



**The Federal Democratic Republic of Ethiopia**  
**Ministry of Environment, Forest and Climate**  
**Change**

**PROPOSAL FOR REDD+ INVESTMENT IN**  
**ETHIOPIA**

**(2017-2020)**

**May 2017, Addis Ababa**

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# MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

## FOREST SECTOR

### PROPOSAL FOR REDD+ INVESTMENT IN ETHIOPIA

Prepared following the CRGE facility proposal template

## Summary of the programme data

### Programme title: Proposal for REDD+ investment in Ethiopia

Prepared for the Royal Norwegian Government under the Framework Agreement on REDD+ Partnership (Phase II)

#### Programme summary:

- The problem statement;
- The Programme's objectives;
- Implementing organisations;
- Key Programme activities;
- The total Programme budget

Ethiopia recognises the key role forestry plays in setting the country on a sustainable and green development path. The current 15.5 per cent forest cover is inadequate to provide an economic and ecological support system in this mountainous and climatically precarious country. While protecting the existing 17 million hectares of forest, Ethiopia also intends to undertake large-scale afforestation and reforestation to increase total forest cover to 30 per cent by 2030. Afforestation and reforestation are also key to alleviating the pressure on natural forests. A recent strategy document<sup>1</sup> estimates that Ethiopia has 18 million degraded hectares of land suitable for afforestation and reforestation.

REDD+ has great potential to deliver on the country's targets to lower deforestation and increase afforestation. Increasing the country's forest resource base through REDD+ support will contribute to a range of policy goals, including biodiversity conservation, provision of ecosystem services, such as water resource development and improved livelihoods. This Programme aims to address the drivers of deforestation and forest degradation effectively through on-the-ground targeted interventions, re-enforced by the establishment of the appropriate policy environment, legal frameworks, institutional arrangements and capacity building.

Under the Framework Agreement between the Government of Ethiopia and the Royal Norwegian Government (Phase II), this proposal marks one of the first major investments in REDD+ in

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<sup>1</sup> National REDD+ Strategy (2016)

Ethiopia. The four-year programme would help to transform the way landscapes are managed in Ethiopia's major forest regions and – focusing on restoration in areas where forests have been lost – to reduce carbon emissions or increase removal. It will also help to reduce poverty, establish resilient livelihoods, conserve biodiversity and provide water. The Programme will foster equitable and sustainable low carbon development by enhancing countrywide and local institutions; providing incentives and information to create an enabling environment for the National Forest Sector Development program implementation; REDD+ on-the-ground activities that address deforestation to reduce land-use based emissions; and enhance forest carbon stocks through afforestation, reforestation and landscape greening.

As part of the REDD+ Partnership Agreement, Norway has committed to provide USD100 million in Phase II: USD80 million will finance this programme proposal through the Climate Resilient Green Economy (CRGE) Facility, while the remaining USD20 million will finance other international partners through the Royal Norwegian Embassy in Addis Ababa.

**Lead organisation:**

Ministry of Environment, Forest and Climate Change

**Anticipated start date**

June 2017

**Programme duration:**

The programme will be implemented over four years from June 2017 to December 2020

**Total funding requested** *(in USD) (Budget details in Activity Schedule and budget in Section 8)*

USD80 million

# 1 Information about the applicant

## 1.1 ORGANISATION NAME

Ministry of Environment, Forest and Climate Change

## 1.2 OFFICE ADDRESS

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## 2 Acronyms & Abbreviations

**A/R** – Afforestation/Reforestation

**AD** – Activity Data

**ANR** – Assisted Natural Regeneration

**APR** – Annual Performance Review

**BAU** – Business as Usual

**BOA** – Bureau of Agriculture

**BOFED** – Bureau of Finance & Economic  
Development

**BPR** – Business Process Re-engineering

**CBO** – Community Based Organization

**CFT** – Community Facilitating Team

**CRGE** – Climate Resilient Green Economy

**COP** – Conference of Parties

**COPD** – Chronic Obstructive Pulmonary  
Disease

**CT** – Combretum Terminalia

**DAs** – Development Agents

**D/D** – Deforestation and forest degradation

**EF** – Emissions Factor

**EFRI** – Enhanced Forest Resources  
Inventory

**EIA** – Environmental Impact Assessment

**EPA** – Environmental Protection Agency

**ER** – Emissions Reduction

**ESMF** – Environmental Social Management  
Framework

**ESS** – Ethiopian Socioeconomic Survey

**EWCA** – Ethiopian Wildlife Conservation  
Agency

**FAO** – Food and Agricultural Organization

**FD** – Federal

**FI** – Forest Inventory

**FMA** – Forest Management Association

**FMI** – Forest Management Institution

**FMG** – Forest Management Group

**FPMO** – Forest Products Marketing  
Organization

**FRL** – Forest Reference Level

**FSTU** – Forest Sector Transformation Unit

**GDP** – Gross Domestic Product

**GFOI** – Global Forest Observation Initiative

**GFLP** – Gambela Forested Landscape  
Programme

**GHG** - Green House Gas

**GIS** – Geographic Information System

**GRPCU** – Gambela Regional REED+  
Coordination Unit



**GTP** – Growth and Transformation Plan

**IAP** – Indoor Air Pollution

**INDC** – Intended Nationally Determined Contribution

**ISNFSDP** – Institutional Strengthening for the National Forestry Sector Development Program

**IPCC** – International Panel for Climate Change

**KPI** – Key Performance Indicator

**LULC** – Land Use Land Cover

**M&E** – Monitoring and Evaluation

**MA** – Moist Afromontane

**MEFCC** – Ministry of Environment, Forest and Climate Change

**MFA** – Ministry of Foreign Affairs

**MoANR** – Ministry of Agriculture and Natural Resources

**MoFEC** – Ministry of Finance and Economic Cooperation

**MoLF** – Ministry of Livestock and Fisheries

**MoWIE** – Ministry of Water, Irrigation and Electricity

**MRV** – Monitoring, Reporting and Verification

**NICFI** – Norwegian International Climate & Forestry Sector Initiative

**NFI** – National Forest Inventory

**NFMS** – National Forest Monitoring System

**NFSDP** – National Forestry Sector Development Programme

**NGO** – Non-Government Organization

**NRS** – National REDD+ Secretariat

**NTFPs** – Non-Timber Forest Products

**OFLP** – Oromia Forested Landscape Programme

**PDS** – Programme Delivery Support

**PES** – Payment for Ecosystem Services

**PF** – Process Framework

**PFM** – Participatory Forest Management

**PFMC** – Participatory Forest Management Coordinator

**PFMFT** – Participatory Forest Management Facilitating Team

**PM&E** – Participatory Monitoring & Evaluation

**PMO** – Prime Minister's Office

**PPR** – Programme Progress Report

**PSNP** – Productive Safety Net Program

**REDD+** - Reducing Emissions from Deforestation and forest Degradation

**REFA** – Regional Environment and Forest Authorities

**RFP** – Request for Proposal

**RPF** – Resettlement Policy Framework

**RCU** – REDD+ Coordination Unit

**ROI** – Return on Investment

**RRCU** – Regional REDD+ Coordination Unit

**RPCU** – Regional Programme Coordination Unit

**RPCU-CPC** – Regional Programme Coordination Unit - Crop project coordinator

**RPCU-LPC** – Regional Programme Coordination Unit Livestock project coordinator

**RS** – Remote Sensing

**SESA** – Strategic Environmental and Social Assessment

**SFLP** – SNNPR Forested Landscape Programme

**SFM** – Sustainable Forest Management

**SIDA** – Swedish International Development Agency

**SIS** – Safeguard Information Systems

**SLM** – Sustainable Land Management

**SLMP** – Sustainable Land management Program

**SNNPR** – Southern Nations, Nationalities and People's Region

**SWFB** – South West Forest Block

**TA** – Technical Assistance

**tCO<sub>2</sub>e** – tonne Carbon Dioxide Equivalent

**UNFCCC** - United Nations Framework Convention on Climate Change

**UNDP** – United Nations Development Programme

**USD** – United States Dollar

**WB (WBG)** – World Bank Group

**WOFED** – Woreda Office of Finance and Economic Development

**WRI** – World Resource Institute

## 3 Background and strategic context

### 3.1 COUNTRY CONTEXT AND SOCIO-ECONOMIC DEVELOPMENT

Ethiopia is the second-most populous country in Africa, with over 100 million<sup>2</sup> residents. It is a landlocked country, with a total land mass of 1.1 million km<sup>2</sup>. Ethiopia's elevation ranges from 110m below sea level to over 5,000m above sea level and it has more than 30 agro-ecological zones, making it one of the world's biodiversity hotspots.

For the last 10 years, Ethiopia has experienced one of the world's fastest economic growth rates. Between 2004 and 2014<sup>3</sup>, Ethiopia's real Gross Domestic Product (rGDP) growth averaged 10.9 per cent, exceeding regional averages for the same period. Economic growth has been accompanied by significant reductions in poverty, with extreme poverty falling from 55 per cent in 2000 to 22 per cent in 2014<sup>4</sup>. Ethiopia has also made substantive social developments, particularly in the areas of universal primary education, gender parity in education, child mortality, maternal mortality, HIV/AIDS and malaria.

Despite this progress, Ethiopia's continued development is under serious threat. In particular, rapid population growth and the concentration of most Ethiopians in rural areas is putting pressure on the country's natural resource base. According to the joint report by the FAO and UNEP<sup>4</sup>, over 40 per cent of Ethiopia's natural resource base is degraded and a further 20 per cent is being degraded<sup>5</sup>. The annual rate of deforestation is estimated at approximately 1 per cent, driven largely by the demand for wood fuel and agricultural land<sup>6</sup>. In economic terms, Ethiopia lost USD 5 billion from forest loss and degradation in 1990-2010. This amplifies the country's exposure to serious environmental and climate risks, which affect food and water security, energy and human health. In 2015, the forestry sector is estimated to have directly contributed to 3.8 – 6.1% of GDP (or USD 2.3 – 3.7 billion).<sup>7</sup> Total contribution from the forest sector including contribution to other sectors (such as reducing soil erosion to agriculture) is estimated at 12.9% of GDP or USD 7.9 billion.<sup>8</sup>

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<sup>2</sup> World Bank, Population indicator, 2015

<sup>3</sup> World Bank, World Development Indicators

<sup>4</sup> NPC, 2014 GTP Report.

<sup>5</sup> Freddy Nachtergaele, Monica Petri, Riccardo Biancalani, Godert van Lynden, Harrij van Velthuisen, Mario Bloise. *Global Land Degradation Information System (GLADIS). An Information database for Land Degradation Assessment at Global Level*. LADA FAO/UNEP: 2011.

<sup>6</sup> *Drivers of Deforestation and Forest Degradation*. Draft study for National REDD+ Readiness: Unique Consultants, 2015.

<sup>7</sup> Range of estimates from different sources and methodology. MoFEC estimate is 3.8% of GDP or USD 2.3 Billion whereas UNDP / REDD+ estimate is 6.1% of USD 3.7 Billion and includes in-kind benefits such as subsistence fuel wood. Going forward 3.8% or USD 2.3 Billion will be used as the baseline.

<sup>8</sup> UNDP / REDD+ analysis

## 3.2 CLIMATE CHANGE AND ITS IMPACT ON ETHIOPIA

There is overwhelming evidence that Ethiopia's climate is changing and projections suggest that the rate of change will likely increase, with temperatures and levels of precipitation rising in the coming decades.

The mean annual temperature will increase in the range of 0.9-1.1°C by 2030, 1.7-2.1°C by 2050 and 2.7-3.4°C by 2080, for the IPCC mid-range emissions scenario compared to the baseline 1961-1990 level<sup>9</sup>. Precipitation is expected to decrease in the northern regions, while southern areas could see an increase of as much as 20 per cent. There has been an increasingly high variability in rainfall between years, seasons and regions – trends that are of huge significance to Ethiopia, given its dependence on rain-fed agriculture. Typically, the yearly variation of mean rainfall levels is 25 per cent, although it can be as high as 50 per cent in some regions<sup>10</sup>. These fluctuations include changes in the intensity and frequency of extreme events, with the incidence of droughts and floods increasing in the last 10 years relative to the decade before. This has had a severe impact on people's livelihoods, caused additional stress on social institutions, and heightened Ethiopia's vulnerability.

As can be seen from Exhibit 1, unless adaptation measures are taken, climate change may reduce Ethiopia's GDP relative to baseline growth in the range of 2-10 per cent by 2045. In the dry scenario, climate change could negatively impact GDP by 10 per cent or more by 2045. Climate change therefore has the potential to reverse the hard-won economic growth of the country and hold back the country's vision of rising to middle-income status by 2025.

In 2015/2016, the El Niño phenomenon brought about severe drought conditions. In October 2015, the Government of Ethiopia (GoE) announced that the number of people affected by drought stood at 8 million; this figure was revised to 10.2 million in the first quarter of 2016. The UNDP had projected 15 million people required food aid that year. A prolonged period of drought could affect economic growth by as much as 2.5 per cent (Exhibit 1). This is of particular concern not only because of Ethiopia's middle-income ambition, but also because of the impact it will have on the most vulnerable members of society<sup>11</sup>.

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<sup>9</sup>National Meteorological Agency (2007) -*Climate Change National Adaptation Programme of Action (NAPA) of Ethiopia* - Addis Ababa, Ethiopia

<sup>10</sup>*Ibid*

<sup>11</sup>Trócaire, (2014), 'Ethiopia'. In: Trócaire(ed.) *Feeling the Heat: How Climate Change is Driving Extreme Weather in the Developing World*. [Online]. Available from: <http://www.trocaire.org/sites/trocaire/files/resources/policy/ethiopia-climate-change-case-study.pdf>. [Last Accessed 19<sup>th</sup> November 2015]

## EXHIBIT 1: POTENTIAL IMPACT OF CLIMATE CHANGE ON ETHIOPIA'S GDP



Source: Ministry of Water and Energy, Climate-resilient Strategy



The loss and damage to national property and territory, and lives and livelihoods as a result of climate change are substantial. The UN's *Pushed to the Limit*<sup>12</sup> study suggest that the impact of climate change forces already struggling households deeper into poverty. Unless climatic stressors are managed, they undermine human well-being and sustainable development.

### 3.3 CLIMATE CHANGE RESPONSES IN ETHIOPIA

The social and economic costs of climate variation and extremes are significant and are expected to become even more severe.

