



**Bale Eco-Region Sustainable Management Programme
(BERSMP)**

Six Months Report – First Semester 2009

(January 2009 – June 2009)

**FARM-Africa – SOS Sahel Ethiopia
Participatory Natural Resource Management Partnership**

and

**Oromia State Forest Enterprises Supervisory Agency (OSFESA)
Bale and Arsi Forest Enterprises**

Reporting to;

The Netherlands Embassy : Donor Consortium

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Acronyms

AFE	Arsi Forest Enterprise
BBNC	Bale Beauty Nature Club
BERSMP	Bale EcoRegion Sustainable Management Programme
BFE	Bale Forest Enterprise
BMNP	Bale Mountains National Park
CBO	Community Based Organisation
CCG	Community Conservation Grant
CDF	Community Development Fund
CDM	Clean Development Mechanism
CER	Certified Emissions Reduction
CIP	Community Initiative Promotion
CPL	Collection Processing & Learning
CWLC	Community Wildlife Conservancies
DA	Development Agent
DNA	Designated National Authority
DOE	Designated Operational Entity
EARI	Ethiopian Agricultural Research Institution
EPA	Environmental Protection Authority
EWCP	Ethiopian Wolf Conservation Project
FAO	Food and Agriculture Organization
FDF	Forest Development Fund
FeMSEDA	Federal Micro and Small Enterprise Development Agency
FMA	Forest Management Agreement
FZS	Frankfurt Zoological Society
GIS	Geographical Information Systems
GFM	Government Forest Management
GPS	Global Positioning System
GTZ	German Technical Corporation
IIED	International Institute for Environment and Development
JFM	Joint Forest Management
MoARD	Ministry of Agriculture and Rural Development
MTR	Mid Term Review
NR&EP	Natural Resource and Environmental Protection
OBARD	Oromia Bureau of Agriculture and Rural Development
OSFESA	Oromia State Forest Enterprises Supervisory agency
PDD	Project Design Document
PES	Payment for Environmental Services
PFM	Participatory Forest Management
PFRA	Participatory Forest Resource Assessment
RAC	Regional Advisory Committee
REDD	Reduced Emissions from Deforestation and Degradation
UNDP	United Nations Development Programme
TESFA	Tourism in Ethiopia for Sustainable Future Alternatives
TNA	Training Needs Assessment
WCC	Woreda Coordinator Committee
WDF	Wildlife Development Fund
ZSC	Zonal Steering Committee

I. Programme Development Context and Background

The Bale Mountains area of Ethiopia is characterized by priority forest areas, mountains and valleys, grasslands and agricultural land. The Bale Mountains National Park, at the centre of the EcoRegion, represents the largest area of Afro-alpine habitat on the African continent. This area forms the watershed of the Bale Massif, which is critical for the livelihoods and well being of hundreds of thousands of people in the highlands of southeast Ethiopia, and an estimated 12 million¹ people in the lowlands of southeast Ethiopia, northern Kenya and Somalia. The Harenna Forest, covering the southern part of the mountains, is the second largest stand of moist tropical forest in Ethiopia. The forests together with the Afro-alpine plateau are host to a globally unique and diverse fauna and flora, including a significant number of rare and endemic species.

The Bale Mountains is relatively environmentally intact. However, negative pressures on natural resources in the Bale Mountains are rapidly growing. Unsustainable natural resource exploitation and degradation throughout the area is increasingly threatening the sustainability of the environment, food security and sustainable livelihoods. Bale's rural communities are seeking to meet their livelihood needs by expanding exploitation of local natural resources. Current resource exploitation is opportunistic and unregulated. Agricultural land is expanding rapidly, grazing areas are heavily degraded necessitating the search for new pasture, forest areas are being cut and cleared, and water systems disrupted. There are no land use management plans. Land use rights and ownership is confused, and there is no control of resource use. Unplanned and unrestricted settlement is a significant and mounting problem. Existing settlements are growing, and new settlements are appearing in previously unsettled and environmentally sensitive areas. The Oromia Government has commenced the implementation of a programme intervention for the area that focuses on expanded conservation and development initiatives, bringing local communities into a central role in sustainable natural resource management, and building sustainable natural resource based livelihoods. The idea is to involve local communities in the sustainable management of the area as natural resource management partners to the newly formed Bale and West Arsi Forest Enterprises, supported by government services, across the whole Bale Massif. The FARM-Africa – SOS Sahel Ethiopia Bale EcoRegion Sustainable Management Programme (BERSMP) is set up to support both local government and communities to achieve this goal.

The BERSMP is an operational partnership between;
The **Government of Ethiopia** – The Oromiya State Regional Government, the Oromiya State Forest Enterprise Supervisory Agency / the Bale and Arsi Forest Enterprises, and the Oromiya Bureau of Finance and Economic Development; and

Non Government Organisations – FARM-Africa and SOS Sahel Ethiopia, through their joint Participatory Natural Resource Management Programme.

Secondary partners include the MoARD, BoARD, EARI, the Bale Mountains National Park, EWCP, FZS, MELCA, BBNC, TESFA and a growing number of Private Sector enterprises (Ecopia / Trout Fish Farmers / Gema Lab) and Community Based Organisations (Resource management groups / natural products business groups).

The BERSMP has been designed as a six year intervention. During the initial implementation period, the programme is predominantly working on four priority Woredas; Goba, Dollo Mena and Harrena Buluk in Bale zone, and Nensebo in West Arsi zone.

¹ This estimation is arrived at by calculating the area covered by water systems that are sourced from the Bale Mountains and multiplying area by population density figures.

2. Programme Goal, Purpose and Outputs

2.1 Goal - The programme **Goal** is;

The unique biodiversity and vital ecological processes of the Bale Mountains Eco-Region(s), and the social and economic well-being of communities dependent on the Eco-Region's natural resources, are mutually and sustainably enhanced.

2.2 Purpose - The programme **Purpose** is;

To support the government and local communities in the sustainable management of natural resources in the Bale Eco-Region(s) while contributing to sustainable livelihoods and the local and national economy.

2.3 Outputs

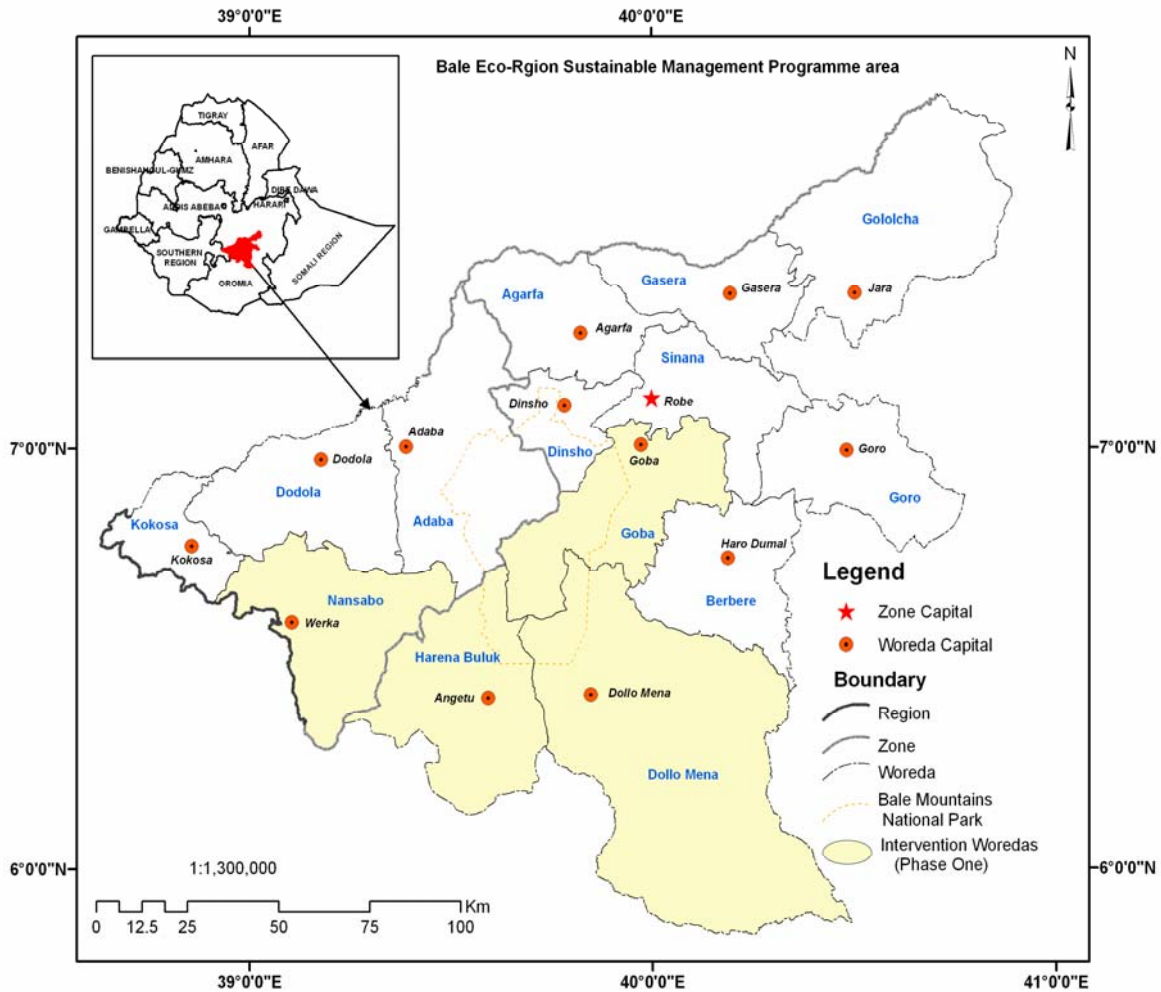
The six programme **Outputs** are;

1. Eco-Region(s) plan completed and being used.
2. Stronger Government and Community institutional capacity for sustainable NRM.
3. Functional and sustainable NRM and conservation systems in place, incorporating different environment and community needs.
4. Community natural resource based livelihoods diversified.
5. Sustainable financing mechanisms in place for the Bale Eco-Region(s) which benefit government and communities.
6. Improved / appropriate legal, policy and regulatory frameworks for Eco-Region(s) planning, CBNRM and protected areas.

