

## **FARM-AFRICA and SOS Sahel Ethiopia**

**Strengthening Sustainable Livelihoods and Forest Management in Ethiopia  
(SSLFM)**

**DCI-ENV / 2008 / 152-400**

**Annual Report  
(January-December 2010)**

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## Acronyms

AFE	Amhara Forest Enterprise
ARS	Amhara Regional State
BERSMP	Bale EcoRegion Sustainable Management Programme
BSG	BeniShangul Gumz
CBO	Community Based Organisation
CDF	Community Development Fund
CDM	Clean Development Mechanism
CPL	Collection Processing & Learning
EARI	Ethiopian Agricultural Research Institution
EAS	Environmental Awareness Strategy
EPA	Environmental Protection Authority
EU	European Union
EUD	European Union Delegation
FAO	Food and Agriculture Organization
FARM/SOS	FARM-Africa and SOS Sahel Ethiopia
FEE	Forum for Environment
FMC	Forest Management Cooperative
FMG	Forest Management Group
FZS	Frankfurt Zoological Society
GIS	Geographical Information Systems
GTZ	German Technical Corporation
IIED	International Institute for Environment and Development
JFM	Joint Forest Management
MAD	Market Analysis and Development
MoA	Ministry of Agriculture
MoA PFM SU	Min of Ag. PRM Scaling Up
MTR	Mid Term Review
NR&EP	Natural Resource and Environmental Protection
NTFP	Non Timber Forest Product
OBARD	Bureau of Agriculture and Rural Development
OFWE	Oromia Forests and Wildlife Enterprise
PA	Partnership Agreement
PDS	Policy Dialogue Strategy
PES	Payment for Environmental Services
PFM	Participatory Forest Management
PFRA	Participatory Forest Resource Assessment
PNRM	Participatory Natural Resource Management
RASU	Regional Advisory Support Unit
REDD	Reduced Emissions from Deforestation and Degradation
UNDP	United Nations Development Programme
SFM	Sustainable Forest Management
SSLFM	Strengthening Sustainable Livelihoods and Forest Management
SNNPR	Southern Nations, Nationalities and Peoples Region
TESFA	Tourism in Ethiopia for Sustainable Future Alternatives
TOT	Training of Trainers
TNA	Training Needs Assessment
WGC	Wondo Genet College

## Description

- 1.1. Name of beneficiary: **Food and Agriculture Research and Management (FARM-Africa)**
- 1.2. Name and title of the Contact person: - **Johnathan Napier** ( Country Director FARM Africa Ethiopia)
- 1.3. Name of partners in the Action: **SOS Sahel Ethiopia, Forum for the Environment, MELCA**
- 1.4. Title of the Action: **Strengthening Sustainable Livelihoods and Forest Management in Ethiopia (SSLFM)**
- 1.5. Contract number: **DCI-ENV / 2008 / 152-400**
- 1.6. Start date and end date of the reporting period: **Start 01/01/2010 / End 31/12/2010**
- 1.7. Final beneficiaries &/or target groups<sup>4</sup> (if different) (including numbers of women and men): 200,000 targeted groups / 3,000,000 final beneficiaries across 4 Regions of Ethiopia; Oromiya Region, SNNPR, Amhara Region and Benishangul Gumz Region

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<sup>4</sup> “Target groups” are the groups/entities who will be directly positively affected by the project at the Project Purpose level, and “final beneficiaries” are those who will benefit from the project in the long term at the level of the society or sector at large.

## **2. Assessment of implementation of Action activities**

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### **2.1. Executive summary of the Action**

*Please give a global overview of the Action's implementation for the whole duration of the project*

The overall objective to which this action, Strengthening Sustainable Livelihoods and Forest Management in Ethiopia, is to contribute towards securing the sustainable management of Ethiopia's forests and reducing environmental degradation. The Action will contribute to achieving this through 3 specific objectives, which will be implemented concurrently during the life of the programme:

**Sustainable Forest Management objective:** To contribute to the long-term conservation and improvement of forest conditions in Ethiopia through adoption, expansion and implementation of Participatory Forest Management (PFM). The action will work in the Regional states of Oromiya, SNNPR, Beni-Shangul Gumuz and Amhara. The Action aims to bring at least seven new forest sites, covering at least 270,000 ha., under PFM. PFM will arrest deforestation and increase forest area coverage. The programme will support Regional Authorities to mainstream PFM within their work and support the Ministry of Agriculture (MoA) to scale up its PFM project in the same four Regions of intervention. In coordination with the MoA, the aim is to assist Regional governments to establish simplified, cost effective and harmonized PFM systems and guidelines. And to incorporate PFM within Government annual plans and budgets, and develop appropriate means of implementation such as benefit sharing mechanisms, government extension packages and job positions. Under this action Regional Government authorities will set up and support at least 84 Forest Management Groups (FMGs) over the life of the programme. FMGs will be supported to develop and agree PFM plans that secure legal access and user rights to forest for all appropriate stakeholders, while promoting forest sustainability. These FMG will be set up following the 3 stages and 9 steps of the PFM process. Given that 2010 has been used for general programme set up activities, including beginning the PFM investigation stage with introductory meetings with forest communities and forest baseline work, the FMGs will be established in 2011. FMG numbers will be expanded in 2012, 2013 and 2014.

**Sustainable Livelihoods objective:** To increase the contribution to poverty reduction and improvement of livelihoods in forest dependent communities through identification and development of viable non-timber forest product (NTFP) enterprises. PFM is based on efforts to address poverty among forest dependent peoples through the contribution of forest resources to their livelihoods. Therefore, this action aims to benefit over 200,000 people (Target groups) through increasing the contribution of sustainable NTFPs to their household income. The action will develop NTFP forest enterprises to encourage NTFP livelihood diversification. At least 84 viable small and medium forest enterprises (directly linked to the 84 FMGs) will be established and supported throughout programme implementation. Work in 2010 concerning NTFP livelihoods has concentrated on methodology development /selection and consultant trainer selection. The programme has selected the FAO's Market Analysis and Development (MAD) approach to NTFP enterprise set up. MAD Training courses will be run throughout 2011 in order to setup the first forest based business'. Additional NTFP business' will be established year on year for the life of the programme 2012-14.

**Policy influence objective;** To ensure the adoption of PFM by Federal and Regional forest policy, regulations and practice, so sustainably managing forest resources and protecting the forest use rights of local communities. To guarantee the sustainability of the benefits and impacts achieved under this action, the PFM approach must be enshrined in wider federal government policy and practice. The action's aim is to ensure that all actors share a practical and simple approach to implementing PFM and that this is incorporated into the Federal and Regional forest policy by 2013. To this end, the action will collaborate with the MoA Scaling Up of PFM in Ethiopia project, PFM working groups and other relevant stakeholders working in PFM, to share experiences and working modalities in order that the approaches and tools used by each party are streamlined. A crucial activity in this action is to support government authorities to adopt these harmonised federal level PFM guidelines to be able to scale up the national PFM programme. The action will also engage academic institutions in environmental policy dialogue around PFM while widely disseminating programme learning through various media. Again 2010 has seen the action, along

with the MoA PFM Scaling up, launched at the National PFM working group, which also focused on draft federal forest policy review. This was followed by a series of joint Regional PFM inception workshops. Following the completion of FARM/SOS natural resource policy advocacy strategy, Regional policy is under review and regional PFM working groups are being set up. These Regional PFM working groups will be the main actors in regional policy development over the life of the programme.

## **2.2. Activities and results**

*Please list all the activities in line with Annex 1 of the contract since the last interim report if any or during the reporting period*

*Topics/activities covered. Reason for modification for the planned activity <please elaborate on the problems -including delay, cancellation, postponement of activities, change in target, etc - which have arisen and how they have been addressed> (if applicable):*

*Results of this activity <please quantify these results, where possible; refer to the various assumptions of the Logframe>:*

### **RESULT 1 Activities:**

#### ***1.1 Establish PFM Unit (in Addis Ababa) and mobile Regional Advisory Support Units (RASUs) embedded within regional government***

A PFM unit has been established in Addis Ababa and is actively providing technical backstopping to the programme and to government forestry authorities. The PFM unit is composed of FARM-Africa and SOS Sahel Ethiopia personnel with experience in managing and guiding the implementation of PFM programmes. The PFM unit is also working to establish synergies and coordination between this action and FARM-Africa / SOS Sahel's other relevant PNRM programme, the Bale Eco-Region Sustainable Management Project.

The PFM Unit is responsible for the tasks of: (a) programme administration as required by FARM-Africa and the funding agency (b) coordination of programme planning and monitoring activities (c) coordination of technical support, training and advice to regional RASUs, (d) capturing lessons learnt from field experience and their dissemination (e) linking programme practice to policy and advocacy work (f) liaising closely with the Forum for Environment (FFE), MELCA, and other similar programmes.

Four Regional Advisory Support Units (RASUs) have been set up and linked to regional government structures.

- The RASU in Beni-Shangul Gumuz is based in Assosa, the Regional Capital. Currently the office is hosted by the Gum and Incense Enterprise. Negotiations to be provided office space with the Regional government are on-going.
- The Amhara RASU is currently based in Bahir Dar, the Amhara Regional Capital. Currently the office is hosted by SOS Sahel Ethiopia Amhara Region Office. Negotiations to be provided office space with the Regional government are on-going.
- In the SNNPR Region the RASU is set up in Kaffa Zone, closer to the implementation of the activities (the implementation area is far from the Regional capital), with one advisor based at the Regional Capital in Hawassa, to support policy related activities.
- In Oromia Region, the RASU is currently based in Metu, Iluababora Zone within the Oromia Forests and Wildlife Enterprise, Iluababora Branch Enterprise, with one advisor based at the Regional Capital Office in Addis Ababa.

All RASUs are actively delivering technical backstopping to government counterparts.

Reason for modification (problems / delays / changes)	Activities have been implemented as planned. Set up actions such as RASU staff recruitment and Regional Implementation Agreement signing have take more time that initially planned. However in the light that 2010 was an election year in Ethiopia meant that it has been very challenging to get the required attention from Government partners in the first half of the year. Programme implementation shows a marked improvement in terms of performance and output in the second half of the year. Staff recruitment has also required more time as the programme seeks very specifically skilled personnel from a limited human resource market. The programme has worked on the proviso that it is better to take time to recruit the right personnel that to simply fill staff positions with any applicant. Provision by Government of Regional Office space has also been a challenge.
Results and Impact of the Activity	Both the PFMunit and the 4 RASU teams are set up and running programme activities. This activity is estimated to be 95% complete. 1 technical post remains to be filled in the SNNPR team.