Ethiopia has already suffered from the impact of climate change and the GoE has taken the bold step of shifting from a carbon-intensive to a carbon-neutral and climate-resilient development pathway. It is very clear that business as usual (BAU) will not work and that there is a need to think and act differently to minimise the adverse impacts of climate change and sustain economic growth. The Climate Resilient Green Economy (CRGE) strategy, which was officially introduced during COP 17 in Durban in 2011, is a

<sup>12</sup>United Nations University, Institute for Environment and Human Security (UNU-EHS), 2003

clear manifestation of the GoE's commitment to pursue a carbon-neutral development regime.

The CRGE strategy has identified a number of low carbon-emitting initiatives across key economic sectors (forestry, energy, livestock, agriculture, transport and industry) that will help Ethiopia achieve its vision of building a climate-resilient middle-income economy by 2025. The successful implementation of these initiatives would help Ethiopia eliminate over 250 mtCO<sub>2e</sub> a year by 2030 compared to BAU. The strategy aims to maintain the annual GHG level of the country at the 2010 level, i.e., 150 mtCO<sub>2e</sub>. It also lays the foundations to align green growth and climate resilience objectives fully with future national development plans.

Since 2011, the GoE has aggressively put the CRGE strategy into effect and implemented low emission and climate-resilient actions by setting up new institutional structures:

- The CRGE Inter-Ministerial Steering Committee develops and implements the strategy at all levels, from federal to district. The Committee is chaired by the Prime Minister's Office and comprises Ministers of the CRGE sectors.
- The National Planning Commission oversees and is responsible for achieving the CRGE vision.
- Line Ministries have CRGE units that coordinate and facilitate the planning and implementation of sector CRGE strategies.
- The former Environmental Protection Authority (EPA) has been upgraded to become the Ministry of Environment, Forest and Climate Change (MEFCC) and coordinate the technical delivery of the strategy.
- The Ministry of Finance and Economic Cooperation (MoFEC) has a CRGE facility to mobilise and access climate finance from bilateral and multilateral sources.

Reflecting the country's commitment to national and global goals, Ethiopia has mainstreamed the CRGE strategy into its second-generation Growth and Transformation Plan (GTP-II), 2016-2020. This ensures that the CRGE initiative is part of a comprehensive national plan for public investment and provides the legal and institutional reforms necessary to create an enabling environment for private sector and community engagement. It also highlights measures designed to promote the sustainable management and conservation of natural resources, and deliver economic and ecological benefits to communities vulnerable to climate change.

During COP 21 in Paris in December 2015, the GoE advocated for and added its voice to the adoption of a binding global climate agreement. A few months before the adoption of this historic agreement, Ethiopia submitted its ambitious Intended Nationally Determined Contribution (INDC) to the UNFCCC. Although Ethiopia contributes only 0.02 per cent of global emissions and has a low level of economic development, the INDC sets out plans to reduce national greenhouse gas emissions by 64 per cent by 2030 (over BAU).

Lack of finance, technology and capacity are the three biggest constraints to effective implementation of the CRGE strategy. Preliminary estimates indicate that building the green economy will require a total of around USD150 billion over 20 years from 2010. Of this, around USD80 billion would be capital investment, while the remaining USD70 billion would be required to cover operating and programme expenses. This underscores the need to mobilise a huge amount of new and additional finance from international, domestic, public and private sources in addition to public spending.

### 3.4 REDD+ PROGRAMME IN ETHIOPIA

Ethiopia's existing forest stock is under direct threat, in particular from small- and large-scale agricultural conversion (investment), increased wood extraction for fuel and construction, and livestock grazing pressure. Indirect threats include gaps in the implementation of forest policy and regulations; tenure/unclear forest user rights (including carbon rights); absence of clear benefit-sharing mechanisms; lack of private investment in forestry development; weak law enforcement; population growth; institutional gaps; poor land use planning; participatory forest management-related (PFM) implementation gaps; poor environmental impact assessment (EIA) legislation enforcement and practices; and implementing institution agents who are inactive and lack accountability. As a result, the forestry sector is the second-largest contributor of greenhouse gas (GHG) emissions in the country after agriculture. Under BAU, greater pressure on forests will increase the rate of deforestation and forest degradation and prevent the country from reaping its long-term environmental and economic benefits.

Ethiopia is very keen to invest in forestry and water resource development because forest development has recognised positive impact on various sectors of the economy, including hydropower generation from a regulated and steady flow of surface water, and irrigation agriculture for food security.

Forestry development could set Ethiopia along a sustainable, green development pathway. With 17.2 million hectares of forest covering 15.5 per cent of the country (according to the revised national forest definition) and a large expanse of degraded highlands (18 million hectares) suitable for forest restoration, Ethiopia has potential for forestry.

While protecting the existing 17.2 million hectares of forest, Ethiopia intends to undertake large-scale afforestation and reforestation to increase total forest cover to 30 per cent by 2030, largely by implementing REDD+. The GoE considers REDD+ to be a flagship programme within the national development plan and expects it to help achieve about half of the national emissions reduction goal. It is embedded within the CRGE strategy. REDD+ is seen as a viable source of finance to support investment in forestry, and it is expected to reduce carbon emissions (mitigation) while increasing the overall resilience of communities and ecosystems (adaptation).

The REDD+ strategy aims to support the forest sector in achieving 50 per cent of the national emissions reduction target set out in the CRGE strategy and INDC, and

contribute to the national goals of achieving carbon neutrality across the economy, environmental protection and economic development. REDD+ is also expected to contribute to the GTP goals as a source of sustainable financing for investment in forest management, forest conservation and forest restoration.

The national REDD+ strategy, therefore, aims to ensure the sustainable management of forests to reduce carbon emissions and enhance carbon stock, while improving livelihoods, biodiversity conservation and the hydrological functions of Ethiopia's highlands. REDD+ will achieve these goals by establishing an effective legal and institutional framework; enhancing investments in forest conservation and restoration programmes/projects and interventions; and ensuring the sustained capacity of institutions and financing sources including, but not limited to, carbon finance.

Ethiopia's REDD+ Programme will broadly address the drivers of deforestation and forest degradation to bring a large proportion of the degraded areas under sustainable management practices, as outlined in Ethiopia's REDD+ Strategy (*separate document*). The strategy promotes the protection, conservation and restoration of forest ecosystems; strengthens governance; develops local capacities; and creates an enabling environment for sustainable forest development. Specifically, it intends to provide guidance on:

- Establishing an effective cross-sectoral coordination mechanism to implement strategic options to save existing forests and establish new ones
- Addressing policy, legal and institutional issues related to forest governance
- Establishing and operationalising a transparent REDD+ financial management mechanism and a fair benefit-sharing scheme
- Establishing a system to encourage the active participation and engagement of a wide range of stakeholders
- Generating knowledge and strengthening public awareness, communication and information-sharing on REDD+ issues to increase understanding and ownership of the Programme by players at different levels
- Ensuring that the REDD+ is implemented according to globally acceptable social and environmental safeguards
- Developing a robust, transparent approach and methodologies to set baselines on emissions and removals, and designing an effective MRV system to determine verified emissions reductions and removals, with a view to generating payments for performance

The investment Programme incorporates the CRGE, NFSDP, GTP and national REDD+ strategy as well as learnings from key forestry programmes in Ethiopia (e.g., OFLP). Lessons learned during the REDD+ strategy design process – including comprehensive stakeholder engagement to include all players, defining roles and responsibilities, putting in place a functional stakeholder information platform and using effective communication channels will be vital to include in the implementation of



this programme. In terms of D/D activities, lessons can be learned from OFLP and other related programmes. For example, have regional REDD+ programmes report directly to the Regional Vice President; strengthen regional and countrywide legal frameworks for forestry; invest in developing value chains for forest products; support enterprises under PFMs with credit/grants to cover initial capex; and develop fair benefit-sharing mechanisms for all stakeholders.

## 4 Programme description

### 4.1 PROGRAMME BACKGROUND

Ethiopia's CRGE vision has clear objectives to achieve an average economic growth rate of 11 per cent a year and attain middle-income status by 2025, while achieving a zero net increase in carbon emissions in 2030 compared to 2010 baseline national emissions. REDD+ is one of the four fast-track national programmes to achieve CRGE goals with the aim of protecting and re-establishing forests for their economic and ecosystem services. With an estimated emissions abatement potential of 130 million tCO<sub>2</sub>e annually (around 50 per cent of the total domestic abatement potential), REDD+ will play a critical role in achieving Ethiopia's ambitious green growth goals by 2030.

In addition, the draft NFSDP aims to increase Ethiopia's forest cover from 15.5 per cent in 2013 to 30 per cent in 2025 (after two Growth & Transformation Plans). To achieve this, Ethiopia needs to restore about 18 million hectares of degraded land at a total cost of USD 9 billion<sup>13</sup>, and invest to save the remaining 17.2 million hectares of forest at an approximate cost of USD1 billion<sup>14</sup>.

This REDD+ investment proposal lays out an approach to catalyse the transformation of the forestry sector, supporting both CRGE and NFSDP goals, by employing a mix of proven A/R and D/D models to enable immediate launch while also supporting the development of next-generation change models through a "Forest Sector Transformation Unit".

#### 4.1.1 Programme rationale

According to Ethiopia's CRGE strategy, the impact of human forest activities is a large source of CO<sub>2</sub> emissions, amounting to almost 55 million tCO<sub>2</sub>e in 2010. Under the BAU scenario, the sector will release 90 million tCO<sub>2</sub>e into the atmosphere in 2030.

Forestry emissions are driven by deforestation for agricultural land (50 per cent of all forestry-related emissions), degradation due to fuel wood consumption (46 per cent), and formal and informal logging (4 per cent). The increased pressure from agricultural land expansion (expected to increase from 12.6 million hectares in 2010 to 27 million hectares in 2030) would result in the deforestation of nearly 9 million hectares of forestland (CRGE, 2011). Over the same period, annual fuel wood consumption could rise by 65 per cent, leading to forest degradation due to the extraction of more than 22 MT of woody biomass (CRGE, 2011).

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<sup>13</sup>Cost of nursery, plantation establishment and maintenance is USD500/ha (Oromia Forest and Wildlife Enterprise)

<sup>14</sup> PFM costs about USD50/ha based on the experience of Farm Africa and Ethio-wetlands and Natural Resources Association

Furthermore, the projected increase in cattle population from over 50 million in 2010 to over 90 million in 2030 will see Ethiopia reach its overall cattle carrying capacity within 20 years. Increased demand for grazing land will put additional pressure on forests, threatening the long-term environmental benefits provided by forests, e.g., protecting soil and water resources, preserving biodiversity and boosting land fertility. The impact would also extend to economic activities dependent on forests, e.g., honey, forest coffee, timber production and, most importantly, the services that support it.

The current cross-sector investment programme is part of Ethiopia's REDD+ Programme that aims to reduce D/D across different forest types. Given Ethiopia's desire to increase forest cover at a scale and speed unprecedented in the country's history (or, indeed, the world), system capacity needs to be expanded beyond what is currently planned, to include a greater focus on driving innovation and stronger engagement with private sector and civil society partners who can create sustainable and cost-effective models.

The Programme will be implemented through four interlocking pillars that will evolve over the course of the 4 years. In the first year (2017), the core activities under these four pillars will be (see Exhibit 2):

- Support **scale up of the community-based Afforestation/Reforestation**, with some targeted modifications. This project has a proven track-record with a strong community engagement model and is building local capacity for forestry programs
- Start a **deforestation and degradation prevention Programme in the southwest forest block (implementation in SNNPR and select parts of Oromia; preparation in Gambela)**. This block is complementary to the OFLP, works with two of the most ready regions (SNNPR and Oromia), and allows for developing a model that can scale to other regions (e.g., Gambela, Amhara, Tigray and Benishangul)
- **Build a “Forest Sector Transformation Unit”** within the forestry sector that serves as a strategic boost to MEFCC and builds out a pipeline of bankable projects targeting the CRGE and NFSDP goals for forests
- **Pilot selected set of PPP/CSO models** through the “Forest Sector Transformation Unit”, to enable launch of programs that are more scalable or engage civil society / the private sector in subsequent years

## EXHIBIT 2: FOUR AREAS FOR SUPPORT IN 2017 FOR IMMEDIATE IMPACT

	Description	2017 activities
a	<p><b>Scale-up afforestation and reforestation – including complementary PFM activities</b></p> <ul style="list-style-type: none"> <li>Support scale-up of community-based afforestation and ANR to complement D/D program (b), incorporating PFMs in relevant Woredas: <ul style="list-style-type: none"> <li>select 18 additional Woredas in 2017 across Oromia, Amhara, Tigray and SNNPR</li> <li>incorporate model improvements<sup>1</sup></li> <li>prepare for 2018 planting season in all 16 of the additional woredas</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Select 18 additional Woredas</li> <li>Prepare for 2018 planting season <ul style="list-style-type: none"> <li>Select Woredas for 2018 planting season</li> <li>Engage communities and select sites within Woredas</li> <li>Conduct feasibility and baseline study</li> <li>Hire and build capacity of new staff</li> <li>Reinforce and build nursery capacity in select locations, with trees started by April/ May 2017</li> <li>Begin ANR &amp; land preparation</li> </ul> </li> </ul>
b	<p><b>Develop a major deforestation / degradation prevention program</b></p> <ul style="list-style-type: none"> <li>Initiate a large-scale D/D program in the Southwest Forest Block (SWFB): <ul style="list-style-type: none"> <li>Oromia: on-the-ground activities (e.g., PFM, CSA, ICS) and strengthen enabling environment as feasible, working alongside the World Bank</li> <li>SNNPR &amp; Gambela: strengthen enabling environment and begin on-the-ground activities (e.g., PFM, CSA, ICS)</li> </ul> </li> <li>Expand to other regions as feasible</li> </ul>	<ul style="list-style-type: none"> <li>Build implementation capacity in SNNPR, Oromia and Gambela by hiring and training staff and procurement of necessary equipment</li> <li>Establish PFMs, promote CSA and support improved cook stoves in 3 zones with SNNPR (Keffa, Bench Maji, Sheka) and Oromia zones (e.g., in Jimma, W. Stoa, E. Wellega and W. Hararge, Arsi) – pending alignment with World Bank / OFLP and OFCCA</li> </ul>
c	<p><b>Establish a “Forest Sector Transformation Unit” (FSTU) with a clear ToR and strong implementation capacity</b></p> <ul style="list-style-type: none"> <li>Build capabilities in support of MEFCO to: <ul style="list-style-type: none"> <li>incubate and pilot innovative partnership models (e.g. those that link to the private sector and civil society), build a bankable pipeline of projects and a roadmap to accelerate achievement of targets</li> <li>Build strategic and project management capabilities to support implementation</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Select, assess, and set up 3 innovative pilots</li> <li>Build roadmap and pipeline of projects to hit targets</li> <li>Put in place the Demand-led Technical Assistance to assist with rapid development of high skills to ensure the FSTU is immediately effective</li> </ul>
d	<p><b>Strengthen public-private and civil society partnerships</b></p> <ul style="list-style-type: none"> <li>Select and design the next generation of delivery approaches integrated with the private sector and civil society, including pilots in selected approaches (e.g., eco-tourism, One Acre Fund model, biosphere reserves, premium coffee)</li> <li>Plan for longer-lead, high-impact innovations</li> </ul>	<ul style="list-style-type: none"> <li>Select initiatives for 2017-18 pilots (3 of the shortest lead time innovations<sup>2</sup> based on impact potential)</li> <li>Prepare for 2018 pilots (including selecting locations, assessing implementing partners and crowding-in of funding), working through FSTU</li> <li>Select and begin preparation for longer-lead, high impact initiatives</li> </ul>

