

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

Six Months Report – Second Semester 2007

(July 2007 – December 2007)

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

and

Oromia State Forest Enterprises Supervisory Agency (OSFESA)

Reporting to;

The Netherlands Embassy

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Acronyms

AAU	Addis Ababa University
BERSMP	Bale EcoRegion Sustainable Management Programme
BMNP	Bale Mountains National Park
BMNP-GMP	Bale Mountains National Park – General Management Plan
CBO	Community Based Organisation
CDF	Community Development Fund
CCG	Community Conservation Grant
CDM	Clean Development Mechanism
CIP	Community Initiative Promotion
DNA	Designated National Authority
DOE	Designated Operational Entity
EERI	Ethiopian Economic Research Institute
EFCF	Ethiopian Forest Coffee Forum
FeMSEDA	Federal Micro and Small Enterprise Development Agency
FFE	Forum for Environment
FZS	Frankfurt Zoological Society
GEF	Global Environment Facility
GIS	Geographical Information Systems
GTZ	German Technical Corporation
IIED	International Institute for Environment and Development
INBAR	International Network for Bamboo and Rattan
IUCN	The World Conservation Union
IUCN EARO	World Conservation Union – East Africa Regional Office
MoARD	Ministry of Agriculture and Rural Development
NR&EP	Natural Resource and Environmental Protection
OBARD	Oromiya Bureau of Agriculture and Rural Development
OSFESA	Oromia State Forest Enterprises Supervisory agency
PFM	Participatory Forest Management
RAC	Regional Advisory Committee
RCMRD	Regional Centre of Mapping of Resources for Development
UNDP	United Nations Development Programme
TNA	Training Needs Assessment
WCC	Woreda Coordinator Committee
ZSC	Zonal Steering Committee

1. 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 million people in the lowlands of southeast Ethiopia, northern Kenya and Somalia. The Hareenna 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 Regional Government has now commenced the implementation of a new programme intervention for the area that focus 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 government and the Bale and West Arsi communities to achieve this goal.

The BERSMP is an operational partnership between;
The **Government of Ethiopia** – The Oromiya Regional Government, Forest Enterprise Supervisory Agency / Bale and West 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 GTZ SUN unit, MoARD, BoARD, the Bale Mountains National Park, EWCP and FZS, and MELCA.

The BERSMP has been designed as a two phase, six year intervention. Each phase is scheduled to last three years. Phase I will run from mid 2006 – mid 2009. In the first three years the programme is working on four priority Woredas; Goba, Dollo and Harrena Buluk in Bale zone, and Nensebo in West Arsi zone.

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. Note that the map shows that four of the originally selected Woredas, Kokosa, Dodola, Adaba and Nenesebo, now fall in the newly created West Arsi Zone. After discussions with the relevant government offices it was decided that BERSMP will work in both zones. The programme priority woredas are Goba, Dollo, Harrena Buluk (Bale) and Nenesebo (West Arsi).

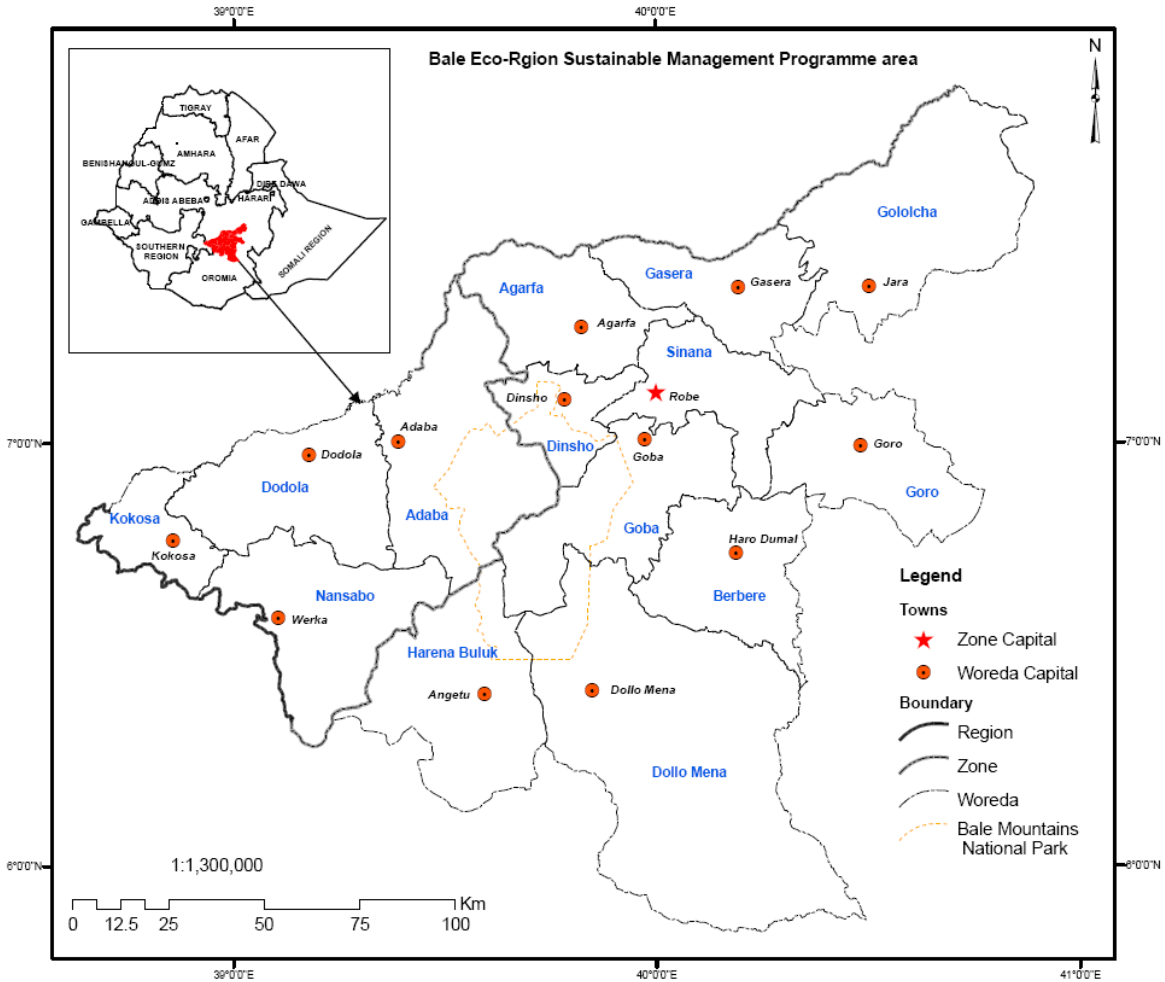


Figure 1: Bale Eco-Region Programme site

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

Initial GIS and Satellite Images data has been sourced through the Ethio-Italian Arsi-Bale rural development programme. In the second half of the year further contact was made with the Regional Centre for the Mapping of Resources for Development (RCMRD) in Nairobi, Kenya. The centre purchased discounted 2006 SPOT Satellite Images, on behalf of the programme, for the whole Eco-Region.

Change analysis has been carried out looking at landuse changes in forest, grassland and agricultural land. The analysis was carried out by comparing 2000 landsat data with the new 2006 data. For example, forest cover was shown to have reduced by 9% in Nensebo, whilst agricultural land increased by the same margin (9%). Grassland areas were shown to have reduced by 23% in Dinsho woreda.

4.1.2. Natural Resource / Human mapping and analysis

The planning specialist has continued to produce initial maps of the Eco-Region and particularly the natural resources of the priority woredas.

2006 SPOT Satellite Images have been interpreted for land cover / vegetation type by the AAU Earth Sciences Department.

In each of the 8 priority kebeles participatory mappings were intensively conducted. The mapping exercise focused on 3 core themes of Eco-Region planning; natural resources, social issues and economic opportunities. The mapping objective was to identify the key natural resources, assess economic benefit potentials for local people, and review social infrastructure and issues of the area. In two kebeles, forest resource identification was intensively conducted in Delo Menna woreda. The BERSMP team and Woreda Development Facilitators (WDF), in collaboration with woreda government staff, identified the possible forest blocks and compartments for community forest management in the forest areas, in Wabero and Chiri kebeles.

Mapping information has also been produced for;

- the on-going forest coffee study, forest coffee areas;
- the on-going settlement study, settlement expansion;
- and the on-going livestock study work, livestock mobility maps.

4.1.3 Information gap filling

A number of resource base investigations are now completed. BERSMP is working with FZS in the joint support of students/ researchers who are working in the Eco-Region to investigate critical natural resource issues. Topics of investigation include;

- ❖ Natural resource economic values - C.Watson, Imperial College London; MSc report submitted.
- ❖ Indigenous ecological knowledge - L. Nimmo, University of Wales Bangor; MSc. Report submitted.
- ❖ Mountain Nyala population dynamics and sustainable Trophy Hunting – Anagaw Atickem, AAU / University of Oslo. 2007 data submitted – PhD study on going.
- ❖ Bamboo Value Chain Study – Arsema Andargatchew MBA Addis Ababa University – study on going.

Settlement dynamics study conducted - Information on the population issues are poorly documented in the Eco-region. A consultant study on the human settlement dynamics in the four priority woredas was conducted. The information will assist the programme for mapping of social issues, specifically urban and rural settlement, during the EcoRegion plan development. The further aim is to catalyse dialogue concerning settlement planning.

