

PARTICIPATORY FOREST MANAGEMENT PROGRAMME

ETHIOPIA & TANZANIA

INTERNAL MID TERM REVIEW

Summary Document

PREPARED BY the PFM unit
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The work on PFM systems is very good, the question for the PFMP is whether it wants to “play in the premier league or the champions league?”

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1. INTRODUCTION

The Participatory Forest Management Programme (PFMP) has reached the midway point of a four-year contract¹ to develop and institutionalise “innovations in policy and practice in participatory sustainable forest management in East Africa”.

The specific purpose of the PFMP is to deliver improved “efficiency and effectiveness of forest utilization and conservation through participatory forest management at Borana, Bonga, Chilimo forests in Ethiopia and Nou forest in Tanzania”. In turn, this achievement is expected to contribute towards increased “environmental sustainability in the region” (a critical element of sustainable rural livelihoods).

The PFMP is jointly implemented by FARM Africa and SOS Sahel, in partnership with the concerned government agencies in Ethiopia and Tanzania and forest adjacent communities. The implementing NGOs are essentially contracted to innovate: to develop, test and entrench a participatory forest management process, with the ultimate aim of ‘handing’ the process over to the appropriate government agencies to pursue over a greater area. The PFMP is structured around four complimentary participatory development processes:

- a. Development and establishment of new systems of PFM
- b. Creation of income opportunities from NRM and diversified livelihoods
- c. Capacity building of partner organizations for NRM
- d. (Catalyse the) adoption of PFM within forest policy & practice

The PFMP’s commitment to participatory processes also represents a determination to shift rural development interventions (particularly in Ethiopia) away from a ‘welfare’ approach in which communities are passive recipients of assistance or patronage, to one that encourages forest adjacent communities to take the lead in a development dialogue both within their communities and with external agencies. In Ethiopia, the government’s willingness to transfer control of a significant new capital asset (priority national forest areas) to local communities creates a wonderful opportunity to pursue such an approach.

With respect to some of the most vulnerable members of forest adjacent communities, high levels of forest dependence are at times creating ‘poverty traps’ whereby forest product harvesting enables families to avoid destitution, but not to create wealth or security. The PFMP is enabling such households to build new coping strategies and diversified livelihoods.

Whereas the first two years of the PFMP (in Ethiopia) were a continuation of a long process of investigation and trust building with local partners, the situation is now changing as PFM is clearly ‘taking off.’ The early hard work has resulted in ‘handover’ agreements being signed between the government and communities and increased demand from the government for PFM. These are significant achievements². As support for PFM grows, the challenges facing the PFMP in its final two years may be quite different from those it has faced to date.

The internal mid term review (MTR) has been timed to afford the PFMP the opportunity to consider its position at this critical juncture and to determine how best it may use the time remaining to it.

¹ Contract with the principal funding agency, the European Union. Other funding agencies include DFID, Comic Relief and DSW

² Also as a result of the work of a GTZ funded PFM initiative - the IFMP

1.2 REVIEW OBJECTIVES

The internal MTR is a major learning event for the PFMP. In commissioning³ the internal MTR, the PFMP has sought to go beyond the simple measurement of outputs against planned activities. The PFMP seeks to use the MTR to:

- Consider whether the PFMP is likely to achieve its anticipated results/effects
- Focus on some of the critical challenges that the programme faces
- Seek guidance for continued programme achievement for the remaining two years.

The MTR was asked to consider the following critical concerns in relation to each of the four development processes the PFMP is pursuing:

- The degree to which the strategy is sufficient and appropriate to achieve the outcome
- The sustainability of the development process
- Programme performance against targets and key progress points
- Recommendations on future directions and actions for continued programme progress.

In addition, the MTR was asked to consider the specific challenges facing the PFMP at each of the four sites.

1.3 METHODOLOGY

The assignment was undertaken through a review of key documents, brief visits to the four field offices and field sites, interviews with PFMP, SOS, FARM Africa staff, FUG members and staff of relevant government and donor offices.

It is acknowledged that the time allocated for the MTR was tight, however it is felt that given the essentially strategic nature of the MTR, the time was sufficient. The MTR was not intended to rigorously examine the impact of the PFMP development processes at the four sites or to delve into detailed operational concerns (as was the case with the MTRs of Bonga and Chilimo undertaken in 2003). The review can be likened to a stone sent skimming right across the entire surface of a lake, but not plunging its depths.

1.4 SUMMARY DOCUMENT

This summary document is prepared in order to capture the key points and issues made by the review. The summary document will be used for further discussion concerning programme direction in the MTR response workshop to be held in February. To this end, the content of this summary document is restricted to the main critical points, questions, challenges and recommendations made by the MTR.

Certain sections have been highlighted in *Bold* in order to draw the readers attention to the importance and need for consideration of the statement.

³ The internal MTR is provided for in the EU contract document

2.0 PARTICIPATORY FOREST MANAGEMENT SYSTEMS⁴

2.1 AIM AND APPROACH

The PFMP operates at four different sites in the region, to test the PFM process in different socio-ecological contexts; highlighting the importance of investigating and responding to each, unique, local situation. The PFM process in Tanzania is slightly different - JFM of a protected watershed forest.

By the end of PY4, the PFMP expects to deliver on the following PFM systems objectives:

- (A1) Participatory forest management plans prepared and implemented
- (A2) Forest rights and responsibilities established
- (A3) Forest groups (institutions) developed and empowered
- (A4) Returns from forest use/products legalized/ increased
- (A5) Participatory forest management agreements and plans reviewed

2.2 PROGRESS AND BREAKTHROUGHS

The general progress made by the Programme to date, as measured by reference to the original indicators of achievement is very good. At the midway point of the PFMP, much of this has already been achieved at Chilimo and Bonga or is in preparation at Borana. A number of significant breakthroughs that have been achieved in the first two years can be highlighted:

- 19 management plans either signed or in preparation (Bonga and Chilimo)
- GO support for PFM/acceptance of failure of state management
- Oromiya and SNNPR strategic plans for 10 new PFM forests in 3 years
- Community granted rights to manage and utilize a mature Eucalypts plantation (Chilimo)
- FUGs confident and active: “ we are the owners”
- Requests from neighbouring communities to expand PFM to their areas
- Forest regeneration (eg juniper regrowth) now emerging in PFM forests
- ‘New’ traditional PFM institutions in place (Borana)
- New knowledge generated and new systems devised eg numerous commissioned studies and consultancies eg PFRA

The PFMP has to date achieved exactly what it set out to do and this is a testimony to the efficacy of the original project design and the hard work of the PFMP staff.

2.3 SUFFICIENCY, APPROPRIATENESS, SUSTAINABILITY OF THE APPROACH⁵

Is the approach to PFM sufficient and appropriate to achieve the anticipated outcome? Clearly, the achievements noted above indicate that the new approach is capable of bringing the remnant forests under different forms of PFM. Indeed, from a CPR standpoint, the PFM process represents the ‘state of the art’ both nationally and internationally in 2002.

However, one can also argue that it is relatively easy to create new forest management institutions (particularly with generous budget and dedicated staff). What is more difficult is to create new institutions that have the desired impact and that are self sustaining. It is useful at this midway point, to anticipate some of the pitfalls that PFM may yet encounter.

In a number of (Asian) countries, governments have been pursuing PFM type policies for two decades or more. Most notably in Nepal⁶ (an acutely poor, mountainous country where there are now in excess of 10,000 FUGs) and India (where JFM is implemented on a massive scale).

⁵ Though relevant to the Nou forest in Tanzania, this section refers primarily to the work in Ethiopia

⁶ Nepal is particularly relevant as the PFM process (investigation, negotiation, implementation) adopted by the PFMP has some roots in the Nepal experience (see 2000 Guidelines produced by Susan Anders)

While being mindful of the socio-political differences in context, it is instructive to consider the problems that have arisen during the implementation phase of PFM in these countries.