<sup>1</sup> For example, stronger feasibility study, wider variety of species, establishment of a baseline, solidifying existing D/D efforts as PFMs

<sup>2</sup> E.g., eco-tourism, One Acre Fund model, premium coffee

Source: Expert interviews, interviews with MEFCO staff, document review



Over the following three years (2018-2020), the four pillars will evolve and scale:

- **Continue to scale-up the community-based afforestation Programme**, with potential to move to more commercial afforestation programs (if successfully piloted)
- **Expansion and refinement of the southwest forest block deforestation and degradation Programme**, including:
  - Setting up an interregional body to manage the southwest forest block
  - Expanding on-the-ground activities to additional states (e.g. Gambela, B. Gumuz, Amhara, Tigray)
  - Integrating of greater data on deforestation and degradation hotspots (e.g., as the National definition of “degradation” is finalized)
- **Full establishment of the Forest Sector Transformation Unit and programme delivery infrastructure**
- **Ongoing piloting and scale-up of PPP/ CSO Partnership models**

## EXHIBIT 3: THESE FOUR AREAS WILL CONTINUE TO LAY THE GROUNDWORK FOR SCALING OF THE PROGRAMME IN 2018 AND BEYOND

	2017 Support targeted interventions and build system delivery capacity	2018 Scale up existing models & innovate new models	2018 & 2020 Scale up innovative partnerships	2021+ Sustain and grow impact
<b>a</b> Scale-up afforestation and reforestation	<ul style="list-style-type: none"> <li>Support scale-up of community-based afforestation and A/R to complement D/D program (b), including PFM activities</li> </ul>	<ul style="list-style-type: none"> <li>Continue scale-up of community-based A/R, with greater attention to improvements to model<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Continue scale up of community-based A/R, as appropriate</li> <li>Incorporate successful innovative A/R models</li> </ul>	<ul style="list-style-type: none"> <li>Continued innovation and scale up of most successful models</li> <li>Long tail support (e.g., MSE, PES)</li> </ul>
<b>b</b> Develop a major deforestation / degradation prevention program	<ul style="list-style-type: none"> <li>Initiate a large-scale D/D program in the South West Forest Block: <ul style="list-style-type: none"> <li>PFM, CSA<sup>2</sup> and cookstoves and strengthen enabling environment in Oromia -- pending alignment with World Bank / OFLP and OFCCA</li> <li>Enabling environment in SNNPR and Gambela</li> <li>PFM, CSA<sup>2</sup> and cookstoves in SNNPR</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Scale-up in SWFB, SNNPR side</li> <li>Expand D/D prevention within SWFB, to Gambela</li> <li>Continue to support Oromia, as feasible</li> <li>Option: Expand large-scale D/D programme to other forest blocks / regions<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>Deepen within SWFB in SNNPR, Oromia and Gambela (create a large-scale D/D program across SWFB in conjunction with OFLP)</li> <li>Option: Expand large-scale D/D programme to other forest blocks/ regions<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>Continued innovation and scale up within SWFB</li> <li>Long tail support (e.g., MSE, PES)</li> </ul>
<b>c</b> Establish a "Forest Sector Transformation Unit" (FSTU)	<ul style="list-style-type: none"> <li>Build capabilities in support of MECC to incubate and pilot innovative partnership models; build strategic and project management capabilities to support implementation</li> </ul>	<ul style="list-style-type: none"> <li>Implement 3 innovative pilots</li> <li>Develop innovation pipeline, including launching appropriate enabling environment initiatives (e.g., investment attraction)</li> </ul>	<ul style="list-style-type: none"> <li>Implement successive waves of pilots</li> <li>Transfer knowledge and build capacity within MECC to scale up successful innovative partnership models</li> </ul>	<ul style="list-style-type: none"> <li>Continued mandate for innovation within the forestry sector, with successful pilots being handed off to MECC, private partners, or CSOs for full-scale roll out</li> </ul>
<b>d</b> Strengthen public-private and civil society partnerships	<ul style="list-style-type: none"> <li>Select and design the next generation of delivery approaches integrated with the private sector and civil society, including pilots in selected approaches</li> <li>Plan for longer-term, high-impact innovations</li> </ul>	<ul style="list-style-type: none"> <li>Scale-up successful innovative pilots from Year 1</li> <li>Begin second wave of pilots (including ideas that were high-impact but not possible to implement in 2017)</li> </ul>	<ul style="list-style-type: none"> <li>Scale up successful pilots from Year 2 and launch third wave of pilots</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing waves of pilots, and scaling of successful models</li> </ul>

<sup>1</sup> For example, stronger feasibility study, wider variety of species, establishment of a baseline, solidifying existing D/D efforts as PFMIs

<sup>2</sup> Climate-smart agriculture (including both crop and livestock components)

<sup>3</sup> Option to expand large-scale D/D programme to additional regions in 2018, 2019 and / or 2020 depending on implementing capacity and gaps in donor landscape

Source: Expert interviews, interviews with MECC staff, document review



Detailed descriptions of each of the four pillars follow.

### 4.1.1.1 CAPACITATING THE SYSTEM: BUILD AN "FOREST SECTOR TRANSFORMATION UNIT"

The "Forest Sector Transformation Unit (FSTU)" will support a sector transformation that would be required in order to achieve the ambitious targets set out in the CRGE, NFSDP and GTP II goals. These shifts include:

- **Unlocking more bankable, innovative, and scalable projects.** Greater scale is required to achieve forestry sector goals. This requires unlocking innovative investments into forestry including through creating partnerships with forest enterprises, creating large-scale conservation zones, exploring private-public partnerships such as premium forest coffee and localised payment for ecosystem services (PES) (as part of the national PES system), etc.
- **Developing rigorous project execution capabilities.** Early large-scale successes will be critical to both gain momentum and to generate buy-in from government and other stakeholders. Due to the short time frame remaining to meet the 2020 target, the capabilities to flawlessly execute a project need to be rapidly built. Moreover, while the REDD+ readiness work has gone some way in developing regional structures, these would need to be scaled up for implementation of any large programmes.



■ **Creating improved coordination to facilitate cross-functional collaboration.**

The CRGE provides this coordination forum, but there is opportunity to continue to strengthen the interactions between forestry, agriculture, and energy in delivering comprehensive programs to achieve CRGE goals.

The FSTU could support these shifts through three objectives:

- **Building a pipeline of transformative, high-value forestry models** - including incubating and piloting innovative projects, evaluating pilots, scaling up successful innovations, and supporting the CRGE facility in proactively “crowding in” funding
- **Supporting implementation of selected REDD+ initiatives**, including managing and running the pilots
- **Capacitating the forestry sector**, by providing targeted, hands-on support to national, Regional and woreda teams in implementing REDD+ initiatives

Initially, the FSTU could focus on the forestry sector and closely related topics in other sectors, but over time could be expanded to cover all CRGE sectors if the innovation proves successful.

This proposal requests that Norway provide seed funding to establish the FSTU as part of existing REDD+ commitments and as a critical enabler to achieving the REDD+, NFSDP, CRGE, and GTP II goals.

#### 4.1.1.2 PREPARING FOR SUCCESSFUL SCALE UP OF A/R ACTIVITIES: SCALE UP THE COMMUNITY-BASED AFFORESTATION PROGRAMME (ISNFSDP)

In 2016, the ISNFSD Programme managed to achieve 50,000 Ha of A/R. Afforestation programs will require significant scale up to get close to reaching the carbon sequestering goals of the CRGE. This is an immediately fundable programme that is demonstrating a model for community engagement in forestry and building capacity at the woreda-level. It is already attracting funding from the Swedish Investment and Development Agency (SIDA) to complement its existing funding from Norway. There is potential to scale this programme by ~850,000 Ha by 2020 with sufficient preparatory activities in 2017, including nursery preparation, species selection, land preparation and ANR. See Section 8 for detailed activities on preparation activities to be conducted in 2017 for the 2018 scale up activities. Several ideas have been developed to strengthen the existing ISNFSDP programme (see Exhibit 4 and section 4.2) including that the ownership structure of all new A/R forest areas will be transferred to communities, using the PFM framework. A defined set of households will have community bylaws approved by the required government body to ensure their exclusive user rights and will be responsible for ongoing resource management.

## EXHIBIT 4: OPPORTUNITIES TO STRENGTHEN ISNFSDP

Activity	Review of 2016	Potential improvement
Woreda Identification	<ul style="list-style-type: none"> <li>Woreda selection was done by Regional governments</li> </ul>	<ul style="list-style-type: none"> <li>Create guidelines for Woreda selection</li> <li>Stronger priority for Woredas with potential for existing natural forest protection, to link A/R activity to buffering natural forest</li> <li>Assess water access, water management and potential synergies with agriculture (by for instance creating irrigation systems serving both agricultural production and plantation sites)</li> </ul>
Feasibility study & baselining	<ul style="list-style-type: none"> <li>Feasibility study carried out, but had no influence on Ha target for each Woreda</li> <li>No baseline study conducted ahead of time; will have to be conducted in retrospect</li> </ul>	<ul style="list-style-type: none"> <li>Conduct baseline study simultaneously with feasibility study</li> <li>Tie feasibility study findings into Ha targets set per Woreda</li> </ul>
Protection of existing forest	<ul style="list-style-type: none"> <li>Existing Forest was not taken into account</li> <li>ANR activities were identified for degraded land however protection of all existing forests within the selected woredas were not included in the programme design</li> </ul>	<ul style="list-style-type: none"> <li>The inclusion of PFM activities in woreda where there is some existing forests will allow the programme staff to be leveraged to establish PFMs for a marginal cost to significantly increase forest coverage and have a more holistic landscape approach to dealing with carbon loss</li> </ul>
Tree species	<ul style="list-style-type: none"> <li>Tree planting activities included mostly eucalyptus – a fast-growing but water-intensive species</li> </ul>	<ul style="list-style-type: none"> <li>Use feasibility studies to suggest a wider variety of trees (e.g., beyond Eucalyptus); strive for multi-species forest plantations in time, use of species suitability maps from the potential GoN "Provision of Adequate Tree Seed Portfolio" project</li> </ul>
Staff management and resource utilization	<ul style="list-style-type: none"> <li>In some Woredas, ISNFSO staff had separate offices to local forestry staff</li> <li>Frequently had significant challenges in hiring to remote locations, delaying Programme roll out</li> <li>Vehicles transferred to woredas after 2 years</li> </ul>	<ul style="list-style-type: none"> <li>Closer collaboration / integration of project and local staff at woreda-level</li> <li>Rely on Woreda to provide focal person early to assist with process facilitation</li> <li>Ensure to use resources including vehicles in the most optimal way for achieving a cost efficient implementation</li> </ul>
Capacity development & technical handbook	<ul style="list-style-type: none"> <li>Central training was provided - five day training for finance &amp; procurement staff, 10 days for GIS specialist</li> <li>No technical hand book provided to staff</li> <li>Information and recommendations provided in the feasibility study were not fully utilised</li> </ul>	<ul style="list-style-type: none"> <li>Central training should be complemented with field training and mentorship for new staff by staff from existing project areas</li> <li>Provide well prepared, easy to use field guide for field staff to make better, faster decisions on the ground – topics TBC</li> </ul>
Nurseries	<ul style="list-style-type: none"> <li>Some nurseries were contacted and supported</li> <li>However some still struggled to meet the required demand for saplings</li> </ul>	<ul style="list-style-type: none"> <li>Place orders with nurseries earlier in the year (April / May of prior year v.s. January / February of planting year) to allow time for longer-lead species</li> <li>More targeted support &amp; capacity building for nurseries</li> <li>Closer collaboration with ICRAF and national seed centres for seed provision</li> </ul>
Community involvement	<ul style="list-style-type: none"> <li>Variety of different wage / pay schemes; "every site was different"</li> </ul>	<ul style="list-style-type: none"> <li>Standardize pay schemes across sites (potentially building on 80:20 rule where 80% of labour is paid and 20% is in-kind contribution)</li> <li>Stronger livelihood component</li> </ul>

Source: MEFCC staff interviews



### 4.1.1.3 LAUNCHING A FOREST PROTECTION PROGRAMME: CREATING A DEFORESTATION AND DEGRADATION PREVENTION PROGRAMME IN THE SOUTHWEST FOREST BLOCK

A five-step process identified the South West forest block – specifically SNNPR and Gambela – along with Oromia, to complement the ongoing WB work in the region, as immediate priority areas (See Annex II). The process examined carbon density, deforestation rates and the donor landscape (focusing on deforestation as there is no available quantitative data on degradation rates) as follows:

- 1. Identify forest blocks.** Ethiopia has six major forest blocks: North West, North East, East (including Hirna), South East, South and South West (see Annex I).
- 2. Map the carbon stock and carbon loss in biomes.** Ethiopia has four major biomes with very different carbon densities: Moist Afromontane (~440 tCO<sub>2</sub>e/ha); Dry Afromontane (~250 tCO<sub>2</sub>e/ha), Combretum Terminalia (~145 tCO<sub>2</sub>e/ha) and Acacia Commiphora (~120 tCO<sub>2</sub>e/ha).
- 3. Identify deforestation hotspots.** Four of the six forest blocks – the North East, South West, South and South East – are subject to massive deforestation. Of these, the South and South West blocks are under the greatest threat.
- 4. Combine carbon loss with deforestation hotspots.** Between 2000 and 2013, Combretum Terminalia (CT) and Moist Afromontane (MA) biomes accounted for

more than 85 per cent of total carbon loss due to deforestation (44 per cent and 39 per cent, respectively). Within the CT biome, the South West forest is the only block with large deforestation hotspots (suggesting that the CT portion of this block drives almost half of deforestation emissions in the country). Within the MA biome, the South West and South East forest blocks have large deforestation hotspots (suggesting that the MA portions of these two blocks drive over a third of deforestation emissions). The SNNPR portion of the South West Forest also has suffered from major deforestation, e.g., 55 per cent in two Woredas in Bench Maji and Sheka in the last 40 years<sup>15</sup>.