Livestock mobility consultancy study underway – Information concerning livestock movements in the Bale Eco-Region is very limited. However, the information that the programme has is that livestock is a major natural resource management issue in Bale. Livestock movement occurs during the different seasons, during the dry season people in the lowlands move with their cattle to the highland areas of Bale Mountains National Park (BMNP) in search of grass and shade. During the rainy season the reverse will happen. This was specially observed in Delo Menna and Harrena woredas.

To get a clear understanding of the livestock movement, the programme hired a consultant team (International and Ethiopian) to study the livestock issues in the four priority woredas. The information on the livestock movements and issues will feed into the Eco-Region plan development process.

4.1.4 Eco-Region(s) framework plan

An Eco-region framework document has been developed and circulated to key partners for comment and critique. As the concept of Eco-Regional planning is taking shape the programme has identified different planning scales – Eco-Region (Bale) 1:125000, Woreda 1:50,000, Kebele 1: 10,000. At each scale the three themes of **Natural Resources** (forest / grassland / water) / **Social Issues** (infrastructure / schools / clinics) / **Economic Aspects** (agriculture land / NTFPS / Tourism), will be mapped.

A peer review workshop was held at the end of the year to review the progress of Eco-Region plan development. Attended by key resource persons such as Dr. Tasfaye Korme of the RCMRD and Dr. Dagnachew Legesse of AAU-ES, as well as specialist GIS consultant Mulugeta Tadesse, the workshop assessed plan development. The group made recommendations for information gap filling in terms of land suitability data, and reviewed the newly developed GIS environment.

The workshop had the following four objectives:

- To review the eco-region plan framework developed by BERSMP;
- To discuss and comment on database design and development;
- To discuss and comment on eco-region planning monitoring systems;
- To identify stakeholders of the eco-region planning.

The points in focus during the workshop were: reviewing the Eco-Region planning framework developed by BERSMP, land use planning data, idea of merging the land use planning data into the Eco-Region planning framework, recommendations regarding adjustments to the plan framework and schedule for the information gathering, gap filling and final Eco-Region plan development process in 2008. On the final day, the data sets for planning were clearly defined and an activity plan for 2008 was developed. The data collection, database development and final plan preparation were planned to be completed up to end of April 2008; the spatial support system tool development was planned to be completed and ready for woredas decision makers before June 2008.

4.1.5 Target resource sites identified

Within the four priority woredas, 2 kebelles have been selected in order to commence the set up of the programme

- ❖ Goba – *Fassil Angeso* and *Ittitu Sora*
- ❖ Nensebo – *Huro Baro* and *Harawa Kuni*
- ❖ Harrena Buluk – *Kumbi* and *Shawe*
- ❖ Dollo – *Wabero* and *Chiri*

The aim is to develop and implement natural resource (grassland / forest / water) management plans for all these areas.

4.1.6 Specific skills training

Links have been made with the Regional Centre for Mapping of Resources for Development (RCMRD) in Nairobi, Kenya. The Bale Field Coordinator visited the centre in May. The Planning Specialist and two government planning officers (GIS specialists) attended an introductory training week at the centre, in June.

An MoU setting out collaboration between the RCMRD and the programme is under development.

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)

A formal Training Needs Assessment was carried out with government partners over a week long programme training and introduction. During this activity TNA exercises were facilitated. Woreda Government Staff were asked to work in woreda groups to identify the key skills needed to implement the various aspects of the programme.

The results of the Woreda TNA showed that the concepts and activities planned in BERSMP are not necessarily 100% new but all groups requested;

- Eco-Region planning training,
- participatory natural resource management training,
- and forest based livelihoods training.

Methods of learning requested also varied from the formal (Diploma-BSc upgrade), to informal (experience exchange visits).

As a follow up to the TNA an education programme review was held at the end of the year in order to see how the various level (Diploma / B.Sc. / M.Sc.) students sponsored by the programme were achieving their learning goals.

At the community level, as natural resource CBOs emerge TNAs are carried to identify and address specific skills gaps. Common skills needs are directly related to the particular activity being undertaken, for example river management. The key themes to emerge from working with communities was skills needs in Participatory NRM, community based organisation management and business management skills.

4.2.2 Government and Community capacity needs delivered

A number of key training events have been carried out in the last six months period.

Woreda level Programme training – the key approach to training and skills development is an approach of learning by doing. On-going participatory field activities are the core opportunity for government and communities to learning new skills. Professional to professional / Community to community exchange visits are also an important training approach that have been undertaken by BERSMP. Certain specific trainings have also been delivered.

Field based training in Participatory Natural resource mapping - The BERSMP is designed around the core strategy of participation as a learning and enabling process. In order to introduce all programme stakeholders to this concept and practice, the first activities carried out in the field were participatory Natural Resource / Social Issue / Economic Opportunity mapping exercises.

In country exchange visits – Community based Natural Resource Management Exchange Visits - Community and Government staff from Goba and

Nensabo travelled to Chilimo PFM site (FARM-Africa), Wenchi lake Tourism site (GTZ) and North Showa (environmental degradation). The group held community to community and government-to-government discussions concerning the development and establishment of community based NRM. Community and Government staff from Dello Mena and Harena Buluk travelled to Borana PFM sites (SOS Sahel Ethiopia). In both visits more than 109 individuals participated: 18 technical staffs and 91 Community members.

Tourism Exchange Visit - A group of government tourism officers, a local tourism investor and some farmer representatives participated on a tourism exchange visit hosted by TESFA (Tourism in Ethiopia for Sustainable Future Alternatives) in Meket, Wollo in Amhara Region. The TESFA staff presented the Meket community tourism programme, provided guiding support and were on hand to answer questions during the 4 day exchange visit. The exchange group consisted of 12 members, 6 government and 6 community.

Sports Fishing Training – A specialised international consultant who carried out the initial sports fishing review (February 2007) returned to conduct a training with Shaya river adjacent communities. The Shaya river adjacent communities discussed the options for forming a River Management Group in order to manage the mid-Shaya river for Sports Fishing and tourism. The group was given a basic training in key concepts of Sports fishing / river management. The training also gathered information concerning the seasonal details of the river and biological information concerning the trout fish life cycle.

Educational Programme

A key capacity gap identified was that of the level of qualification of woreda technical staff. Woreda government offices therefore requested that BERSMP support the development of further education programme with woreda offices, sponsoring technical staff in part time higher education summer courses. The Programme has developed a Diploma to B.Sc. sponsorship programme, a special female grade 10 to Diploma up grade programme, and an MSc sponsorship programme.

- ❖ 25 Technical staff from the 14 woredas are upgrading from diploma to degree level attending Wondo Genet College of forestry and Natural resource
- ❖ Currently 26 female students drawn from Bale eco-region programme intervention areas are attending Diploma courses in Wondo Genet College of Forestry and Natural resource.
- ❖ Five technical staffs have also joined the same college for their M.Sc. study (M.Sc. in Farm Forestry and Production Forestry).

A feed back workshop was held with education support programme participants, in November 2007. The workshop discussed the education programme's relevance with reference to BERSMP, and how participants can become involved in BERSMP activities whilst not at the college.

MELCA – Environmental Education

Through direct budget support from the BERSMP, MELCA a local environmental NGO, ran a number of capacity building activities.

SEGNU (meaning seed in Oromiffa) environmental education programmes are run to expose youth groups to the environment through the eye and stories of local elders. MELCA also ran a Local entrepreneur training, in order to promote local level innovation and livelihood diversification.

Natural Products Business learning tour – Kenya - A programme team and selected government partners travelled to Kenya for a Natural Products Business learning tour. The event involved BERSMP staff and Government partners from Oromiya Region and Bale Zone. Visits were made to Natural Health Products companies, a community-based organic herbs enterprise, a farm based essential oils and cosmetics enterprise, a cold pressed oils factory and a community based honey and silk enterprise.

Natural Product certification - Internal Control Systems (ICS) training – As a follow up to the Natural products tour, two trainers from the Organic certification movement in Kenya – Kenyan Organic Agriculture Network (KOAN) conducted an ICS training for Government, Programme and Partner staff.

4.2.3 Government – Government co-ordination and communication

Regional Advisory Committee – The Oromia Forest Enterprise has been nominated as the Regional counterpart and the new chair of the RAC. The second RAC meeting was held in November 2007. The focus of the meeting was clarification of committee mandates, the new roles of the new Forest Enterprises and Forest Enterprise - BERSMP partnership.

Zonal steering Committee (ZSC)

The Zonal Coordination committee was critically involved in the selection of Priority Woredas, for BERSMP intervention. The Programme facilitated a multi criteria selection process with both Bale and West Arsi Zones

In October BERSMP co-funded West Arsi GO-NGO discussion meeting. In this meeting the new NGO guideline was presented and discussed. Two selected NGOs shared their experience. The forum also served as an opportunity for Government-to-Government and GO to NGO co-ordination.

Woreda Coordination Committee (WCC)

Woreda coordination committee is made up of key woreda office and the woreda programme staff.

A number of workshops have been held to bring key members from each of the 13 Bale EcoRegion Woredas together to discuss issues concerning programme establishment and direction. A training needs assessment was also carried out with this group.

At the individual Woreda level, on going discussion of programme establishment, woreda counterpart staff assignment and coordination with other woreda level activities have been the main points of concentration.

Woreda level monitoring activities, to assess BERSMP impacts were carried out at the end of 2007. The review of results will provide valuable information for shaping 2008 operations.

Social Services Support

Following discussions with the Zonal Government (Bale and West Arsi) it was agreed that BERSMP would support the Health Departments in the promotion of reproductive health services development. It was agreed that reproductive health has a direct link to the BERSMP in that population pressure is one of the drivers of natural resource degradation. Training courses were carried out for community level reproductive health extension workers.