These can be summarized as:

1. **FUG over protection of the resource.** Cases of FUG management leading to a deterioration in the condition of a 'handed over' forest resource are almost unheard of. The tendency, almost universally, is for the new management groups to be conservative and to over protect the resource. The reasons include: forest extension too focused on environmental dangers, poor knowledge of sustainable offtakes and elite focus on timber.
2. **Elite resource capture.** While on paper, 'handed over' forest resources have moved from being state to common property, independent studies have revealed that in practice new community forests can easily become *de facto* private property. Particularly in societies where there is a strong degree of social differentiation and hierarchy, the existing social relationships quickly re-establish themselves in the new institutions. Often the elites will dominate committees & interactions with outsiders, favour revenue generating prescriptions over subsistence needs, control discretionary allocation of timber, control the use of funds and in the worst cases continue to collude with corrupt government officials. To outsiders the new regime appears confident and successful. The elites dictate the development agenda in the village while the vulnerable are left to 'cope' with the decisions but are unable to harness the opportunities that PFM should provide.
3. **The government is reluctant to handover productive forests or sanction commercial use.** There is often a tendency to restrict PFM to degraded or low value resources thus shifting the costs of management to communities but retaining valuable benefits for the state. Likewise, a reluctance to allow communities to compete with government in the market for valuable forest products, particularly timber.
4. **Inability to maintain the quality of the process beyond the pilot phase.** During the pilot phase of PFM, generous donor resources and absence of targets often ensure that 'no expense or time' is spared in building viable institutions. Extension agents are able to build strong relationships with communities and work with them to address problems that arise. Once this phase is over, the realities of targets, time pressure and limited resources lead to the process being rushed through and inadequate community support.

The end result in many Asian countries has been that while PFM is highly successful if assessed by the normal measures of programme progress (management plans in place, committees active, forests conserved, benefits flowing, policies supportive, PFM expanding).

The socio-economic impact of PFM is not always as anticipated.

To quite an extent, the PFMP has already anticipated and addressed the particular challenges noted above. (the new management plan template explicitly includes development and utilization plans - secured commitment to hand over a commercial eucalyptus plantation - PFM process involves identifying weak and vulnerable interest groups and ensuring their needs are addressed in management plans - executive committees are encouraged to operate in a transparent manner). These efforts will help ensure that the first (FUG based) PFM systems in Ethiopia set the right precedents for those that follow.

The problems that have surfaced in Asia are in large part due to assumptions that were made about the new institutions (often naively by foreigners ignorant of the socio-political climate in which PFM was operating) and the desire of implementing agencies to be seen to be succeeding with PFM. **A rigorous appraisal of the risks of creating new institutions and in-depth, independent, studies of the impact of PFM took place once PFM was well established. Much time and effort is now being invested to address these so-called 'second generation' institutional issues. It makes a lot of sense to rigorously and honestly appraise the new institutions during the pilot phase and address issues early.**

PY3 provides a first opportunity at Bonga, Borana, Chilimo and Nou to examine the operation of PFM institutions in situ in the Ethiopian⁷ and Tanzanian contexts. The PFMP can now be evaluated in terms of its impact – quite different from measuring progress in terms of activities completed. The critical task for the PFMP to date has been, through hard work and discipline, to establish new systems of PFM on the ground (and concurrently to build GO capacity and entrench the concept in policy) and this has been right – there is no other way to establish a new approach than to put it in place on the ground. Thus to date, the PFMP has acted as an implementing⁸ agency. **Increasingly however, the primary task of PFMP will be to test the approach – to ensure the process it is handing over to the GO will generate the desired impacts. This is high quality, challenging and expensive work, which can only be undertaken by well resourced, dedicated, learning organizations.**

Suggestions on issues (learning objectives) that the PFMP should examine in future:

A. The net benefits of engaging in PFM for FUG members

It is assumed that the benefits from PFM are greater than the additional cost of engaging in forest management. Is this the case for all households in practice? What are the total costs and benefits to households of engaging in PFM? A great deal of time is taken up by meetings during the investigation and negotiation phase, bi monthly committee meetings, patrolling, monitoring. Is the opportunity cost of participating in PFM too high for certain households? Is there a tendency to overload communities with too many participatory tools? What do communities really make of all the tools being deployed –do they really empower communities and households, if so which elements of the tools or agency contact are critical?

A contrast to the participatory route is the incentives approach - the facilitating agency provides a framework of economic incentives for good management, leaving the communities to work out the details . The GTZ IFMP has to some extent taken this route. One critical task for the PFMP (with regional PFM wg) is to look rigorously at the pros and cons of the two approaches.

B. Institutional Development and Governance including Gender Dimensions

In practice, how are decisions being taken by the new PFM institutions, for instance JMFB and FUG executive committees? Are decisions negotiated by consensus and enshrined in the management plans or are more *ad hoc* procedures being followed? Do separate management plans for each FUG work well, or is an over-arching plan for each national priority forest needed? To what extent are the poor and vulnerable participating in decision-making? How have the decisions taken by the committee affected different interest groups? What leadership styles are appearing? What relationships are being established with outsiders – in particular the kebeles?. Whose interests are most acutely represented on committees? What are the gender dimensions of the new institutions? To what extent are ordinary FUG members aware of decisions taken by the committees? How are the assemblies operating in practice? How are traditional institutions coping with the challenges and temptations of managing revenue flows? What are the pitfalls and strengths of relying on oral traditions? How best can the GO be supportive of or involved in the management of these areas – how to ensure they perform the roles expected of them?

C. Links Between Forest Dependence and Environmental Degradation

Some statements made by PFMP staff concerning the causal links between poverty and environmental degradation are presented as fact when they are clearly complex and contentious [including the argument that (project) investment in diversified livelihoods is essential to ensure SFM, rather than to address poverty]. It is important to be rigorous in making assertions concerning the different impact of forest dependent poor and other richer households have on resource condition.

⁷ A strength of the PFMP work is that it has looked at PFM in quite different ecological and social contexts – moist tropical forest (Bonga), highland montane forest (Chilimo) and lowland juniper forests (Borana)

⁸ This is complicated by the EU programme purpose, which refers to ‘improved efficiency & effectiveness of forest utilization at 4 sites’ rather than to developing a new system, this is unfortunate.

The MSc thesis by Getachew Mamo (2004) is a valuable contribution.

“This (empirical findings) indicates that the richest households utilize a greater quantity of forest environmental resources held under the common property regime than the poorest households. This is because utilization of some forest environmental resource requires assets that the poor households do not possess. For instance, poor households without livestock could not benefit from fodder resources. Likewise, those who do not have investment capital may not attempt to accumulate wealth in the form of better house construction. Hence, the poverty-environment theory that often criticizes the poor for deforestation and rangeland degradation lacks a clear understanding on how forest resource utilization is biased towards well off households.

Unlike the level of resource utilization, the poorest group depends more on the forest environments resources than the rich except for construction materials, which require investment capital for utilization. The poorest households are dependent on low return activities like firewood sale. The high level of dependence on the resource by the poor signifies that denial of access to environmental resources will severely affect the livelihoods of the poor.

D. Forestry Cooperatives - Pros and Cons⁹

In practice, what are the pros and cons of encouraging FUGs to become forest cooperatives? Are they a good opportunity to create multipurpose, community based development engines?. Or, are they an unnecessary complication? Whose interests are best served by forming cooperatives? Are coops inclusive, do all FUG members join? What are the gender dimensions of coop operation? How are decisions taken? Is SFM compromised by the coops focus on the CDF? Are management plans overlooked? How does the role of the FUG general assembly compare with that of the coop assembly? How flexible are the stipulations of the Cooperative office? Do all FUGs need to become coops initially or only later on in order to further forest based enterprise development and administer loans? If FUGs can open bank accounts and sue and be sued, why form coops, other than for loans? Is there an option of lobbying for a new regulation that would recognize FUGs (derived from regional proclamations)?

E. Impact of PFM on Livelihood Strategies of Different Households

In practice, what changes have taken place in the livelihood assets and strategies of different households under PFM? If the original ‘well being’ exercises are repeated, what has changed? Has food security increased and vulnerability decreased? Are forests still seen as a primary safety net or have other strategies emerged eg cash savings eg diversified livelihoods? Are people moving out of forest based livelihoods by choice or because of management plan restrictions? Who has made use of FUG funds? In cases where distribution of timber etc has been at the discretion of the committee, how has this worked out in practice? What impact has the diversified/complimentary livelihoods strategy had on people’s livelihood strategies?