3. Map of BERSMP Area

The map below shows the BERSMP programme area. The programme priority Woredas are Goba, Dollo Mena, Harrena Buluk (Bale zone) and Nenesebo (West Arsi zone). These Woredas are shaded in order to show their location and area coverage. Following discussions on scaling up of activities during the Donor review back in December 2007, even though the area coverage of the pilot intervention woredas is > 50% of the EcoRegion and includes much of the critical natural resources (Forests / Grassland / Water), the BERSMP team has been expanding some activities into some of the other 9 woredas.

Figure 1: Bale Eco-Region Programme sites



4. Programme Progress - Activity Review

4.1 Eco-Region(s) plan completed and being used.

Resource information gathering – secondary data analysis – information gap analysis
Natural Resource / Human mapping and analysis
Information gap filling
Eco-Region(s) framework plan
Target resource sites identified
Plan monitoring, review and adaptation
Specific skills training
Zone / Region database centre established

4.1.1 Resource information gathering

The 2006 SPOT Satellite Images continue to be the basis of geo-spatial data for the programme. Further enhancement has been made to the interpretation of the satellite data and the landuse and vegetation cover analysis. Field work is used as a means of ground truthing and updating initial image interpretation.

4.1.2. Natural Resource / Human mapping and analysis

BERSMP and BFE natural resource teams continue to conduct resource mapping in the Priority Woreda scale up Kebeles. The identified natural resources (forest, water and grasslands) were divided in to blocks and compartments in Nensebo, Dello Mena, and Harana Buluk Woredas, for the ease of management by the CBOs, and to conduct Forest Participatory Resource Assessment (PFRA) activities. The first step of the PFRA is the production of natural resource maps. Mapping has remained a key element and aim of developing a clear spatial understanding of the Bale Eco-Region.

The BERSMP, in partnership with FZS and MELCA funded the 3D modelling of Dinsho Woreda. This activity was carried out with the full participation and using the knowledge and understanding of local communities. The results, the 3D model of the Woreda and its key features and resources in extraordinarily detailed. The resultant model was presented by the community modelers to an audience of Zonal and Woreda Government and development actors. Discussion is now centred around where the 3D model should be housed and how the 3D can be used as a tool for improved land management planning. Details of the 3D modelling exercise can be found on the BERSMP website.

4.1.3 Information gap filling

BERSMP continues to support relevant research studies carried out in the Eco-Region by both International and National partners

All studies and reports carried out by the BERSMP, when completed, are made available on the BERSMP website (www.pfmp-farmsos.org).

Studies supported in this semester include an MSc. Study on the effects of Land use changes on the river water flows of the Shaya River.

BERSMP is in the process of producing an Information CD of reports / studies and documentation compiled by the programme. This CD will be widely circulated and distributed to all interested Stakeholders.

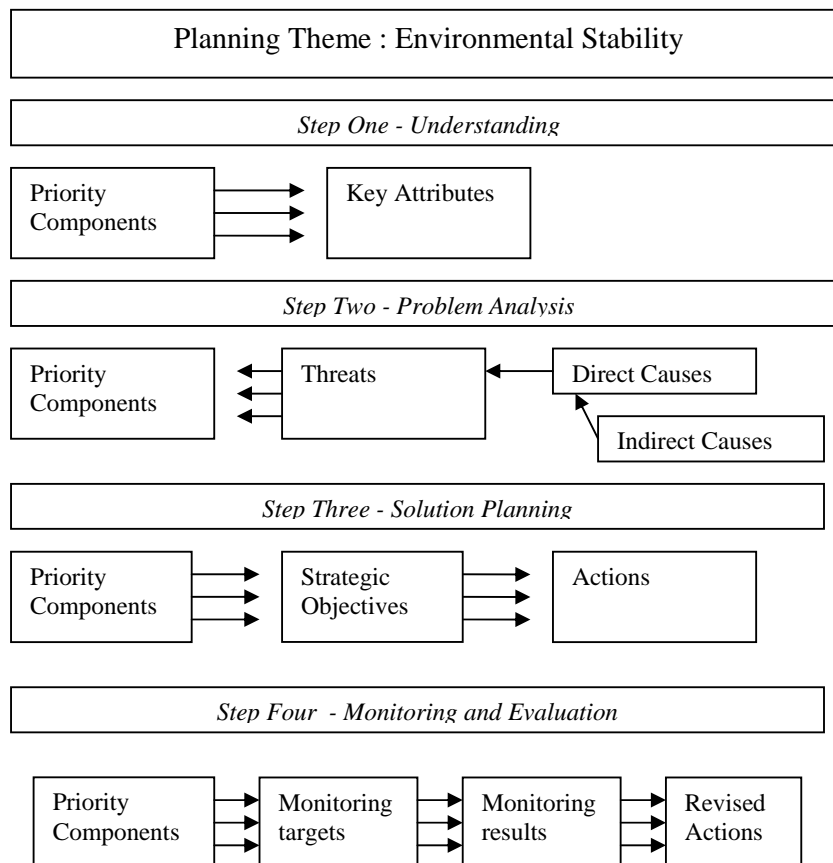
4.1.4 Eco-Region Plan

Following the EcoRegion planning workshops in 2008, the Phase I and Phase II planning reports have been produced and circulated for feedback. The Planning report contains the results of the planning workshops. BERSMP and FZS continue to experiment with the development of the Bale EcoPlan. It has been agreed that the problem of many of these Plans is that they do not exist or, if they do, they are not used properly by the targeted planners, may be due to knowledge gap on how to make use of such plans (for example, the BMNP General Management Plan appears to be used very little). It has been agreed that we should engage planning support from a professional planner in order to produce a document that is wholly accessible and usable to the targeted audience.

A professional Planner, Jasveen Soor, from the UK joined the programme in June 2009, at the end of this semester.

A diagrammatic version of the Bale EcoRegion Planning process is shown below. Full details of the Planning workshop results are available from the Programme and will be available on the website in the near future.

Figure Figure 2. Bale EcoRegion Planning framework.



4.1.5 Target resource sites identified – Priority Components

During the EcoRegion Planning workshops the Priority Components for planning were identified. The Priority Components have become the Targets for planning (see explanation below).

Landscapes, particularly those encompassing human elements, are inherently complex therefore, given the limited resources available, it is impossible to manage and monitor all individual components and inter-linkages. The Bale EcoRegion Planning process identifies focal conservation and development targets which are the **Priority Components** of the ecosystem. These Priority Components together characterise the biodiversity and ecosystem services that are in need of conservation or management. Priority Components for the Bale Eco-Region were identified under the three pillars of sustainable development: *ecological, economic* and *social*. The overall objective of the EcoRegion Plan is to improve the condition of these Priority Components and to balance the interactions between them – reducing negative conflicts and contradictions while increasing positive complementarity. Thus, the Priority Components will be the basis for future planning - setting goals, carrying out management actions, and measuring effectiveness.

Bale EcoRegion Priority Components are listed below

Ecological: Environmental Management

Hydrological system
Forests
Afroalpine and Sub-Afroalpine (Ericaceous belt)
Grassland
Wildlife
Natural Products (including NTFPs) <ul style="list-style-type: none"> • Medicinal plants / Bamboo / Fuel wood and timber / Coffee / Honey / Mineral water / Incense, gum and essential oils / Hunted species

Economic Development

Agriculture (crops and livestock)
Tourism
Clean energy
Industry
Business development
Financial services
Infrastructure and services

Social Development

Population and settlement
Culture
Health
Governance
Education and training
Social security
Community empowerment

4.1.6 Specific skills training

No specific trainings have been undertaken in this semester.

4.2. Stronger Government and Community institutional capacity for sustainable NRM.

Government capacity needs assessment
Community capacity needs assessment
Government capacity needs delivered
Community capacity needs delivered
Government – Government co-ordination and communication
Community based Organisation identification, strengthening and establishment

4.2.1 Government and Community Training Needs Assessment (TNA)

Training Need Assessment (TNA) conducted

The programme has conducted further training need assessments in 2009, as part of the annual performance / planning reviews held at the beginning/end of each year. It is viewed that as BERSMP partners increasingly understand the Bale Eco-Region approach, they will be able to more clearly identify their skill needs and to identify the key technical knowledge gaps in the implementation of the programme activities.