Physical capacity building

BERSMP is also engaged in physical capacity building activities. It has undertaken the construction of a programme central office in Robe Town, the administrative centre of Bale. The programme has also supported office refurbishment in Nensabo and Harrena Buluk woredas, where basic facilities and infrastructure for local government are very limited. Nensabo and Harena Buluk woredas also do not have electricity and therefore the programme has supplied basic Solar Power kits to the offices. The offices are expected to serve both the government and the programme staff. All woreda offices have computer equipment.

In addition to this, as part of physical capacity building, BERSMP distributed 8 motor bicycles to the four priority woredas. Four were given to woreda government counterparts, and the remaining four to BERSMP employed Woreda Development Facilitators. A further 8 motorbikes are expected.

The programme has provided regional and zonal counterparts with computer and office equipment.

4.2.4. Community based Organisation identification, strengthening and establishment

CBO's are beginning to emerge across the programme work areas, linked to the promotion of CBNRM. Forest management groups and the Shaya River Management group are early examples. Many of these groups are forming and already taking action in terms of resource management.

The programme has also promoted the formation of livelihood groups.

Women's groups have formed in Chiri and Waberu for trading in Forest Coffee and Honey.

Bee keeping groups have been formed in Goba.

The programme has meet with a community level coffee cooperatives in Dollo Mena.

Youth groups have been employed to construct fencing for the new Collection, Processing and Learning Centre in Goba.

Bale Beauty Nature Club - BERSMP has been closely working with a local nature club based in Goba called the Bale Beauty Nature Club. As part of the capacity building endeavour, the programme supported the club's voluntary indigenous tree planting activities as well as rehabilitation of degraded lands. The club also has a conservation site on Goba.

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 Natural Resource Mapping exercises have been carried out in all 8 kebelles / 4 Priority woredas. This is the first step to setting up community based natural resource management.

Participatory Stakeholder analysis

Participatory Stakeholder analysis on Natural Resources (Forest, Grassland and River) has been conducted in 4 priority woredas in 8 pilot kebelles in Bale and West Arsi zones. The community in each kebelles fully participated in the meetings conducted in different kebelles and identified different stakeholders who have stake in the different resources. Venn diagram exercises were carried out in order to analyse stakeholder relations and links.

Tree seedling planting

BERSMP is working towards community natural forest management and community plantation forest establishment. Towards this end, in 2007 BERSMP supported community tree seedling planting in some woredas of the Eco-Region (Adaba, Dodola, Gasera, Gololcha, Goba and Kokossa woredas). The species planted were indigenous tree species like *Juniperus*, *Hagenia*, *Olea sps*. The total number of seedlings planted was 200,464 (Goba 75,000, Adaba 54,000, Dodolla 38,344, Gasera 19,500, Gololcha 13,620). The programme aims to shift tree nursery production from Government to community based nurseries.

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 to the area.

- Vegetation type (high forest, woodland, and grassland), settlement, agriculture were identified / interpreted.
- Corrected boundaries between two kebeles in Dello-Menna (Wabero and Chiri) were agreed.

Community Based Organization (CBO) set up

The set up of NRM CBOs is a key part of the investigation phase of PFM. Group set has commenced with the discussion and review of type of CBOs, looking at the approach to traditional and modern institutions set and function (*Gada*, *Idir*, *Debo*, and Association, PLC, Cooperative). It was agreed that after explanation and clarification of different

CBOs, the community should hold their own further discussion and decide upon appropriate CBO they want to establish.

Both Cooperatives and Associations seem to be the preferred options amongst the communities.

CBO set commenced with the development of internal rules and regulations.

- Internal regulation/ by-law and management plan planning committee established.
- Internal regulation/ by-law establishment training delivered to the planning committee members
- Internal regulation/by-law draft is being prepared by the community in all pilot kebeles.

4.3.2 Negotiation – plans and agreements

Linked to community discussions and exchange visit focus

Boundary conflict resolution

A number of new woredas and kebelles have recently been formed in the Bale Mountains area. This has led to a number of disputes over land and resource rights and responsibilities. The BERSMP has taken up a facilitator role in the resolution of such disputes.

- Controversial resource use borders between kebeles and between woredas have been identified.
- The community took up the issue and began negotiation.
- Border dispute resolving committee from different section of the community has been organized.

4.3.3 Implementation – management – inc. stakeholder monitoring

Linked to community discussions and exchange visit focus

At Woreda level in Dollo Menna, a natural resource law enforcement group has been set up by the relevant government departments. This group, supported by BERSMP, has started to take action concerning the clearance of forest land for coffee and or agricultural expansion. The group has agreed that they will challenge any new land that has been taken in the last five years.

The Shaya River Management Association has begun protecting the river and fish resources in anticipation of establishing a spots fishing enterprise. Reportedly the group have stopped the open access poaching of fish and are protecting vegetation on the river banks

4.3.4. Benefit sharing

The creation of the new Oroima Forest Enterprise Supervisory Agency and 8 Forest Enterprises is a highly significant development for the BERSMP.

In 2007, Oromiya Region have established the **Oromiya Forest Enterprises Supervising Agency**. This new forestry institution / organization has been set up to coordinate the establishment of 8 Forest Enterprises across the Oromiya Region. The area based Forest Enterprises have been conceived through the desire to capture and merge the strengths of two parallel forests practices that have emerged and co-existed in

Ethiopia over the last 10-15 year period. These two forestry practices are one, the existing government owned forest enterprises (e.g. Shashamene Forest enterprise), and two, the community managed PFM forests (e.g. WAJIB community forest Union).

The new Forest Enterprises aim to exploit forest resources in order to realize natural resource values in areas of rural remoteness and high poverty. Forest resource revenues and profits are earmarked for reinvestment in local level development promotion. The Forest Enterprises aim to be both profit making, and to channel a revenue share in to forest adjacent communities (community development funds). In terms of Forest resource exploitation, existing (and in most cases neglected) plantation forests are going to be put under sustainable forest management plans and harvested to maximize profits. Natural Forest Areas are also being assessed for selective timber extraction, again under sustainable forest management principles. The Enterprise also has an interest in additional potential forest revenue through the development of NTFPs and EcoTourism.

In terms of institutional identity the Forest Enterprise is set up on the basis and principles of private sector business, but remains a government agency. This is a new institutional shape (model) for Ethiopia. At this early stage of organizational development the Forest Enterprises Supervising Agency has approached the key actors in the promotion of PFM in Ethiopia, FARM-Africa, SOS Sahel Ethiopia, GTZ and JICA. The Agency has asked this group to develop guidelines by which the Forest Enterprises can continue to promote PFM and involve people with in its operations.

Initial thinking concerning this task is that it represents both an exciting opportunity and a developmental challenge.

- ❖ The key opportunity is that the creation of the Forest Enterprises moves forestry, as a landuse, back up to a commercial landuse status and enables realizable values to be used in the promotion of forestry debate. A status that had been all but lost in the years of official blanket bans on forest resource utilization (by communities) and unofficial reality of a free for all open access situation.
- ❖ A further critical opportunity is that the Enterprise directly aims to recognize PFM.
- ❖ The key challenge to the aims of the Forest Enterprises is that of balancing the interests of two management groups, the Forest Enterprise and the Community Forest Management Group. Both of whom have a key interest in profitable forestry business.

The BERSMP is assisting the regional Agency with strategic thinking concerning Enterprise Development. IIED has been contacted to provide support to this process and it is hoped that a partnership between IIED / FAO Forest Connect will emerge.

4.3.5. Formalisation of new NRM systems

Land Tenure: Special Issue Focus Workshop

Recognizing numerous problems associated with land access, tenure rights and land management both in Bale and West Arsi Zones, Farm-Africa- SOS Sahel Bale Eco-region sustainable management programme, in collaboration with Bale and West Arsi Zonal administration, Oromia Bureau of Agriculture and Rural development, Frankfurt

Zoological Society and Ethiopian Wolf Conservation Project organized a two day Land Tenure workshop from August 23rd to 24th 2007 held in Goba Town.

The objective of the workshop was to bring together different actors and practitioners to discuss, debate and understand the present situations regarding land resources so as to bring land use under appropriate management and control. Participants drawn from the two zonal offices, five woredas of Bale zone (Dinsho, Sinana, Goba, Dello-Mena, Harana- Buluk and Berbere) and two woredas of West Arsi (Nensebo and Adaba), representatives of West Arsi and Bale forest Enterprises, Oromia Bureau of Agriculture and Rural development, Frankfurt Zoological society, Bale Mountains National Park and Bale Eco-region sustainable management head office. A total of 95 professionals were in attendance.

Workshop conclusions were based around the need for policy and proclamation clarification; and woreda level action. The workshop is producing results, including woreda and zonal Land Tenure working groups being set up. Government institutions have also started taking legal measures on illegal land Tenure activities.

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

A number of studies have been carried out and/or on going in the programme area.

Sports fishing potential review – In consideration of the rapid assessment report and the approaches of inclusive sustainable natural resource management and livelihoods diversification promoted by BERSMP, it is proposed that a pilot sports fishing enterprise is set up. This pilot enterprise will aim to develop a Sport Fishing model that can then be transferred to other rivers in the future.

