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United Nations Development Programme

Project Document for GEF Trust Funds

Project title: Preventing Forest loss, Promoting Restoration and Integrating Sustainability into Ethiopia's Coffee Value Chains and Food Systems		
Country(ies): Ethiopia	**Implementing Partner (GEF Executing Entity):** Ministry of Planning and Development (MoPD)	**Execution Modality:** CO Support to NIM
UNSDCF Outcome: By 2025, all people in Ethiopia live in a society resilient to environmental risks and adapted to climate change [1]		
UNDP Strategic Plan Output: 1.4.1 Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains[2]		
UNDP Social and Environmental Screening Category: Moderate		**UNDP Gender Marker:** 2
Atlas Award ID: 00129286		**Atlas Project/Output ID:** 00123025
UNDP-GEF PIMS ID number: 6304		**GEF Project ID number:** 10243
LPAC meeting date: April 2023		
Latest possible date to submit to GEF: 13 December 2020		
Latest possible CEO endorsement date: 13 December 2021		
Planned start date: April 2023		**Planned end date:** April 2030
Expected date of posting of Mid-Term Review to ERC: 09 October 2026		**Expected date of posting Terminal evaluation report to ERC:** 09 January 2030
Brief project description: The project aims to support transformation towards deforestation-free coffee value chains and food systems in Oromia, SNNP and Sidama. This will be achieved through an application of the Integrated Landscape Management (ILM) approach in coffee and agricultural		

[1] United Nations Sustainable Development Cooperation Framework (UNSDCF) Outcome – UNDP (2020) *UNDP Country Programme Document for Ethiopia, 2020-2025*

[2] UNDP (2017) *Integrated Results and Resources Framework of the UNDP Strategic Plan, 2018-2021*

production landscapes in the three regions of Oromia, SNNP and Sidama[3] and inform the process of developing and implementation forest and landscape restoration plans in degraded landscapes. An inclusive value chain approach for the coffee sector will be promoted to facilitate a transition towards deforestation-free coffee jurisdictions, and farmers will be supported to adopt and implement good agricultural practices that increase productivity but also support healthy ecosystems, including soils and forests, in production landscapes.		
(1) Financing Plan		
GEF Trust Fund		USD 20,342,202
UNDP Cash		USD 500,000
Confirmed cash co-financing to be administered by UNDP		USD 0
(1) Total Budget administered by UNDP		**USD 20,842,202**
(2) Confirmed co-financing		
Government (MoPD) (in-kind)		USD 170,900,000
Government (ECTA) (parallel funding)		USD 33,678,969
World Resources Institute (parallel funding)		USD 3,400,000
(2) Total confirmed co-financing		**USD 207,978,969**
(3) Grand-Total Project Financing (1)+(2)		**USD 228,821,171**
SIGNATURES		
Signature: H.E. Ms. Semereta Sewasew, State Minister of Finance	**Agreed by Government Development Coordination Authority** Ministry of Finance (MoF)	**Date/Month/Year:** 5/6/23
Signature: H.E. Mr. Sandokan Debebe, State Minister Minister of Planning and Development	**Agreed by Implementing Partner** Ministry of Planning and Development (MoPD)	**Date/Month/Year:** 24/04/23
Signature: Mr. Turhan Saleh UNDP Resident Representative	**Agreed by UNDP** UNDP Ethiopia	**Date/Month/Year:** 31/3/23

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[3] As per the outcome of the June 2020 referendum, the former Sidama Zone in SNNP Region is becoming a separate Region

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I. DEVELOPMENT CHALLENGE

Ethiopia's rural areas face many interconnected development challenges, with additional stresses experienced in 2020 from locust swarms and the COVID-19 pandemic, causing health impacts, disruptions to agricultural supply chains, job losses and food insecurity (see *Annex 9a* for full analysis of COVID-19 impacts and responses). The key development challenge to which this project responds is continued environmental degradation in Ethiopia's 9 million hectare coffee-producing area in the southwest of the country in Oromia, Southern Nations, Nationalities and Peoples' (SNNP) and Sidama[4] Regions, home to approximately 15 million small-scale family farms. Without scaled up interventions to address the underlying trends, this degradation will continue, leading to ongoing rural poverty and inequality amongst small-scale farmers of these Regions. Immediate causes of poverty include low agricultural yields, and limited incomes from production of commodity crops, including coffee. Over time, degradation and loss of forest cover may also affect the ecosystem services upon which agriculture depends. The problem analysis diagram below shows the complex interrelationship between poverty and environmental degradation. In addition to the negative impact of loss of topsoil, declining soil fertility and degradation of forest on farming incomes, poverty is also a cause of degradation, since farm households without access to knowledge, finance and equipment for agronomic best practice are driven to expand low-yield production further into the forest.

Between 1973 and 2005, the conversion of forest-land into crop-lands in Ethiopia's Afromontane rainforests led to a reduction in forest coffee and semi-forest coffee systems from 71% to 48% of the original coffee stands. The moist forest ecosystem is the centre of origin and diversity of *Coffea arabica*; the only ecosystem in the world where *C. arabica* plants exist in wild conditions with a diverse gene pool. Other cropping systems present in these coffee landscapes lead to ongoing conversion of forests to grow crops such as maize, wheat and khat. Evidence also shows that wild coffee forests have become increasingly disturbed and fragmented due to forest conversion to settlements and agricultural land, and forest modification by timber extraction and wild coffee management interventions. Ethiopia's Land Degradation Neutrality report shows that a total of 427,730 ha of forest was lost nationwide between 2000 and 2010, with a further 21,359,490 ha of forest land seriously degraded, and an area of 14,193,615 ha of cropland affected by negative trends of arable land deterioration, through erosion, acidification, alkalization and salinization.[5]

[4] Sidama Region was legally formed on June 2020 as a separate Region, Ethiopia's 10th Region, with boundaries based on the former Sidama Zone in the Southern Nations, Nationalities, and Peoples' Region (SNNPR), after a Sidama referendum returned a result in favour of increased autonomy.

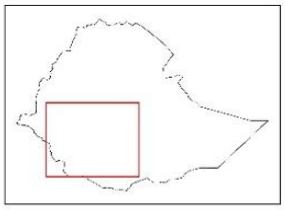
[5] Federal Democratic Republic of Ethiopia, 2016. *Ethiopia - Land Degradation Neutrality National Report*

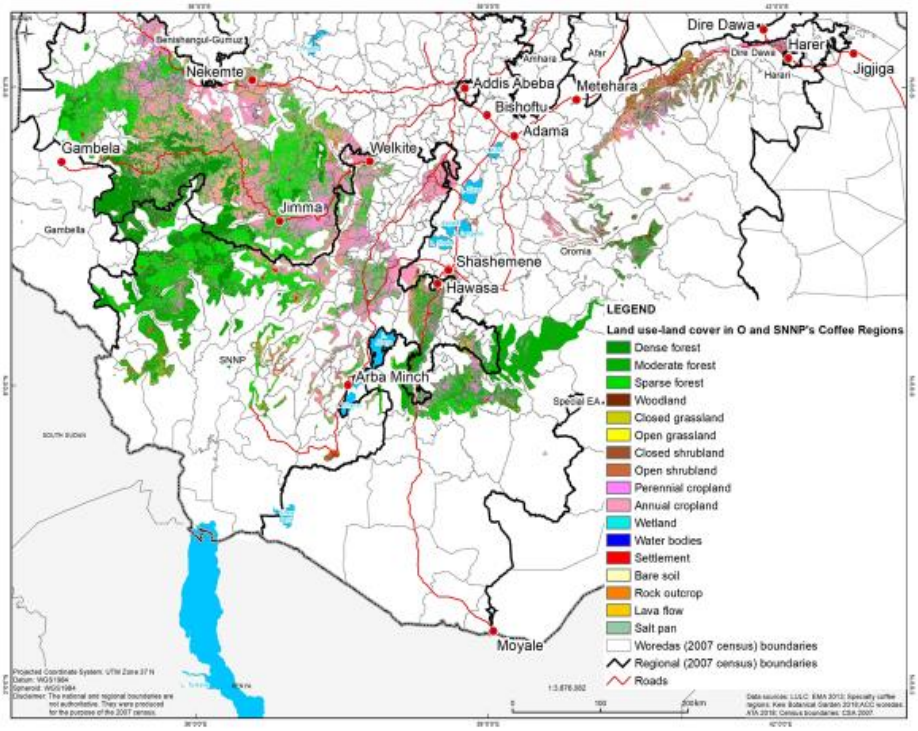
Coffee Regions in Oromia and SNNP – current land use-land cover

Oromia and SNNP contain 97% of the coffee regions of Ethiopia.

The Coffee Regions in Oromia and SNNP constitute 23% of the two regions but 41% of their forests.

Source: Kew Botanical Garden 2018

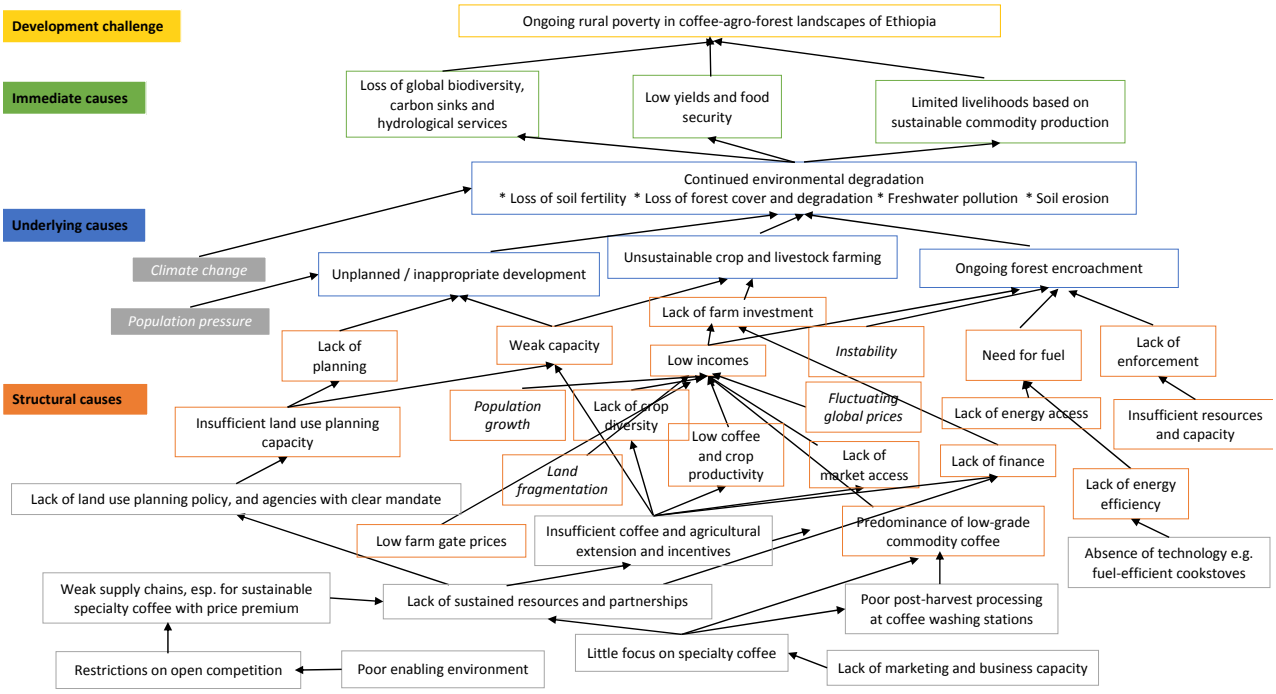




Map 1: Coffee zones of Ethiopia

As shown in the diagram overleaf (also see *Annex 10: Theory of Change*), such environmental degradation results from unplanned or inappropriate development, including ongoing forest encroachment for agriculture and timber extraction, and unsustainable crop and livestock farming practices. Some of the structural causes underpinning these unsustainable practices are shown in the diagram – including the need for food and fuel for a growing population, and the absence of investment in best practice and technology leading to intensification of crop and commodity production. The rising population, projected to reach 130 million by 2025, will pose serious social and ecological challenges, including the ongoing trend of loss of indigenous forest. Approximately 9 million hectares of forest cover could be deforested between 2010 and 2030, leading to forest degradation of more than 22 million tons of woody biomass (Climate-Resilient Green Economy (CRGE) Strategy, 2014).

Baseline without Ethiopia FOLUR project: Problem Analysis



According to UNDP's Country Programme Document for Ethiopia[6], while the country's recent rapid economic growth has helped to reduce poverty in rural and urban areas by lifting 15 million people out of poverty in the period 2005 to 2016, the absolute number of poor people has remained unchanged at 25 million (out of a total population of around 100 million) over the last 15 years due to high population growth. The majority of the poor are found in rural and pastoral areas and constitute 30.4% of the total rural population (Ministry of Finance and Economic Development (MoFED), 2011), who suffer from chronic food insecurity due to rainfall variability. Further significant reduction of poverty is subject to increased vulnerability to a wide range of shocks. The country is prone to climate change/variability, natural disasters and human insecurity, and falls in the very-high category (6.4) of the Index for Risk Management country profile.[7] For instance, 35.1% of rural households are experiencing at least one shock (MoFED Poverty Report, 2013).

The COVID-19 pandemic has affected all regions, with higher spread in the capital, Addis Ababa. As of mid-July 2021, Ethiopia had just over 277,137confirmed cases of COVID-19 infection, with 4,343 deaths recorded as being due to the virus[8], though these figures are likely an under-reflection of the real situation[9]. The vaccination program has only managed to reach only a total of 2,062,456. A study conducted in July 2020 through the Ethiopian Economics Association, suggests that the pandemic is likely to have significant effects in curtailing economic growth, even under an optimistic scenario of mild shock and quick recovery, with economic growth (which averaged 9.8% a year from 2008/09 to 2018/19) slowing to 2.6% for FY 2019/2. Under an amplified (or severe) pandemic scenario, GDP growth would only reach

[6] UNDP (2020) *UNDP Country Programme Document for Ethiopia, 2020-2025*

[7] See http://wwww.inform-index.org/Results/Country-profiles?iso3=ETH

[8] https://www.worldometers.info/coronavirus/country/ethiopia/ 15 October 2020

[9] Given the uneven spread of healthcare facilities across the country, with some areas underserviced, the low level of testing capacity available, the unavailabilty of "excess deaths" data and analysis, and the less-than-reliable system for recording of deaths generally.

0.6% in FY 2020/21.[10] Recent analysis by the International Coffee Organization indicates that in May 2021, Ethiopia's coffee export earnings hit record high with total earnings of USD 130.3 million which was 33% above corresponding month of previous year. Coffee therefore continues to represent Ethiopia's leading foreign exchange earning commodity, with 4 million smallholder farms forming its backbone. 76% of small-scale farmers surveyed in June 2020 reported a loss in income during the initial months of the pandemic, and two-thirds reported concerns related to food availability because of COVID-19.[11] Women may have been worse affected by some impacts of the pandemic – see *Annex 9a COVID-19 Response Framework.*

Generally, women and girls in Ethiopia have suffered disproportionally from deprivation due to factors pertaining to social and traditional norms that have constrained their full participation. This is manifested by a high maternal mortality ratio of 420 per 100,000 live births compared to the target of 267 (Millennium Development Goal report, 2014). Youth and women in urban areas have borne the brunt of unemployment, with respective unemployment rates of 22.8 and 24.1% (Central Statistical Agency of Ethiopia (CSA), 2014). Women have been disproportionally impacted by hazards and climate change (CSA, Population and Housing Census of Ethiopia, 2007). Commonly, agriculture is perceived to be the domain of men who are culturally defined as breadwinners for the family.[12] However studies show women although contribute 2/3 of agricultural labour, Ethiopian female farmers are producing on average 23% less than their male counterparts. Female-headed households have also significantly less value of production (mean = 9 898 Birr/ha) than male headed HHs (mean = 11 273 Birr/ha).[13] In Ethiopia, the contribution of unpaid care work to the economy is totally invisible and unaccounted for in the national GDP, while the burden is heavily shouldered by women in both urban and rural areas[14]. A rapid care work analysis conducted by Oxfam in Oromia region also identified that that on average a woman spends 12-15 hours doing major tasks related to cooking food, child care, and fuel wood collection.[15] Despite women making such contributions there is a huge gap in access to productive resources and benefits men and women get in not only participating in the economic activities but also equally enjoying the economic outcomes. A key aspect of the development challenge to be addressed by the project is thus the empowerment of women, and the creation of income-generation opportunities for youth and women.

Addressing this challenge is consistent with national strategies and plans or reports and assessments under relevant multilateral environmental agreements as follows:

Multilateral Environmental Agreements: Ethiopia has ratified all the major conventions and protocols: the UNCBD; the UNFCCC; the UNCCD; the Stockholm Convention; the Montreal Protocol; and the Nagoya Protocol. The project is aligned with the following policy commitments on (1) Biodiversity: Ethiopia's Revised National Biodiversity Strategy and Action Plan 2014; (2) Climate Change: Nationally Determined Contribution in terms of the Paris Agreement 2015, the Second National Communication to the UNFCCC 2015, and Ethiopia's 2019 Climate Resilient Green Economy National Adaptation Plan; and 3) Land Degradation: Land Degradation Neutrality pledge to ensure improved productivity of over 14 million hectares ha of cropland, National Report on the implementation of the UN Convention to Combat

[10] Beyene, L.M., Ferede, T. and Diriba, G. (2020), *The economywide impact of the COVID-19 in Ethiopia: Policy and Recovery options*, Ethiopian Economics Association (EEA) Policy Working Paper 03/2020, July 2020

[11] The phone survey is a longitudinal study of cohorts of coffee farmers in Ethiopia and Kenya, being conducted by Technoserve and Laterite, supported by Nespresso and JDE – see www.technoserve.org

[12] FAO. 2019. *National gender profile of agriculture and rural livelihoods – Ethiopia*. Country Gender Assessment Series, Addis Ababa. 84 pp. Licence: CC BY-NC-SA 3.0 IGO

[13] ibid

[14] A report from World Bank indicates the proportion of time spent on unpaid care work for Ethiopian women is 22.08%.

[15] Oxfam (2015) *Understanding unpaid care work through first hand testimonies*

Desertification 2018 National Action Programme to Combat Desertification, 1998, Land Degradation Neutrality Report 2015; 4) Restoration: commitments in terms of the 2011 Bonn Challenge, 2014 New York Declaration on Forests, and 2016 African Forest Landscape Restoration Initiative (AFR100) - Pledge to restore 15 million hectares. 5: 2030 Agenda for Sustainable Development) Ethiopia's commitment to the Sustainable Development Goals, especially SDGs 1, 6, 7, 13, 14, and 15.

International forest commitments: Ethiopia has been in the REDD+ process since 2008 and is a participant country of the World Bank Forest Carbon Partnership Facility (FCPF). 15 million hectares for restoration has been pledged under the 2011 Bonn Challenge; 7 million ha under the 2014 New York Declaration on Forests; and the 2016 African Forest Landscape Restoration Initiative (AFR100). The forest sector is a key mechanism for realizing Ethiopia's NDC targets. In 2018, Ethiopia joined the Food and Land Use (FOLU) Coalition and the Partnership for Growth (P4G), both of which promote public-private partnerships for action around green growth. The FOLU national programme is expected to inform Ethiopia's Agricultural Transformation under the next GTP (2020-2025) by integrating the FOLU approach into the Agricultural Commercialization Cluster (ACC) Initiative. As part of the Land Degradation Neutrality (LDN) Target Setting process, Ethiopia has pledged to 'ensure improved productivity of over 14 million ha of cropland by reversing negative trends of arable land deterioration.16

Nationally Determined Contribution: Through interventions in management and restoration of forests and croplands, the project is directly supporting Ethiopia's Nationally Determined Commitments in terms of the Paris Agreement, tabled at the 2015 UNFCCC COP-21, stating the country's intention to limit its net greenhouse gas (GHG) emissions in 2030 to 145 Mt CO2e or lower17, to undertake adaptation initiatives to reduce the vulnerability of its population, environment and economy to the adverse effects of climate change, based on its Climate Resilient Green Economy Strategy (CRGE): including the strategy of "Enhancing ecosystem health through ecological farming, sustainable land management practices and improved livestock production practices to reverse soil erosion, restore water balance, and increase vegetation cover, including drought tolerant vegetation". The NDC states that "Ethiopia's greatest emission reduction potential is in the agriculture and forestry sectors, constituting 85% of emissions in 2010. Therefore, one of the priority initiatives under the CRGE is the use of more efficient stoves, amounting to an emissions reduction rate of 50 MtCO2e per year by 2030. Furthermore, Ethiopia intends to increase its ambition by expanding its forest cover, beyond the initial target for the afforestation and reforestation of 7 million hectares, with continued involvement from local communities that are already contributing substantially to the attainment of this target."

National development policies: The project is designed in line with the Constitution of the Federal Democratic Republic of Ethiopia, including the powers and functions of States to administer land and other natural resources in accordance with Federal laws18. It is also premised on the long-term aspirations within the Growth and Transformation Plan II19,: and directly addresses the target to restore 22,5 million hectares nationally by 2030, maintaining 20% forest cover overall 20 . Ethiopia's Forest Sector

[16] See Ethiopia - *Land Degradation Neutrality National Report*. Available at: https://knowledge.unccd.int/sites/default/files/inline-files/ethiopia-ldn-country-report-final.pdf

[17] INDC 2015, This would constitute a 255 $MtCO_2$-equivalent reduction from the projected 'business-as- usual' (BAU) emissions in 2030 or a 64% reduction from the BAU scenario in 2030.

[18] Article 52, *Constitution of the Federal Democratic Republic of Ethiopia*

[19] Including goals for Watershed Management, Rural Land Administration, Irrigation Development, Natural Resources Conservation and Utilization, Food Security, Disaster Prevention and Preparedness, and Graduate Youths and Private Sector in Agricultural Development Land Preparedness and Supply – see *Government Growth and Transformation Plan II (GTP II) (2015/16-2019/20*), Volume I

[20] National Planning Commission, *Government Growth and Transformation Plan II (GTP II) (2015/16-2019/20*), Volume I Main Text, Table 1.1 pp. 94 ff

Development Plan aims to not only reverse forest trends but to increase forest cover from 15% to 20% within five years and to 30% within ten years21. The Agricultural Transformation Agenda aims to improve volume and quality of coffee, cereals and oilseeds, transform to a commercial orientation, and double private sector investment to 40% by 2030 22 ; supported by the Greening the Agricultural Commercialization Cluster Initiative, with rapid development of priority value chains, systematically integrating environmental sustainability. The project also helps fulfil the mandate of the Ethiopia Tea and Coffee Authority (currently drafting a 15 Year Coffee Strategy) to double coffee production. Ethiopia is also developing a new National Integrated Land Use Policy to facilitate effective planning and management of the nation's land resources. The National Integrated Land Use Plan and the necessary laws to implement the policy are to be developed through a collaborative process that includes federal, regional and local government agencies.

Homegrown Economic Reform Programme: The State-led development model pursued in Ethiopia in the past has yielded important gains in human development and infrastructure but also inhibited the emergence of a thriving private sector playing a leading role in job creation, productivity growth and diversification of the economic and export base23. The HGER programme calls for building a resilient and diversified middle-income economy, driven by the private sector; eradicating extreme poverty and hunger; building human capabilities; creating a modern policy and institutional framework; and creating an efficient, resilient and well-functioning financial market. The HGER will implement a forthcoming 10-Year Perspective Plan which is based on five strategic pillars: macroeconomic stability; quality of economic growth; productivity and competitiveness; implementation capacity at all levels; and a resilient green economy. Underpinning both, a national jobs plan aims to create 14 million jobs by 2025 by building a vibrant local private sector, especially SMEs. Major action is also underway through this framework to address COVID-19 and achieve a green recovery, with the Government's Green Legacy Initiative to plant millions of trees in degraded landscapes proceeding apace despite the pandemic.

Ethiopia's Climate Resilient Green Economy (CRGE) Strategy: Ethiopia has put in place ambitious plans to grow the economy and achieve a Middle-Income status by 2025, and to shift towards a climate-neutral development pathway. The Growth and Transformation Plan (GTP II 2016-2020) identifies two main priorities for reaching this goal: boosting agricultural productivity; and strengthening the industrial base. The government acknowledges that following a conventional development path could result in unsustainable GHG emissions and unsustainable use of biodiversity and has developed the Climate-Resilient Green Economy (CRGE) Strategy, a 'green-growth' strategy to prevent the growth from being undermined by environmental degradation and biodiversity loss. The CRGE Strategy has a number of climate change response pillars that shape its direction and implementation, including: EPACC (Ethiopia's Programme of Adaptation to Climate Change); emission abatement initiatives, such as Nationally Appropriate Mitigation Actions; the CRGE Strategy; the National Environmental Policy, and the Constitution.

The Government of Ethiopia has ambitious plans to grow its economy by transforming key sectors towards industrialization, commercialization and modernization. At the federal level, there are key policy and institutional developments on which the FOLUR child project will also anchor, and which form the backdrop against which it is implemented and inform the basis for the nature of interventions proposed in the project. Key ones include the land use policy and planning framework, the agricultural transformation agenda and work on commercialisation of the sector, as well as new developments in the

[21] National Forest Sector Development Program, Ethiopia, 2018. Volume III Synthesis Report

[22] http://www.ata.gov.et/our-approach/agricultural-transformation-agenda/

[23] UNDP (2020) *UNDP Country Programme Document for Ethiopia, 2020-2025*, p. 2

coffee sector, geared at transforming the sector to become a key economic driver. One of the major barriers Ethiopia will need to overcome in the coffee sector is the current perception that it is difficult to operate in Ethiopia, which is premised on the restrictions of foreign companies to operate in the country. For the sector specifically, further easing restrictions could mean increased willingness of international traders to invest in farmer support services, and increased efficiencies in the local supply-chain. The result for farmers could be higher farm-gate prices, increased services leading to higher yields and improved quality and hence improved farmer livelihoods. Macroeconomically it could mean significant improvements in export revenue if larger quantities of coffee were exported at better prices. Issues like this need a thorough discussion among Ethiopian coffee stakeholders, which could happen in a multi-stakeholder platform.

Investments in agricultural development, transformation and commercialization

As planned under the current and future Growth and Transformation Plans (1 and 2), the government will pursue four agriculture sector objectives of the GTP II. These are: (i) increased and market-oriented crop production and productivity; (ii) increased livestock production and productivity; (iii) reduced degradation and improved productivity of natural resources, and (iv) enhanced food security. Emphasis is given to high-value crops and livestock production, as well as enhanced market access. The government aims to achieve this by modernizing the sector through the extension system and sustainable agricultural technologies and practices, ensuring an integrated input supply system (e.g., fertilizer, seed). Part of the transformation agenda, a new extension service strategy has been launched in March 2017 premised on the integration of extension service between government and private sector actors in order to be market-orientated and demand-driven along value chain development, while respecting specific agro-ecological constraints and promoting sustainable practices.

To increase the contribution of the agricultural sector to the Ethiopian economy, the country has embarked on an Agricultural Transformation Agenda, driven largely by the Agricultural Transformation Agency[24]. Currently, the agency (ATA) is implementing the Agricultural Commercialization Cluster Initiative, with a budget of over US$350 million. The Agricultural Commercialization Clusters (ACC) Initiative has been introduced to integrate efforts that benefit smallholder farmers as well as other value chain actors, and the broader rural non-farm economy, through a market-driven, geographically-based approach to value chain development. Its vision is to bring about rapid, sustained and inclusive development of priority agricultural commodity value chains. The geographically-focused approach adopted by the ACC will in turn provide a strategic and commercially viable platform for implementation of multiple priority interventions for agricultural transformation. Currently nine priority crop commodity value chains have been prioritized by the ACC Initiative in the last two years of GTP II (i.e. 2019/2020): wheat, maize, sesame, malt barley and horticulture crops – tomato, onion, banana, mango and avocado. The ACC therefore provides a strong platform to deliver on the country's Agricultural Development Led Industrialization (ADLI) strategy through prioritization of high potential geographies and commodity value chains, integration of efforts amongst diverse government and non-governmental actors and across the value chain, creation of forward and backward linkages with Integrated Agro-Industrial Parks (IAIPs) and industry more broadly, and enhanced implementation effectiveness, monitoring, learning, and evaluation. Notably, despite initial plans to do so, the ACC initiative does not include coffee as a crop, following a decision to delegate all coffee sector matters to the Ethiopian Coffee and Tea Authority (ECTA). However, ACC clusters and crops are also found in coffee producing areas (about half of the FOLUR project districts are part of ATA's ACC initiative), and coffee is intercropped with the other crops that are included in the ACC initiative.

[24] http://www.ata.gov.et/

The current investments in agriculture stand at around $1bn of which around 40% is from within the MoA, and the private sector is estimated to account for about 20% of the total investment. Agricultural commercialization is underway, and through it, private sector investment is expected to double to 40% of the $5 billion annual investment planned under the Agriculture Transformation Agenda by 2030. In response to the need for increased attention to environmental sustainability and inclusiveness, an initiative to 'green' the ACCs was added and is also under implementation. The 'Greening the ACC' initiative has two objectives: Increased participation and benefits of women and youth along cluster value chains; and Enhanced use of natural resources and increased adoption of climate smart practices along cluster value chains. The Ministry of Agriculture estimates that the investment required to make the sector resilient is currently at about $200 million, and this is expected to increase to about $600 million by 2030.

Recent policy pronouncements in the new Ten Years Development Plan (2021-2030)[25] seek to reform the agricultural sector with the aim of improving the role and participation of the private sector, expanding small- to large-scale irrigation development, improving supply of inputs and finance, enhancing the productivity of livestock, protecting the environment and natural resources, improving agricultural production methods, reducing post-harvest loss, promoting research-based food security systems, and promoting import substituting major agricultural crop production.

Coffee sector developments

The Ethiopian Coffee and Tea Authority (ECTA) was re-established in 2016 with a mandate to: 1) increase foreign exchange revenue and 2) increase value chain incomes, especially among smallholders, and it seeks to do this by doubling production and maximizing the quality of Ethiopian coffee and rejuvenating aged coffee plants. The ECTA is currently developing a National Coffee Strategic Plan and Roadmap outlining plans to improve key areas in order to achieve its overall objective: research; production and extension; processing; value addition, marketing and strengthening the coffee sector. If successfully implemented, the country has potential to grow annual coffee export revenues to $4.6 billion and farmer incomes to $2.6 billion. The EU has recently initiated a Euro15 million initiative to support many of the ECTA's plans for developing the coffee sector.

Also in line with the transformation agenda and addressing specific coffee marketing bottlenecks, new directives are in the making that will encourage vertical integration with direct marketing of quality certified coffee by individual and farmer groups. This new directive is essential to ensure that smallholder producers earn better returns for premium coffee produced instead of the current flat price farm gate coffee purchase system which is a disincentive for quality and productivity gain.

Land Use Policy and Planning

Recently, the government through the National Land Use Planning Office under the FDRE MoPD has drafted a National Land Use Policy (NaLUP), to ease the proper planning and use of the land resources, but is not yet approved by the legislative organ. The general goal of the NaLUP is to increase the land use allocative efficiency by implementing integrated land use plans at all levels across the nation based on social, economic, political and environmental considerations to bring about sustainable development in the country. The policy is further expected to create a legal base for preparation and implementation of land use plans at all levels; to define the levels of land use plans and assign clear responsibility for formulation and implementation. This is hoped to create land use related data sharing platforms among

[25] Ten Years Development Plan: A Pathway to Prosperity, 2021-2030

all sectors working on land use and related issues, and to enhance coordination among stakeholders and capacitate relevant institutions operating at different levels (Federal Democratic Republic of Ethiopia (FDRE) Environment, Forestry and Climate Change Commission, 2019).

The NaLUP makes demands for a national land use and production zone mapping to inform preparation of the national integrated land use plan that guides the allocation of land for sustainable development. The draft policy also stresses the need for consolidation of land uses and clustering, through exchanging with other farmers and making their farms land larger and clustered, to ameliorate the impacts of land fragmentation, so that production and productivity could be improved, production costs reduced, environmental protection enhanced and social cohesion improved. It also recognizes that all ecosystems are under immense pressure due to unplanned and unregulated land use and conversion with adverse impacts on habitats, leading to land degradation and consequent loss of biodiversity. It further stresses the conservation of such hotspot areas such as heritage and cultural conservation cites, terrestrial, wetland natural forests, wildlife reserve areas, riverine habitats for biodiversity conservation, placing priority on scientific studies to inform protection and rehabilitation.

Strengthening security of land tenure

Investments towards strengthening security of tenure over land have been underway in Ethiopia for a long time, and even though there is still a lack of a national land policy and administration framework, these initiatives have made significant contributions towards addressing some of the challenges with land ownership. Past and ongoing initiatives include the GIZ-funded Rural Land Use Planning and Land Administration Physical Activities Programme for issuing rural land certificates; a Land Tenure and Administration Programme (LTAP) funded by USAID; and capacity building funded by SIDA. Another major programme, called LIFT, is funded by the UK government to the tune of GBP73 mil. LIFT (Land Investments for Transformation) supports the GoE in the provision of land certificates to land holders across four regions (Amhara, Oromia, Tigray and SNNPR) and in developing the rural land sector to help rural landholders and land users to increase their income by increasing investment and productivity. The GCF is also supporting a $300mil World Bank-led project implemented in partnership with the Ministry of Agriculture in the Oromia and SNNP regions that includes a component on land administration and use. Through this component, GCF will support the strengthening of the land tenure and the land administration system and improve incentives for beneficiary communities to invest in sustainable landscape management through the following: (a) in the micro watersheds, improving the land tenure security of rural households and groups through land certification and administration (including issuance of Second Level Landholding Certificates (SLLCs) to households, and targeted landless youth will receive communal land certificates, inputs, and extension services in exchange for land restoration), and (b) enhancing local level land use planning and support innovations in landscape certification systems (including providing support for participatory local land use planning and the rollout of the National Rural Land Administration Information System (NRLAIS). The FOLUR project complements these investments and supports the regional (Oromia, SNNP and Sidama), zonal-, district- and village-level land use planning and management structures to work with land owners and users to invest in the next level of improving land productivity through SLM practices and restoration interventions at farm and landscape levels.

Forest and landscape restoration

To address the degradation challenge, Ethiopia has made ambitious pledges to restore its degraded landscapes and explicit plans to increase forest cover and rehabilitate degraded land are underway. A Forest Sector Development Plan is currently under implementation, with plans to increase forest cover to 20% from a baseline of 15.5mil ha. There are also existing plans to rehabilitate degraded land (target of 22.5mil from 10.86mil ha baseline). The forest sector is a key mechanism for realizing Ethiopia's NDC targets. As part of the Land Degradation Neutrality (LDN) Target Setting process, Ethiopia has pledged to

'ensure improved productivity of over 14M ha of cropland by reversing negative trends of arable land deterioration.[26]

A recent technical exercise to map areas with restoration potential[27] identified eight tree-based landscape restoration options, including: restoration of secondary forests; restocking of degraded natural forests; agri-silviculture and agro-silvo-pastoralism; silvo-pastoralism; woodlots and home gardens; commercial plantations for products other than industrial roundwood; buffer plantations around protected areas and national forest priority areas; and tree-based buffer zones along rivers, lakes, and reservoirs.

Extensive work is ongoing in Ethiopia to address many of the environmental and socio-economic challenges that the FOLUR child project also seeks to address. Many of these are implemented in the same regions where the child project will be implemented, and with the same federal, zonal, woreda (district) and kebele (village) administration structures that the child project will work with, and so strong horizontal and vertical linkages will be made, including in project management structures and multistakeholder platforms at all levels, i.e. Project steering Committee/Board, National Coffee Platform, Participatory Forest Management platforms and Land Use Planning platforms.