5. **Assess donor landscape and readiness.** WB activity in Oromia covers most of the South Forest block, but a limited portion of the South West forest block (which also extends into Gambela and SNNPR), suggesting that the biggest gap lies in the South West forest block in Gambela and SNNPR.

The analysis suggests that REDD+ could have the biggest immediate impact (in 2017) by investing in South West Forest Block (See Annex II). The portion of the South West Forest block in SNNPR constitutes 9 per cent of the forest in the country and has been subject to significant deforestation in the last 40 years. Gambela, is also a high priority area (it contains 12 per cent of national forest cover), but has lower regional readiness. SNNPR has an implementation track record for PFM; and there are opportunities to build on existing REDD+ infrastructure (e.g., regional RCU, WB readiness phase).

Due to the fact that Oromia has ~45% of the total national forest resource, it is an important region to include in the programme from an early stage. The World Bank is currently engaging in work in Oromia, so all programme activities in the region will have to be closely coordinated with them to ensure the two programmes complement each other. Consequently, MEFCO will engage in continuous dialogue with the World Bank about opportunities to fill gaps.

In 2017 and 2018, this component will focus on establishing an efficient protection of the South West Forest Block. When a successful program is established and resources allocated for the SWFB throughout the duration of the programme, large scale PFM expansion can be considered in other regions such as Benishangul Gumuz, Amhara and Tigray. Any expansion will be based on feasibility studies with the aim to protect forests with the highest carbon content, while also considering biodiversity, deforestation hotspots and the potential for successful intervention among others.

This component has as goal to target roughly 660,000 ha and up to 50 woredas. Where relevant, A/R and ANR activities will also be part of this forest protection program in the woredas of activity.

PFM will be also implemented in parallel as part of ISNFSDP in woredas having existing natural forests.

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<sup>15</sup> Biodiversity And Livelihoods In Southwestern Ethiopia by Dr. Eshete, Getachew Tadesse



#### 4.1.1.4 INTRODUCING NEW WAYS OF OPERATING TO THE FORESTRY SECTOR: PILOTING SELECT INNOVATIVE / ALTERNATE PARTNERSHIPS

Transformative new partnerships will need to be developed to reach CRGE goals. New models can leverage other sources of funding and bring in a larger number of participants who can collectively drive the development of the sector and its goals (see *Exhibit 5 below*)

#### EXHIBIT 5: SAMPLE TRANSFORMATIVE HIGH-VALUE ACTIVITIES

Potential innovative models		
Potential model	Potential Programme design	Lead time
D/D	<ul style="list-style-type: none"> <li>Identify areas where forest is exposed</li> <li>Hand out large-scale (~10-100K) concession licenses (intensive forest concessions and / or ecosystem restoration concessions) – note: this is incremental to A/R as part of PFM, due to its size, scale and commercial nature</li> <li>Plant a “buffer zone” (e.g., commercial plantation) to prevent encroachment &amp; protect valuable natural forest</li> <li>Could multiply effect by close off a weak point in another forest conservation strategy (e.g., SNNPR section of Southern forest, adjacent to WB work)</li> </ul>	<ul style="list-style-type: none"> <li>Land tenure rights issues with handing out large-scale forest concessions (10-100k ha)</li> <li>Challenging to identify large blocks of land and attract investment</li> <li>Limited experience with implementing such a Programme</li> <li>Hotspot identification on the ground, to be able to target areas will take time (e.g., REDD+ Readiness is in process in SNNPR, Gambela, B. Gumuz and Amhara)</li> </ul>
	<ul style="list-style-type: none"> <li>Work with regional leadership to gather ideas for protection zones</li> <li>Support designation &amp; enforcement of conservation zones (e.g., by investing in tourist infrastructure)</li> <li>Opportunity to build on NFSDP efforts to increase forest protected areas to 20% coverage and map/demarcate/gazette 70% of existing high forests</li> </ul>	<ul style="list-style-type: none"> <li>Possibility of quick start up in year 1 by working in existing national parks and providing small, private-sector-led concessions (e.g., to build hotels and other tourist activities)</li> <li>Can leverage on experiences from Wat Washa and Bale Mountain Ecotourism projects</li> <li>Opportunity to scale in following years (e.g., designating and building tourist infrastructure in new national parks)</li> </ul>
A/R	<ul style="list-style-type: none"> <li>Seed funding for large-scale commercial plantations (e.g., for bio-based economy or advanced industrial clusters; potential link to out-grower schemes and youth co-ops)</li> <li>Provide start-up funding for large-scale commercial plantations that will grow the economic contribution of Ethiopia's forest sector, for example: <ul style="list-style-type: none"> <li>Advanced industrial clusters: saw wood, panel, pulp and paper and/or bio-pellets</li> <li>Bio-based economy clusters: bio-refinery to produce bio-products (e.g., plastics, pharmaceuticals)</li> </ul> </li> <li>Could be linked to out-grower schemes (e.g., Uganda: ~25,000 Ha of planting via out-grower schemes, 2004-2010) or youth co-ops (following pages)</li> </ul>	<ul style="list-style-type: none"> <li>Land tenure rights issues with handing out large-scale forest concessions</li> <li>Challenging to identify large blocks of land and attract investment</li> <li>Trees may take ~10-20 years to grow and need to be planted on rotation</li> <li>Requires analysis of gaps in policy and incentives for commercial forestry to take off (e.g. de-risking, customary grazing and use right of community)</li> </ul>

1 i.e., activities that involve the private sector / civil society organizations, are highly scalable and / or highly innovative. Several ideas considered (e.g., silvo-pastoralism) were excluded based on these criteria, to focus on the ideas that had the highest potential to transform the sector

A/R (cont)	One Acre Fund Model	<ul style="list-style-type: none"> <li>Provide a bundle of services (e.g., seedlings, tree sockets, extension services, fertilizer etc.) to farmers, center around support for planting <i>Grevillea</i> (and potentially other species); less focus on <i>Eucalyptus</i> given environmental costs</li> <li>Pilot in 2017-18 to determine model (e.g., give or sell seedlings, with or without nutrients, extension services and / or market facilitation)</li> <li>Potential to scale up in 2018-20 as a “big bet” (e.g., 50MM trees)</li> <li>Start-up in Amhara (given One Acre Fund presence in Bahr Dar), with the goal of expanding to other regions</li> <li>Opportunities for GoH support include: <ul style="list-style-type: none"> <li>Facilitation</li> <li>Financial support for pilots</li> <li>Financial support for “big bets”</li> </ul> </li> <li>Financial flows TBD (ability of CRGE to pay funds outside of government)</li> </ul>	<ul style="list-style-type: none"> <li>One Acre Fund to provide concept note by February 24th</li> <li>Ability to leverage prior experience planning similar Programmes (e.g., plan to plant 50MM trees in Rwanda by 2018 - though this has not been implemented yet)</li> <li>Likely ability to begin pilots in 2017</li> </ul>
	Localized PES Schemes (e.g., hydro project approach)	<ul style="list-style-type: none"> <li>Support small scale payments for ecosystems services schemes (carbon credits, watershed management, etc.)</li> <li>For example: <ul style="list-style-type: none"> <li>Potential to link development of mega hydro projects to the protection of forest, with hydro company and donor jointly financing protection and A/R efforts around the watershed that supports the project</li> <li>Encourage companies to contribute such as bottling companies, breweries, Ethiopian airlines and Walla Insurance (conservation of forest where the Walla lives)</li> </ul> </li> <li>NOTE: Must be linked to existing / planned jurisdictional / regional forest protection plan to receive NCFI funding</li> </ul>	<ul style="list-style-type: none"> <li>Ability to support existing community efforts vs. launching new efforts</li> <li>Ability to leverage already-trained PES monitoring capacity (15 regional representatives were trained)</li> <li>Key implementation activity is setting up financing mechanism, which tends to be much faster than getting additional “boots on the ground” to plant</li> <li>Can leverage on the a baseline study for 12 river basins and the private sector engagement workshops that are ongoing as part of REDD+ readiness</li> </ul>

Combination	Challenge fund (e.g. Woedac complete its centralized funding pool)	<ul style="list-style-type: none"> <li>GoE issues a challenge to communities, private stakeholders etc. to come up with AR or D/D strategies</li> <li>Issue funds to most effective strategies through a stage-gate approach</li> <li>Projects should be contextualized, based on large number of various microclimates</li> </ul>	<ul style="list-style-type: none"> <li>Lead time needed to design Programme, solicit entities, evaluate proposals</li> <li>Opportunity to build on existing CRGE facility model, which solicits proposals from regions and sectors</li> </ul>
	Premium coffee <sup>1</sup>	<ul style="list-style-type: none"> <li>Create market linkages to generate value from standing forests – for example, increase traceability to create a premium products (e.g., single origin coffee) and ensure equitable payments to smallholders</li> <li>Opportunity to build on established/ in progress models (e.g., P4F coffee – potential for ~100,000 Ha by 2020. ~\$3-4MM TA to set up value chains has preliminary backing but opportunity to invest ~\$3-10MM in working capital for co-ops)</li> <li>Opportunity to empower women through job creation, given women predominate in coffee picking</li> </ul>	<ul style="list-style-type: none"> <li>In many areas, communities are already in place and know how to harvest the commodities in a sustainable manner</li> <li>Immediate impact by communicating opportunity for increased income from NTFPs to communities, though crucial for this to be followed up with a real income boost – meaning value chains have to be improved and benefit sharing mechanisms cemented (drafting legislation, issuing guidelines, and facilitating access to appropriate technology)</li> <li>Regional forest enterprises can be involved in building the value chains for most products and encouraging farmers to plant on their communal and private land</li> </ul>
	Youth cooperatives	<ul style="list-style-type: none"> <li>Provide land and start-up funding to youth cooperatives to plant or protect forest</li> <li>May need to provide initial salaries (~5 years) to be paid back once harvests begin</li> <li>Support linkages to local markets</li> <li>Potential to coordinate with Ministry of Youth and Sport (ETB 10BN revolving fund for youth employment, linked to new Youth Development Policy)</li> </ul>	<ul style="list-style-type: none"> <li>Need to set up structure for youth cooperatives (e.g., by-laws and benefit-sharing mechanisms); may need new organizational structure (e.g., co-op vs. association)</li> <li>Need to set up support package (e.g., initial salaries, technical assistance, support for business models etc.)</li> <li>Challenges identifying suitable land, without displacing communities</li> <li>Requires strong linkage with the Ministry of Youth and Sports</li> </ul>

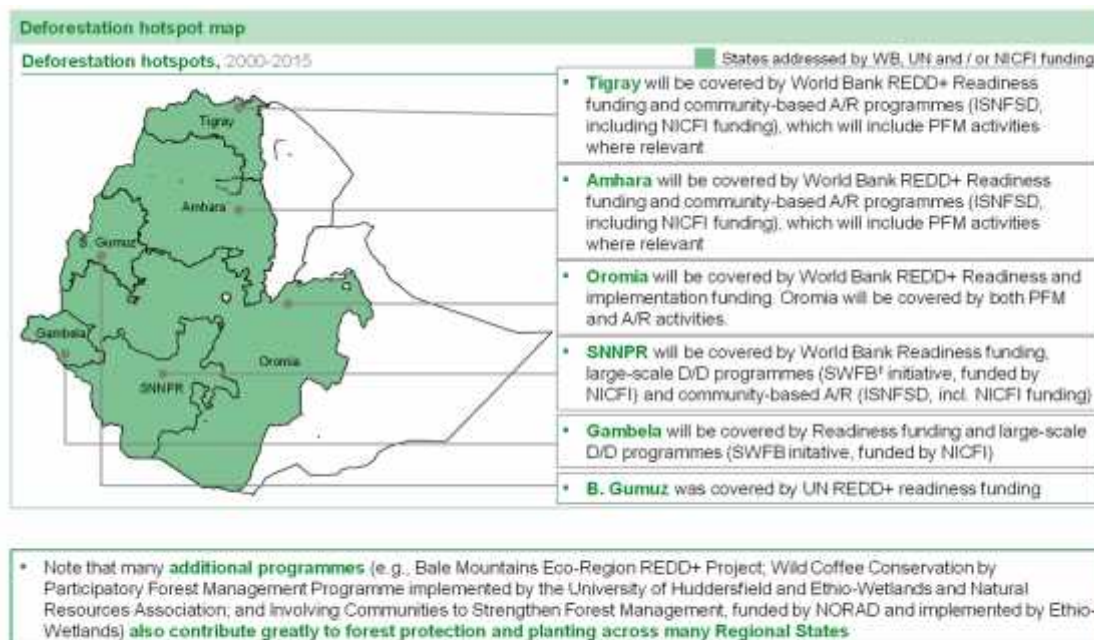
Red/ yellow/ green assessment indicates lead time to set up the model, not overall attractiveness. Shortest lead time models should be evaluated for year 1 implementation based on impact, scalability and ROI – see "Innovation Accelerator" section for implementation plan

<sup>1</sup> Potential to explore other commodities (e.g., honey, spices, baobab, sugar palm, illipe nut, avocados etc.), though coffee is likely a first priority given that it is a high-value crop, there is large-scale international demand, and it is an existing product in Ethiopia)

Source: Expert interviews, international case studies



## EXHIBIT 6: TOGETHER WITH THE WORLD BANK AND SIDA EFFORTS, THE MAJORITY OF THE COUNTRY WOULD BE COVERED



<sup>1</sup> South West Forest Block

Source: REDD+ strategy, Study on drivers of Deforestation in Ethiopia by REDD+ secretariat