F. Maintaining the Quality of the Process – Investigation, Negotiation, Implementation

Within this component, possibly the most critical challenge facing the PFMP in the remaining two years is ensuring the quality of the PFM process can be maintained by government agencies once the four projects have completed.

The PFMP has pursued a strategy of working alongside government staff and this appears to have created technical competency and commitment to the process amongst the GO staff. What else can the PFMP do in the remaining 2 years to try and maintain the quality? Through the regional PFM working groups and other avenues, the PFMP has created significant opportunities to define the process, in particular through its mandate to produce guidelines for GO staff. At present there is a draft guideline on ‘Key Steps in Establishing PFM. A Field Manual to Guide Practitioners in Ethiopia.’

A number of points can be made: This is a critical document or rather two separate documents:

(1) Key steps in establishing PFM - Guidelines

⁹ See also suggestions made in section 4.0

- The Key Steps are essentially operational guidelines and need to be both procedural and clear. They set out the critical steps or outcomes that GO (or other facilitators) must work through in order to effectively and efficiently establish and support PFM.
- The Key Steps should (as at present) be framed primarily in terms of tasks and outcomes eg interest groups identified and different needs acknowledged and recognized, with tools taking a secondary role (and covered in more detail in the manual).
- The only point at which the GO has any leverage over the process is at the handover stage. The Key Steps can be seen as a set of critical processes that an official has to check have been completed before a request to approve a management plan is finalized.
- Much can be learnt from the Nou experience with working to GO approved guidelines
- The WAJIB approach to PFM pioneered by the IFMP at Adaba-Dodola is also being written up as a set of operational guidelines. It is a good opportunity to look critically at the WAJIB approach and its impacts and to see if the possibility exists to combine elements of the two. In practice, if there are two approaches, the guidelines that are the easiest to implement may take precedence.
- The guidelines should be interim, to be finalised during PY4

(2) A Field Manual for Practitioners.

- The PFM Manual¹⁰ or resource book or companion or handbook would be a substantial, practical publication containing the accumulated wisdom and lessons learned by the PFMP staff – providing detailed guidance and advice on each of the Key Steps
- The PFM Manual would also include numerous real life examples of situations and dilemmas that the project staff have tackled over the years – illustrating the importance of a consistent PFM approach and highlighting pitfalls and ‘wrong’ approaches
- The PFM Manual would also show clearly how the process is flexible and can be applied in many different circumstances
- The Manual should inform and inspire the GO staff and give them some of the confidence and lessons from experience they will need to do this work well (see Bhutan manual)

2.4 SUGGESTIONS FOR FUTURE DIRECTIONS AND ACTIONS (STRATEGIC)

- The challenge now is to ensure that the new (FUG, JFMB & JFM) based PFM systems are truly effective, efficient and equitable. In the remaining two years of the PFMP, it will not be sufficient for the programme to continue to operate primarily at activity level.
- PFMP must operate as a learning organization. Critical elements of learning include understanding the importance of learning from mistakes, of critiquing development processes, of inter-disciplinary teamwork and empowerment of field staff by managers.
- Towards the middle of PY3, the PFMP could usefully commission a major, in-depth, independent evaluation of the existing FUGs and the diversified livelihoods component.
- Project reflection meetings are critical but must not just report on progress and bottlenecks on implementation but on the impact and appropriateness of the process.
- The results of the critiquing should be compiled in a Manual of PFM for use by GO and other agencies once the four projects have closed down
- While PY 3 should be concerned with guaranteeing the effectiveness of the process (sufficiency, appropriateness and sustainability), PY 4 should begin to ensure the process is efficient, that is it can be undertaken with the minimum resources.
- In PY 4 the PFMP should prepare for the end of the projects by switching to a backstopping role and letting the GO take the lead, particularly in areas where FUGs/Coops are in an implementation phase.
- There is a general issue for both this and the livelihoods component of too many tools and trainings? Need to rationalise, which ones are important and efficient?
- Focus on the critical tasks in PYs 3 & 4.

¹⁰ Already envisaged in the programme contract as a PFM book

3.0 DIVERSIFIED LIVELIHOODS

3.1 AIM AND APPROACH

The aim of the second PFMP component is to “sustain and/or increase income opportunities from improved natural resource management and diversified livelihoods.” The EU contract document also contains the following sentence: *“In order to reduce pressure and dependence on forest resources and to increase other natural resource productivity, farmer-led participatory technology development will be introduced to test innovative and sustainable natural resource management initiatives”*

Output B.1 of the original programme document clearly states that the purpose of the Community Development Fund (CDF) is to enable setting up of activities, after suitable plans have been made for such activities: *“a Community Development Fund (CDF) will be established whereby such activities can be set up (for example the setting up of a tree nursery or introduction of modern beehives). This fund will be managed by the community and will be initially financed by the project with the aim of subsequently becoming self-funding from revenue received from forest products (the amount to be determined by the community itself).”*

Outputs B.2 and B.3 cover farmer-led participatory research approaches and “experimentation”. This raises the issue of drawing a line between “experiment” and “practice”. The latter, according to the original programme document, to be funded from the CDF in line with community identified priorities.

3.2 PROGRESS AND BREAKTHROUGHS

Outputs B.2 and B.3 emphasise farmer-led participatory research approaches and experimentation, stating: *The approach will be applied to many aspects of the farming system, such as improving soil conservation, water harvesting, soil fertility and crop productivity.* Various technical studies have been undertaken, and discussed and prioritised with communities. The wide range of studies and experiments undertaken on increasing forest value – NTFPs, tourism, and alternative non-forest based livelihoods – shows the enthusiasm and dedication of project staff.

Most of the livelihood activities are still at either the investigation or the experimentation stage, but there are significant variations between programme sites. At Borana, extensive participatory enquiries have been undertaken with communities, and links with researchers established, but few experiments have been implemented to date. At Borana, the justification for introducing alternative livelihoods is seen mainly as a means to alleviate poverty, which may indirectly contribute to improved forest conservation, but is not directly aimed at protecting the forest. Although the technical quality of work and experiment has been very high at all sites (including Tanzania) it is too soon to assess sustainability. At the Nou site in Tanzania technology selection is mainly based on transfer of other FARM Africa (Tanzania) technologies into the villages surrounding Nou forest (improved maize seeds; goat breeding & stall keeping for dairy; beekeeping; etc). The majority of the farmer participants are members of the village level Environment Committees or other village committees.

3.3 SUFFICIENCY, APPROPRIATENESS, SUSTAINABILITY OF THE APPROACH

Inevitably, this review is impressionistic rather than detailed, but nonetheless it is strategic. The livelihood programme has many strong points, not least the dedication of project staff and the good working and social relations with both community members and relevant government staff. However, since this is a forward looking review it is important to highlight areas of concern and areas where we (the consultants) believe improvements may be made. We have concerns over the approach to promoting alternative livelihoods, which risks being unsustainable. **A recurrent theme in our analysis of livelihoods is the importance of adopting a more economic or business minded approach to livelihoods in general. Consideration of economic viability and market realities deserves a high priority when experimenting with alternative livelihoods or business enterprises.**

It is a credit to staff that so many livelihood activities are being implemented “successfully”, at least in terms of positive technical results, and most also with the enthusiastic participation of local households involved in the experiments. Nonetheless, our concerns include:

- Numerous farmer technical feasibility studies have been carried out but assessment of true input costs, economic viability or market analysis of new alternative livelihoods appears insufficient in many cases.
- Existing, diverse livelihoods and multiple coping strategies have not been analysed in sufficient detail to understand their future sustainability or economic viability or market engagement when new forest management or new livelihood plans are introduced.
- It is also not clear the extent to which existing livelihoods have been analysed in terms of their relevance to forest resources, PFM and the potential challenges / opportunities of community forest management

Further, the project teams need themselves to review the extent to which the suggested alternative livelihoods relate to: (a) building on existing livelihood and coping strategies; and (b) existing forest management plans and PFM strategies.

There is a risk that alternative livelihood ideas presented to communities can simply create new “wish lists”. Project staff should question the extent to which new activities have actually been “farmer-led” rather than “project-led”.