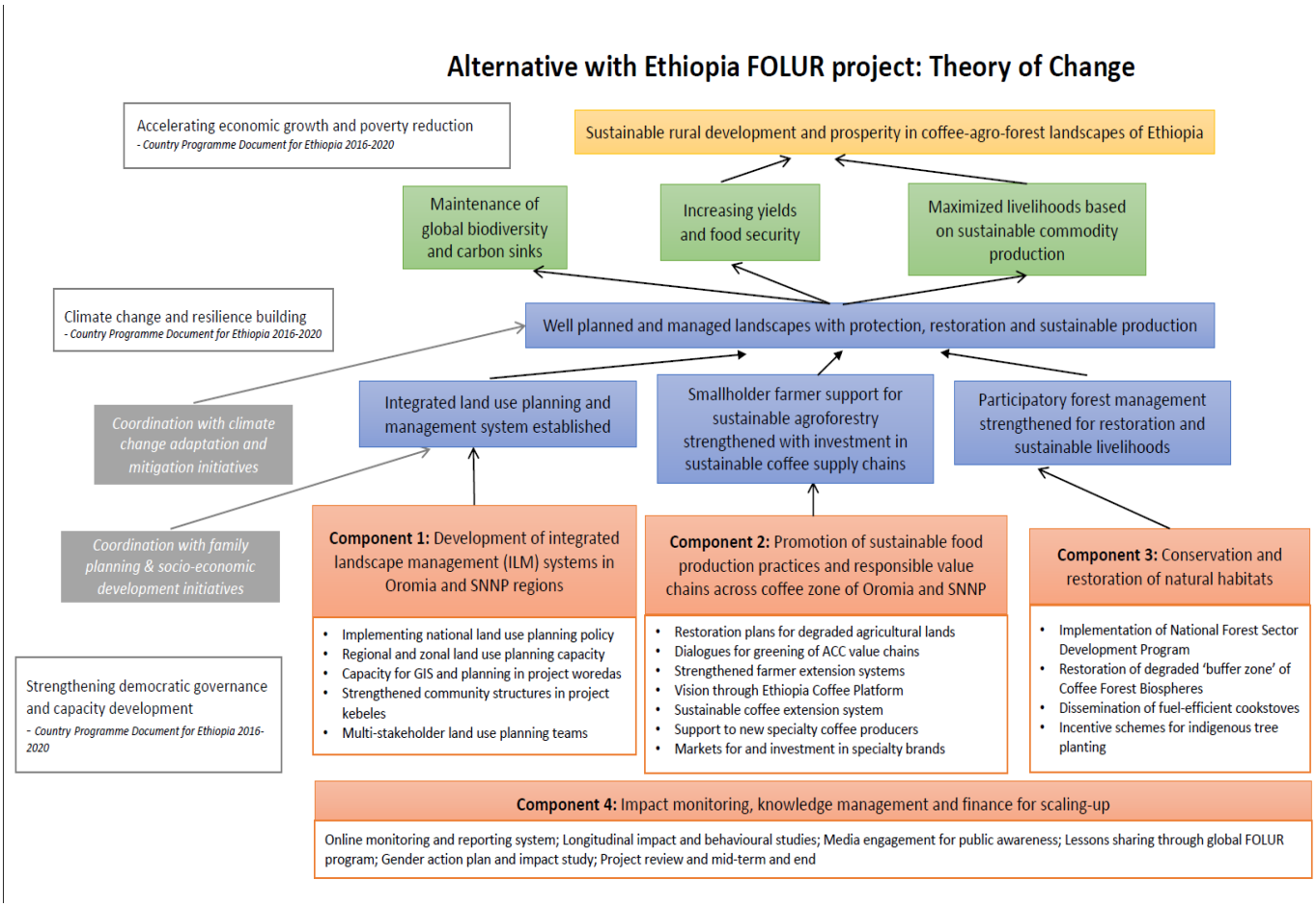
II. STRATEGY

The strategy to be followed by the new project, titled "Preventing Forest loss, Promoting Restoration and Integrating Sustainability into Ethiopia's Coffee Value Chains and Food System", and forming part of the global GEF-7 Food Systems, Land Use and Restoration (FOLUR) Impact Program, involves an integrated landscape planning and management approach to achieving more sustainable food and coffee production across the forested regions of Oromia, SNNP and Sidama. The project objective, as outlined in the original "Child Project Concept" (approved by the GEF Council in June 2019[28]) is "to support transformation towards deforestation-free coffee value chains and food systems in Oromia, SNNP and Sidama". Without multi-stakeholder land-use planning and effective landscape management, unsustainable agricultural practices will continue to cause environmental degradation, and the footprint of smallholder agriculture will continue to expand into the remaining areas of Afromontane and moist forest unchecked. The diagram below shows the key elements of this approach: (i) Establishment of an integrated land use planning and management system at all levels, building on emerging government policy, (ii) strengthening of smallholder farmer support systems for sustainable agroforestry, with partnerships for investment in sustainable coffee supply chains, and (iii) strengthening of participatory forest management for restoration and sustainable livelihoods.

[26] See Ethiopia - Land Degradation Neutrality National Report. Available at: https://knowledge.unccd.int/sites/default/files/inline-files/ethiopia-ldn-country-report-final.pdf

[27] https://assets.forest-atlas.org/eth/documentation/MEFCC-Ethiopia-National-Landscape-Restoration_high-res.pdf

[28] See the GEF CEO Endorsement Request for GEF Project ID no. 10243, which records adjustments made between the Child Project Concept and Project Document stages: Part II PROJECT JUSTIFICATION 1a Project Description sub questions 2, 3, 4, 5, 6, 10 Benefits.



Key assumptions underpinning this theory of change are that:

- Parallel investments in support of the Government of Ethiopia's national development objectives through the UN system, multilateral and bilateral donor investments will address the critical related challenges of reducing population pressure and adapting to climate change.
- Government's emerging Integrated Land Use Planning Policy (ILUP) will be adopted into law and efforts will be put into place, with the project's support, to capacitate Federal, Regional, Zonal and Woreda (district)-level government for implementation.
- The Ethiopian Coffee and Tea Authority (ECTA) will adopt the emerging Strategy for coffee production and marketing, enabling the project to contribute towards implementing the strategy, alongside other donor investments.
- The project will enable MoPD to bring about effective coordination across government sectors, including those involved in implementing the Agricultural Transformation Agenda and the Forest Sector Transformation Plan.
- Efforts to strengthen the current extension system through in-service training of development agents and support to model farmers, both for general small-scale crop production and for coffee, will be successfully piloted, and their impact scaled up through ongoing state budgetary support.
- Supply of agricultural inputs can be improved through a small business development approach, rather than relying on government handouts, given (i) the availability of government land at woreda (district) level for youth co-operatives, and (ii) the availability, in some cases, of infrastructure investment through the ATA and Youth Revolving Fund, with gaps to be addressed in other cases through small grants to be made available through the project.

- Efforts to restore degraded coffee forest through Participatory Forest Management, and degraded cropland through sustainable agroforestry extension, will be successful over time (beyond the project lifespan) in reversing degradation and restoring ecosystem functioning and service provision.
- Governance systems for supporting Ethiopia's five Biosphere Reserves will continue to be effective in maintaining the Core and Buffer of these forested areas as part of the national Protected Areas system, with effective funding and management.
- Private sector investment will be successfully leveraged during the project, and deals facilitated with buyers of new specialty coffee whose production is supported through the project.
- Infrastructure and equipment put in place through the project will be operated and maintained through in-kind contributions by government both during and after project implementation (e.g. motorbikes, laptops) ensuring that their use does not end with closure of the project.
- Women and youth beneficiaries will be successfully empowered through capacity development efforts to participate fully in project structures, land use planning and livelihoods activities.
- Internet connectivity will be sufficiently widespread and reliable in the project landscapes to enable the development of an online monitoring and reporting system, and use of GIS and satellite-based technologies in land use planning processes at zone and woreda (district) levels, alongside paper-based participatory methodologies at kebele (village) levels.

The chosen strategy is aligned with the GEF focal area(s) strategies for Biodiversity (BD-1 *Mainstream biodiversity across sectors as well as landscapes and seascapes*) and Land Degradation (LD-1 *Support on the ground implementation of Sustainable Land management to achieve Land Degradation Neutrality*). This project is a child project under the GEF-7 Food Systems, Land Use and Restoration Impact Program (FOLUR IP) and so it is aligned with the overall objectives of the Food Systems Land Use and Restoration (FOLUR) Impact Program[29]: (1) Promoting sustainable food systems to meet growing global demand, (2) Promoting deforestation-free agricultural commodity supply chains to slow loss of tropical forests, and (3) Promoting restoration of degraded landscapes for sustainable production and to maintain ecosystem services.

The current baseline is significant, with many initiatives and investments in all areas that the FOLUR child project will support. Key policy and institutional reforms have occurred in the last few years that the FOLUR child project will build on, and these will help to anchor the investments of the project on concrete actions already underway in the key institutions whose mandates are aligned with the objectives of the project. These include the draft National Land Use Policy; ATA's Agricultural Commercialization Cluster (ACC) Initiative; the Agricultural Extension Strategy; the National Coffee Strategic Plan and Roadmap; the Forest Sector Development Program, the Ethiopia chapter of the Food and Land Use Coalition and many other initiatives, plans and strategies, that form the policy, legal and institutional basis for the interventions proposed by the child project. In essence, the child project does not need to support formulation of any key strategies from scratch, but will rather support their implementation and orient action towards the attainment of the goals set out in these key policy and legal frameworks and strategies. The ongoing support to the implementation of these key national priorities, represents key co-financing and parallel investments that the FOLUR child project will complement.

Without the GEF increment, the Agricultural Transformation Agenda, and specifically the ACC Initiative will continue to focus on short-term quick wins to boost food production and agro-processing to get the benefits in surplus generation for farmers and employment effects and value added in agro-processing. While these are important economic goals and targets, a narrow focus on them without mitigation of their

[29] Global Environment Facility, April 2018. *GEF -7 Replenishment Programming Directions*

potentially negative impacts on the environment, especially forests and soils, may worsen the already serious problems of deforestation and forest and land degradation, and have long-term consequences, including on food security, that will be worsened by climate change. This approach does not sufficiently address the need to simultaneously promote environmental sustainability and inclusion, although these are articulated as part of the cross-cutting priorities of the ACC Initiative. Resources are limited to implement these cross-cutting initiatives, including interventions on natural resources management and gender integration. Without the GEF increment, smallholder farmers will continue to lack targeted and up-to-date extension services; women and youth will continue to be left behind and benefit the least from investments in the agriculture sector, despite their major contributions; and agriculture production will continue to expand into forests, threatening biodiversity and ecosystem services from them, including the habitats for the world's remaining wild gene pools of Arabica coffee.

The GEF support will contribute towards removing some of the barriers to integrated land use planning that is inclusive and oriented towards promoting sustainable use of land and natural resources and promotes restoration of degraded landscapes. The support from the GEF builds on investments by others seeking to address barriers related to insecurity of land tenure, including the GIZ-funded Rural Land Use Planning and Land Administration Physical Activities Programme for issuing rural land certificates; a Land Tenure and Administration Programme (LTAP) funded by USAID; and capacity building funded by SIDA. Another major programme, called LIFT, is funded by the UK government to the tune of GBP73 mil and is operational in the same regions that the FOLUR project will target. LIFT (Land Investments for Transformation) supports the GoE in the provision of land certificates to land holders across four regions (Amhara, Oromia, Tigray and SNNPR) and in developing the rural land sector to help rural landholders and land users to increase their income by increasing investment and productivity. The GCF is also supporting a $300mil World Bank-led project implemented in partnership with the Ministry of Agriculture in the Oromia and SNNP regions that includes a component on land administration and use. Through this component, GCF will support the Land Administration and Use Strengthen land tenure and the land administration system and improve incentives for beneficiary communities to invest in sustainable landscape management through the following: (a) in the microwatersheds, improving the land tenure security of rural households and groups through land certification and administration (including issuance of Second Level Landholding Certificates ("SLLCs") to households, and targeted landless youth will receive communal land certificates, inputs, and extension services in exchange for land restoration), and (b) enhancing local level land use planning and support innovations in landscape certification systems (including providing support for participatory local land use planning and the rollout of the National Rural Land Administration Information System ("NRLAIS"). The FOLUR project complements these investments and supports the regional (Oromia, SNNP and Sidama), zonal, district and village level land use planning and management structures to work with land owners and users to invest in the next level of improving land productivity through SLM practices and restoration interventions at farm and landscape levels. It will support systems and governance processes that bring together small-holder farmers producers, suppliers and local and international buyers, including poorer women and youth at the lower end of the value chain, and broaden the space for participation in land use decision-making and restoration planning and beneficiation, with the aim of developing more inclusive and environmentally-sustainable food and commodity value chains. Through investments in farmer extension support for the coffee sector, the project will not only advance the goals of the Agriculture Extension Strategy, but will also equip agriculture technicians at the local levels with key skills and tools to support the millions of smallholder coffee farmers whose skills require updating in order for them to adopt climate-smart and sustainable practices that will increase on-farm investments that lead to restoration of degraded agricultural landscapes, and adoption of farming practices that promote soil regeneration, improve soil fertility, conserve forests and promote the inclusion of trees in farming landscapes.

With the GEF increment, land users and farmers can take on board slower growing trees and also create combined/mixed technology packages producing private and public goods. Incentives for forest and landscape restoration and protection and sustainable land management practices, are required. On farm restoration investments are clearly key to maintaining or reducing the footprint of agriculture, but farmers must be incentivised and supported with skills, advice and tools, in order to adopt these practices. The FOLUR child project will invest in a lot of these 'missing elements' and these investments by the GEF have the potential to trigger transformations at farm and production levels, including by key private sector players, across the value chain and regional and federal policy levels, based on demonstrated lessons and solutions.

The project's combined approach – undertaking integrated land use planning and management, guided by the Government of Ethiopia's emerging land use planning policy, utilizing sustainable land management techniques for restoring forest and cropland, and strengthening sustainable commodity supply chains – is based on international best practice and UNDP's global experience through the Green Commodities Programme, the GEF Sustainable Land Management and Food Security Impact programme portfolios and the GEF Small Grants Programme[30], as well as the experience of other GEF Implementing Agencies, as captured and analyzed by the STAP in their 2018 reports on "*Sustainable Land Management for Environmental Benefits and Food Security: A synthesis report for the GEF*"[31] and "*A Future Food System for Healthy Human Beings and a Healthy Planet*".[32] The project design also builds on lessons learnt from recent and current initiatives as set out in the table below, including other projects funded through the GEF Trust Fund and the Green Climate Fund, and bilateral cooperation on environmental management between the Governments of Ethiopia and of Germany, Norway, the EU, the UK, Japan, Italy and Denmark.

The project strategy and design are informed by a comprehensive project development (PPG) process that undertook consultations communities, local authorities and government institutions at Kebele (village), Woreda (district), zonal, regional and federal levels, development partners, bilateral donor agencies, private sector partners, as we as field visits and desktop research and analysis. The findings and conclusions of the project development process are summarised in several baseline assessment reports annexed to this project document, including:
Annex 12a - Site Selection Report
Annex 12d - Areas of Forest Restoration Potential
Annex 12e - National PFM Potential Sites
Annex 13a - Land Use and Land Cover Report
Annex 13b - Land Degradation Trend Analysis
Annex 17a - Report on GHG Calculations
Annex 17b - EX-ACT Carbon Balance Tool
Annex 18a - Global Coffee Supply Chains and Markets
Annex 18b - Project Coffee Intervention Strategies and Actions
Annex 18c - Coffee Value Chain Mapping and Analysis
Annex 18d - Coffee Policy and Institutional Analysis
Annex 18e - Coffee Agronomic Production Analysis

[30] UNDP, 2017. *Community Approaches to Sustainable Land Management and Agroecology Practices*
[31] Henry, B., Murphy, B. and Cowie, C, 2018. *Sustainable Land Management for Environmental Benefits and Food Security: A synthesis report for the GEF*
[32] Sims, R. *et al.* 2018. *A future food system for healthy human beings and a healthy planet.* Scientific and Technical Advisory Panel to the Global Environment Facility. Washington, DC.

Annex 18f - Coffee Farmer Organizations' Capacities and Issues
Annex 19a - Land Baseline Analysis Report
Annex 19b - Land Capacity Assessment
Annex 20a - Agriculture Policy and Legal Review
Annex 20b - Agri-Commodity Production Report
Annex 20c - Agricultural Extension Capacity Development

III. RESULTS AND PARTNERSHIPS

Expected Results*:* The outline below shows the work that will be done through the project, per project component and intended outcome, describing the planned interventions and outputs to be delivered. *Annex 11 Activities and Outputs with Indicators* shows a further layer of detail to what is provided below, indicating the activities that are being planned and budgeted for, in order to achieve the outputs and the component outcomes to which they contribute. It also shows output-level indicators, including those important for tracking progress within the Global FOLUR Program of the GEF.

From within the 9 million hectare coffee-producing area in the southwest of the country in Oromia and Southern Nations, Nationalities and Peoples' (SNNP) and Sidama[33] Regions, a further selection of focal landscapes for on-the-ground activities was made using a multi-criteria mapping exercise with stakeholders, the process of which is detailed fully in the report attached as *Annex 12a: Site Selection Report*. The report presents the methods used and results on site selection for activities under all components of the project – for land use planning in Component 1, for farmer support and coffee supply chain work in Component 2, for forest management and ecosystem restoration in Component 3, as well as knowledge exchange in Component 4. Eight Zones of the coffee-producing regions of Oromia, SNNP and Sidama were targeted, and are listed in the table below. Following stakeholder consultations with Regional and Zonal Administrations and selected site visits, a final list of 22 Project Woredas (districts) was decided upon for on-the-ground activities. Each of these project Woredas (districts) will further select 5 Project Kebeles (villages) for intensive extension, awareness, capacity building and livelihoods support work.

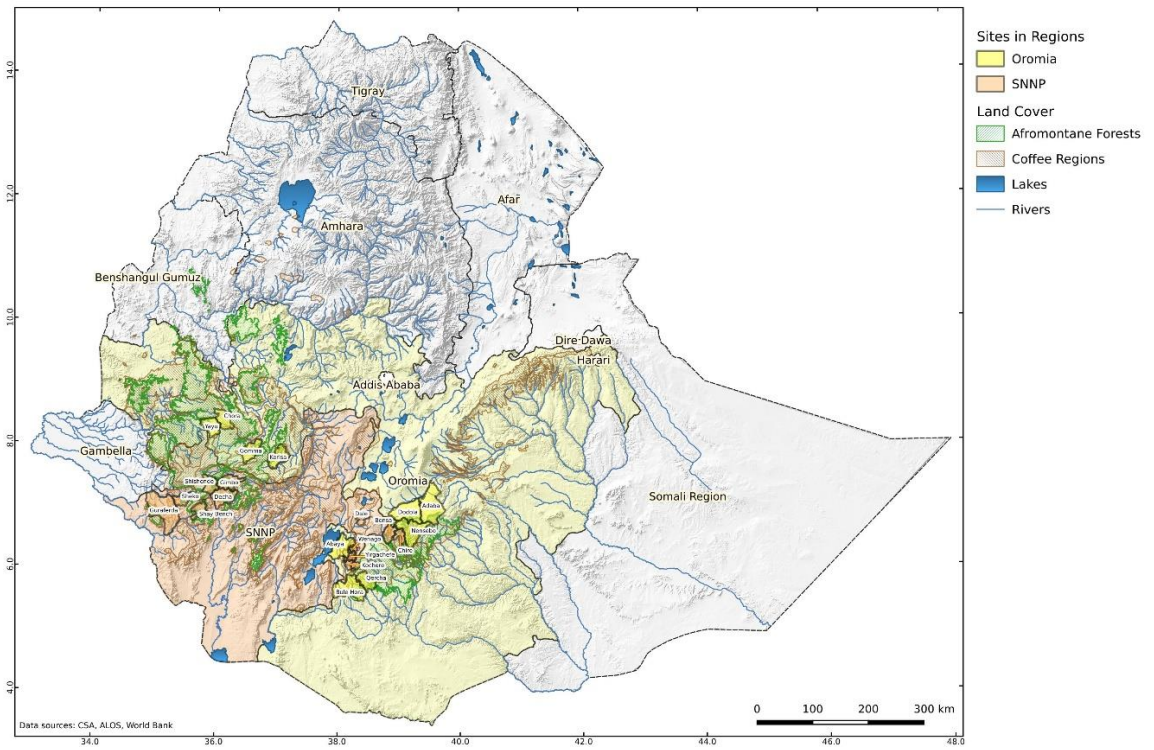
Oromia Region		
Project Zones	**Project Woredas (districts)**	**Components**
Jimma	Kersa, Gomma	All components
Ilu Aba Bora	Chora, Yayu	All components
West Arsi	Nensebo, Dodola, Adaba	PFM component
West Guji	Qercha, BuleHora, Abaya	All components
Sidama Region		
	Chire, Dale, Bensa	All components
SNNP Region		
Gedeo	Wonago, YirgaChefe, Kochere	All components
Keffa	Gimbo, Shisho'nde, Decha	All components

[33] As per the outcome of the 2019 referendum, the former Sidama Zone in SNNP Region is becoming a separate Region

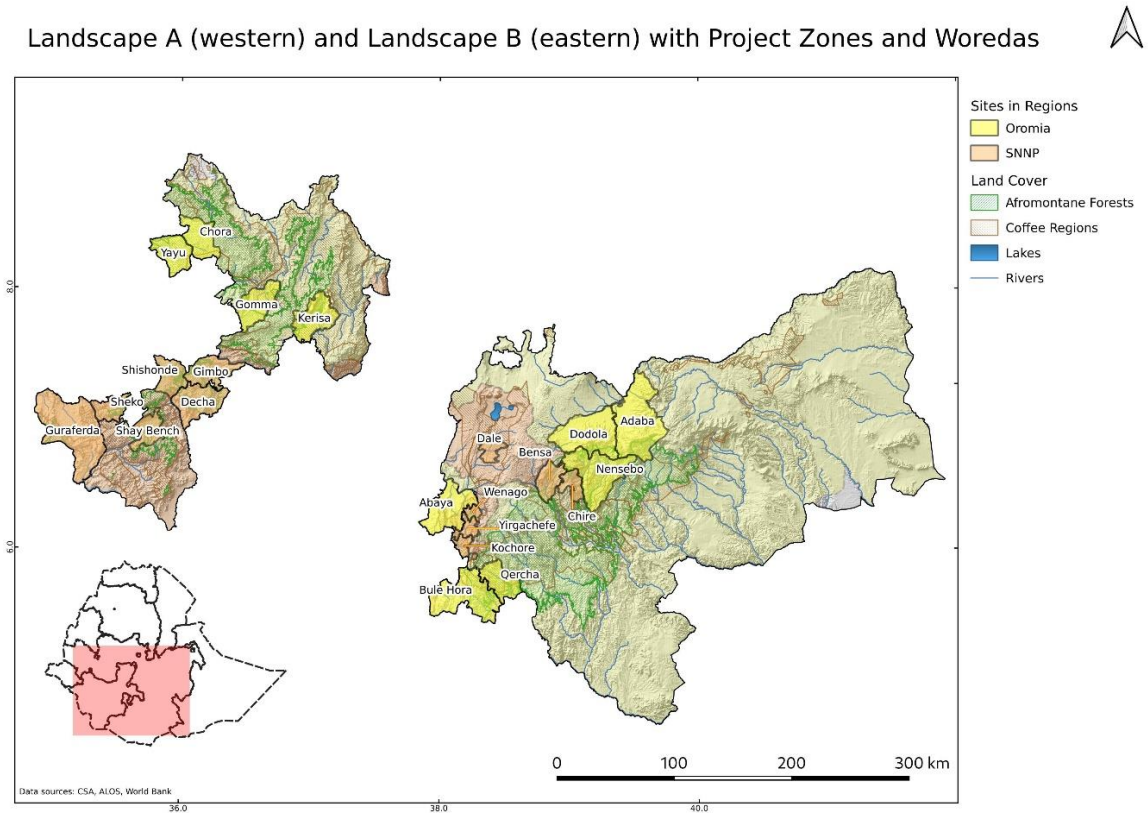
Bench Sheko	Sheko, Guraferda, Shay Bench	All components
<u>Please note:</u> The West Arsi Woredas have been included for activities in Participatory Forest Management, as well as general small-scale farmer support – Dodola and Adaba Woredas (districts) do not have significant areas of land under coffee. The other Woredas (districts) will include a combination of small-scale farmer support, specialized coffee support and PFM activities. All Woredas (districts) will include support to integrated land use planning and management.		

The map below shows each of the project Zones and Woredas (districts), whilst Annex 3: *Project Map and Geospatial Coordinates* shows more detail on each Project Zone, including the location of remaining moderate and dense coverage of Afromontane and Moist Forest (in Biosphere Reserves and community forests) and the location and extent of annual croplands (e.g. maize and wheat) and perennial croplands, e.g. coffee gardens. These maps are based on the *2013 Ethiopia Land Cover Map*[34]. As part of the process of developing Zone-level Integrated Land Use Plans, the Zonal Land Use Planning Teams will carry out baseline surveys in the 8 Project Zones to ground-truth and update the project maps, including updating the area under crops (likely to have expanded) and the area under forests (likely to have contracted). The map below shows the Project Zones in two contiguous clusters, Landscape A and Landscape B, and the targeted 22 Woredas (districts) within those Zones. These woredas (districts) were selected to include areas with small-scale farming, including cereal crops and coffee, forested areas – both unprotected community forest and biosphere reserves with protected core areas and buffer areas that are somewhat degraded.

Project Zones and Woredas



[34] The 2018 Ethiopia Land Cover Map is not yet available



Map 2: Project Zones and Woredas (districts)

Component 1: Development of integrated landscape planning and management systems in Oromia, SNNP and Sidama regions

Component 1 is aligned with Component 1 of the FOLUR Impact Program – *Development of Integrated Landscape Management Systems.* It aims to enhance the enabling environment for landscape-scale interventions based on comprehensive land use planning, that are necessary to foster a transformational change in food systems and land use that is more productive, and more socially and environmentally sustainable. The change that can be expected as a result of interventions through Component 1 of the project relates to the pathway to change shown on the left hand side of the Theory of Change diagram – the establishment of an integrated land use planning and management system at all levels, building on the emerging government integrated National Land Use Planning Policy. This will, in turn, lead to higher level change through better land use planning decisions that protect biodiversity, ecosystem services and carbon sinks – by promoting restoration of degraded lands, sustainable intensification on the existing agricultural footprint, and participatory forest management of remaining forests. Components 2 and 3 apply this integrated landscape planning and management approach in the crop farming, coffee-producing, agroforestry and forest management sectors.

Outcome 1a: Strong enabling environment created for integrated land use planning and management at federal and regional levels

Indicator: Number of new policies adopted, with dedicated capacity in place for implementation - national land use policy

Target: 1 (National Land Use Policy) and regional-level ILM systems and capacities in each of the 3 regions

Outcome 1b: Participatory integrated land use planning systems piloted in Oromia, SNNP and Sidama regions

Indicator: Number of inclusive, participatory Integrated Land Use Management (ILM) Plans developed in project woredas (districts) / catchments in Oromia, SNNP and Sidama regions ***(FOLUR Global Indicator on Capacity/Training (i)***[35]

Target: 22 Woreda (District) ILM Plans

Component 1 Outputs

1.1 National land use planning policy adopted, with systems and capacity in place for implementation
1.2 Oromia, SNNP and Sidama Regions systems and capacity in place for regional and zonal land use planning
1.3 GIS capacity at zonal and woreda (district) levels strengthened for undertaking integrated land use planning and management
1.4 Existing local structures strengthened and capacitated to feed into land use planning processes in kebeles (villages) in Project Woredas (districts)
1.5 Multi-stakeholder platforms established at woreda (district) and kebele (village) levels with Integrated Land Use Plans developed that enable sustainable production, conservation and restoration

A detailed breakdown is provided in Annex 11 of the planned Activities under each of the Component 1 Outputs, as well as the indicators that will be used to track progress on the Outputs (only Outcome indicators are shown in the Project Results Framework in Section V of this document). The indicators shown in Annex 11 include those that will be used to track progress as part of the Global FOLUR Program.

Component 2. Promotion of sustainable food production practices and responsible value chains across coffee zones of Oromia, SNNP and Sidama

Component 2 is directly aligned with Component 2 of the FOLUR Impact Program - *Promotion of sustainable food production practices & responsible commodity value chains.* It aims to contribute to the transformation of food production systems, through work with small-scale farmers in Ethiopia's coffee zones – achieving sustainable intensification and increase in yields without causing further deforestation, and enhancing access to global markets for sustainably produced coffee. A significant amount (close to 80%) of coffee produced in Ethiopia is from small-scale farmer-managed systems, where levels of management and intensification differ from one system to another. The remaining 20% of coffee production is either under plantation coffee (5-10%) or forest coffee (between 5-10%). The bulk of small-scale production (i.e. the close to 80%) occurs in mixed production systems, where other crops are grown for consumption and market. These small 'coffee farms', often not exceeding 2ha, represent perhaps the last corridors and buffers to remaining forests, which are threatened by production of other agricultural crops and commodities.

The change that can be expected as a result of interventions through Component 2 of the project relates to the pathway to change shown in the middle of the Theory of Change diagram – the strengthening of smallholder farmer support systems for sustainable agroforestry, with partnerships for investment in

[35] Indicator valid for both outcomes.

sustainable coffee supply chains. Through this component, the project will contribute to the implementation of the Ethiopian Coffee and Tea Authority (ECTA) vision and strategy, to grow the sector, through increased production, productivity, quality and marketability of Ethiopian coffee. This will, in turn, lead to higher level change of better incomes for farmers, reducing pressure on the forest for timber extraction and crop expansion – as a result of improved agronomic practices, diversification of cash crops, improved agroforestry with indigenous shade-tree species, higher yields including coffee, and higher prices from specialty coffee. This component will make significant investments in a two-pronged approach that promotes increased investments in on-farm restoration/rejuvenation of degraded coffee crops through stumping or pruning by providing an 'incentive package' which includes pruning tools and equipment to farmers who commit to make this investment, and this will be complemented with training by specialised coffee extension agents (i.e. updating the technical skills of existing extension agents and training new ones) who will be trained through the child project to provide integrated technical support to smallholder farmers. The rational is that this investment is needed to increase coffee incomes, which is key to 'keeping farmers in coffee' as the alternative – abandoning coffee for other crops - is detrimental to Ethiopia's remaining forests.

The component will build on and scale up the experiences of past and current interventions on improved coffee farmer support models and training such as those implemented by TechnoServe as well as to complement the interventions currently being rolled out under the EU Café project. Strong coordination with the EU Café project is already being discussed, as the two projects pursue similar objectives. Both EU Café and the FOLUR project will have project-supported staff co-located at ECTA head offices and closely coordinate on activity planning to ensure that these two initiatives complement rather than compete or overlap. Some of the activities (e.g. EU Café project Output 2 and FOLUR project Output 2.2 and 2.4) will in fact require joint design, planning and roll out, as the nature and implementation modality to be proposed for the incentive package will require official government approval.

Through this component, the project will also support the strengthening of stakeholder dialogue, collaboration and action at different levels, by investing in ECTA's institutional capacity to bring together all stakeholders through a national level platform (i.e. Ethiopian/National Coffee Platform) building on the work already underway by ECTA of establishing a 'stakeholder network', and by supporting regional level structures that bring together stakeholders and actors at the Oromia, SNNP and Sidama regional levels (i.e. Regional Coffee Platforms). ECTA's capacity to engage with international coffee stakeholders and market players will also be supported, including capacity to engage at the level of the International Coffee Organization (ICO), which Ethiopia is a member of.

Outcome 2a*:* Smallholder farmer support systems in Oromia, SNNP and Sidama strengthened to adopt sustainable intensification, climate-smart production practices that promote restoration and avoid deforestation

> *Indicator: Increase in average crop yields of farm households receiving enhanced extension support* ***(GEF Core indicator 3.1)***
>
> *Target: 30% increase on the baseline*
>
> *Target: 10,500 ha of agricultural land (rejuvenated coffee) and 456,074 hectares of small-scale farmland of other annual and perennial cropland*

Outcome 2b: Enabling conditions strengthened for the development and marketing of socially, economically and environmentally sustainable coffee

Indicator: Number of new public-private partnerships involving government and private sector actors working towards FOLUR outcomes – through working groups under platform/s to drive the implementation of the new National Coffee Strategic Plan and Roadmap ***(FOLUR Global Indicator on Policies/Value Chains (k)***

Target: 6 Working Groups under the Regional/National Coffee Platform

Outcome 2c: Global coffee supply chain actors engaged to facilitate increased investments in deforestation-free coffee value chains and new entrants to specialty markets

Indicator: Number of emerging regional varietal specialty coffee producer cooperatives linked with global coffee buyers (FOLUR Indicator on Policies/value Chains (k)

Target: 3 new speciality coffee producers linked to buyer/s

Component 2 Outputs

2.1. Zonal dialogues held with Agricultural Commercialization Clusters, with a focus on those ACCs with coffee, on greening agricultural value chains
2.2 Training of agricultural and specialized coffee extensionists, with an incentive system piloted for improved practices that enable sustainable intensification and increased yields
2.3 Multi-stakeholder coffee platforms operationalized at national and regional levels, maximizing role of private sector to drive inclusive national economic growth and job creation, while government provides enabling environment
2.4 Intensive pre- and post-harvest support to at least 10 extension pilot communities shifting to specialty coffee, working with emerging marketing centres, and existing cooperatives, unions, washing stations and direct exporters
2.5 Local and international coffee buyers, traders and roasters engaged to establish innovative partnerships and support new specialty brands – through Ethiopia Coffee Platform and FOLUR Impact Program networks

A detailed breakdown is provided in Annex 11 of the planned Activities under each of the Component 2 Outputs, as well as the indicators that will be used to track progress on the Outputs (only Outcome indicators are shown in the Project Results Framework in Section V of this document). The indicators shown in Annex 11 include those that will be used to track progress as part of the Global FOLUR Program.

Component 3: Conservation and restoration of natural habitats through Participatory Forest Management

Component 3 aims to support communities in the coffee zones to protect and restore remaining areas of indigenous Afromontane and moist forest, providing important ecosystem services to farming as well as global environmental benefits. The change that can be expected as a result of interventions through Component 3 of the project relates to the pathway to change shown on the right hand side of the Theory of Change diagram – strengthening of participatory forest management for restoration and sustainable livelihoods, with additional interventions to scale up introduction of fuel-efficient cookstoves and biomass-waste briquettes through local manufacturing. These interventions will, in turn, lead to higher level change of reduced rate of forest degradation and loss, including loss of the important genetic pool *for Coffea arabica spp*., underpinned by improved and sustainable forest-based livelihoods.