The TNA carried out by the Woreda planning groups were:

For Community (Natural Resource Management Groups)

- **CBO capacity building / Business management**

For Government (WCC)

- **GIS application / PRA / PFM/CBNRM concepts / Conflict management / Monitoring and Evaluation / Ecotourism / Business plan development / Bamboo management**

These training topics are those that the programme aims to address in training programmes this year.

4.2.2 Government and Community capacity needs delivered

A number of key training and learning events have been carried out in the first Semester six months period of 2009.

Woreda based Planning - Activity planning workshops were conducted for the 4

priority Woredas - Woreda based Planning workshops were conducted in January, in Robe. The overall objective of these meetings is to improve the planning skills of Woreda government and to give Woreda government partners a key stake in setting the activities of the BERSMP.

The specific objectives of the Woreda Planning meeting were:

1. Progress Review 2008 Woreda level programme activities – plan versus achievement and analysis
2. Develop 2009 annual plan of operations and review budget
3. Scaling up of BERSMP activities to neighbouring Kebeles within the 4 Priority Woredas

During the meeting issues such as; the status, achievements, and challenges regarding the Woreda level activity implementation were identified. The group then discussed how to improve and increase implementation effectiveness in 2009.

During the meeting it was also discussed that a Mid Term Review would be carried out in the first semester of 2009. It was emphasized that there is a need for preparation at the woreda level in order to clear present activities, issues and challenges to the visiting MTR team.

BERSMP - Woreda level training – the key approach to training and skills development is an approach of learning by doing. The BERSMP is designed around the core strategy of *participation*, as a learning and enabling process. On-going participatory field activities are the core opportunity for both Government and Communities to learn new skills. Professional to Professional / Community to Community exchange visits are an important training approach that has been undertaken by BERSMP.

Field based training in Participatory Forest Resource Assessment (PFRA) – Training was given to community Forest Management Groups prior to carrying out PFRA activities in all Woredas / forest sites. In order to introduce all programme stakeholders to the PFRA concept and practice, Woreda Development Facilitators supported by PNRM advisors facilitated introductory training sessions. These were followed by the actual practical field work, carrying out the PFRA itself. A number of Woreda level government partners were also involved in the PFRA exercises, including; government counter-part staff, forest enterprise staff, Dep. of Ag. Staff and the BERSMP Women Interns.

Educational Programme

A key capacity gap identified at the start of the BERSMP was that of the level of qualification of Zonal and Woreda technical staff. Woreda government offices therefore requested that BERSMP support a Further Education programme with Woreda offices. The BERSMP is now sponsoring Government selected technical staff in part-time higher education summer courses.

The BERSMP sponsors the following Natural Resource Management Education Programme;

- ❖ a Diploma to B.Sc. programme,
25 Technical staff from the 14 Woredas are upgrading from diploma to degree level attending Wondo Genet College of Forestry and Natural resources
- ❖ Women internship programme, Grade 10 to Diploma programme
Currently 26 female students drawn from Bale EcoRegion programme intervention areas are attending Diploma courses in Wondo Genet College of Forestry and Natural resources.
- ❖ MSc programme.

Zonal / Forest Enterprise technical staffs have also joined appropriate colleges for their M.Sc. study (M.Sc. in Farm Forestry and Production Forestry).

The OSFESA and the Programme have agreed to support selected BERSMP staff to also join summer MSc programme. Selection is made on merit of performance. This opportunity is seen as a direct means to motivate staff and to ensure that they will remain with the Programme for the entire implementation period.

MELCA – Environmental Education

The BERSMP continue to support MELCA through direct budget support. MELCA, a local environmental NGO, continue to run a number of capacity building activities.

MELCA continues to conduct an environmental education programme known as SEGNI (that stands for *Social Empowerment through Group and Nature Interaction*), to expose Woreda Government officers and youth groups to the environment through the stories of local elders. Participating groups are taken on camps that are hosted by the elders. The group share ideas and stories about the local environment.

BERSMP have agreed with MELCA that a detailed Impact Assessment of SEGNI will be carried out this year. The key interest in impact assessment is to see if the SEGNI programme is contributing to the wider goal and purpose of BERSMP.

4.2.3 Government – Government co-ordination and communication

Regional Advisory Committee – The OSFESA has been closely engaged with the BERSMP. The Regional Counterpart has made regular visits to the Programme site with the BERSMP Programme Manager.

One of the main focus' of the work carried out has been the establishment of new Joint Forest Management systems and JFM legal agreements. BERSMP and BFE have established the first JFM agreements to be set up by the new Oromiya Forest Enterprise institution. The new JFM systems are a reflection of the new partnership between Government and Communities. This work represents a significant advancement in participatory natural resource management in Ethiopia.

OSFESA requested the BERSMP to host a visit from the Borana / Guji Forest Enterprise and SOS Sahel Ethiopia Borana in order to demonstrate how BERSMP and the Bale Forest Enterprise are working together.

Zonal steering Committee (ZSC)

The Zonal Counterpart has held a number of meetings with West Arsi Zone in order to discuss BERSMP activities.

BERSMP, BFE, BMNP and FZS, EWCP have held a number of coordination meetings in order to discuss common issues and increase cooperation and collaboration. This critical coordination between the BFE (supported by BERSMP) and BMNP (supported by FZS and EWCP) is looking at issues such as natural resource area categorisation and boundary demarcation (National Park boundaries / Forest Priority Area Boundaries).

Woreda Coordination Committee (WCC)

Woreda Coordination Committees meetings have been conducted in the four Woredas of the EcoRegion. The committees continue to plan and review BERSMP activities and implementation status. The WCC have discussed the importance of the MTR in terms of how to present the Programme's progress and challenges in a professional and constructive manner.

The Programme has employed Andrew Ridgewell as a Temporary Volunteer Communications Support Officer during this Semester. Andrew receives local rates of remuneration, similar to that of a VSO arrangement. The core of Andrew's work is to support the Woreda offices in their capacity to record, document and monitor their field activities.

Joint Forest Management Cooperative Establishment

BERSMP has been working towards on the development of community based sustainable natural resources management systems in the Bale and West Arsi zones. In order for the community resource managers to sign a legally binding resource management agreement with the Bale and Arsi forest enterprises, they have to be registered and legally recognized by the relevant government offices (Cooperative promotion office). In this connection, community groups in the four priority woredas of the Bale EcoRegion have been making the necessary preparations to get registered as cooperatives. In order to facilitate a speedy registration of the CBOs, BERSMP in partnership with the Bale and West Arsi Zones cooperative promotion offices organized a two-day consultation meeting in Shashamane in June 2009. Participants of the meeting were heads and experts from both West Arsi and Bale zones cooperative promotion offices, Harena Buluk, Delo Mena Goba and Nensebo woreda cooperative promotion offices, as well as the Bale and Arsi forest enterprise representatives. In addition, BERSMP government counterparts and woreda facilitators of all four priority woredas took part in the meeting.

During the meeting, four presentations were made and discussed. These were:

1. BERSMP introduction,
2. Natural resource based cooperatives in Ethiopia
3. Basic requirements for CBO registration as cooperatives
4. Business potentials of forests in the Bale EcoRegion.

The core issues debated were:

- Number of cooperatives per kebele,
- Voluntary and open membership vs forest dwellers,
- Recognizing traditional use right of distance users.

Finally it was agreed that the registration of the CBOs for the sustainable management of forest in the EcoRegion should go ahead in the priority woredas.

Social Services Support - Social Service support for Woredas

As part of the capacity building component of the programme, BERSMP is working on supporting the government in the set up of the new Land and Environment Protection Agency. This new office will have a critical new role in the type of landscape level activities such as landscape level planning. The Programme has supported the set up of the new Office at Zonal level.

4.2.4. Community based Organisation identification, strengthening and establishment

Forest Management Groups continue to be the focus of NRM CBO development. The issue of legal status has been key in discussions of how best to guide CBO strengthening. Cooperatives and Associations remain the most recognisable institutional forms by Government and Community. Cooperative training is being carried out across all woredas.

Business development groups, linked to the livelihoods component of BERSMP have been the focus of support to community level business enterprise initiatives. CBO business enterprise groups working on forest coffee, pure honey, bamboo furniture, improved stoves, natural products trading groups have all been supported by the Business Mentoring Programme. Business mentoring has been undertaken by MatchMakers Associates, a business consultancy firm from Arusha Tanzania. The reports from this work (Coffee / Honey / Tourism / Bamboo Value Chain Analysis / S&M Business Start Up Manual / Business status review) have been submitted to BERSMP, and are under final review.

Bale Beauty Nature Club - BERSMP continues to closely work with a local nature club based in Goba, called the Bale Beauty Nature Club. This is a locally organised youth group. As part of the capacity building endeavour, the programme supported the club's establishment of an Environmental Resource Centre / Library in Goba town, and has signed a Tree Nursery seedling production outgrowers contract for the production of 100,000 indigenous seedlings.

4.3 Functional and sustainable NRM and conservation systems in place, incorporating different environment and community needs.