There is uncertainty over the extent to which poorer and more marginalized groups are targeted or included in the alternative livelihoods programme, and over any differentiation of livelihoods or targeting between these groups. This needs clarification to ensure better focus in future.

There is also the issue of risk and whether it is better to remove risk, as the projects are in effect doing, or to help households decide how to evaluate and minimise risk.

In Borana pastoral areas, there is a need to recognise that traditional grazing and forest management systems have already changed. There is significantly reduced movement to former dry-season grazing areas, which poses additional challenges for sustaining the livelihoods of a less mobile people.

We have similar concerns for Nou as we have in general about the approach to livelihoods. The goat dairy work is a straight replication of FARM’s successful technology elsewhere, but it presently seems to benefit only the “richer” farmers. Will it benefit the more marginalized groups in future? Project team staff should ask themselves how they expect replication to be achieved. In the case of bee-keeping, we consider that improved new hives should not simply have been “imported” and granted to the community. It would be better to train local craftsmen and participating bee keepers how to make improved beehives from locally available materials, and to get a better idea of the local costs of making them. Nou project team has not been proactive in the selection of participants, which was left to the Environment Committees to organise, resulting in quite a high proportion of self selection – i.e. Committee members participate. In general there seems to be inadequate socio-economic analysis of communities and the different livelihood strategies to fully understand the priorities of different social and economic groups within them. This makes targeting of alternative livelihoods difficult.

Far too much is given free of cost to participants, including for “experiments”. The enterprises inputs are often heavily subsidised, even if indirectly, and therefore true economic sustainability cannot be evaluated. It is important to challenge and review issues of the community or beneficiary contribution and to emphasise the need to clarify definitions of “cost sharing” and “benefit sharing”:

- It is important to distinguish between “in-kind” contributions and cash contributions, especially for input costs and advisory services
- Land may not should not be counted as a contribution (this is not allowed by EU rules)
- The actual value of community labour, based on its opportunity cost, may be significantly lower than the rate used by the project for assessing community contributions

Alternative livelihood enterprises “in practice” are supposed to be funded from the CDF, the communities determining their priorities, and based on a full understanding of economic viability and risks. While retaining elements of subsidy, and an absence of properly testing the economic viability of enterprises, the current approach can be criticised for being unrealistically “soft” and out of line with latest livelihood approaches.

If the enterprises prove to be unsustainable, there is the risk of having wasted participants’ time through an approach which underplays the importance of assessing business viability and does not emphasise the need for full cash contributions for input costs. Because there have been few concrete results as yet, profitability or adoption rates of most of the enterprises is not known. It also appears that there is not sufficient input-output or expenditure-revenue record keeping by either participants or by project staff, so detailed assessments of viability may not be possible.

There is a need to analyse social systems and get a deeper understanding of different community uses and strategic requirements from the forest. Initial investigations have not gone deep enough into the household economics of the forest users and there is no effective monitoring of what is happening as a result of management plans and agreements. More information on existing diverse and multiple livelihood strategies is needed. Although the MTR did not have time to look at this issue in depth, there seemed to be little evidence of poorer / more needy people being targeted (except possibly in Borana and Bonga), which should be rectified in future. This can be done by project staff taking a more active role in facilitating and guiding the process of involving participants in alternative livelihood activities.

3.4 SUGGESTIONS FOR FUTURE DIRECTIONS AND ACTIONS

The development sector understanding of livelihoods has changed, so it is important to take a more strategic view. Most income generating livelihood strategies should be regarded as business enterprises. In much of Africa and elsewhere:

- There have been innovations in agricultural extension approaches, which are now not only farmer demand-led but also involving cash cost sharing and privatisation of extension advice services
- Main emphasis is given to a business enterprise approach to sustainable rural livelihood creation, which implies providing only training on a subsidised basis but all other inputs to be paid for in full by participants either in cash or on credit to be repaid in cash

It is not acceptable to argue that livelihood support activities are still “experiments” and so may be subsidised, even if indirectly (such as through providing free delivery of inputs to farmers). The results may be invalid and there are well known problems of subsidising (which may also include cash or food for work for forest activities, or free transport of inputs for new enterprises).

True input costs, and other market and economic realities must be addressed during early stages of discussions with community, to help create awareness of enterprise viability. Community must be able to make choices based on full information. We should question if operation and maintenance will be sustainable after project finishes.

It is important to monitor activities both technically and financially / economically in order to correctly assess long term sustainability and replicability (how will DAs who have to cover entire PAs be able to carry out this intensive work?).

In Tanzania, the project team should try to avoid diverting too much from main project objective of better managing forest resources. It would be better to focus on building on existing (multiple) livelihood strategies in future.

At present, it is difficult to see what the strategic value¹¹ of the livelihoods component is with respect to “innovations in policy and practice.” What will the GO and others be able to take forward this work? During the PFMP’s lifetime many households will benefit from the intensive support they are getting from the project staff and the donor granted CDF, but this is not the point. The point is to innovate, not to manage the delivery of inputs.

Strategically, the PFMP probably needs to re-visit and clarify the purpose of this component and the learning outputs it will deliver. The EU contract document provides for this as part of the MTR process (“need for readjustment of project approach, techniques, targets etc”).

By the end of PY4, it should be clear to the GO and other interested parties, exactly what the links between components 1 and 2 are. The PFM model may be best served if it is accepted that **(a) modest support to diversified livelihoods is initially targeted only at groups who would be disadvantaged by PFM – no matter how politically difficult (b) PFM is seen as a process with great potential to empower communities ie is a good entry point for helping communities build new SL during the implementation phase. The purpose of the diversified livelihoods component is therefore to test the best methods for FUGs/Coops to build new, economically sound SL in the Ethiopian PFM context.**

The component could set itself the following learning objectives for the remaining two years:

- (i) An understanding of the (strategic) role of forests in household livelihood strategies and the links between forest dependency, poverty, food security and the environment. In particular an understanding of the pros and cons for livelihoods and the environment of over reliance on forests as safety nets (poverty traps).
- (ii) An understanding of the diverse ways in which a PFM process can help communities build better SL – eg empowering communities to understand the dynamics of rural livelihoods (investigation phase) eg building community capacity to analyse, plan, problem solve, assess risk, build political capital etc (negotiation phase)
- (iii) An understanding of how FUGs/coops can best incorporate management of forests into livelihood and coping strategies. (Including an understanding of the ways in which FUGs/coops can best generate new sources of household / community development revenue from forest harvesting and forest based enterprises.)
- (iv) An understanding of how FUGs/coops can best¹² use new revenue flows from forests to promote equitable household and community livelihoods development.
- (v) An assessment of whether or not the GO (or a local credit and savings agency) really needs to provide each FUG or coop with a one off grant in the form of a CDF in order to promote diversified livelihoods –and the reasons WHY !!
- (vi) A review of similar project and GO approaches in Ethiopia (there are many eg see www.wed-ethiopia.org) to ensure a degree of uniformity of approach (eg DfID’s new cash based safety net programme and EUs integrated food security programme)
- (vii) Gender dimensions –best practice for supporting new SL for women and girls
- (viii) A Guidebook for DAs on the above, including pitfalls and strengths of farmer experimentation, forest based enterprise development and credit and savings groups.

¹¹ In part, this situation has arisen as a consequence of a badly framed component objective – “to sustain and/or increase income opportunities from improved natural resource management and diversified livelihoods.”

¹² For instance, the Chilimo coop is planning to distribute part of its revenue from the harvesting of eucalyptus to each household in the form of a lump sum of cash – this will be an initiative well worth monitoring.

4.0 CAPACITY OF PARTNER ORGANISATIONS

The aim of this component is to build the capacity of government staff and rural communities to manage natural resources in a sustainable and equitable way.

4.1 CAPACITY OF GOVERNMENT

4.2 AIM AND APPROACH

This sub component¹³ aims to assist government staff to undertake a “radical and challenging change in role” to become facilitators of development processes and supporters of community led initiatives. Local communities in turn will take back responsibility for the management of their resources. Government (GO) and community working partnerships will be established through the process of investigation and negotiation. Government and community based monitoring systems will also be established.