***1.2 Conduct programme inception planning meetings and baseline surveys, including existing land certification and user rights arrangements in programme areas***

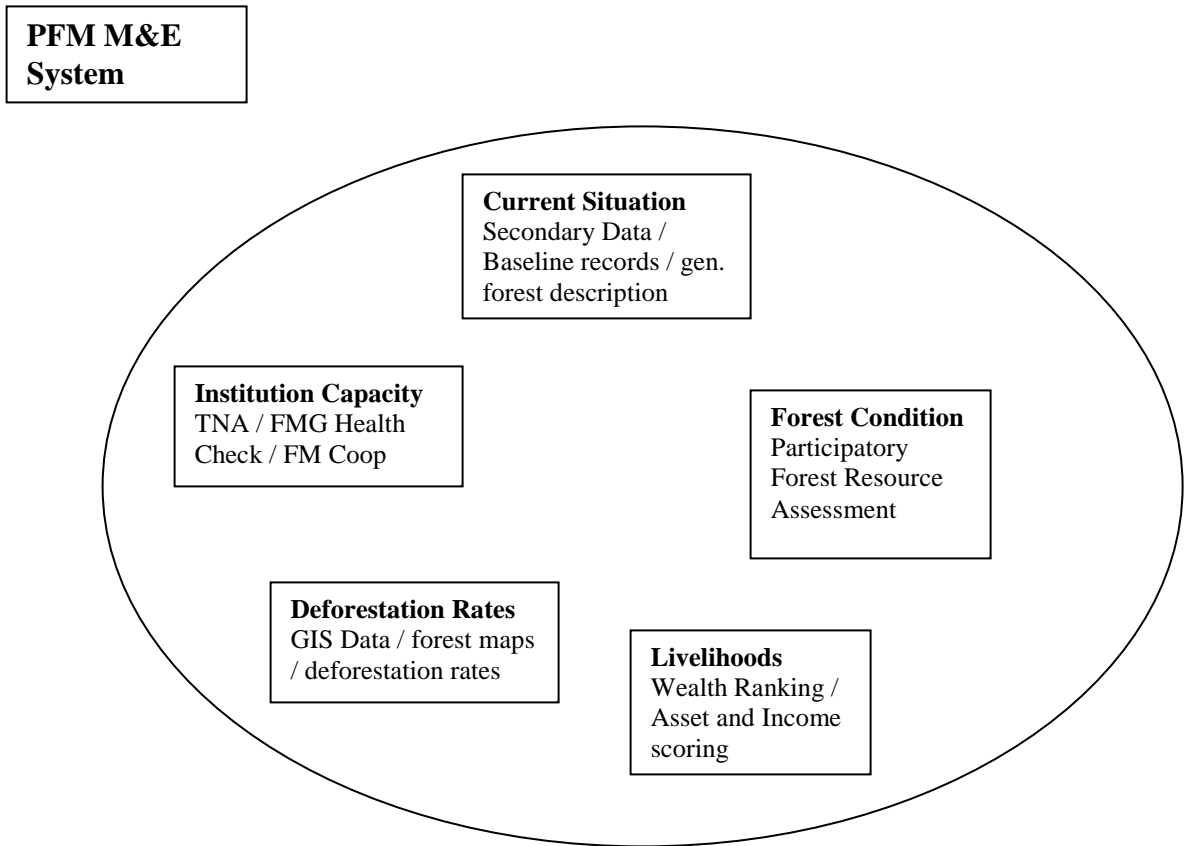
The new SSLFM programme was officially launched at the National level PFM Working Group in February 2010. The meeting was carried out jointly with the MoA PFM scaling up programme. The official launch was made by senior Government State Minister of Agriculture - H.E. Bashir Abdullahi and The Head of Cooperation, EU Delegation, Mr. Denis Thieulin.

SSLFM Programme Regional launch, inception and planning meetings were then held in each of the 4 Regions. The Inception meetings were used to; (a) introduce the programme to a wide range of stakeholders, (b) begin the detailed planning and scheduling of programme-supported activities; (c) discuss and finalise implementation sites, and ensure the placement of government counterpart staff at all levels. These meetings were undertaken between the months of March and June and were subject to a number of rescheduling due to the 2010 Elections. The meeting were again carried out jointly with the MoA PFM scaling up programme.

The SSLFM programme has been working on a PFM Monitoring and Evaluation System and PFM Baseline methodology development with the support of international consultants for satellite image based forest mapping and PFM baseline methodology and survey support (see diagram below to understand the different areas of M&E information gathering). The PFM baseline will enable the programme to track both forest conditions, forest livelihoods improvement and policy influence impacts of the programme, as set out in the programme logframe. RASU M&E Officers have all be involved in the participatory development of the PFM baseline methods and training implementation. Satellite images from 2006 has been used to develop a baseline of forest areas coverage maps in the 4 Regions.

The PFM Baseline Methodology has also been shared with the MoA PFM scale up programme at the 2010 annual programme review.

## Diagram of PFM Monitoring and Evaluation System for SSLFM



Reason for modification (problems / delays / changes)	Inception meeting activities have been implemented as planned. PFM Baseline methodology has been developed and the 4 RASU staff have been trained. Baseline survey data collection and analysis has not been conducted in this twelve month period (2010). This delay is part of the knock on effect of the delayed programme set up explained above.
Results and Impact of the Activity	All launch and inception meetings have been conducted. PFM Baseline methodology has been developed. Baseline forest maps have been produced. This activity is estimated to be 75% complete. Baseline survey has not been conducted.

***1.3 Build the capacity of regional governments to negotiate, implement, monitor and review PFM plans and agreements and develop strategies to adapt PFM appropriate to their capacity and resource constraints***

The FARM-Africa and SOS Sahel Ethiopia SSLFM programme is committed to the harmonisation of PFM approaches in Ethiopia at Federal and Regional levels. The PFM unit staff attended a meeting called by the MoA PFM Scaling Programme to begin the discussion of PFM guideline harmonisation and the sharing of existing PFM guidelines between PFM actors. Key PFM actors present at the meeting, in addition to MoA and FARM/SOS, included GTZ, JICA and the NTFP-PFM project. It was agreed that the starting point for PFM harmonisation should be informed by an independent evaluation of PFM practice to date. MoA SU-PFM accepted the assignment of ToR development for such an evaluation with other actors agreeing to cost sharing the work as appropriate. On the back of this meeting FARM-Africa and SOS Sahel Ethiopia and the MoA SU-PFM have drafted a MoU detailing how the two programmes should work together.

The SSLFM and MoA SU-PFM have also widely distributed the existing PFM guidelines as a starting point to promoting and sharing the PFM approach at the joint inception workshops (PFM guidelines developed under the EU funded FARM/SOS PFMP 2002-07).

Government capacity to implement PFM has been assessed in initial PFM Training Needs Assessments (TNA). These TNA were conducted at the joint inception workshops and will be further followed up by each RASU in each Region. The TNA format follows the 3 Stages / 9 Steps of the PFM Guideline in order to promote continuity and focus the TNA.

The first PFM Training of Trainers was organised for RASU staff and Government counterparts. The PFM TOT was hosted and delivered by the FARM-Africa and SOS Sahel Ethiopia Bale EcoRegion Sustainable Management Programme. The PFM training again followed the 3 Stages / 9 Steps of the PFM Guideline in order to promote continuity and simple understanding. Field visits were made to newly established community PFM groups in order to ensure some practical evidence of PFM was experienced.

Reason for modification (problems / delays / changes)	These capacity building activities will take place over the life of the programme and year 1 actions can be seen as initial start up actions. Many of the activities concerning PFM guidelines, PFM evaluation and cost benefit analysis are strongly linked to the MoA SU-PFM. Delays with the MoA programme have meant that FARM/SOS have not pushed ahead with these actions seeing it as essential to work with MoA.
Results and Impact of the Activity	Capacity building actions have commenced. Activities have been designed around FARM/SOS PFM approach to build commonality and continuity. This activity is estimated to be 15% complete recognising that the action will continue for the duration of the programme.

***1.4 Set up at least 84 effective FMGs with institutional and legislative arrangements which promote inclusion and equity in decision making***

The set up of Forest Management Groups (FMGs) is a critical step in the investigation stage of the PFM process (Stage 1; Step 2) set up. This process has commenced with forest area stakeholder analysis and the gathering of forest user and forest use information. Forest adjacent communities have selected their PFM plan preparation committees, these committees are the basis of the FMG. The Plan preparation committee will coordinate the set up of the FMG as a Cooperative, and undertake the Participatory Forest Resource Assessment in order to start the forest management planning process. This work has commenced in 30 Kebeles across the 4 Regions.

A review of FMG strengths and weaknesses has been started as part of a PFM review of Old PFM sites reported under activity 1.7.

The FARM/SOS SSLFM programme sees FMG strengthening as another action that needs to be harmonised across PFM actions and actors in Ethiopia. This work should be undertaken led by the MoA SU-PFM and in collaboration with other PFM actors.

Work on FMG inclusion issues has been started with initial discussions of balanced Gender membership and the PFM baseline work which categorises the community in to wealth groups by wealth ranking.

Reason for modification (problems / delays / changes)	FMG set up and strengthening is at an early stage. These activities will take place over the life of the programme and year 1 activities can be seen as initial start up actions. Many of the activities concerning FMG review and strengthening should be undertaken in partnership with MoA SU-PFM.
Results and Impact of the Activity	FMG set up actions have commenced. This activity is estimated to be 10% complete recognising that the action will continue for the duration of the programme.

***1.6 Build FMG capacity to implement, monitor, review and enforce PFM plans and agreements through training, exchange visits and organisational capacity building***

As discussed above, the set up of Forest Management Groups (FMGs) is at a very early stage. Where PFM work has started Forest adjacent communities and PFM Plan Preparation committees have begun to participate in community level PFM workshops, cross visits and community to community exchange. Examples include the Beni-Shangul Gumz RASU organising an exchange visit of BSG Government and Community representatives to Chilimo forest / Chililmo PFM forest Union, and the SNNPR RASU organising community to community exchange where old PFM forest sites are close to new PFM sites.

PFM unit staff have started work on developing potential reproductive health strategy / sub-project to accompany FARM/SOS PFM work. This will include HIV awareness and related Reproductive and Sexual Knowledge Attitude and Practice (KAP) work

Reason for modification (problems / delays / changes)	FMG capacity building is at an early stage. These activities will take place over the life of the programme and year 1 actions can be seen as very initial start up actions.
Results and Impact of the Activity	FMG capacity building actions have commenced. This activity is estimated to be 5% complete recognising that the action will continue for the duration of the programme.

***1.7 Support FMGs established in previous project sites to become centres of excellence and a learning ground for the new PFM sites***

In order to proceed with this activity it was agreed that the first action should be to revisit all the former PFM sites in order to review the status of PFM at each site, and its suitability for promotion as a PFM centre of excellence. For this work the SSLFM programme contracted the services of national consultant Aklilu Ameha (PhD candidate with Copenhagen University) to carry out a review of PFM status at the former PFM Project sites of Borana forests (3 sites), Chililmo Forest and Bonga Forest. This work was submitted to the SSLFM PFMunit and other interested parties such as OWFE. Key findings show that as a positive outcome all sites are still functioning as PFM sites with committed FMGs. However the review work also clearly flagged a number of issue of concern particularly based around the lack of government support given to FMGs and a lack of law enforcement. The full report is under final revision after presentation and comments. SSLFM intends to circulate the final document widely as well as follow up directly with the various recommendations.

The PFM unit team has started work with the OFWE Finfine Branch Enterprise and the Chilimo Forest Management Union. Work has included promotion of Chilimo PFM as a demonstration site. Chilimo

Forest Management Union Business Plan is under review, and the introduction of a possible Private Sector EcoTourism partner. Chilimo forest is already being used by the new SSLFM PFM sites as an exchange visit and PFM training destination.