Outcome 3: Sustainable forest management practices promoted to reduce biodiversity loss and promote restoration in and near Afro-montane forest landscapes

Indicator: Area of forest restored and/or under effective regime of Participatory Forest Management ***(GEF Core Indicator 4.1)***

Target: 61,552 ha of forest land

Component 3 Outputs

3.1 National Forest Sector Development Program implemented through coordination on monitoring and incentives for Participatory Forest Management of indigenous forest

3.2 61,552 ha of degraded Afromontane and moist forest better managed through PFM to safeguard the C. Arabica gene pool and secure ecosystem services in the production landscape

3.3 Fuel-efficient cook stoves and biomass-waste briquettes adopted across all Project Woredas (districts) to reduce pressure on forest and create alternative incomes

3.4 Incentive schemes in place to promote increased tree production (agro-forestry) in coffee and crop production landscapes

A detailed breakdown is provided in Annex 11 of the planned Activities under each of the Component 3 Outputs, as well as the indicators that will be used to track progress on the Outputs (only Outcome indicators are shown in the Project Results Framework in Section V of this document). The indicators shown in Annex 11 include those that will be used to track progress as part of the Global FOLUR Program.

Component 4. M&E and Knowledge Management for replication and scaling-up

Component 4 aims to establish knowledge management and monitoring and evaluation systems that help maximize the effectiveness of the project and replication of its achievements within and beyond Ethiopia. The change that can be expected as a result of interventions through Component 4 of the project relates to all the interrelated work of the project – capturing lessons learnt, evaluation progress and monitoring impact, in order to share experiences more widely across Ethiopia and amongst countries participating in the global FOLUR Impact Program. Within Ethiopia, dialogue events will be critical to achieving scale-up beyond the focus areas for on-the-ground activities, supporting the building of partnerships to unlock further investment, for example in state-of-the-art coffee extension services that ensure higher yields and better quality, and enable access to specialty markets for many more farmers, enhancing rural prosperity and reducing pressure on natural ecosystems.

Outcome 4: Project M&E systems established, impacts monitored to inform adaptive management; lessons learned shared broadly within the domestic and international food systems and commodities, FOLUR IP Global Platform and restoration communities

Indicator: Number of private sector actors, value chain events, press releases, etc. citing/using FOLUR products, reflecting successful upscaling ***(FOLUR Global Indicators 3, 4 and 5) - 3g, 3h on Capacity/ Training, 3j, 3k, 3l on Policies/Value Chains and 3m on Knowledge) and 4 on Descriptive case studies and 5 on Gender***

Targets: 10 recorded uses of knowledge / advocacy products

Component 4 Outputs

- On-line monitoring and reporting system in place to track and report economic, social and environmental results and impacts of the project
- Partnerships in place with academic institutions to enable behavioural economics studies and longitudinal impact studies on agricultural and coffee extension systems and forest restoration
- Ethiopian media sector engaged to promote public awareness and advocacy around integrated landscape management and sustainable coffee production

- Project learning shared across Ethiopia and internationally through the GEF Food Systems Land Use and Restoration (FOLUR) Impact Program
- Gender action plan implemented and impacts of project on gender equality and women's empowerment monitored and reported on
- Project performance reviewed at mid-term and end phases and results packaged to inform adaptive management, future programming and scaling up

A detailed breakdown is provided in Annex 11 of the planned Activities under each of the Component 4 Outputs, as well as the indicators that will be used to track progress on the Outputs (only Outcome indicators are shown in the Project Results Framework in Section V of this document). The indicators shown in Annex 11 include those that will be used to track progress as part of the Global FOLUR Program.

Private Sector: Critical to the project's success will be the development, under the leadership of the Ethiopian Coffee and Tea Authority (ECTA) of partnerships with the private sector, during the course of project implementation. As the country prepares itself to implement the new National Coffee Strategic Plan and Roadmap,[36] expected to be launched shortly, it is crucial to maximize the role of the private sector to drive inclusive national economic growth and job creation, while government provides the appropriate enabling environment. Multi-stakeholder platforms that involve public and private sector actors, and also civil society, financial and technical partners, will support the transformation of the coffee sector to become socially, economically and environmentally sustainable, and resilient enough to thrive even in the face of external shocks and stresses – ranging from price volatility, to disease outbreaks to climate change impacts.

The Ethiopian Coffee and Tea Authority (ECTA) has embarked on a process to establish a national multi-stakeholder platform to support the implementation of the National Coffee Strategic Plan and Roadmap. ECTA refers to this platform as a 'stakeholder network'. This network comprises of academia, research organizations, NGOs, the private sector (coffee growers, suppliers, exporters and roasters association) and development partners, and is facilitated by ECTA. The nature of this platform, its membership and objective, have been under discussion since the initiation of the FOLUR PPG discussions, and during 2019/2020 received additional targeted support from GIZ and the Global Coffee Platform (GCP), in terms of supporting further refinement of the platform, its membership and objective. The members meet every quarter to discuss priorities, challenges and to jointly identify solutions, actions, and share experiences among each other. The FOLUR project will support the strengthening of this platform, and the establishment of similar structures at regional levels to link the national platform to coffee regions.

The multi-stakeholder platforms at the national and regional levels are expected to strengthen public-private partnerships and facilitate collaborative efforts in the growth and transformation of Ethiopia's coffee sector. Ethiopia's coffee value chain has many players, and at the production level is dominated by smallholder farmers, comprising more than 90% of the total production volume, with the remaining 10% coming from commercial production (about 200 plantations).[37] Smallholder coffee farmers are involved in production, harvesting, processing and/or postharvest handling. The value adding functions at production stage include land clearing, seed bed preparation, seedling rising, planting, fertilizing, spraying, weeding, cultivation, and harvesting/picking. The other main activity done by farmers soon after cherry collection is transporting of cherries from farm to washing machine (if sold in red cherry form) and to their

[36] The new National Strategic Plan and Roadmap is currently being finalized and is expected to be launched after Ethiopia officially launches its new national development plan (i.e. Ten Years Development Plan: A Pathway to Prosperity, 2021-2030).
[37] Global Coffee Platform, 2018, Ethiopia: A quick scan on improving the economic viability of coffee farming.

home (if it is for drying purpose). Farmers dry cherries on bamboo bed, mesh wire bed, mats/ tarpaulin, concrete, or cement floors immediately after they pick and conduct primary sorting and grading. Besides, farmers have a role in handling, processing and marketing of coffee. The participation of farmers in processing involves sorting and primary grading of the red cherry, drying and sorting, sacking, storing, transportation, loading and unloading. If coffee sold at the farm gate, the buyers (traders or collectors) perform most of the aforementioned post-harvest activities. Then small-scale farmers sell either to cooperatives and/or to private suppliers. Farmers may carry their red coffee cherry on their back or use donkey or motorbike service to bring from their farm to cooperative or private washing stations.

The commercial farms category includes state owned farms that were privatized and new private coffee plantations. The newly established private coffee plantations are owned by more than 200 investors that have entered into developing modern coffee plantations by obtaining between 32,000 ha and about 45,000 ha of land for commercial production. The commercial farms are engaged in production, processing (dry and wet processing), and marketing (exporting and/or wholesaling to the domestic market). Under processing, the main value additions performed are primary sorting, washing coffee (pulping), drying, hulling, sorting, polishing and packaging. It is then that they sell to the international market. Large-scale private growers are actors involved in production and they are permitted to sell their coffee directly to the international market. However, not all private growers have the corporate infrastructure to effectively export their own coffee.

The Ethiopian and global coffee supply chains, actors involved in Ethiopia's coffee sector and the challenges they face, are described in detail in the baseline assessment reports available in Annexes: *Annex 18a - Global Coffee Supply Chains and Markets, Annex 18c - Coffee Value Chain Mapping and Analysis and Annex 18f - Coffee Farmer Organizations' Capacities and Issues*. The following reports/documents also outline the detailed analysis and proposed strategies and actions for the coffee sector, and have informed how the FOLUR child project will advance under component 2: *Annex 18b - Project Coffee Intervention Strategies and Actions; Annex 18d - Coffee Policy and Institutional Analysis and Annex 18e - Coffee Agronomic Production Analysis.*

Important changes to Ethiopia's coffee sector have occurred in the last decade. The adoption of improved production, harvest, and post-harvest practices has been increasing, with positive impacts on coffee productivity and incomes. Upstream marketing has improved, along with large investments in processing capacity, shown by the extended coverage of wet mills[38]. However, despite these changes, yield growth has been small, and a large proportion of coffee gardens are dominated by old bushes with very low yields. Post-harvest quality remains uneven, with the majority of coffee still destined for bulk coffee markets, rather than more lucrative specialty markets. Weather shocks, the prevalence of coffee crop diseases, lack of improved seedlings, inadequate extension and saving constraints have all impeded uptake of improved practices, with consequent repercussions on farmers' productivity and incomes. Accelerating forest loss in the coffee zones and degradation of production lands have also put pressure on agro-ecosystems.

Sustainable coffee partnerships as part of the solution

The emphasis in the project is on "sustainable coffee", sustainable on social, economic and environmental fronts, rather than "deforestation-free coffee". Currently, coffee production is not the major driver of

[38] Or "washing stations"

deforestation in Ethiopia's highlands[39], and the national footprint of coffee expanded only by 2% from 2014 to 2018, most of which can be accounted for by large-scale commercial plantations[40]. Ethiopia's REDD+ Strategy[41] highlights expansion of annual crops and fire as the biggest causes of forest loss, and fuel wood extraction as the biggest cause of forest degradation, with coffee as an additional cause of degradation in some contexts. *Coffea arabica* is an indigenous forest plant in Ethiopia, and in most contexts is harvested or cultivated in a way which maintains many of the original ecosystem services of the natural forest. If coffee is produced on a stable footprint, in a manner which maximizes yields (through pruning and other best practice) and achieves higher prices on specialty coffee markets, it can be part of the solution. Smallholder farms range from harvested wild coffee to semi-forested farms to managed coffee gardens, but all use heavy shade of indigenous tree species. These highly diverse agro-forestry production systems serve as corridors and buffers to remaining forests. Unfortunately, due to low yields, low coffee quality and low global coffee prices, many farmers find it difficult to make a living from coffee and are driven to supplement income from harvesting timber and fuel wood from community forests, or from their own farms. Many also substitute coffee with other crops, such as *khat* or maize, leading to removal of the shade canopy and degradation of the soil. On the other hand, when farmers produce better and increase income, they will tend to protect diverse coffee farms and even expand agro-forestry production, thereby leading to protection and restoration in the diverse and biomass-rich landscape. Therefore, an important strategy to stabilize the agricultural frontier is keeping coffee farms profitable and sustainable, achieving quality improvements , and facilitating access to specialty markets.

The FOLUR project will leverage existing private sector investments in the Ethiopian coffee sector, building on their work to maximize the effectiveness of specific project interventions. The project will support ECTA to align and coordinate the different partner-funded initiatives for better outcomes and impact, learning and monitoring of results against the National Coffee Strategic Plan and Roadmap. It will support ECTA to strengthen its capacity for partnership management, networking and facilitation of stakeholder engagement, dialogue and collaboration, communication and other skills needed to strengthen ECTA's role in coordinating sector development, growth and transformation.

The following private-sector initiatives are some that the project will coordinate with.

- **illycaffé and the Ernesto Illy Foundation** are currently supporting ECTA to establish the Coffee Training Centre (CTC) in Agaro (Jimma), based on the model of the Università del Caffè and including roasting, grinding and packaging facilities. Benefitting from the support of illycaffé experts and teachers, the Centre will build up the capacity of the 61 members of the Ethiopian Coffee Roasters Association to improve product quality and increase export volume. ECTA is also in the process of establishing a quality testing and grading laboratory in Addis Ababa, with support from the Italian Agency for Development Cooperation and UNIDO.

  The FOLUR project will facilitate access to the ECTA laboratory for testing coffee quality, for the emerging specialty coffee in 10 local cooperatives supported through the project, *(see Activity 2.5.4),* and link these producers to specialty buyers through cupping events *(see Activity 2.5.1*).

- **Moyee** is a social enterprise roastery in Addis Ababa currently exporting ground coffee to Europe, working with the FairChain Foundation, who promote local value addition. Moyee makes innovative use of blockchain technology to ensure that the supply chain is transparent, reducing uncertainty and

[39] Bekele M, Tesfaye Y, Mohammed Z, Zewdie S, Tebikew Y, Brockhaus M and Kassa H. 2015. *The context of REDD+ in Ethiopia: Drivers, agents and institutions.* Occasional Paper 127. Bogor, Indonesia: CIFOR.

[40] USDA Foreign Agricultural Service (2019) *Ethiopia Coffee Annual Report,* Global Agricultural Information Network Report ET1904,

[41] Ministry of Environment and Forest - National REDD+ Secretariat (2014)National REDD+ Strategy, First Draft

enabling trust among market players. Moyee has created unique digital identities for the 350 farmers it currently works with – meaning buyers can see exactly how much each individual grower is paid, with prices set at 20% above the market rate. The Innovations for Sustainable Agricultural Supply Chains in Ethiopia (ISASE) project, supported by the German Government through GIZ, is also involving private sector partners in developing a block chain-based digital solution for traceability in Ilu Aba Bora Zone.

The FOLUR project will support the establishment of a working group under the national coffee platform, to explore how to scale up the use of blockchain technology for traceability, achieving better farmgate prices and allowing buyers to source sustainably *(see Activity 2.3.4*), building on the work of Moyee and FairChain and other support on the use of digital platforms for value chain development currently underway through UNDP Ethiopia Country Office. The project will support ECTA's emerging plans to adopt blockchain and digital technology across the coffee sector, through the Crop2Consumer e-commerce platform, currently being piloted by ECTA in partnership with the Ethiopian Ministry of Innovation and Technology (MiNT) and Boots Coffee.

- **Nestlé and Nespresso** are working with technical partners TechnoServe and IDH to increase the income of small farmers in Sidama Region by increasing the supply of high-quality, sustainably produced coffee, including training washing station owners on sustainability practices for washed coffee, such as the separation of coffee pulp from wastewater for composting and distribution to farmers. The Nespresso AAA Sustainability Quality program, working with IDH and IFC, has also set social, environmental, quality and economic standards, and facilitated training to meet these standards.

  The FOLUR project will include a national conference co-hosted by the Agricultural Transformation Agency (ATA) and MoPD on greening of agricultural value chains, including sharing knowledge and unlocking private sector investment in circular economy opportunities, such as using coffee residues for cascara tea, compost and briquettes *(see Activity 2.1.3).*

- **Jacobs Douwe Egbert** is investing in supply chains in the unwashed coffee sector in Ethiopia's Jimma and Lekempti Zones and Sidama Region, cooperating with IDH and TechnoServe, supporting hulling stations to comply with sustainability standards, as well as providing agronomy training to help 24,000 farmers adopt best practices and increase yields by 50 percent. Particularly key to TechnoServe's model is encouraging stumping of senescent coffee bushes, which grow back vigorously and can triple yields after 2-3 years.

  The FOLUR project will pilot the addition of village-level extension agents with specialized training in coffee extension in 110 kebeles (villages), testing the model and working with woreda (district) administrations to embed the costs of these positions after the first two years of project implementation *(see Activity 2.2.2).*

- **Lavazza Foundation** has cooperated with Hanns R Neumann Stiftung, Löfberg Family Foundation, German Government's International Climate Initiative and Austrian Development Agency, on initiatives supporting coffee farmer families in Ila Aba Bora to adapt agricultural production to climate change, improve food and nutrition security and raise family incomes, taking pressure off the forests. Joint learning, planning and decision-making between men and women is promoted, and opportunities created for women and youth to undertake new economic activities.

- *The FOLUR project will* include a major emphasis on livelihood opportunities for women and youth, supporting the establishment of cooperative businesses supplying farming *(see Activity 2.2.5)* and

agroforestry inputs and biomass-based briquettes *(see Activity 3.4.2)* for fuel-efficient cookstoves *(see Activity 3.3.3)*, whilst households losing income temporarily by stumping coffee bushes will be able to access diversification support micro-grants to start new home-business lines *(see Activity 2.2.2).* In support of ECTA on Outcome 2c of the project, UNDP will work to leverage its existing partnership with Lavazza (global MOU signed in November 2019), exploring the potential for targeted support to the three emerging regional varietal specialty coffee 'brands' supported under *Activity 2.5.4.* through accessing Lavazza's quality testing and grading laboratories in Turin, building on lessons learnt from a similar approach that UNDP facilitated in Ecuador.

For engagement with the private sector in the coffee sector, the Ethiopia Child Project will seek key guidance and support from and through the FOLUR Global Platform under Pillar B on Policy and Value Chain Engagement, starting with participating in the FOLUR Global Platform-led needs assessment surveys related to private sector engagement needs and opportunities. Under Component 2 and 4 of the project, key platforms for engagement with the private sector are envisaged through the multi-stakeholder coffee platforms at national and regional levels, participation in Community of Practice knowledge sharing events, and joint development of knowledge products on selected themes. A key opportunity and entry point for engaging with the private sector actors in Ethiopia and those that source from Ethiopia will be through the National Coffee Platform and interventions planned under Component 2.

Partnerships: The project is designed to build on and complement a number of recent and current related initiatives supported by the Government of Ethiopia and its development partners, as set out in the table below. These include other projects funded through the GEF Trust Fund and the Green Climate Fund, and bilateral cooperation on environmental management between the Governments of Ethiopia and of Germany, Norway, the EU, the UK, Japan, Italy and Denmark. The table lists 30 such initiatives and highlights relevant aspects for the FOLUR project. The GEF project is designed to build on this baseline of work and to ensure synergy with partners' work and avoid duplication. Some of the partners work is closely aligned to the GEF project objectives and will form co-finance to the project. These agencies' parallel investments will help to meet the development challenge of integrated landscape management of Ethiopia's southwestern regions to reverse environmental degradation and maximize sustainable livelihoods based on nature, as shown in Section IX on Co-Financing Partnerships.

The table below provides more detail on the private sector-supported initiatives mentioned above, as well as other initiatives of the Ethiopian Government in partnership with donors and technical partners, drawing out lessons that have been learnt from recent and current initiatives, and opportunities for synergies with projects continuing into the implementation period of the FOLUR project.

Title	Objectives/Results/Outcomes	Agencies/Donors/Partners, and Implications for GEF project
1. Food-IAP: Integrated Landscape Management to Enhance Food Security and Ecosystem Resilience	This GEF-funded USD 10,7 million project from 2017 to 2021 is part of the GEF-6 Food Security integrated approach pilot program, and aims to enhance long-term sustainability and resilience of food production systems by addressing the environmental drivers of food insecurity in Ethiopia. This project proposes an integrated approach that brings together capacity to achieve food security with the need to restore and sustainably manage key	MoPD (Ministry of Planning and Development, GEF, UNDP http://www.resilientfoodsystems.co/country/ethiopia The FOLUR project can learn from the premise of the project based on the cost efficiency of making use of synergies across landscape management, food

Title	Objectives/Results/Outcomes	Agencies/Donors/Partners, and Implications for GEF project
	environmental resources through three interrelated components: Component 1 ensures effective multi-stakeholder platforms are in place to support the dissemination and uptake of integrated approaches; Component 2 develops specific approaches and puts in place effective mechanisms to scale up across target sites and, more widely, in the country; and Component 3 establishes a systematic monitoring, assessment, learning and knowledge management mechanism that supports influencing at a wider scale in Ethiopia – and via the Regional Hub project – across other African countries under the program.	security and value chain development and sustainability, including a value chain approach to food production to reduce post-harvest losses.
2. PSG Sustainable Land Management 2	This GEFTF and LDCF-funded World Bank-implemented project from 2013 to 2019 aimed to reduce land degradation and improve land productivity in 135 watersheds/woredas (districts) (including the 45 watersheds that were partially supported by SLMP-1), covering 937 kebeles (villages) in the National Regional States of Amhara, Tigray, Oromia, SNNP, Gambela, and Benshangul Gumuz. The Project's Development and Global Environment Objective is to reduce land degradation and improve land productivity in selected watersheds in targeted regions in Ethiopia. The objective would be achieved through the provision of capital investments, technical assistance and capacity building for small holder farmers in the watersheds and government institutions at national and sub-national levels.	Ministry of Finance and Economic Development, World Bank http://documents.worldbank.org/curated/en/671621533180654816/pdf/ETHIOPIA-PAD-07112018.pdf The FOLUR project can learn from the final evaluation of the project, once this is available from the World Bank, especially on implementation of Rural Land Administration, Certification and Land Use, and learning from their methods for evaluating changes in land productivity.
3. Greening the Agricultural Commercialization Clusters Initiative	This project being carried out from 2018-2023 initiative is part of the overall ATA program of work and aims to commercialize smallholder agriculture through an inclusive and environmentally sustainable approach, increasing employment and income for rural populations. The “mainstreaming” initiative,	Agricultural Transformation Agency, Government of Norway https://agriprofocus.com/upload/ATA_ACC_Briefing_-APF14456959201451055638.pdf

Title	Objectives/Results/Outcomes	Agencies/Donors/Partners, and Implications for GEF project
	supported by the Government of Norway, involves ATA support in 252 woredas (districts) in Oromia, SNNP, Amhara and Tigray Regions. It focuses on specific commodity crops: Wheat, Maize, Sesame, Malt Barley, Tef, Tomato, Onion, Mango, Banana and Avocado. Components include work to strengthen research and extension, increase access to high-quality inputs, resources, and financial product; build capacity of agribusinesses and cooperatives; and strengthen marketing systems, information, and linkages. The initiative links closely with the country's Integrated Agro-Industrial Park (IAIP) development.	About half of the 22 FOLUR project woredas (districts) are also ACC woredas (districts). The project can tap into ATA funding where relevant, e.g. to fund infrastructure for youth cooperative nurseries growing improved seedlings for ACC-priority agroforestry such as avocado, mango, banana. IAI Parks for processing and value addition may also be relevant in some areas.
4. Participatory and Integrated Land Use Planning (PILUP)	This project funded by the Government of Germany and implemented with the support of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, is working to enable the MoPD to apply principles, standards and instruments of participatory and integrated land use planning at federal, regional and district levels, working through the National Integrated Land Use Planning and Policy (NILUPP) Office under the MoPD, mandated to coordinate and develop the cross-sectoral land use planning process at federal, regional and woreda (districts) levels. The project involves work on awareness raising, capacity building, strengthening the institutional framework (proclamations, regulations and technical guidelines with special emphasis on peri-urban areas, environmental concerns and local economic development) and application and learning in two pilot regions (Amhara and Benishangul-Gumuz).	MoPD, German Federal Ministry for Economic Cooperation and Development (BMZ), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) https://www.giz.de/en/worldwide/80804.html The FOLUR project will build on GIZ's support to the NILUPP office, once the policy is adopted. Further discussions will be held to ensure synergy between the German Government's support and the work of Component 1 of the FOLUR project. The pilot regions are different so the two projects can learn from each other at regional level.
5. Sustainable use of rehabilitated land for economic	The Sustainable Land Management (SLM) programme launched by the German Federal Ministry for Economic Cooperation and Development (BMZ) is requested by the Ethiopian Government both for technical and financial support in implementing the	Federal Ministry of Agriculture, Ministry for Economic Cooperation and Development (BMZ), GIZ, KfW

Title	Objectives/Results/Outcomes	Agencies/Donors/Partners, and Implications for GEF project
development (SURED)	nationwide Sustainable Land Management Programme (SLMP).The work is implemented by GIZ and the Kreditanstalt für Wiederaufbau (KfW), focusing on systematic advisory services on effective implementation of the Government's efforts: developing and disseminating strategic documents for environmentally friendly land management, developing participatory land use plans, planning value chains for the sustainable use of rehabilitated arable land. So far, 1,200 experts have received training in land rehabilitation and economic development, and 1,500 farmers have improved their knowledge of the Farmer Business School approach.	https://www.giz.de/en/downloads/giz2019-en-sured-ethiopia.pdf The FOULR project implementation team can learn from the SURED project which has seen smallholder farmers profit from improved business on rehabilitated and protected land, including the innovative training system established through SLMP to improve the advisory capacities of extension workers on rehabilitation and economic development.
6. European Union Support to the Sustainable Land Management Programme (EU Support to SLMP)	This project from 2016 to 2020 is funded by the EU and implemented by the MoA in partnership with GIZ and KfW, targets 33,000 households in the rural communities of 11 districts located adjacent to the Bale Mountains National Park and the Yayu Forest Biosphere Reserve in Oromia region. The work involves capacity building for scale-up and adopt sustainable land and water management technologies and practices by smallholder farmers and communities in the selected watersheds/districts.	Ministry of Agriculture, European Union https://www.gopa.de/en/projects/baseline-survey-eu-support-sustainable-land-management-programme The areas targeted by the EU project may overlap with PFM sites of the FOLUR project in Harenna and Yayu forests, so care should be taken to work closely together and avoid duplication.
7. Participatory Forest Management (PFM)	The PFM project ran from 2013 to 2018 and aimed to support participatory forest management practised in and near watersheds, as part of the national Sustainable Land Management Program (SLMP), contributing to smallholder resilience in the face of climate change. The results were: Some 24 community-based organisations were established in the regions of Oromia, Amhara and Tigray, with membership of almost 4,500 people. Communities designated 52,000 hectares of forested land. Resource assessments and	Ministry of Agriculture, Ministry for Economic Cooperation and Development (BMZ), GIZ https://www.giz.de/en/worldwide/32891.html For the FOLUR project it will be important for the project implementation team to learn from this experience of establishing PFM structures, designating land for PFM, doing

Title	Objectives/Results/Outcomes	Agencies/Donors/Partners, and Implications for GEF project
	inventories are currently ongoing. The communities have received training in running tree nurseries, and have already planted approximately 4,000 seedlings. The project has provided its partner organisations and participating communities at the local level with important field and office equipment, such as nursery hand tools, measuring equipment, computers and motorbikes.	participatory resource assessments and operating nurseries, especially in the Oromia sites.
8. Reducing Emissions from Deforestation and Degradation of Forest (REDD)+ Investment Program	The MoPD is working to transform the forest sector through the REDD+ Investment Program to deliver the National Forest Sector Development Plan, aiming to reduce deforestation and increase afforestation to catalyze GDP growth, generate employment, contribute to self-sufficiency in forest products and enhance ecosystem services and promote sustainable forest management. The Forest Sector Transformation Unit (FSTU) was established for transformational change: to unlock and attract investment through developing partnerships, and support the establishment and development of large-scale conservation zones. As a follow up of the UNFCCC Durban pledge, Norway and Ethiopia signed a cooperation agreement on REDD+ in 2013. Norway has been working with Ethiopian government, multilateral organizations and civil society to achieve the ambitious CRGE, Nationally Determined Contributions, and Afforestation / Reforestation / Restoration plans. In phase II, with $100 million to 2020, the support focuses on transforming the forestry sector to contribute to the CRGE strategy.	MoPD, United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, Governments of Norway and Sweden https://www.norway.no/en/ethiopia/values-priorities/climate-env/forestryredd/ The work of FOLUR will help achieve the REDD+ Investment Program's objectives and the Climate Resilient Green Economy (CGRE) Strategy, as well as the National Forest Sector Development Plan. Through activities envisaged under Output 3.1, the project will support stakeholder dialogue and collaboration in monitoring and mapping of land cover, land use, and forest cover to share information on indigenous forest cover (including WRI, FAO and REDD+ processes) for regular updating and feeding into land use planning process, also addressing linkages to Ethiopia's strategies for climate change adaptation and mitigation and

Title	Objectives/Results/Outcomes	Agencies/Donors/Partners, and Implications for GEF project
		the development of the forest sector.
9. Institutional Strengthening of the Forest Sector Programme	A five-year Institutional Strengthening of the Forest Sector Programme (ISFSP) running from 2015 to 2019, has been complemented by the launch in 2018 of the 10-year National Forest Sector Development Plan to serve as the roadmap to guide forest related policies and interventions. The programme is spearheaded by the MoPD in partnership with UNDP and the financial support of the Governments of Norway and Sweden. The Plan aims to increase forest cover to 20% from a baseline of 15.5 million ha. There are also plans to rehabilitate degraded land (target of 22.5 million from 10.86 million ha baseline) by 2030. To date, the programme has rehabilitated 133,000 hectares of land; 9,000 hectare of land has been covered with fast rotation plantation; Creation of alternative livelihood opportunities for 4,873 households (1,912 women headed households).	MoPD, Ministry of Finance and Economic Development (MoFED), Government of Norway, Government of Sweden, UNDP https://www.et.undp.org/content/ethiopia/en/home/projects/institutional-strengthening-of-forest-sector-development-program.html With UNDP closely involved in the implementation of this project, it will be critical to align activities with the FOLUR project through MoPD and the UNDP Ethiopia Country Office.
10. Agricultural Growth Program – Agribusiness Market Development	From 2013-2018 the US Government, through the U.S. Agency for International Development (USAID), implemented a memorandum of understanding with the Ethiopia Commodities Exchange to collaborate on increasing the quality, traceability and marketing of coffee. The project aimed to improve the integrity and marketability of the coffee trading system in Ethiopia, through efforts to: • increase the number of members from farmers' cooperative unions • improve the ability of sellers and buyers to track the origin of coffee through electronic coding and marking • certify labs and coffee quality graders • improve ECX warehouse efficiency This was the flagship project of the U.S. President Feed the Future Initiative in	Ethiopia Commodities Exchange, United States Agency of International Development (USAID) https://beamexchange.org/uploads/filer_public/4e/7b/4e7bee24-6d0c-45ad-bd03-2240eed00cca/amde_project_initial_bcc_evaluation_report.pdf One investment facilitated through the project which is relevant for FOLUR was by the East Coast Impact Angel Network, which in 2013 invested into METAD, an Ethiopian specialty coffee company, to establish a

Title	Objectives/Results/Outcomes	Agencies/Donors/Partners, and Implications for GEF project
	Ethiopia and its implementation was led by ACDI/VOCA.	processing facility on its farm near Yirgacheffe in Hambela woreda (district). This is near some FOLUR woredas (districts) so a learning exchange visit can be organized.
11. Innovation in Outcome Measurement (IOM) project	In partnership with the Bill & Melinda Gates Foundation, TechnoServe's Innovation in Outcome Measurement (IOM) project aims to identify breakthrough innovations capable of transforming agriculture and to develop a framework for scaling these innovations for business use. IOM is working to identify and test accurate, consistent and cost-effective measurement tools and methodologies for evaluating the outcomes of agricultural projects. The project also aims to identify the evidence needed by a range of relevant stakeholders to drive larger scale adoption of innovative agriculture technologies.	Ministry of Agriculture, Bill & Melinda Gates Foundation, TechnoServe https://www.technoserve.org/wp-content/uploads/2018/06/innovations-in-outcome-measurement-final-report.pdf The final report on the IOM project is now available from TechnoSreve and will have lessons for FOULR project interventions' M&E
12. The Climate Resilient Forest Livelihoods-programme (CRFL)	In terms of the Danish Country Programme in Ethiopia 2018-2022, Denmark supports the implementation of the GTPII and the development and promotion of climate smart practices in agricultural production and value chains with the Ethiopian Agricultural Transformation Agency (ATA) as well as adaptation and mitigation of climate change challenges through the Climate Resilient Green Economy (CRGE) Facility. The Climate Resilient Forest Livelihoods-programme (CRFL) aims to create improved and climate resilient livelihoods, while maintaining and enhancing carbon stocks and other ecosystem services and products through establishment of participatory forest management in the Kaffa Biosphere Reserve.	Danish International Development Agency (Danida) http://www.mofed.gov.et/documents/10182/32227/PFM_KBR_Program+Document.pdf/1bbaa76a-e9e9-4e8d-979a-2eca457b1915 The FOLUR project activities in SNNP Region can, like the CRFL, build on the regional REDD+ programme in SNNPR, addressing drivers of deforestation and forest degradation, which is currently under development.
13. Resilient Landscapes and Livelihoods Project (RLLP)	The objective of the Project is to improve climate resilience, land productivity and carbon storage and increase access to diversified livelihood activities in selected rural watersheds. The project will provide	World Bank, with financial support from GCF, Ministry of Finance and Ministry of Agriculture

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	support for the restoration of degraded landscapes in selected watersheds and help build resilient livelihoods through: Land Restoration and Watershed Management; Climate-Smart Agriculture; and Livelihood Diversification and Connection to Value Chains. It will also invest in institutions and information for resilience by enhancing institutional capacity and improve information for better decision-making in supporting resilient landscapes and diversified rural livelihoods through: Capacity Building, Information Modernization and Policy Development and Impact Evaluation, Knowledge Management and Communication. The project will also support the strengthening of land tenure and the land administration system and improve incentives for beneficiary communities to invest in sustainable landscape management.	https://www.greenclimate.fund/sites/default/files/document/fp136-worldbank-ethiopia.pdf There is wide recognition that the potential of land use planning to enhance resilience is untapped due to weak or absent land use planning. The FOLUR project will thus address this weakness and seek to strengthen land use planning capacities and systems at kebele (village), woreda (district) and zonal levels within the project regions/sites. This support to land use planning is seen as an important condition for coordinated and targeted investments in SLM and restoration of degraded ecosystems and landscapes. Strong coordination between the GCF project and the FOLUR project at Oromia and SNNP levels, through the regional Bureaus of Agriculture, will be key for ensuring that these individual investments lead to greater collective impact.
14. Land Investment for Transformation "Lift Up" Project	The LIFT project is a partnership between the Ethiopia and UK governments through the UK Department for International Development (DfID) – a £68.2 million six-year project to achieve land certification of 14 million parcels of land in highland regions of Ethiopia to increase security of tenure, and develop an electronic rural land registry. Phase 2 "Lift Up", with £60 million, starts in 2020 and will: • support the development and implementation of inclusive,	United Kingdom Department for International Development (DfID) https://www.dai.com/our-work/projects/ethiopia-land-investment-transformation-lift Work to improve land tenure forms a critical underpinning of all efforts at transforming food and land use systems to become more sustainable, so is critical to be happening in

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	transparent and fair land proclamations, policies, regulations and procedures; • certify 7 million additional parcels and develop capacity of the rural land administration; • improve social inclusion, dispute resolution and income, with 1,300,000 small-holder farmers increasing their income by 15 %.	parallel with the GEF investment through the FOLUR project, especially Component 1 on land use planning and Component 2 involving investment in better practice on farms.
15. AFR100 and the Global Restoration Initiative	Through the Global Restoration Initiative, World Resources Institute (WRI) is supporting the government in its efforts to restore 15 million hectares of deforested and degraded land. AFR100 is a country-led effort to bring 100 million hectares of land in Africa into restoration by 2030. The initiative hosts regional meetings among African country neighbours with a track record of collaboration, and roundtable discussions with public and private financiers who are interested in investing in African landscapes. The AFR100 initiative – launched formally at COP 21 in Paris – is also supporting the New York Declaration on Forests that builds on and extends the Bonn Challenge to a target of 350 million hectares restored by 2030 and the African Resilient Landscapes Initiative (ARLI), an initiative to promote integrated landscape management with the goal of adapting to and mitigating climate change.	MoPD, World Resources Institute https://afr100.org/content/ethiopia In addition to FOLUR, a range of investments are aligned with AFR100, through the GEF, World Bank, World Food Program, BMZ, Federal Democratic Republic of Ethiopia, BMUB, NORAD, Republic of Korea, Great Green Wall Initiative, FCPF Redd Readiness Program, WRI and GIZ. WRI's publication on *Scaling up Greening* captures the lessons learnt from successful restoration and regreening of 1 million ha in Tigray Region, some of which are relevant also for the southwest of the country.
16. Oromia Forested Landscape Program	The Oromia Forested Landscape Program, supported by the World Bank, has as its goal from 2017 to 2026 to reduce deforestation and net greenhouse gas emissions from land use in all forested areas in Oromia Region. The program involves a series of: (i) on-the-ground activities that address deforestation, reduce land-use based emissions and enhance forest carbon stocks; and (ii) state-wide and local enhancements to institutions, incentives, information, and safeguards management to upscale	Oromia Regional Government, World Bank Biocarbon Fund https://www.forestcarbonpartnership.org/sites/fcp/files/2015/July/Presentation%20on%20OFLP_Challenges%20and%20Lessons%20Learned.pdf The FOLUR project can learn from some of the challenges faced by the OFLP, including insufficient technical capacity