The PFMP approach to building GO capacity has been to provide training¹⁴ to the GO staff and to ensure the GO staff work alongside the project staff at each stage of the investigation / negotiation /implementation process. This dual strategy aims to ensure that the local GO staff are exposed to the new concepts and learn new core skills ‘on the job’ and build close relationships with the new community forest managers through joint planning and monitoring.

Additional capacity building strategies include GO training in participatory skills and other relevant subjects eg PFRA, exchange visits, in service training and upgrading. Efforts have also been made to prepare courses on PFM for Wondo Genet college (Diploma, MSc and BSc). It is envisaged that in PY4 GO staff will move from being co-implementers to sole implementers.

4.3 PROGRESS AND BREAKTHROUGHS

In terms of planned activities, the PFMP has made good progress. The actual impact of these activities on the capacity of the woreda level staff has been harder for the MTR to discern and is essentially an impressionistic view¹⁵. Generally, the view of the MTR is that progress on technical and attitudinal competency in PFM among woreda level staff appears to be good. There appear to have been a number of important breakthroughs:

- Go woreda level staff acceptance of failure of state control of forest resources
- GO woreda level staff acceptance of failure of old ‘extension’ approach to PFM
- GO woreda level staff confidence in their new PFM knowledge and skills
- MSc dissertation at Chimilo of a high standard

In addition, the PFMP has worked to gain a key position in the Ethiopian Foresters Association and to set up links with Wondo Genet college.

4.4 SUFFICIENCY, APPROPRIATENESS, SUSTAINABILITY OF THE APPROACH

While good progress is being made on the technical skills and attitudinal change aspects of GO capacity, **the challenges for the remaining two years of the PFMP lie in other aspects of capacity building, often referred to by GO staff as the ‘gap’ between the projects and the GO. The two critical areas/gaps are probably (a) the chronic lack of resources at woreda level (b) the institutional norms/weaknesses of GO agencies in relation to PFM.**

¹³ MTR was unable to discuss this component with the PFMU information and training officer as he has recently left the programme

¹⁴ At Chilimo, the training provided to the GO staff included (1) Mapping & Rapid Forest Assessment (2) Conflict Resolution in NRM (3) Gender Issues (4) M & E (5) PRA (6) GIS (7) Computer training (8) Exchange Tours (9) Sponsorship for diploma level staff to take MScs

¹⁵ Difficult to discern in part as the MTR had few opportunities to meet with technician/expert level woreda staff and met no Development Agents. In addition there appear to be no training evaluations or impact assessments to date

Chronic Lack of Resources at District (Woreda) level

The District (“Woreda” in Amharic) is the key administrative unit to which greater administrative and financial autonomy is being devolved throughout Ethiopia. One consequence is that many Districts, while on the one hand now having more autonomy in decision making, use of resources and staff recruitment, on the other hand are facing real reductions in budgets, especially for capital expenditure. One reason for this is lack of ability and capacity to collect local revenues and taxes, which are supposed to provide significant additional sources of funds for Districts under the new decentralised system. A similar process of decentralisation to District level (“Wilaya” in Swahili) has recently been undertaken in Tanzania, and although the process is more advanced than in Ethiopia, there are also problems of low levels of local revenue collection and under-funding. Example - Dendi Woreda is considered to be relatively well developed, it receives less funding (per person) than other poorer Districts might, which means its Capital Budget is especially limited in relation to the total population. Overall, the capital budget represents 12% of total budget, with the lion’s share of it going to education. Indeed, the “Social” sectors together receive almost 60% of the total District budget while “Economic” sectors including agriculture and natural resources are allocated only 17% of total. The “Rural Lands and Natural Resources” sector, which includes forestry, is allocated 2.9% of total for recurrent costs but has no capital budget. However, the Ethiopian government operates a principle of “offset” at all levels. This means that the very existence of the PFMP in Dendi District is likely to result in the government allocating less of its own resources to natural resources and forestry. For example, Dendi District is planning on the assumption that it will eventually be handed two PFM project vehicles, and is therefore adjusting its capital budget allocations accordingly.

There is clearly a significant resource gap between the PFMP and the woredas; this is only natural. It is to be expected that an innovative programme will invest heavily in innovation. The problem arises if the process of PFM establishment and support is itself dependent on resources that simply will not exist once the PFMP finishes.

Ultimately, District governments do not and will not have the capital budget resources to grant “Community Development Funds” to Forest User Groups, so the current CDF approach is not replicable.

There are potentially severe implications for the sustainability of the process. A thorough investigation into the financial implications for woredas of establishing and supporting PFM should be undertaken in PY 3 or 4 to clarify the situation and to draw the attention of woreda and regional administrations to the issue. As part of such a study, a critical examination of cost recovery options should be undertaken, including a review of the WAJIB approach¹⁶.

In two regions, the GO is wanting to expand the PFM approach (WAJIB and FUG) to new remnant forest areas. It is not clear what budgets woredas would have for this work, but financial and transport constraints are severe for government, and will remain so. It is therefore necessary to consider if there may be ways to continue to backstop GO staff beyond 2006 (while withdrawing from direct community assistance) or to find realistic alternatives to government taking full responsibility for promoting PFM in new areas¹⁷

¹⁶ The IFMP strategy for securing the future of the WAJIB approach at the existing project sites beyond GTZ support is based around the idea of cost recovery by woredas – from forest rents and from revenue sharing with communities from new forest based enterprises such as ecotourism. The IFMP is also aiming to simplify the WAJIB approach by the end of 2004 and produce guidelines for the same. In Adaba Dodolo, GTZ support will gradually decline, finishing altogether in 2006.

¹⁷ In order to replicate the WAJIB approach in 2 new national priority forest areas, funding from GTZ has been secured. The work will go ahead supported by a new Ethio-German program in “sustainable use of

- Provision of some investigation and negotiation services by other providers eg CBOs / NGOs / FUGs. The FARM Africa Training Unit could play a valuable role in building the capacity of these groups.
- Use of existing PFM sites as training areas to which GO staff can be seconded
- Strengthening of PFM units within regional authorities to provide quality support to woreda staff and CBOs

All of these options are still likely to require an input of donor funds.

It is also important for government to adopt PFM policy at Federal and Regional levels so it can be promoted across all woredas. Donor lobbying is needed to convince Federal government and other Regions. Establish a joint Donor-Govt-NGO PFM “Task force”.

Institutional Norms/Weaknesses in Relation to PFM

While the programme’s strategy of technical skills transfer is clearly working well there are other institutional issues that will in the long term affect the ability of the GO to support PFM. The institutional norms under which NGOs operate are often quite different from those of government. To make a simplistic distinction, NGOs are often characterized as being:

- Innovative, flexible, multi-disciplinary - Knowledge based / strong learning orientation - Focused on community development, respectful of community views - Participatory, empowering approaches to development - Well resourced - Staffed by dedicated, well rewarded, low turnover - Ultimately transitory & often unaccountable

Government agencies are often operate in an institutional environment characterized by:

- Directives, targets, conformity, rigidity, hierarchy - A culture of silence / fear, no internal debate or criticism - Technical and regulatory focus - Welfare & old style extension approach - Dedicated staff frustrating circumstances, high turnover - Poorly resourced, unreliable, but permanent and decentralised - Public sector reforms -better service delivery, performance evaluations & uncertainty

The central point being made is that the institutional norms prevalent in an NGO culture may be a significant component of the success of the PFM systems work at present and may be quite different from those operating in a GO culture. It may be important to look at this issue in greater depth to see if there are particular aspects of NGO institutional norms that it is important (and feasible) to transfer to GO teams eg some of the critical aspects of current thinking on learning organisations

Participatory Managers in Learning organisations

What is expected of a successful forest manager in a learning organization? First, show your staff that you value learning. Share new ideas and information with your staff, welcome feedback, comment and even criticism. Secondly, empower your staff to develop their own ideas and solve problems.

Empowerment in organizations means that in any team the staff have the freedom to act within known boundaries to achieve agreed outcomes. Empowerment allows the manager to help others without taking on their responsibility and without appearing weak. Staff are more motivated because they have more control over their daily work.

How Do I Empower My Staff?