Natural Resource Products opportunities & potentials study - The study was focused on the identification of opportunities for the improvement of local community livelihoods living with the resources. The study identified different opportunities to be implemented in different phases and priorities in the Bale mountains area. The natural products recommended for small scale producer commercialisation under this programme are as follows:

Phase 1. First priority - (i) Wild Coffee / (ii) Comb honey / (iii) Bamboo / (iv) Essential oils / (v) Ecotourism

Phase 1. Second priority - (i) Trophy hunting and fishing: / (ii) Medicinal areas – working with the already established traditional healers association on the commercialization aspect / (iii) Essential oils / (iv) Dried herbs/fruit/vegetables

Phase 2. - (i) Diversified bee-products: pollen, propolis, royal jelly and sting-less bee honey / (ii) Essential oils / (iii) Ecotourism, game hunting and fly fishing / (iv) Dried herbs / fruit / vegetables. / (v) Medicinal / nutraceutical: (vi) Cold pressed oils: / (vii) Incubation Centre; / (viii) Bamboo

4.4.2 Enterprise feasibility studies - Natural Products

Building on the livelihood option identification work the following progress has been made in the set up and development of various natural products.

Bamboo - BERSMP has been involved in the new MoARD programme that is investigating the potential of Bamboo production in Ethiopia. The programme has participated in a number of Government workshops held in 2007. Communication and information exchange started with some partners; East Africa Bamboo Project, Federal Micro and Small Enterprise Development Agency (FeMSDA) and International Network for Bamboo and Rattan (INBAR); a global network of Bamboo and Rattan.

Bamboo groups training need assessment conducted - Bale and West Arsi have a high potential of natural bamboo stands (144,095 ha). The community in Bale and West Arsi are using bamboo for many things: house construction, fencing, different bamboo furniture, floor mat, and roofing. However, as different studies on bamboo revealed, the

current use is unsustainable. BERSMP is working towards promoting sustainable use and management of bamboo in the Eco-Region. The programme is planning to support different bamboo stakeholders from the production to the marketing: supporting the community in training them in propagation and cultivation techniques of bamboo and supporting jobless youths in training them in bamboo furniture making and try to link them to national and local markets. BERSMP is arranging training for the jobless youths organized at micro-enterprise in collaboration with the Federal Medium and Small Enterprise Development Agency (FMSEDA). Training needs assessment was conducted by an expert from FMSEDA. The training is planned to be conducted early January 2008.

Forest Coffee - Discussions have begun with the Ethiopian Forest Coffee Forum (EFCF), about the potential of sustainable production of coffee from high forest areas has been on-going.

Coffee promotion consultancy study - The Harrena sub-tropical forest, situated on the South East side of the Bale Mountains, contain part of Ethiopia's genetically unique and original forest coffee stocks. This forest coffee has been only recently identified and studied (Dr Feyera Senbata – Ethiopian Coffee Forest Forum) and the true extent of the resource remains unclear.

Actual forest coffee management practices are unclear, as is the situation of the wild forest coffee stocks, and whether coffee planting in the forest (to increase yield) has relied on forest coffee seedlings or improved breed coffee seedling.

The cost-benefit of managing this tropical type of forest should have to be clear to the community. A study on economic analysis also suggests that the conservation of the forest cannot be justified. Instead the management of the forest for coffee production turns out to be a viable compromise for all stakeholders

Based on the complex system of the management of the wild forest coffee in Harena forest, BERSMP hired consultants to study and analyse two aspects of the coffee: **1.** Production, processing, ownership rights and **2.** The value chain and market aspects of the coffee product. The consultants have completed the study in the field and expected to produce reports before January 10, 2008.

Honey production - Links to SOS Sahel Ethiopia's Amhara Apiculture Programme and Kaffa Community Initiative Promotion (CIP) are on-going in order to learn from these progressive initiatives about successes in honey production processing and marketing. The potential of bee products in the four priority woredas is immense. BERSMP has put much effort on the honey product development and presented the sample packaged honey on the exhibition during the Donors' meeting from the four priority woredas. This is an opportunity to expand honey product development in the 4 woredas for 2008 and private sector business interests are being sought.

Beekeepers group formation - BERSMP is piloting a honey production improvement system in Goba woreda. To this end an initial bee keepers group having 40 members has formed and training on bee keeping was delivered to 30 members of the group. The plan for the group in 2008 will be piloting production sites and improved processing for pure honey, packing and marketing of the bee products

The training will be expanded to the rest of the pilot kebeles in the priority woredas starting early 2008. The apiary activity will move forward in packaging and marketing of the products

EcoTourism - BERSMP have been involved in the consultancy work led by FZS to develop a Tourism strategy for the Bale area.

As part of Shaya river trout sport fishing, BERSMP is discussing with potential local investor collaboration, and with the river adjacent communities. The plan has been developed to establish a Tourist Base Camp close to the Shaya River.

To assist the proposal a consultant study was conducted on the potential possibility of establishing the tourist village in the area.

The purpose of the study was to provide ideas on how to implement ecotourism /CBET with trout sport fishing enterprise in order to:

- Improve the livelihoods of the local communities
- Promote the engagement of the private sector partners
- Enhance the sustainable management of the Shaya River

The study also recommended the possible options of tourist village establishment on the Shaya River.

4.4.3. Government / Community specific skills built

Exchange visits and tours and trainings under outoput 2.

4.4.4. Linkages with public and private sector on NR enterprises developed

Trophy Hunting - Rift Valley Tours have been contacted to begin discussions about community involvement in Trophy Hunting. The Head of the Trophy Hunters Association agreed to meet with senior staff to plan a way forward in the Community inclusion/exclusion from private TH concession debate. It was agreed that there is a need for new ideas as pressure on concession lands is growing over time. BERSMP have been invited to make a presentation at the next Hunting Concession Association meeting. The Programme is currently working on a business based proposal.

Business Development in the Bale EcoRegion – Business contacts - Promoting business development in the Bale EcoRegion is a key component of BERSMP. A key early stage of the process is to develop contacts with relevant and potential business partners.

Ethiopian GOOD WOOD exhibition

The Ethiopian **GOOD WOOD** exhibition was organized by FARM Africa / SOS Sahel, BERSMP in Collaboration with Oromia State Forest Enterprises Supervisory Agency (OSFESA) and Campbell Project Management Service (CPMS) from December 4 – 7, 2007 in Addis Ababa, Ras Amba Hotel.

The Good Wood exhibition has been organized to highlight the potential and opportunity of Ethiopia's natural resources. In the Ethiopian Good Wood exhibition the potential of Ethiopia's forest resources were shown. Participants were from different Embassies, Members of Parliament, Government offices (Federal, Regional, Zone and

Woreda level offices) and community representatives from PFM areas and furniture makers from Bale.

The core aim of the exhibition was to open the eyes of Ethiopia to the potential of Ethiopian Good Wood. That potential has a clear economic value. The Good Wood exhibition demonstrated how high quality handmade furniture, which is only one of the potential products from Ethiopia's forests, can command a high economic value at a relatively low raw material (wood) consumption.

It is proposed that if forest resources are used efficiently and their full potential value realised, then adopting sustainable forest management throughout all the remaining forests of Ethiopia is not only an economic option, but a logical imperative.

4.4.5. Livelihood diversification implementation – CDF / CCG

Goba Natural products Collection, Processing and Learning centre establishment

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. For the year 2007 the programme is proposing to pilot the idea in Goba woreda and construct such centre in the remaining three priority woredas of 2007.

To move the process forward, BERSMP secured 1 Ha (one hectare) of plot of land from Goba Town. Currently, the programme is going ahead after getting acceptance of the proposal by the Donors.

Essential oil still distiller constructed

There are many plant species that are potential source of the essential oil production in the Eco-region. However, BERSMP is planning to pilot processing of four /five species of herbaceous plants: *Juniper (Juniperus procera)*, *thyme spp*, *helicrysum spp*, *fennel (Foeniculum vulgare)*. Most of these herbaceous and woody plants are distributed in the wild areas of Dinsho and Goba woredas. Currently, it is growing naturally, however its propagation and cultivation was practiced by the traditional healers in their home gardens (especially fennel).

The programme has hired a consultant to construct still distiller for the production of the essential oil in Bale. The consultant has constructed one still distiller in Addis Ababa in collaboration with AMIO Engineering PLC. He has also trained some technical workers in AMIO and currently they are constructing an additional still distiller.

After completion of the still construction in Addis Ababa, it will be taken down to Robe/Goba to install and start trial production of the essential oil on the basis of sustainable use. This is an opportunity for the rural poor community of Bale to contribute to supporting their livelihoods through diversified incomes. Therefore, conservation and sustainable use of the wild species of the plant is of paramount importance.

4.4.6. Scale up through Woreda offices

This work has not yet commenced

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

Develop sustainable finance options

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

Eco-Region sustainable financing options established

Concessions for consumptive utilisation (hunting / fishing)

Government capacity for sustainable financing built

4.5.1 Develop sustainable finance options

Two consultancy studies are currently underway to assess the opportunities for establishing sustainable finance mechanisms for the Bale eco-region. The aim of creating sustainable financing, as indicated in the BERSM programme document, is to contribute to the sustainability of conservation initiatives in the Bale Mountains by ensuring financial resources to deliver conservation outputs after the current donors have exited from the programme.

The consultancy is being conducted by UNIQUE forestry consultants, a firm with an extensive track record in developing & implementing forest carbon finance projects in East Africa and good reputation and a long term working relations with key institutions in Ethiopia.

The first consultancy is related to “Payment for Environmental Services” (PES). In the study, a wide range of eco-system services that are being provided by the Bale Mountains including watershed functions, genetic conservation, tourism, etc. will be considered.