Work has also started in the SNNPR Bonga forest sites. The SNNPR RASU have re-engaged with the old PFM sites in order to organise future community to community exchange and learning.

Reason for modification (problems / delays / changes)	Work with the previous PFM project sites has commenced well and will continue, based around site review findings, over the life of the programme.
Results and Impact of the Activity	Re-engagement has been positive with all groups welcoming the PFM review and being given a chance to explain what is, and what is not working. This activity is estimated to be 20% complete recognising that the action will continue for the duration of the programme.

***1.8 Explore and adopt means of securing funding for PFM through clean development mechanisms, payments for environmental services and other sustainable financing mechanisms***

PFM unit staff have been deeply involved in the development of the World Bank sponsored Ethiopian National REDD Preparedness Strategy. At the invitation of the Federal EPA selected FARM/SOS PFM unit staff have been working as part of the technical working group for REDD strategy development. Our key agenda in this work is to promote and establish PFM as one of the main strategies for Reduce carbon emission from avoided Deforestation and Degradation (REDD). Chilimo PFM forest site was also selected for Oromiya Region community REDD consultation, where again PFM was championed as the mode of operation for REDD. This National REDD Strategy has now been submitted (Nov 2010) to the World Bank for approval.

Reason for modification (problems / delays / changes)	The initially planned consultants study was not deemed necessary as a start point. Many consultant studies have been undertaken in this area in the last few years upon which SSLFM can draw (inc. BERSMP CDM&REDD). Work on REDD has been successful this year, with the potential for PFM to be the main mode of implementation. All SSLFM forest sites could potentially benefit from REDD and this will be the aim of this activity over the life of the programme.
Results and Impact of the Activity	Ethiopia is one of the leading African countries in REDD and CDM. FARM/SOS are key actors in this new environmental arena. Ethiopia's National REDD Strategy has been developed and submitted. This activity is estimated to be 20% complete recognising that the action will continue for the duration of the programme.

## RESULT 2 Activities:

### 2.1 Develop field investigation methods and undertake forest-based livelihood assessments and participatory value chain analyses

The PFM unit Business Advisor and RASU Business Advisors have reviewed a number of Business promotion and development methods, such as sub-sector analysis and value chain analysis tools. RASU teams have carried out a number of initial discussions with communities concerning forest livelihoods and NTFPs availability and potential. The new PFM Baseline methodology also has a focus on NTFPs and gathers data concerning current levels of NTFP use and NTFP income at the individual household level.

The Programme has also consulted with SSLFM match funders the International Institute for the Environment and Development (IIED) Responsible Forest Business. IIED run the Forest CONNECT programme which promotes sustainable forest management through recognising and legalising small and medium forest enterprises. SSLFM has also consulted with the EU funded partner project NTFP-PFM project in SNNPR, who have been working intensively on NTFP promotion as a way to conserve forest resources. Following all this investigatory work and partner consultation, and clear recommendations from partners, the SSLFM business team has agreed that the FAO's work on community based forest enterprises – Community-based tree and forest product enterprises: Market Analysis and Development (FAO 2000) will be adopted as the key field investigation methods for forest based livelihood assessment and forest based business promotion.

SSLFM has, since then, set up the appropriate consultant tender process in order to secure the services of a skilled and experienced FAO- MAD trainer. This process has been completed at the end of 2010.

Value chain analysis has commenced with the setting out of potential value chain positions of key actors in different forest sites. The programme entry point involves mapping the position of business actors along the Value Chain, this gives a clear view of how value chains are currently set up and working (or not). Value Chain positions are then reviewed and/or (re)-negotiated between actors. This activity aims to clarify Value Chain roles and responsibilities, business partnerships and revenue shares. Examples of emerging Value Chains from the SSLFM forest sites are shown below.

#### Coffee Value Chain

SNNPR - Community producers / Contract Out growers / Forest Management Groups – business groups	Woreda Forest Coffee Marketing Cooperative	Kaffa Zone Coffee Cooperative	International / National buyers / specialised coffee markets
Oromiya - Community producers / Contract Out growers / Forest Management Groups – business groups	Illuabbabora / Guji / West Wollega branch Forest Enterprises	Oromiya Forest and Wildlife Enterprise (OFWE) / Oromia Coffee Cooperative Union	International / National buyers // specialised coffee markets.

#### Honey Value Chains

Oromiya - Community producers / Contract Out growers/ Forest Management Groups – business groups	Forest Management Cooperative	Illuabbabora / Guji / West Wollega branch Forest Enterprises / OFWE	International / National buyers / markets
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SNNPR - Community producers / Contract Out growers/ Forest Management Groups – business groups	Forest Management Cooperative Bonga Honey Cooperative	Bez Mar PLC (working in SPNNR) APINEC PLC ((working in SPNNR)	National Markets / International Buyers / BodyShop UK
BSG - Community producers / Contract Out growers/ Forest Management Groups - business groups	Forest Management Cooperative	ECOPIA PLC (working in Benishangul Gumz)	International / National buyers / markets

### **Bamboo Value Chain**

BSG - Community producers / Contract Out growers/ Forest Management Groups - business groups	Forest Management Cooperative	Local furniture makers / Bamboo products	National buyers / markets
Amhara - Community producers / Contract Out growers/ Forest Management Groups - business groups	Forest Management Cooperative	Forest Management Cooperative	National buyers / local markets Private Sector Investors

Reason for modification (problems / delays / changes)	This activity has progressed well this year, with clear decisions concerning the adoption of the FAO MAD and the recruitment of appropriate consultancy support that will begin MAD training in 2011. Initial Value Chain work has also been undertaken. Actual Livelihood assessments will be done as part of the Baseline and MAD processes, These have been delayed in line with the general delays in start up (noted above). It is also important to note that the Business Advisor staff positions were the most difficult to fill due to a distinct lack of appropriately skilled applicants.
Results and Impact of the Activity	FARM/SOS are key actors in the new focus on the economics of development. The adoption of MAD process gives us a clear link with other partner projects and could be important in the PFM scale up and harmonisation of approaches. This activity is estimated to be 75% complete recognising that the action will continue in 2011 and beyond.

### ***2.2 Support the establishment of at least one forest based livelihood enterprise per FMG through training in business skills and demonstrations in specific NTFP production processes***

The set up of one Forest based Enterprise per Forest Management Group is clearly related to the set up FMGs themselves. Progress with FMG set is reported under activity 1.3.

As reported above, forest adjacent communities have selected their PFM plan preparation committees, these are the basis of the FMG. The Plan preparation committee will coordinate the set up of the FMG as a Cooperative, and undertaken the livelihoods assessment work. Livelihoods Assessment work will take place during 2011 as part of the PFM Baseline and MAD training.

Business training arrangements are under preparation as reported under Activity 2.2. Business Training Needs Assessment will be carried out within the Business training / MAD process.

The FARM/SOS SSLFM programme sees FMG-business groups set up as another action that needs to be harmonised across PFM actions and actors in Ethiopia. This work should be undertaken in close coordination with the MoA SU-PFM and in collaboration with other PFM actors. Work to this end has started with the selection of the FAO-MAD NTFP business promotion tools and processes.

Reason for modification (problems / delays / changes)	Forest based Enterprise set up is at its initial stage. These activities will take place over the life of the programme. Many of the activities concerning forest based business set up should be undertaken in partnership with MoA SU-PFM.
Results and Impact of the Activity	Forest based business set up actions have commenced. This activity is estimated to be 10% complete recognising that the action will continue for the duration of the programme.

### ***2.3 Facilitate the establishment of business start up funding mechanisms for Small and Medium Scale Forest Enterprises***

Village Savings and Loan Associations (VSLA) methodologies have been sourced and circulated among relevant PFM unit staff. Discussions are on going on how to introduce VSLA systems in conjunction with business training (MAD) and forest based business set up.

Reason for modification (problems / delays / changes)	VSLA methodologies are being studied and implementation strategy for the action is being developed.
Results and Impact of the Activity	This activity is very much just beginning. It is too early to discuss results and impact. This activity is estimated to be 5% complete recognising that the action will continue for the duration of the programme.

### ***2.5 Identify business mentors to help improve business growth and innovation for at least 84 forest enterprises through developing partnerships, market linkages, product improvement, new product development etc***

Business Mentors identified, please see listing below.

#### **Business Mentors - Ethiopia / Kenya /Tanzania**

Potential Business Mentors have been contacted by the Programme and all have agreed, in principle, to work with the SLLFM as business mentors. Dr. Mitslal of ECOPIA joined the Inception workshop in BSG, introducing her business activities and products. Further details of business mentor involvement will be worked out in 2011.

Contact	Business activity	Mentor	Availability
Dr Mitslal	ECOPIA - Natural Products – Organic Wild foods /	Producer groups / Farmer groups	Company in Addis / Already working with BERSMP

	cosmetics		
Gilles Morvan	Essential Oil / Production technology	Distillation techniques	Addis based consultant
Ato Kebede	Lintos Travel / Tourism	EcoTourism / CBO development	Based in Addis
Dr Tsefaye Bekelle	Essential Oil – ex-EARI	Essential Oils	Based in Holeta
James Young	Business consultant	Marketing	Based in Addis / UK
Ato Mulaku / Tesfaye Hundee INBAR	East Africa Bamboo project	Bamboo products	MoA
Apinec – Ato Wobishet	Forest Honey	Honey production and marketing	Ethiopian PS Company Working in SPNNR
BezaMar – Ato Haile	Forest Honey	Honey production and marketing	Ethiopian PS Company Working in SNNPR / Oromiya
Suzie Wren	Natural Products Advisor / Consultant	Natural product Development	Based in Kenya
Heri Van der Land – MatchMakers Assoc.	Business Training and support services	Business Management	Based in Tanzania
Rob Barrett Wild Living PLC	Natural Products Businesses	Natural product Development and training	Based in Kenya
Surendra Kotecha	Coffee Quality and Marketing	Forest Coffee	Based in UK / Ethiopia

Reason for modification (problems / delays / changes)	The Action budget does not include funds for engaging Mentors directly. The programme is therefore looking to identify business interests and business training activities for the Business Mentors to get involved with SSLFM forest based business'
Results and Impact of the Activity	The identification of Business Mentors has progressed well. Commitment and interest amongst mentors is high. This activity is estimated to be 15% complete recognising that the action will continue for the duration of the programme.

## **RESULT 3 Activities:**

### ***3.1 Facilitate the development of enabling regional and federal policies, laws and guidelines for PFM including clear policies and guidelines that support forest-dependent community access and user rights and benefit-sharing arrangements***

The programme has subcontracted consultants to develop an FARM/SOS NRM Policy Dialogue Strategy. The PDS has identified the key issues of mainstreaming PNRM in Ethiopia and clearly sets out the Advocacy Objectives around Legal, Policy and Governance Issues; Institutional issues: Communications and Awareness issues. The PDS also recommends Advocacy tools to be used and partner roles and responsibilities. The final draft PDS is ready and will be made official after incorporating comments from various partners.