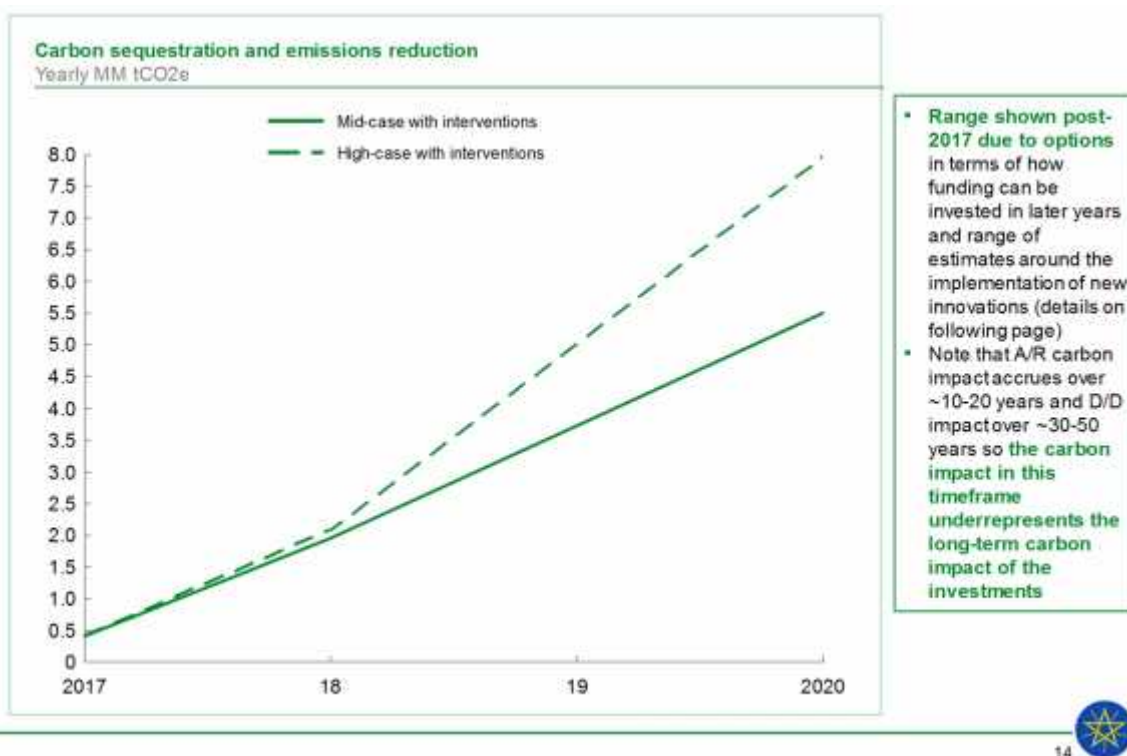


### 4.1.2 Expected impact on Programme beneficiaries

The current proposal and funding is not sufficient to cover the entire country with a comprehensive D/D and A/R programme. However, through targeting the Programme efforts, it is possible to complement existing work ongoing in other regions through organisations such as NICFI as SIDA/UNDP and the World Bank. Exhibit 6 illustrates how the approach allows for an inclusive targeting to covering the county's existing forest regions.

Implementation of the current investment programme will reduce GHG emissions by **~8 million tCO<sub>2</sub> per year by 2020**, contributing to the CRGE goals (See Exhibit 7) as well as **up to USD 664 million in GDP impact by 2020 (representing 0.7% of GDP in 2020 as the contribution from this investment)**. Furthermore, the country could leverage the payments from GHG emissions reduction to further finance the development of its green economy. A key component of the FSTU will be to assist in the coordination between other programmes and the ongoing work carried out through various levels of government. This coordination will be key to reduce leakage through displacing degradation and deforestation to adjoining areas of forest, which fall out of an existing project area.

EXHIBIT 7: DIRECT CARBON SEQUESTRATION AND ABATEMENT COULD BE ~8 MILLION TCO<sub>2</sub>E PER YEAR BY 2020 ACCORDING TO THE HIGH CASE



The initiatives under the current programme are expected to offer positive returns (at least in the medium and long-term), thus directly promoting economic growth and



creating additional high-value-added jobs. In this regard, REDD+, as the principal abatement lever for the forestry sector, could be a source of sustainable financing for investment in sustainable forest management and restoration.

In addition, the programme will help to enhance the multiple benefits of forests, including, but not limited to, biodiversity conservation, watershed management, increased resilience to climate change, improved livelihoods and reduced poverty (largely in the rural population). An estimated 75,000 rural households will benefit directly from livelihood improvement/diversification<sup>16</sup>, value addition of forest products, employment creation, access to resources, skill development and technology transfer. In terms of indirect benefits, the strategies to achieve the sustainable management of forests (e.g., PFM) would create an opportunity for the participation and empowerment of several thousand households in local communities (through increased tenure security and stronger institutional capacity) in natural resource management. This marks a shift from the conventional management approach.

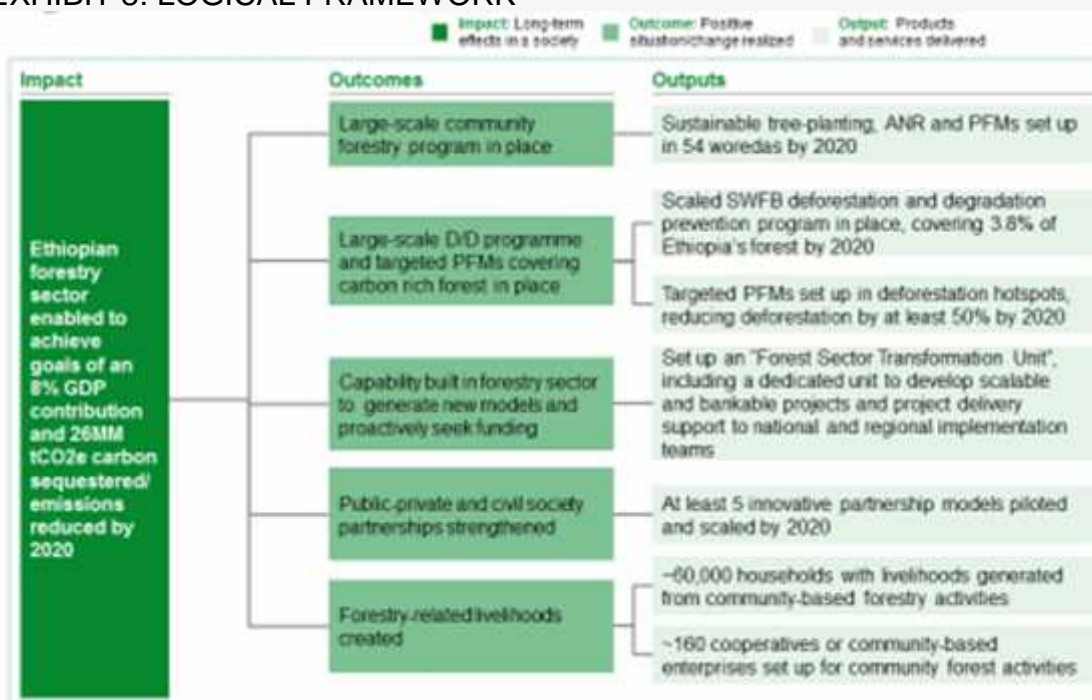
#### 4.1.3 Intended Programme outcomes

The intended Programme impact is: **“A transformed Ethiopian forestry sector that has demonstrated scalable and innovative forestry models, which can enable the sector to achieve its goals of an 8% GDP contribution and 26MM tCO<sub>2</sub>e carbon sequestered/emissions reduced by 2020”**. This impact statement is supported by four outcomes (see Exhibit 8). Furthermore, the impact of the Programme could increase, as the Forest Sector Transformation Unit unlocks higher-value, more scalable models for investment in future years.

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<sup>16</sup> ~25,000 through A/R programmes and ~50,000 through D/D programmes

## EXHIBIT 8: LOGICAL FRAMEWORK



The Log frame calculations are based on the high-case scenario. Detailed indicators to support the outcomes are provided in Section 7 of this document. Detailed Activities are in Sections 8 & 9.

## 4.2 PROGRAMME MANAGEMENT AND IMPLEMENTATION ARRANGEMENT

### 4.2.1 Implementation

#### 4.2.1.1 BUILD AN "FOREST SECTOR TRANSFORMATION UNIT" (FSTU)

As discussed in section 4.1.1.1, the implementation architecture will have to be strengthened, in particular in focal areas for programme implementation. The Forest Sector Transformation Unit (FSTU) combined with demand-led technical assistance and a revitalised CRGE Steering Committee could help transform Ethiopia's forest sector as follows:

- **Coordination:** Revitalising the CRGE Steering Committee would ensure coordination and harmonise activities between donor programmes (e.g., OFLP) and other Ministries (MoWIE, MoLF, MoANR), in coordination with the CRGE Facility Management. The FSTU would manage centrally all programme-related information and communications (internal and external), including a public feedback mechanism.

- **Strategic capacity:** The FSTU would act as an incubator for the selection, piloting and scaling up of next generation change models. It would “crowd in” funding from donors and coordinate CSO/private sector support by providing end-to-end support for potential investors. It would also ensure the rigor and quality of data management within the scope of the Programme and drive fact-based discussions and analysis to inform and engage the CRGE decision makers on the direction and progress of the sector. Finally, it would support policy reforms and establish fact-based resources to promote greater transparency, certainty and user-friendly policy.
- **Implementation capacity:** By offering project delivery support, the FSTU would own the performance management process (M&E, MRV) for innovative programmes and raise regional-level roadblocks to the national Steering Committee. It would provide targeted, hands-on support to the regional and woreda teams, offer problem solving, and implementation support (“last mile delivery”). It would work through existing structures at all levels of Government, (especially regional forestry employees) to avoid staffing duplication.
- **Technical support:** in initial set-up, the Technical Assistance Team would provide dedicated technical assistance to set up the FSTU, build capacity, begin assessing multiple innovative partnerships, and develop a roadmap for innovative pilots. There would then be additional demand-led technical assistance to support specific innovations (e.g., rigorous analysis, technical forestry expertise) as needed.

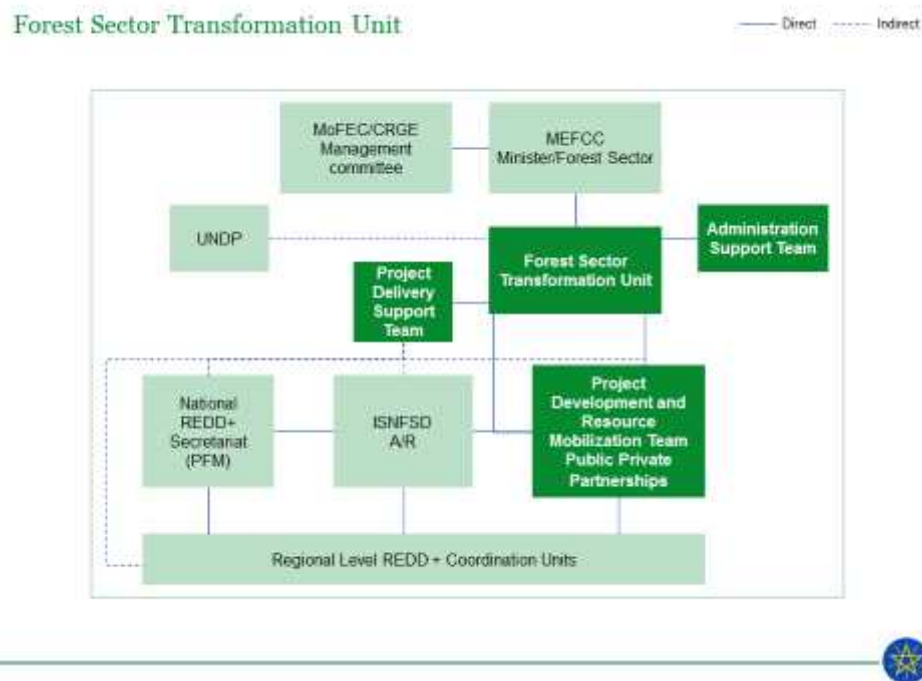
To support these activities, the FSTU would be established to coordinate and lead the activities of the investment plan. Three main arms would be in charge of implementing each of the three components, in addition to a Project delivery support team and external Technical Assistance to ensure efficient implementation support at federal, regional and local level (see Exhibit 9).

- The Forest Development and Resource Mobilization Team which would be responsible for developing and piloting the innovations. Furthermore, they would be responsible for generating insights through data analytics and crafting clear strategic direction for the scaling up of any successful pilot projects to National level.
- ISNFSDP would be in responsible for implementing the A/R efforts in Tigray, Amhara, Oromia and SNNPR. The work will be a scaled-up version of the existing ISNFSDP striving to incorporate the potential improvements indicated in Exhibit 2. The unit will seek high-level of coordination with the other two components to ensure efficient resource utilization and synergies between activities. At regional level the implementation of this component will be overseen by the REDD+ Coordination Units.
- The National REDD+ Secretariat (NRS) will be responsible for implementing PFM. NRS will provide guidance as needed for the PFM-related activities that will be part of ISNFSDP. REDD+ Coordination Units will be responsible for implementation on the regional level. The NRS will in parallel continue its role as coordinator of all

REDD+ related activities nationally and inform and advise the FSTU director on the potential for synergies and collaboration with other existing or future REDD+ activities.

- The “Project Delivery Support” team would manage the scaling up of successful pilots, leveraging the existing REDD+ structure to build delivery capability within each Regional REDD+ office through trainings and secondment of highly skilled staff from the central PDS team. Furthermore, they would support and drive any Federal level programmes, handing them over to the Regional units for implementation. Finally, the PDS team would conduct ongoing M&E for all programmes being supported.
- Demand-led technical assistance: Procurement of external technical assistance should be initiated as early as possible. Their role will be supporting the modest initial staffing of the FSTU in establishing the unit and provide support to the implementing entities. It will be particularly important that the technical assistance provided can support the Forest Development and Resource Mobilization team in establishing the first innovative pilots as well as starting to develop the pipeline for 2018.