Investigation – resource use and users
Negotiation – plans and agreements
Implementation – management – inc stakeholder monitoring
Benefit sharing.
Conflict Management
Formalisation of new NRM systems

4.3.1 Investigation – resource users and uses

Participatory resource mapping - BERSMP is working towards scaling up of programme activities into neighbouring Kebeles within the selected priority Woredas, the field teams have continued to conduct participatory natural resource mapping in all Woredas, for example, in Goba in two new Kebeles: Wajitu and Shedem, and in Harana Buluk in four new Kebeles.

The selected new Kebeles per Woreda are:

Delo Mena - Deyu / Irba / Oda Dima, and / Walta'l Gudina

Goba - Buko / Shedem, and / Wajitu Shabe

Harana Buluk - Sodu welmel / Buluk / Garbi Galo / Sodu lallaftu / Anole - woodland Kebele

Nensebo - Garambamo / Mandoyu / Bulga / Qore

Boundary Demarcation - Participatory Geographic Information System (PGIS) - Participatory GIS refers to the involvement of local communities in the collection of data that is then digitised and stored using GPS and GIS technologies. BERSMP has introduced this technique and is continuing to use the approach, with the aim of introducing modern landuse mapping / planning tools to local government staff and communities. The type of information that is involved in this approach includes;

- Forest boundary demarcation – Forest Blocks and Compartments / Hunting Concessions
- Participatory Forest Resource Assessment plots / grids
- River courses / coffee forest area / key natural resources
- Tourism sites / Settlements
- Mobility – livestock movement and routes

Community Based Organization (CBO) set up - The BERSMP continues assisting forest management groups in new sites to set up forest Cooperatives. More CBOs are in the process of developing internal rules and regulations by which the organisation will be governed.

Participatory Forest Resource Assessment (PFRA) – forest area assessment continues in the newly selected forest areas. Forming the base line for forest condition monitoring and the basis upon which to develop forest management activities (see previous reports for details).

4.3.4. Benefit sharing

BERSMP and the UK based IIED (International Institute of Environment and Development) set up a forestry partnership -

FARM-Africa – SOS Sahel Ethiopia PNRM unit have completed the national diagnostics, in order to establish a basic country profile of Ethiopia formal and informal Forest Enterprises.

The FOREST CONNECT alliance continues to offer the opportunity to access similar work in other countries, share experience, ideas and information, and meet other foresters working on

similar challenging issues in promoting SFM and the promotion of SMFE's as key benefits of communities. Visit the FOREST CONNECT site at <http://www.iied.org/NR/forestconnect>

Tree seedling planting

BERSMP is working towards community based natural forest management and community plantation forest establishment. This is linked to the improved management of forests by communities, and the possible promotion of tree planting for environmental rehabilitation, environment protection, watershed management, fuel wood energy supply, and carbon trading. The achievement of all these aims requires the supply of indigenous tree seedlings. The programme has funds for this but rather than starting its own production, has been trying to shift tree nursery production to community based tree nurseries, which seems a key challenge. The idea is to support sustainable business based tree nurseries. New out-growers schemes have been set up and contracts signed between BERSMP and a nursery group in Dollo Mena who are growing 100,000 *Walburgia Ugandensis* seedlings and the BBNC who are growing 100,000 indigenous seedlings.

The Bale Forest Enterprise also has a tree nursery support programme and BERSMP continues to support their seedling production. The aim of the enterprise nurseries is to service their own (plantation), and the community tree planting needs. BERSMP has supported the BFE 2009 tree planting activities.

4.3.5. Formalisation of new NRM systems

JFM Forest Management Agreement (JFM)

The core objective of the BERSMP is putting natural resources under sustainable management. The programme believes that Sustainable natural resources management can only be achieved through community participation. Towards this end, the programme in partnership with the Bale and Arsi Forest Enterprises is closely working with the community to ensure participation of community in the natural resources management in four priority woredas.

The JFM process has gone through three stages (investigation, negotiation and implementation). The community resources managers have been organized into CBOs to be legally recognized by government and take responsibility of managing the resources (in this case forest).

In the completion of the negotiation process, signing of Joint Forest Management Agreements took place in four pilot kebeles of two priority woredas. Chiri, & Wabero Kebeles of Delo Menna Woreda and Kumbi, Shawe kebeles of Haranna Buluk Woreda. The JFM Agreements were signed between the Bale Forest Enterprise, Woreda Administration and the Community Resources Management Cooperative in their respective woredas and kebeles from June 06 – 09, 2009.

More than 1000 community resources managers, as well as Zonal and Woreda government officials attended the signing ceremonies. For example during the JFM signing ceremony in Shawe kebele the new Zonal Administrator attended the ceremony. In his opening speech, he stressed the contribution of the forest resources to the climate regulation in general, and to the livelihoods of the local community in particular. He expressed his support for the community in the initiatives it was taking to work with government to conserve and sustainably use the forest resources. Local Community Elders also reflected on the significance of the signing over of forest back to the community to manage. They stated that it reversed the seizure of forests by Menelik and Haile Selassie Governments, and the beginning of forest destruction.

The JFM Agreement document details the following:

- Objective of the JFM Agreement
- Location, condition and area of forest
- Description of the agreeing parties
- Roles and responsibility of each agreeing party
- Benefit sharing arrangement
- Termination or Withdrawal of the Agreement

Bale Forest Enterprise

BERSMP continues to work in partnership with BFE. Regular meetings are held between the two organisations in order to address the sustainable natural resource management issues of Bale. The two organisations increasingly share staff, skills, resources and training opportunities. The Formulation of the first JFM agreements are a good example of this close working relationship.

Goba Natural Resource Management Crisis

An example of a joint initiative between the BFE and BERSMP is the highlighting of the Goba Natural Resource Management Crisis. The crisis is the over exploitation of natural resources, particularly forests, in and around Goba town and the saturation of the local market with fuel wood and bamboo. Both organisations have made this a priority issue and are intensively lobbying the Zonal and Woreda governments to coordinate and act in order to resolve the problem. Consensus concerning the problem is easy to reach, what is more complicated is how to deal with the resource exploitation issues and a fair and appropriate way. The Goba situation is seen as a test case in terms of Government capacity and ability to manage natural resource issues.

4.4 Community natural resource based livelihoods diversified.

Opportunities for NR livelihood diversification / income generation identified
Enterprise feasibility studies – Market analysis
Government / Community specific skills built
Linkages with public and private sector on NR enterprises developed
Livelihood diversification implementation – CDF / CCG
Scale up through Woreda offices

4.4.1 Opportunities for NR livelihoods diversification / income generation identified

The BERSMP and the BFE continue to experiment and innovate in the field of Natural Resource Products and livelihood diversification. BERSMP has been actively seeking business development partners and particularly Private Sector partners that share the conservation and development ethics of the programme. A number of exciting potential partners have been identified and BERSMP and BFE will continue to develop these linkages over time.

Ecopia (Ecological Products of Ethiopia) a new Private Sector natural products company in Addis Ababa have received *Wurbugia and Hypericum* (both with medicinal value) plant material samples for chemical analysis. Ecopia is also interested in buying bulk Honey

Trout Farmers PLC – is a new Private sector Fish Farming Enterprise set up in Adaba Woreda in West Arsi Zone. Discussions are on-going about a number of community linked joint initiatives based around expanding fish farming

Gema Lab – is a new company set up in Addis Ababa in order to develop Essential oils businesses. BERSMP is negotiating with Gema Lab for technical support and the potential to supply eucalyptus oil.

BERSMP and BFE have been exploring community based Tourism ideas in Bale. As part of this we have been in contact with the new USAID funded Ethiopia Sustainable Tourism Alliance (ESTA), which has been set up recently in Addis Ababa.

4.4.2 Enterprise feasibility studies - Natural Products

Building on the livelihood option identification work in 2007, the following progress has been made in the set up and development of various Natural Product Enterprises.

Bale Natural Products Collection and Processing (CPL) Centre –

BERSMP in partnership with Bale Forest enterprise has been working on the natural resources based product development and promotion. The purpose of the CPL centre establishment is to enable the development of community based sustainable livelihoods from Natural products through the promotion of small and medium sized enterprise development. The construction of a CPL centre in Goba woreda was commenced in 2008 on 1 ha plot of land. The site has been jointly developed by BERSMP and BFE in terms of sharing the construction material costs. In this semester the construction of a Natural Plant Materials drying barn / Bamboo workshop / Honey Processing Centre, and a Natural Products Shop completed

Next steps involve the handing over of the site to the Bale Forest Enterprise. The Bale Forest Enterprise will take the responsibility of managing the CPL centre. It is envisaged that once businesses are up and running, it will be possible to encourage private sector engagement.

Natural product promotion and sales exhibition

The programme has been supporting coffee and honey farmers to improve quality and quantity of the products. Towards this end, trainings were delivered on post harvest coffee handling and coffee plant management, and coffee farmers CBO development, establishing collection centre, bee keeping practices, proper honey harvesting, honey and wax separation.