The Federal Forest Policy has provisions for community access and use rights in general terms. In connection with this FARM/SOS PFM unit has closely worked with MoA to develop the new Forest Policy Regulations. The Regulations elaborate on community participation, roles, responsibilities and benefit sharing arrangements, to ensure sustainable NRM. The process of developing the Federal Forest Regulation has involved various key stakeholders from the major regions of Ethiopia (Oromiya, SNNPR, Amhara, Tigray,) higher educational and research institutions, and national / international NGOs. The regulation is currently being translated in to English language, after which will be submitted to the Council of Ministers for final approval. This Federal Policy Regulation, assuming approval by the Council of Ministers, is anticipated to be used as an essential input to then develop the Regional Forest Policies and Regulations.

RASU teams have been assigned to investigate the status of Regional Forest Policy. Current Region policy status is set out below;

- Oromiya Region – Region Forest Policy is developed and includes PFM. Oromiya is the most advanced Region in Ethiopia in terms of scaling up PFM. The Oromia Forest Regulation recognizes community use rights and access to forest resources. It also allows for fair benefit sharing arrangements between Government and Community and within the community. The Region represented by Oromiya Forest and Wildlife Enterprise (OFWE) has PFM experts and has assigned focal persons to closely work with SSLFMP. The regional PFM WG meeting is planned to be taken place in 2011 to discuss key issues on PFM and sustainable forest management.

SNNPR – Regional Forest Policy/proclamation is under development and has been supported by the NTFP-PFM programme to date. The PFM unit and RASU are engaging in this regional policy process. The programme has contributed in commenting on the Regional Forest Policy. Critical comments we have made include the need to explicitly incorporate PFM and define community access and use right of forest resources, and to outline fair benefit sharing arrangements. The Regional Policy is expected to be presented for wider stakeholders comment on a Policy workshop to be organized in 2011. This Policy document is expected to be submitted to the Regional parliament for approval on June 2011.

Amhara – No Regional Forest Policy/proclamation, the programme is now engaged in gap analysis of the forest policy in ARS. In 2011 a Forest Policy stakeholder workshop will be organized to further present and discuss the drafting of a Forest Proclamation.

BSG - No Regional Forest Policy. Policy gap analysis has been started and key natural resources management problems and issues have been identified during a forest policy workshop organized by the BSG RASU in Assosaa. Staffs of the Regional BoA, EPA & LA, Cooperative promotion office, Investment Authority, Bureau of Finance and Economic Development and other key NGOs working in the Region were invited to present key NRM problems and issues. A Forest Policy development committee, in which the RASU plays active role, has been established to work on the Regional Forest Proclamation and submit a draft document to the BoA. On the other hand the RASU has jointly worked with BoA to establish the new regional PFM Working Group chaired by BoA. The BSG RASU is secretary of the PFM Working Group.

SSLFM programme has made a concerted effort to work with the MoA SU-PFM as reported under Activity 1.2 &1.3. With particular reference to a PFM guideline development, the SSLFM programme is committed to the harmonisation of PFM approaches in Ethiopia at Federal and Regional levels. As reported, the PFM unit staff attended a meeting called by the MOA SU-PFM Programme to begin the discussion of guideline

harmonisation and to share existing PFM guidelines between PFM actors. The SSLFM and MoA SU-PFM have also widely distributed the existing PFM guidelines (developed under the EU funded FARM/SOS PFMPI 2002-07) as a starting point to promoting and sharing the PFM approach at the joint PFM scaling up Inception Workshops.

A National PFM network already exists and the MoA SU-PFM and the FARM/SOS SSLFM were officially launched at the National PFM Working Group meeting in Feb 2010. This network plans to meet annually. It is expected that the MoA SU-PFM should take up the coordination of the National PFM Network.

Regional PFM working groups are to be set up by the Regional RASU teams, this is under progress with the identification and contact of relevant participants and member organisations. For example in Amhara Region the RASU is in discussion with various Government (BoA / AFE / ORDA/Coop) and Non Government organisations (GAA / FZS / SUNARMA) concerning the formation of the Amhara PFM Working Group.

Reason for modification (problems / delays / changes)	SSLFM Policy has started well at Federal level and at the 4 Regions. The PDS is drafted and being reviewed by RASUs. Activities concerning PFM guidelines are strongly linked to the MoA SU-PFM. Delays with the MoA SU-PFM programme have meant that FARM/SOS have not pushed ahead with guideline development / promotion
Results and Impact of the Activity	This activity is estimated to be 15% complete recognising that the action will continue for the duration of the programme.

***3.2 Improve environmental awareness and engagement in PFM at the grassroots level through facilitating community / government fora to discuss forest policy and governance***

The programme has not yet to develop its Environmental Awareness Raising Strategy for the action as we are waiting for the completion of the PDS document, under which the EAS should sit. The EAS will be designed in 2011.

Implementing partners – SOS Sahel Ethiopia have signed a Sub-Award Agreement, as the primary programme implementation partner In Agreement clearly sets out the technical detail of the programme and the terms governing the financial responsibilities and disbursements of funds to SOS Sahel Ethiopia.

Discussions are under way to finalize Partnership Agreements (PA) with secondary programme partners MELCA Ethiopia and Forum for Environment (FfE). A draft PA with clarified roles and responsibilities of the actors and action plans for 2011 are currently being reviewed by both partners. The PA is anticipated to be signed by partners in 2011.

Reason for modification (problems / delays / changes)	The MELCA and FfE PA agreement has been delayed partly due to start up delays and the need to get the RASUs set up before engaging secondary partners, but also partly due to misunderstanding of the Partners on the level of partnership. Both organisations (MELCA and FfE) were expecting significant transfer of funds and equipment from the SSLFM programme, which is not the case. Therefore roles and responsibilities of the partnership have needed to be re-negotiated.
Results and Impact of the Activity	This activity is estimated to be 5% complete recognising that the action is delayed and will continue for the duration of the programme.

**3.3 Engage academic and research institutions such as Wondo Genet Forestry College and the Ethiopian Agricultural Research Institute to strengthen their support for capacity building of government and communities on PFM**

In order to engage academic institutions, the programme has made preliminary discussions with the academic and research institutions such as Wondo Genet College (WGC) of Forestry to sort out how best they can engage in SSLFM programme activities. The WGC is generally positive and willing to working together on the key PFM issues. It was agreed that studies and research can be done using MSc. / PhD students. Research topics are usually identified in June / July months. Hence we are looking forward to workout modalities to involve students in key research topics in the coming 2011 summer. In 2010 a WGC consultant team are carrying out a PFM Benefit Sharing Study for the FARM-Africa and SOS Sahel Ethiopia Bale EcoRegion Sustainable Management Programme. Results of this study will be highly relevant to SSLFM and the main study site for the work has been the SSLFM Chilimo PFM Forest.

Ambo College has approached FARM-Africa to support MSc student research into Climate Change and Forest Carbon Stock Assessment, this work is currently on going.

Likewise, Bahir Dar University and the Agricultural Research Institute of Amhara Region have been invited to work together with the SSLFM programme in developing community based approaches to Protect / Manage Forest of the Amhara Region.

In BSG the RASU SSLFM team has conducted a PFM seminar in Assosa Agriculture technical and vocational education training college (TVET). More than 200 students and instructors took part. Discussions have been held conducted in Jimma (Oromia), and Mizan TVET college (SNNPR) to organize PFM seminars.

Reason for modification (problems / delays / changes)	Although the programme is designed to predominately work with WGCF, currently there is increasing interest / opportunity to involve other new regional educational institutions
Results and Impact of the Activity	This activity is estimated to be 5% complete recognising that the action is delayed and will continue for the duration of the programme.

**3.4 Document and disseminate programme innovations in PFM policy and practice, PFM best practices and lessons learned to all stakeholders, and the wider public including PFM policy makers and practitioners in other countries in the region**

The SSLFM Programme has been set up as a follow on phase of the original FARM/SOS EU funded PFM Programme (2002-07). From this initial work on PFM a number of important information resources has been carried over to use in this phase. A PFM Process documentary film has been shown at the Regional PFM Inception workshops to the Regional partners. The PFM film has impressed government partners' particularly those in new Regions such like BSG and ARS. The PFM Guideline, also from this previous project, has also be widely circulated.

The first new PFM newsletter, the PNRMU Bulletin was published in September 2010. The PNRMU Bulletin contains information on the project activities of both the BERSMP and the SSLFM Programme. For SSLFM short articles on introducing PFM to new forest sites in Illu Abba Bora, and the first ToT on PFM for government partners and community meeting/stakeholders analysis (women groups ) are featured. The E-Bulletin is sent to partners. Soft copy of the bulletin is available. The second edition is under preparation.

The FARM/SOS PFM website is under reconstruction in order to include the SSLFM programme. The programme aims to raise the profile of PFM in Ethiopia, and set up internet discussion groups to make sure that PFM issues are discussed frequently the PFM website. The new site will be online soon.

A 2011 PFM training calendar is under development for 2011 (sent for printing). The PFM Calendar, designed to follow the key stages and steps in PFM month by month, as set out in the PFM Guideline, will be widely circulated to partners when ready..

Reason for modification (problems / delays / changes)	The Communications sections has been organising itself in the 2010 set up year. Information outputs are limited at the beginning of the programme.
Results and Impact of the Activity	This activity is estimated to be 10% complete recognising that the action is delayed due to slow start up and will continue for the duration of the programme.

### 2.3. Activities that have not taken place

*Please outline any activity and/or publications foreseen in the contract, that have not taken place, explaining the reasons for these.*

#### Result 1: Activities

**1.5 Facilitate the negotiation and implementation of over 84 PFM plans and agreements that secure access and user rights for communities, the private sector and governmental authorities in the seven target forest areas**

Forest Management Plans and Agreements negotiations have not commenced

Reason for modification (problems / delays / changes)	Planned for the last 2 months of programme 1 one – these activities have not been started as the programme has not reached this stage in the PFM process.
Results and Impact of the Activity	Forest Management Plans and Agreements have not been started. This activity is estimated to be 0% complete.

**1.9 Work with communities surrounding the targeted forest areas to enhance sustainable agricultural production through integrating tree planting (buffer plantation) and agroforestry system into local forest / farming systems**

Tree planting was not started this year 2010

Reason for modification (problems / delays / changes)	Planned to start in Programme year 1 – these activities have not been started. The RASUs were not set up in time to catch the seedling growing / planting season
Results and Impact of the Activity	Tree planting has not started. This activity is estimated to be 0% complete.

#### Result 2: Activities

**2.4 Facilitate the participation of forest enterprises from the seven programme sites in at least six trade fairs, and product exhibitions**

Activity not planned for Programme year 1

Reason for modification (problems / delays / changes)	
Results and Impact of the Activity	

#### Result 3: Activities

All activities commenced.

**2.4. What is your assessment of the results of the Action? Include observations on the performance and the achievement of outputs, outcomes, impact and risks in relation to specific and overall objectives, and whether the Action has had any unforeseen positive or negative results.**

*(Please quantify where possible; refer to Logframe Indicators).*

In general terms the action has been slightly delayed in its start up in 2010. FARM-Africa and SOS Sahel Ethiopia believe that the main delays experienced are the direct result of the fact that Ethiopian National Elections took place in May 2010. The Elections basically meant the Government of Ethiopia attention was very much distracted from dealing with other development issues. Other than this, looking at the year overall, almost all planned activities are underway. It is therefore the SSLFM programme view that 2010 progress has been acceptable. SSLFM PFM unit would emphasise that considerable progress has been made in the second semester of the year, showing that the Action is catching up with its original time schedule. The action is currently estimated to be 3 months behind schedule.