Key activities in the assignment include:

- Identifying options for PES and other types of payments provided by natural resource management in the BERSMP area
- Setting an outline of a monitoring and evaluation framework that will quantify success
- Cost estimate for providing environmental services
- Identification of possible sources of funding / markets for PES
- Identification of schemes under which the ES can be traded (local, regional, national or international levels)
- Enumeration of potential partners / buyers of environmental services and
- Strategy to approach potential buyers and to prepare purchase agreements with them

The second one is specifically on carbon finance (considering both the Clean Development Mechanism [CDM] under the Kyoto framework and the Reduced Deforestation and Degradation [REDD] in the voluntary markets). Both options are intended to generate revenues (that will be shared between the forest agency and the communities) for exchange of maintaining or increasing the carbon sequestration functions of the forests of the Bale Mountains.

The major activities in this study include:

- Conducting a preliminary feasibility assessment
- Developing an appropriate institutional design

- Developing the project idea note (PIN)
- Identification of a potential buyer for the Certified Emissions Reductions (CER s)
- Emission Reductions production and risk management
- Sales strategy and
- Connecting the government body holding the carbon credits with a buyer.

The next step after a potential buyer is identified (for the carbon finance) involves the formulation of a detailed project design document (PDD) and finally a longer term agreement for buying/selling.

The reports of both consultancies are expected in mid February 2008.

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

The mode of enterprise-community partnerships for natural resource conservation (the degree of communal participation and joint management on a given area or resource) including issues such as benefit sharing (from forest, natural products, carbon trade, payment for environmental services [PES], etc.), organizational aspects, support in rural development, etc are under discussion with the Bale Enterprise and the regional Agency (OSFESA). One area of interest is how the forest enterprise and community level small scale enterprises can effectively work together. The International Institute for Environment and Development (IIED) is approached to assist the programme in coming up with an acceptable framework. These discussions are progressing smoothly.

4.5.3 Eco-Region sustainable financing options established

The process of establishing sustainable finance mechanisms requires a considerable time. Once the possible options for the context of Bale are identified, the follow up work will be to put in place the agreed arrangements and modalities.

The current consultancy that is working on the assignment of identifying possible options through looking for potential buyers of the ecosystem services will be processed within a relatively shorter time. However, the formalities and the negotiations until a deal is made between the buyer and seller leading to a detailed project design formulation are expected to be finalized towards the end of 2008.

The programme will continue to work on organizing the communities (a fundamental step), facilitating the negotiations between communities and the responsible government agency from partnership modalities to benefit sharing and building capacity for implementation of the mechanisms.

4.5.4. Concessions for consumptive utilisation (hunting / fishing)

Discussions are on going both with the Forest Enterprise and with Trophy hunting concession holders concerning the option for benefit sharing.

4.5.5. Government capacity for sustainable financing built

A workshop was organized by BERSMP in collaboration with UNDP on awareness about carbon finance opportunities. Participants were persons from various partner GO and NGO s, bilateral and multilateral organizations, etc. The topics covered include: The Kyoto Protocol, the CDM and an overview of the carbon markets (voluntary and compliance), General principles and terminology, The carbon project cycle & principal

actors (the DNA, DOEs, buyers, etc.) – including programmatic CDM, Bio-carbon project types – forestry, avoided deforestation, grasslands, wetlands, bio-fuels, agriculture, etc. (eligibility, risks and economics), General principles of Project Idea Note (PIN) and Project Design Document (PDD) preparation, etc. Being the first of its kind, the workshop created a clearer understanding of how the carbon markets operate and their potentials for forests (particularly community forests) in Ethiopia.

4.6. Improved / appropriate legal, policy and regulatory frameworks for Ecoregion(s) planning, CBNRM and protected areas.

Lessons captured – best practice – publications
Show and tell tours / Study tours
Policy analysis – policy briefs produced
Policy dialogue
Media Outreach

4.6.1 Lessons captured – best practice – publications

BERSMP Website

The official BERSMP website is under construction. The pages are expected to be finalized and posted in early February 2008. The previous PFMP website address www.pfmp-farmsos.org will be maintained linking both sites together.

E-bulletin

The programme is producing the quarterly *Bale e- bulletin*. Two issues have been prepared and distributed via e-mail during the last semester making a total of three issues within the year. The purpose of producing the electronic document is to keep interested parties abreast and aware of programme actions and developments. The e-bulletin is circulated to a large number of partners and collaborators.

Forestry Policy and Proclamation booklet produced

BERSMP has supported the Ministry of Agriculture and Rural Development (MoARD) in translating the first Forest Policy of Ethiopia into English. The policy document along with the latest forest proclamation is printed into a booklet in Amharic and English languages. The Ministry is expected to distribute these to all woredas in the country. This again is an attempt to raise awareness among the public through making such policy documents available at different levels.

BERSMP Brochure

The first brochure has been printed showing the various activities of the programme, intervention areas, partners in implementation, etc and distributed to relevant bodies.

Activity Calendar

As part of its communication tool, the programme has printed and distributed activity calendar for 2008.

Fact sheet on the work of PFMP with a private sector

For the purpose of disseminating best practices, BERSMP has sponsored the publication of a fact sheet showing a joint work of the previous participatory forest management programme of FARM-Africa and SOS Sahel and a private sector, Apinec PLC, working with NTFP s in Bonga.

4.6.2 Show and tell tours / Study tours

Participation in the Thailand Conference

The Thailand visit was made in order to attend an International conference on Poverty Reduction and Forests; tenure, market and policy reforms that was organized by the Regional Community Forest Training Centre (RECOFTC) in Thailand. A senior team of Ethiopian professionals, from both Federal and Oromia government, attended the conference. The BERSMP team presented a paper that outlines the emergence and progress of PFM in Africa based on the international workshop that was held in Addis Ababa in March 2007.

Participation in the workshop helped to expose the zonal, regional and federal counterpart officials to the experiences of other countries with regards to participatory natural resource management.

4.6.3 Policy analysis - policy briefs produced

Policy brief produced

BERSMP has produced the first policy brief entitled “*The Significance of the Bale Mountains, South Central Ethiopia*” in December 2007. This brief gives highlight on the available natural resources of the area, the threats on these resources and the potentials it has. Policy briefs will continue to be prepared on a regular basis and on various issues related to sustainable use of natural resources to be used as a means of raising awareness and influencing natural resources related policies.

A draft Participatory Forest Management (PFM) guideline prepared

The BERSMP in collaboration with PFMP is preparing a PFM guideline to be used in the Oromia region by the OSFESA. This was based on agreements made between the Agency and FARM/SOS. The first draft is out and discussions will be conducted with the involvement of other stakeholders (GTZ, JICA, etc.) engaged with PFM implementation in the region.

Preliminary discussions are also underway with the MoARD to contribute to the elaboration of PFM within the forthcoming implementation guideline of the federal forest proclamation.

4.6.4. Policy dialogue

Participation on a national workshop “How to increase forest cover in Ethiopia” workshop

The FARM-SOS experiences with PFM in Oromia and SNNP regions were presented in this workshop that was organized by the Ethiopian Economic Research Institute (EERI). The forum was organized to initiate a policy discussion on forest resources situation and future directions in Ethiopia. The conclusion was that along with massive plantings on degraded areas, PFM systems should be applied in existing forest areas if forest cover is to increase in Ethiopia.

Participation in a training “Human rights and Environmental laws”

BERSMP staff participated in a three day training that was organized by MELCA Mahber (a local NGO). The training focussed on existing environment policies and laws in the country (including the nation’s constitution) and international conventions related to environment that are signed by Ethiopia. Problems and opportunities, together with strategies for policy lobbying, were thoroughly discussed. Participants were from various GO and NGO s. This helps in the design and implementation of a proper policy lobbying strategy for FARM-Africa/ SOS Sahel together with strategic allies.

4.6.5 Media Outreach

Press Release

A press release was sent covering the GOOD WOOD exhibition to various newspapers. The Sub-Saharan Informer newspaper has covered the story.

Media Trip to Bale to cover BERSMP’s activities

The Ethiopian Environmental Journalists Association went to Bale, in December 2007, to cover some of the activities being carried out by the programme. The aim of organizing the trip was to familiarize the Bale Mountains and its potentials to the public. The members of the team included journalists from Ethiopian Television (ETV), Ethiopian Radio, Fortune newspaper, Embilta newspaper and Panos Ethiopia. Each will be producing programmes / articles to be presented through the various media outlets in early 2008.