In 2008/09 BERSMP in partnership with the BFE has worked with two woredas (Dolo Mena and Harena Buluk) coffee farmers to improve quality coffee for international markets. BERSMP was working with the farmers in providing technical support and organization of the farmers into groups. BFE paid a 25% premium for high quality coffee cherries in order to incentivise the farmers to improve the coffee quality. This experiment was very successful and cup-tasting reports from the UK based Union Coffee Roasters Company indicated a very significant improvement in coffee quality. They expressed the coffee quality improvement from the first sample sent in 2007 was like the different between night and day. Tasters described the Bale forest coffee as having “**cinnamon-chocolate tinged aromas and flavours**”. Coffee quality improvement has been a significant of BERSMP/BFE efforts.

BERSMP and BFE are also working together to develop a Bale Natural Products Label; *BALEWILD*. The idea is to create a conservation-based natural products label which will enable the BFE to market its products at a premium price to niche markets.

The first *BALEWILD* forest coffee and forest honey collected from the Dollo Mena and Harana forests was presented for commercial sale to an Agricultural products exhibition organized by the Ministry of Agriculture in Addis Ababa in June 2009.

The advantages and opportunities of the exhibition were;

1. Many coffee roasters in Addis were interested and BFE received many orders from them
2. The Bale honey and coffee products were sold for about 12, 000 ETB
3. The advertisement and promotion was made to national and international community through publishing and distributing brochures
4. Contacts were also made with Rainforest Alliance certified coffee buyers based in the UK/USA and a Belgium Fair Trade Honey buyer.

Currently, an Italian based specialist coffee buyer requested to buy some 525 kg of *BALEWILD* Forest Coffee, at 10 USD per Kilo.

BALEWILD information and promotional brochures published

The purpose was to promote the Bale Natural Forest products through branding as “*BALEWILD*”. The *BALEWILD* forest product currently under promotion and development are wild forest coffee, wild forest honey, and wild forest essential oil. The products are from community based sustainably managed natural forests. The products came out of the Harrena forest where the community and BFE are jointly managing the forest.

The communities are working on the sustainable production of the products and BFE is working on value adding (processing, packaging, branding) and marketing of the natural products to national and international markets.

The following is the sample of the brochure produced by the BFE & BERSMP.



Warburgia (*Warburgia ugandensis*) seedling production

Warburgia ugandensis was identified as one of the potential natural product for rural community livelihood improvement in the Bale EcoRegion. The distribution of the tree/plant in the EcoRegion is confined to the lower altitude of the south eastern side of the Bale Mountains National Park (BMNP) in Delo Menna, Harana Buluk and Barbare Woredas. It is believed that the plant is endemic to this part of Ethiopia. The programme is working for the new plant's product development for the export of dried milled material to bio-pharmaceutical companies, or for retail finished medicinal products for national and regional markets, for example for the floriculture companies in Ethiopia. As indicated earlier, Ecopia has received *Warburgia* samples for chemical analysis.

Therefore, to ensure sustainability of the wild harvest the out grower scheme was proposed by the programme. Towards this end the programme & BFE has contracted jobless rural youth groups to produce the seedlings for planting out. A nursery is currently under operation by the youth group in Delo Menna woreda (one of the priority woredas of the programme). It is planned to produce 100,000 seedlings this year.

4.4.3. Government / Community specific skills built Natural product Business training for Community Groups and Government staff

BERSMP is working to build the skills and capacity of rural communities for Natural Product/Resource based livelihood diversification and improvement. Towards this end, training was delivered to four priority Woredas, to all existing natural product business groups. Training focused on forest coffee, honey and bamboo businesses. The training was delivered to 32 government and 150 community business groups.

The training was first provided to government staff as aTOT and later they gave trainings to the community business groups

The training was focused on:

- Business skills development
- introduction to marketing

- Record keeping and work planning
- Projected Income statement(PIS)
- Cost and Impact of credit for investment
- Impact of investing in improved technology
- Saving for investment in production
- Risk management strategies
- Market linkages, and
- Monitoring and evaluation

The training was delivered by the MatchMaker Associates, an organization based in Arusha, Tanzania, as part of a three month business mentoring initiative.

4.4.5. Livelihood diversification implementation – CDF / CCG

I. Provision of Support to the business groups

a. Women saving & credit cooperative

BERSMP continues to support women saving and credit cooperatives in the priority Woredas. The cooperative members are all women and members of the bigger natural resources management cooperatives in the pilot Kebeles. They are engaged in the trading of natural forest honey and coffee. They are buying the products from the producer farmers that are managing the forest.

The programme provided 20, 000 ETB in 2008 to women credit & saving groups in two Kebeles (Chiri & Wabero) in Delo menna woreda. The grant money was a revolving fund that every member of the group will be benefited from. Currently, the Wabero & Chiri group provided 2nd round credit opportunity to another 20 women (based on the number of women paid back their loans). Previously the group provided the credit to 40 women and each of them made a profit of 800 – 2100 ETB and paid back the loan. The programme continues supporting the group with provision of training and technical advice.

b. The Bee keeping groups

The programme is supporting bee farmers in the four priority Woredas through the provision of training, improved equipment, and technical advice to improve the honey production in terms of quantity and quality.

Currently there are 21 beekeeping groups established under the Forest Management Cooperatives in the 3 priority Woredas (Delo menna, Haranna Buluk and Nensebo). The total number of members is c.332.

The programme also continues supporting the Honey groups in technical advice, and the provision of accessories (smokers, bee veil, honey compressor, glove, and others). The current challenge, particularly in Delo Menna and Harana Buluk, is bee absconding due to extreme heat of the long dry season in both Woredas.

4.4.6. Scale up through Woreda offices

Part of the Business mentoring initiative was aim at build Business Development Services (BDS) at Woreda level. BERSMP is waiting for the reports of the consultant group in order to determine next steps.

4.5. Sustainable financing mechanisms for the Bale EcoRegion which benefit government and community

Development of Sustainable Financing

Increase / retain revenues / tax Benefit sharing – concessions / regional revenue – re-investment in local government services

Share experience of SF mechanisms

Government capacity for sustainable financing built

4.5.1 Development of sustainable financing

As a follow up from the PES feasibility study and an initial market assessment for the proposed Bale REDD, next actions will be taken up into two phases. **Phase I** will aim at securing investor commitment through sufficiently elaborating on financial, legal/institutional and technical designs. This activity is being carried out by a consortium of consultants (UNIQUE Forestry Consultants, Climate Focus and Terra-Carbon). Primary tasks in this phase include:

- Refine baseline carbon stock projections and develop carbon stock projections with project scenario
- Develop preliminary leakage estimates and design of the monitoring plan
- Develop operational plan for Joint Forest Management (JFM) and woodlots development
- Develop cost projections for project implementation and leakage mitigation (over first 20 years of project crediting period)
- Develop financial summary and market documents

The current work is ongoing since Jan 2009 when the consultant group and BERSMP and OFESA/BFE staff undertook an aerial observation flight over Bale's forest resources. It is expected that the REDD preparation work will be completed within 4-6 months leading to the first investment in Bale REDD for PDD development (**Phase II**).

4.5.2. Increase / retain revenues / tax Benefit sharing – concessions / regional revenue – re-investment in local government services

A consultancy work on benefit sharing was finalized. The main aims were (i) identification of natural resources based revenue generating goods and services and quantify the amount of revenue that can annually be generated from the sources, (ii) providing a detailed framework for benefit sharing among relevant stakeholders, and (iii) suggesting appropriate institutional framework necessary for the implementation of the benefit sharing mechanism.

According to the study, from the products side (i) NTFPs excluding firewood but including forest coffee, honey and bamboo, and (ii) wood based products comprising lumber and firewood are found to generate considerable revenue in the short term. From ecosystem service side Carbon Finance, Trophy hunting, and Sport Fishing and associated ecotourism activities such as trekking and eco-lodging are found to have high potential to offer revenues in the short term. The following recommendations are given regarding institutional arrangements, benefit sharing and implementation modality.

A) Institutional Arrangements:-

i) For NTFPs:

It was suggested that the existing household based production model (customary production system) be adopted. In this regard BFE and AFE will be the marketing, packaging, processing, sales and transporting centers for the eco-region's NTFPs industry, while the farmers will be the suppliers of the raw materials.

II) For wood based products and carbon finance:

The management of all the forests of the eco-region needs to be arranged in joint forest management (JFM) scheme in which CBOs and the BFE/AFE share joint responsibility of managing the forest area.

III) For trophy hunting:

Possibilities need to be worked out for transferring the concession areas presently operated by private firms to BFE. Then, let BFE manage these concessions jointly with local communities living around these concession areas. These communities can be organized as Community Wildlife Conservancies (CWLC). Finally, the trophy hunting operation can be arranged in joint CWLC-BFE/AFE scheme. If necessary they can lease the actual hunting operation to private firms.

IV) For sport fishing and associated opportunities:

Communities that share lands around the facilities need to be organized as 'River Associations', legalized and given exclusive rights. The associations can run the business themselves or can lease it to hotels or other legal agents.