- P - Participatory (involve everyone)
- O - Open to ideas and questions
- W - Willing to let go, to let others learn from mistakes
- E - Enabling, opening doors and clearing barriers
- R - Results driven/outcomes

There is a problem of frequent staff turnover and loss of institutional memory and community contact. This is not just an issue of skills loss and constant re-training – to some extent the existing PFM systems process is dependent on the continuity of staffing and institutional memory of the PFM projects, this cannot be guaranteed in future and the final process (guidelines and manual) needs to be drafted with this in mind. NR staff have other activities in addition to PFM. In one case the forestry team leader spent approximately 20% of his time on PFM/project activities, 45% of his time on “regulatory” activities, 20% of his time on office work and 15% of his time on development/nursery related work.) Other GO staff also mentioned surveys, utilisation, punishment, fire protection and education activities. Apparently, PFM is not part of the current job descriptions of GO staff and therefore not included in staff performance evaluations. If is the case it further increases the risk that GO staff will spend less time on PFM work when project per diems etc are no longer.

Some of the ‘gaps’ noted above may be beyond the ability of the PFMP ability to influence, but others are definitely not; e.g. joint planning of PFMP activities.

4.5 SUGGESTIONS FOR FUTURE DIRECTIONS AND ACTIONS

The primary responsibility of the PFMP has been skills transfer and attitudinal change and this has been exemplary and successful. However, this work has primarily been undertaken with reference to the needs of the PFM process at project sites. Increasingly there is a need to focus capacity building on an analysis of the peculiar institutional needs, constraints and weaknesses of the GO at woreda level. While it can be argued that GO capacity building (beyond technical skills and attitudinal change) is not the PFMP’s responsibility, unless some of the issues related to resources and other institutional weaknesses are tackled, they could undermine the expansion of the PFM approach. The woreda and regional level PFM working groups will be a key resource in this work as will FARM and SOS experience in scaling up other projects.

The MTR ‘s suggestions are offered¹⁸:

- Now that PFM is accepted, the situation begins to change. Increasingly the NGOs have to accept that their job is to innovate and the GO role is to expand and support the process. If there are problems in the GO taking on that role they need to be exposed and addressed.
- The PFMP needs to start to see GO capacity building issues from the GO point of view. Put the GO’s concerns at the centre of GO capacity building.
- A more comprehensive review of the institutional and resource constraints GO will face in supporting established FUGs and in expanding the approach to new areas is needed, in particular budgetary issues.
- Although in most woredas the NR teams are quite small, what do they think are the implications for their offices of the new regional proclamations on PFM? Organise workshops or meetings to review the institutional issues in full at woreda level. What do they think needs to happen/change for them to effect the new regional proclamations? What do they see as the main constraints they face? Which changes or constraints can be tackled by project support or training and which need GO decisions? eg new job descriptions. Link into public sector reform programmes if appropriate.
- Planning. Better integrate project planning and woreda planning.
- Consider strengthening woreda capacity to do district planning. In particular in districts where the PFM process is to be replicated (regional targets), help the woredas learn how to design the expansion and backstop them – let GO them take the lead on this.
- Devolve some learning tasks to GO and switch the project role to backstopping eg participatory silvicultural trials.
- In the areas where FUGs are well established, GO to take the lead in PY4.
- Involve GO staff in preparation of guidelines and manual – agree the objectives and the tasks together.
- Ideally win a second phase to support expansion – this will be a challenge.

¹⁸ At present no specific GO institutional capacity building activities are planned for PYs 3 & 4

4.6 CAPACITY OF COMMUNITIES

4.7 AIM AND APPROACH

Ultimately the aim of community capacity building is to establish successful FUGs (and JFMB) and cooperatives. According to the EU contract document, “the development of community capacity entails a number of different approaches. Training will be given to communities in specific skills, such as participatory community planning, conflict resolution, gender issues, participatory forest assessment, farmer-led research and action and institutional management. Other training related to livelihood development will be provided according to the needs identified by the communities themselves. Once forest management groups are set up and functioning they will also be able to take advantage of cross visits and community exchange.”

In addition, key concepts such as the use of the CDF and the entire process of investigation, negotiation/planning and implementation are clearly capacity building processes.

4.8 PROGRESS AND BREAKTHROUGHS

Forest User Groups & PFM Working Groups - While it must be stressed that the MTR did not look into FUG operation in depth, it is clear that there has been excellent progress in Ethiopia. Progress is most noticeable towards: group formation and administration; group forest management; financial management; and empowerment to enter into legal Agreements with Government. At some sites, FUGs are already successfully managing savings and credit.

FUG/Coop executive members interviewed by the MTR all gave impressive and comprehensive descriptions of their position and (ambitious) plans for community development and forest management. The committees appeared confident and capable. The narratives given to the MTR by executive committee members were as good as those of highly successful, long established FUGs in other countries]. Executive committees have clearly also found their voice vis a vis service providers and have had some considerable success in negotiations with GO.

Cooperatives - The Forestry Development and Protection Cooperatives have only recently been established and it is too early to say how well they are performing. However the executive groups the MTR visited, particularly at Chilimo, appeared confident and determined and were committed to implementing their ambitious three year plan of action. In Bonga, the Wacha group, comprising marginalized manja communities noted that they local townspeople now treated them more respectfully. Group members have also started to take more control of their future – noticeably saving and accumulating household items.

4.9 SUFFICIENCY, APPROPRIATENESS, SUSTAINABILITY OF THE APPROACH

Forest User Groups & PFM Working Groups - Although officially promoting a bottom up planning system, Government’s actual top-down plan approval process is a constraint. Even with the process of decentralisation, Regional and Federal governments still specify the general sector priorities, and Districts tend to decide priorities for villages and rural communities. This means that community ability to access new funds / services from government remains limited, even with stronger community based institutions. Given the situation, it is still a challenge to promote self-esteem and confidence amongst recently formed community institutions, for example there still seems to be some feelings of dependence by FUGs on the PFMP teams and on Government resources, even with the so-called “Power Group” in Borana and the manja in Bonga. Moving away from a welfare approach to development, to one where people feel they can take control of their destiny will take time. **However, the capacity building nature of the PFM process (distinct from the diversified livelihoods activities) should not be underestimated. When carried out properly, the very process of participatory investigation, negotiation, planning, handover and implementation is empowering.** Through the process the community can gain the confidence to analyse its situation, to solve problems, to plan as a group and to negotiate for services with the government. The handover process enables the group to take control of a significant new asset which can then be the basis for many new livelihoods.

The PFM process itself is empowering and for many communities constitutes its first real experience of community governance or control of a development process. The experience from other countries is that PFM is a very good entry or starting point for community development. The most important element of capacity building therefore is not to undermine or compromise this process.

In most of the projects the participatory approach is consistently applied, thus for example when communities encounter problems the response of project staff is generally to facilitate a discussion that encourages the communities to solve the problem themselves, this builds capacity (probably strongest at Borana). **At other times however project staff run around trying to solve the problem themselves, while well meant, this is a damaging practice and needs to be curtailed (in essence the practice is about ensuring the success of the NGOs work, not building community capacity). Likewise the continuing provision of handouts undermines the process.**

Within FUGs, the projects can also pick up on some of the latest work on SL which looks at differentiating capacity building for the vulnerable in more strategic terms - recognising for instance the needs of the 'declining poor', 'coping poor' and 'improving poor'. Future work on FUG group silvicultural experimentation will help ensure the technical sustainability of the FUGs.

Cooperatives - It has become clear that Cooperatives are not necessary for opening a bank account or for several other purposes. Indeed, the GTZ experience shows that FUGs can exist as Associations and open bank accounts. Therefore Cooperatives may be necessary only if credit and savings systems¹⁹ are to be managed by the community (to be initially funded from the CDF). The MTR was not able to examine in detail what are the precise legal constraints on Cooperatives (e.g. to what extent can PFM / FUG based Cooperatives formulate their own constitution and bye-laws for specific purposes) but there do seem to be some legal alternatives for registering group enterprises / businesses in Oromia and SNNP Regions, and which may also allow revolving fund or credit management. For example, there is the potential legal alternative as "Credit and Savings Associations", but although there is a branch in Ginchi near Chilimo forest, presently there is a lack of branches in many Districts. If Cooperatives are the only suitable legal route available in some project areas, it is very important that new ones should be focused (e.g. on credit and savings). We should not recreate the old multi-purpose farmer production Cooperatives because of two key problems:

- Difficulties in prioritising uses of resources / funds between different activities
- Shortage of both technical and management skills for different activities

It is especially important to monitor both Cooperative activities and CDF management and uses. Not all members of the FUGs have joined the Cooperative (where constituted). Who has not joined, and why? What are the implications – e.g. are certain social groups dominant in the Cooperative while others may be missed out? As a result of monitoring, it may be decided that Cooperatives do not offer the most appropriate legal structure to meet either the PFM or the livelihood objectives.