5. Activities analysis – progress against plan

Table 1. Progress against plan (July 01, 2007 – December 31, 2007)

Activities	Unit	2007 Targets	Sem II targets	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In the Semester	Cumulative		
Output I. Ecoregion(s) planning							
1.1 Resource information gathering							
-Secondary data -Information gap analysis	Woreda	14	9	-	14 (accomplished in semester I. One map for the eco-region and 4 maps for the four pilot woredas produced)		
1.2 Resource/human mapping and analysis							
-Satellite image interpretation and GIS mapping	Woreda	14	9	14	14		
Participatory NR mapping	Woreda	4 (2 kebeles in each woreda)	3	4	4 (a total of 8 kebeles)		-
1.3 Information gap filling							
Field investigation	Study	4	3	2 (Studies on livestock movement & settlement mapping)	6 (studies on natural resource economic values, indigenous ecological knowledge, Nyala pop. Study, Bamboo value chain, Livestock mobility, settlement dynamics)		
Ecoregion plan development	Plan	1	1	1 (Draft)	1 [three planning scales: eco-region,		

Activities	Unit	2007 Targets	Sem II targets	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In the Semester	Cumulative		
					woreda and kebele on three themes (natural resource, Social issues and economic aspects)		
Target kebele/resource site identification	woreda	4	-	4	4 woredas (8 resource sites)		
Specific skill training	No. of Training	4	2	1 (Training on Landscape planning)	3 (GIS training with RCMRD (Kenya), Landscape training with EFCF, Exchange visit to Tanzania)		
Output 2. Institutional capacity building							
Community training needs assessment	No.	1	-	-	75%	More assessments to be made as CBO setting up progresses	
Government training needs assessment	No	1	-	-	1		
2.2 Delivering training for community							
Community farmer to farmer exchange visit	No. of ex. visit	4	3	4	4 (Chilimo PFM site, Wenchi eco-tourism site, Borana PFM site and TESFA community tourism site)		
Community level field work	No. of Meetings	16	8	4	> 30 (CBO setup, planning committee meetings, Resource Monitoring, etc.)		
2.3 Delivering training for the government staffs							
Training and	Trainings	4	2	1 (Internal	4		

Activities	Unit	2007 Targets	Sem II targets	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In the Semester	Cumulative		
courses in specific areas				control systems)	(Participatory natural resource mapping, Natural products business, Natural product certification, Environmental education)		
10 th grade completed students in Diploma	No.	28	-	26	26		
Upgrading from Diploma to BSc	No	28	-	25	25		
Special study to MSc level	No.	3	3	5	5	Budget was sufficient to support five staff of the CP	
Gov. to Gov. development coordination and communication (Zonal and woreda working groups)							
Regional Advisory Committee Meeting	No. of meeting	4	2	1	2	Delays due to the set up of a new counterpart organization	
Zonal Steering Committee	No. of meeting	4	2	1	2	Busy schedules by OSFESA and OARDB at zone levels	Issues discussed as they arise with zonal administration and Forest enterprises
Woreda coordinating committee	No. of meeting	4	2	1	3	Busy schedules by woreda officials	Issues discussed as they arise during other forums
CBO identification, establishment and strengthening (institutional / stakeholder analysis)	CBO	20	14	1	10 in the process (one CBO in each of the 8 kebeles and one on river management and one on	Delay in resource assessment in the pilot kebeles	

Activities	Unit	2007 Targets	Sem II targets	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In the Semester	Cumulative		
					apple production)		
Output 3. Sustainable Natural Resource Management							
3.1 Resource use and users investigation							
Stakeholder analysis, Participatory resource assessment, Setting up management groups	Kebele/ resource	12	8	-	8 kebeles		
3.2 Negotiation- Plan and agreements							
Negotiation meetings, Plan and agreement formulation & writings	No. Groups	6	6	-	9 (negotiations on going)		
3.3 Plan implementation including stakeholder monitoring							
Implementation of resource management plan	Plan	3	3	2	2 (Natural resource law enforcement group and Shaya river management association have began implementatio n)		
Benefit sharing mechanisms negotiated with RM agreements	Resource	3	3	-	-	Resource assessments and negotiations ongoing	
3.4 Conflict management							
Conflict management mechanisms set out, Conflict response	Working groups	4	4	2 (boundary conflict resolution committee in Harana	2		

Activities	Unit	2007 Targets	Sem II targets	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In the Semester	Cumulative		
strategies				Buluk & Delomena established)			
3.5 Formalization of new NRM systems							
Policy lobbying strategy, Regional policy reflection	Working group	4	4	3 (a RAC meeting, a Land tenure workshop and guideline development)	4 (2 RAC meetings, guideline development and Land tenure workshops)		
Output 4. Community NR based Livelihoods							
Alternative livelihoods option inventory/identification	No. of livelihoods	10	6	-	10 (wild coffee, comb honey, bamboo, essential oils, eco-tourism, trophy hunting, fishing, medicinal areas, dried herbs, bee products, ..)		
NR based (forest coffee, fishing, bamboo, trophy hunting) enterprise & market feasibility	Business plan	20	16	5 priority products (bamboo, honey, essential oils, forest coffee, eco-tourism) being developed	50 % of activities for business plan development prepared	Identification of options took more time	
Government /community specific skills development	Trainings	8	6	2 (bee keeping and Tourism)	7 (Woreda programme training, Participatory natural resource mapping, exchange visits, natural products certification, sport fishing, bee keeping, tourism)		

Activities	Unit	2007 Targets	Sem II targets	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In the Semester	Cumulative		
Linkage with public and private sector on NR enterprises developed (On job training, Practical training courses, Exchange visits)	No. of Businesses	5	4	5 (bee keeping, Tourism exchange visits and good wood exhibition conducted, two business contacts made (trophy hunting and furniture makers)	5		
Livelihood diversification Implementation (CDF)	No. of groups	20	20	10 in the process (one CBO in each of the 8 kebeles and one on river management and one on apple production)	10	More time needed for the process	Part of the budget allocated is used for setting up the Goba CPL centre and construction of essential oil still distiller
Output 5. Sustainable financing							
Develop sustainable finance options	No. of studies	3	2	2 (PES and Carbon finance)	2		
Increase /retain/ local level revenue and tax incomes	Revenue retaining systems	2	2	-	Contacts made with IIED and discussions on going on possible modalities	The change in BERSMP's regional counterpart organization created a delay	
Eco-region (s) sustainable finance options established	Not planned for this year	-	-	-	-		
Concessions for consumptive utilization	No. of concessions	3	3	-	-	Concession areas are being transferred from OARDB to the new agency	
Government capacity of sustainable	PFM conference	1	-	1	2 (carbon opportunities workshop at		

Activities	Unit	2007 Targets	Sem II targets	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In the Semester	Cumulative		
financing built					PFM Africa conference and discussions on carbon finance organized for BERSMP stakeholders)		
Output 6. Improved/ appropriate legal, policy and regulatory frameworks							
Lessons captured –best practices- publications							
	Website	1	-	1	1		
	Brochure	1	-	1	1		
	Poster	1	1	1	1		
	e-bulletin	3	1	1	3		
Show and tell tours/ study tours							
	Community tours	4	2	1 (TESFA community tourism site)	4 (Chilimo PFM site, Wenchi eco-tourism site, Borana PFM site and TESFA community tourism site)		
	Gov. officials tours	2	1	1	2 (Parliament members visited a PFM site and Federal and regional counterparts participated in Thailand conference)		
Policy analysis/ policy brief	Policy strategies/ briefs	3	3		1		
Policy dialogue	Organize symposiums / panel discussions, etc.	3	2	1 (participated in EERI conference to present FARM/SOS experiences)	3 (panel discussion with parliamentarians, participation in a public hearing and		

Activities	Unit	2007 Targets	Sem II targets	Achievements		Deviation/ Reason for Deviation	Corrective Actions Taken
				In the Semester	Cumulative		
					EERI conference)		
Media out-reach	Production (including facilitation) of materials for media	4	2	2 (1 press release and one media trip to Bale for 5 groups [3 weekly papers, Ethiopian TV and Radio)	4 (an FM radio time, a column on a newspaper, 1 press release and one media trip to Bale for 5 groups [3 weekly papers, Ethiopian TV and Radio))		

6. Office Construction

The construction of the new BERSMP office is well under way. The tendered contract was awarded to the contractors Simur General Contractors, who took control of the site in May. Actual ground works commenced soon after. The Office Construction project is due to be complete by February 2008 following certain justifiable delays claimed by the contractor.

7. Donors visit to Programme area

A visit by the Donor consortium of the BERSMP consisting of embassies of the Kingdom of the Netherlands, Norway and Ireland was conducted in December 2007. It was attended by development representatives of the respective embassies, staff of FARM-Africa and SOS Sahel, representatives from the Federal Ministry of Agriculture and Rural Development and Oromia Forest Enterprises Supervisory Agency.

The objectives of the visit were:

- Familiarisation with the BERSMP implementation area and activities;
- Ensuring that BERSMP fits into the priorities of the development goals of the respective embassies; and
- Reviewing of BERSMP's progress and achievement in 2007 on the ground, and the plans and budget for 2008.

The visit included a programme presentation on introduction of BERSMP and activities carried out in 2007, field visits (Harena Buluk and Dello Menna woredas), discussion with the communities, exhibition of 2007 activities for each of the six outputs, presentations on the Oromia Forest Enterprises Supervising Agency and BERSMP's 2008 activity with budget plan. The visiting group was able to understand the communities' commitment and interest to sustainably manage (use, protect and develop) the natural resources of the area. The group also appreciated the work done so far and the encouraging achievements seen at this early stage. They have also commented on the fact that the programme should give due consideration on commercialisation of products and governance issues that seem to play a big role in the programme's activities. A further recommendation was for an analysis of the programme's relationship to poverty reduction.

8. Activities and Budget Planning for 2008 – first and second semester

Annual activity and budget plan for 2008 including liquidity plan for the first semester has been submitted for Donor approval in the month of November 2007.

9. Financial Utilization of 2nd Semester 2007

For the reporting period € 658,378.50 transferred from the donor consortium of which € 548,930.86 has been utilized in the reporting period. For details, please see the financial report annexed to this report (annex 1 and 2) and a justification note for under spending in some budget lines (annex 3).