B) Benefit Sharing

- ❖ For the **NTFPs**, harvester individuals and/or their cooperatives having exclusive use right collects all the revenue accrued from sale of the NTFPs. But these individuals and their cooperatives need to pay 5-10% of their sale revenues as Forest Development Fund (FDF). This fund together with other similar funds will be reinvested and support forest and Wildlife management efforts by BFE/AFE & CBOs,
- ❖ Benefit accrued from sale of **wood products** (lumber + firewood), **Carbon Finance** and **trophy hunting** is suggested to be shared at 40%:60% (of the net revenue) between CBOs and BFE/AFE. Of the revenue share 5% from each party, which means 10% altogether, should be reserved as FDF and Wildlife Development Fund (WDF) to be reinvested in forest/ wildlife management,
- ❖ Income from **sport fishing**, eco-lodge and accompanying ecotourism operations will go to the River Association, who will be granted exclusive right. However, they should also assist the JFM scheme by paying tax of up to 5-10% of their net revenue for the FDF.

C) Implementation Modality

- Establish the appropriate CBOs as suggested above, legalize these CBOs and build capacity of CBOs management in terms of financial administration, auditing, etc.,
- Negotiations on the suggested benefit sharing schemes and incorporate the agreement reached on benefits sharing clearly in Forest Management Agreement (FMA) to be signed.
- Establish FDF and WDF collection and administration unit within BFE/AFE and capacitate this unit with the necessary skill such as database management, accounting system, etc.
- Put in place a transparently functioning external and internal financial auditing system, and
- A board of governance that oversees the FDF and WDF to insure high transparency and grant community confidence is also suggested.

The results will be used as an input for PNRM negotiations, particularly with benefit sharing and implementation modes, including carbon funds, among the stakeholders – BFE/AFE and CBO s. The full report will be posted on the BERSMP website shortly.

4.5.3. Share Experiences on SF Mechanisms

Regional Bio-carbon workshop

BERSMP has co-organized a regional bio-carbon workshop titled “*Bio-Carbon in Eastern & Southern Africa: Harnessing Carbon Finance to Promote Forestry & Bio-Energy*” together with UNDP and FAO in April 2009 for policy-makers, Designated National Authorities (DNAs), NGOs and CDM project developers and other stakeholders. The aim of the workshop was:

- To raise awareness of the bio-carbon opportunities offered by the CDM/ REDD,
- to enhance technical understanding of carbon finance,
- to create a 'carbon community of interest' in the region and
- to catalyse a CDM bio-carbon project pipeline

The four day workshop was attended by various countries and institutions working around carbon finance development and created an opportunity for future networking with the different organizations. BERSMP also financed the preparation of a workshop paper titled “*Providing public goods through forestry: An enabling environment*”.

4.5.4. Government capacity for sustainable financing built

In-house carbon advisor:

The development of the Bale REDD project requires further feasibility studies in order to secure investor commitment to finance technical development of the project. Considering the substantial financial investment of the BERSMP before such funding can be secured, a support consultant is sought that will act as an in-house Forestry Carbon Advisor, interfacing between BERSMP and Unique Forestry. This expert support in capacity building was also discussed and agreed during the 2008 year-end donor meeting. The consultancy service will be provided on an ad-hoc basis within 2009.

The Forestry Carbon Advisor is undertaking the following duties:

- Liaise between Unique, FARM/SOS and the Oromia State Forestry Agency to improve the efficiency and effectiveness of communications.
- Respond to issues of clarification from either side and to produce briefings on aspects of project design as and when required.
- Protect the best interests of BERSMP and the project developer OSFESA by keeping up to date with relevant forestry carbon market developments such as, standards, methodologies, monitoring and verification, and regulatory carbon market policy developments for forestry.
- Act as a representative for the Bale REDD project as appropriate and when required, in both the UK and overseas, to all stakeholders (investors, government, NGO and local communities) and attempting to manage stakeholder expectations.
- Provide short training sessions for BERSMP and OSFESA staff concerning aspects of Forestry carbon markets
- Develop the FARM/SOS Forestry Carbon Task Force.

Major activities during the semester include:

- Critical clarification questions and comments on the work plan were discussed between the Forestry Carbon Advisor and Unique FC and the minutes of the meeting was circulated to all concerned in BERSMP and OSFESA
- Socio-economic data requirements and availability of data for carbon stocks in the region identified
- A draft concept note for Carbon Taskforce is prepared.

Carbon Task force:

In order to co-ordinate the relevant existing expertise within FARM-Africa/SOS Sahel and so that forestry carbon projects that meet climate change mitigation, adaptation, biodiversity conservation and sustainable development goals can be developed, the setting up of a forestry carbon taskforce is found to be necessary. It is expected that the interest in forestry carbon will grow in Ethiopia and FARM-Africa/SOS Sahel are well placed to engage with forestry carbon with existing expertise in community natural resource management and participatory forestry management. The trust, capacity and links that have been built up at the ground level will also prove vital when forestry carbon projects are initiated.

Looking at the long-term, carbon finance could bring considerable funding streams for continuation of FARM/SOS activities. The need for in house expertise, so as to reduce costs and reliance on external consultants, is therefore very useful. Based on this idea, a concept note for the setting up of the task-force has been drafted and is being discussed.

4.6. Improved / appropriate legal, policy and regulatory frameworks for EcoRegion planning, CBNRM and protected areas

Policy Framework Study and Working Groups
Policy analysis – policy briefs produced

4.6.1 Framework Study and Working Groups

Since the working group regained its momentum in 2003-2004, it has been annually organized by the support of the various working group members and regional counterparts.

Though a number of points were raised and discussed in the 2008 meeting, the major decision made was that considering the increased interest on PFM in Ethiopia, and the participation of multiple regions (Amhara, Oromia and SNNPR), it was meaningful for the working group to be led by the Ministry of Agriculture and Rural Development (MoARD) rather than the Oromia Regional Government. The meeting ended with BERSMP taking the responsibility of bringing MoARD on board.

Through discussions with the Ministry, BERSMP has successfully carried out its assignment and MoARD has agreed to take the lead by being the chair of the working group and thus have called this year's meeting along with NTFP – PFM R&D project. It was with the MoARD assuming its lead role that the 2009 PFM-WG was successfully conducted in Jimma. BERSMP has further worked with the Ministry to develop a draft ToR for the working group which was discussed and enriched and to be endorsed by the Ministry taking into consideration the new EU-PFM initiatives.

Project presentations from various organizations were not only informative but also helpful in experience exchange. Discussions were made by workgroups on three selected crosscutting issues: Simplification of the PFM process, Community institutions, Scaling up PFM and formulated strategy and timeline for dealing with each.

Policy support

Policy brief

BERSMP has produced the third policy brief entitled “*Diminishing Grazing and Grassland Resources: Lessons from Livestock Management in the Bale Mountains*” in February 2009. This brief presents some key lessons concerning livestock management and grazing resources in the Bale Mountains based on the Livestock and Livestock Systems Study carried out by the BERSMP in 2007-8. This work was undertaken in recognition of the importance of livestock to local livelihoods and the escalating stress coming to bear upon their livestock management systems. The highlights of this study together with key issues of concern are presented in order to share our learning, and to inform land use and development decision makers at national, regional and local levels.

Code of enforcement and decree on forest development, conservation and utilization of Ethiopia

Based on a request from the Ministry of Agriculture and Rural Development (MoARD), the BERSMP has commissioned a consultant to produce code of enforcement and decree for the Ethiopian forest policy. This is expected to emphasize on the issue of PFM in a more explicit way than as in the policy and proclamation thus making the scaling up of PFM possible into many regions. A second draft has been submitted after comments on first draft were addressed and the MoARD is to organize a stakeholder consultation meeting that leads to a more refined final draft.

BERSMP Website

All publications produced by BERSMP and other relevant ones are regularly updated on the BERSMP website, www.pfmp-farmsos.org.

5. Activities analysis – progress against plan

Table 1. Progress against plan (January 01, 2009 – June 30, 2009)

Activities	Unit	2009 Annual Target	Sem I target	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In semester	Cumulative		
Output 1. Eco-region(s) planning							
EcP Workshops & Visits	meeting/ visits	-					
Resource Base Investigation	study	-					
Technical Facilitation - Planning Specialist	Consultancy	40	20	20	20		
Stakeholder Meetings	meeting	3	2	1	1		Reschedule for July 2009
Plan monitoring, review & adaptation(Eco-system Monitoring System Design)	consultancy	1	50%	-	50%	Plan under completion	To be implemented in the next semester
Monitoring & Database Centre Establishment	centre	2	2	-	-	Plan to be developed	To be completed in the 2 nd semester
Publications (Plans & Maps)	publication	2	2	1	-	1	
Output 2. Institutional capacity building							
Training Needs Assessment	need assessment	No plan for 2009					
Training & Courses on specific areas	training	3	2				
Training 10 grade complete students in Diploma course & internship	students	24	24	23(internship)	23		
Upgrading from Diploma to BSc	students	26	-	-	-		Summer course
Special study MSc	students	4	-	4	4		On study
Regional Advisory committee Meeting	meetings	2	1	-	-		
zonal steering Committee meeting	meetings	4	2	1	1	Frequent meetings by government	Planned to be conducted in the 2 nd Semest
Woreda coordinating committee Meeting	meetings	16	8	6	6	Frequent meetings by government	
Farmer-Farmer Exchange Visits	visit	1	1	-	-	Priority was given for scaling up activities	Will be done in the 2 nd semester