Please see the SSLFM Programme Logical framework analysis below.

Sr.N	Indicators	Progress of indicators to date	Remark
1	Purpose/Specific objective: <i>(Insert project purpose/specific objectives in here)</i> <b>Specific objective 1</b> -To further contribute to the long term conservation and improvement of forest condition in Ethiopia through adoption, expansion and implementation of PFM in four regions <b>Specific Objective 2</b> -To increase the contribution to poverty reduction and improvement of livelihoods in forest dependent communities through identification and development of viable non-timber forest product (NTFP) enterprises <b>Specific Objective 3</b> -To ensure the adoption of PFM by federal and regional forest policy, regulations and practice so sustainably managing forest resources and protecting the user rights of local communities including indigenous populations		
	<b>Project purpose indicators</b> 1. By the end of the programme, at least 7 new forest areas are under sustainable management  2. Deforestation is arrested and forest area increased in the Regions of Oromiya, SNNP, Beni-Shangul Gumuz and Amhara  3. By the end of the SSLFM programme, there is an increase of the proportional share of NTFPs in household income for 200,000 people in the target regions	SSLFM programme Forest sites have been selected and mapped. Forest Baseline is designed and field tested. PFM process which includes Investigation . Negotiation and Implementation Stages is underway. Investigation activities are taking place in all sites. In addition, the government partners have assigned PFM focal persons at regional, zonal and woreda levels. Building the capacity of partners and communities through trainings, workshops and experience sharing visits is also on going.  Business development advisor posts at all RASUs have been filled. Livelihood baseline designed , tested and underway. Integration with Bale EcoRegion, the forest enterprises, working partnership with private sector actors such as ECOPIA and APINEC established	SSLFM Programme, in its first year, is on the rights track to achieve its purpose

	4. Federal and Regional forest policy incorporates participatory approaches to Forest Management by 2013 and forest dependent communities secure forest access and user rights through legal agreements	Business development method selected / Business trainer recruited, tools for sub- sector selection developed, business mentors identified  The establishment of PFM working groups at regional levels Regional Forest policy gap analysis conducted. Discussions, workshops and experience sharing visits are the right steps to develop/adapt PFM supportive laws and proclamations	
2	Project output (I): <i>(insert project output I in here)</i> <b>Output 1-</b> By the end of the programme period at least 270,000 ha. of natural forest in four regions of Ethiopia are under sustainable PFM, safeguarding forest resources and user rights for more than 200,000 people		
	Output indicators <i>(Insert the output indicator in here)</i> 1. Regional government annual plans and budgets incorporate PFM together with means of implementation  2. At least 84 Forest Management Groups (FMGs) are established and actively managing forest land and resources through PFM plans covering 270,000 ha of land	In all regions, the government has assigned PFM focal persons from regional to woreda levels. In SNNPR, zones and woredas have agreed to incorporate PFM into their annual plans as well as into the new Growth and Transformation Plan (GTP)  PFM process has started in 30 priority kebeles. The Forest Management Groups will be eventually established in these priority Kebeles	SSLFM Programme, in its first year, is on the rights track to achieve its PFM Objective
	Project output (II): <i>(Insert project output II in here)</i> <b>Output 2-</b> By the end of the programme period, viable non-timber forest product enterprises have been established across 270,000 ha of sustainably managed forest, so improving the livelihoods of more than 200,000 people in four regions of Ethiopia. At least 50% of the beneficiaries will be women.		
	Output indicators <i>(Insert the output indicator in here)</i> 1. At least 84 new viable forest based and NTFP enterprises are established and generate regular income for the members of 84 FMGs, of which at least 50% are women (Gender based involvement and FMG membership data will be collected)	Establishing forest enterprises is one of the key tasks which will be done at a specific stage of the FMGs establishment process. The SSLFM is working on activities to establishment of FMGs. In the meantime, key NTFP enterprise establishment activities such as identification of NTFP commodities, collaboration with private sectors, capacity building, market assessment, etc are now underway	SSLFM Programme, in its first year, is on the rights track to achieve its Business Objective

	<p>Project output (III): <i>(Insert project output II in here)</i></p> <p><b>Output 3-</b> By the end of the programme period, federal and regional forest regulations and practice incorporate PFM approaches to sustainably manage forest resources and protect user rights of local communities including indigenous populations</p>		
	<p>Output indicators <i>(Insert the output indicator in here)</i></p> <p>1. Government forest policy legally recognizes forest-dependent community user rights</p>	<p>Policy Dialogue Strategy under development. Regional PFM working groups established, A Regional Forest policy gap analysis workshops conducted. Partner exchanges visits (BSG) to Chilimo PFM Forest conducted</p>	<p>SSLFM Programme, in its first year, is on the rights track to achieve its Policy Objective</p>

**2.5. What has been the outcome on both the final beneficiaries &/or target group (if different) and the situation in the target country or target region which the Action addressed?**

In this first year of programme action we have concentrated on the clarification of SSLFM Target Groups and Final Beneficiaries.

- Target groups are defined as the groups who will directly be involved in, and benefit from the Action. The SSLFM programme has estimated that up to 200,000 people will be directly benefited by the Action across the 4 implementation Regions.
- Final Beneficiaries are defined as the communities and peoples who will indirectly benefit from the Action. The SSLFM programme has estimated that up to c.3,000,000 people will be indirectly benefited by the Action across the 4 implementation Regions.

Please see detailed Target Groups and Final Beneficiaries and Population Data below.

**Target Groups**

From the Programme Document forest adjacent Kebeles (village clusters) and their communities – 152 Kebeles area mentioned as the Target Groups of the Programme. The 200,000 people within are target groups are those directly involved in the Programme, from an estimated Target (Woreda) Populations (also stated in the Programme Document) estimated at 298,477 people.

The number of Kebeles targeted has increased, at the request of Government in the negotiation of forest sites, from 152 to 228 Kebeles. These figures are shown in the table below for each Region. In Oromiya and SNNPR the changes are not significant, and are mainly related to changes in the Administrative boundaries of Woredas and Kebeles involved. In BSG and ARS the increased number of targeted Kebeles is directly related to the adjustment of forest implementation sites.

**Target Kebele Adjustment**

Region	Original Kebeles	Adjusted Kebeles	Explanation
Oromiya	86	116	New kebeles identified due to Admin. boundary changes and or gap filling addressing leakage risks
SNNPR	33	34	No significant change
BSG	23	45	Re-planned forest site targets – SSLFM has agreed to work in different forest areas / more kebeles
Amhara	10	33	Re-planned forest site targets – agreed to work in different forest areas / more kebeles

The number of Target Groups directly benefited by the SSLFM programme due to their proximity to the forest is estimated at 200,000 people, within 84 forest management and forest business groups. These figures remain the SSLFM programme’s minimum target. In terms of Region by Region, a 40% / 30% / 15% / 15% guide split ratio was applied to these figures to arrive at final regional targets. Therefore in;  
 Oromiya – 80,000 people / 34 FMG – 40%                      SNNPR – 60,000 people / 26 FMG – 30%  
 BSG – 30,000 people / 12 FMG – 15%                      Amhara – 30,000 people / 12 FMG – 15%

Increasing forest area coverage and/or revising and detailing target forests, particularly in Amhara and BSG, has resulted in adjusted Target (Woreda) Populations. Target (Woreda) Populations are stated in the Programme Document and were estimated at 298,477 people. Figures now quoted as Target Woreda Populations in the revised forest sites table are the same in Oromiya and SNNPR (where forest sites are the same).

However, in ARS and BSG (where forest sites have been revised) the new 2007 Census Woreda Population figures are used, as offered by the respective participants during the PFM Inception Workshops. The total Target Woreda Population figures are now quoted are a total 471,267. These figures are a result of better

and more accurate planning in BSG and ARS regions. The adjusted figures will be further verified in the PFM Baseline.

**Target (Woreda) Population figure adjustment**

Region	Original	Adjusted	Explanation
Oromiya	163,550	163,550	No change in estimated populations
SNNPR	74,137	74,137	No change in estimated populations
BSG	28,100	68,550	Additional Kebelles / 2007 census data
Amhara	32,690	165,030	Additional Kebelles / 2007 census data
Total	298,477	471,267	Out of the adjusted total population 200,000 are anticipated to be a direct beneficiaries while the rest are indirect beneficiaries

**Final Beneficiaries**

A proportion of all four Region’s populations are stated as indirect final beneficiaries of the Programme. This is based on the clear relationship between improved environment management and stability, ecological functions of the environment and the positive impact on climate and production dynamics of a given Region. It is therefore argued that the SSLFM programme will have a wider impact than the immediate forest adjacent communities (target groups).

Positive environmental impacts are likely to occur on regional watersheds / hydrological cycles / rainfall and agricultural production / soil conservation / climate change. The figures quoted for final beneficiaries are 2,994,000 people.

**2.6. Please list all materials (and no. of copies) produced during the Action on whatever format (please enclose a copy of each item, except if you have already done so in the past). Please state how the items produced are being distributed and to whom**

<b>Materials</b>	<b>Copies</b>	<b>Distributed How / Who</b>	<b>Comment</b>
FARM-Africa SSLFM Programme FactsSheet	200	Inception workshops Participants / Info. Pack  General information available at FARM-Africa Addis Office	Now out of stock / Need to reprint
PFM Manual (from PFMP 1)	c.300	Inception workshops Participants / info pack	Photocopies used
PFM Training Calendar	500	100 per Region to PFM partners and communities (=400)  100 PFM unit – PFM partners	Currently at the Printers
PFM film (from PFMP 1)	10	Given to each of the 4 Regions	Out of Stock / Need to reprint
Newsletter e- bulletin	19 No. recipient list	Email	Combined BERSMP and SSLFM
Policy Brief - REDD – PFM	200	REDD EPA trainees  RASU Partners	Reprint on demand
Consultant Report - PFM Old sites Evaluation			Waiting for updated draft
Consultant Report – PFM Baseline Methodology			Waiting for final Draft
Policy Dialogue Strategy			Waiting for final Draft

**2.7. Please list all contracts (works, supplies, services) above 10.000€ awarded for the implementation of the action since the last interim report if any or during the reporting period, giving for each contract the amount, the award procedure followed and the name of the contractor.**

There have been two supplies contracts greater than Euros 10000 in 2010. Other Supplies and Services, and Consultant Services have all cost the SSLFM programme less than Euros 10,000. In the case of Consultant Service this is often due to cost sharing and joint studies with the FARM-Africa and SOS Sahel Ethiopia Bale EcoRegion Sustainable Management Programme.

Contract	Contract amount above Euros 10,000	Award Procedure	Name of Contractor
4WD Vehicles	Euros 147,355	International open tender	LTA Auto
Motorbikes	Euros 29,057	International open tender	LTA Auto
Baesline Study - Mapping	Euros 19,950 (6300 SSLFM / 13650 BERSMP)	Negotiated procedure	Dr. Julien Dupuy
Livelihoods Assessment and Business Development	Euro 26,400	Negotiated procedure	Jacques Lecup

**2.8. Describe if the Action will continue after the support from the European Union has ended. Are there any follow up activities envisaged? What will ensure the sustainability of the Action?**

This section is not applicable to this Programme year 1 report. The SSLFM programme will be completed in 2014. The overall aim of the SSLFM programme is to build the capacity of Government and communities to sustainably implement PFM in partnership, over the long term.