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	investment (enabling environment), including coordinating multiple REDD+ relevant interventions across Oromia. An $18 million mobilization grant is supporting community activities that reduce deforestation and land-use based emissions, and enhance forest carbon stocks in deforestation hotspots in selected sites in 49 woredas (districts). This preliminary work was expected to unlock a BioCarbon Fund commitment to purchase up to 10 million tons of CO_2 emission reductions expected to be achieved through this grant.	for implementation, and the need for a benefit sharing and governance mechanisms that ensures equitable distribution of carbon benefits. Like the OFLP, FOLUR can build on existing REDD+ readiness activities funded through Forest Carbon Partnership Facility (FCPF) REDD Readiness Program.
17. Project for Supporting Sustainable Forest Management through REDD+ and Certified Forest Coffee Production and Promotion (REDD+CFCPP)	Japan International Cooperation Agency (JICA) has run the REDD+ CFCPP project from 2014 to 2020, working to conserve areas where forest coffee grows wild, promoting community livelihoods and creating market linkages. The project also introduced alternative livelihood sources for the community around Belete-Gera forest and supported farmers to improve their maize/wheat yields, and to cultivate fodder crops, legumes to improve soil fertility, and home gardens with apple trees, avocado, coffee and cardamom, as well as bee-keeping. To combat the effects of deforestation community members are instructed on how to plant eucalyptus trees, rehabilitate highland bamboo and establish community nurseries. JICA has worked in the Kaffa area, in forest coffee, processed as sun-dried 'honey' coffee, since 2003, now in their third phase.	ECTA, Japan International Cooperation Agency (JICA https://www.jica.go.jp/project/english/ethiopia/006/index.html FOLUR Component 2 can learn from the project's establishment of relationships with new buyers. coffee cupping event held in 2018 in Shabe (near Jimma) tested the quality of coffee from two cooperatives with 12 Waibubus (community forest management groups) of which the top 3 were acknowledged with prizes and the promise from the Japanese experts to export their beans to Japan.
18. EU-Coffee Action for the Federal Democratic Republic of Ethiopia (EU-CAfE)	This EUR 15 million, 5-year project funded by the European Union aims to improve coffee production and productivity, product quality and market integration for improved livelihoods of coffee growers, processors, and traders in line with current EU priorities of job creation, women and youth empowerment and enhancing resilience. Interventions include:	Ethiopian Coffee and Tea Development and Marketing Authority (Addis Ababa), Oromia Coffee and Tea Authority (Addis Ababa), Southern Nations Nationalities Peoples (SNNP) Coffee and Tea Authority (Hawassa) and, Amhara Bureau of Agriculture

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	• Improving research backstopping, extension services and small farmers' capacity building; • Improving smallholders' access to high quality inputs, technologies and credit; • Increasing capacity for processing and marketing high quality and Geographically Indicated (GI) coffees; • Increasing the number of youth and women having jobs along the coffee value chains; • Enhancing the contribution of coffee production system to sustainable environmental management to avert factors of climate change • Increasing the public-private actors' dialogue to address distortions and issues affecting productivity attainment of high quality coffee and better return for the smallholder coffee farmers.	(Bahir Dar), European Commission https://dailycoffeenews.com/2019/09/09/ethiopia-and-the-european-union-launch-16-5-million-coffee-project/ Component 2 of the FOLUR project will be implemented in close coordination with the EU Café project, ensuring synergy and avoiding overlap. A technical consultative meeting was held in Addis in November 2019 and another in June 2021 to discuss some of the details of where synergies and complementarities enhanced.
19. Roadmap to a Living Income	Building on Fair Chain's work on the Roadmap to a Living Income, and the Moyee social enterprise roastery in Addis currently exporting ground coffee to Europe, a EUR 4 million project is in the pipeline for potential FAO funding to expand value addition facilities – including roasting, grinding and packaging; and linking to international markets. Moyeee uses the roastery, together with the innovative use of blockchain technology to ensure the supply chain is transparent, represents an attempt to keep as much of the profits as possible in Ethiopia. Moyee has created unique digital identities for the 350 farmers it currently works with - meaning buyers can see exactly how much each individual grower is paid, with prices set at 20% above the market rate.	Fair Chain, Fair Trade, Moyee social enterprise, FAO (UN Food and Agriculture Organization) https://www.reuters.com/article/us-ethiopia-coffee-blockchain-idUSKCN1Q7039 The FOLUR project will learn from this initiative and involve it in a technical working group on scale-up of blockchain technology for traceability to be set up through the FOLUR project under the regional and national coffee platforms, helping reduce uncertainty and enabling trust among market players (see Activity 2.3.3).
20. Improving the Sustainability and Inclusiveness	This EUR 2.5 million project is running through ECTA from mid-2018 to mid-2021, funded by the Italian Agency for Development Cooperation (AICS) and	Italian Agency for Development Cooperation (AICS), United Nations Industrial Development

Title	Objectives/Results/Outcomes	Agencies/Donors/Partners, and Implications for GEF project
of the Ethiopian Coffee Value Chain through Private and Public Partnership	implemented by UNIDO, in partnership with illycaffè and the Ernesto Illy Foundation. The project aims to increase the quality, traceability and international recognition of Ethiopian coffee in order to raise export revenues and incomes of smallholder farmers. Activities include capacity building and training for more than 9,000 coffee farmers in Aleta Wondo (SNNP) and Delo Mena (Oromia); the renovation of 15 coffee farmers' cooperatives washing stations and coffee drying stations; technical support and development of a tailor-made business plan for the Sidama Coffee Farmers' Cooperatives Union and the Burka Yadot Cooperative Union; technical support and capacity building for the Ethiopian Coffee Roasters Association; capacity building for institutions by way of international study tours to the main coffee producing and exporting countries; the development of a comprehensive communication strategy for the Ethiopian Coffee and Tea Development and Marketing Authority, as well as for the creation of national branding and marketing strategy for "Ethiopian Coffee". A new phase will include two new UNIDO projects with EUR 13 million, involving loans for Ethiopian coffee exporters.	Organisation (UNIDO), illycaffè, Ernesto Illy Foundation https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwii9cjTwbPsAhWYUBUIHSZmDcQQFjADegQICxAC&url=https%3A%2F%2Fwww.ungm.org%2FUNUser%2FDocuments%2FDownloadPublicDocument%3FdocId%3D879273&usg=AOvVaw0c1e90x2XBiAQuMjF6Wh8m Relevant for FOLUR is ECTA's work with illycaffè and the Ernesto Illy Foundation to establish the Coffee Training Centre (CTC) in Addis, based on the model of the *Università del Caffè* and including roasting facilities. The Centre will benefit from the support of illycaffé experts and teachers and will build up the capacity of the 61 members of the Ethiopian Coffee Roasters Association to improve product quality and increase export volume, also supporting Sidama Coffee Farmers' Union to become the first cooperative union with its own roasting, grinding and packaging facilities. The FOLUR project will liaise closely with Illy and hopes through Activity 2.5.4 to "Cooperate with private sector to trace batches of specialty coffee beans produced by co-ops under emerging brands, through roasting and grinding process in Ethiopia, to quality testing in the lab".

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21. "Ethiopian Coffee" Initiative	With the support of JICA, the Ethiopian Coffee and Tea Authority (ECTA) announced in August 2019 that it is developing a umbrella national coffee brand for Ethiopian speciality coffee on international coffee markets, "Ethiopian Fine Coffees". The new brand aims to boost both consumer demand and price premiums for the existing high-quality varietals Yirgacheffe, Sidamo and Harrar, which have not been optimally promoted. ECTA has hired a UK-based design agency, Brandhouse, to develop a brand identity for Ethiopian Fine Coffees and separate brand identities for the specialty varietals. This follows Ethiopia's success in the face of US opposition by Starbucks, and with support from UK-based NGO Oxfam – to gain trademarks for the coffees.	ECTA, JICA https://www.press.et/english/?p=9309 Global marketing lessons can be learnt for FOLUR - the new national brand was also launched at the Specialty Coffee Association of Japan World Specialty Coffee Conference and Exhibition in Tokyo in September 2019, with a booth of the Ethiopian Coffee Exporters Association (ECEA) showcasing selected specialty coffees and Forest Coffee sourced through the support of JICA's REDD+CFCPP project"
22. Ethiopian Coffee Park	Ethiopian Coffee and Tea Authority announced in August 2019 plans of a three-year joint initiative by the Ethiopian and South Korean governments to build a Coffee Park, as part of the national plan to promote Ethiopia's specialty coffee products to the international community. This includes responding to a growing export market to China. The Coffee Park in Addis will be built at a cost of 50 million USD dollars and will have a coffee museum and coffee market centre.	Republic of Korea, ECTA https://www.iol.co.za/business-report/international/ethiopia-to-build-50-million-coffee-park-to-promote-local-coffee-products-30773598 FOLUR Component 2's work on with ECTA will be informed by this context of the Coffee Park and global marketing.
23. Enhancing Sustainability and Increasing Coffee Incomes in Ethiopia's Sidama Zone	Some of the highest quality coffee in the world comes from the Sidama Zone of Ethiopia, produced primarily by 200,000 smallholder farming families, most of whom continue to live in poverty due to small farm sizes and low productivity. Beginning in 2013, TechnoServe in partnership with IDH, Nestlé and Nestlé Nespresso is working to increase the income of these farmers by increasing the supply of high-quality, sustainable produce coffee. The program has trained 83 private wet-mill operators to improve sustainability practices through the	TechnoServe, IDH, Nestlé and Nestlé Nespresso https://www.technoserve.org/our-work/projects/enhancing-sustainability-and-increasing-coffee-incomes-in-sidama/ The FOLUR project will also work in parts of Sidama – in Chire, Dale and Bensa woredas (districts) – so synergies can be sought and this work built upon.

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	adoption of new practices including the separation of coffee pulp from waste water for composting and distribution to farmers.	
24. Nespresso AAA Sustainable Quality Program	TechnoServe has been working with Nespresso since 2013 to source high-quality coffee from Kenya and Ethiopia, aiming to reduce poverty and improving resilience to climate change for approximately 57,000 households by 2020. Following the initial successes of TechnoServe and Nespresso's partnership on the Nespresso AAA Sustainable Quality program, the International Finance Corporation (IFC) and the Sustainable Trade Initiative (IDH) joined the initiative, generating nearly USD 4.5 million in co-funding. The program focuses on establishing direct and lasting relationships with farmers, teaching them best practices to increase productivity, quality, and sustainability through the AAA Academy – composting and rejuvenation, erosion control and business skills, with a "light-touch" farm visit program for follow-up. TechnoServe staff work with local wet mills, supporting their ability to aggregate, process, and supply sustainable volumes of AAA coffee, improving traceability from farmer to buyer, and implementing social, environmental, quality, and economic standards.	ECTA, TechnoServe, Nespresso, IFC, IDH https://www.technoserve.org/our-work/projects/nespresso-aaa-sustainable-quality-program-in-ethiopia-and-kenya/ FOLUR engagement on post-harvest processing can learn from the AAA success with washing stations (wet mills) – a 2017 audit showed 91% of the audited wet mills in Ethiopia were complying with at least 90% of the 26 TASQ Core Criteria. The percentage of participating households in Ethiopia implementing at least half of the best practice techniques covered increased from 10 to 43% between 2013 and 2018.
25. Developing a Sustainable Supply Chain for Unwashed Coffee	This recent project had support from Jacobs Douwe Egberts (JDE) and IDH, TechnoServe, and was aiming to make the unwashed coffee sector in Ethiopia's Jimma, Lekempti and Sidama regions more sustainable, by supporting 100 high producing hulling stations to comply with sustainability standards, as well as provide agronomy training to help 24,000 farmers adopt best practices and increase yields by 50 percent. As of the end of 2015, the program had supported 31 hulling stations in adopting sustainability practice	Jacobs Douwe Egberts (JDE) and IDH, TechnoServe http://www.technoserve.org/our-work/projects/developing-a-sustainable-supply-chain-for-unwashed-coffee-in-ethiopia This project has lessons for promotion of unwashed coffee beans, appropriate in some conditions for the FOLUR project.

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26. Marketing Bale's Wild Coffee	Farm Africa has worked in Ethiopia since 1988, and has completed projects on Food security in Tigray, Forest management expansion, Growing profitable coffee, and Spice production and marketing. Farm Africa pioneered the introduction of PFM in Ethiopia in the mid-1990s in partnership with local NGO SoS Sahel Ethiopia and along with other agencies such as GIZ (then GTZ). Current projects include: Building resilience through agribusinesses, Climate-smart agriculture, Livestock for livelihoods, Making forestry sustainable, Market approaches to resilience, Market-driven climate-smart agriculture, Marketing Bale's wild coffee, Preserving ecosystems in Bale, Producing and marketing forest products.	Ministry of Agriculture, Farm Africa https://www.farmafrica.org/ethiopia/ethiopia/building-resilience-through-agribusinesses Farm Africa's long experience of PFM is of particular relevance for FOLUR project Component 3, which will build on lessons learnt by Farm Africa and partners in the past three decades.
27. Conservation and sustainable use of the last wild coffee forests of Ethiopia	NABU provides support to communities and forest conservation in Kafa Biosphere Reserve. Following the 2011-2014 Climate and Forest Project, the 2014-2017 Wild Coffee Forest Project and the 2014-2017 Biodiversity Project, they implemented the Community Activation Project (2017-2019). This work aims at conserving and restoring Afromontane cloud forests and wetlands in order to preserve their ecosystem resilience and unique biodiversity. It also intends to avoid CO2 emissions and secure ecosystem services for the population. Work includes reforestation, participatory forest management and energy-efficient stoves.	MoPD, Nature And Biodiversity Conservation Union (NABU) https://en.nabu.de/projects/ethiopia/kafa/area/index.html NABU is one of the NGOs with a strong on- the-ground presence in several of the FOLUR project woredas (districts).
28. Ethiopian Forest Coffee	To incentivise forest conservation in Ethiopia, bring long-term economic benefits to coffee growing communities and open up a new category of speciality coffee to the global market, Partnerships for Forests (P4F) is working with partners towards developing a strengthened value chain for forest coffee. P4F is supporting GIZ in building a robust supply chain for Ethiopian Wild Forest Coffee, and TechnoServe to develop the brand for Ethiopian Forest Coffee. The project aims to develop new and	ECTA, Partnerships for Forest (P4F), DFID, GIZ, TechnoServe, Original Food GmbH, Les Cafes Sati, and Moplaco PLC, Centre for Sustainable & Resilient Communities (CSRC), University of Huddersfield, TNS https://partnershipsforforests.com/partnerships-projects/ethiopian-forest-coffee/

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	internationally recognized Ethiopian forest and semi-forest coffee brands; export large quantities of Ethiopian forest and semi-forest coffee; and secure prices that incentivize farmers to protect standing forest. In addition to strengthening the forest coffee value chain, the project aims to improve forest cover monitoring, introducing traceability models and strengthening community forest management. The project is being implemented in Kaffa, Sheka, Bench Majji, Ilu Babor and Bale areas on approximately 150,000 ha of forest. The project stands to benefit around 10,000 farmers and catalyse 69 million GBP at export price from 6,030 tons of forest and semi-forest coffee.	The UNDP project development team has met with GIZ and TechnoServe, partners on the P4F initiative, and will continue to collaborate to ensure that technical support to farmers on coffee production as well as supply chain strengthening through the project are carefully designed to dovetail with and complement these key related initiatives.
29. Innovations for Sustainable Agricultural Supply Chains in Ethiopia (ISASE)	This German Government-supported four year project 2019-2022 of $4.5 million, led by ECTA and MoPD, involves setting up a sustainable farming region in the Nono Sale region in Ilu Aba Bora, promoting trade relations with international coffee and beeswax companies, and training smallholders and cooperatives on how to meet the buyers' needs through better farming and post-harvest practices. The objective is to increase the income and reduce pressure on forest areas. The project is developing a block chain-based digital solution for traceability, and has a coffee innovation fund supporting private enterprises along the coffee supply chain, from marketing coffee shells as cascara tea to using innovative drying machinery fuelled by agricultural waste. The project also supports the Global Coffee Platform in establishing a national coffee platform, bringing together stakeholders in the Ethiopian coffee industry to work together on improving the living conditions of producers and to contribute to the conservation of natural resources.	German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ, Sustainable Agricultural Supply Chains Initiative (INA), private sector The FOLUR project will liaise with this project to follow the progress on the blockchain traceability scheme, to see if this can be scaled up. https://www.giz.de/en/worldwide/85829.html https://www.nachhaltige-agrarlieferketten.org/en/success-stories/ina-in-ethiopia-pilot-project-isase-innovations-for-sustainable-agricultural-supply-chains-in-ethiopia/

Title	Objectives/Results/Outcomes	Agencies/Donors/Partners, and Implications for GEF project
30. Restoring Degraded Coffee Landscapes	This project currently running until 2021 with the Ethiopian Forest Coffee Institute aims to help restore degraded landscapes and to develop relevant and scalable business models to improve the livelihoods of coffee farmer families in Ethiopia. The pilot region is the Illubabor Forest Ecoregion in the region of the Yayu Biosphere Reserve. In this area population pressure is high and coffee productivity low, coffee is a main income source, forests are rapidly disappearing and soils severely degraded. The solution: Garden coffee systems reduce pressure on remaining forests and restore degraded soils while significantly improving yields and incomes at farm level. Up to 2,000 farmers will be trained for this until 2021.	Hanns R Neumann Stiftung, BMUB – International Climate Initiative, partly implemented by Unique forestry and land use GmbH**,** funding also supported by Lavazza. https://www.hrnstiftung.org/project/iki/ The FOLUR project will liaise with this project to avoid overlap geographically in Ilu Aba Bora, if there is a phase 2, and learn from the lessons on livelihoods and farmer training methods.
31. Café Project	The CAFE project is implemented in partnership with Austrian Development Agency and International Coffee Partners. A first phase of the project was co-financed by Lavazza Foundation and The Löfbergs Family Foundation. It aims to improve coffee production and farm management, and access to key services and markets. The project is promoting a participatory and practical approach of farmer training through Farmer Field School (FFS). The project improves food & nutrition security and raises family incomes, with gender an important component. Sharing roles and responsibilities between members of the household, increases love and peace and reduction in domestic disagreement, violence and misunderstandings. The project also takes a strong emphasis on the role of youth.	Hanns R Neumann Stiftung, Foundation, Austrian Development Agency, Lavazza Foundation, the Lofbergs Family Foundation, https://www.hrnstiftung.org/project/cafe-project/ The FOLUR project is learning from the Farmer Field School approach and building on best practice for agricultural extension through this and other initiatives.

The GEF-financed portfolio in Ethiopia is extensive, spanning all the GEF Focal Areas, with over 30 national projects and participation in over around 50 regional or global projects over the years. UNDP has over the years supported a portfolio of 20 or more projects funded through the GEF Trust Fund (GEFTF) and the GEF Least Developed Country Fund (LDCF) that has significantly shaped the Ethiopian government's engagement with the FOLUR Impact Program and the type of interventions that the program will pursue.

The capacity of the MoPD (the government institution responsible for coordinating implementation of the FOLUR project has been built over the years from the experiences gained from implementing GEF and other donor-funded projects. Of relevance to the FOLUR project in terms of lessons learned and scaling up, the following projects are worth highlighting:

- Climate change adaptation in the lowland ecosystems of Ethiopia. UNDP ID: 5630, GEF ID: 9303, GEF LDCF grant $5,836,073 – This project is in the initiation phase but is expected to strengthen the ability of land users to adapt to the discernible impacts of climate change through i) disseminating credible weather information and advisory services using locally suitable communication channels to inform the preparation and implementation of actions meant for building resilience and adaptive capacity at a watershed level; ii) reaching a wider audience of land users and government stakeholders across the lowland ecosystem of Ethiopia through a Training-of-Trainers (TOT) approach, iii) conducting a "learning by doing" training to promote clarity and commitment of land users and iv) providing needs-responsive support to diversify livelihood options in a way that leads to tangible and replicable changes. Although the focus of this project is on low-lying dry landscapes, the capacity strengthening at regional levels (Oromia and SNNP) is expected to benefit and advance the FOLUR project objectives as well, specifically in relation to land use and landscape and ecosystem restoration interventions.
- Integrated Landscape Management to Enhance Food Security and Ecosystem Resilience in Ethiopia. UNDP ID: 5559, GEF ID: 9315, GEFTF grant $10,239,450 – This child project (under the GEF 6 IAP on *Fostering Sustainability and Resilience for Food Security in Sub-Saharan Africa*) aims to enhance long-term sustainability and resilience of food production systems by addressing the environmental drivers of food insecurity in Ethiopia. The project intervention combines land management choices and Integrated Natural Resources Management (INRM) with water- and climate-smart agriculture, value chain support and gender responsiveness. The project includes sites in the Oromia and SNNP regions. This project has demonstrated the value of linking food production and food security to sound ecosystem management and restoration, and demonstrating the impact, especially on income generation and household nutrition improvements, of investing in training and skills development for food value chain development, access to improved varieties of crops and livestock breeds and links to markets. The importance of gender empowerment and inclusion in agricultural development and extension support has also been shown through improvements on household food and nutrition security as well as increases in income generation by women farmers and female-headed farming households. The FOLUR project is in many ways scaling up some of the learning from this project, including on value chain development and value addition, landscape restoration and links to productivity. Again the work under FOLUR, especially at regional, district and village levels will build on the institutional and community capacities built through this and other past projects.
- CCA Growth: Implementing Climate Resilient and Green Economy Plans in Highland Areas in Ethiopia. UNDP ID: 5478, GEF ID: 6967, GEF LDCF grant $6,277,000 – This project's objective was to increase the climate resilience of local communities in the Ethiopian highlands, including in the regions that the FOLUR project is targeting (Oromia and SNNP). Its goals are to: 1) integrate climate change risk adaptation measures into federal, regional and Woreda-level development planning, budgeting and execution; 2) improve the availability of climate information products; 3) undertake climate-smart integrated watershed management for improved rainwater harvesting and retention; 4) introduce climate-smart agricultural practices; and 5) diversify livelihoods. This is to be achieved through three complementary components that focus, respectively, on capacity development, provision of climate risk information and investments in climate-smart land management. Through this project, capacities of community and community facilitators

(including extension services) in the target Woredas (districts) have been enhanced, and climate-smart tools, products, technologies and services provided to support adaptation planning and resilience building among farmers and land users. Training and capacity building on the use of CSA practices such as moisture conservation farming, composting and mulching and use of drought-resistant and high-yielding improved variety of crop seeds as well as rain water harvesting technologies, use of solar pump technology for crop and vegetable production in small-scale irrigation practices and others, have been provided. The adoption and up-take of Integrated approaches for forestry, agro-forestry and soil and water conservation and integrated watershed management practices has supported the beneficiary community to improve their agricultural practices and increased farm productivity. The FOLUR project will build on these existing community-level investments, knowledge and capacities to further scale-up climate-smart practices at farm and landscape levels in the target sites.

- Strengthening climate information and early warning. UNDP ID: 5095, GEF ID: 4992, GEF ID LDCF grant $4,500,000 – This projects was aimed at strengthening the capacity of the Government of Ethiopia to observe, analyse and forecast climate information to enhance their early warning systems and for climate resilient development and adaptation to climate change. It supported the National Climate Resilient Green Growth Strategy, and contributed to a strengthening of the observational and analytical capacity of the national hydro-met services and its early warning system, as well as the disaster risk management and development planning agencies in their efforts to strengthen adaptation capacity and resilience to climate change. The project included sites in the Oromia region with a focus on rehabilitating or building early warning systems to benefit among others the agricultural sector. Coffee is predicted to face significant impacts from climate change in the coming decades, which will require clear adaptation strategies from farmers and indeed the coffee sector itself, considering its importance for the economy. The data and information generated from these early warning system infrastructure is key for what strategies may be appropriate in the future, and the associated investments and costs and benefits for implementing such strategies. The FOLUR project will invest significantly in strategies for building short- to medium-term capacities for addressing degradation challenges through appropriate restoration and conservation interventions to maintain and enhance the flow of ecosystem services to support agricultural production. These will also enhance resilience of ecosystems and production systems to withstand, to the extent possible, the impacts of climate change.
- Mainstreaming Incentives for Biodiversity Conservation in the Climate Resilient Green Economy Strategy (CRGE). UNDP ID: 4644, GEF ID: 5440, GEFTF grant $3,316,455 – This project was designed with the goal of to support implementation of Ethiopia's ambitious green economy strategy, by mainstreaming biodiversity and ensuring that development and investment decisions do not impact negatively on biodiversity. It aimed to: (i) establish a framework for valuing and integrating biodiversity into Ethiopia's Climate Resilient Green Economy Strategy (CRGE) and related development processes, and to (ii) demonstrate a programme of Payments for Ecosystem Services (PES) that could be eventually scaled up in the country. In addition to policy level outputs and deliverables (i.e. a draft policy instrument on PES schemes for approval by the legislature), the project developed and disseminated technical decision support tools (biodiversity scorecards, digital maps, prioritization lists) which provided essential input for the community-level management plans that guide land use and watershed rehabilitation decisions. The mainstreaming and formal integration of these plans into local, woreda and regional/zonal planning and budgeting as part of the institutional incentive structure for biodiversity conservation has been proven as key for driving investments and action at landscape levels. The project experience highlights the incentives that are needed to generate a shift toward sustainable land and ecosystems management – namely extensive coordination, cooperation and

cost-sharing between CBO members, government, universities and private sector for specific protected area and related sustainable livelihood outcomes. The project demonstrated proven results in rehabilitating degraded lands and ecosystems at four pilot sites which can provide the basis for similar national-scale initiatives. These results support the establishment of Local PES Fund Platforms at the project sites and in other regions.

- Promoting autonomous adaptation at the community level. UNDP ID: 4107, GEF ID: 4222, GEF LDCF grant $5,307,885 - The project was designed to support selected Ethiopian communities (including in the Oromis region) to adapt to climate change by providing them with the tools needed for anticipatory and autonomous adaptation (i.e. climate risk information, financing, insurance, technical support) and by providing capacity development for planning authorities to include routine climate risks into their planning processes, to enable the provision of appropriate levels of support to communities to build resilience capacities. Specific support included: supporting local communities and administrations at the lower levels of government to plan, design and implement adaptation actions aimed at reducing climate change vulnerability and building resilience, especially in those communities that are particularly vulnerable in Ethiopia; and in rural and urban environments, applying agricultural, land and water management techniques and practices that have adaptation value with the use of knowledge, information and financing that reduce the risk associated with adoption and adapting of such technologies. Some of the best practices from this project included the adoption of practices, approaches and technologies such as integrated watershed management; regeneration of indigenous plants on rangelands which improved vegetative cover on grazing and forest land, for pasture production, water conservation, and for flood and erosion retention; improved management of pasture and grazing land for livestock and other pastoral uses; combatting land degradation by managing agro-forest lands, natural woodland through the early burning fire management, and planting of trees. Community members participated in planning and implementation of woodland regeneration measures. Farmers adopted a diversity of income generating strategies such as bee keeping for honey and wax production, farming intercropping legumes and cereal crops with tree crops, agro-forestry with planting of trees, for fodder, biofuel which contributed to improving soil nutrient content. The FOLUR project will also support some of these practices, with a strong focus on supporting women and coffee-farming households that participate in coffee restoration activities of the project (i.e. coffee stumping) and at a wider landscape level to complement restoration interventions.
- Mainstreaming Agro-biodiversity conservation in the farming systems of Ethiopia. UNDP ID: 2913, GEF ID: 3736, GEFTF grant $3,863,600 – The overall goal of this project was to improve in situ conservation of agrobiodiversity resources (including crop wild relatives) to secure biodiversity values, ensures food security and sustain human wellbeing. It sought to do this by promoting consideration of the conservation values of Ethiopia's rich agro-biodiversity endowment in agricultural sector planning and development, so that farm productivity and food security are improved while simultaneously securing the survival of important agrobiodiversity. The objective of the project was to provide farming communities with incentives (policies, capacity, knowledge and markets) to mainstream conservation of agrobiodiversity resources, including CWR, into their farming systems. This was planned to be achieved through two main outcomes: (1) enabling policy and institutional framework supporting in situ conservation of agro-biodiversity and crop wild relatives, (2) markets that provide incentives for farmer uptake of agrobiodiversity-friendly practices and (3) Crop Wild Relatives and farmer varieties conserved in in situ gene banks and on-farm conservation sites. The focus of the project was conservation of four crops and their wild relatives in four project sites. These are Arabica Coffee in Yayu Forest (Illubabor zone in Oromia), Tef in Minjar Shenkora (North Shewa zone in Amhara), Enset in Angacha (Southern Nations,

Nationalities, and Peoples' Region), and durum wheat in Gimbichu Woreda (East Shewa zone in Oromia), that have a vast potential of driving both sustainable and economic development in Ethiopia. This project demonstrated impressive results from investments in in-situ conservation of coffee forests, which included the establishment of an in-situ gene bank in an area covering 2.6ha of the Yayu Forest Reserve. Through this project, over 10,200ha of the Yayu Forest Coffee Biosphere Reserve was demarcated, and reforestation efforts were implemented. In recognition of the success of these efforts, the Yayu Forest Coffee was certified by Rainforest Alliance, positioning it to access speciality coffee markets at the international level, with significant benefits for the cooperatives and coffee farmers themselves. FOLUR project Components 2 and 3 will scale-up some of the elements of this project by supporting efforts to conserve the Arabica gene pool within the forests by protecting and restoring remaining areas of indigenous Afromontane and moist forest, and also supporting efforts to enhance the value and market price of coffee that is sustainably-produced and deforestation-free or forest-friendly.

The types of interventions, tools, practices and the learning from these past and ongoing projects and similar ones by other partners, and the on-the-ground investments that have been made, represent an important baseline on which the FOLUR project builds. Some of the learning from these projects that the FOLUR project design integrates and will scale up, include the following:

- Support for jurisdiction-wide (i.e. kebele/village, woreda/district, zonal and regional) land use planning, including training and capacity building on the use of existing decision-support tools to inform planning, implementation and monitoring of landscape management and restoration interventions.
- Support for value chain development and creation of linkages to markets, including premium markets for sustainably produced products.
- Support for development of skills and enhancement of capacities for implementation and enforcement of new and existing laws and regulations for forest conservation, landscape and ecosystem management and restoration.
- Support for user- and farm-level adoption and up-take of proven best practices and approaches for production of crops (e.g. coffee) and use of natural resources (e.g. forests) that improve yields and are nature-positive, conserve biodiversity and restore degraded ecosystems and landscapes.
- Support for implementation of proven SLM, restoration and climate-smart technologies and practices at farm and landscape levels.
- Support the integration of evidence and data into land use planning and land management decisions to ensure that responses and solutions are context-relevant and appropriate.

Risks: Risks identified through the Social and Environmental Screening process, as well as measures for their mitigation, are detailed in the Risk Log (Annex 7) and in the table below, and are detailed in Annex 6a Social and Environmental Screening Report. Overall the project is characterized as having a High Risk. The basis for this categorization is that there are multiple risks of Moderate significance and the cumulative nature of these risks and the complexity of assessing and managing all of them requires a more than moderate risk categorization. Particular concerns arise from the potentially limited capacities of all the project stakeholders to effectively manage these risks alone. This risk categorization therefore allows for closer attention from both the PMU/IP and the project governance and oversight and quality assurance structures, to ensure that there is continuous monitoring and adaptive management to mitigate and manage the The Environmental and Social Management Framework (Annex 6b) outlines how project

activities will be screened for risk, how risks will be monitored and managed throughout implementation. The ESMF includes detail on a project-level Grievance Redress Mechanism (also included in the Stakeholder Engagement Plan).

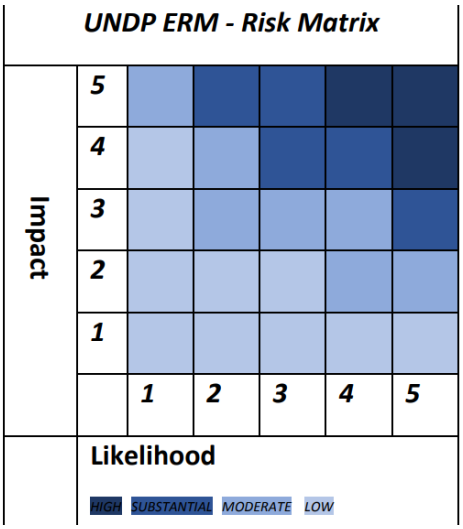
Some key risks relate to the project's focus on a set of 22 Woredas (districts), with intensive on-the-ground activities in 5 Kebeles (villages) per Woreda (district), with mechanisms for scaling up across the other coffee zones of Oromia, SNNP and Sidama regions, necessitating mitigation through building pathways to scale into the project design. Some of the key assumptions relate to the successful buy-in by stakeholders at national, regional and landscape levels in order to achieve successful uptake and engagement for effective outcomes in terms of both global environmental benefits and poverty reduction.

Climate risk analysis *(detailed report attached separately as Annex 9b - Climate Risk Management Framework) was* conducted for the project, and the coffee sector in particular to better integrate these risks into the design of the project interventions. The specific responses to the risks identified are integrated in the planned activities of the project presented in the framework as well in the project outputs and activities (see Annex 11 - *Activities and Outputs with Indicators*), as well as the proposed risk mitigation measures outlined in the ESMF (Annex 6b).

The risks presented by the COVID-19 pandemic and their potential impact on project implementation were also analysed and the measures for addressing them presented in a detail reported – see Annex 9a - COVID-19 Project Response Strategy.

The landscape restoration and farm-level production practices promoted and supported through the FOLUR project are designed to increase the resilience of coffee as a sector, including against the impacts of climate change. Increasing and maintaining forest cover, as well as promoting the use of indigenous tree species within coffee farms, is a key approach to ensuring that the ecosystem services from these forest landscapes are maintained and enhanced. The coffee crop/stock rejuvenation will contribute significantly to the resilience of smallholders and their coffee-farming livelihoods and position them to better deal with the impacts of climate change on productivity.

As per standard UNDP requirements, the Project Manager will monitor risks quarterly and report on the status of risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probability are high *(i.e. when impact is rated as 5, and when impact is rated as 4 and probability is rated at 3 or higher)*. Management responses to critical risks will also be reported to the GEF in the annual PIR. See table below for an elaboration of the risks identified during the PPG. During implementation, the PMU will integrate risk management into project workplans and procedures (to prevent, mitigate or transfer potential risks) including identification of risks and issues before or when they arise, quarterly monitoring and recording of risks using the UNDP Risk Log, and ensuring that risks are included in reporting to the Project Board. The Project Manager will have overall responsibility for risk management, with support the CO as appropriate.



The table below describes the risks identified at project development phase and the proposed mitigation measures to be undertaken to manage and mitigate these risks.