Annex I: Financial report 2nd semester of 2007

BALE ECO-REGION SUSTAINABLE MANAGEMENT PROGRAM EXPENDITURE REPORT FOR THE PERIOD OF JULY – DECEMBER 2007

(Exchange rate used: weighted average from January - December' 07= 12.29)

NO	BUDGET LINE	Annual Budget (€)	Expenditure (€)			Variance (€)	% Utilization
			Semester 1	Semester 2	Total		
1	1. Activity Based Budget						
1.1	Output 1: Ecoregion Plan completed and being used						
1.1.1	Mapping & Remote Sensing Data	40,000.00	36,260.00	122.01	36,382.01	3,617.99	
1.1.2	EcP Workshops & Visits	4,500.00	2,864.00	665.38	3,529.38	970.62	
1.1.3	Resource Base Investigation	4,320.00	2,547.00	2,872.52	5,419.52	-1,099.52	
1.1.4	Technical Facilitation - Planning Specialist	15,000.00	-	8,880.57	8,880.57	6,119.43	
1.1.5	Stakeholder Meetings	5,500.00	-	3,767.15	3,767.15	1,732.85	
1.1.6	Data review & Compilation	8,000.00	-	8,514.45	8,514.45	-514.45	
1.1.7	Community Profiles and settlement dynamics (Local Contract)	8,000.00	-	7,914.91	7,914.91	85.09	
1.1.8	Eco-system Monitoring System Design	-	-	-	-	-	
1.1.9	Monitoring & Database Centre Establishment	-	-	-	-	-	
1.1.10	Publications (Plans & Maps)	2,000.00	101.00	374.16	475.16	1,524.84	
	Sub Total Output One	87,320.00	41,772.00	33,111.14	74,883.14	12,436.86	86%
1.2	Output 2: Stronger Government /Community institutional capacity for sustainable NRM						
1.2.1	Training Needs Assessment	1,380.00	525.00	1,285.31	1,810.31	-430.31	
1.2.2	Training & Courses on specific areas	13,500.00	11,222.00	2,754.38	13,976.38	-476.38	
1.2.3	Training 10 grade complete students in Diploma course	9,600.00	9,191.00	42.03	9,233.03	366.97	
1.2.4	Upgrading from Diploma to BSc	9,000.00	-	6,551.75	6,551.75	2,448.25	
1.2.5	Special study MSc	22,500.00	-	19,435.85	19,435.85	3,064.15	
1.2.6-8	Regional Zonal & Woreda Advisory committee Meeting	13,400.00	3,230.00	4,894.21	8,124.21	5,275.79	
1.2.9	Farmer-Farmer Exchange Visits	5,000.00	3,284.00	119.58	3,403.58	1,596.42	
1.2.10	Community-Govt PLA Activities, Workshops & Stakeholder Meetings	4,200.00	3,150.00	-	3,150.00	1,050.00	

NO	BUDGET LINE	Annual Budget (€)	Expenditure (€)			Variance (€)	% Utilization
			Semester 1	Semester 2	Total		
1.2.11	CBO Development, Mentoring/Training (1 per kebele per month)	4,400.00	-	3,790.72	3,790.72	609.28	
1.2.12	Social services support/HIV/RH	15,000.00	-	11,731.58	11,731.58	3,268.42	
	Sub Total Output Two	97,980.00	30,602.00	50,605.42	81,207.42	16,772.58	83%
1.3	Output 3: Sustainable NRM and Conservation systems in place, incorporating different environmental and community needs						
1.3.2	Investigation, Negotiation and Implementation	4,000.00	2,407.00	3,029.09	5,436.09	- 1,436.09	
1.3.3	Developing Management systems bylaws, agreements on different resource management	4,000.00	1,440.00	3,734.04	5,174.04	- 1,174.04	
1.3.4	Support Negotiation and Implementation	4,000.00	2,388.00	2,036.00	4,424.00	-424.00	
1.3.5	Enforcement Task Force (Rules & Regulations)	600.00	-	857.54	857.54	-257.54	
1.3.6	Benefit Sharing Agreements Establishment	3,000.00	2.00	-	2.00	2,998.00	
1.3.7	MELCA (local NGO) Community Extension	20,000.00	9,132.00	5,918.20	15,050.20	4,949.80	
	Sub Total Output Three	35,600.00	15,369.00	15,574.87	30,943.87	4,656.13	87%
1.4	Output 4: Community NR based livelihoods diversified						
1.4.1	Diversified Livelihoods Options Feasibility Assessment	4,320.00	6,786.00	1,629.41	8,415.41	-4,095.41	
1.4.2	Small & Medium Business Feasibility Plans and market analysis study	4,500.00	3,722.00	3,683.47	7,405.47	-2,905.47	
1.4.3	Livelihoods/Business Training for Community	2,500.00	1,644.00	535.73	2,179.73	320.27	
1.4.4	Livelihoods/Business Training for Govt	4,000.00	304.00	5,801.34	6,105.34	-2,105.34	
1.4.5	Tree Seedling Development Support	50,000.00	18,894.00	18,439.95	37,333.95	12,666.05	
1.4.6	CDF financed community dev't activity	23,180.00	-	38,816.84	38,816.84	- 15,636.84	
1.4.7	Private Sector (Small Business Devt)	4,500.00	-	6,850.52	6,850.52	-2,350.52	

NO	BUDGET LINE	Annual Budget (€)	Expenditure (€)			Variance (€)	% Utilization
			Semester 1	Semester 2	Total		
1.4.8	Develop CBT infrastructure	7,500.00	-	6,433.14	6,433.14	1,066.86	
1.4.9	Livelihood Dev't Promotion & Exchange	5,000.00	2,263.00	2,485.89	4,748.89	251.11	
1.4.10	Tourism Fair/Expo	-	-	-	-	-	
1.4.11	Tourism Network Establishment	-	-	-	-	-	
1.4.12	TH Partnership Establishment	1,000.00	-	-	-	1,000.00	
1.4.13	Sport Fishing Working Groups Establishment & Training	4,500.00	-	2,394.71	2,394.71	2,105.29	
1.4.14	Trout fish farm set up	3,000.00	-	-	-	3,000.00	
1.4.15	Govt Training in TH/SF Support, Management & Enforcement	3,000.00	-	-	-	3,000.00	
1.4.16	Tourism Learning Exchange	3,000.00	2,258.00	632.10	2,890.10	109.90	
1.4.17	Natural Resource Based Industry Support/woreda office scale up	-	-	-	-	-	
1.4.18	Local Tourism Office Start-up Grant	-	-	-	-	-	
	Sub Total Output Four	120,000.00	35,871.00	87,703.10	123,574.10	-3,574.10	103%
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)	15,300.00	-	15,684.29	15,684.29	-384.29	
1.5.2	Revenues and local government Financing mechanisms	2,880.00	-	181.84	181.84	2,698.16	
1.5.3	Benefit Sharing procedures guide	-	-	-	-	-	
1.5.4	Establish SF mechanisms	7,000.00	-	8,024.40	8,024.40	-1,024.40	
1.5.5	Share experience on SF mechanisms	6,740.00	-	7,784.45	7,784.45	-1,044.45	
1.5.6	Concessions for consumptive utilisation (hunting / fishing)	-	-	-	-	-	
1.5.7	Gov capacity for sustainable financing built	2,000.00	-	2,382.77	2,382.77	-382.77	
	Sub Total Output Five	33,920.00	-	34,057.76	34,057.76	-137.76	100%

NO	BUDGET LINE	Annual Budget (€)	Expenditure (€)			Variance (€)	% Utilization
			Semester 1	Semester 2	Total		
1.6	Output 6: Improved and appropriate Legal, policy & regulatory frameworks in place, for ecorgion planning, CBNRM and protected area.						
1.6.1	Policy Framework Study and Working group	3,900.00	1,189.00	5,212.15	6,401.15	-2,501.15	
1.6.2	Policy Briefs	2,800.00	520.00	438.38	958.38	1,841.62	
1.6.3	Policy Tour	5,740.00	-	5,109.25	5,109.25	630.75	
1.6.4	International Study Tours	8,740.00	-	7,933.12	7,933.12	806.88	
	Sub Total Output Six	21,180.00	1,709.00	18,692.89	20,401.89	778.11	96%
	Sub Total Outputs 1-6	396,000.00	125,323.00	239,745.17	365,068.17	30,931.83	92%
1.7	Technical Field Based Project Staff						
1.7.1	Field Programme Manager (1)	47,123.00	30,480.00	24,420.47	54,900.47	-7,777.47	
1.7.2	Planning specialist (1)	9,991.00	3,369.00	4,308.01	7,677.01	2,313.99	
1.7.3	Livelihood Specialist (1)	9,991.00	2,707.00	3,813.81	6,520.81	3,470.19	
1.7.4	Participatory Development Officers (3); Forestry, Grassland/livestock & Water resources Advisors	24,974.00	7,565.00	9,174.07	16,739.07	8,234.93	
1.7.5	Woreda Level Community Development Facilitators (4)	15,519.00	4,465.00	6,377.09	10,842.09	4,676.91	
1.8	Technical Field Based Government Focal Persons						
	Addis support unit with in Government office						
1.8.1	General Manager			-	-	-	
1.8.2	Deputy General Manager			-	-	-	
1.8.3	Regional Coordinator	8,000.00	1,017.00	2,346.32	3,363.32	4,636.68	
1.8.4	Regional Level Focal Person	-	-	-	-	-	
1.8.5	Regional GIS expert	-	-	-	-	-	
	Zonal support unit with in Government office						