Activities	Unit	2009 Annual Target	Sem I target	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In semester	Cumulative		
Community-Govt PLA Activities, Workshops & Stakeholder Meetings	Field days	-					
CBO Development, Mentoring/Training (1 per Kebele per month)	visit	1	1	-	-	Mid term review took more time	An event at eco-region level will be organized
Social services support/HIV/RH	Woredas	4	4	-	-	No proper proposals presented	Marginalised pastoralist groups will be supported for capacity building
Output 3: Sustainable natural resource management							
Investigation, Negotiation and Implementation	person day	240	120	120	120	-	-
Developing Management systems bylaws, agreements on different resource management	person day	240	120	120	120	-	-
Support Negotiation and Implementation	person day	240	120	90	90	More time was given to the JFM agreement signing	To be done in semester 2
Enforcement Task Force (Rules & Regulations)	Woreda	4	2	1	1		
Benefit Sharing Agreements Establishment	agreement	4	2	2	2		
Support innovative Local NGO (community extension)	contract	1	1	1	1		
Output 4. Community NR based Livelihoods							
Diversified Livelihoods Options Feasibility Assessment	assessment	-	-	-	-		
Small & Medium Business Feasibility Plans and market analysis study	Study/business plans	4	2	-	-		
Livelihoods/Business Training for Community	woreda	4	-	4	4		
Livelihoods/Business Training for Govt	woreda	4	-	4	4		
Tree Seedling Development Support	groups	25	25	15 (13 in Adaba, 1 in delo & 1 in	15		

Activities	Unit	2009 Annual Target	Sem I target	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In semester	Cumulative		
				Nensebo)			
CDF financed community dev't activity	fund/group	25	12	5	5	Focus was on business mentoring and training	Will be implemented in the 2 nd sem.
CPL center development	center	2	1	-	-	Construction of the 1 st CPL centre in Goba delayed	Planned to be constructed in the 2 nd sem.,
Private Sector (Small Business Devt)	applicant	2	1				
Develop CBT infrastructure	groups	2	1	1 (dukanit Ecolodge on the edge of shaya river)	1		
Livelihood Dev't Promotion & Exchange	events	1	1	-	-	-	
Tourism Fair/Expo	expo	1	1				Planning with sustainable tourism alliance(USAID) to promote tourism in Bale
Tourism Network Establishment	networking	-					Same as above
TH Partnership Establishment	TH area	2	1	-	-	Unwillingness of private concession holder to share benefit with community	BFE is currently taken over some of the concession areas and willing to share benefit with community.
Sport Fishing Working Groups Establishment & Training	woreda	2	1	1 (shaya river management groups)	1		
Trout fish farm set up	farm	2	-	-	-	Discussion with the Trout Fish farmer PLc delayed	Planned to be implemented in sem 2
Govt Training in TH/SF Support, Management & Enforcement	woreda	2	-	-	-	-	-

Activities	Unit	2009 Annual Target	Sem I target	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In semester	Cumulative		
Tourism Learning Exchange	visits	2	-	-	-	-	-
Natural Resource Based Industry Support/Woreda office scale up	woredas	2	1	-	---	-	-
Local Tourism Office Start-up Grant	grant	-	-		-		
Output 5. Sustainable financing							
Sustainable Financing (Review & Development)	study/project		-				
Revenues and local government Financing mechanisms	study						
Benefit Sharing procedures guide	w/s & guideline	1	1	1			
Establish SF mechanisms	meetings/visits						
Share experience on SF mechanisms	Study Tour	2	-	-			
Concessions for consumptive utilisation (hunting / fishing)	concession	-	-	-			
Gov capacity for sustainable financing built	Training/monitoring meetings...	2	-	1			
OUTPUT 6 Improved/ appropriate legal, policy and regulatory frameworks for Eco-region (s) planning, CBNRM and protected areas							
Policy Framework Study and Working group	Working group	2	1	1			
Policy Briefs	brief	2	2	1			
Policy Tour	Study tour						

6. MID TERM REVIEW

A Mid Term Review (MTR) was carried out in April / May of the first semester. This activity is seen as critical in assessing the impact and progress of the programme. Considerable time was invested in the development of the Terms of Reference for the MTR study, tendering of the study and the selection of independent international / national consultants.

The MTR team was led by Nico Van Wargenigen, supported by Christopher Daley (PRNM) and Dr Dena Freeman (Livelihoods). The national consultant selected was Abebe Hiale (SW - NTFP Project). The team worked with BERSMP programme partners in Addis Ababa and in the field. The MTR visited all 4 priority woredas.

After a month in the field the MTR team presented their findings to a multi stakeholder workshop organized for one day. Discussion and debate centred around issues such as the delay to the publication of the Bale Eco-Region Plan, the recommendation to concentrate on forests as the key resource of the Bale Mountains, and the recommendation to focus in on specific livelihood options. It was recommended that the BERSMP continue its work at the scale and following the Goal / Purpose and Outputs of the original Programme Document.

A full MTR Report and a summary MTR Report have been circulated to key stakeholders and are available from the BERSMP PNRM unit. The documents will be uploaded on to the Programme website in due course (see below).

7. Donors / GO / NGOS MTR Response

Feed back meetings have been held between the Donors / Government (OSFESA) and FARM-Africa and SOS Sahel Ethiopia. FARM/SOS presented their response to the MTR results and recommendations in a meeting held in June. The Donors also presented a number of issues that were of concern to them. OSFSA also gave their response to the MTR process and results, emphasising their interest in the gradual hand over of activities and right sizing of the work in order that the transition from NGO to government is effective.

It was generally accepted that the BERSMP was on the right track and that the Donor group would continue to give their full support to the set out operations, taking into account the MTR recommendations and their own points. The meeting was concluded with the agreement that the BERSMP team would present an outline of the revised BERSMP structure and activities to the Donor consortium in Mid August.

8. Activities and Budget Planning for 2009 – Second semester

An annual activity and budget plan for 2009 has been submitted to the Donor consortium and approved. With this Semester I report the Liquidity plan for the second semester (July-Dec 2009) is been submitted for Donor approval.

9. Financial Utilization of 1st Semester 2009

During the reporting period, €656,506 was transferred from the donor consortium and a negative balance of €131,247 was brought forward from 2008. This means that the total available fund for Semester I was €525,232. Fund utilization during the semester was € 336,005 (59% of the semester budget or 31% of the annual budget). Reasons for this under-spending are given below.

For details, please see the financial report annexed to this report (annex I and 2).

Justifications for under-spending

Delays in fund transfer continue to be a problem. The Semester I Budget (less than what was presented in the liquidity plan) was only released end of May 2009. This means that both FARM-Africa and SOS Sahel Ethiopia were forced to pre-finance BERSMP activities. By April of 2009 both

organizations were finding it increasingly difficult to afford the pre-financing of the level of operations that had been planned. This situation went to the extent that BERSMP managers were asked to slow down implementation until transfers from the Donor were made. This has resulted in negatively impacting the level of budget utilization.

Having raised this issue with the Donor group during the MTR meeting, it seems that such circumstances can be avoided. FARM-Africa and SOS Sahel respectfully request that fund transfers are made in a timely manner in the future, and pre-financing requirements are limited as far as possible.

A further justification to the on paper under-spending is that many of the BERSMP activities are of a process nature. That is to say that they are on-going activities that may run for much of the implementation year. Payments are often based on contracts that are long running, at the time of reporting only initial payment (usually 30% of the contract value) are accounted for in the financial reports, even if the action is 90% completed by the end of June. It therefore appears that the programme is more under-spend than is the actual reality. This is true in a number of cases (for example REDD project designing, Eco-Region Planning support, etc.).

Annex 1.**BALE ECO REGION SUSTAINABLE RESOURCE MANAGEMENT PROGRAM
EXPENDITURE REPORT FOR THE PERIOD OF JANUARY -JUNE 2009**Exchange rate used
Monthly Inforeuro rate from EU Website

BUDGET LINE		ANNUAL BUDGET (€)	EXPENDITURES (€)
I	I. Activity Based Budget		
I.1	Output 1: Ecoregion Plan completed and being used		
I.1.1	Mapping & Remote Sensing Data	0	0
I.1.2	EcP Workshops & Visits	0	0
I.1.3	Resource Base Investigation	0	0
I.1.4	Technical Facilitation - Planning Specialist	19,645	1,255
I.1.5	Stakeholder Meetings	8,568	705
I.1.6	Data review & Compilation	0	0
I.1.7	Community Profiles and settlement dynamics (Local Contract)	0	0
I.1.8	Eco-system Monitoring System Design	2,262	0
I.1.9	Monitoring & Database Centre Establishment	10,827	0
I.1.10	Publications (Plans & Maps)	4,525	96
	Sub Total Output One	45,827	2,056
I.2	Output 2: Stronger Government /Community institutional capacity for sustainable NRM		
I.2.1	Training Needs Assessment	0	0
I.2.2	Training & Courses on specific areas	14,023	0
I.2.3	Training 10 grade complete students in Diploma course	14,001	2,418
I.2.4	Upgrading from Diploma to BSc	9,500	0
I.2.5	Special study MSc	20,000	0
I.2.6	Regional Zonal & Woreda Advisory committee Meeting	3,000	0
I.2.7	Zonal steering committee Meeting	2,000	273
I.2.8	Woreda coordinating committee Meeting	2,001	2,023
I.2.9	Farmer-Farmer Exchange Visits	10,000	1,101
I.2.10	Community-Govt PLA Activities, Workshops & Stakeholder Meetings	0	0
I.2.11	CBO Development, Mentoring/Training (1 per kebele per month)	20,000	1,565
I.2.12	Social services support/HIV/RH	6,000	815
	Sub Total Output Two	100,524	8,194
I.3	Output 3: Sustainable NRM and Conservation systems in place, incorporating different environmental and community needs		
I.3.2	Investigation, Negotiation and Implementation	1,000	564
I.3.3	Developing Management systems bylaws, agreements on different resource management	5,001	661
I.3.4	Support Negotiation and Implementation	5,001	446