## EXHIBIT 9: PROPOSED FSTU STRUCTURE



Path to launching the Forest Sector Transformation Unit

**Launching the Forest Sector Transformation Unit would require three phases:**

- Build excitement for the FSTU and launch
- Hire the core team consisting of:
  - Management of the unit: Director (national) and Deputy Director (international)
  - Project Development and Resource mobilization team: Head of Investment Strategy (international) and one Forestry Expert
  - Project Delivery support team: One analyst, two project managers, one M&E expert
  - Administration support: One finance expert and one executive secretary.
- Set up the Forest Sector Transformation Unit with immediate assistance from a demand led-technical assistance team.

**Conditions for successful launch and running of the FSTU include:**

- Build consensus early around the need for the Forest Sector Transformation Unit within the MEFCC and MoFEC. Ensure there is senior-level sponsorship within the PMO or CRGE Facility
- Look for the team with the right portfolio of experience as a single individual may not fulfil all criteria
- Ensure solid Technical Assistance in the early stages of the Forest Sector Transformation Unit (particularly the first 6 months in support of the activities listed above) to ensure that the mandate of the FSTU is aligned, team members are on boarded and feel they have adequate support, and the impact begins to be truly realized

The first year, 2017, will be used to establish the unit and develop a core team of highly skilled experts in key positions who can start to shape the direction of the unit. 2018 and beyond the unit will need to be fully functional with a fully staffed team to fulfil the roles and responsibilities expected of the FSTU. The staffing of the unit will be expanded based on how fast activities can be accelerated. An anticipated fully staffed FSTU would probably entail:

- Management of the unit: Director (national) and Deputy Director (international)
- Project Development and Resource mobilization team: Head of Investment Strategy (international), two Forestry Experts, two investment experts
- Project Delivery support team: two-three analysts, three-four project managers, one M&E expert, one MRV expert, one forestry expert.
- Administration support: One finance expert, one procurement expert, one executive secretary, one office assistant, two drivers.

The above setup is a proposal. The management of the FSTU will be best placed to develop and identify future staffing needs as well as identify gaps in the existing expertise of MEFCC to ensure the efficient execution of the investment plan. Furthermore, the National REDD+ secretariat as well as the ISNFSDP currently have



separate funding from the WB and Norway/SIDA until mid-2018 and end of 2018 respectively. The staff needed for these units to continuously and seamlessly implement the respective components of the investment plan needs to be taken into account, as well as the possibility of transferring some of the expert staff to the Project Delivery Support Team or the Administration support. The latter is mostly relevant for the NRS as their WB funding will end relatively soon.

In order to deliver on the activities described, the Forest Sector Transformation Unit will need a combination of the following three capabilities: investment, project management, and forestry:

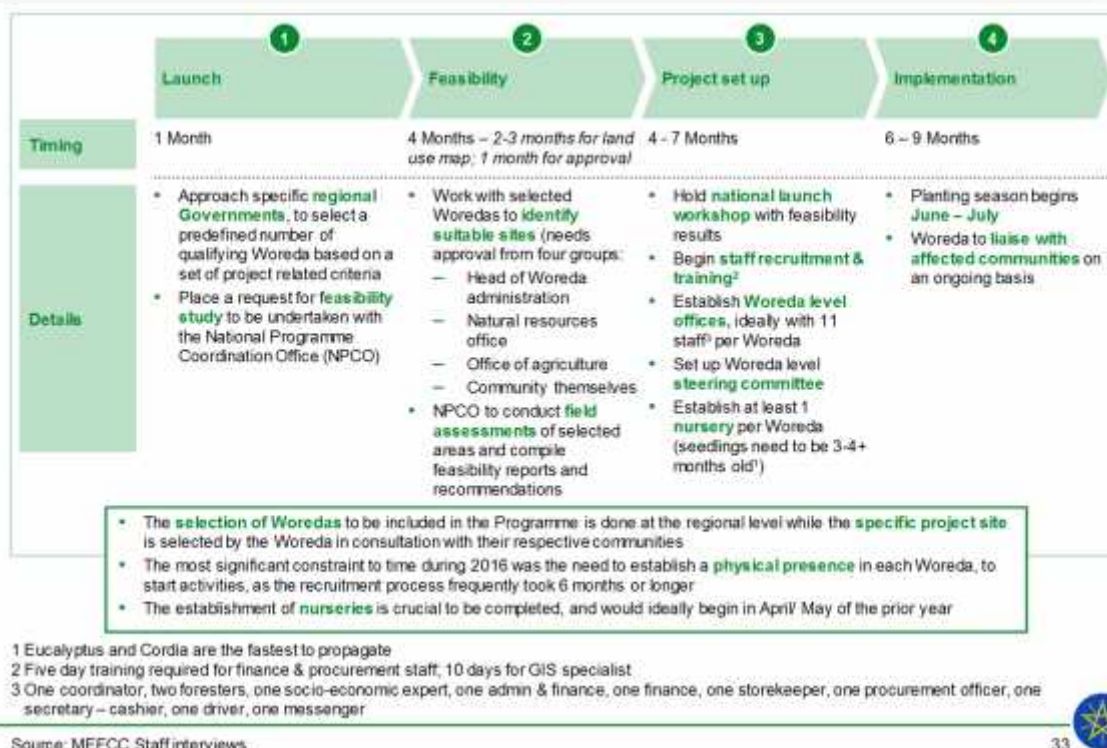
- Investment-type experience. Building a pipeline of projects requires “thinking like an investor.” This means:
  - continuously building the pipeline
  - creating a portfolio bankable projects
  - seeking out partners and investors
  - adopting a true “return-on-investment” mentality where some projects will be risky but have great impact while others may be more certain but lower impact but the overall program must have an acceptable cost-impact ratio
- Project management experience. Driving impact is about relentless execution. This means pursuing deadlines with a fervour and always pushing to get more from less.
  - The ideal team would need to have a clearly proven track record of delivering some form of deadline driven programme, project or operation.
  - An additional requirement is to have a solid understanding of the local operating environment with its unique opportunities and challenges.
- Forestry expertise. Developing innovative ideas that are practical enough to succeed in the environment in which they are implemented.
  - This requires some team members who have a breadth and depth of understanding of the forestry sector that allows them to draw on a wealth of varied experience that allows them to merge best practice with innovation

For more detail, see Section 9.

#### 4.2.1.2 SCALE UP A/R

As mentioned in Section 4.1.1.2, A/R activities will be based on the existing ISNFSDP model (see Exhibit 10). During 2017, the Programme will focus on selecting, hiring staff and to the extent possible, start preparations in 18 new Woredas.. In addition, ANR activities will be started across as many of these additional woredas as is possible. In addition to this work, there will be a focus on incorporating model improvements while preparing to launch the full A/R programme in the 18 additional woredas in 2018. Thereafter, the programme will launch in 18 woredas per year for two more years.

## EXHIBIT 10: A/R EFFORTS IN 2017 FROM THE ISNFSDP WORK



Areas identified for strengthening the A/R programme are as follows:

- **Woreda identification:** Create selection guidelines for Woredas and prioritise those with the potential to protect existing natural forest to link A/R activity to buffering natural forest. Assessment of water availability and water management will be included as part of the selection, as well as the potential for synergies between irrigation for agriculture as well as plantations.
- **Feasibility and baselining studies:** Conduct feasibility and baselining in parallel and tie the feasibility study findings into hectare targets for each woreda.
- **Tree species:** Based on the results of the feasibility study, suggest a wider variety of trees (e.g., beyond eucalyptus); in time, use a species suitability map (based on the proposed Provision of Adequate Tree Seed Portfolio GoN project) to inform suitable species for each woreda. The component will strive to establish multi-species forest plantations with focus on native species.
- **Staff management and resource utilization:** Closer collaboration and integration of project and local staff at woreda level and have the Woredas provide a local focal person to help facilitate activities and processes on the ground. Ensure to use resources including vehicles in the most optimal way for achieving a cost efficient implementation, for instance by sharing resources between woredas and circulating cars to other woredas rather than transferring them.

- **Capacity development and technical handbook:** Have staff from existing project areas train (in the classroom and field) and mentor new staff; provide easy-to-use field guides to help field staff make better, faster decisions on the ground.
- **Nurseries:** Place orders with nurseries earlier (in April/May of the prior year vs January/February of the planting year) to allow time for longer-lead species and offer nurseries more targeted support and capacity building; collaborate with ICRAF and national seed centres on seed provision.
- **Community involvement:** Standardise pay schemes across Programme sites (potentially building on the 80:20 rule, i.e., 80 per cent of labour is paid in cash and 20 per cent is paid in-kind); reinforce the building of alternative or more sustainable livelihood practices for affected households.
- **Introduction of PFMs:** Complement the work done in afforestation and ANR by identifying the existing natural forest areas, which exist across the selected Woredas and institute PFMs in these to develop a comprehensive forest protection landscape. Both the new A/R activities and the PFM should be managed and run by the same community if possible. It is expected that this may not be possible in every selected woreda so it is expected that 60% of Woredas could have this arrangement.

#### 4.2.1.3 DEVELOP A MAJOR D/D PREVENTION PROGRAMME

As discussed in Section 4.1.1.3, in the first year of implementation, the focus of the forest protection initiative would be the southwest forest block, SNNPR side, in addition to some complementary work in Oromia as these regions have the most advanced enabling environments. The Regions already have many of the elements in place to launch REDD+, although immediate investment is required to design the Programme and build implementation capacity. In 2017, key activities would include:

- **Design and begin to implement the SWFB REDD+ programme for SNNPR:** Strengthen regional institutions, build staff capacity at the regional level, and design the interventions to support forest protection (see Exhibit 13 for initial proposal). The World Bank is funding regional preparatory work, but the South West Forest Block programme has yet to be designed.
- **Design and establish on the ground activities in Oromia:** begin preparation and woreda selection for the roll out of PFMs to complement the existing work led by the World Bank in the Region.
- **Build capacity in the existing REDD+ coordination unit and implementation capability:** Build human and institutional capacity (IT, logistics, structure, system, and procedures) and sector coordination. The current coordination unit is staffed but has limited implementation capacity. The Regional REDD+ Coordination Unit is housed in the Environment Forest Authority that is well-staffed to woreda level (nine foresters per woreda), which could assist in project implementation.
- **Build REDD+ awareness and launch communications:** Engage the media, strengthen school environmental clubs, organise conferences. The RCU is already

building awareness via the REFA radio station and plans to introduce radio commercials in multiple languages and print flyers. Communication and awareness activities will be conducted with a clear purpose and target group in mind. The means and language of communication will be adjusted to the target group.

- **Manage knowledge and establish learning networks:** Share information, promote advocacy and support knowledge forums; develop a database to identify, document, and share best practices.
- **Support the reform of legislation regarding the environment, forest land and carbon rights:** Review existing policy and support its harmonisation (including clarification of institutional roles); support the regional land use planning process.
- **Engage and collaborate with stakeholders:** Map regional stakeholders (completed) and create dialogue platforms at all levels (completed for the private sector); establish and operationalise donor and private sector platforms (a similar forum is planned for donors, including programmes in early 2017).
- **Conduct regional MRV:** Offer training and technical support, and procure essential equipment; conduct forest degradation analysis, identify and monitor hotspots. The RRCU should leverage existing facilities and foresters at various levels to collect data for FRL and the MRV process in progress. World Bank is currently funding MRV activities however this funding will end in 2018. There could be concessions made to pick up the funding gap, through the NICFI, however, a clear path towards long-term sustainability would need to be demonstrated.

## EXHIBIT 11: HOLISTIC APPROACH TO ADDRESSING THE DRIVERS OF DEFORESTATION TO REACH TARGETED HA PER YEAR

Directly impact drivers of D/D
 Indirectly supports drivers of D/D
 N/A

REDD+ in the SWFB = f (	PfMs	CSA- Crops	Cook stoves	CSA – Livestock	Legislation
<b>DD drivers in SWFB</b>					
<b>Subsistence Agriculture</b>					
<b>Commercial Agriculture</b>					
<b>Uncontrolled grazing</b>					
<b>Unsustainable fuel wood harvesting</b>					
<b>Illegal logging</b>					

• Begin with "no regrets" (e.g., PFMs (60,000ha), CSA- C, CSA- livestock, Improved cook stove) in 2017  
 • Higher cost initiatives with time lag (e.g., legislation) pending drivers studies in the region

Source: SNNPR REDD+ Concept note

Building on what has already been achieved to date in the OFLP, the current proposal could benefit from five specific activities, listed in Exhibit 11. All these activities will be performed in the Woredas, Kebeles and Gots where PFMs are established targeting households that are members of the PFMs. All the activities are targeted to address certain drivers of deforestation in the area. PFMs are established to promote the ownership by the local community of the forest resources, bring an end to forests being open access and make extraction of forest products planned and sustainable. PFMs also help mark the boundaries between forests and other land uses under a participatory approach and all expansions are discussed with all members. As a result, PFMs could be considered to address most of the drivers of deforestation and forest degradation. To ensure the desired results, the following steps to establish a PFM should be followed, after consulting the guidelines for PFMs in Ethiopia from the MoANR, along with a PFM guideline produced by EWNRA. The major steps are as follows:

- Getting started: Creating awareness on PFMs and prepare the necessary documents, identify forest site and the setting up of a facilitation team.
- Boundary negotiation and demarcation: Training of the team, external boundaries negotiation and marking, producing maps and signing by neighbouring community and registering members of the PFM



- Facilitating forest management planning: Training on sustainable forest management, accessing forest resources, analysing forest products and management, and producing a management plan for the first three years
- Forest management organization formation: Selecting appropriate organisation format, training on democratic election of organisation leaders, formation of the organisation and electing leaders
- PFM agreement development, signing and awareness raising
- Forest management implementation and enterprise development: Forming forest product marketing organisation (FPMO), signing of MoU with PFM organisation, preparation of joint annual action plans and internal regulation mechanisms. The programme will support FPMOs that are established by PFM members in each Woreda through a revolving fund (included in the budget) to purchase productive assets, such as small scale processing machineries, warehouses and logistics equipment, to help them produce and market forest products. All cooperatives established with the help of the cooperatives coordinator in the programme office will qualify to get the loan, as they will be made to have a proper management structure and financial control system to run their business effectively and be able to pay back the loan. Purchase of productive assets through the fund is planned as part of the programme, since lack of capital was one of the challenges faced by such enterprises to be effective in doing business and remain sustainable. Moreover, the credit encourages enterprises to get the best out of the assets and induce more productivity. All elements of the fund arrangement will be established, strengthened and refined based on actual on ground conditions and Norwegian Government fund management policy.
- Monitoring, Evaluation and Responsiveness: Training M&E facilitators, setting up appropriate M&E systems and making sure planning processes are responsive of the M&E results.