NO	BUDGET LINE	Annual Budget (€)	Expenditure (€)			Variance (€)	% Utilization
			Semester 1	Semester 2	Total		
1.8.6	Zonal Programme Coordinator	2,205.00	167.00	2,581.47	2,748.47	-543.47	
1.8.7	Zonal Level Focal Person	567.00	-	65.23	65.23	501.77	
	Woreda support unit with in Government office						
1.8.8	Woreda Level Focal People (4)	2,268.00	-	1,700.15	1,700.15	567.85	
1.8.9	Woreda Level Community Development Facilitators (4)	2,268.00	99.00	2,700.77	2,799.77	-531.77	
1.8.12	Other woreda and zonal NR staff (115)		-	-	-	-	
1.9	PNRM Unit Technical Support						
1.9.1	PNRM Programme Coordinator	16,831.00	7,735.00	6,764.88	14,499.88	2,331.12	
1.9.2	Information Technologist	4,000.00	-	2,750.72	2,750.72	1,249.28	
	Sub Total Technical Staff	143,737.00	57,604.00	56,586.28	114,190.28	29,546.72	79%
	Coordination, Monitoring and Evaluation						
1.9.3	Publication	4,000.00	998.00	3,076.75	4,074.75	-74.75	
1.9.4	Media outreach (sponsor programs)	6,250.00	434.00	2,293.23	2,727.23	3,522.77	
1.9.5	Mid-term Final Review (2 consultants)	-	-	-	-	-	
1.9.6	Monitoring cost Regional partners	3,750.00	-	-	-	3,750.00	
1.9.7	Monitoring cost (FARM/SOS UK and Addis)	18,000.00	4,932.00	6,383.94	11,315.94	6,684.06	
	Subtotal Coordination, Monitoring and Evaluation	32,000.00	6,364.00	11,753.92	18,117.92	13,882.08	57%
	Total Activity Based Budget	571,737.00	189,291.00	308,085.36	497,376.36	74,360.64	87%
2	Capital Investment						
	Equipment, Materials & Supplies						
2.1	Transport						

NO	BUDGET LINE	Annual Budget (€)	Expenditure (€)			Variance (€)	% Utilization
			Semester 1	Semester 2	Total		
2.1.1	WD Hardtops & 2 Double cabin	51,000.00	164.00	42,813.00	42,977.00	8,023.00	
2.1.2	Tractor and trailer	-	-	-	-	-	
2.1.3	Motorbikes	40,000.00	14,085.00	19,097.35	33,182.35	6,817.65	
2.1.4	Horses & Tack	2,700.00	-	48.49	48.49	2,651.51	
2.2	Office, Office Furniture & Computer Equipment			-	-	-	
2.2.2	Computers & Printers	15,000.00	12,702.00	3,424.10	16,126.10	-1,126.10	
2.2.3	Computers Accessories & GIS Software	4,000.00	3,755.00	-1,677.23	2,077.77	1,922.23	
2.2.4	Fax machine	500.00	-	617.81	617.81	-117.81	
2.2.5	Data Projector	-	-				
2.2.6	GIS Hardware (Plotter & Monitor)	-	-				
2.2.7	Office Furniture	8,000.00	2,739.00	1,381.96	4,120.96	3,879.04	
2.2.8	Field Equipment, e.g. GPS & Forestry Equipment	10,000.00	-	2,834.35	2,834.35	7,165.65	
2.2.9	Solar Power	4,000.00	-	6,547.79	6,547.79	-2,547.79	
2.2.10	Camping Equipment	10,000.00	2,650.00	4,684.56	7,334.56	2,665.44	
2.2.11	Backup Generator	-	-	-	-	-	
2.2.12	Photocopier	-	-	-	-	-	
2.2.13	Digital Cameras	2,500.00	2,170.00	93.39	2,263.39	236.61	
	Total Capital Investment	147,700.00	38,265.00	79,865.56	118,130.56	29,569.44	80%
3	Recurring Expenditure						
3.1	Local Office/Project Running Costs			-			
3.1.1	Vehicle Running Costs - Field	20,200.00	9,096.00	9,256.46	18,352.46	1,847.54	
3.1.2	Vehicle Running Costs - PNRMU	8,300.00	1,155.00	2,093.80	3,248.80	5,051.20	
3.1.3	Vehicle Hire	6,505.00	5,715.00	1,665.16	7,380.16	-875.16	
3.1.4	Per diems -Travel Bale	4,320.00	3,084.00	2,918.55	6,002.55	-1,682.55	
3.1.5	Per diem Travel PNRM office	2,880.00	536.00	443.22	979.22	1,900.78	

NO	BUDGET LINE	Annual Budget (€)	Expenditure (€)			Variance (€)	% Utilization
			Semester 1	Semester 2	Total		
3.1.6	Consumables - Field Office Supplies	12,000.00	6,374.00	2,188.72	8,562.72	3,437.28	
3.1.7	Consumables - PNRMU Office Supplies	3,000.00	677.00	1,128.49	1,805.49	1,194.51	
3.1.8	Office Rent/Robe & PNRMU office share	-	-		-	-	
3.1.9	Office Construction at Robe	48,000.00	7,367.00	57,172.38	64,539.38	-16539.38	
3.1.10	Field Office Services (Tel/Fax, VSAT, Electricity, Maintenance)	8,080.00	5,338.00	5,488.44	10,826.44	-2,746.44	
3.1.11	PNRMU Office Services (Tel/Fax, Electricity, Maintenance)	4,040.00	592.00	2,450.25	3,042.25	997.75	
	Subtotal Local Office/Project Running Costs	117,325.00	39,934.00	68,266.09	108,200.09	9,124.91	92%
3.2	Administrative Support Staff Costs						
3.2.1	Administration & Finance Officers (2)	11,499.00	2,993.00	4,336.17	7,329.17	4,169.83	
3.2.2	Store Keeper/Cashier (1)	2,800.00	676.00	900.88	1,576.88	1,223.12	
3.2.3	Secretary (1)	2,500.00	692.00	1,106.00	1,798.00	702.00	
3.2.4	Office Assistant (1)	1,466.00	355.00	324.47	679.47	786.53	
3.2.5	Drivers (2) and Driver Mechanic (1)	7,399.00	1,891.00	2,789.35	4,680.35	2,718.65	
3.2.6	Guards (3)	4,655.00	991.00	1,501.35	2,492.35	2,162.65	
	PNRM Unit Administration Support						
3.2.7	Senior Finance Officer	11,587.00	3,315.00	3,787.74	7,102.74	4,484.26	
3.2.8	Driver (1)	1,300.00	-	1,100.55	1,100.55	199.45	
	Subtotal Administrative Support Staff	43,206.00	10,913.00	15,846.51	26,759.51	16,446.49	62%
	Total Recurring Expenditure	160,531.00	50,847.00	84,112.60	134,959.60	25,571.40	84%
	Total Direct Project costs (DPC)	879,968.00	278,403.00	472,063.53	750,466.53	129,501.47	85%
	Admin. Charge 10%	87,997.00	27,832.00	49,911.25	77,743.25	10,253.75	
	Contingency(5% DPC)	43,998.00	-	-	-	43,998.00	
	Total	1,011,963.00	306,235.00	548,930.86	855,165.86	156,797.14	85%

Annex 2: SUMMARY OF INCOME & EXPENDITURES

PROJECT NAME: Bale Eco-region Sustainable Management Programme (BERSMP)
PROJECT NO: ADD 14420
ORGANISATIONS: FARM-Africa and SOS Sahel Ethiopia
CURRENCY: Euros

DESCRIPTION	2007	2006
INCOME		
TRANSFERRED FROM THE DONOR	658,378.50	489,933.00
INTEREST	-	279.00
BBF	318,494.00	-
TOTAL INCOME		490,212.00
		976,872.50
EXPENDITURE		
PERSONNEL COST	151,366.89	28,426.00
MONITORING & EVALUATION	18,117.92	6,036.00
ACTIVITY COST	365,068.17	150.00
CAPITAL COST	118,129.56	77,194.00
RECURRING COST	124,739.47	14,523.00
ADMIN CHARGE	77,743.85	12,633.00
SUB TOTAL		138,962.00
		855,165.86
EXCESS OF INCOME OVER EXPENDITURE	-	351,250.00
		121,706.64
EXCHANGE RATE EFFECT IN TRANSLATING FUNCTIONAL CURRENCY (BIRR) TO EURO	-	(32756.00)
		(20068.50)
ENDING FUND BALANCE		318,494.00
		101,638.14

Annex 3: BERSMP under spending in the 2007 budget – Justifications and Explanations

Output 1: Eco Regional planning 86% expenditure (14% under spent)

The key reason for under expenditure under this output was the reduced use of Specialist Technical Facilitation. The original Person the programme had in mind was not available during the year. Later in the year Technical Facilitation was provided by the Regional Centre for Mapping of Resources for Development (RCMRD). RCMRD do not charge professional fees for there support.

Output 2: Capacity building 83% expenditure (17% under spent)

Budget under spending here occurred mainly in the areas of the Regional, Zonal and Woreda management bodies set up to partner the Programme. The bodies, constrained by the already full work schedule of local government have been functioning at about half the planned level.

Output 3: NRM planning and management 87% expenditure (13% under spent)

There are two areas of under spend in this output. MELCA have not submitted their final report and fund request. Funds therefore remain as under spends. In addition, benefit arrangements have not yet been addressed in the set up of participatory NRM systems.

Technical Staff: 87% expenditure (13% under spent)

Under spending is due to the late staff appointment.

Monitoring and Evaluation 57% expenditure (43% under spent)

M&E costs in 2007 were relatively low due to the start up nature of the year's activities. In particular, M&E activities have not been carried out from the side of the Oromia Regional Government.

Administration and Support Staff 62% expenditure (38% under spent)

Under spending is due to the late staff appointment.