Table 4. Risk analysis and mitigation measures

#	Description	Risk Category	Impact & Probability	Risk Treatment / Management Measures	Risk Owner
1	Project activities are hampered by restrictions as a result of COVID-19 pandemic. Supply chain disruptions, social distancing and related restrictions and lockdowns could disrupt the flow and pace of implementation, and lead to delays in meeting project milestones. In a worst-case scenario, the implementation of the project could expose	Social Operational	L = Likely I = Moderate	It is possible that a vaccine will have become available and widely administered in Ethiopia by late 2021, but even without this, measures can be put in place to enable project implementation to proceed. Social distancing protocol will be followed, with outdoor meetings where possible, face masks and hand sanitizing, wherever the risk profile warrants such measures. See details in Annex 9a - COVID-19 Project Response Strategy.	MoPD/**PMU (Project Manager and Safeguards Officer)** PSC/PB **Oversight: UNDP CO RTA**

	project stakeholders to infection. The risks presented by the COVID-19 pandemic and their potential impact on project implementation were also analysed and the measures for addressing them presented in a detail reported – see Annex 9a - COVID-19 Project Response Strategy.				
2	Implementation of project activities may be hampered by delays in procurement of goods and services, particularly those sourced from outside the country, due to challenges with access to foreign currency. The procurement of goods and services envisaged/planned under the project is significant, and is an important element of delivering interventions under components 1, 2 and 3 for farmer support (mobile phones, motorbikes, farming implements), land use planning (GIS equipment, including computer hardware and software) and PFM monitoring , including GPS units and energy technology (cooking stoves).	Operational	L= Likely I=Substantial	The IP has requested UNDP to provide support in procuring goods and services from outside the country. Once/if this execution support request is approved by the GEF, this risk will be significantly addressed (and will be downgraded to 'moderate' or 'low'). The PMU will also recruit the services of a procurement expert to enhance the capacity of the PMU to initiate the procurement actions and ensure that these are submitted to UNDP well on time and in the required quality and format for quick processing.	MoPD/**PMU (Project Manager)** PSC/PB **Oversight: UNDP CO RTA**

3	Project interventions to support sustainable intensification of smallholder farming and improvement of coffee yields and quality fail because of the impacts of climate change including higher peak temperatures and an increase in intense rainfall events, with less infiltration and more erosion. Some forest and landscape restoration activities may also be impacted by the long-term impacts of climate change. For detailed analysis of climate risks and management/mitigation measures, see Annex 9b: *Climate Risk Management Framework*	Environmental	L = Likely I = Moderate	These risks have been minimized by the selection of project landscapes at high altitude (Afromontane and Moist Forest areas) which will remain suitable for coffee cultivation, even under changing climate conditions, based on projections by experts. These are 8 coffee-producing Zones in the South West and South East coffee sub-regions, which are projected to become more suitable for coffee as the climate changes, and not in the North, Rift and Harar sub-regions which are projected to become increasingly unsuitable. The impact of climate change will also be mitigated through promoting climate-resilient practices through agro-ecological and regenerative approaches to small-scale farming that optimize shade cover for cooling and productivity and promote soil and water conservation measures. Forest restoration through the project will also promote ecosystem services that support the resilience of agriculture and forest coffee.	MoPD/**PMU (Project Manager),** PSC/PB and all project stakeholders. Technical support will be provided by the National Meteorology Agency (NMA) **Oversight: UNDP CO RTA**
4	Political challenges and civil conflict spreads beyond the confines of the Tigray region and spurs tensions in the Oromia, Sidama and SNNP regions, resulting in diversion of government prioritization of the project. Movement restrictions, safety and security challenges could disrupt implementation of project activities.	Political Operational	L = Likely I = Moderate	The Project Steering Committee/Board will monitor this and guide the PMU on how to adapt the project operations accordingly.	MoPD/**PMU (Project Manager)** and Project Steering Committee/ Board **Oversight: UNDP CO RTA**
5	As Ethiopia is an ethnically diverse country, with up to 85 ethnic groups, vulnerable or marginalized groups may be present in the project sites/catchment area.	Social	L = Likely I = Moderate	The Environmental and Social Management Framework (ESMF – *Annex 6b to the UNDP Project Document) prepared* during the PPG outlined the process required to screen, scope and develop appropriate plans for implementation and compliance on all issues that are identified as social and environmental risks. The screening of activities will include an assessment of	MoPD/**PMU (Safeguards Officer)** and Project Steering Committee/ Board

	Individuals, households and groups (e.g. associations and cooperatives) engaged in the coffee value chain, as well as in forest conservation, use and management are key stakeholders in the project, and are targeted as direct and indirect beneficiaries and so may also be negatively affected by the project interventions even if they are designed to generate positive social and environmental outcomes.			whether ethnic minorities are present at site level and which activities would impact them negatively. In response, appropriate action plans, including potentially an Ethnic Minority Group Plan, will be developed, guided by existing UNDP and GEF Social and Environmental Safeguards Policies.	**Oversight: UNDP CO RTA**
6	Women in most societies are not treated equally to men and receive the least benefits from agriculture and other economic activities, and in most cases negatively impacted by decisions on land use more than men. In Ethiopia women are most affected by tenure insecurity and lack of land ownership, in the coffee sector receive the smallest benefits from the coffee value chain and in the agriculture sector in general are not targeted as beneficiaries of training, skills improvements and farming inputs and services. The interventions by the project, while they seek to improve the benefits to all stakeholders, if not implemented well, could inadvertently reproduce	Social	L = Likely I = Moderate	A comprehensive Gender Analysis was conducted during the PPG, and is response a strong Gender Action Plan has also been prepared (annexed as separate documents but also integrated into the CEO ER and the PRODOC) and gender-responsive indicators and targets are part of the Project Results Framework and budget. Specific interventions that target women have been included in the project activity workplan (see PRODOC Annex 11 - *Outputs and Activities, with Output-Level Indicators).* The project has also made budgetary provisions for the recruitment of a full-time Gender Officer as part of the PMU whose role will be to coordinate all gender mainstreaming interventions and ensure the implementation of the Gender Action Plan and associated monitoring and reporting.	MoPD/**PMU (Project Manager + Gender Officer)** and Project Steering Committee/ Board **Oversight: UNDP CO RTA**

	or perpetuate some of these discriminations.				
7	The development of new land use plans at zonal, woreda (district) and kebele (village) levels could result in new and different stakeholder relations and different, potentially conflictual outcomes about land and land use. There is a history of land use conflict in Ethiopia, and particularly so in the Oromo Regional State where the project will be implemented. Some of these conflicts have led to violent protests that have resulted in loss of life. Some of these conflicts have been between communities who felt disenfranchised and excluded from economic opportunities as a result of investment decisions of the businesses operating in the area (including commodities such as coffee). The land use planning processes could potentially trigger these sentiments and result in further perceptions that the new approaches to land use allocations and management could worsen the situation and potentially lead to economic displacement and/or changes to property rights. Placing under a PFM regime 10 sites located	Social Political	L = Likely I = Moderate	As outlined in the ESMF, prior to the implementation of interventions and activities under these components, a screening process will be undertaken to determine the levels of risks for each of the activities. During the PPG, the risks associated with implementation of land use planning activities under Component 1 were categorized as Moderate. Since this risk and potential impacts would be significant, a Strategic Social and Environmental Assessment (SESA) will be conducted prior to rolling out activities under Component 1. The project design includes a strong participatory approach to the development of the ILUPs, including consultation with vulnerable and marginalized groups. Where there are potential impacts of communities and land users' access to some of the livelihood resources as a result of temporary or periodic access restrictions (as if often custom with landscape restoration), the project will support the development of a Livelihoods Action Plan, as outlined and guided by the Livelihood Restoration Framework. The LRF is the initial management plan that provides guidance on, among other aspects, the timeline and procedures for the preparation of the Livelihood Action Plan (LAP) for the Project, participation of individuals and communities in decisions potentially impacting them and their livelihoods, compensation and rehabilitation assistance, applicable legal framework, and monitoring and evaluation. In addition, it includes the Terms of Reference for the development of the detailed LAP to be prepared during Project implementation.	MoPD/**PMU (Project Manager)** and Project Steering Committee/ Board **Oversight: UNDP CO RTA**

	within the Biosphere Reserves and community forests may restrict access to those sites by some families that currently derive part of their livelihoods from the utilization of natural resources present in the affected areas. In addition, potential conflicts over benefit sharing among participants in PFM activities may arise.				
8	The Project includes activities in two UNESCO Biosphere Reserves: Kafa and Yayu Forests, which if not well implemented could introduce new threats to biodiversity and ecosystems within the reserves, including the habitat for Coffea Arabica gene pool.	Environmental	L = Likely I = Moderate	The Project design incorporates the following measures: i) identification and mapping of sites and their condition; ii) conduct of PFM training in 15 to 20 sites, based on traditional and scientific knowledge; iii) development of 15 to 20 site-specific PFM consultations, together with restoration plans and targets; iv) implementation of sustainable forest management practices (e.g. densification with indigenous tree seedlings, etc.); and v) establishment of PFM monitoring and enforcement protocols, and reporting mechanisms. Detailed mitigation and management measures are outlined in the ESMF.	MoPD/**PMU (Project Manager) and agroforestry technical staff** **Oversight: UNDP CO RTA**
9	Potential contamination of soil and/or water resources due to the anticipated increased use of natural and chemical fertilizers, and higher runoff and waste pulp generation at coffee washing stations because of expected heightened coffee production. - Generation of non-hazardous solid and liquid domestic wastes during the conduct of activities dealing with	Environmental	L = Likely I = Low	The attached ESMF elaborates on the identified contamination risks and provides prevention, mitigation, management, monitoring and capacity building measures to address those risks.	**MoPD/PMU (Project Manager) and technical staff and Safeguards Officer** **Oversight: UNDP CO RTA**

	commercialization, training and extension, conferences and regional dialogues, as well as due to the provision of new equipment and supplies to land use planning agencies and teams.				
10	Health and safety risks during the implementation of agricultural practices and PFM activities, and the potential application of chemical pesticides in the cultivation of some crops.	Social Environmental	L = Likely I = Low	The Project design includes training in and monitoring of watershed management activities, and sustainable agricultural and PFM practices. Although the significance of this risk is low, the attached ESMF includes requirements for identification of hazards and provision of training in safe work practices in watershed management, sustainable agricultural, PFM and forest restoration. In addition, the ESMF includes guidelines for Integrated Pest Management (IPM), and safe use of chemical pesticides and monitoring of pesticide use.	**MoPD/PMU (Project Manager) and agroforestry technical staff and Safeguards Officer** **UNDP CO RTA**
11	The PFM activities under Component 3 will include the recruitment of Forest Rangers to support implementation of forest restoration activities and enforcement of forest byelaws, regulations and codes of conduct and use by local communities and other users of forest resources, including those agreed at community level as part of the PFM process. The enforcement role of these forest rangers means that in principle they are security personnel, and if not well trained and supervised on how to discharge their duties and how to interact with local communities, their role could pose a risk	Social	L = Likely I = High	Prior to deployment, the forest rangers will be trained not on forest conservation and management, monitoring etc., but also on social and environmental safeguards related to participatory forest management. Budgetary provisions have been made for training and continuous monitoring of PFM activities, as all other activities from a social and environmental safeguards perspective, including through the Safeguards Officer and internal project M&E plans, and through the PSC. As outlined in the ESMF process, the activities under this Component will also be screened for risks and the appropriate risk mitigation tools and plans prepared before activities are undertaken. In this case, an ESMP for PFM activities will be prepared since this intervention is rated as risky (Moderate rating) with potentially serious consequences. As discussed under Risk 5 above, the project will adopt participatory and inclusive processes approaches to	MoPD/ **PMU (Project Manager) and agroforestry technical staff, Safeguards Officer and PSC/PB** **UNDP CO RTA**

	to the health and safety of communities.			conducting all EMSF processes to ensure that decisions that may introduce potential risky and harmful activities are avoid/excluded and those that are necessary are accompanied by appropriate risk mitigation measures (e.g. Livelihoods Action Plan, Ethnic Minority Group Plan).	
12	Enhanced coffee production and quality are achieved but fail to enhance incomes as a result of low global prices, difficulty accessing markets and/or disruption to global supply chains, e.g. through pandemics	Social	L = Likely I = High	Although the risk of fluctuating and often low global coffee prices will always remain, the project is designed to support the shift from mass coffee to higher priced specialty coffee, facilitating market access through establishment of new regional varietal specialty 'brands' and facilitating deals with buyers. The project will also support national scaling up of traceability through blockchain technology, enhancing transparency and enabling higher prices at the farm gate.	**ECTA/ PMU (Project Manager)**
13	Under Component 3 the project will recruit forest rangers, which carries the risk of violation of ILO standards, including child labour and underpayment. The last ILO survey/study on child labour in Ethiopia seems to have been conducted in 2001/2 and made the following conclusions: 'Child labour is a pervasive problem in Ethiopia. A national Child Labour Survey conducted in 2001 with ILO assistance indicated that 52 per cent of children aged 5 – 17 years were economically active (49 per cent of those aged 5 – 14 years, or 7.4 million). A further 33 per cent were engaged in non-economic housekeeping activities, with half of them not attending school. Overall, 85 per cent of children	Social	L = Likely I = High	The project support to recruitment of forest rangers will follow government employment guidelines and target youth and adults only. Youth in Ethiopia are defined as those that have attained 18 years. The project has also budgeted a minimum wage of $2 for forest rangers (see budget note 19) which reads as follows: $1,200,000 to make cash payments, coordinated with Agroforestry Support Coordinators in the 2 satellite offices and with Forest Rangers - to cover restoration labour costs for Output 3.2 to be disbursed to local villagers in and around PFM sites, at a minimum of $2 per day for 10 sites - $120,000 each could thus cover 60,000 person days. Calculated over 6 years this would be 10,000 person days per year. If 100 people worked in parallel this would mean 100 days of work per person per year. The project Safeguards Officer, working together with the Agroforestry Support Coordinators, will ensure that the recruitment of forest rangers is well planned in line with the project safeguards plans and UNDP Social and Environmental	MoPD/ **PMU (Project Manager) and agroforestry technical staff, Safeguards Officer and PSC/PB** **UNDP CO RTA**

	aged 5 – 17 years were involved in economic or housekeeping activities that prevented or impeded school attendance or performance.' The definition of a child in Ethiopia refers to 'a "minor" of either sex who has not attained the full age of 18 years.' Regarding compensation, minimum wage in Ethiopia is among the worst in Africa, and often below $2 per day although it is estimated that payments and wages in the forestry and natural resources management sector are generally better.			Standards. The UNDP Risk Long will specifically monitor these risks related to PFM interventions, and the project Safeguards Officer is responsible for reporting on it to the Project Manager as appropriate.	
14	Arabica coffee has been used in Ethiopia as a food and beverage for many hundreds, if not thousands, of years. It has many uses, and these uses differ from region to region and season to season and differ according to ceremonies and traditions, religion and cultural practices of each group. Although coffee drinking is now a very modern practice in Ethiopia, as elsewhere in the world (e.g. similar to Italian versions of espresso and macchiato), these traditional uses of coffee remain, largely because coffee grown and produced in Ethiopia is still	Social Political	L = Likely I = Low	While the support under Outputs 2.4 and 2.5 will focus on branding and marketing of coffee as a commercial product, the nature of the work is in fact to promote the uniqueness and characteristics of sustainably-produced coffee (social, economic and environmental), and so will by default be in compliance with the UNDP SES. As outlined in the ESMF, assessments at activity and site levels will be screened to determine the extent to which they trigger particular risks, and appropriate mitigation and management measures will be put in place in response. The framework referred to under Risk 1 and 2, related specifically to ethnic minorities and associated FPIC, will provide key guidance on how issues related to Standard 4 (Cultural Heritage) should be handled, prior to activities being implemented. The ESMF screening tools include an Exclusion List and activities that	**ECTA/ PMU (Project Manager and Safeguards Officer)**

	largely consumed within Ethiopia (an estimated 60%). The intangible forms of culture around coffee production and use form key modern commercial and marketing traits for Ethiopian coffee, facilitating access to niche and specialty markets and fetching a higher premium on the global coffee market.			fall in this list will be avoided or become ineligible from project support and funding.	

Stakeholder engagement and south-south cooperation: This project was designed following extensive stakeholder consultations to inform key strategies that the project will support. The initiative was largely designed with extensive contributions from the World Resources Institute (WRI) as a key partner to the Ministry of Planning and Development (MoPD), the proposed Implementing Partner for this Child Project. WRI support with data collection and analysis, coordination of institutional level dialogues and discussions with key government institutions, including the Ministry of Agriculture and its key entities whose investments are relevant to the project (i.e. ATA and ECTA) and other partners working on the issues the project is supporting, including the EU, IDH Trade, GIZ, Global Coffee Platform, Technoserve, Norwegian Embassy and others. Discussions with these institutions and organisations, and others, have shaped the project strategy, ensuring an approach that builds on and compliments the ongoing investments, and where relevant, complementarity was sought. Many of the key government entities whose mandates and work has direct and indirect relevance to the FOLUR have been engaged through the PPG Task Force, and have participated in workshops and reviewed the earlier versions of the project proposal and made inputs to the proposed strategy.

The stakeholder engagement plan (Annex 14b) outlines the manner in which stakeholders will be engaged during project implementation. This includes a wide range of government stakeholders to be engaged through intra-governmental coordination, both between levels – Federal, Regional, Zonal, Woreda (district) and Kebele (village) administrations – and across sectors. Key government role-players invited to sit on the project preparation Task Force include: Environment, Forest & Climate Change Commission, Ministry of Agriculture, Ministry of Water, Irrigation & Energy, River Basin Authorities, Ethiopian Coffee and Tea Authority, Agricultural Transformation Agency, Ethiopian Institute of Agricultural Research, Ethiopian Biodiversity Institute, Ethiopian Wildlife Conservation Authority, National Meteorology Agency, Ethiopian Forest Research Institute, Oromia Forest Institute, Oromia Bureau of Environment, Oromia Bureau of Agriculture, SNNP Bureau of Environment, SNNP Bureau of Agriculture. 4, with MOA and ECTA responsible for coordinating delivery and implementation of Component 2. While implementation will be led and driven by the MoPD, MOA, ECTA and regional administration structures at the federal and regional levels, all the way to the woreda (district) and kebele (village) levels, other partners will be brought in through project governance structures, as well as sub-contracting for specific project technical advisory services, leveraging the experiences and capacities of these entities on the ground, including in the project sites where they are already implementing complimentary activities. MoPD as IP will also “sub-contract” other sub-responsible parties to deliver on technical packages of work. These sub-responsible parties will

include agencies and directorates of MoPD and MoA, international and local NGOs, tertiary institutions and consulting firms, as appropriate.

Targeted efforts will be made for engagement of Women, Children and Youth Affairs structures and socially marginalized groups at all levels. Regional and Zonal government authorities will be very important for implementation, as will Woreda (district) Administrations in the 22 project woredas (districts). At kebele (village) level, important community stakeholders include land administration committees, watershed management committees, and participatory forest management structures. Stakeholders will also be engaged in order to establish Land Use Planning Teams at Kebele (village), Woreda (district) and Zone levels. Farm households will be engaged in best practice agronomic techniques and participatory forest management through project-funded facilitators and through development agents with skills upgraded through the project. Private sector stakeholders in the coffee sector will be engaged through the coffee platforms (regional coffee platforms and national coffee platform) and coffee-related events at regional, national and international levels – including farmer associations and cooperatives, washing station owners, domestic exporters, international buyers, government agencies, technical and financial partners, and global networks for sustainable commodity production.

These stakeholder sectors will be involved in the project inception workshops and will be represented in the project steering and technical advisory structures. During the first six months of project implementation the services of an organization (NGO, consulting firm or other) will be engaged by the Responsible Party in charge of Component 2 to conduct follow-up consultations with the 22 selected Project Woredas (districts), to further select 5 Kebeles (villages) per Woreda (district) for on-the-ground activities – including agriculture and general coffee extension support, 10 priority communities for specialty coffee support, and suitable communities for participatory forest management. This will include administering a household survey that will determine a detailed baseline for household farm and forest income generation against which changes can be measured over time, during and beyond the project lifespan. Local facilitators will be trained to work with regional and landscape-level stakeholders to set up Land Use Planning Teams at various levels, and to undertake participatory land use planning, mapping, zoning and management, engaging Kebele (village) communities in agreeing on management guidelines for protection, sustainable use, restoration and sustainable farming in specific areas, with management plans and protocols for each site where community activities will be undertaken, and being involved in monitoring (*see detailed Activities and Outputs with indicators in Annex 11).*

South-South and triangular cooperation will be undertaken through the project's dedicated Component 4 on "*M&E and Knowledge Management for replication and scaling-up*", with Output 4.4, "*Project learning shared across Ethiopia and internationally through the GEF Food Systems Land Use and Restoration (FOLUR) Globa Platform*", which includes sharing learning and knowledge products on sustainable food and land use systems with other country projects through the FOLUR Impact Program, the FOLU Coalition and other global platforms (e.g., Bonn Challenge, AFR100 and NYDF). Opportunities for replication of lessons learnt around sustainable coffee production and strengthening global supply chains for sustainable specialty coffee will be generated through involving participants in the Ethiopia Coffee Platform from public, private and civil society sectors, in learning networks through the Green Commodities Community of UNDP and other relevant bodies such as the Global Coffee Platform and the Tropical Forest Alliance. In addition, to bring the voice of Ethiopia to global and regional fora, the project will explore opportunities for meaningful participation in specific events where UNDP could support engagement with the global development discourse on sustainable land use and food systems, and sustainable coffee supply chains.

Gender equality and Women's Empowerment: A full gender analysis and gender action plan is included as Annex 15. The major recommendation of the gender analysis and action plan is that since gender gaps and opportunities exist at various levels in Ethiopia that influence the achievement of sustainable food and land use systems, there is a critical need to identify the context-specific issues and tailor interventions accordingly. The key elements from the action plan / gender integration strategy which are designed based on the gender analysis findings aligned with intervention components include:

Project Outputs	Proposed Activities	Indicator	Responsible body
Component 1: Development of integrated landscape planning and management systems in Oromia and SNNP regions			
1.1 National land use planning policy adopted, with systems and capacity in place for implementation	1.Facilitate meaningful participation of women and Women Children and Youth Affairs (WCYA) directorate in the adoption of national land use policy and development of directives and guidelines for implementation of the policy	Yes/No	MoPD
1.2 Oromia, SNNP and Sidama Regions systems and capacity in place for regional and zonal land use planning	2.Ensure female land use experts get priority in capacity building trainings around land use planning	Number of female land use experts out of the total trainees	Regional MoPD Bureaus
1.3 GIS capacity at zonal and woreda (district) levels strengthened for undertaking multi-stakeholder integrated land use planning and management	3. Ensure the engagement of WCYA structures in multi stakeholder dialogue forums in 8 Project Zones, and learning exchange visits	Number of female participants out of the total participants in the dialogue forums	Regional MoPD C Bureaus
1.4 Existing local structures strengthened and capacitated to feed into land use planning process in kebeles (villages) in Project Woredas (districts)	4. Integrate gender analysis as part of the proposed baseline to understand community structures, gender roles, economic and life status, land use, crop production and yields, use of timber and NTFPs, household businesses and incomes 5. Facilitate engagement of WCYA structures and socially marginalized groups to ensure gender equality and social inclusion, including survey of women staff in efforts to	Yes/No Yes/No Number of women participating in the capacity	Regional and Woreda (district) MoPD Bureaus

	strengthen the inclusion of their voice in land use planning processes 6. Develop and deliver capacity development programmes for women's literacy, digital literacy, financial literacy and speaking in public, to empower women to participate fully in project structures and opportunities	development programme	
1.5 Multi-stakeholder platforms established at woreda (district) and kebele (village) levels with Integrated Land Use Plans developed that enable sustainable production, conservation and restoration	7. Co-develop participatory, gender-responsive methodology for local level multi-stakeholder land use planning that utilizes appropriate technology 8. Co-design gender sensitive messages for public education and awareness material for local radio, short message services on mobile phones, and explore use of indigenous folk media forms	Yes/No Yes/No	Regional and Woreda (district) MoPD Bureaus
Component 2: Promotion of sustainable food production practices and responsible value chains across coffee zones of Oromia, SNNP and Sidama			
2.2 Training of agricultural and specialized coffee extensionists, with incentive system piloted for improved practices and input businesses, enabling intensification and increased yields	9. Co-develop gender-responsive training contents for all Development Agents and Model Farmers from 22 woredas (districts) to upgrade knowledge on sustainable intensification, diversification and marketing 10. Offer diversification support to women in households losing income temporarily through pruning: small grants of $25 to start new line e.g. irrigated vegetables, spices, small livestock, poultry, honey or dairy activities 11. Support set-up and first two years of operation of women / youth cooperative businesses to sell farming inputs (e.g.	Yes/No Number of women benefiting from the scheme Number of cooperative business set-up led by women	Ministry of Agriculture and Rural Development (MoARD) at Federal and Regional level

	improved coffee seedlings, fertilizer, hand tools, vermicomposting start-ups, polyethylene bags, indigenous tree seedlings) and make briquettes from coffee waste – including partnerships for land management. 12. Support village level women saving groups to digitalize accounting and bookkeeping systems through Ministry of Innovation and Technology in partnership with Jamiipay	Number of saving groups accessing digitalization support	
2.3 Multi-stakeholder coffee platforms operationalized at national and regional levels, maximizing role of private sector to drive inclusive national economic growth and job creation, while government provides enabling environment	13. Set the agenda on position of women in coffee value chain, extension systems, traceability in the thematic dialogues / establishment of multi-stakeholder working groups through ECTA 14. Offer women's leadership course to enhance skills for women's independent membership and equal decision making in coffee cooperatives and unions	Yes/No Number of women who participate in leadership courses	ECTA
Component 3. Conservation and restoration of natural habitats through Participatory Forest Management			
3.2 60,000 ha of degraded Afromontane and moist forest restored through PFM to safeguard the *C. Arabica* gene pool and secure ecosystem services in the production landscape	15. Enhance the participation of women, youth and marginalized groups in clustered trainings on effective PFM based on traditional and scientific knowledge 16. Ensure the engagement of women and youth during restoration activities (e.g. felling exotic trees, demarcating boundaries, enrichment planting of indigenous trees and spices),	Yes/No Yes/No	MoPD and Forestry Directorate regional and Woreda (district) Bureaus
3.3 Fuel-efficient cook stoves and biomass-waste briquettes	17. Conduct training for women as community facilitators for adoption and use of fuel-	Number of women trained as	MoPD and Regional and Woreda

adopted across all Project Woredas (district) to reduce pressure on forest and create alternative incomes	efficient cook stoves to establish cascading training system down to Kebele (village) level	community facilitators	(districts) Bureaus
3.4 Incentive schemes in place to promote increased tree production (agro-forestry) in coffee and crop production landscapes	18. Support set-up and first two years of operation of women-run cooperative businesses to produce sawdust briquettes and sell agroforestry inputs (e.g. improved tree-crop seedlings, grafting material, spice seedlings, indigenous tree seedlings, fodder crop seedlings polyethylene bags, protective gear) – including partnerships for land and infrastructure, technical training and business planning, micro-credit and market access	Number of women-run cooperatives established	MoPD and Regional and Woreda (districts) Bureaus
Component 4: M&E and Knowledge Management for replication and scaling-up			
4.2 Partnerships in place with academic institutions to enable behavioural economics studies and longitudinal impact studies on agricultural and coffee extension systems and forest restoration	19. Ensure the engagement of female university students/ instructors to undertake project-related studies and report results into the project M&E and knowledge systems (Set quota for up to 3 places from the 10 masters/PhD opportunities to be provided to qualified females in academia	Number of female students/instructors who get support on their thesis from the project	MoPD and Universities in project implementation regions
4.3 Ethiopian media sector engaged to promote public awareness and advocacy around integrated landscape management and sustainable coffee production	20. Set the agenda on the position of women and promotion of new specialty brands on domestic and global markets with media to promote discussion of social, economic and environmental sustainability in the coffee sector	Yes/No	MoPD
4.4 Project learning shared across Ethiopia and internationally through the GEF Food Systems Land Use and	21. Engage women, youth and marginalized communities in learning exchange visits between communities involved in Participatory Forest	Number of representatives of women/marginalized groups participating in learning visits	MoPD

Restoration (FOLUR) Impact Program	Management, sustainable agroforestry and cropland restoration, specialty coffee production etc.		
4.5 Gender action plan implemented and impacts of project on gender equality and women's empowerment monitored	22.Conduct context specific woreda (district) -level gender analysis and participatory action planning in project set-up phase to feed into gender action plan 23.Implement gender action plan to ensure that gender equality and women's empowerment are mainstreamed throughout project 24.Undertake gender assessment/ impact study to assess extent to which gender equality and women's empowerment are taken forward through the project, and make gender recommendations for Sustainability Plan	Number of Woredas (districts) conducting gender analysis and preparing action plans Yes/No Yes/No	MoPD

The project thus does include gender-responsive measures to address gender gaps and promote gender equality and women's empowerment, closing gender gaps in all three areas: access to and control over natural resources; improving women's participation in decision making processes; and or generating socio-economic benefits or services for women. Included in the gender action plan are specific indicators for each activity, aligned with UNDP and GEF guidance, and the results framework is designed for a gender-disaggregated M&E system. All interventions on gender mainstreaming and women's empowerment will benefit from the FOLUR Global Platform interventions, across all the proposed pillars on Capacity Strengthening (Pillar A), Policy and Value Chain Engagement (Pillar B) and Strategic KM, Comms & Outreach (Pillar C) as indicated in the Project Results Framework, which integrates the FOLUR Global Indicators on gender.

Innovativeness, Sustainability and Potential for Scaling Up: The FOLUR project is innovative in bringing together a number of different streams of government work, supported by its development partners – on climate-smart agriculture, participatory forest management, soil and water conservation, watershed restoration, and sustainable coffee production, all of which are integrated through the framework of integrated land use planning. The timing of the project is optimal, as Ethiopia prepares to adopt the new Integrated Land Use Planning Policy and as well as a National Coffee Strategic Plan and Roadmap to drive development and transformation of the coffee sector. The project also takes an innovative approach to the challenge of agricultural input supply – promoting a small business development approach to supplying farmers with critical inputs for enhancing productivity and enabling sustainable intensification, avoiding the spread of the agricultural footprint further into the forest and promoting restoration. The

project aims to develop innovative partnerships at district level – between Woreda (district) Administrations providing land through lease agreements with youth cooperatives, the Agricultural Transformation Agency and Youth Revolving Fund providing infrastructure funds, and the GEF investment providing hands-on technical assistance for the first 2-3 years of each business as it becomes established. Such businesses will be based on market analysis and will supply needed agroforestry / farming inputs, e.g. improved seeds, weeding tools, vermicompost start-up, compostable seedling bags among others. In relation to gender, a specific innovation is the inclusion of targeted capacity development programmes for women's empowerment, including digital and financial literacy, and family planning, in the 22 Project Woredas (districts). This will develop the ability of women farmers heading households to participate fully in agricultural extension support programmes. Awareness raising and advocacy efforts through the project will use a wide range of available media and approaches – including local radio, mobile phone applications and messaging services, and exploring use of indigenous folk media forms.

The challenges of scale-up across the 9 million hectare coffee-producing area of Oromia, SNNP and Sidama regions, with approximately 15 million small-scale farming households, including over 2 million coffee producers, are significant. For this reason, the project is not simply piloting new approaches in the project focal landscapes (22 Woredas/districts in 8 Zones) but is also supporting the Federal Government and the three Regional Governments to transform the agricultural extension system as a whole, helping to implement Ethiopia's Agricultural Extension Strategy, launched in 2017, and the soon-to-be launched National Coffee Strategic Plan and Roadmap of the Ethiopian Coffee and Tea Authority (ECTA). The Agricultural Extension Strategy seeks to provide demand-driven and market-oriented extension services to smallholder farmers, and is a key vehicle for operationalisation of the Agricultural Commercialization Cluster (ACC) Initiative, which seeks to transform smallholder agriculture to become more commercial. The agricultural extension system is therefore an important entry point and target for promoting sustainable agricultural practices at farm level and through which the FOLUR Impact Program principles and practices can be disseminated and scaled up. The FOLUR project would therefore compliment the ACC initiative by enhancing and updating the technical capacities, skills and expertise of the extension agents (Development Agents), including on coffee extension (currently not covered by the ACC Initiative). The project is key to ensuring that Ethiopia's Agricultural Transformation Agenda becomes responsive to the challenges faced by smallholder farmers on the ground, including how to adopt climate-smart agriculture approaches and practices, while also demonstrating the value of investing in sustainable landscape management and restoration to safeguard biodiversity and reverse/avoid degradation of ecosystems. For the coffee sector specifically, the establishment of regional coffee platforms to feed up to the emerging national coffee platform, as well as promotion of a dedicated coffee farmer extension support program within the government's broad agricultural extension program, is a potential game-changer and will go a long way in closing the skills, capacity and collaboration gap that currently exists between actors and stakeholders in the coffee sector.

This work will build upon the best practices developed by government and many technical partners through a number of related initiatives over the past 30 years (see table in Section 2 above on recent and current initiatives) in supporting small-scale farming households on sustainable natural resource management, including for increased productivity and incomes. This includes organizations such as the Ethiopia operations of the International Center for Tropical Agriculture (CIAT) that has supported the profiling of Ethiopia's agro-ecological zones and identified entry points for context-specific climate-smart agriculture responses and investment plans and resilience building for the agriculture sector . The World Resources Institute (WRI) has been working on monitoring of forest and landscape restoration in Ethiopia, and currently supports government to coordinate the Food and Land Use (FOLU) Coalition. The Ethiopia FOLU Action Agenda , published in January 2020, outlines four strategic areas for prioritization in

2020/2021, and these are aligned with the GEF FOLUR Impact Program priorities in the Ethiopia Child Project. These include: Supporting sustainable agricultural commercialization of crops; Boosting yields of animal source foods from sustainably managed landscapes; Measuring food loss for agricultural commercialization commodities and reducing loss where economically viable; and Supporting lending in the agriculture and forest sectors and rural areas. The identified priorities propose innovations that help to coordinate and harmonize actions across the government's existing strategies and plans so that they reflect a more comprehensive food and land use system perspective. WRI has also been supporting the Ethiopian government on landscape restoration, including identifying restoration opportunities efforts, including those linked to AFR100 and the Bonn Challenge and other related global pledges that Ethiopia has made on restoration.

The agronomy approaches that the Ethiopia child project will take on sustainable coffee production and coffee agronomy follow some of the proven methods and approaches that TechnoServe has tried and tested for several years in Ethiopia, including on coffee crop rejuvenation. The project will seek to enhance these efforts by strengthening the skills and capacities of the institutions at all levels of government and local authorities and administrations for context-relevant, affordable and sustainable practices for the smallholder agriculture production system and for coffee in particular. The investments by many international NGOs, donor and bilateral partner-supported initiatives on forest conservation, forest and landscape restoration and Participatory Forest Management (PFM), including those by Farm Africa, Partnership for Forests, GIZ, Sweden, Danida, EU, Norway, Nature And Biodiversity Conservation Union (NABU), the Sustainable Land Use Forum, SOS-Sahel, as well as the efforts of local research institutions and NGOs, including Ethiopian Forest Research Institute (EFRI), Jimma Agricultural Research Center, the Ethio-Wetlands and Natural Resources Association and others, form an important baseline on which to build all forest-related work.