CSA – Crop and CSA Livestock address/ reduce the need for/ expansion of crop and grazing land by increasing productivity of land, crops and livestock, thus prevent deforestation. A dedicated staff for each in the programme implementation office will facilitate the activities that are to be performed with the collaboration of BoANR and BoLF at all levels of local government. More detailed activities are given in section 9.3.

Improved cook stoves reduce the amount of biomass household's use for their everyday cooking needs and thus reducing the rate of forest degradation in forested landscapes. The programme plans to coordinate with the Woreda level activities of the National Improved Cook Stoves Programme of Ethiopia (NICSPE), where PFMs are being established to complement the other activities. These would be complemented by three, broader, programme design areas which, include:

1. Ensuring there is more clarity on the benefit sharing mechanisms which are built into the programme design



2. Creating better incentives for PFM members to promote greater compliance and a higher level of effectiveness of forest protection
3. Ensure the Regional Coordination Units are the main drivers of implementation

Improved cook stoves can significantly reduce the amount of fuel wood needed, but remain a source of indoor air pollution. Therefore, in addition to the improved cook stoves the feasibility of using sources of energy for cooking, for instance solar and gas will be investigated.

## EXHIBIT 12: LESSONS LEARNT FROM OFLP DESIGN AND OTHER RELATED PROGRAMMES

	Rationale	Incorporation in D/D in SWFB in SNNPR
Regional REDD+ programme should report directly to Regional Vice President	<ul style="list-style-type: none"> <li>Provide better coordination with forest related sectors (e.g., ability to work with MoLF on livestock management, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Regional implementing and programming structure (the REDD+ CU) are recommended to adopt the approach</li> </ul>
Strengthen the legal framework for forestry sector in the region and country	<ul style="list-style-type: none"> <li>Avoid disincentives for members as current forms of organization (Associations and Cooperatives) do not align effort to benefits</li> <li>Allow the use of timber products to incentivise PFM members with incomes from sustainability marketing them (as recommended by the NFSDP)</li> </ul>	<ul style="list-style-type: none"> <li>Use existing forms in combination with care and available incentives as much as possible</li> <li>Support the enactment of legislation at federal and regional level</li> </ul>
Investment in the development of value chains for forest products	<ul style="list-style-type: none"> <li>Failure in developing value chains to maximize benefits from marketing of forest products reduces the likelihood of success in PFMs</li> </ul>	<ul style="list-style-type: none"> <li>Sustain support for ~2 years, vs. ending support as soon as PFM is officially established, to promote effective value chain development</li> </ul>
Support enterprises under PFMs with credit/grants to cover initial capex	<ul style="list-style-type: none"> <li>Newly formed enterprises lack capital to invest on value adding and initial business investments to successfully market forest products and are also not yet credit worthy to borrow from conventional banks.</li> </ul>	<ul style="list-style-type: none"> <li>Budget will be put aside for investments in productive assets, so that community based enterprises can scale and become profitable</li> </ul>
Develop fair benefit sharing mechanisms with all stakeholders	<ul style="list-style-type: none"> <li>Failure to include stakeholders and / or failure to devise inclusive benefit sharing mechanisms threatens sustainability of forest (e.g. OFWE developing BSM on sale of products from forests under its concession and ER payments)</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate mechanisms of sharing the benefit of forest product marketing and ER payments will be devised to share the benefit with larger community (e.g. building schools, health facilities)</li> </ul>

Source: OFLP, Expert interview with PFM practitioner in EWNRA, OFWE, NFSDP Vol. II

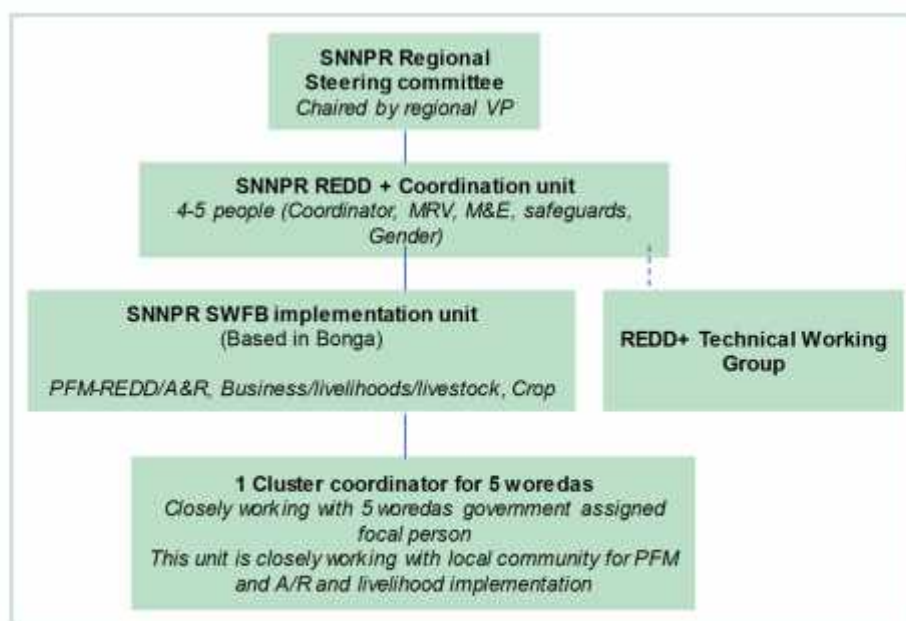
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Gambela is not yet ready for any intervention and investment would be needed to set up a coordination unit and design the programme. Active work in this Region will only take place in the second year of implementation to allow time to further develop a detailed plan and to further build the necessary enabling environment in the regional forestry structures.

Implementation will be based on a landscape approach whereby the planned interventions will follow a programmatic structure involving all relevant stakeholders at all levels (both governmental and non-governmental). Strategic alignment with other relevant programmes, e.g., the Sustainable Land Management Programme and Forest Sector Capacity Building Project, will be implemented in the early stage of development and continue throughout implementation.

Exhibit 13 illustrates the proposed organisational structure for SNNPR, where the Regional Vice President chair the REDD+ steering committee ,oversees and support programme implementation and facilitate coordination among different bureaus at regional level. The REDD+ coordination Unit is responsible for regional implementation. The Unit in turn works with the Regional Programme Implementation Office who coordinates the woreda level activities through specific activities. Specific intervention Woredas and sites will be identified in collaboration with relevant regional stakeholders. This will provide additional opportunity to understand local situations and adapt activities to specific conditions. As the woreda site selection progresses and more data is collected, the process and array of activities will continue to be refined. The organisation structure in Oromia will not change, as the OFLP already exists.

#### EXHIBIT 13: PROPOSED PROGRAMME IMPLEMENTATION STRUCTURE IN SNNPR AND GAMBELA



Source: Source



#### 4.2.1.4 DEVELOP INNOVATIVE / ALTERNATE PARTNERSHIPS TO BE SCALED UP

The “Partnerships” pillar aims to launch 3 pilots per year (~3,000 Ha each) and scale up 1-2 per year, starting in 2018 (~50,000 Ha each) using a combination of NICFI, private sector, and other donor funding.

Through stakeholder consultation, expert interviews and research, eight initial concepts have been identified (*detailed below; also, refer back to Exhibit 5*):

- *Provide seed funding for large-scale commercial plantations*, e.g., bio-based economies or advanced industrial clusters that could be linked to out-grower schemes and youth co-ops
- *Develop the One Acre Fund model*: Provide a bundle of services (e.g., seedlings, tree sockets, extension services, fertiliser) to farmers to encourage the planting of *Grevillea* and other species over *Eucalyptus*
- *Develop a commercial “belt strategy”*: identify deforestation hotspots (e.g., W. Oromia, S. B. Gumuz, East SNNPR), hand out large-scale (~10 - 100,000) concession licences, and plant a “buffer zone” (e.g., commercial plantation) to prevent encroachment and protect valuable natural forest
- *Create tourism- and eco-tourism-linked conservation zones*, e.g., new national parks
- *Set up localised PES schemes*: Support payments for ecosystem services schemes (carbon credits, watershed management, etc.), e.g., link development of mega hydro projects to the forest protection, encourage companies (bottling companies, breweries, Ethiopian airlines, Walia insurance) to contribute. **Note**: in order to benefit from GoN funding, these initiatives would have to be linked to larger regional/ jurisdictional programmes
- *Set up a challenge fund*: Invite communities, private stakeholders or Woredas to compete for stakes in a centralised government funding pool by submitting A/R or D/D strategies
- *Grow the premium coffee sector*: Create market links to generate value from standing forests (e.g., increase traceability and ensure equitable payments to smallholders); build on established/in-progress models; empower women through job creation
- *Form youth cooperatives*: Provide land and start-up funding to youth cooperatives to plant or protect forest; support links to local markets; coordinate with the Ministry of Youth and Sport

Of these, five have been prioritized as potential pilots in year 1, due to relatively short lead times. Three pilots will be selected based on feasibility studies.

- *Create tourism- and eco-tourism-linked conservation zones*:
  - Possibility of quick start up in year 1 by working in existing national parks and providing small, private-sector-led concessions (e.g., to build hotels and other tourist activities)
  - Opportunity to leverage on experiences from Wef Washa and Bale Mountain Ecotourism projects)
- *Develop the One Acre Fund model*:

- Ability to leverage One Acre Fund's prior experience planning similar programmes (e.g., plan to plant 50 million trees in Rwanda by 2018 - though this has not been implemented yet)
- *Set up localized PES schemes:*
  - Ability to support existing community efforts vs. launching new efforts
  - Ability to leverage already-trained PES monitoring capacity (35 regional representatives were trained)
  - Setting up financing mechanism tends to be much faster than getting additional “boots on the ground” to plant
  - Opportunity to leverage on the a baseline study for 12 river basins and the private sector engagement workshops that are ongoing as part of REDD+ readiness
- *Grow the premium coffee sector:*
  - Ability to work with existing capacity - in many areas, communities are already involved in the coffee value chain and they have the know-how to harvest and manage the resource in a sustainable manner, however, these communities are seldom leveraging the full potential of the premium forest coffee sector.
  - Opportunity for immediate impact by communicating potential for increased income from NTFPs to communities<sup>17</sup> and assisting with establishing any market linkages to promote NTFPs
- *Form youth cooperatives:*
  - Initiate discussions with KfW and Ministry of Youth and Sport to assess feasibility of accelerating the establishment of cooperatives
  - Provide **land and start-up funding** to youth cooperatives to plant or protect forest
  -

#### 4.2.2 Stakeholder collaboration

The successful delivery of this programme seeks the collaborative engagement of various stakeholders – notably, the forestry, agriculture and energy sectors, at the federal, regional, woreda and landscape/watershed committee levels. A key component in stakeholder management is coordination of the meetings and engagements, which would be done through the CRGE facility, in collaboration with the Forest Sector Transformation Unit. The FSTU will give guidance on Programme requirements and

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<sup>17</sup> Though crucial for this to be followed up with a real income boost for impact to be maintained- meaning value chains have to be improved and benefit sharing mechanisms cemented (drafting legislation, issuing guidelines, and facilitating access to appropriate technology)

expectations upwards through its reporting line while coordinating the Regional and woreda actors to ensure implementation is driven on the ground.

- The **Ministry of Finance and Economic Cooperation** (MoFEC) and **Ministry of Environment, Forest and Climate Change** (MEFCC) will assume full financial and programme accountability to the Norwegian Government through the CRGE Facility and the designated Programme oversight body respectively.
- The **CRGE Facility Management Committee**, comprising State Ministers from various Ministries<sup>18</sup> and co-chaired by the State Ministers of the MoFEC and MEFCC, will oversee overall Programme implementation. It will meet quarterly to review the Programme's performance and provide strategic guidance to the CRGE Facility, the oversight body, the participating line Ministries and other key stakeholders.
- **The CRGE Facility** will oversee financial management, monitoring and evaluation, and ensure accounts are audited on a regular basis. It will ensure fund disbursement to the authorised accounts of the MEFCC, the MoANR, MoWIE, the MoLF, and the Sector Bureaus (at the regional level) and woreda Sector Offices through Bureaus of Finance Economic Development (BOFEDs). The BOFEDs will disburse funds to the woreda Office of Finance and Economic Development (WOFEDs) for activities that will be implemented at the woreda level. The existing MEFCC regional structure (or in Tigray BoA) will be responsible for implementation through the regional REDD+ Coordination Unit will be responsible for the implementation of the programme. The Facility will receive financial reports from the MEFCC, the Line Ministries and the BOFEDs on a quarterly basis.
- **The Federal REDD+ Steering Committee** comprising vice presidents of regional states and state ministers of key REDD+ institutions can provide a high level (political) platform to discuss key REDD+ issues that might arise during the implementation of this investment program, OFLP and other future programs/projects designed for the realization of goals of the National REDD+/CRGE strategy. Membership of the Steering Committee will be revised as new institutions relevant for REDD+ are created recently, such as Horticulture and Agricultural Investment Authority, Land Use Plan Initiative at PM's Office, Climate Change Affairs Directorate at PM Office, etc. **The Federal REDD+ Technical Working Group** and **the REDD+ Task Forces** will be used, as required, to provide technical support to regional governments during the implementation of this program
- **The Forest Sector Transformation Unit will have a demand-led Technical Assistance team** who will help with the initial set up of the Programme and will

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<sup>18</sup>MOANR-Ministry of Agriculture and Natural Resource, MoWIE-Ministry of Water, Irrigation and Electricity, MOT- Ministry of Transport, MOUDHC-Ministry of Urban Development and House Construction , MOLF-Ministry of Livestock and Fisheries



build skills within the MEFCC who will eventually be responsible for the technical coordination of the Programme. It will facilitate the provision of technical support to the implementing partners to enhance planning and implementation. The body will leverage existing structures to coordinate participating line Ministries at the federal level, and ensure the establishment and operationalisation of similar coordination arrangements at the regional and district levels. The FSTU will work in collaboration with the **REDD+ Steering Committee** to ensure that an enabling environment is created for the design and successful implementation of REDD+ in the Programme intervention regions and Woredas. It will ensure the deployment of qualified personnel at all levels and the development of guidelines, manuals, procedures, tools and systems. It will prepare annual work plans and budgets. It will compile periodic physical progress reports from implementing partners and submit them to the CRGE Facility on a quarterly and annual basis. The REDD+ Secretariat is currently supporting MEFCC in establishing a MRV system, through the World Bank funded programme, and unit for GHG emission reductions across the forestry sector.