Community Development Fund

Output B.1 states that the CDF is to enable the community to set up activities for NTFP or agricultural intensification, after specific plans have been made. The original programme document itself does not discuss in detail or dictate exactly how the CDF should be used by the communities. The MTR is very much in favour of using a credit and savings based approach to strengthening existing livelihoods and promoting alternatives. A group-based credit and savings approach is generally a very useful development and capacity building tool in its own right.

¹⁹ At Chilimo the Coop has a budget of 28,289 birr of which 25,000 is a grant from FARM, being disbursed as loans to 104 members. The coop members said the main rationale for them of forming a coop is to 'obtain loans so they can continue the community development work once FARM funds have ceased.'

However, the CDF's specific value in promoting PFM and/or alternative livelihoods development in the context of this programme is as yet uncertain because the CDF has been little used to date, and not yet even introduced at either Borana or Nou sites. Also, there are considerable risks in group managed funds in the long run (committee members change, funds vanish), which may not be apparent in the short run. It is clear both from the programme design and from actual practice that the CDF budget line exists to enable granting of funds to community forest user groups, associations or Cooperatives. The PFMP will not claim back the CDFs from communities when the programme finishes. As a grant mechanism, it is not replicable by govt. It is difficult to see in future why a woreda would authorise a CDF for a FUG when it cannot do the same for all the other households in the kebele ?

The MTR workshop revealed differences in opinion as to the main purpose of the CDF and insufficient recognition that it is in fact a grant not a loan from the project viewpoint. There was however a strong consensus that the CDF should, at community level, be used as seed capital for revolving funds or savings and credit systems and generally not for infrastructure investment. Monitoring of community management and use of the CDF will be very important.

Training for Communities - A key element of the general strategy of community capacity building is training²⁰ – there is a need in PYs 3 & 4 to evaluate the impact of the community training strategy. Were all the trainings necessary? Which were the most critical?. It is highly unlikely that this aspect of capacity building could be replicated on existing GO budgets as the costs are simply too high. In some cases, the cost of running one training or study tour would absorb the entire woreda NR budget ! Is there a role here for alternative service provision by CBOs, Coops etc with support from the FARM Africa Training Unit? Who would pay?

4.10 SUGGESTIONS FOR FUTURE DIRECTIONS AND ACTIONS

There is need to get away from the idea of “handing over” the current CDF grant approach to government because this would imply relying on government's (small / inadequate) capital development budget, which would not be sufficient for replicating the CDF as a grant. **A potential solution would be to concentrate more on enabling communities / FUGs to generate their own revenue, for example from the legitimate sale of forest products.**

There is a need to ensure clarity and consistency amongst both programme staff and community members about flexibility of use of the CDF in the different sites. Should we be challenging the principle of the CDF even now: is it mainly a carrot to entice communities to participate in PFMP activities, but which distorts priorities?

The process of capacity building, where utilising the CDF, should continue to emphasise the benefits of sustaining a revolving (and hopefully cumulating) fund. Once-off capital investment in infrastructure, which would in effect be merely a short term substitute or supplement to government's capital budget, should be discouraged. The actual (hidden) costs of supporting the CDF programme and farmer experimentation need to be determined eg transport costs eg staff time.

There is a need to review the community training programmes and study tours and to determine which elements are critical for the future and which cannot be justified. The findings should be incorporated into the PFM Manual. In addition, the manual should make clear the extent to which a facilitatory approach ie constantly encouraging communities to solve their own problems rather than fall back on project/GO staff is a critical element of capacity building.

²⁰ At Chilimo, training for communities has included: (1) PFRA (2) Institutional Development (rights and responsibilities and book-keeping) (3) Forest Seed Collection and Management (4) Agroforestry (5) Conflict Resolution in NRM (6) Gender Issues in NRM (7) Community Based M&E (8) Bee Keeping (9) Vegetable Promotion (10) Bamboo Management and Promotion (11) Improved Poultry Management & Promotion (12) Forage Development (13) Soil and Water Conservation Measures (14) Experience Exchange Tours (15) NTFP Marketing and Certification (16) Forest Management by Communities.

5.0 POLICY, NETWORKING AND DISSEMINATION

5.1 AIM AND APPROACH

The aim of this component is to catalyse the adoption of PFM within forest policy and practice. In order to do so the PFMP seeks to influence national forestry development by feeding the results of its work into national and regional forestry debates. The approach to this component encompasses four sets of activities:

- Project publications produced in various media and disseminated
- Dissemination and promotion of lessons learned and best practice
- Policy makers study and forestry project partners forum set up
- Development of Ethiopian and Tanzanian forest policy

5.2 PROGRESS AND BREAKTHROUGHS

Project Publications Produced and Disseminated - The EU contract document states that “the issues being explored, the approaches and methods developed and results obtained should be documented and disseminated as widely as possible.” It was envisaged that the PFMP would “produce and disseminate various publications, thematic papers, reports and reviews (including *inter alia* reports on field tools for participatory forest investigation, guidelines, certification, joint monitoring). In addition to technical publications, other forms of media would be used to increase understanding of the issues surrounding comm. participation in NRM.”

In general, good progress has been made to date with regard to publications and dissemination. The programme is disciplined in this regard and the proceedings and findings of numerous workshops, training events, technical consultancies and reviews have been compiled and disseminated widely. All GO staff that the MTR met with had received copies of all PFMP publications. All of the projects are equally disciplined in the production of field reports and quarterly and annual reports (against the log frame). Recently all PFMP documents have been distributed to a common cover and logo, which is also a good step. The number of documents available to the MTR was considerable. The PFMU has also made good progress on the issue of certification; consultancy studies of the potential for certification of coffee and honey (in Bonga) have been completed and a national workshop has been held in Ethiopia, a certification steering committee and a working group have also been established.

Dissemination and Promotion of Lessons Learned and Best Practice - The EU contract document notes that, “understanding how to translate experiences at the grass roots into lessons that can be shared and even published requires a change in thinking for government and project staff as well as communities. On the one hand it might be culturally unacceptable to ‘boast’ about positive outcomes of innovations and on the other hand it is difficult to expose negative experiences or failed initiatives. The project will therefore foster an approach that builds trust between all stakeholders and encourages the acceptance of successes and mistakes as all steps forward in the learning process.” Particular activities will include: support for a newsletter, radio programmes, setting up of a PFMU in Addis Ababa, a website and attendance at international forestry conferences. Again, good progress has been made at the activity level. The PFMU is established and operating very well, the website is up and running and an excellent newsletter is being produced.

Policy Makers Study & Forestry Project Partners Forum - The aim here is to engage in the development of a new international forestry network – the Forestry Projects Partners Forum. The new training officer (based at the PFMU) may pursue this ambitious activity.

Development of Ethiopian and Tanzanian Forest Policy - One of the key roles of the PFM Unit is to lobby for change in policy and practice, through bi-annual meetings of the PFM working groups and other means.

The PFMU has been pro-active and successful in this regard – taking a lead role in the regional PFM working groups and creating a new opportunity to influence policy through the Ethiopian

Foresters Association. The Oromia regional PFM working group is active and is currently working on three thematic areas (policy/GTZ lead, institutional aspects/Chilimo lead and PFM Guidelines/PFMU lead). Regular exchange visits between projects also take place.

The Oromia Proclamation recognises “Community Forests” as a type of forest resource ownership and provides for “state owned forest, patches of forests outside the boundary of state forest to be handed over to organised local communities.” The Proclamation also grants communities the rights to “use forest products sustainably” and allows the community to “convert own plantation forest to sawn wood in order to sell.” **The Proclamation also notes that the community shall “pay the forest products use rent requested by the authority”.** **This is presumably a clause emanating from the WAJIB concept, which may be problematic in the FUG areas.**

.In the SNNPR, there are fewer projects involved in developing PFM and few staff at the regional level, thus there is less activity.

