by maintaining the Programme Risks Log;
- Be responsible for managing issues and requests for change by maintaining an Issues Log.
- Prepare the Programme Quarterly Progress Report (progress against planned activities, update on Risks and Issues, expenditures) and submit the report to the PSC and Programme Assurance;
- Prepare the Annual review Report, and submit the report to the Steering Committee
- Based on the review, prepare the AWP for the following year, as well as Quarterly Plans if required.
- Prepare Final Programme Review Reports to be submitted to the Steering Committee
- Identify follow-on actions and submit them for consideration to the Steering Committee;
- Manage the transfer of project deliverables, documents, files, equipment and materials to national beneficiaries;
- Prepare final CDR/FACE for signature by UNDP and the Implementing Partner.

11.2.3 Programme assurance

Overall responsibility: Programme Assurance is the responsibility of each Steering Committee member, however the role can be delegated. The Programme Assurance role supports the Steering Committee by carrying out objective and independent programme oversight and monitoring functions. This role ensures appropriate programme management milestones are managed and completed.



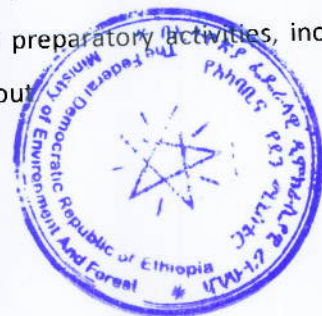
Programme Assurance has to be independent of the Programme Manager; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Programme Officer typically holds the Programme Assurance role.

The implementation of the assurance responsibilities needs to answer the question “What is to be assured?” The following list includes the key suggested aspects that need to be checked by the Programme Assurance throughout the programme as part of ensuring that it remains relevant, follows the approved plans and continues to meet the planned targets with quality.

- Maintenance of thorough liaison throughout the programme between the members of the Steering Committee.
- Beneficiary needs and expectations are being met or managed
- Risks are being controlled
- Adherence to the Programme Justification (Business Case)
- Programme fit with the overall Country Programme
- The right people are being involved
- An acceptable solution is being developed
- The programme remains viable
- The scope of the programme is not “creeping upwards” unnoticed
- Internal and external communications are working
- Applicable UNDP rules and regulations are being observed
- Any legislative constraints are being observed
- Adherence to RMG monitoring and reporting requirements and standards
- Quality management procedures are properly followed
- SC decisions are followed and revisions are managed in line with the required procedures

Specific responsibilities would include:

- Ensure that programme outputs definitions and activity definition including description and quality criteria have been properly recorded in the Atlas Programme Management module to facilitate monitoring and reporting;
- Ensure that people concerned are fully informed about the project
- Ensure that all preparatory activities, including training for project staff, logistic supports are timely carried out



- Ensure that funds are made available to the program;
- Ensure that risks and issues are properly managed, and that the logs in Atlas are regularly updated;
- Ensure that critical programme information is monitored and updated in Atlas, using the Activity Quality log in particular;
- Ensure that Programme Quarterly Progress Reports are prepared and submitted on time, and according to standards in terms of format and content quality;
- Ensure that CDRs and FACE are prepared and submitted to the Steering Committee
- Perform oversight activities, such as periodic monitoring visits and “spot checks”.
- Ensure that the Programme Data Quality Dashboard remains “green”
- Ensure that the project is operationally closed in Atlas upon completion;
- Ensure that all financial transactions are in Atlas based on final accounting of expenditures;
- Ensure that programme accounts are closed and status set in Atlas accordingly.

11.2.4 Program support

Overall responsibilities: The Programme Support role provides project administration, management and technical support to the Programme Manager as required by the needs of the individual project or Programme Manager. The provision of any Programme Support on a formal basis is optional. It is necessary to keep Programme Support and Programme Assurance roles separate in order to maintain the independence of Programme Assurance.

Specific responsibilities:

- Set up and maintain programme files
- Collect project related information data
- Update plans
- Administer the quality review process
- Administer Steering Committee meetings
- Compile, copy and distribute all programme reports
- Assist in the financial management tasks under the responsibility of the Program Manager
- Provide support in the use of Atlas for monitoring and reporting
- Provide technical advices
- Review technical reports




- Monitor technical activities carried out by responsible parties

11.3 Annex 3: Description of UNDP country office support services

1. Reference is made to consultations between the Ministry of Finance and Economic Development, the institution designated by the Government of the Federal Democratic Republic of Ethiopia and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed programme (***Institutional Strengthening the Forest Sector Development in Ethiopia***) or hereby referred to as “the Programme”.

2. In accordance with the provisions of the letter of agreement signed on 31 Jan 2012 and the programme document and annual work plans, the UNDP country office shall provide support services for the Programme as described below.

3. Support services to be provided:

Support services (insert description)	Schedule for the provision of the support services (quarter)	Cost to UNDP of providing such support services (where appropriate)	Amount and method of reimbursement of UNDP (where appropriate)
Recruitments		As per Local Price List	
Goods & services		As per Local Price List	
Training Activities		As per Local Price List	
Procurement.		As per the Local Price List	
....		

4. Description of functions and responsibilities of the parties involved:

As per Standard Letter of Agreement, the UNDP Country Office is responsible for the provision of support services as outlined above and upon request of the implementing partner based on the signed programme document/annual work plan/programme procurement plan.