**2.9. Explain how the Action has mainstreamed cross-cutting issues such as promotion of human rights<sup>5</sup>, gender equality<sup>6</sup>, democracy, good governance, children's rights and indigenous peoples, environmental sustainability<sup>7</sup> and combating HIV/AIDS (if there is a strong prevalence in the target country/region).<sup>8</sup>**

<b>Cross cutting issue</b>	<b>What is the Action doing</b>	<b>Progress to date</b>
<b>Gender Equality</b>	The Action has set a deliberately ambitious gender balance target of 50% equal participation of men and women.	Starting from the PFM Baseline the Action in promoting Gender equality with 50% female headed households targeted for key informants and household interviews.  Women's group discussions have been held in introducing PFM.  Women's business enterprises are being investigated in the forest business promotion process
<b>Good Governance</b>	PFM has been recognised for the introduction and promotion of good governance action at the community level and between community and government at the local level	Building positive developmental relationships between local communities and local government through PFM.  Within the PFM Investigation stage a number of governance issues are being addressed, such as secure use rights and access to the forest and forest boundaries
<b>Indigenous peoples rights</b>	PFM aims to secure indigenous peoples rights to forest access and user rights.	Introducing PFM to new forest sites and new Regions. PFM is a non-political and environmentally positive way to secure people resource rights
<b>Environmental sustainability</b>	The PFM approach has Environmental Sustainability at its core	Introducing PFM to new forest sites / new Regions – PFM aims to establish community based sustainable forest management. PFM will have a positive environmental impact on climate and waters system at National and International levels
<b>Combating HIV/AIDS</b>	Developing a strategy for the promotion of HIV/AIDS in remote rural areas	The SSLFM is developing ways to introduce Reproductive and Sexual Health activities in to the programme as a sub-project.

<sup>5</sup> Including those of people with disabilities. For more information, see “Guidance note on disability and development” at [http://ec.europa.eu/development/body/publications/docs/Disability\\_en.pdf](http://ec.europa.eu/development/body/publications/docs/Disability_en.pdf)  
[http://ec.europa.eu/development/body/publications/docs/Disability\\_en.pdf](http://ec.europa.eu/development/body/publications/docs/Disability_en.pdf)

<sup>6</sup> [http://www.iiav.nl/epublications/2004/toolkit\\_on\\_mainstreaming\\_gender\\_equality.PDF](http://www.iiav.nl/epublications/2004/toolkit_on_mainstreaming_gender_equality.PDF)

<sup>7</sup> Guidelines for environmental integration are available at: <http://www.environment-integration.eu/>

<sup>8</sup> To refer to EC Guidelines on gender equality, disabilities...

**2.10. How and by whom have the activities been monitored / evaluated? Please summarise the results of the feedback received, including from the beneficiaries.**

The FARM-Africa and SOS Sahel Ethiopia SSLFM has developed a new PFM M&E system. Monitoring will be on going, year on year, and carried out by the SSLFM PFM Unit and RASU/Gov partner teams. The aim of the PFM M&E system is to build a clear information and evidence base of what is happening to PFM forest areas and to PFM forest adjacent communities where SSLFM is being implemented. The SSLFM aims to clearly demonstrate the impact of PFM.

This internal information gathering (monitoring), will be supported by key external evaluation event, a Mid Term Review in Programme Year 3, and a Final Evaluation Programme Year 5.

As we are in Programme Year 1 it is still early to report feedback from monitoring activities.

EU Delegation Addis Ababa – EUD-Task Manager is tracking SSLFM progress via Quarterly Reports and giving his feedback on a regular basis. The EUD-TM has also expressed the EU aim to understand the impact of PFM in Ethiopia. The TM has made field visits to programme implementation sites, again his feedback and advice has been shared.

**2.11. What has your organisation / partners learned from the Action and how has this learning been utilised and disseminated?**

This section is not applicable to this Programme Year 1 report.

SSLFM programme is building on PFM piloting and learning from the EU funded PFMP 1

### **3. Partners and other Co-operation**

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#### **3.1. How do you assess the relationship between the formal partners of this Action (i.e. those partners which have signed a partnership statement)? Please provide specific information for each partner organisation.**

##### **SOS Sahel Ethiopia – Primary partner**

SOS Sahel Ethiopia has signed a Sub-award Agreement with FARM-Africa under which it is responsible for full SSLFM implementation in ARS and SNNPR. SOS Sahel Ethiopia employed staff also make up half of the positions in the coordinating PFM unit. Regular Programme Management Committee meetings are held, involving senior management and finance staff of both organisations. Relationship is very strong.

##### **MELCA Ethiopia – Secondary partner**

Negotiations of partnership arrangements and actions with MELCA are under discussion. MELCA has been invited to be involved in initial field level inception workshops and actions. SSLFM has agreed a link at the Addis level, with MELCA head office staff, and at the field levels. At field level MELCA and SSLFM have agreed to partner with the Oromiya and SNNPR RASUs. Partner Relationship is under negotiation.

##### **Forum for Environment (FfE)– Secondary partner**

Negotiations of partnership arrangements and actions are under discussion. Invited to involve in initial field level inception workshops and actions. The Director of FfE has played a role in the formulation of the Policy Dialogue Strategy. SSLFM has agreed a link at the Addis level and field level, FfE has also agreed to partner Amhara and BSG RASUs. Partner Relationship is under negotiation.

#### **3.2. Is the Partnership to continue? If so, how? If not, why?**

##### **SOS Sahel Ethiopia – Primary partner**

SOS Sahel Ethiopia will continue joint implementation

##### **MELCA Ethiopia – Secondary partner**

Formal Partnership Agreement will be signed in 2011

##### **Forum for Environment (FfE)– Secondary partner**

Formal Partnership Agreement will be signed in 2011

### **3.3. How would you assess the relationship between your organisation and State authorities in the Action countries? How has this relationship affected the Action?**

The SSLFM programme is working with and through the Government of Ethiopia, to build skills and capacity to implement PFM through government extension services.

Relations with State Authorities, both Federal and Regional, are very good. SSLFM has been supporting the MoA SU-PFM as far as possible, jointly launching the 2 PFM scale up initiatives, arranging joint inception workshops and conducting a 2010 review together. A joint working MoU has been drafted .

SSLFM has set up 4 Regional Advisory and Support Units (RASUs). The RASUs are hosted by the Regional government. Regional Government PFM focal persons have been assigned to work with SSLFM at Region, Woreda and Kebele levels. The RASUs are currently working with their government partners.

### **3.4. Where applicable, describe your relationship with any other organisations involved in implementing the Action:**

#### **• Final Beneficiaries and Target groups**

Relationships need to be built over time and should be trust based. Many forest communities have exhibited initial mistrust and suspicion over SSLFM programme PFM objectives. This is often the case in entering into new PFM agreements over forest management. Mistrust and suspicion is based on a number of keys factors, such as;

- Historic (during the Derg regime) and current sporadic (BoA actions) attempts by Government to *Protect* Forest Resources and ban communities from forest access / use.
- Community level rumours that the forest will be taken away by the new outsiders (the project), rumours often propagated by those who are currently running illegal forest business' and stand to lose out under PFM
- Recent leasing of large tracts of forest land to new land Investors

SSLFM is working to build trust and credibility with its target groups, forest adjacent communities.

#### **• Other third parties involved (including other donors, other government agencies or local government units, NGOs, etc)**

There are many potential partners to this SSLFM Programmes. These are listed below.

- MoA SU-PFM programme – SSLFM is a sister programme to this other major EU/GoE investment in Ethiopia.
- EPA is a significant actor concerning Ethiopia's National REDD strategy and the promotion of PFM.
- Government Departments at Regional level, other than Forest Enterprises and Bureaux of Agriculture include new Bureaux of Environmental Protection and Land Administration, and Cooperatives Promotion Office.
- The GoE and World Bank Sustainable Landuse Programme is a potential partner in the promotion of PFM within the Watershed Management Approach.
- Numerous NGO's who are involved to a lesser or greater extent in the promotion of PFM in Ethiopia.

**3.5. Where applicable, outline any links and synergies you have developed with other actions.**

A critical part of the PFM agenda in Ethiopia is the harmonisation of the PFM approach among PFM actors. The MoA SU-PFM programme is responsible for leading the harmonisation process – SSLFM is committed to support this process. A key output of this harmonisation will be the creation of an Ethiopian PFM Guideline.

All PFM actors are brought together in the National and Regional PFM working groups. Again the MoA SU-PFM leads the National group. The SSLFM is a key player in the set up of new Regional PFM working groups.

A critical part of the PFM approach is the work done around forest based livelihoods and NTFPs. SSLFM have followed the example of the EU funded NTFP-PFM project working in SNNPR in adopting the FAO developed Market Analysis and Development approach to setting up forest business’.

SSLFM works closely with the other FARM/SOS PNRM programme in the Bale Mountains, the Bale EcoRegion Sustainable Management Programme. A number of cost sharing works have been carried out; PFM review / PFM GIS mapping / PFM Benefit Sharing study / PFM Policy Dialogue Strategy.

Close work and support to the EPA have ensured that PFM is a key Strategy in the emerging National REDD Strategy for Ethiopia.

**3.6. If your organisation has received previous EU grants in view of strengthening the same target group, in how far has this Action been able to build upon/complement the previous one(s)? (List all previous relevant EU grants).**

Former EU grant project - FARM-Africa and SOS Sahel Participatory Sustainable Forest Management: Innovations in Policy and Practice in East Africa. AIDCO/B7-6200/01/0379/TF

Although the new SSLFM programme is working on predominantly new Target Groups, it has also re-engaged with the PFM old sites. In terms of building on previous work, as mentioned in the activities section of this report, the programme has used key PFM methodology outputs from the previous work. The PFM Manual and PFM process film have been used widely in the start up of SSLFM.

**3.7. do you evaluate co-operation with the services of the Contracting Authority?**

As mentioned, the EU Delegation Addis Ababa – EUD-Task Manager is tracking SSLFM Quarterly Reports and giving his feedback on a regular basis. The EUD-TM has made field visits to programme implementation sites and shared feedback and advice.

FARM-Africa are also working closely with the EUD to resolve a number of issues concerning SSLFM implementation efficiency and certain budget constraints. Support from the EUD has again been appreciated as we work to resolve these issues.

#### 4. Visibility

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How is the visibility of the EU contribution being ensured in the Action?

FARM-Africa continues to ensure that the EU is clearly presented as the main funder of this initiative. Examples in 2010 of such visibility include:

This EU SSLFM programme being formally launched in Feb 2010 at the National PFM working Group Meeting in Adama. This was done in partnership with the MoA SU PFM in Ethiopia project. The opening was conducted by senior GoE (State Minister For Natural Resources) and EU (Head of Development Cooperation) officials.

Examples of visibility include;

- Presentations at the Regional Inception Workshops
- EU Logo display on the cover pages of all Regional Agreement documents
- EU Logo display on the Senior Staff business cards
- EU Logo display on the cover pages of all workshop presentations
- EU Logo display on the FARM-Africa Programme Fact Sheet
- EU logo posted on the vehicles and motorbikes and other equipment purchased in the RASUs

As the RASUs setup in each Region, the EU logo is clearly displayed on Programme Office signboards and on programme vehicles.