5.3 SUFFICIENCY, APPROPRIATENESS, SUSTAINABILITY OF THE APPROACH

Lot of new knowledge has been generated by the PFMP in the first two years. **In particular, numerous reports have been produced on the potential for new forest based enterprises and this is particularly useful knowledge. It is only right and proper that an innovative project invests heavily in this kind of knowledge generation.**

However, as the PFMP enters its final two years, it is essential that it returns to its original task which is to ensure that “the issues being explored, the approaches and methods developed and the results obtained should be documented.” At present, most of the new knowledge being generated is in the form of consultancy reports, in the future it is hoped that **the projects will also be producing new knowledge based on rigorous review and debate of field experience. Currently, the documents coming from the project sites are still mostly focussed on activity level progress reporting, this needs to change in PYs 3 & 4.**

Increasingly the PFMP needs to embrace the challenge set out in D2 (EU contract document) that it will “ **foster an approach that builds trust between all stakeholders and encourages the acceptance of successes and mistakes as all steps forward in the learning process.**”

Progress in this regard at the various project sites has been variable and in some cases poor. The PFMU has recently taken some good steps in relation to D2, for instance requesting that mistakes be documented and engaging a consultant to document the PFM process at Chilimo and Bonga through a series of case studies.

5.4 SUGGESTIONS FOR FUTURE DIRECTIONS AND ACTIONS

The appointment of a new documentation officer will provide a good opportunity to consider documentation / dissemination that will be needed in PYs 3 & 4. Some suggestions are offered:

- Further efforts are needed to develop a learning organisation culture in the projects and in particular to set learning objectives against which project staff can produce rigorous, critical and honest reports documenting the results of field experience.
- The above should feed into the production of one manual of best (and worst) practice. [Each site should be able to produce a set of papers on the key aspects of the process eg investigation, gender concerns, diversified livelihoods etc]
- Case studies are a good idea, as long as they are rigorous and honest. They need to be able to consider the impact of the work and test assumptions. Case studies also need to document the process from the GO and household perspective too. At present reporting is dominated by the project’s narrative.
- ‘Success stories’ should (as at present?) be strictly limited to PR material for fund raising and not be confused with case studies
- GO staff should be encouraged to produce reports – to contribute to the debate and to build their documentation skills

6.0 SITE SPECIFIC CHALLENGES

Almost all of the above has referred primarily to the challenges facing the PFMP in Ethiopia, this section therefore focuses on the specific challenges facing the PFMP in Tanzania. In addition, it can be mentioned that;

At **Borana**, key challenges may include (a) being aware of the risk of having too many tools and (b) recognising that while the work on each component is very good, how well do the pieces fit together? (c) monitor some of the risks of traditional gada institutions noted in the excellent SOS paper (no4) (d) consider how to use the power tools

At **Bonga**, the key challenge may be for the team to be more rigorous in its critiques of its own work, for example looking at the hidden costs/inputs/sustainability/impacts of the community development component. Also deciding what to do with the TAM Agribusiness consultancies.

At **Chilimo**, the key challenges probably relate to monitoring the implementation phase – determining how the FUGs and Coops work out in practice and addressing some of the GO capacity issues and evaluation of trainings undertaken to date.

There are differences in **Nou** and the other sites in terms of both forest protection and forest management opportunities. Nou is a water catchment forest, having adjacent agricultural-based villages and communities. Nou forest is in the highest Tanzania forest protection category, as a “Catchment Forest Reserve”. The Tanzania government started to implement Joint Forest Management in 1999, before the PFMP started. FARM - Nou Project “added on” to the PFMP. Nou had no previous “Phase 1”. The project has been under- resourced / staffed.

Joint Forest Management - The JFM system (as opposed to a CBFM or full PFM approach) is followed where Government interests are seen as continuing and essential to the protection or conservation of the forest. This implies greater restrictions on forest management options, with plans aimed almost entirely at forest protection. The Community assists in patrolling forest and is granted limited user rights, such as dry season cattle grazing and the right to collect firewood from deadwood lying around. Felling of trees is prohibited, at least at present.

Detailed guidelines have not been developed in Tanzania specifically for JFM, although they exist for Community Based Forest Management (CBFM) in general. CBFM Guidelines were published by the Ministry of NR and Tourism in 2001. NORAD has also supported development of an overall Nou forest management plan, undertaken separately from the PFM Programme.

The Tanzania CBFM guidelines suggest 9 steps in the process of initiating and implementing CBFM on a village by village basis. It is interesting to note that a “provisional forest management plan” is recommended at quite an early stage, but to be followed up later with revisions, before the time of finalising more formal By-laws and signed Agreements with government, concerning the practicalities for community forest management.

Community Capacity - Environment Committees were set up by Government in around 1999 and they are officially part of the government hierarchy at village level. Specific By-laws relating to JFM at each village are being drawn up and JFM agreements signed by communities in most villages by 2004. Communities have gained capacity to patrol the forest and the rights and capability to impose and collect fines on illegal forest users. The village retains all of revenue collected and the Environment Committee may use up to 50% itself for authorised purposes, such as to pay the patrollers. However, there is the irony that the better the protection in the long run, the less revenue the community will receive! This relates also to planning issues. As yet, there is not a deep enough understanding of the household economics of the forest users, and neither the project nor the government is really monitoring what is happening as a result of the new JFM management “plans” and agreements.

Cooperatives are not needed because Environment Committees are legally constituted and have bank accounts. Nonetheless, there is still a challenge as to what communities can do about assuring Government’s accountability and potential obligations to the community, which applies to both lower and higher levels of government. The PFMP team have perhaps not been

sufficiently proactive in facilitating or influencing Environment Committees' activities (e.g. selection process for participants in alternative livelihood "experiments" was inappropriate and biased). **Priority should be given to facilitating community to negotiate with government and make better use of forest products. The Forest Act of 2002 does allow possibility of issuing permits or licences, although no doubt difficult to obtain.** The PFMP CDF not yet implemented but various approaches and management options are being discussed.

Government Capacity - Government (forest) staff are experienced in JFM, which started in 1999, before the project started. In fact the government decision to implement JFM had been made in 1997. The District Catchment Forest Officer received PFM/JFM type trainings in 1997, 2001 and 2002. JFM is a joint contract between the community (or village) and central government, but it mainly emphasises forest protection and prohibited activities.

Government staff appreciated the PFRA and participatory monitoring training done in February 2004. Other benefits are perceived by government as:

- A training process which linked community & the government;
- Potential to improve and make detailed plans concerning conservation and resource use;
- Improved monitoring;
- Improved livelihoods through bee-keeping, etc.

Government forestry staff say they still have limited experience in PFRA and would like more involvement and training in future.

Government's perception is that it has enough staff and adequate technical capacity, but other resource limitations pose constraints. Financial and transport constraints are severe for Govt, and will remain so, therefore they are looking for assistance in these (although the programme does not have the objective or mandate to satisfy this, the expectation may not be realistic).

Management and Partnership Issues [incl. gov't partnership] - The PFMP Team Leader is now a member of the Mbulu District Development Committee and also attends Finance Committee meetings, which are very positive aspects. **However, there is a lack of clear and agreed project activities specifically supporting government in JFM. These need to be worked out urgently.**

Suggestions

- There is an urgent need to get more engaged in policy dialogue with government and closer engagement in both the JFM process and forest management policy debates.
- The Memorandum of Understanding (MoU) with government should have been dealt with at an early stage and is now a high priority. Achieving full "PFM" at Nou is a now major challenge, and there are risks of government seeing a threat of community take over, so close liaison especially important.
- In general there is urgent need to improve networking and liaison with Region and National government, and also with NORAD. The NORAD Nou forest management plan proposes three "zones" with different levels of protection / potential use: mainly a macro-level plan, so there is scope for the project to influence local level plans and perhaps also influence the precise locations of boundaries of the different "zones".
- Finally, there is particular urgency to agree, with relevant government people, details of how project activities will support the government's JFM programme. It is also important to explore with government legal aspects forest use options (potential for increased use by community, permits, etc).