As indicated earlier, scale-up of the investments on coffee will be achieved through a new approach to building partnerships for agricultural extension, working closely with the Regional Bureaus of Agriculture and the ECTA to bring in private sector partnerships with an interest in investing in strengthening their supply chains, especially in the specialty coffee sector. Scale-up of Participatory Forest Management activities as part of fulfilling the restoration objectives set out in the Forest Sector Development Plan will be addressed through investigating the feasibility of various financial incentives. Scale-up of project learning to other Regions of Ethiopia will also be addressed through Component 4 of the project, which includes holding annual Food and Land Use Systems Dialogues with participants from all sectors and across Ethiopia and incorporating the insights from and priorities action areas identified and prioritised through the FOLU Coalition work, and linking the work under Component 1 on land use systems, to higher-level policy reform dialogues around transformation of the food systems and the agricultural transformation agenda at the national level. It is envisaged that through ongoing support from WRI and the FOLU Coalition, these dialogues will be framed around higher-level policy directions shaping the Ten Years Development Plan 2021-2030, and in particular how the agricultural sector contributes to this, while also reducing the footprint and impacts of the sector on landscapes, ecosystems and the environment. Replication of relevant approaches in other countries will be promoted by an activity on "Sharing learning and knowledge products with other country projects through the FOLUR Global Platform, the FOLU Coalition and other global platforms (e.g. Bonn Challenge, AFR100 and NYDF)", and with other coffee-producing regions of the world through participation of Ethiopian coffee stakeholders in the UNDP-led Green Commodities Community, the GEF Good Growth Partnership, the Global Coffee Platform and the International Coffee Organization (ICO).

Building on experience of past UNDP-supported GEF-financed projects in Ethiopia, the FOLUR project is designed so as to maximize opportunities for sustaining the gains of the project long term. This is done by building the development of a Sustainability Plan into the project logframe, undertaking a thorough assessment early on during implementation of what it will take to enhance project take-up/adoption by government, stakeholders and beneficiaries, including identifying barriers to adoption, to improve sustainability post-project. In order to strengthen ownership of the project and its achievements, and sustain these post-project, discussions on the Sustainability Plan will be taken forward in the project inception workshop. Output 4.6 involves collaboration between stakeholders on the Sustainability Plan, detailing specific roles post-project, and drawing up formal implementation agreements and a resourcing plan (see detailed Activities in Annex 11 of the UNDP Project Document). The resourcing plan will include making provision for operations and maintenance of new infrastructure established through the projects, in ongoing operational budgets of Regional, Zonal and Woreda/districts administrations – for example, computers and GIS equipment, motorbikes and agricultural processing equipment. The maintenance of infrastructure for newly established small businesses will be addressed in business planning with youth and women cooperatives running these enterprises. The overall sustainability of these businesses will be promoted through providing a comprehensive package of support services – undertaking a value chain analysis and market study for each enterprise, and providing technical training, business planning, micro-credit and market access. Financial support will be designed to diminish as the enterprises become established and generate a sustainable cash flow and profit margin. The project's success in this regard will be measured on the degree to which these enterprises have become fully self-sustaining and profitable by project end.

IV. PROJECT RESULTS FRAMEWORK

This project will contribute to the following Sustainable Development Goal (s): SDGs 1, 6, 7, 13, 14, and 15				
This project will contribute to the following country outcome (UNSDCF): By 2025, all people in Ethiopia live in a society resilient to environmental risks and adapted to climate change [42]				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Project Objective: To support transformation towards deforestation-free coffee value chains and food systems in Oromia, SNNP and Sidama	**Mandatory** Indicator 1: *# direct project beneficiaries disaggregated by gender (individual people)*	0 females 0 males	150,000 females 150,000 males	440,000 people - 220,000 female members of households in target kebeles (villages) in project woredas (districts) - 220,000 male members of these households
	Mandatory GEF Core Indicators: Core Indicator 3: *The total area of land restored*	0 hectares	500 hectares	10,500 hectares *(of rejuvenated coffee gardens)*
	Core Indicator 4: *The total area of land under improved land use practices*	0 hectares	100,000 hectares	517,626 ha hectares *(61,552ha in forest land and 456,074 hectares*

[42] United Nations Sustainable Development Cooperation Framework (UNSDCF) Outcome – UNDP (2020) *UNDP Country Programme Document for Ethiopia, 2020-2025*

				of small-scale farmland)
	Core indicator 6: *Number of tons of CO_2-equivalent emissions avoided as a result of project interventions*	0 tonnes	1,432,000 tonnes	7,228,195 tonnes
Project Component 1	**Component 1:** Development of integrated landscape planning and management systems in Oromia, SNNP and Sidama regions			
Project Outcome 1a Strong enabling environment created for integrated land use planning and management at federal and regional levels	*Indicator: Number of new policies adopted, with dedicated capacity in place for implementation - national land use policy*	0 policy in place	1 national policy adopted 1 national policy adopted and dedicated capacity in place to implement	Gazetted Land Use Planning Policy or Gazetted National Coffee Strategy
Outputs to achieve Outcome 1a	1.1 National land use planning policy adopted, with systems and capacity in place for implementation 1.2 Oromia, SNNP and Sidama Regions with systems and capacity in place for regional and zonal land use planning			
Project Outcome 1b Participatory integrated land use planning systems piloted in Oromia, SNNP and Sidama regions	*Indicator: Number of inclusive, participatory Integrated Land Use Management (ILM) Plans developed in project woredas (districts) / catchments in Oromia, SNNP and Sidama regions* ***(FOLUR Global Indicator on Capacity/Training (i)***	0 woreda (district) ILM plans	8 woreda (district) ILM plans	22 woreda (district) ILM plans
Outputs to achieve Outcome 1b	1.3 GIS capacity at zonal and woreda (district) levels strengthened for undertaking integrated land use planning and management 1.4 Existing local structures strengthened and capacitated to feed into land use planning process in kebeles (villages) in Project Woredas (districts) 1.5 Multi-stakeholder platforms established at woreda (district) and kebele (village) levels with Integrated Land Use Plans developed that enable sustainable production, conservation and restoration			
Project component 2	**Component 2.** Promotion of sustainable food production practices and responsible value chains across coffee zone of Oromia, SNNP and Sidama			

Project Outcome 2a Smallholder farmer support systems in Oromia, SNNP and Sidama strengthened to adopt sustainable intensification, with diverse shaded coffee farming, and avoid deforestation	*Indicator: % increase in average crop yields of farm households receiving enhanced extension support* ***(GEF Core indicator 3.1)***	Baseline yields of sample households in target kebeles (villages) (survey in project set-up phase)	Baseline plus 10%	Baseline plus 30%
Outputs to achieve Outcome 2a	2.1 Zonal dialogues held with Agricultural Commercialization Clusters on greening agricultural value chains 2.2 Training of agricultural and specialized coffee extensionists, with incentive system piloted for improved practices that enable sustainable intensification on-farm and increased yields			
Outcome 2b Enabling conditions strengthened for the development and marketing of socially, economically and environmentally sustainable coffee	*Indicator: Number of new public-private partnerships involving government and private sector actors working toward FOLUR outcomes – through working groups under platform/s to drive the implementation of the new National Coffee Strategy* ***(FOLUR Global Indicator 3k on Policies/Value Chains)***	0 Working groups functioning under regional / national coffee platform	2 Working groups functioning under regional / national coffee platform	6 Working groups functioning under regional / national coffee platform
Outputs to achieve Outcome 2b	2.3 Multi-stakeholder coffee platforms operationalized at national and regional levels, maximizing role of private sector to drive inclusive national economic growth and job creation, while government provides enabling environment 2.4 Intensive pre- and post-harvest support to at least 10 extension pilot communities shifting to specialty coffee, working with emerging marketing centres, and existing cooperatives, unions, washing stations and direct exporters			
Outcome 2c Global coffee supply chain actors engaged to facilitate increased investments in deforestation-free coffee value chains and new entrants to specialty markets	*Indicator: Number of emerging regional varietal specialty coffee producer cooperatives linked with global coffee buyers* ***(FOLUR Indicator K on Policies/value Chains)***	0 new specialty coffee producers linked to buyer/s	1 new specialty coffee producers linked to buyer/s	3 new specialty coffee producers linked to buyer/s

Outputs to achieve Outcome 2c	2.5 Local and international coffee buyers, traders and roasters engaged to establish innovative partnerships and support new specialty brands – through Ethiopia Coffee Platform and FOLUR program networks			
Project component 3	**Component 3:** Conservation and restoration of natural habitats through Participatory Forest Management			
Project Outcome 3 Sustainable forest management practices promoted to reduce biodiversity loss and promote restoration in and near Afro-montane forest landscapes	<u>Indicator</u>: *Area (hec) of coffee forest restored and/or under effective regime of Participatory Forest Management* ***(GEF Core Indicator 4.1)***	0 new hectares under PFM including restoration activities	20,000 new hectares under PFM including restoration activities	61,552 new hectares under PFM including restoration activities
Outputs to achieve Outcome 3	3.1 National Forest Sector Development Program implemented through coordination on monitoring and incentives for Participatory Forest Management of indigenous forest 3.2 61,552 ha of degraded Afromontane and moist forest restored to safeguard the *C. Arabica* gene pool and secure ecosystem services in the production landscape 3.3 Fuel-efficient cook stoves and biomass-waste briquettes adopted across all Project Woredas (districts) to reduce pressure on forest and create alternative incomes 3.4 Incentive schemes in place to promote increased tree production (agro-forestry) in coffee and crop production landscapes			
Project component 4	**Component 4.** M&E and Knowledge Management for replication and scaling-up			
Project Outcome 4 Project M&E systems established, impacts monitored to inform adaptive management; lessons learned shared broadly within the domestic and international food systems and commodities, FOLUR IP Global Platform and restoration communities	<u>Indicator:</u> *Number of private sector actors, value chain events, press releases, etc. citing/using FOLUR products – reflecting successful upscaling* ***(FOLUR Global Indicators 3, 4 and 5) - 3g, 3h on Capacity/ Training, 3j, 3k, 3l on Policies/Value Chains and 3m on Knowledge) and 4 on Descriptive case studies and 5 on Gender***	0 recorded uses of knowledge / advocacy products	3 recorded uses of knowledge / advocacy products	10 recorded uses of knowledge / advocacy products
Outputs to achieve Outcome 4	4.1 On-line monitoring and reporting system in place to track and report economic, social and environmental results and impacts of project			

	4.2 Partnerships with academic institutions to enable behavioural economics studies and longitudinal impact studies on agricultural and coffee extension systems and forest restoration 4.3 Ethiopian media sector engaged to promote public awareness and advocacy around integrated landscape management and sustainable coffee production 4.4 Project learning shared across Ethiopia and internationally through the GEF Food Systems Land Use and Restoration (FOLUR) Impact Program 4.5 Gender action plan implemented and impacts of project on gender equality and women's empowerment monitored 4.6 Project performance reviewed at mid-term and end phases and results packaged to inform adaptive management, future programming and scaling up

V. MONITORING AND EVALUATION (M&E) PLAN

The project results, corresponding indicators and mid-term and end-of-project targets in the project results framework will be monitored annually and evaluated periodically during project implementation. If baseline data for some of the results indicators is not yet available, it will be collected during the first year of project implementation. The Monitoring Plan included in Annex 5 details the roles, responsibilities, and frequency of monitoring project results, as well as source of data / means of measurement and verification for the indicators.

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP POPP and UNDP Evaluation Policy. The UNDP Country Office is responsible for ensuring full compliance with all UNDP project monitoring, quality assurance, risk management, and evaluation requirements.

Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring Policy and the GEF Evaluation Policy and other relevant GEF policies[43]. The costed M&E plan included below, and the Monitoring plan in Annex 5, will guide the GEF-specific M&E activities to be undertaken by this project.

The M&E plan (detailed in Annex 5: Monitoring Plan) is closely linked to and will contribute to the FOLUR Global Platform's Pillar D (Program oversight, Coordination and M&E) and the associated guidance on M&E and will ensure that the project's M&E systems contribute to collection, analysis and sharing of data, information, experiences and knowledge is aligned with the FOLUR Global Platform, while benefitting the same from them, directly and through KM and M&E links with the. The M&E indicators in the child project results framework and at output levels *(Annex 11 - Activities and Indicators per Project Output*) mirror those proposed by the FOLUR Global Platform, and integrate the GEF Core Indicators as mandatory indicators, to facilitate a seamless linkage between the Ethiopia child project and other child projects and will contribute to aggregated results at the global level. The PMU M&E and Communications Officer will maintain a direct link with the FOLUR Global Platform to facilitate seamless links between the child project M&E and the Global FOLUR Platform M&E and reporting requirements.

In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report.

Additional GEF monitoring and reporting requirements:

Inception Workshop and Report: A project inception workshop will be held within 60 days of project CEO endorsement, with the aim to:

a. Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.
b. Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
c. Review the results framework and monitoring plan.

[43] See https://www.thegef.org/gef/policies_guidelines

d. Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.
e. Update and review responsibilities for monitoring project strategies, including the risk log; SESP report, Social and Environmental Management Framework and other safeguard requirements; project grievance mechanisms; gender strategy; knowledge management strategy, and other relevant management strategies.
f. Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
g. Plan and schedule Project Board meetings and finalize the first-year annual work plan. Finalize the TOR of the Project Board
h. Formally launch the Project.

GEF Project Implementation Report (PIR): The annual GEF PIR covering the reporting period July (previous year) to June (current year) will be completed for each year of project implementation. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR. The PIR submitted to the GEF will be shared with the Project Steering Committee. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.

GEF Core Indicators: The GEF Core indicators included as Annex 21 will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the indicator status. The updated monitoring data should be shared with MTR/TE consultants prior to required evaluation missions, so these can be used for subsequent ground-truthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF website.

Independent Mid-term Review (MTR): The terms of reference, the review process and the final MTR report will follow the standard templates and guidance for GEF-financed projects available on the UNDP Evaluation Resource Center (ERC).

The evaluation will be 'independent, impartial and rigorous'. The evaluators that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project under review.

The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the evaluation process. Additional quality assurance support is available from the BPPS/GEF Directorate.

The final MTR report and MTR TOR will be publicly available in English and will be posted on the UNDP ERC by 09 October 2026. A management response to MTR recommendations will be posted in the ERC within six weeks of the MTR report's completion.

Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance for GEF-financed projects available on the UNDP Evaluation Resource Center.

The evaluation will be 'independent, impartial and rigorous'. The evaluators that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project being evaluated.

The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the BPPS/GEF Directorate.

The final TE report and TE TOR will be publicly available in English and posted on the UNDP ERC by *(add date included on cover page of this project document)*. A management response to the TE recommendations will be posted to the ERC within six weeks of the TE report's completion.

Final Report: The project's terminal GEF PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Steering Committee during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.
Agreement on intellectual property rights and use of logo on the project's deliverables and disclosure of information**:** To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy[44] and the GEF policy on public involvement[45].

Monitoring and Evaluation Budget for project execution:			
GEF M&E requirements to be undertaken by Project Management Unit (PMU)	**Responsibility**	**Indicative costs (US$)**	**Time frame**
Inception Workshop and report (including translation services)	Implementing Partner Project Manager	48,000	11 Aug, 2023
M&E of GEF core indicators, FOLUR Global Platform and project results framework	Project Manager M&E Officer	Included in costs of M&E Officer[46]	Annually and at mid-point and closure
GEF Project Implementation Report (PIR)	Project Manager UNDP Regional Technical Advisor UNDP Country Office	None	Annually starting from 2024 between June-August
Monitoring of ESMF and LRP	Project Safeguards Officer	Included in costs of Safeguards Officer	On-going
Supervision missions	RTA	None	Annually

[44] See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/
[45] See https://www.thegef.org/gef/policies_guidelines
[46] Budget estimated at $108,000 over 6 years.

Monitoring and Evaluation Budget for project execution:			
GEF M&E requirements to be undertaken by Project Management Unit (PMU)	**Responsibility**	**Indicative costs (US$)**	**Time frame**
	UNDP Country Office		
M&E visits by government and project participants	Project Manager M&E Officer	80,200	Annually from Year 2
Independent Mid-term Review (MTR)	Independent evaluators (international and national)	50,000	09 October 2026
Independent Terminal Evaluation (TE)	Independent evaluators (international and national)	50,000	09 January 2030
FOLUR Project Monitoring and Evaluation Officer salary in support of Outputs 4.1 to 4.6	Monitoring and Evaluation Officer	108,000	Salary of $1,500 per month x 12 months x 6 years
TOTAL indicative COST		**$336,200**	See TBWP

VI. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Section 1: General roles and responsibilities in the projects' governance mechanism

Implementing Partner: Following the UNDP Support Services to National Implementation – (NIM), the Ministry of Planning and Development (MoPD) is the responsible government agency (i.e. UNDP Implementing Partner/GEF Project Executing Entity, or EA) for the project and will work closely with the Ministry of Agriculture, particularly the Ethiopian Coffee and Tea Authority (ECTA) in executing the project. The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in this document.

The Ministry of Agriculture, through the Ethiopian Coffee and Tea Authority (ECTA) in collaboration with the Climate Resilient Green Economy Unit at MOA, will coordinate implementation of component 2 of the project, and support the Regional Bureaus of Agriculture in Oromia, SNNP and Sidama regions. Under component 1 on Land Use Planning, the project will work closely with the Agricultural Transformation Agency on specific outputs related to dialogues on food systems transformation as well as on greening of value chains and the Agricultural Commercialisation Cluster Initiative, and for facilitating match-making and access to ATA support in the FOLUR project woredas (districts) that overlap with the ACC sites. Collaboration between the MOA and the MoPD under component 1 on land use planning will be anchored within the FOLUR Coalition work, with key contributions from WRI through its cofinancing support.

The MoPD will establish a Project Management Unit to support day-to-day administration and coordination of project activities. The PMU will be located in the MoPD in Addis Ababa, and will coordinate the project as a whole, working closely with the relevant sub-responsible parties.

The Implementing Partner is responsible for executing this project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.
- Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation
- Procurement of goods and services, including human resources;
- Financial management, including overseeing financial expenditures against project budgets;
- Approving and signing the multiyear workplan;
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

Responsible Parties: As shown in the diagram below, it is proposed that the Ministry of Planning and Development (MoPD) at Federal level is the Implementing Partner (Executing Entity) for the whole project. The Project Steering Committee provides overall guidance and includes MoPD and the Ministry of Agriculture (MOA) and key stakeholders from government, with representation from civil society and the private sector.

Once implementation begins, and implementation capacities within government and regional institutions have been fully determined, MoPD, as the UNDP Implementing Partner, may identify, through a competitive bidding process, additional partners as sub-responsible parties or contracted service providers to support delivery of key technical packages of work, working with the relevant federal and regional level entities under the supervision of MoPD. These sub-responsible parties will include agencies and directorates of MoPD and MoA, international and local NGOs, tertiary institutions and consulting firms, as appropriate. Sub-contracted parties and other sub-responsible parties will be key in enhancing the capacity of the IP/PMU to handle the volume of procurement, recruitment and training, including implementation of social and environmental safeguards, required for this project, as it is a high risk project. Additional challenges are posed by the government's limited capacity to source goods and services from outside Ethiopia due to limited access to foreign currency. To address this challenge, UNDP has been requested by the Executing Agency (MoPD)[47] to provide limited execution support, to procure specific goods and services that cannot be purchased in Ethiopia and requires international sourcing.

Project Management Unit: The PMU will be located in the MoPD in Addis Ababa. It will coordinate the project as a whole, and the delivery of Component 4. Satellite project offices in Jimma and Hawassa will enable coordination with the 22 project Woredas (districts) Administrations and the 8 Zones. Implementation of the child project and the capacities of the Project Management Unit and MoPD's to coordinate results-based implementation will be enhanced through close links with the FOLUR Global Platform, to ensure that innovative approaches, knowledge, skills, tools and technologies are integrated into the design of interventions and activities under each component, and in line with the Global Platforms

[47] See Annex 26a MoPD Letter of Request for Execution Support from UNDP

Pillars, and to facilitate a two-way support and learning process between the Ethiopia child project and the Global Platform, and through the Global Platform to other child projects, including especially those also working on coffee value chains. Opportunities for training, capacity building from the FOLUR Global Platform, either as child project- or commodity-specific support or regional support with other child projects, will be key to ensuring that the Ethiopia child project maintains strong links with the Global Impact Program and the knowledge, practices and approaches promoted at the country level are based on global best practices, and utilise tools and innovations that have been developed and are endorsed by the FOLUR Global Platform and IP core partners. The child project will establish and maintain direct linkages with the key technical staff of the Global Platform (including the Knowledge Management and Communications Lead), and facilitate effective engagement with the Global Platform during the annual 'check-ins' and field visits.

Project stakeholders and target groups: The stakeholder engagement plan (Annex 14b) outlines the manner in which stakeholders will be engaged during project implementation. This includes a wide range of government stakeholders to be engaged through intra-governmental coordination, both between levels – Federal, Regional, Zonal, Woreda (districts) and Kebele (village) administrations – and across sectors. Key government role-players were invited to sit on the project preparation Task Force and will continue to play a key role during implementation as PSC/PB members and/or technical taskforce that will advise the PSC/PB. They include: Environment, Forest & Climate Change Commission, Ministry of Agriculture, Ministry of Water, Irrigation & Energy, River Basin Authorities, Ethiopian Coffee and Tea Authority, Agricultural Transformation Agency, Ethiopian Institute of Agricultural Research, Ethiopian Biodiversity Institute, Ethiopian Wildlife Conservation Authority, National Meteorology Agency, Ethiopian Forest Research Institute, Oromia Forest Institute, Oromia Bureau of Environment, Oromia Bureau of Agriculture, SNNP Bureau of Environment, SNNP Bureau of Agriculture. Targeted efforts will be made for engagement of Women, Children and Youth Affairs structures and socially marginalized groups at all levels during implementation, in line with the Gender Action Plan. At kebele (village) level, important community stakeholders include land administration committees, watershed management committees, and participatory forest management structures. Stakeholders will also be engaged in order to establish Land Use Planning Teams at Kebele (village), Woreda (district) and Zone level. Farming households will be engaged in best practice agronomic techniques and participatory forest management through project-funded facilitators and through development agents with skills upgraded through the project. Private sector stakeholders in the coffee sector will be engaged through the coffee platforms (regional coffee platforms and national coffee platform) and coffee-related events at regional, national and international levels – including farmer associations and cooperatives, washing station owners, domestic exporters, international buyers, government agencies, technical and financial partners, and global networks for sustainable commodity production.

These stakeholder sectors will be involved in the project inception workshops and will be represented in the project steering structures, as appropriate. During the first six months of project implementation the services of an organization (NGO, consulting firm or other) will be engaged to conduct follow-up consultations with the 22 selected Project Woredas (districts) to further select 5 Kebeles (villages) per Woreda (district) for on-the-ground activities including agriculture and general coffee extension support, 10 priority communities for specialty coffee support, and suitable communities for participatory forest management. Local facilitators will be trained to work with regional and landscape-level stakeholders to set up Land Use Planning Teams at various levels, and to undertake participatory land use planning, mapping, zoning and management, engaging Kebele (village) communities in agreeing on management guidelines for protection, sustainable use, restoration and sustainable farming in specific areas, with

management plans and protocols for each site where community activities will be undertaken, and being involved in monitoring (see detailed Activity outline in Annex 11).

South-South and triangular cooperation will be undertaken through the project's dedicated Component 4 on "*M&E and Knowledge Management for replication and scaling-up*", with Output 4.4, "*Project learning shared across Ethiopia and internationally through the GEF Food Systems Land Use and Restoration (FOLUR) Global Platform*", which includes contributing to global level learning and experience-sharing and knowledge products on sustainable food and land use systems through the FOLUR Global Platform, the FOLU Coalition and other global platforms (e.g., Bonn Challenge, AFR100 and NYDF). Opportunities for replication of lessons learnt around sustainable coffee production and strengthening global supply chains for sustainable specialty coffee will be generated through involving participants in the Ethiopia Coffee Platform from public, private and civil society sectors, learning networks through the Green Commodities Community of UNDP and other relevant bodies such as the Global Coffee Platform and the Tropical Forest Alliance, coordinated through the FOLUR Global Platform. In addition, to bring the voice of Ethiopia to global and regional fora, the project will explore opportunities for meaningful participation in specific events where UNDP could support engagement with the global development discourse on sustainable land use and food systems, and sustainable coffee supply chains and also through platforms and channels coordinated by the FOLUR Global Platform, as planned under all its pillars.

UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project. UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member.

A firewall will be maintained between the delivery of project oversight and quality assurance performed by UNDP and charged to the GEF Fee and any support to project execution performed by UNDP (as requested by and agreed to by both the Implementing Partner and GEF) and may be charged to the GEF project management costs (only if approved by GEF). The segregation of functions and firewall provisions for UNDP in this case is described in the next section.

UNDP Direct Project Services as requested by Government: The Implementing Partner and GEF OFP have requested UNDP to provide support services in the amount of US$ 22,270. See Annex 26b for the full duration of the project, and the GEF has agreed to this request. The GEF execution support letter (signed by the GEF OFP) detailing these support services is included in Annex 26a. To ensure the strict independence required by the GEF and in accordance with the UNDP Internal Control Framework, these execution services will be delivered independent from the GEF-specific oversight and quality assurance services (i.e. not done by same person to avoid conflict of interest). See latest guidance available from BPPS NCE-VF team.

This support is specifically to mitigate the challenges related to the government's lack of capacity to procure goods and services from outside the country, due to lack of access to/limited ability to transact in foreign currency. UNDP support will be limited to procuring the goods and services on behalf of MoPD. Upon arrival in the country, these goods and services will be handed over to the MoPD for use/utilization

and further distribution to the project sites. UNDP will not be involved in the execution of any interventions/activities related to these goods and services.

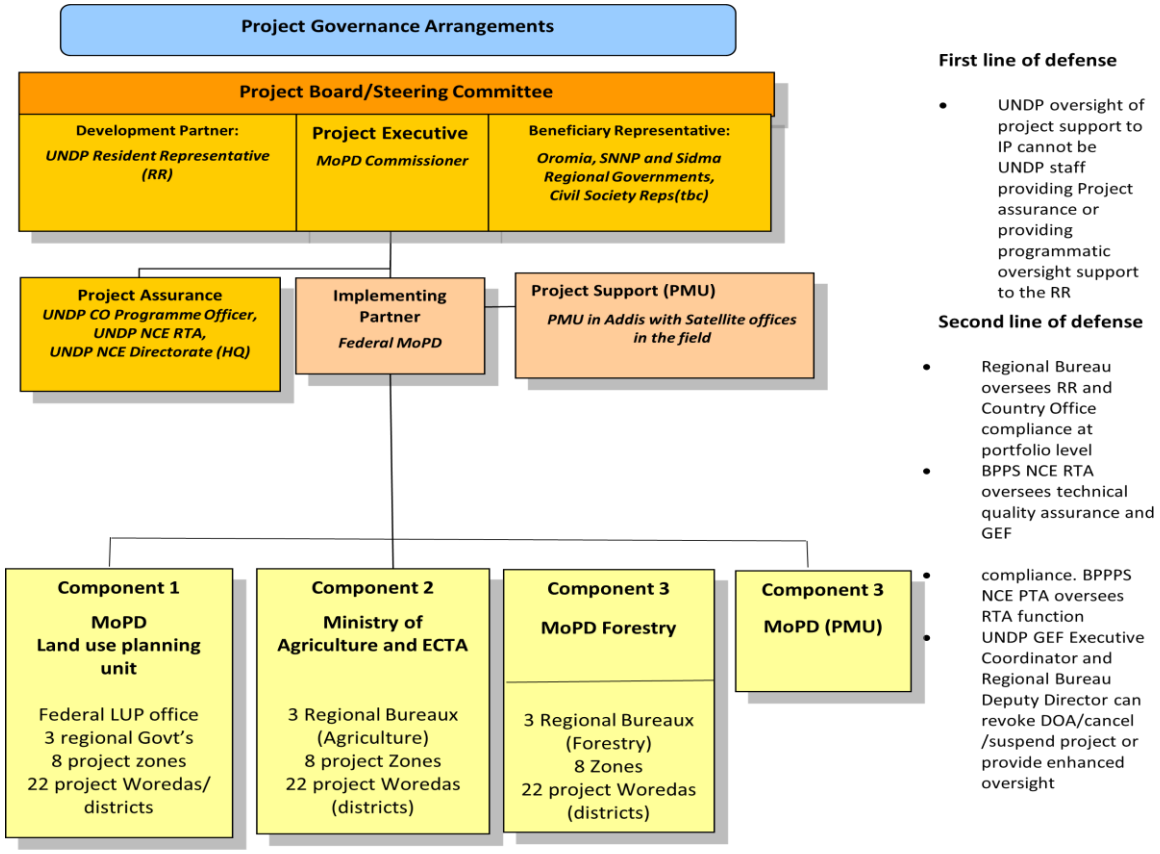
The letter of request from the government, signed by the GEF OFP, is annexed to the PRODOC /CEO ER package (see *Annex 26a – Letter of Request for Execution Support and draft Letter of Agreement*). In summary, the required execution support services are as follows:

1. Procurement of goods, materials, and equipment from outside Ethiopia;
2. Processing of payments in foreign currency for services provided by international consultants and service providers;
3. Processing of Daily Subsistence Allowance (DSA) or Per Diem for international travel; and

Section 2: Project governance structure

The Project Steering Committee (also called Project Board) is responsible for taking corrective action as needed to ensure the project achieves the desired results. In order to ensure UNDP's ultimate accountability, Project Steering Committee decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.

In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.



Specific responsibilities of the Project Steering Committee include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Provide guidance on new project risks, and agree on possible mitigation and management actions to address specific risks;
- Agree on project manager's tolerances as required, within the parameters set by UNDP-GEF, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP-GEF;
- Ensure coordination between various donor and government-funded projects and programmes;
- Ensure coordination with various government agencies and their participation in project activities;
- Track and monitor co-financing for this project;
- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;
- Review combined delivery reports prior to certification by the implementing partner;

- Provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Address project-level grievances;
- Approve the project Inception Report, Mid-term Review and Terminal Evaluation reports and corresponding management responses;
- Review the final project report package during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up.
- Ensure highest levels of transparency and take all measures to avoid any real or perceived conflicts of interest.

The composition of the Project Steering Committee must include the following roles:

a. Project Executive: Is an individual who represents ownership of the project and chairs the Project Steering Committee. The Executive is normally the national counterpart for nationally implemented projects. The Project Executive is: the Commissioner of the Ministry of Planning and Development (MoPD).
b. Beneficiary Representative(s): Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often civil society representative(s) can fulfil this role. The Beneficiary representative (s) is/are: Civil society representative/s.

c. Development Partner(s): Individuals or groups representing the interests of the parties concerned that provide funding and/or technical expertise to the project. The Development Partner(s) is the UNDP Ethiopia Resident Representative.

d. Project Assurance: UNDP performs the quality assurance and supports the Project Steering Committee and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed, and conflict of interest issues are monitored and addressed. The Project Steering Committee cannot delegate any of its quality assurance responsibilities to the Project Manager. UNDP provides a three – tier oversight services involving the UNDP Country Offices and UNDP at regional and headquarters levels. Project assurance is totally independent of project execution.

The Project Steering Committee will include:

- Environment, Forest and Climate Change Commission: Chair
- UNDP: Co-Chair
- Ministry of Agriculture: member
- Ministry of Finance: member
- Ethiopian Tea and Coffee Authority: member
- Ministry of Water Irrigation and Energy: member
- Oromia Environment, Forest and Climate Change Bureau: member
- SNNP Environment, Forest and Climate Change Bureau: member

Project extensions: The UNDP Resident Representative and UNDP-GEF Executive Coordinator must approve all project extension requests. Note that all extensions incur costs and the GEF project budget

cannot be increased. A single extension may be granted on an exceptional basis and only if the following conditions are met: one extension only for a project for a maximum of six months; the project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs will be covered by non-GEF resources; the UNDP Country Office oversight costs during the extension period must be covered by non-GEF resources.

VII. FINANCIAL PLANNING AND MANAGEMENT

The total cost of the project is USD 228,821,171. This is financed through a GEF or LDCF or SCCF grant of USD 20,342,202 administered by UNDP, USD 500,000 in UNDP TRAC resources as co-financing to be administered by UNDP and additional support of USD 207,978,969 in co-financing from Government and other partners, UNDP, as the GEF Implementing Agency, is responsible for the oversight of the GEF resources and the cash co-financing transferred to UNDP bank account only.

Co-financing: The actual realization of project co-financing amounts will be monitored by the UNDP Country Office and the PMU on an annual basis in the GEF PIF and will be reported to the GEF during the mid-term review and terminal evaluation process as follows:

Co-financing source	Co-financing type	Co-financing amount
Government (Ministry of Planning and Development (MoPD).	Grant	135,900,000
Government (Ministry of Planning and Development (MoPD).	In-kind	35,000,000
Government (Ethiopia Coffee and Tea Authority)	Grant	16,839,000
Government (Ethiopia Coffee and Tea Authority)	In-kind	400,000
Government (Ethiopia Coffee and Tea Authority)	Investment Mobilized	12,439,969
Government (Ethiopia Coffee and Tea Authority)	Investment Mobilized	4,000,000
World Resources Institute	Investment Mobilized	3,400,000
UNDP	Grant	500,000

Budget Revision and Tolerance: As per UNDP POPP, the project board may agree with the project manager on a tolerance level for each detailed plan under the overall multi-year workplan. The agreed tolerance should be written in the project document or approved project board meeting minutes. It should normally not exceed 10 percent of the agreed annual budget at the activity level, but within the overall approved multi-year workplan at the activity level. Within the agreed tolerances, the project manager can operate without intervention from the project board. Restrictions apply as follows:

Should the following deviations occur, the Project Manager/IP through UNDP Country Office will seek the approval of the BPPS/NCE-VF team to ensure accurate reporting to the GEF. It is **strongly encouraged** to maintain the expenditures within the approved budget at the budgetary account and at the component level:

a) Budget reallocations must prove that the suggested changes in the budget will not lead to material changes in the results to be achieved by the project. A strong justification is required and will be approved on an exceptional basis. Budget re-allocations among the components (including PMC) of the approved Total Budget and Work Plans (TBWP) that represent a value greater than 10% of the total GEF grant.

b) Introduction of new outputs/activities (i.e. budget items) that were not part of the agreed project document and TBWP that represent a value greater than 5% of the total GEF grant. The new budget items must be eligible as per the GEF and UNDP policies.

c) Project management cost (PMC): budget under PMC component is capped and cannot be increased.

Any over expenditure incurred beyond the available GEF grant amount must be absorbed by non-GEF resources (e.g. UNDP TRAC or cash co-financing).

Project extensions: The UNDP Resident Representative and the UNDP-GEF Executive Coordinator must approve all project extension requests. Note that all extensions incur costs and the GEF project budget cannot be increased. A single extension may be granted on an exceptional basis and subject to the conditions and maximum durations set out in the UNDP POPP; the project management costs during the extension period must remain within the originally approved amount, and any increase in PMC costs will be covered by non-GEF resources; the additional UNDP oversight costs during the extension period must be covered by non-GEF resources, in accordance with UNDP's guidance set out in UNDP POPP.

Audit: The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. Audit cycle and process must be discussed during the Inception workshop. If the Implementing Partner is an UN Agency, the project will be audited according to that Agencies applicable audit policies. *The costs for audit cannot be included under M&E component and budget and must be included under PMC.*

Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP. All costs incurred to close the project must be included in the project closure budget and reported as final project commitments presented to the Project Board during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget.

Operational completion: The project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities have been completed. This includes the final clearance of the Terminal Evaluation Report (that will be available in English) and the corresponding management response, and the end-of-project review Project Board meeting. **Operational closure must happen at the end date calculated by the approved duration after the Project Document signature or at the revised operational closure date as approved in the project extension. Any expected activity after the operational date requires project extension approval.** The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. At this time, the project should have completed the transfer or disposal of any equipment that is still the property of UNDP.