1.3.5	Enforcement Task Force (Rules & Regulations)	4,999	5,062
1.3.6	Benefit Sharing Agreements Establishment	4,000	1,597
1.3.7	MELCA (local NGO) Community Extension	10,000	7,112
	Sub Total Output Three	30,002	15,442
1.4	Output 4: Community NR based livelihoods diversified		
1.4.1	Diversified Livelihoods Options Feasibility Assessment	0	0
1.4.2	Small & Medium Business Feasibility Plans and market analysis study	1,594	156
1.4.3	Livelihoods/Business Training for Community	5,000	5,686
1.4.4	Livelihoods/Business Training for Govt	5,000	510
1.4.5	Tree Seedling Development Support	35,000	9,170
1.4.6	CDF financed community dev't activity	100,000	26,788
1.4.7	CPL Center development	60,000	13,252
1.4.8	Private Sector (Small Business Devt)	2,000	0
1.4.9	Develop CBT infrastructure	2,000	149
1.4.10	Livelihood Dev't Promotion & Exchange	4,250	56
1.4.11	Tourism Fair/Expo	5,000	467
1.4.12	Tourism Network Establishment	0	0
1.4.13	TH Partnership Establishment	1,000	0
1.4.14	Sport Fishing Working Groups Establishment & Training	3,605	8
1.4.15	Trout fish farm set up	2,000	0
1.4.16	Govt Training in TH/SF Support, Management & Enforcement	3,000	0
1.4.17	Tourism Learning Exchange	2,000	0
1.4.18	Natural Resource Based Industry Support/woreda office scale up	8,000	0
1.4.19	Local Tourism Office Start-up Grant	0	0
	Sub Total Output Four	239,449	56,240
1.5	Output 5: Sustainable financing mechanisms in place for the Bale Ecoregion which benefit government and communities		
1.5.1	Sustainable Financing (Review & Development)	105,000	47,555
1.5.2	Revenues and local government Financing mechanisms	0	0
1.5.3	Benefit Sharing procedures guide	0	0
1.5.4	Establish SF mechanisms	0	0
1.5.5	Share experience on SF mechanisms	35,000	0
1.5.6	Concessions for consumptive utilization (hunting / fishing)	0	0
1.5.7	Gov capacity for sustainable financing built	10,000	1,899
	Sub Total Output Five	150,000	49,453

I.6	Output 6: Improved and appropriate Legal, policy & regulatory frameworks in place, for eco-region planning, CBNRM and protected area.		
I.6.1	Policy Framework Study and Working group	0	441
I.6.2	Policy Briefs	10,000	99
I.6.3	Policy Tour	6,000	0
I.6.4	International Study Tours	0	0
	Sub Total Output Six	16,000	540
	Sub Total Outputs I-6	581,802	131,924
I.7	Technical Field Based Project Staff		
I.7.1	Field Programme Manager (1)	57,012	28,610
I.7.2	Planning specialist (1)	7,415	3,143
I.7.3	Livelihood Specialist (1)	7,776	3,073
I.7.4	Participatory Development Officers (3); Forestry, Grassland/livestock & Water resources Advisors	26,934	10,881
I.7.5	Woreda Level Community Development Facilitators (4)	17,775	7,341
I.8	Technical Field Based Government Focal Persons		
	Addis support unit with in Government office		
I.8.1	General Manager	0	0
I.8.2	Deputy General Manager	0	0
I.8.3	Regional Coordinator	5,606	2,622
I.8.4	Regional Level Focal Person	0	0
I.8.5	Regional GIS expert	0	0
	Zonal support unit with in Government office		
I.8.6	Zonal Programme Coordinator	3,472	1,481
I.8.7	Zonal Level Focal Person	722	569
	Woreda support unit with in Government office		
I.8.8	Woreda Level Focal People (4)	2,229	2,155
I.8.9	Woreda Level Community Development Facilitators (4)	7,422	1,030
I.8.10	Other woreda and zonal NR staff (115)	0	0
I.9	PNRM Unit Technical Support		
I.9.1	PNRM Programme Coordinator	15,152	6,896
I.9.2	Information Technologist	7,235	2,087
I.9.3	Assistant documentation officer	5,108	261
	Sub Total Technical Staff	163,856	70,150
	Coordination, Monitoring and Evaluation		
I.9.3	Publication	4,000	291
I.9.4	Media outreach (sponsor programs)	4,000	0
I.9.5	Mid-term Final Review (2 consultants)	34,999	37,727
I.9.6	Audit fee	3,000	0
I.9.6	Monitoring cost Regional partners	4,897	0
I.9.7	Monitoring cost (FARM/SOS UK and Addis)	9,048	2,361

	Subtotal Coordination, Monitoring and Evaluation	59,944	40,379
	Total Activity Based Budget	805,602	242,453
2	Capital Investment		
	Equipment, Materials & Supplies		
2.1	Transport		
2.1.1	WD Hardtops & 2 Double cabin	0	0
2.1.2	Tractor and trailer	0	0
2.1.3	Motorbikes	20,000	0
2.1.4	Horses & Tack	0	0
2.2	Office, Office Furniture & Computer Equipment		
2.2.2	Computers & Printers	0	0
2.2.3	Computers Accessories & GIS Software	0	0
2.2.4	Fax machine	0	0
2.2.5	Data Projector	0	0
2.2.6	GIS Hardware (Plotter & Monitor)	0	0
2.2.7	Office Furniture	0	0
2.2.8	Field Equipment, e.g. GPS & Forestry Equipment	20,000	0
2.2.9	Solar Power	0	0
2.2.10	Camping Equipment	0	0
2.2.11	Backup Generator	0	0
2.2.12	Photocopier	0	0
2.2.13	Digital Cameras	0	0
	Total Capital Investment	40,000	0
3	Recurring Expenditure		
3.1	Local Office/Project Running Costs		
3.1.1	Vehicle Running Costs - Field	27,023	15,125
3.1.2	Vehicle Running Costs - PNRMU	14,704	3,743
3.1.3	Vehicle Hire	3,000	0
3.1.4	Per diems -Travel Bale	7,534	1,565
3.1.5	Per diem Travel PNRM office	4,481	860
3.1.6	Consumables - Field Office Supplies	20,000	3,359
3.1.7	Consumables - PNRMU Office Supplies	7,652	212
3.1.8	Office Rent/Robe & PNRMU office share	4,000	1,804
3.1.9	8a Office Construction at Robe	0	0
3.1.10	Field Office Services (Tel/Fax, VSAT, Electricity, Maintenance)	8,687	2,561
3.1.11	PNRMU Office Services (Tel/Fax, Electricity, Maintenance)	7,389	715
	Subtotal Local Office/Project Running Costs	104,470	29,945
3.2	Administrative Support Staff Costs		
3.2.1	Administration & Finance Officers (2)	9,297	4,308
3.2.2	Store Keeper/Cashier (1)	1,953	957
3.2.3	Secretary (1)	2,444	1,045
3.2.4	Office Assistant (1)	1,904	667

3.2.5	Drivers (2) and Driver Mechanic (1)	6,260	2,382
3.2.6	Guards (3)	3,843	1,338
	PNRM Unit Administration Support		
3.2.7	Senior Finance Officer	8,602	4,122
3.2.8	Driver (1)	3,933	1,765
	Subtotal Administrative Support Staff	38,236	16,584
	Total Recurring Expenditure	142,705	46,529
	Total Direct Project costs (DPC)	988,307	288,982
	Admin. Charge 10%	98,830	47,022
	Contingency(5% DPC)	15,812	0
	Total	1,102,950	336,005

Annex 2.**BALE ECO-REGION SUSTAINABLE RESOURCE MANAGEMENT PROGRAM
SUMMARY OF INCOME & EXPENDITURES
JUNE 30 2009**

DESCRIPTION	ACTUAL (Euros)	
INCOME		
-		
BBF FROM 2008	(131,274.00)	
TRANSFER DURING THE PERIOD	656,506.00	
TOTAL AVAILABLE FUND FOR 1ST SEMISTER		525,232.00
2009 1ST SEMISTER EXPENDITURE		
-		
PERSONNEL COST	86,734.00	
MONITORING & EVALUATION	40,379.00	
ACTIVITY COST	131,925.00	
CAPITAL COST	-	
RECURRING COST	29,945.00	
ADMIN CHARGE	47,022.00	
CONTINGENCY	-	336,005.00
EXCESS OF INCOME OVER EXPENDITURES	-	189,227
EXCHANGE RATE EFFECT (LOSS)	-	(2,466.00)
FUND BALANCE		186,761.00