**The European Commission may wish to publicise the results of projects. Do you have any objection to this report being published on EuropeAid Co-operation Office website? If so, please state your objections here.**

We have no objection to all or any part of this report being published by Europe Aid

## Annex I

Contract n° DCI-ENV/2008/152-400														
Implementation period of the contract (01/01/2010-31/12/2014)														
Interim financial report: period (01/01/2010-30/10/2010)	Budget as per contract/rider				Reallocation and use of contingencies		Expenditures incurred							
							Per currency			Total for the period in EUR		Cumulated costs (before current report) (in EUR)	Cumulated costs (from start of implementation to present report included) (in EUR)	
						Name of currency n°1 Birr								
							Exchange rate pof the period (01/01/2010-31/12/2010):			Fx-rate <sub>1=21</sub> .367				
Expenditures	Unit	# Units	Unit cost (in EUR)	Costs (in EUR)	allowe d reallo cation	use of contin genci es	# Units	Unit cost (in curren cy n°1)	Total cost (in currency n°1)	Total cost (in EUR)	Units total # for all currencie s	Total cost of the period (in EUR)		
		(a)	(b)	(a)*(b)			(d1)	(e1)	(f1)=(d1)*(e1)	(g1)= (f1)*(Fx-rate1)	Sum (d1a dn)	(h)= Sum (g1a gn)	(i)	(h)+(i)
1. Human Resources														
1.1 Salaries (gross amount, local staff)														
1.1.1 Technical														
1.1.1.1 RASU Technical Teams x 1 Per Region														
1.1.1.1.1 Team Leader and PFM Advisor x 4	Month	240.00	870.00	208,800.00			6	53,155	318,928	14,926	6	14,926	0	14,926
1.1.1.1.2 Social Development Advisor x 4	Month	240.00	750.00	180,000.00			6	17,747	106,480	4,983	6	4,983	0	4,983

1.1.1.1.3 Business Development Advisor x 4	Month	240.00	750.00	180,000.00			6	16,858	101,150	4,734	6	4,734	0	4,734
<b>1.1.1.2 PFMU based in Addis Ababa</b>												0	0	0
1.1.1.2.1 Programme Manager x 1 (international/national conditions) @ 50%	Month	30.00	1,950.00	58,500.00								0	0	0
1.1.1.2.2 Policy Advisor x 1 @ 50%	Month	30.00	1,000.00	30,000.00			12	7,679	92,145	4,312	12	4,312	0	4,312
1.1.1.2.3 Sustainable Financing Advisor x 1 @ 50%	Month	30.00	1,000.00	30,000.00			7	4,537	31,756	1,486	7	1,486	0	1,486
1.1.1.2.4 Business Development Advisor x 1 @ 50%	Month	30.00	1,000.00	30,000.00			6	10,217	61,300	2,869	6	2,869	0	2,869
1.1.1.2.5 Impact M&E Manager x 1 @ 50%	Month	30.00	1,000.00	30,000.00			3	11,847	35,540	1,663	3	1,663	0	1,663
1.1.1.2.6 Documentation and Communications Manager x 1 @ 50%	Month	30.00	750.00	22,500.00			6	7,177	43,061	2,015	6	2,015	0	2,015
1.1.1.2.7 Driver x 1 @ 100%	Month	60.00	150.00	9,000.00			1	1,363	1,363	64	1	64	0	64
<b>1.1.1.3 Programme Management Committee (PMC)</b>												0	0	0
1.1.1.3.1 Country Director Farm-Africa (Expatriate) x1 @ 7%	Month	4.20	4,650.00	19,530.00			12	6,066	72,788	3,407	12	3,407	0	3,407
1.1.1.3.2 Head of Finance Farm-Africa x 1 @ 10%	Month	6.00	980.00	5,880.00			12	1,827	21,925	1,026	12	1,026	0	1,026
1.1.1.3.3 Country Director SoS Sahel x 1 @ 5%	Month	3.00	3,060.00	9,180.00			12	2,566	30,790	1,441	12	1,441	0	1,441

1.1.1.3.4 Head of Finance SoS Sahel x1 @ 5%	Month	3.00	980.00	2,940.00			12	652	7,823	366	12	366	0	366
<b>1.1.1.4 Partner Staff Supervision Costs</b>												0	0	0
1.1.1.4.1 FFE (1 Supervisor at 50%)	Month	30.00	620.00	18,600.00			12			0	12	0	0	0
1.1.1.4.2 Melca Maher (1 Supervisor at 50%)	Month	30.00	620.00	18,600.00			12			0	12	0	0	0
<b>1.1.2 Administrative/ support staff</b>												0	0	0
<b>1.1.2.1 RASU Support Service Team x 1 per Region</b>												0	0	0
1.1.2.1.1 Finance Officer x 4	Month	240.00	440.00	105,600.00			2	13,732	27,465	1,285	2	1,285	0	1,285
1.1.2.1.2 M&E Officer x 4	Month	240.00	490.00	117,600.00			3	33,995	101,984	4,773	3	4,773	0	4,773
1.1.2.1.3 Driver Mechanic x 4	Month	240.00	150.00	36,000.00			1	15,300	15,300	716	1	716	0	716
<b>1.1.3 Village Savings and Loans Association Committee (all from year 2 onwards)</b>												0	0	0
1.1.3.1 Village Agents x 24 people (1 person per 10 VSL group) each @30%	Month	345.60	6.00	2,073.60					0	0	0	0	0	0
1.1.3.2 Lead Community Facilitator x 12 each @30%	Month	172.80	35.00	6,048.00					0	0	0	0	0	0
1.1.3.3 Community Facilitator & Trainers x 7 each @ 50%	Month	168.00	34.00	5,712.00					0	0	0	0	0	0
1.1.3.4 Micro Financial Services Advisor x 1 @10%	Month	4.80	912.00	4,377.60					0	0	0	0	0	0

<b>1.2 Salaries (gross amounts, expat/int. staff)</b>									0	0	0	0	0	
1.2.1 PFMU Coordinator (Expatriate) x 1 @ 50%	Month	30.00	4,280.00	128,400.00			12	51,460	617,522	28,901	12	28,901	0	28,901
<b>1.3 Per diems for mission/travel</b>									0	0	0	0	0	
1.3.1 PFM Study Tour in Africa for govern't staff & policy makers (10 people x 7 days)	Perdiem	140.00	98.00	13,720.00			70		0	0	70	0	0	0
<b>1.3.2 Local (staff assigned to the Action)</b>									0	0	0	0	0	
1.3.2.1 Perdiem for staff assigned to the action (20 staff x 60 days a year)	Perdiem	6,000.00	9.15	54,900.00			361	349	126,160	5,904	361	5,904	0	5,904
1.3.2.2 Local travel perdiem for consultant	Perdiem	219.00	9.15	2,003.85					0	0	0	0	0	0
1.3.2.3 Staff training (12 staff x 5 days a year)	Perdiem	300.00	9.15	2,745.00			5	1,718	8,592	402	5	402	0	402
<b>1.3.3 Seminar/conference participants</b>									0	0	0	0	0	
1.3.3.1 Planning and review meetings for inception, six-monthly, and yearly (4 regions x 175 people x 2 days)	Perdiem	1,400.00	9.15	12,810.00			151	308	46,459	2,174	151	2,174	0	2,174
1.3.3.2 Needs assessment of community and government institutions (7 sites x 190 people x 2 days)	Perdiem	2,660.00	9.15	24,339.00			76	392	29,850	1,397	76	1,397	0	1,397

1.3.3.3 Needs assessment and training of government staff and Forest Management Groups at old site (5 sites x 120 people x 5 days)	Perdiem	3,000.00	9.15	27,450.00			251	344	86,133	4,031	251	4,031	0	4,031
1.3.3.4 Review of Forest Management Groups implementation guidelines (7 sites x 12 FMGs x 6 people x 5 days) and sustainable financing mechanisms (4 regions x 14 people x 5 days)	Perdiem	2,800.00	6.10	17,080.00						0	0	0	0	0
1.3.3.5 Forest boundary mapping, demarcation, resource assessment, and PIA and support PM&E systems (7 sites x 55 people x 20 days)	Perdiem	7,700.00	9.15	70,455.00			39	376	14,779	692	39	692	0	692
1.3.3.6 Training of government staff in PFM training of trainers and planning (7 sites x 425 people x 5 days)	Perdiem	14,875.00	9.15	136,106.25			630	319	200,932	9,404	630	9,404	0	9,404
1.3.3.7 Training of community on PFM, gender awareness, and conflict resolution (7 sites x 12 FMGs x 22 people x 5 days)	Perdiem	9,240.00	6.10	56,364.00					0	0	0	0	0	0
1.3.3.8 Policy review and gap analysis (5 events x 40 people x 5 days) and national/regional law	Perdiem	1,250.00	9.15	11,437.50			23	376	8,592	402	23	402	0	402

revision (5 events x 25 people x 2 days)													
1.3.3.9 Livelihood assessment of community (7 sites x 90 people x 2 days)	Perdiem	1,260.00	9.15	11,529.00				0	0	0	0	0	0
1.3.3.10 Business skills training and natural product development for Village Savings Loans and Forest Management Groups (7 sites x 12 FMGs x 62 people x 5 days)	Perdiem	26,040.00	6.10	158,844.00				0	0	0	0	0	0
1.3.3.11 Develop PFM curriculum for TVET colleges (1 event x 80 people x 5 days)	Perdiem	400.00	9.15	3,660.00				0	0	0	0	0	0
1.3.3.12 National (5 event x 100 people x 2 days) and regional (5 events x 40 people x 20 days) PFM working groups	Perdiem	5,000.00	9.15	45,750.00	71	394	27,945	1,308	71	1,308	0	1,308	
1.3.3.13 National environmental (1 event x 100 people x 2 days ) and PFM (1 event x 100 people x 2 days) conference	Perdiem	400.00	9.15	3,660.00				0	0	0	0	0	0
1.3.3.14 Community exchange visits (7 sites x 90 people x 5 days)	Perdiem	3,150.00	6.10	19,215.00				0	0	0	0	0	0
1.3.3.15 Government exchange visits (7 sites x 89 people x 5 days)	Perdiem	3,115.00	9.15	28,502.25	52	376	19,732	923	52	923	0	923	