Transfer or disposal of assets: In consultation with the Implementing Partner and other parties of the project, UNDP is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal

of assets is recommended to be reviewed and endorsed by the project board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project (it is strongly encouraged to be done before the operational closure date). In all cases of transfer, a transfer document must be prepared and kept on file[48]. The transfer should be done before Project Management Unit complete their assignments.

Financial completion (closure): The project will be financially closed when the following conditions have been met: a) the project is operationally completed or has been cancelled; b) the Implementing Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).

The project will be financially completed **within 6 months of operational closure or after the date of cancellation**. If Operational Closure is delayed for any justified and approved reason, the Country Office should do all efforts to Financially Close the project within 9 months after TE is completed. Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to the BPPS/NCE-VF Unit for confirmation before the project will be financially closed in Atlas by the UNDP Country Office.

Refund to GEF: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the BPPS/NCE-VF Directorate in New York. No action is required by the UNDP Country Office on the actual refund from UNDP project to the GEF Trustee.

[48] See https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Project%20Management_Closing.docx&action=default.

VIII. TOTAL BUDGET AND WORK PLAN

Total Budget and Work Plan			
Atlas Award ID:	00129286	***Atlas Output Project ID:***	00123025
Atlas Proposal or Award Title:	Preventing Forest loss, Promoting Restoration and Integrating Sustainability into Ethiopia's Coffee Value Chains and Food System		
Atlas Business Unit:	ETH10		
Atlas Primary Output Project Title:	Preventing Forest loss, Promoting Restoration and Integrating Sustainability into Ethiopia's Coffee Value Chains and Food System		
UNDP PIMS No.:	6304		
Implementing Partner:	Ministry of Planning and Development (MoPD).		

Atlas Activity (GEF Component)	Atlas Implementing Agent (RP, IP or UNDP)[2]	Atlas Fund ID	Donor Name	Atlas Budgetary Account Code [3]	ATLAS Budget Account Description [3]	Year 1 (2021) (USD)	Year 2 (2022) (USD)	Year 3 (2023) (USD)	Year 4 (2024) (USD)	Year 5 (2025) (USD)	Year 6 (2026) (USD)	Year 7 (2027) (USD)	Total	*Budgt note*
COMPONENT 1: *Development of integrated landscape planning and management systems in Oromia, SNNP and Sidama regions*	**MoPD/ UNDP**	**62000**	**GEF**	72100	Contractual Services-Companies	10,000	48,000	53,000	53,000	53,000	53,000	-	270,000	*1*
	UNDP			72200	Equipment and Furniture	198,000	-	-	-	-	-	-	198,000	*2*
	MoPD			73400	Rental & Maint of Other Equip	-	9,680	9,680	9,680	9,680	9,680	9,680	58,080	*3*
	MoPD/ UNDP			72800	Information Technology Eq.	200,000	1,008,000	-	-	-	-	-	1,208,000	*4*
	MoPD/ UNDP			73300	Rental & Maint of Info Tech Eq	-	61,500	61,500	61,500	61,500	61,500	61,500	369,000	*5*
	MoPD			72500	Supplies	-	26,400	-	-	13,200	-	-	39,600	*6*
	MoPD			71600	Travel	2,000	5,000	5,000	5,000	5,000	5,000	2,000	29,000	*7*
	MoPD/ UNDP			75700	Training, Workshops & Confer		198,720	198,720	198,720	198,720	198,720		993,600	*8*
				Sub-Total Component 1 (GEF)		**410,000**	**1,357,300**	**327,900**	**327,900**	**341,100**	**327,900**	**73,180**	**3,165,280**	
	MoPD/ UNDP	**4000**	**UNDP**	71600	Travel	9,000	22,000	22,000	22,000	22,000	22,000	9,000	128,000	9

Atlas Activity (GEF Component)	Atlas Implementing Agent (RP, IP or UNDP)[2]	Atlas Fund ID	Donor Name	Atlas Budgetary Account Code [3]	ATLAS Budget Account Description [3]	Year 1 (2021) (USD)	Year 2 (2022) (USD)	Year 3 (2023) (USD)	Year 4 (2024) (USD)	Year 5 (2025) (USD)	Year 6 (2026) (USD)	Year 7 (2027) (USD)	Total	*Budgt note*
				Sub-Total Component 1 (UNDP)		**9,000**	**22,000**	**22,000**	**22,000**	**22,000**	**22,000**	**9,000**	**128,000**	
				Total Component 1		**419,000**	**1,379,300**	**349,900**	**349,900**	**363,100**	**349,900**	**82,180**	**3,293,280**	
COMPONENT 2: *Promotion of sustainable food production practices and responsible value chains across coffee zone of Oromia, SNNP and Sidama*	**MoPD**	**62000**	**GEF**	71800	Contractual Services - Individ	-	454,800	534,000	58,800	58,800	58,800	58,800	1,224,000	*10*
	MoPD /UNDP			72100	Contractual Services-Companies	19,000	324,000	509,000	509,000	274,000	274,000	205,000	2,114,000	*11*
	MoPD/ UNDP			72600	Grants	-	367,500	367,500	367,500	367,500	367,500	-	1,837,500	*12*
	MoPD/ UNDP			72400	Communic & Audio Visual Equip	260,000	156,000	156,000	40,000	156,000	156,000	156,000	1,080,000	*13*
	MoPD/ UNDP			72300	Materials & Goods	90,000	3,000,000	-	-	-	-	-	3,090,000	*14*
	MoPD			71600	Travel	600	3,000	3,000	3,000	3,000	3,000	600	16,200	*15*
	MoPD			74200	Audio Visual&Print Prod Costs	-	10,000	10,000	10,000	10,000	10,000	-	50,000	*16*
				71200	International Consultants	40,000	-	-	-	-	-	-	40,000	17
	MoPD			74500	Miscellaneous Expenses	-	1,000	1,500	1,500	1,500	1,000	1,000	7,500	*18*
	MoPD/ UNDP			75700	Training, Workshops & Confer	-	45,000	70,000	70,000	70,000	70,000	80,000	405,000	*19*
				Sub - Total Component 2 (GEF)		**409,600**	**4,361,300**	**1,651,000**	**1,059,800**	**940,800**	**940,300**	**501,400**	**9,864,200**	
	MoPD /UNDP	**4000**	**UNDP**	71600	Travel	4,000	9,000	9,000	9,000	9,000	9,000	4,000	53,000	20

Atlas Activity (GEF Component)	Atlas Implementing Agent (RP, IP or UNDP)[2]	Atlas Fund ID	Donor Name	Atlas Budgetary Account Code [3]	ATLAS Budget Account Description [3]	Year 1 (2021) (USD)	Year 2 (2022) (USD)	Year 3 (2023) (USD)	Year 4 (2024) (USD)	Year 5 (2025) (USD)	Year 6 (2026) (USD)	Year 7 (2027) (USD)	Total	*Budgt note*
				Sub-Total Component 2 (UNDP)		**4,000**	**9,000**	**9,000**	**9,000**	**9,000**	**9,000**	**4,000**	**53,000**	
				Total Component 2		**413,600**	**4,370,300**	**1,660,000**	**1,068,800**	**949,800**	**949,300**	**505,400**	**9,917,200**	
COMPONENT 3: *Conservation and restoration of natural habitats through Participatory Forest Management*	**MoPD**	**62000**	**GEF**	71800	Contractual Services - Individ	-	180,000	180,000	180,000	180,000	180,000	180,000	1,080,000	*21*
	MoPD			72100	Contractual Services-Companies	10,000	133,000	414,000	360,000	350,000	350,000	64,000	1,681,000	*22*
	UNDP			72200	Equipment and Furniture	180,000							180,000	*23*
	MoPD/ UNDP			72400	Communic & Audio Visual Equip	49,350	33,000	33,000	38,000	33,000	33,000	33,000	252,350	*24*
	MoPD/ UNDP			72300	Materials & Goods	464,450	70,000	70,000	70,000	70,000	70,000	70,000	884,450	*25*
	MoPD			71600	Travel	600	3,000	3,000	3,000	3,000	3,000	600	16,200	*26*
	MoPD			73400	Rental & Maint of Other Equip	-	8,800	8,800	8,800	8,800	8,800	8,800	52,800	*27*
	MoPD			74200	Audio Visual&Print Prod Costs	-	-	5,000	5,000	5,000	5,000	-	20,000	*28*
	MoPD			74500	Miscellaneous Expenses	-	1,400	1,400	1,400	1,400	1,400	1,400	8,400	*29*
	MoPD			75700	Training, Workshops & Confer	-	2,880	46,000	46,000	46,000	46,000	46,000	232,880	*30*
				Sub-Total Component 3 (GEF)		**704,400**	**432,080**	**761,200**	**712,200**	**697,200**	**697,200**	**403,800**	**4,408,080**	
	MoPD	**4000**	**UNDP**	71600	Travel	4,000	9,000	9,000	9,000	9,000	9,000	4,000	53,000	31

Atlas Activity (GEF Component)	Atlas Implementing Agent (RP, IP or UNDP)[2]	Atlas Fund ID	Donor Name	Atlas Budgetary Account Code [3]	ATLAS Budget Account Description [3]	Year 1 (2021) (USD)	Year 2 (2022) (USD)	Year 3 (2023) (USD)	Year 4 (2024) (USD)	Year 5 (2025) (USD)	Year 6 (2026) (USD)	Year 7 (2027) (USD)	Total	Budgt note
				Sub-Total Component 3 (UNDP)		**4,000**	**9,000**	**9,000**	**9,000**	**9,000**	**9,000**	**4,000**	**53,000**	
				Total Component 3		**708,400**	**441,080**	**770,200**	**721,200**	**706,200**	**706,200**	**407,800**	**4,461,080**	
COMPONENT 4: *M&E and Knowledge Management for replication and scaling-up*	**UNDP**	**62000**	**GEF**	71200	International Consultants	-	-	-	50,000	-	-	50,000	100,000	*32*
	MoPD			71800	Contractual Services - Individ	-	18,000	18,000	18,000	18,000	18,000	18,000	108,000	*33*
	MoPD			71600	Travel	-	13,370	13,366	13,366	13,366	13,366	13,366	80,200	*34*
	MoPD			75700	Training, Workshops & Confer	48,000	-	-	-	-	-	-	48,000	*35*
					Sub-total M & E	**48,000**	**31,370**	**31,366**	**81,366**	**31,366**	**31,366**	**81,366**	**336,200**	
	MoPD			71800	Contractual Services - Individ	-	46,800	46,800	46,800	46,800	46,800	46,800	280,800	*36*
	MoPD/ UNDP			71600	Travel	6,000	76,630	91,634	91,634	91,634	91,634	52,634	501,800	*37*
	MoPD			74200	Audio Visual &Print Prod Costs	-	6,000	10,000	10,000	10,000	50,000	6,000	92,000	*38*
	MoPD/ UNDP			75700	Training, Workshops & Confer	-	112,531	122,527	122,527	122,527	122,527	122,527	725,166	*39*
					Sub-total KM	**6,000**	**241,961**	**270,961**	**270,961**	**270,961**	**310,961**	**227,961**	**1,599,766**	
				Total Component 4 (GEF)		**54,000**	**273,331**	**302,327**	**352,327**	**302,327**	**342,327**	**309,327**	**1,935,966**	
Project Management Costs	**UNDP**	**62000**	**GEF**	71200	International Consultants	40,000	-	-	-	-	-	-	40,000	*40*
	MoPD			71800	Contractual Services - Individ	52,885	52,885	52,885	52,885	52,885	52,885	52,890	370,200	*41*

Atlas Activity (GEF Component)	Atlas Implementing Agent (RP, IP or UNDP)[2]	Atlas Fund ID	Donor Name	Atlas Budgetary Account Code [3]	ATLAS Budget Account Description [3]	Year 1 (2021) (USD)	Year 2 (2022) (USD)	Year 3 (2023) (USD)	Year 4 (2024) (USD)	Year 5 (2025) (USD)	Year 6 (2026) (USD)	Year 7 (2027) (USD)	Total	*Budgt note*
	MoPD			72200	Equipment and Furniture	40,000	-	-	-	-	-	-	40,000	*42*
	MoPD/ UNDP			71600	Travel	20,000	25,000	25,000	25,000	25,000	25,000	25,000	170,000	*43*
	UNDP			74100	Professional Services	10,000	10,000	10,000	10,000	10,000	10,000	10,000	70,000	*44*
	MoPD			72800	Information Technology Equipmt	34,902	-	-	-	-	-	-	34,902	*45*
	MoPD			72500	Supplies	5,279	5,000	5,000	5,000	5,000	5,000	5,000	35,279	*46*
	MoPD			72400	Communic & Audio Visual Equip	3,185	3,185	3,185	3,185	3,185	3,185	3,185	22,295	*47*
	MoPD/ UNDP			75700	Training, Workshops & Confer	27,000	19,230	23,500	21,500	23,500	24,500	24,500	163,730	*48*
	UNDP			74596	Direct Project Costs	6,000	6,270	2,000	4,000	2,000	1,000	1,000	22,270	*49*
				PMC - GEF		**239,251**	**121,570**	**121,570**	**121,570**	**121,570**	**121,570**	**121,575**	***968,676***	
	UNDP	4000	UNDP	72200	Equipment and Furniture	122,000	-	-	-	-	-	-	122,000	*50*
	MoPD/ UNDP			73400	Rental & Maint of Other Equip	12,000	24,000	24,000	24,000	24,000	24,000	12,000	144,000	*51*
				PMC - UNDP		**134,000**	**24,000**	**24,000**	**24,000**	**24,000**	**24,000**	**12,000**	**266,000**	
				Total Project Management		**373,251**	**145,570**	**145,570**	**145,570**	**145,570**	**145,570**	**133,575**	**1,234,676**	
SUB-TOTAL GEF						**1,817,251**	**6,545,581**	**3,163,997**	**2,573,797**	**2,402,997**	**2,429,297**	**1,409,282**	**20,342,202**	
Sub-TOTAL UNDP						**151,000**	**64,000**	**64,000**	**64,000**	**64,000**	**64,000**	**29,000**	**500,000**	

Atlas Activity (GEF Component)	Atlas Implementing Agent (RP, IP or UNDP)[2]	Atlas Fund ID	Donor Name	Atlas Budgetary Account Code [3]	ATLAS Budget Account Description [3]	Year 1 (2021) (USD)	Year 2 (2022) (USD)	Year 3 (2023) (USD)	Year 4 (2024) (USD)	Year 5 (2025) (USD)	Year 6 (2026) (USD)	Year 7 (2027) (USD)	Total	*Budgt note*
					PROJECT TOTAL	**1,968,251**	**6,609,581**	**3,227,997**	**2,637,797**	**2,466,997**	**2,493,297**	**1,438,282**	**20,842,202**	

Summary of funds

	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Total
	Year1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
GEF	1,817,251	6,545,581	3,163,997	2,573,797	2,402,997	2,429,297	1,409,282	**20,342,202**
UNDP	151,000	64,000	64,000	64,000	64,000	64,000	29,000	**500,000**
Government (MoPD)	24,000,000	24,000,000	25,450,000	25,450,000	24,000,000	24,000,000	24,000,000	**170,900,000**
ECTA	4,811,281	4,811,281	4,811,281	4,811,281	4,811,281	4,811,282	4,811,282	**33,678,969**
WRI	475,000	500,000	500,000	500,000	475,000	475,000	475,000	**3,400,000**
TOTAL	**31,254,532**	**35,920,862**	**33,989,278**	**33,399,078**	**31,753,278**	**31,779,579**	**30,724,564**	**228,821,171**

Budget Notes

B/No.	Budget Note Description
1	This amount of $270,000 for Contractual Services - Companies in Component 1 supports all five of the component outputs through procuring the services of two major consulting firms or non-governmental organizations that are well qualified technically and have a presence in Ethiopia, as set out below: Technical Contract A to undertake federal and regional level capacity building in Years 1-6 Total contract value for both parts is $100,000, with work to be carried out from Year 1 to Year 6, with $10,000 expected to be disbursed in Year 1, and $18,000 in each of the (five years) Years 2-6. (i) $60,000 for Output 1.1 – a consulting firm or organization to be responsible for working with MoPD and other government agencies at federal level to – (i) undertake capacity survey; (ii) support the preparation of GIS and mapping hardware and software specifications to be procured for federal governments; (iii) provide technical support to MoPD land use planning office; (iv) conduct training sessions at national level; (v) develop directives and guidelines for implementation of the national land use planning policy; and (vi) support NMA to jointly with MoPD and other stakeholders to undertake study on use of meteorological data and satellite imagery to influence long-term agro-ecological planning for climate change and generate an aerial dispersion model for pest and disease surveillance and early warning in agriculture and forestry systems. (ii) $40,000 for Output 1.2 – to work with governments in Oromia, SNNP and Sidama Regions, and the 8 zones into which the project woredas (districts) fall – to (i) provide technical support to Oromia Land Administration Bureau, SNNP Land Office in Agriculture Bureau, and relevant officials in Sidama; (ii) conduct training sessions at regional level; (iii) support process to establish, equip and train land use planning capacity in Oromia, SNNP and Sidama Regional Governments for ongoing mapping, planning and fieldwork; (iv) conduct training of trainers at regional level to establish cascading training system for all zones. Sub-total = $100,000 Technical Contract B to undertake zonal, woreda (district) and kebele (village) land use planning capacity development in Years 2-6 Total contract value for the three parts is $170,000, with work to be carried out from Year 2 to Year 6, with $30,000 expected to be disbursed in Year 1, and $35,000 in each of the (four years) Years 3-6. (i) $60,000 for Output 1.3 – to work with government in 8 Project Zones: Oromia: Jimma, Ilu Aba Bora, West Arsi, West Guji; Sidama: Sidama; SNNP: Gedeo, Kefa, Bench Sheko and woreda (district) administrations in 22 Project Woredas (districts) to – (i) procure hardware, software, smartphones and data for project zones and woredas (districts) for data collection, analysis, storage etc; (ii) facilitate 2 sets of 8 zonal training workshops ; (iii) hold 2 sets of 22 woredas (districts) training workshops; (iv) support process to establish and equip land use planning and GIS capacity in 8 Project Zones, 22 Project Woredas (districts); (v) support learning exchange visits, including to the Amhara region where land use planning is already underway. (ii) $60,000 for Output 1.4 – to work with the woreda (districts) administrations in the 22 Project woredas (districts) and their selected 5 Project Kebeles (villages) each (total 110 Project Kebeles (villages) to – (i) design kebele (village)-level survey instrument; (ii) process the survey results and

B/No.	Budget Note Description
	publish them; (iii) design the women's capacity development programme; (iv) train local NGOs for undertaking kebele (village)-level survey, community training, participatory planning and delivery of women's capacity programme. (iii) $50,000 for Output 1.5 – to work with the 22 project woredas (districts) administrations and 110 project Kebeles (villages) to (i) develop participatory planning methodology; (ii) develop and disseminate public awareness materials, (iii) develop participatory, gender-responsive methodology for local level multi-stakeholder land use planning that utilizes appropriate technology, (iv) establish and train Woreda (district) and Kebele (villages) Land Use Planning Teams, (v) support Teams to develop, regularly update and monitor implementation of Integrated Land Use Plans Sub-total = $170,000 **TOTAL: $270,000**
2	This amount of $198,000 for Transportation Equipment in Component 1 to supports Outputs 1.3, 1.4 and 1.5 at woreda (district) and kebele (village) level, by equipping each of the 22 Project Woredas (districts) with an off-road motorbike for travel around the woreda (district) and to the 5 kebeles (villages) per woreda (district) in which a Land Use Planning Team will be established and participatory land use planning conducted. The motorbikes will also support the involvement of the woreda (district) administration in the activities of Component 2 on small-scale farmer and coffee support, and Component 3 on participatory forest management. The motorbikes will be managed by the office of the Chief Administrator in each project Woreda (district), and full logbooks will be kept, with receipts for fuel and maintenance. The budget line is made up as follows: · 22 motorbikes at project start @ $9,000 each = $198,000 in the first year **TOTAL: $198,000**
3	This amount to cover the fuel and maintenance of the motor bikes for each woreda (district): · 22 x annual contribution to fuel budget @ $320 = $7,040 x 6 years = $42,240 · 22 x annual contribution to maintenance budget of $120 = $2,640 x 6 years = $15,840 **TOTAL: $58,080**
4	This total of $1,208,000 for *Information Technology Equipment* in Component 1 includes IT equipment for appropriate land use planning agency/ies and inter-agency collaboration structures at federal level; and also, in Oromia, SNNP and Sidama Regional Governments for ongoing mapping, planning and fieldwork. Additional IT equipment will be supplied to equip land use planning and GIS capacity in 8 Project Zones, and 22 Project Woredas (districts). These are the elements of the budget line: (i) A sum of $225,000 is for Year 1 to equip each of the 5 new Land Use Monitoring Units (LUMU) (to be established and run with project funds, with costs to maintain hardware to be taken over by government after project end: 1 unit at Federal level, and 1 unit at Regional Level in each of 3 project Regions: Oromia, Sidama and SNNP. Each unit's hardware will cost $51,000 and will include: · 3 work-stations (>=24 cores e.g. new AMD Ryzen Threadripper, >=64+ GB DDR4 RAM, >= 4TB HDD >=1 TB SDD, >=4GB discrete graphics, >=32" UHD monitor) @ $15,000 each = $45,000

B/No.	Budget Note Description
	· 1 database server to hold the spatial databases and serve metadata to other nodes @ $10,000 = $10,000 · 4 laptop computers per LUMU @ $2,000 each = $8,000 X 5 LUMUs = $40,000 · 1 storage and backup system (racks of hard disks or portable drives, recommended thunderbolt) @ $6,000 X 5 LUMUs = $30,000 · 1 power backup (UPS/online inverters with battery backup) @ $12,000 X 5 LUMUs = $60,000 *Sub-total = $225,000* (ii) In addition, a sum of $889,500 is budgeted in Year 2 for the purchase of GIS / remote sensing equipment to be used at zonal and woreda (district) levels, including survey equipment (drones), with the necessary software to integrate the data with the GIS/RS and monitoring systems. These will be purchased for each of the 8 project zones and 22 project woredas (districts), (reporting in to the 3 regional land use monitoring units). The equipment set for each project woreda (district) will be managed as part of the inventory under the Chief Administrator in each project woreda (district), with a lockable room provided for storage when equipment is not in active use. Each equipment set will include: · UAV mapping equipment (drones + camera) survey system with software @ $20,000 x 30 = $600,000 · Differential RTK GPS units with base and rovers (Magellan/Ashtec, Garmin)@ $9,000 x 30 = $270,000 · Hand-held GPS units (Garmin 30x) @ 300 each x 30 units = $9,000 · High-capability smartphones @ $350 each x 30 = $10,500 *Sub-total = $889,500* (iii) Training on use of equipment for mapping and remote sending (e.g. drones, GPS, software etc) and maintenance related cost: $93,500 **TOTAL: $1,208,000**
5	This total of $369,000 for *Rental and Maintenance of Information Technology Equipment* in Component 1 includes: (i) Budgeted funds of $9,000 per year (for six years) from Year 2 to Year 7 to cover operating expenses for each of the 4 major land use planning units: 1 Federal, 3 Regional (to be established and run with project funds, with operational costs to be taken over by government after project end). These operating expenses will include electricity, fees to internet service provider, cloud and hosting services (recommended subscription to GoogleDrive or GoogleCloud), consumables (batteries, hard disks, memory sticks/cards) and occasional engineering fees for repair of equipment/networks. Note: 1. Cloud-based computing is recommended as more sustainable than purchase of equipment that will quickly become obsolete. The GoogleEarth Engine is recommended as the primary platform for remote sensing analysis. 2. Open source technologies are recommended as more sustainable than purchasing proprietary ESRI/ENVI software that comes with lock-in and subscription-based licences, that can become a significant burden on government and/or result in data being locked in. Recommended open source software is: Remote sensing and GIS: GRASS, QGIS, SAGA and OTB. Analysis and visualisation: R, Python (NumPY), Database server: PostgreSQL/PostGIS Spatial data storage and server for data or metadata: GeoNetworks OpenSource - $9,000 x 4 units = $36,000 x 6 years *Sub-total = $216,000* (ii) Budgeted funds of $1,000 per year to cover data requirements for each of the 8 project zones and 22 project woreda (districts) – a total of 34 land use planning support units - $750 x 34 units = $25,500 x 6 years *Sub-total = $153,000*

B/No.	Budget Note Description
	TOTAL of $369,000
6	This total of $39,600 for *Supplies* to be spent in Year 2 will cover the provision of a participatory land use planning pack for each of the 22 project woredas (districts) and 110 project kebeles (villages), making a total of 132 land use planning teams , each of which will receive a pack as follows, with top-ups on the paper and pens budgeted in Year 5: · 1 durable flipchart stand @ $100 x 132 teams = $13,200 · 5 initial 50-sheet pads of A1 paper @ $10 each = $50 x 132 teams = $6,600 · 5 initial packs of marker pens @ $10 each = $50 x 132 teams = $6,600 · 5 top-up 50-sheet pads of A1 paper @ $10 each = $50 x 132 teams = $6,600 · 5 top-up packs of marker pens @ $10 each = $50 x 132 teams = $6,600 **TOTAL = $39,600**
7	This total of $29,000 for *Travel* in Component 1 is based on the following: A total of $29,000 for air travel related to Component 1, for example, officials travelling to attend training workshops, made up as follows: · Year 1: 10 short domestic trips (return flight plus 2 nights' subsistence) @$200 per trip = $2,000 · Years 2-6: 25 short domestic trips (return flight plus 2 nights' subsistence) @$200 per trip = $5,000 per year x 5 years = $25,000 · Year 7: 10 short domestic trips (return flight plus 2 nights' subsistence) @$200 per trip = $2,000 **TOTAL: $29,000**
8	This total of $993,600 for *Training, Workshops and Conferences* in Component 1 is based on the following land use planning and coordination workshops (as proposed under activities 1.2.1; 1.2.2; 1.3.2; 1.3.4; 1.4.2; and 1.4.4) to be held in each year from Years 2-6 (five years), in the 22 project woredas (districts) and 110 project kebeles (villages) (132 in total), and in the three regions plus federal level (4 in total), based on 2 workshops each per year. The federal and regional workshops will be led and hosted by the MoPD, and supported by Contracts A and B. · A total of 264 (132 x 2) smaller workshops (rural based/up to 50 people) @$500 per workshop = $132,000 per year x 5 years = $660,000 · A total of 8 (4 x 2) larger workshops / conferences (city-based/up to 250 people) at $5,000 per workshop/conference = $40,000 per year x 5 years = $200,000 · Professional facilitation costs for the 40 larger workshops/ conferences @ $3,000 per facilitator = $120,000 · Workshop materials x 1,360 workshops / conferences: folders, paper, pens, printouts @ $10 per package = $13,600 **TOTAL = $993,600**

B/No.	Budget Note Description
9	The total of $145,000 for road travel related to Component 1, for example, transport costs for workshop participants, zonal officials attending woreda (district) -level meetings, woreda (district) officials attending kebele (village)-level meetings: · Year 1: local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $9,000 · Years 2-6: local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $22,000 x 5 years = $110,000 · Year 7: local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $9,000 *This cost is covered by UNDP co-financing amount* **TOTAL: $145,000**
10	This total of $1,224,000 for *Contractual Services - Individuals* in Component 2 will cover two batches of service contracts in support of Output 2.2 of the project which is strengthening farmer support systems, including for sustainable coffee production, in each of the 110 project kebeles (villages) (5 each in the 22 project woredas (districts), as follows: (i) Service contracts for four individuals, running (for six years) from Year 2 to Year 7, providing support through the project satellite offices based in Hawassa and Jimma: · 1 Agroforestry Support Coordinator for western landscape A (based in Jimma) @ $1,800 pm x 12 months = $21,600 per year x 6 years = $129,600 · 1 Agroforestry Support Coordinator for eastern landscape B (based in Hawassa) @ $1,800 pm x 12 months = $21,600 per year x 6 years = $129,600 · 1 Agroforestry Support Admin & Finance Officer for western landscape A (based in Jimma) @ $650 pm x 12 months = $7,800 per year x 6 years = $46,800 · 1 Agroforestry Support Admin & Finance Officer for eastern landscape B (based in Hawassa) @ $650 pm x 12 months = $7,800 per year x 6 years = $46,800 · $58,800 per year x 6 years *Sub-total = $352,800* (ii) Service contracts for specialized coffee extensionists development agents – 3 in each of the 22 project woredas (districts), servicing the 110 kebeles (villages), to be paid with project funds for 2 years (Years 2 and 3), where after their salaries will be taken over by the relevant government authorities: · 66 Coffee Development Agents (based in project woredas (districts) and servicing project kebeles (villages) basic salary @ ($500 pm x 12 months = $6,000 per year x 2 years =) $12,000 = $792,000 · plus discretionary incentive for good performance in second year of additional $100 pm – up to a maximum of 66 agents @ ($100 pm x 12 month) $1,200 = $79,200 · So, $396,000 in Year 2, and up to $475,200 in Year 3. *Sub-total = $871,200* **TOTAL = $1,224,000**

B/No.	Budget Note Description
11	This total of $2,114,000 for *Contractual Services - Companies* will cover 5 separate contracts in support of Component 2 of the project on promoting sustainable food production and responsible coffee supply chains, as follows (detailed TORs in Annex 8): **Technical Contract C to support Dialogues on Greening Agricultural Value Chains in Years 3 and 4** A $70,000 contract will be concluded, through a competitive process, with a consulting firm or non-governmental organization that is well qualified technically and has a presence in Ethiopia to: design the process for zonal dialogues with the Agricultural Transformation Agency and facilitate the events, facilitate the national conference, and support applications in 10 ACC woredas (districts)s for ATA funding to support activities in project kebeles (villages). a. $30,000 will be for the above-mentioned services, and the administration of b. below b. $40,000 will make up 10 sub-contracts of $4,000 each to be passed on to local NGOs to support kebeles (villages) to prepare 2-3 funding applications each to ATA Funding to be split equally across Years 3 and 4, ($35,000 each), with procurement in Q3 of Year 2. *Sub-total = $70,000* **Technical Contract D to support Extension to Small-scale Farmers in Years 1-7** A $369,000 contract will be concluded, through a competitive process, with a consulting firm or major non-governmental organization that is well qualified technically and has a presence in Ethiopia to: (i) outline the project approach to agricultural and coffee extension in the target sites and for scaling up; (ii) design an in-service training course for agricultural extension development agents; (iii) design a pre-service training course for new development agents specializing in coffee extension; (iv) produce a series of short videos promoting women's access to extension services; (v) develop content for a radio programme and SMS service for farm households; and (vi) train local NGOs on support to women/youth coops and the Jamiipay app. The consulting firm / major NGO taking on the contract will work very closely with the Agroforestry Support Coordinators based in Jimma and Hawassa, as well as the project woreda (district) administrations. a) $50,000 will be for the above-mentioned services and to cover the costs of administering b. and c. below, sub-contracting NGOs and procuring equipment for farmer training centres and model farms, on coordination with project woreda (district) administrations b) $99,000 will make up 22 sub-contracts of $4,500 each to be passed on to local NGOs in each project woreda (district) to support the 5 project kebeles (villages) of that woreda (district) as follows: (i) support DAs to train model farmers, (ii) support women / youth coops and help them access partners; (ii) introduce Jamiipay to women's self-help and savings groups c) $220,000 will be made available for training equipment – $10,000 per project woreda (district) for equipment needed for agricultural extension, e.g. to upgrade Farmer Training Centres and model farm equipment and demonstration plots · Funding to be split as follows: Year 1: $19,000, Years 2 - 6: $64,000 per year, Year 7: $30,000 , with procurement in Q2 of Year 1. *Sub-total = $369,000* **Technical Contract E to Run Pre- and In-Service Training of Agricultural Extensionists in Years 2-4**

B/No.	Budget Note Description
	A $500,000 contract will be concluded with an Ethiopian University in one of the project regions that is well qualified technically – to (i) run in-service training for development agents, and train them to train model farmers and upgrade farmer training centres; and (ii) train 66 new coffee extensionists (course material and methodology to be developed with the university's participation through Contract D). Funding to be split as follows: Year 2: $100,000, Year 3: $200,000, Year 4, $200,000, with procurement in Q4 of Year 1. *Sub-total = $500,000* **Technical Contract F to Facilitate Thematic Working Groups under Coffee Platform in Years 2-6** A $175,000 contract will be concluded with a consulting firm or non-governmental organization that is well qualified technically and has a presence in Ethiopia – to (i) facilitate 15 national / regional multi-stakeholder capacity development events on...; (ii) prepare inputs for platform working groups on Pillars of Coffee Strategy (Research; Production and Extension; Processing; Value Addition; and Marketing) and selected priority topics; (iii) undertake background research on priority topics, including position of women in coffee value chains, blockchain technology for transformation, and scale-up of specialist coffee extension; (iv) develop and run 2 training courses for Ethiopian coffee producers and processors – one on coffee value chain improvement and one on safeguarding the environment to preserve the uniqueness of Ethiopian coffee; (v) facilitate 3 global trade fair / cupping events; (vi) liaise with buyers and facilitate 4-6 new deals; (vii) undertake legal and commercial work to register 2-3 new regional varietal 'brands'; (viii) develop content for global marketing campaign Funding to be split as follows: $35,000 per year (for five years) Years 2-6, with procurement in Q4 of Year 1. *Sub-total = $175,000* **Technical Contract G to Deliver Support to Emerging Specialty Coffee Cooperatives in Years 2-7** A $1,000,000 contract will be concluded with a consulting firm or non-governmental organization that is well qualified technically and has a presence in Ethiopia – to: a. $500,000 to provide support to 10 cooperatives / communities with demonstrated specialty coffee potential: (i) develop outline for intensive capacity development and support package; (ii) procure necessary equipment for upgrading of pre- and post-harvest production (see b. below)- deliver package to 10 cooperatives / communities – including pre-harvest training, post-harvest training and business skills; (iii) develop and deliver women's leadership course in 10 communities b. $500,000 for equipment for upgrading of pre- and post-harvest production - $50,000 for each of the communities / cooperatives x 10 = $500,000 · Funding to be split as follows: Year 2: $125,000, Years 3-7: $175,000 per year, with procurement in Q3 of Year 1. *Sub-total = $1,000,000* **TOTAL= $2,114,000**
12	This total of $1,837,500 will be used for a **Women's Grant Scheme for Diversification Support** in Years 2-6. The Project Document to be entered into between UNDP and MoPD (the Project Executing Entity) shall include on-granting provisions, setting out the terms and conditions pursuant to which MoPD shall select, award, monitor and report low-value grants to qualified NGOs to offer livelihood diversification support to women in households losing income temporarily through pruning of coffee – to help start new lines of business, e.g. irrigated vegetables, spices, small livestock, poultry, honey or dairy activities.

B/No.	Budget Note Description
	The specific criteria for selecting NGOs will be agreed between UNDP and MoPD through detailed Terms of Reference to be drawn up prior to implementation of the activity. **TOTAL: $1,837,500**
13	This amount of $1,080,000 for *Communication equipment* in Component 2 supports Output 2.2 which offers a pruning incentive programme to small-scale coffee farmers – delivered through the 66 new coffee extensionist Development Agents – who will provide a basic training along with the package, and communicate with the farmers through a system of promoters who are other DAs (approx. 3 per kebele (village) and Model Farmers (approx. 20 per kebele (village) = 2,530 promoters in total, plus the 66 coffee DAs themselves + the 4 agriculture support staff in the satellite offices = 2,600 people The purchase of the initial phones will be in Year 1 ($260,000) and replacement phones Year 4: ($40,000), with the data etc costs spread across (six years) Years 2-7 - $130,000 per year The budget includes: (i) Smartphones for communication on coffee best practice and the incentive package · 1 smartphone with 3G capability @ $100 per device x 2,600 devices = $260,000 · Voice, SMS & data package @ $50 per year x 2,600 phones = $130,000 x 6 years = $780,000 · 400 replacement smartphones project mid-point (available only at discretion of PSC/PB, and dependent on full police report) @ $100 = $40,000 **TOTAL: $1,080,000**

B/No.	Budget Note Description
14	This amount of $3,090,000 for *Materials and Goods* is for purchase of farming tools and equipment that will form pact of the incentive package to offered to farmers to conduct pruning. The purchase of the coffee pruning incentive package goods is expected to be made upfront in Year 2, with procurement beginning in Q2 of Year 1: so $90,000 for administrative costs related to procurement of the equipment in Year 1 and $3,000,000 spent in Year 2 for the actual costs of the equipment. The budget includes: i. A basic coffee pruning incentive package (secateurs, saw, panga, fork) with advanced package (which includes wheelbarrow) made available at point where farmers prove pruning / stumping done and over a threshold number of bushes. It is estimated that in the 110 Project Kebeles (villages) there will be approximately 800 farm households participating in each = 88,000 farmers in total, of which it is assumed just under 80% will have at least some coffee bushes, such that: · 70,000 farmers will require basic pruning package: fork, slasher, pruning saw, secateurs · 10,000 of these will also require advanced pruning package: including sturdy wheelbarrow o Basic pruning package @ $30 x 70,000 = $2,100,000 o Advanced pruning package @ $90 x 10,000 = $900,000 *Sub-total = $3,000,000* ii. Because the coffee pruning package material involves purchase of large quantities of imported goods, budget is also allocated for support by a third-party service provider to undertake procurement support for these purchase – an amount of 3% of the purchase total, or $90,000 *Sub-total = $90,000* **TOTAL: $3,090,000**
15	This total of $16,200 for *Travel* in Component 2 is based on the following: A total of $16,200 for air travel related to Component 2, for example, officials travelling to attend university course openings, or conferences, made up as follows: · Year 1: 3 short domestic trips (return flight plus 2 nights' subsistence) @$200 per trip = $600 · Years 2-6: 15 short domestic trips (return flight plus 2 nights' subsistence) @$200 per trip = $3,000 per year x 5 years = $15,000 · Year 7: 3 short domestic trips (return flight plus 2 nights' subsistence) @$200 per trip = $600 **TOTAL = $16,200**
16	This total of $50,000 for *Audiovisual and Print Production Costs* in Component 2 is based on the following two contracts: (i) $20,000 in support of Output 2.2 to develop and pilot a radio programme in three regional languages, and work with the holders of Contracts B and D to develop a communication system between farmers and DAs with mobile phone short message service, app for monitoring farmer engagement and results, and kebele (village) data centres (ii) $30,000 in support of Output 2.5 to conduct national and global communications and marketing campaign, including support for 2-3 emerging regional varietal specialty coffee 'brands, and a video diary to trace the journey of batches through roasting and grinding process in Ethiopia, to quality testing and grading in the laboratory in Addis Ababa and/or Turin, Italy (Lavazza). The first one spread evenly across Years 2-3, with procurement in Q1 of Year 2, and the second one spread evenly across Years 4, 5 and 6, with procurement in Q2 of Year 3

B/No.	Budget Note Description
	TOTAL: $50,000
17	A total of $40,000 for *International Consultants* for Component 2 for short-term contracts to provide technical advice and support at inception on Sustainable Coffee Production and Value Chains @ $40,000 **TOTAL: $40,000**
18	This amount of $7,500 is for *Miscellaneous* expenses, related to the work on Component 2, to be split between the two project satellite offices in Jimma and Hawassa. **TOTAL: $7,500**
19	This total of $405,000 for *Training, Workshops and Conferences* in Component 2 is based on the following events / clusters of events: i. $45,000 for workshops in support of Output 2.1 on greening agricultural value chains (under ATA) - see budget note 10: 8 zonal dialogue events and 1 national conference = 9 events at $5,000 each = $45,000 ii. $160,000 for workshops in support of Output 2.3 on national and regional coffee platforms (under ECTA): 1 national and 3 regional multi-stakeholder capacity building events each year x 5 years = 20 events @ $8,000 per event = $160,000 iii. $200,000 for events in support of Output 2.5 for global marketing and engaging specialty coffee buyers (under ECTA): 3 major global trade fair / cupping events in Years 3 – 7 These expenses will happen over 6 years from Year 2 to Year 7, led by ECTA and ATA, with Year 2: $45,000, Years 3-7 $80,000 per year **TOTAL: $405,000**
20	A total of $53,000 for road travel related to Component 2, for example, transport costs for workshop participants, zonal officials attending woreda (district) -level meetings, woreda (district) officials attending kebele (village)-level meetings: · Year 1: local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $4,000 · Years 2-6: local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $9,000 x 5 years = $45,000 · Year 7: local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $4,000 This cost is covered by UNDP co-financing **TOTAL = $53,000**

B/No.	Budget Note Description
21	This total of $1,080,000 for *Contractual Services - Individuals* will cover two batches of service contracts in support of Component 3 of the project on Participatory Forest Management and associated businesses, to be carried out in 10 sites across the project landscapes, including both unprotected community forests and buffer zones of forest biosphere reserves: · Service contracts for Forest Rangers working with the communities on PFM and overseeing activities in Output 3.2 · 3 Forest Rangers per site x 10 sites = 30 rangers @ ($500 pm x 12 months =) $6,000 per year = $180,000 x 6 years = $1,080,000 Ø The first batch of contracts will run from Year 2 to Year 7 ($180,000 per year), with recruitment in Q3 of Year 1; the second batch will be carried out in Year 4, with recruitment and training in Q2 of Year 3 **TOTAL = $1,080,000**
22	This amount of $1,681,000 for *Contractual Services - Companies* in Component 3 supports the component work on participatory forest management, women and youth cooperative agroforestry businesses, and cookstoves by procuring the services of two major consulting firms or non-governmental organizations that are well qualified technically and have a presence in Ethiopia, as set out below: **Technical Contract I to facilitate Participatory Forest Management in project regions in Years 2-7** Total contract value for the three parts is $1,305,000 – a consulting firm or organization to be responsible for working with MoPD and other government agencies at regional and woreda (district) levels, as follows: a) $30,000 for Output 3.1 to (i) undertake coordination of forest/land cover monitoring and mapping stakeholders; (ii) to plan and facilitate three data sharing workshops; (iii) to plan and facilitate a national dialogue event with MoPD and forest stakeholders b) $75,000 for Output 3.2 to (i) identify and map 10 PFM sites covering at least 60,000 hectares with MoPD, local government and communities; (ii) participate with project woreda (district) administrations in appointment of 30 Forest Rangers; (iii) design and deliver training for Forest Rangers; (iv) support Rangers on strengthening /establishment of PFM structures in and around 10 sites: (v) support the assessment of forest degradation and development of restoration protocols and plans; (vi) provide guidance to Forest Rangers and communities on procurement of equipment through the project woredas (districts) and 2 Agroforestry Support Coordinators (in Jimma and Hawassa); (vii) provide oversight of all restoration and PFM activities in 10 sites and support Rangers on project reporting c) $1,200,000 to make cash payments, coordinated with Agroforestry Support Coordinators in the 2 satellite offices and with Forest Rangers - to cover restoration labour costs for Output 3.2 to be disbursed to local villagers in and around PFM sites, at a minimum of $2 per day for 10 sites - $120,000 each could thus cover 60,000 person days. Calculated over 6 years this would be 10,000 person days per year. If 100 people worked in parallel this would mean 100 days of work per person per year. Funding to be split as follows: Year 2: $55,000, Years 3-6: $300,000 per year, Year 7: $50,000, with procurement in Q2 of Year 1. *Sub-total = $1,305,000* **Technical Contract J to support women and youth-run cooperative businesses in agroforestry in Years 2-7** Total contract value for both parts is $228,000 – a consulting firm or organization to be responsible for working with MoPD and other government agencies at regional and woreda (district) levels, in coordination with the 2 Agroforestry Coordinators in the satellite offices in Jimma and Hawassa, as follows:

B/No.	Budget Note Description
	a) $30,000 to (i) set up system for selection criteria, capacity development support to cooperatives to meet the criteria, and selection of 3 cooperative businesses per project woreda (district); (ii) to provide selected cooperatives with basic business training and familiarize them with opportunities for businesses to sell agroforestry and farming inputs (in support of Activity 3.4.2 and 2.2.5, e.g. improved coffee and tree-crop seedlings, grafting material, spice seedlings, indigenous tree seedlings, fodder crop seedlings, polyethylene bags, protective gear, fertilizer, hand tools, vermicomposting start-up) or to produce briquettes from coffee waste and sawdust briquettes; (iii) support the development of business plans and securing partnerships for land and infrastructure; (iv) undertake technical training where necessary; (v) support the facilitation of transport and buying deals; (vi) provide training on cash flow, business expansion, and access to micro-credit; (vii) do the administration for selection, disbursement an, evaluation and reporting on b. below b) $198,000 to be disbursed in appropriate tranches to make 66 cooperative business support grants of up to $3,000 each to women and youth cooperative businesses who meet minimum criteria – including establishment of bank account, appointment of coordinator and treasurer, and registration of names and identity numbers of membership with the project, and submission of viable initial business concept (audio/video or written) Funding to be split as follows: Year 2: $14,000 Years 3-6: $50,000 per year, Year 7: $14,000, with procurement in Q2 of Year 1. *Sub-total = $228,000* **Technical Contract K to facilitate fuel-efficient cookstoves work in Years 1-4** Total contract value for both parts is $148,000. a) $60,000 covers work to – (i) conduct a feasibility study for regional government support to foundries manufacturing cookstove parts; (ii) to support woreda (district) administrations in selection of 200 households in each project woreda (district) to participate in the pilot; (iii) conduct rapid survey of cookstoves technology options and lessons learnt in Ethiopia on best suitable technologies; and (iv) design accessible training course in local languages, based on selected technology b) $88,000 covers work to – (i) subcontract local NGOs to train and pay women community facilitators to train 200 households each on use of fuel-efficient cookstoves; and (ii) liaise with Agroforestry Coordination and Support Centres on supply of cookstoves; (iii) track progress on the goals of 2 Cookstove Facilitators per woreda (district) x 22 project woredas (districts) = 44 facilitators trained and 8,800 cookstoves installed and functioning. Funding to be split as follows: Year 1: $10,000; Year 2: $64,000, Year 3: $64,000, Year 4: $10,000, with procurement in Q2 of Year 1 *Sub-total = $148,000* **TOTAL: $1,681,000**
23	This amount of $180,000 for *Transportation Equipment* to support two elements of Component 3 – the work with communities on Participatory Forest Management (Outputs 3.2 and 3.4). The budget includes: Motorbikes for the Forest Rangers (2 for the 10 woredas) to move around the forest restoration and PFM sites: · 20 motorbikes at project start @ $9,000 each = $180,000 – Yr 1 **TOTAL: $180,000**

B/No.	Budget Note Description
24	This amount of $252,350 for *Communication and Audio-visual Equipment* to support two elements of Component 3 – the work with communities on Participatory Forest Management (Outputs 3.2 and 3.4). The budget includes: (i) Smartphones and hand-held GPS devices for each of the 30 Forest Rangers (at the 10 PFM sites) to report in to MoPD activities undertaken for forest restoration and achievement of objectives · 30 hand-held GPS units (Garmin 30x) per site @ $300 each = $9,000 – Yr 1 · 30 high-capability smartphones @ $275 each = $8,250 – Yr 1 · 30 Voice, SMS & data package @ $100 per year = $3,000 x 6 years = $18,000 ($3,000 per year in Yrs 2-7) · 7 replacement smartphones project mid-point (available only at discretion of PSC/PB, and dependent on full police report) @ $300 = $2,100 *Yr 1 Sub total = $37,350* (ii) Smartphones for youth monitors participating with Forest Rangers in tracking restoration progress and supporting enforcement of community agreements - 30 youth monitors per site x 10 site = 300 youth monitors · 300 smartphones with 3G capability @ $100 = $30,000 – Yr 1 · Voice, SMS & data package @ $100 per year x 300 phones = $30,000 per year x 6 years = $180,000 – ($30,000 a year in Years 2-7) · 50 replacement smartphones project mid-point (available only at discretion of PSC, and dependent on full police report) @ $100 = $5,000 *Yr 4 Sub total = $215,000* **TOTAL: $252,350**
25	This amount of $884,450 for *Materials and Goods* to support two elements of Component 3 – the work with communities on Participatory Forest Management (Outputs 3.2 and 3.4) and the work on fuel-efficient cookstoves (Output 3.3). The budget includes: (i) Budget, under control of the 2 Agroforestry Support Coordinators – one for western landscape A (based in Jimma) and one for eastern landscape B (based in Hawassa) for the 10 site-based PFM structures to purchase equipment needed for restoration, e.g. fencing wire, indigenous tree seedlings, watering cans, shears, saws, gumboots, helmets etc. · allowance for 10 sets of materials and equipment @ $42,000 for each PFM site, needed for restoration, e.g. fencing wire, indigenous tree seedlings, watering cans, shears, saws, gumboots, helmets etc. = $420,000 spread over (six years) = $70,000 per year in Yrs 2-7 *Sub-total = $420,000* (ii) Purchase of uniforms/protective clothing for youth monitors participating with Forest Rangers in tracking restoration progress and supporting enforcement of community agreements – 30 youth monitors per site x 10 sites = 300 youth monitors · 330 jackets and wellington boots (rangers and monitors), with 120 replacements = 450 sets @ $25 each = $11,250 – in Yr 1 *Sub-total = $11,250* (iii) Purchase of fuel-efficient cookstoves for pilot with 400 households in each project woreda (district) · 8,800 fuel-efficient cookstoves @ $50 each = $440,000 – in Yr 1 · allocation for support by a third-party service provider to undertake procurement support for these purchase – an amount of 3% of the purchase total, or $13,200 – in Yr1 *Sub-total = $453,200* **TOTAL: $884,450**

B/No.	Budget Note Description
26	This total of $16,200 for *Travel* in Component 2 is based on the following: A total of $16,200 for air travel related to Component 2, for example, officials travelling to attend university course openings, or conferences, made up as follows: · Year 1: 3 short domestic trips (return flight plus 2 nights' subsistence) @$200 per trip = $600 · Years 2-6: 15 short domestic trips (return flight plus 2 nights' subsistence) @$200 per trip = $3,000 per year x 5 years = $15,000 · Year 7: 3 short domestic trips (return flight plus 2 nights' subsistence) @$200 per trip = $600 **TOTAL = $16,200**
27	This amount to cover the fuel and maintenance of the motor bikes for each woreda (district): · 20 x annual contribution to fuel budget @ $320 = $6,400 x 6 years = $18,000 · 20 x annual contribution to maintenance budget of $120 = $2,400 x 6 years = $2,400 **TOTAL: $52,800**
28	This total of $20,000 for *Audio visual and Print Production Costs* in Component 3 is based on the following contract with a documentary film-making company : $20,000 in support of Output 3.2 to work with the Forest Rangers, Contract I holders and PFM communities to conceptualize, film and produce a series of short videos documenting restoration efforts and achievements The contract will be spread across Years 3 to 6, with procurement in Q2 of Year 2 **TOTAL: $20,000**
29	This amount of $8,400 is for *Miscellaneous* expenses, related to the work on Component 3, to be split between the two project satellite offices in Jimma and Hawassa. **TOTAL: $8,400**
30	This total of $232,880 for *Training, Workshops and Conferences* in Component 3 is based on the following three clusters of capacity development and training workshops: (i) $52,000 for workshops in support of Output 3.1 - to bring together stakeholders involved in monitoring forest cover for three data sharing workshops, and hold a national dialogue event with MoPD and forestry stakeholders · A total of 4 large workshops / conferences at $10,000 per workshop/conference = $40,000 · Professional facilitation costs @ $3,000 per facilitator = $12,000 = Sub-total of $52,000 (ii) $90,000 for workshops in support of Output 3.2 for Participatory Forest Management and training for restoration workers – run by Forest Rangers with support of Contract I · 3 medium-sized rural workshops per year per site x 10 sites = 30 workshops per year x 6 years = 180 workshops @ $500 per workshop = $90,000 = Sub-total of $90,000 (iii) $90,880 for workshops in support of Output 3.3 training women as community facilitators for fuel-efficient cookstoves – one workshop per zone (in 8 project zones), conducted under Contract K, with arrangements made by MoPD at zonal level · 8 workshops @ $500 per workshop = $90,000

B/No.	Budget Note Description
	· workshop training materials @$20 per facilitator x 44 facilitators = $880 = Sub-total of $90,880 These expenses will happen over 6 years from Year 2 to Year 7, led by MoPD and supported by Contracts I and K, with expenses of Year 2: $2,880, Years 3-7 $46,000 per year **TOTAL: $232,880**
31	A total of $53,000 for road travel related to Component 2, for example, transport costs for workshop participants, zonal officials attending woreda (district) -level meetings, woreda (district) officials attending kebele (village)-level meetings: · Year 1: local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $4,000 · Years 2-6: local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $9,000 x 5 years = $45,000 · Year 7: local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $4,000 This cost is covered by UNDP co-financing **TOTAL = $53,000**
32	A total of $100,000 for *International Consultants* for Component 4 for project monitoring and evaluation a. Conduct Midterm Evaluation - $50,000 (budgeted in Year 4) b. Conduct Terminal Evaluation - $50,000 (budgeted in Year 7) **TOTAL: $100,000**
33	This budget is reserved for Service contract of $108,000 for a FOLUR Project Monitoring and Evaluation Officer (salary of $1,500 per month x 12 months x 6 years) in support of Outputs 4.1 to 4.6 to (i) set up and operate all project M&E systems, (ii) conduct M&E training in the field, (iii) make recommendations for post-project Sustainability Plan **TOTAL: $108,000**
34	This budget is reserved for M&E visits local transport costs and petrol & mileage for project-specific use of government vehicles (to be recorded in logbook) of $13,366 x 6 years (Years 2-7) = $80,200 **TOTAL: $80,200**
35	This budget is reserved for Inception workshop for year 1 · Inception Workshop: 3 events – in Addis, Jimma and Hawassa @ $10,000 per event = $30,000 · Translation / simultaneous interpretation costs between Amharic and English during the inception workshop = $18,000 **TOTAL: $48,000**
36	This total of $280,800 for *Contractual Services - Individuals* will cover three individual service contracts in support of Component 4 of the project with gender action plan, tracking impact and sharing knowledge and learning, as follows: a) Service contract of $86,400 (salary of $1,200 per month x 12 months x 6 years) for a FOLUR Project Knowledge Management and Communications Officer in support of Output 4.2 to (i) work with universities to identify topics for project impact studies, (ii) help conclude study

B/No.	Budget Note Description
	agreements for 10 Masters /PhDs, (iii) provide project linkages and co-supervision; and in support of Output 4.4 to (i) organize an ongoing series of community learning exchanges,(ii) organize annual Food and Land Use Systems Dialogue events, (iii) write up lessons learnt in collaboration with M&E Officer, and (iv) undertake global liaison in FOLUR program for capturing and sharing lessons learnt b) Service contract of $86,400 (salary of $1,200 per month x 12 months x 6 years) for a FOLUR Project Gender Officer in support of Output 4.5 and gender elements throughout project, to (i) conduct context specific woreda (district) -level gender analysis and participatory action planning in project set-up phase to feed into gender action plan, (ii) implement gender action plan to ensure that gender equality and women's empowerment are mainstreamed throughout project, (iii) undertake gender impact study for whole project, and make gender recommendations for Sustainability Plan, (iv) provide training for contract holders, NGOs and project-supported posts on women's empowerment and gender equality, (v) input into design of women's capacity development programme with Contract B holder. c) Service contract of $108,000 for a FOLUR Project Safeguards Officer (salary of $1,500 per month x 12 months x 6 years) responsible to implement Environmental and Social Management Framework and associated Plans – see separate Terms of Reference for PMU Posts – Part B Safeguards Officer The four contracts will run from Year 2 to Year 7, with recruitment starting in Q2 of Year 1; **TOTAL: $280,800**
37	This total of $501,800 for *Travel* in Component 4 is based on the following: (i) A total of $162,000 for air travel related to Component 4, for example, attendance by project participants in international conferences and FOLUR learning events · Year 1: 2 international trips (return flight plus 5 nights' subsistence) @$3,000 per trip = $6,000 · Years 2-6: 10 international trips (return flight plus 5 nights' subsistence) @$3,000 per trip per year = $30,000 per year x 5 years = $150,000 · Year 7: 2 international trips (return flight plus 5 nights' subsistence) @$3,000 per trip = $6,000 *= Sub-total of $162,000* (ii) A total of $339,800 for road travel related to project monitoring and evaluation, community learning exchange visits (workshop costs budgeted under Training, Workshops and Conferences) and annual Food and Land Use Systems Dialogue event, across Years 2-7 · Community learning exchange local transport costs of $50,000 per year x 6 years (Years 2-7) = $300,000 · Annual Dialogue local transport costs of $9,950 per year x 4 years (Years 3-6) = $39,800 *Sub-total of $339,800* **TOTAL: $501,800**

B/No.	Budget Note Description
38	This total of $92,000 for *Audiovisual and Print Production Costs* in Component 4 is based on the following contract, with a media company to do project communications work and engage with the Ethiopian media sector, with three parts: a) $12,000 to develop and deliver media training workshops on sustainability of food and land use systems – at least 2 each in Addis, Jimma and Hawassa b) $30,000 to develop and implement project communications strategy with website, social media, press releases, short video series, and content collection and development c) $10,000 to write op-ed pieces, blogs and website content for FOLUR global program d) $40,000 to produce a full-length documentary feature about the Ethiopia FOLUR project and the GEF FOLUR program, with a focus on Ethiopia's sustainable coffee The contract will run from Year 2 to Year 7 – Year 2: $6,000, Years 3-5: $10,000 per year, Year 6: 50,000, Year 7: $6,000, with recruitment in Q3 of Year 1 **TOTAL: $92,000**
39	This total of $725,166 for *Training, Workshops and Conferences* in Component 4 is based on: · A total of 40 workshops for community learning exchanges (rural-based/up to 40 people, longer than other workshops) @$1,000 per workshop = $40,000 · 5 Food and Land Use Systems Dialogue conferences (city-based/up to 500 people) at $10,000 per workshop/conference = $50,000 · Professional facilitation costs for the 5 conferences @ $4,000 per facilitator = $20,000 · $300,000 for student bursaries for Masters/PhDs on project impacts – 10 students @ $10,000 each x 3 years = $300,000 These costs will be incurred from Year 2 to Year 7 as follows: Year 2: $60,000, Years 3-7: $70,000 per year · This total of $315,166 budget is reserved to cover the costs of Government Official enabling to participate in FOLUR Global Program learning and knowledge exchange events and workshops at regional and international levels. This cost starts will be incurred from year 2 - 7. **TOTAL: $725,166**
40	A total of $40,000 for *International Consultants* to support the initial planning phase of the project, specifically for procurement of project goods and services a. $40,000 in Year 1 – Procurement Expert to advise and assist MoPD with PMU appointments and procurement planning and system set-up **TOTAL: $40,000**

B/No.	Budget Note Description
41	This total of $370,200 for *Contractual Services - Individuals* forms part of the GEF-funded Project Management Costs and will cover four individual service contracts in the MoPD -based project Management Unit, and will cover the six-year period from Year 1 to Year 7, as follows: a. Service contract of $210,000 for an overall FOLUR Project Manager (salary of $2,500 per month x 12 months x 7 years) – see separate Terms of Reference for PMU Posts – Part A Project Manager b. Service contract of $84,000 for a FOLUR Project Finance Officer (salary of $1,000 per month x 12 months x 7 years) – see separate Terms of Reference for PMU Posts – Part C Finance Officer c. Service contract of $54,600 for a FOLUR Project Admin Officer (salary of $650 per month x 12 months x 7 years) – see separate Terms of Reference for PMU Posts – Part D Admin Officer d. Service contract of $21,600 for a FOLUR PMU Driver (salary of $300 per month x 12 months x 6 years) – see separate Terms of Reference for PMU Posts – Part E Admin Officer These costs are split evenly across Years 1-7 - $51,000 per year. **TOTAL: $370,200**
42	This total of $40,000 for *Equipment and Furniture* forms part of the GEF-funded Project Management Costs and will cover office furniture for the MoPD -based Project Management Unit, and the two PMU satellite offices in Jimma and Hawassa, servicing the western and eastern project landscapes respectively: · $20,000 for the Addis Ababa PMU in MoPD (office rental and electricity etc covered by in-kind government co-finance) to cover desks, desk chairs, shelving, meeting table, meeting chairs, whiteboards, flipchart stands, kitchen and bathroom equipment · $10,000 for the Jimma satellite office in MoPD regional office (office rental and electricity etc covered by in-kind government co-finance) to cover desks, desk chairs, shelving, meeting table, meeting chairs, whiteboards, flipchart stands, kitchen and bathroom equipment · $10,000 for the Hawassa satellite office in MoPD regional office (office rental and electricity etc covered by in-kind government co-finance) cover desks, desk chairs, shelving, meeting table, meeting chairs, whiteboards, flipchart stands, kitchen and bathroom equipment These costs will all be incurred in Year 1 as part of project set-up. **TOTAL: $40,000**
43	This total of $170,000 for *Travel* in Component 4 forms part of the GEF-funded Project Management Costs and is based on top-up funding for PMU staff - @ $24,282.7 per year x 7 years = $170,000 **TOTAL: $170,000**
44	A total of $70,000 for *Professional services related to annual audit as* part of the GEF-funded Project Management Costs: · to Conduct NIM Annual Audit @ $10,000 per year = $70,000 – every year from Year 1 to Year 7 **TOTAL: $70,000**

B/No.	Budget Note Description
45	This total of $34,902 for *Information Technology Equipment* forms part of the GEF-funded Project Management Costs and will cover IT equipment for project offices and staff in the Addis-based Project Management Unit (PMU) as well as the satellite offices in Jimma and Hawassa (supporting the western and eastern landscapes work on the ground): · IT equipment for Laptop @ $1,800 each for 12 people (Addis-based project staff: 8 people - Project Manager, Safeguards Officer, Finance Officer, Admin Officer, M&E Officer, Knowledge Management Officer, Gender Officer; Jimma-based project staff: 2 people – Agroforestry Support Coordinator, Admin & Finance Officer; Hawassa-based project staff: 2 people – Agroforestry Support Coordinator, Admin & Finance Officer) = $21,600 · Smartphone with 3G capability @ $500 x 13 (Office Staff plus Project Driver) = $6,500 · 4 replacement smartphones project mid-point (available only at discretion of PSC, and dependent on full police report) @ $500 = $2,000 · High-volume scanner/photocopier @ $1,000 x 3 offices = $3,000 · 65-inch flat screen TV @ $600 x 3 offices = $1,802 These costs will all be incurred in Year 1 as part of project set-up. **TOTAL: $34,902**
46	This total of $35,279 for *Supplies* will be spent @ $5,000 per year ($5,279 in yr 1) for the Project Management Unit, across Years 1-7 to cover printer cartridges / ink, flipchart paper, marker pens, photocopier paper, and other office supplies. **TOTAL: $35,279**
47	This budget for *Audiovisual and Print Production Costs* is reserved for communication cost (such as internet, phone etc) for PMU and other staff. · Voice, SMS & data package @ $260 per year x 13 phones = $3,378 per year x 6.6 years = $22,295 **TOTAL: $22,295**
48	This total of $163,730 for *Training, Workshops and Conferences* forms part of the GEF-funded Project Management Costs and will cover: · Project Steering Committee meetings twice a year @ $7,000 each for 7 years = $98,000 · Annual planning and other workshops and trainings related to PMU staff: $65,730 **TOTAL: $163,730**
49	This total of $22,270 is reserved for implementation support services (Direct Project Costs) to be provided through UNDP Ethiopia country office at the request of the IP (MoPD) in the Service Areas of Procurement, Travel and Finance as itemized in the Letter of Agreement between the Implementing Partner (MoPD) and UNDP Ethiopia - see Annex 26 **TOTAL: $22,270**

B/No.	Budget Note Description
50	This total of $122,000 for *Transportation Equipment* from UNDP cash co-financing (TRAC Fund) for Project Management - Unit and will cover the purchase of: (i) One project vehicle for the whole national project to be managed by the Project Manager and driven by the Project Driver in the PMU in Addis (ii) Two project vehicles for all the farmer support and PFM work on Components 2 and 3 – to be driven and managed by the 2 Agroforestry Support Coordinators – one for western landscape A (based in Jimma) and one for eastern landscape B (based in Hawassa) · 3 Toyota Land Cruisers @ $40,000 each = $120,000 · $2,000 to support the procurement process These costs will be incurred in Year 1 as part of project set-up. **TOTAL: $122,000**
51	This total of $144,000 for *Rental and Maintenance of Other Equiphment* forms part of the UNDP cash co-financing (TRAC Fund) for Project Management Costs and will cover the six-year period from mid-Year 1 to mid-Year 7: · Maintenance and fuel budget = $8,000 per vehicle (per year) x 3 vehicles = $24,000 x 6 years = $144,000 **TOTAL: $144,000**

IX. LEGAL CONTEXT

This project document[49] shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Ethiopia and UNDP, signed on the 26th of February 1981. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by the Ministry of Planning and Development (MoPD). ("Implementing Partner") in accordance with its 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. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

X. RISK MANAGEMENT

1. Consistent with the Article III of the SBAA[50], 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. To this end, the Implementing Partner shall:
   a) 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;
   b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

2. 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 the Implementing Partner's obligations under this Project Document.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project 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). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project

49 This is Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)]

50 This is Option a. Implementing Partner is a Government Entity (NIM)

implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

(a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

(b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

   i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

   ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;

   iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;

   iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

   v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

13. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

    Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

14. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

15. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

16. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

XI. MANDATORY ANNEXES

Annex No.	Annex Title	Link
Annex 6a	Social and Environmental Screening Report	https://pims.undp.org/attachments/6304/217301/1750056/1788603/Risk%20Analysis.pdf
Annex 6b	Environmental and Social Management Framework	
Annex 6c	Livelihood Restoration Framework	
Annex 7	UNDP Atlas Risk Register	
Annex 9a	COVID Response Framework	
Annex 9b	Climate Risk Analysis	
Annex 3	Project Map and Geospatial Coordinates	https://pims.undp.org/attachments/6304/217301/1750057/1788604/Project%20Sites.pdf
Annex 12a	Site Selection Report	
Annex 12b	Draft Criteria for Kebele (village) Selection	
Annex 12c	Areas of Project Woredas (districts)	
Annex 12d	Areas of Forest Restoration Potential	
Annex 12e	National PFM Potential Sites	
Annex 12f	Biophysical Analysis of Project Sites	
Annex 13b	Land Degradation Trend Analysis	
Annex 4	Multiyear Workplan	https://pims.undp.org/attachments/6304/217301/1750060/1788608/Project%20TOC%20and%20Workplan.pdf
Annex 5	Monitoring Plan	
Annex 8	Overview of Project Staff and Technical Consultancies	
Annex 10	Project Theory of Change	
Annex 11	Activities and Outputs with Indicators	
Annex 14a	Stakeholder Consultation Report	
Annex 14b	Stakeholder Engagement Plan	
Annex 15	Gender Analysis and Action Plan	
Annex 16a	Procurement Plan	

Annex No.	Annex Title	Link
Annex 16b	Co-financing Letters (combined)	https://undpgefpims.org/attachments/6304/217301/1741428/1768647/Annex%2016b%20ETH%206304%20Co-financing%20Letters%20_all.pdf
	UNDP	https://undpgefpims.org/attachments/6304/217301/1741428/1768647/UNDP_Co-Finance_Committment_PIMS%20_6304FOLUR.pdf
	EFFCCC	https://undpgefpims.org/attachments/6304/217301/1741428/1768647/PIMS%206304%20_Cofinance-FOLUR%20Project%20EFCCC.pdf
	ECTA	https://undpgefpims.org/attachments/6304/217301/1741428/1768647/ECTA%20-%20Co-financing%20letter.pdf
	WRI	https://undpgefpims.org/attachments/6304/217301/1741428/1768647/WRI%20co-financing%20letter%20PIMS%206304.pdf
Annex 17a	Summary of EX-ACT Results/ Report on GHG Calculations	https://pims.undp.org/attachments/6304/217301/1750061/1788609/Annex%2017a%20PIMS%206304%20Ethiopia%20FOLUR%20EXACT%20summary%20of%20results_updated%20Aug2021.pdf https://pims.undp.org/attachments/6304/217301/1750061/1788609/Annex%2017b%20PIMS%206304%20FOLUR-Ex-ACT_updated%20Aug2021.xlsx
Annex 17b	EX-ACT Carbon Balance Tool	
Annex 18a	Global Coffee Supply Chains and Markets	https://pims.undp.org/attachments/6304/217301/1750058/1788605/Baseline%20Studies.pdf
Annex 18b	Project Coffee Intervention Strategies and Actions	
Annex 18c	Coffee Value Chain Mapping and Analysis	
Annex 18d	Coffee Policy and Institutional Analysis	
Annex 18e	Coffee Agronomic Production Analysis	
Annex 18f	Coffee Farmer Organizations' Capacities and Issues	
Annex 19a	Land Baseline Analysis Report	
Annex 19b	Land Capacity Assessment	
Annex 20a	Agriculture Policy and Legal Review	
Annex 20b	Agri-Commodity Production Report	
Annex 20c	Agricultural Extension Capacity Development	
Annex 13a	Land Use and Land Cover Report	

Annex No.	Annex Title	Link
Annex 21	Core Indicator Worksheet	https://pims.undp.org/attachments/6304/217301/1750071/1788643/ANNEX%2021%20PIMS%206304%20GEF%20Core%20Indicator%20Worksheet%20Sept2021.docx
Annex 22	Project Taxonomy Worksheet	https://undpgefpims.org/attachments/6304/217301/1741388/1768557/Annex%2022%20ETH%206304%20Project%20Taxonomy%20Worksheet.docx
Annex 24a	Harmonized Approach to Cash Transfers (HACT) Assessment: MoPD	https://pims.undp.org/attachments/6304/217301/1750059/1788606/Capacity%20Assessment%20and%20Implementation%20Modality.pdf
Annex 24b	Partners Capacity Assessment Tool: MoPD	
Annex 24c	Harmonized Approach to Cash Transfers (HACT) Assessment: ECTA	
Annex 24d	Partners Capacity Assessment Tool: ECTA	
Annex 24e	Harmonized Approach to Cash Transfers (HACT) Assessment: MOA	
Annex 24f	Partners Capacity Assessment Tool: MOA	
Annex 25	UNDP Project Quality Assurance Report	
Annex 26a	EFCCC Letter of Request for Execution Support by UNDP and draft Letter of Agreement between UNDP and MoPD for Execution Support Services. *Draft letter to be signed once GEF approves request for support*	
Annex 26b	GEF OFP Letter endorsing execution support *(to be availed once GEF Sec approves execution support)*	