1.3.3.16 Project baseline, mid term review and final evaluation stakeholder workshops (30 people x 3 one day events x 4 regions)	Perdiem	360.00	9.15	3,294.00			60	376	22,708	1,063	60	1,063	0	1,063
<b>Subtotal Human Resources</b>				<b>1,963,206.05</b>	<b>0</b>	<b>0.00</b>	<b>1,933</b>	<b>261,505</b>	<b>2,279,203</b>	<b>106,669</b>		<b>106,669</b>	<b>0</b>	<b>106,669</b>
<b>2. Travel</b>														
2.1 PFM Study Tour in Africa for government staff (10 people x 7 days) and policy makers (10 people x 7 days) flights	Flight	20.00	424.00	8,480.00					0	0	0	0	0	0
2.2 International consultant flights (8 people)	Flight	8.00	865.00	6,920.00					0	0	0	0	0	0
2.3 Local transportation for national consultants	Event	17.00	62.00	1,054.00			7	2,214	14,640	685	7	685	0	685
<b>Subtotal Travel</b>				<b>16,454.00</b>	<b>0</b>	<b>0.00</b>	<b>7</b>	<b>2,214</b>	<b>14,640</b>	<b>685</b>		<b>685</b>	<b>0</b>	<b>685</b>
<b>3. Equipment and supplies</b>														
<b>3.1 Purchase or rent of vehicles</b>														
3.1.1 Vehicles (4WD) (1 per region and 1 for PFMU)	Vehicles	5.00	30,000.00	150,000.00			5	686,422	3,432,110	160,627	5	160,627	0	160,627
3.1.2 Motorcycles (2 per region/forest site)	Motorcycles	14.00	2,375.00	33,250.00			14	49,811	697,350	32,637	14	32,637	0	32,637
3.1.3 Vehicle rental x 4 (for 6 months in year 1)	Months	24.00	1,000.00	24,000.00			12	31,640	379,677	17,769	12	17,769	0	17,769
<b>3.2 Furniture, computer equipment</b>									0	0	0	0	0	0
3.2.1 Laptop computer x 12 (for 10 RASU advisors and 2 for	Laptop	12.00	900.00	10,800.00			12	13,642	163,708	7,662	12	7,662	0	7,662

PFMU)														
3.2.2 Desktop computers & accessories x 16 (for RASU finance, M&E officers, and 2 for regional counterparts)	Desktop	16.00	950.00	15,200.00			16	16,335	261,359	12,232	16	12,232	0	12,232
3.2.3 LCD projectors and 4 digital cameras	Unit	8.00	450.00	3,600.00			5	11,250	56,250	2,633	5	2,633	0	2,633
3.2.4 Desks x 5, Chairs x10, Shelves x5 x 4 regions	Pieces	80.00	50.00	4,000.00			60	813	48,808	2,284	60	2,284	0	2,284
3.2.5 Driver protective clothing (1 set per driver)	Set	20.00	20.00	400.00					0	0	0	0	0	0
<b>3.3 Machines, tools...</b>									0	0	0	0	0	0
<b>3.4 Spare parts/equipment for machines, tools</b>									0	0	0	0	0	0
<b>3.5 Other (please specify)</b>									0	0	0	0	0	0
3.5.1 Village Savings and loans kits (bowl, safety box, record books) x 240 groups	Set	240.00	12.00	2,880.00					0	0	0	0	0	0
3.5.2 Forest inventory & boundary mapping equipment (7 sets one per region), and camping equipment (7 sets one per region)	Set	14.00	625.00	8,750.00			5	12,597	62,984	2,948	5	2,948	0	2,948
3.5.3 Tree out growers scheme (seedlings)	Seedlings	850,000.00	0.04	35,700.00					0	0	0	0	0	0
<b>Subtotal Equipment and supplies</b>				<b>288,580.00</b>	<b>0</b>	<b>0.00</b>		<b>822,510</b>	<b>5,102,245</b>	<b>238,791</b>		<b>238,791</b>	<b>0</b>	<b>238,791</b>
<b>4. Local office costs</b>														

4.1.1 Running costs x 5 vehicles	Months	60.00	1,865.00	111,900.00			12	18,195	218,344	10,219	12	10,219	0	10,219
4.1.2 Running costs x 14 motorcycles	Months	60.00	823.00	49,380.00			12	509	6,113	286	12	286	0	286
4.1.3 Office running cost	Months	48.00	365.00	0.00			12	0	0	0	12	0	0	0
<b>Subtotal Local office</b>				<b>161,280.00</b>	<b>0.00</b>	<b>0.00</b>	<b>36.00</b>	<b>18,704.78</b>	<b>224,457.31</b>	<b>10,504.86</b>	<b>36.00</b>	<b>10,504.86</b>	<b>0.00</b>	<b>10,504.86</b>
<b>5. Other costs, services</b>														
<b>5.1 Publications</b>														
5.1.1 Printing of publications e.g. Standardized PFM guidelines and training material (1000 copies), livelihood assessment (1000 copies), GIS mapping (500 copies), business skills training (500 copies), promotional leaflets (1000)	Copies	4,000.00	6.00	24,000.00			300	160	47,900	2,242	300	2,242	0	2,242
5.1.2 Documentary film	Films	2.00	6,050.00	12,100.00					0	0	0	0	0	0
<b>5.2 Studies, research</b>									0	0	0	0	0	0
5.2.1 International consultants fees (9 studies)	Days	84.00	491.00	41,244.00					0	0	0	0	0	0
5.2.2 National consultants fees (3 studies)	Days	219.00	218.00	47,742.00			30	2,278	68,325	3,198	30	3,198	0	3,198
<b>5.3 Auditing costs</b>									0	0	0	0	0	0
5.3.1 Auditing costs	Year	5.00	1,690.00	8,450.00					0	0	0	0	0	0
<b>5.4 Evaluation costs</b>									0	0	0	0	0	0
5.4.1 Baseline (1consultnts), Mid-term (2consultnts), Final evaluation	Days	176.00	700.00	123,200.00			100	1,842	184,197	8,621	100	8,621	0	8,621

(2consultnts)														
<b>5.5 Translation, interpreters</b>								0	0	0	0	0	0	
5.5.1 Translation of publications & films into English, Amharic, and Oromiffa	Documents	13.00	347.00	4,511.00		1	425	425	20	1	20	0	20	
<b>5.6 Financial services (bank guarantee costs etc.)</b>								0	0	0	0	0	0	
5.6.1 Bank charges	Months	60.00	15.00	900.00		12	290	3,483	163	12	163	0	163	
<b>5.7 Costs of conferences/seminars</b>								0	0	0	0	0	0	
5.7.1 Planning and review meetings for inception, six-monthly, and yearly x 4 regions (8 Mtgs per Yr)	Event	40.00	153.00	6,120.00		27	930	24,969	1,169	27	1,169	0	1,169	
5.7.2 Needs assessment of community and government institutions (7 sites x 4 regions)	Event	28.00	154.00	4,312.00		2	4,413	8,827	413	2	413	0	413	
5.7.3 Needs assessment of government staff and training Forest Management Groups at old site (5 sites x 8 events)	Event	40.00	153.00	6,120.00		2	1,691	3,381	158	2	158	0	158	
5.7.4 Review of Forest Management Groups implementation guidelines and sustainable financing mechanisms (1 review	Event	22.00	152.00	3,344.00				0	0	0	0	0	0	

Mtg per year x 4 regions + 2 national level events)														
5.7.5 Training of government staff in PFM (7 events across 7 sites in the 4 regions)	Event	49.00	153.00	7,497.00			27	376	10,315	483	27	483	0	483
5.7.6 Training of community on PFM, gender awareness, and conflict resolution (7 events across 7 sites in the 4 regions)	Event	49.00	153.00	7,497.00					0	0	0	0	0	0
5.7.7 Policy review and gap analysis and national/regional law revision (3 events per region + 2 national events)	Event	14.00	204.00	2,856.00					0	0	0	0	0	0
5.7.8 Community Livelihood Assessment Findings Workshop x 1 event	Event	1.00	313.00	313.00					0	0	0	0	0	0
5.7.9 Business skills training and natural product development for Village Savings Loans and Forest Management Groups (7 sites x 4 FMG events + 7 sites x 3 VSLAs events)	Event	49.00	152.00	7,448.00					0	0	0	0	0	0
5.7.10 Develop PFM curriculum for TVET colleges 2 events across the 4 regions	Event	2.00	305.00	610.00					0	0	0	0	0	0

5.7.11 National and regional PFM working groups (1 per region per year + 1 national per year)	Event	25.00	183.00	4,575.00			24	394	9,270	434	24	434	0	434
5.7.12 National environmental and PFM conference x 2 events	Event	2.00	458.00	916.00					0	0	0	0	0	0
5.7.13 Community exchange visits (7 sites x 3 visits)	Event	21.00	304.00	6,384.00					0	0	0	0	0	0
5.7.14 Regional Government exchange visits (1 per region per year + 1 federal per year)	Event	24.00	306.00	7,344.00			20	376	7,534	353	20	353	0	353
5.7.15 Project baseline, mid term review and final evaluation stakeholder workshops (3 events in 4 regions)	Event	12.00	50.00	600.00			11	376	4,224	198	11	198	0	198
<b>5.8 Visibility actions</b>									0	0	0	0	0	0
5.8.1 Visibility costs	Year	5.00	2,815.00	14,075.00			3	2,182	6,545	306	3	306	0	306
<b>5.9 Other</b>									0	0	0	0	0	0
5.9.1 Demonstration of natural products in Trade Fairs (national and international)	Event	6.00	487.00	2,922.00					0	0	0	0	0	0
5.9.2 Development, packaging, and marketing of natural products	Set	14.00	486.00	6,804.00					0	0	0	0	0	0
<b>Subtotal other costs and services</b>				<b>351,884.00</b>	<b>0</b>	<b>0.00</b>		<b>15,733</b>	<b>379,394</b>	<b>17,756</b>		<b>17,756</b>	<b>0</b>	<b>17,756</b>
<b>6. Other</b>														

6.1 Micro-grants to Forest Management Groups	Grants	84.00	1,154.00	96,936.00					0	0	0	0	0	0
<b>Subtotal Other</b>				<b>96,936.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>7. Subtotal direct eligible cost</b>				<b>2,878,340.05</b>	<b>0</b>	<b>0.00</b>		<b>1,120,668</b>	<b>7,999,939</b>	<b>374,406</b>		<b>374,406</b>	<b>0</b>	<b>374,406</b>
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)				0.00					0	0	0	0	0	0
<b>9. Total direct eligible costs of the Action (7+ 8)</b>				<b>2,878,340.05</b>	<b>0</b>	<b>0.00</b>		<b>1,120,668</b>	<b>7,999,939</b>	<b>374,406</b>		<b>374,406</b>	<b>0</b>	<b>374,406</b>
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)				201,480.95					590,166	27,620	0	27,620	0	27,620
<b>Total project costs</b>				<b>3,079,821.00</b>	<b>0</b>	<b>0.00</b>		<b>1,120,668</b>	<b>8,590,105</b>	<b>402,027</b>		<b>402,027</b>	<b>0</b>	<b>402,027</b>

Annex II

**Expected sources of funding**

						Amount EUR	Percentage of total %
Applicant's financial contribution							
(to be inserted if allowed by the guidelines: in kind contribution)							
Commission/EDF contribution sought in this application						2,463,857.00	80%
Contribution(s) from other European Institutions or EU Member States							
<i>Name</i>	<i>Conditions</i>						
Contributions from other organisations:							
<i>Name</i>	<i>Conditions</i>						
Tuilp CT						5,803.00	
International School of Milan						5,347.00	
British American Tobacco						29,016.00	
IIED						61,927.00	
John Ellerman Foundation						59,100.00	
The BIG Give						73,677.00	
Efico Fund						20,000.00	

<b>FARM Africa/SOS-Sahel</b>							361,094.00	
<b>TOTAL CONTRIBUTIONS</b>							615,964.00	20%
Direct revenue from the Action							0	
Interests from prefinancing							0	
<b>OVERALL TOTAL</b>							<b>3,079,821.00</b>	