- **Sector Ministries and Regional Sector Bureaus**, in collaboration with the FSTU, will coordinate and lead the Programme's sector-specific interventions, including the implementation of annual/biannual work plans; monitoring; and supervising and providing technical support. For example, the MoANR is responsible for the implementation and reporting of SLM-related actions. Similarly, the MEFCC, MoWIE and the MoLF are responsible for the forestry, energy and livestock-related programme sub-components, respectively. They will assign qualified focal people with clear roles and responsibilities.
- **At the regional level**, the regional REDD+ Steering Committee chaired by the regional vice-president and the regional Environment, Forest and Climate Change authorities through the Regional REDD+ Coordination Units (RCUs) will coordinate and lead the Programme. They will work closely with the FSTU and ensure the active engagement of all relevant stakeholders. The Regional Steering Committee will oversee the Programme and provide overall guidance to sector bureaus. The RCUs will be responsible for day-to-day coordination, including joint planning, implementation, monitoring, and MRV and reporting.
- **At the woreda level**, the REDD+ Steering Committee<sup>19</sup>, chaired by the woreda Administrator and Technical Working Group, will be responsible for the overall guidance and coordination of REDD+ activities. A REDD+ focal person, under the woreda Administrator's Office, will be responsible for the day-to-day coordination and implementation of programme activities in the target landscapes, producing progress reports on a regular basis. He/she will lead the demarcation of Programme sites; organise and mobilise community user groups; provide training;

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<sup>19</sup> Woreda level REDD+ Steering Committees (RSC) are not yet established. When intervention woredas are selected they will be requested to establish an RSC consisting of relevant sectors and chaired by the woreda administration



identify and select beneficiaries; formulate community bylaws; and conduct A/R activities.

- At the grassroots level, the **Landscape Committee**, led by the *kebele*<sup>20</sup> chairperson and comprising development agents, community representatives and *kebele* administration, will play a key role in site and beneficiary selections, boundary demarcation, community mobilisation and implementation, establishment of bylaws, conflict resolution and law enforcement.

The CRGE Facility is developing a special window for financing private sector engagement. The Forest Transformation Unit can inform the Facility's engagement in this area.

### 4.2.3 Financial management and procurement arrangements

The Programme's financial management and procurement will be governed by the GoE's public finance management and public procurement regulations. Funds will be channelled into the CRGE facility account, in MoFEC, and from there to regional Bureaus of Finance and Economic Development (BOFEDs) and Woreda Finance Offices through the "Channel One" system. Federal Line Ministries, Regional Sector Bureaus, Woreda and kebele institutions will receive funds for the activities that they will directly manage and implement, as follows:

- **National-level work** (e.g., hiring individuals into the "Forest Sector Transformation Unit"): Money disbursed directly from the CRGE facility to UNDP to hire staff, procure goods and services, or to relevant Ministries
- **Regional-level work** (e.g., providing funds for the preparation of the South West Forest Block Programme in SNNPR): Money will be disbursed from CRGE Facility to BoFEDs and then to regional-level institutions or Ministries to fund regional-level work. If feasible, UNDP will be responsible for procuring regional-level staff
- **Local-level work** (e.g., salaries for Woreda staff for the programme): Money will be disbursed from the CRGE, through BOFEDs, to Woreda finance offices. Woreda Finance Offices will disburse funds to support Woreda, kebele or got-level work

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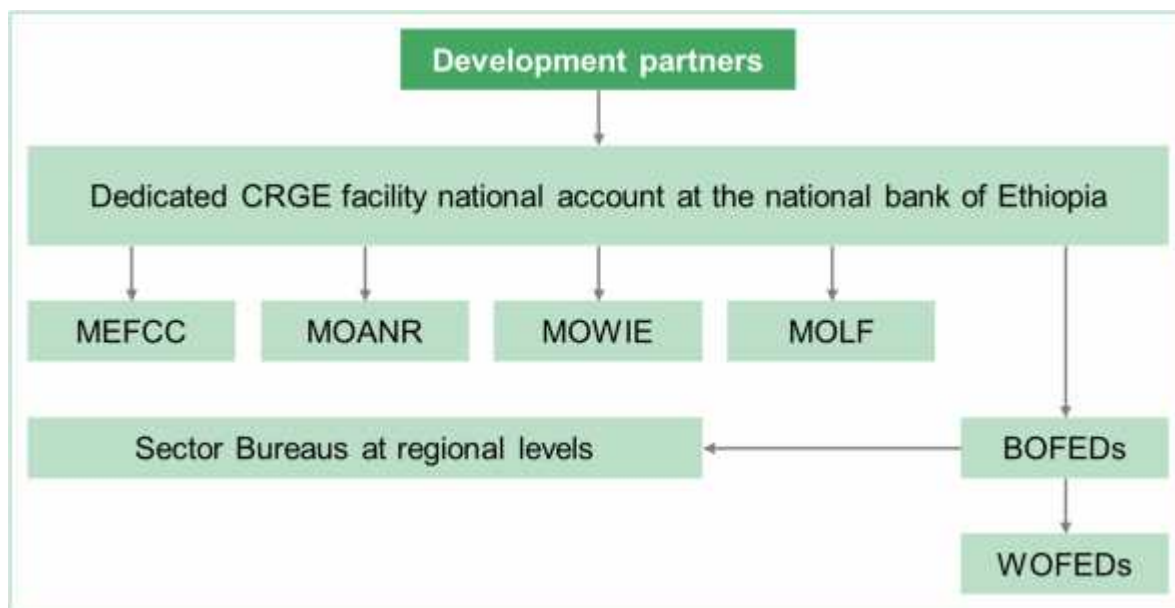
<sup>20</sup>Kebele is the smallest administrative unit in government structure.

The contractual arrangement with UNDP will be specified in the legal agreement between the Governments of Ethiopia and Norway. The services UNDP can provide, will be detailed through discussion between the involved parties.

Disbursement will be based on the disbursement requests consolidated and provided by the FSTU. Once the requests are confirmed, the CRGE Facility will authorise the National Bank of Ethiopia to release funds to the dedicated accounts of the BOFEDs, the MEFCC and the line Ministries.

Finance will be disbursed based on documented needs for the following six months, this require financial statements and budgets for the period in question. Approved annual or quarterly work plans and fund utilisation will be monitored through an internal control framework (Exhibit 14). Funds received by the CRGE Facility will be channelled through Government structures – federal, regional and woreda – and reported back through the same channels.

#### EXHIBIT 14: FUND DISBURSEMENT SCHEME



All procurement of goods, services and works shall be in accordance with the procurement provisions of the legal agreement between MoFEC and the Norwegian Ministry of Foreign Affairs. Procurement will be executed at different levels based on the nature, complexity and size of requirements. Detailed annual Project Procurement Plans will be prepared, specifying clearly who is responsible for procurement. Typically, all international and bulk procurement will be handled at the federal level and delivered to the project site concerned.

The Ethiopian Federal Government Procurement and Property Administration Proclamation No. 649/2009 and the Federal Government Public Procurement Directive will be applied to procurement-related issues. The Proclamation and Directive aim to ensure that public procurement promotes value for money and is conducted fairly,

openly and without discriminating against any person or firm. Economy, efficiency, transparency and competitiveness will be given due consideration. The procurement of goods and services will be based on the value-for-money principle and guided by competitive bidding. Price, quality, delivery time and procurement feasibility will determine the procurement source, modality and delivery mode of required equipment and associated supplies.

The CRGE Facility will engage UNDP country office for procurement of staff, goods and services internationally. In collaboration with MEFCC, MoFEC and the Norwegian Embassy, UNDP will if feasible it will hire staff for the Forest Sector Transformation Unit, the CRGE Facility, Regional REDD+ Coordination Units and at Woreda levels. MEFCC and MoFEC will jointly identify such procurements and sign agreement with the UNDP. The Facility's preferred option is that the Norwegian Embassy will directly transfer funds for international procurement of goods and services to the UNDP country office. The latter will submit procurement report to the CRGE Facility. The details of these arrangements will have to be in accordance with Norwegian rules and regulations and detailed in the legal agreement.

#### **4.2.4 Routines, deadlines and approval of changes**

According to Norwegian Grant Management Rules an annual meeting will be conducted between the parties to the legal agreement regulating the funds (Ethiopian Ministry of Finance and Economic Cooperation and MFA), the implementing partner (Ministry of Environment, Forests and Climate Change) as well as observers chosen by these parties. The annual meeting will also be the formal forum for discussing major changes or irregularities to the program implementation. It is this meeting that assesses, discusses and approves the annual budget, work plan, progress report and financial statements and such approvals will be a prerequisite for continuing the programme as planned. It will be important that the annual meeting and the required documents follow the reporting cycle of the CRGE-Facility, and the meeting should therefore be conducted at a time proposed by the Facility. Adjustment to the programme budget throughout the implementation year is expected based on the result of feasibility studies, analysis, as well as the pace of and experience during implementation. The adjusted budget together with a justification of the change will be provided in writing to the Norwegian Ministry of Foreign Affairs (MFA) represented by the Norwegian Embassy in Addis Ababa for approval.

## 5 Monitoring and evaluation, lesson learning and knowledge management

### 5.1 M&E: MONITORING AND PERFORMANCE EVALUATION OF THE PROGRAMME

The overall monitoring, evaluation and reporting system will be guided by the existing CRGE Facility monitoring and evaluation system on indicators and methodologies, to be managed by the MEFCC and MoFEC (see Section 7). Gender disaggregation will be applied where possible. The key performance indicators outlined in the Programme log frame will serve as the basis for systematic monitoring and evaluation. A programme implementation plan (to be developed by implementers and consolidated by the Programme oversight body) will provide detailed implementation arrangements including monitoring, reporting and evaluation (M&E) procedures at each stage of the Programme as described below.

#### 5.1.1 Programme start

Within the first two months of the Programme's launch, a programme inception workshop will be held for those with assigned roles in the implementation structure and other stakeholders. The workshop will strengthen ownership for the programme initiatives and approve the work plan for the first year. Specifically, it will:

- Help all partners to understand fully and take ownership of the Programme by discussing the roles, functions and responsibilities within the decision-making structures, including reporting and communication lines.
- Based on the programme log frame, review and agree on the first annual work plan by examining the indicators, targets and their means of verification, and rechecking assumptions and risks.
- Provide a detailed overview of reporting and M&E requirements, including the M&E work plan and budget as outlined in the Programme implementation plan.
- Clarify and plan the roles and responsibilities of all Programme organisation structures and plan meetings.
- Prepare a workshop report as a key reference document and share it with participants to formalise the agreements and plans decided during the meeting.

#### 5.1.2 Programme Progress Reports (PPRs)

At minimum, PPRs should provide progress checks, identify bottlenecks, and review technical support needs and lessons learned. The CRGE Facility standard reporting template and procedures will be used to report progress on a quarterly and annual

basis. The Monitoring and Evaluation Units will be responsible for compiling the reports at different levels: woreda offices will compile monthly reports for regions and regions will produce quarterly reports for the federal level. The regional quarterly and annual progress reports (including those from the MoANR and MoLF) will be submitted to the Forest Sector Transformation Unit. The latter will submit reports to the CRGE Facility, which will pass them to the Norwegian Embassy. The annual progress report should be finalized at the same time as the annual financial audit report of the programme. These documents will be assessed for approval at the annual formal meeting between the Government of Ethiopia and Norway and their approval in this meeting is a prerequisite for continued disbursement of funds. PPRs will focus on two areas:

- **Information** on the Programme's physical implementation progress using monitoring indicators, such as the identification of deviations from set plans, explanations as to why such variations exist, and measures to address them.
- **Financial reports** will provide information on the sources and uses of funds by disbursement category and activity, forecasts of expenditures, disbursement request amounts and reconciliation.

### 5.1.3 Periodic monitoring

In consultation with the Programme implementation players and stakeholders, the MEFCC and MoFEC will develop a detailed schedule of review meetings that will be included in the Programme Inception Report. The schedule will guide programme-related M&E activities and coordination mechanisms.

The kebele-level technicians and woreda offices (REDD+ focal person) will be responsible for day-to-day monitoring of implementation progress based on the Programme's annual work plan and its indicators. The woreda team will inform the regional bureau of any delays or difficulties faced during implementation, so that the appropriate support or corrective measures can be adopted in a timely and remedial manner.

The regional MEFCC replica will coordinate monitoring of implementation progress through quarterly (or more frequently, as deemed necessary) visits and meetings on site with all major implementing partners, including communities. This will allow the regional implementing offices to take stock and troubleshoot problems in a timely fashion.

Implementing parties will hold an annual institutional learning event to reflect on the changes observed and take stock of progress. These events will provide a forum to share experiences and lessons learned among all participants (including communities, when relevant).

An annual programme review (APR) will be conducted to report on progress, with a focus on the previous one-year reporting period, and bring together major implementing partners. The APR will be presented to the FSTU and the CRGE Inter-Ministerial Committee. The APR will include:

- Progress made towards objectives and outcomes with indicators, baseline data and end-of-programme targets (cumulative)
- Outputs delivered for each outcome (annual)
- Financial reports
- Lessons learned/good practices
- Annual work plan for the following year

#### **5.1.4      Safeguard assurance monitoring**

As envisaged in the national REDD+ strategy, safeguards will be ensured through coordinated efforts between Federal and sub-national level institutions. At the Federal level, the operation of participatory and consultative mechanisms will be implemented alongside social and environmental safeguards. At the sub-national level, the Programme will comply with national participatory and consultation procedures, and social and environmental safeguards. Information on the implementation of safeguards during the Programme period will be collected and reported through the appropriate channels. A safeguard information system (SIS) will be put in place to collect and provide information on how REDD+ safeguards are being addressed and respected in the course of implementation. Dedicated staff within the MEFCC's existing institutional structure, the REDD+ Secretariat, will be deployed to assess and report safeguard and risk factors.

#### **5.1.5      Mid-term and final evaluations**

Halfway through the Programme and during its final three months, the MEFCC/MoFEC will organise external mid-term/final evaluations as required. The reviews will among other summarise the results achieved (objectives, outcomes, outputs), lessons learned, problems encountered and areas where results may not have been achieved. The final evaluation will assess results against the baseline and recommend any steps required to ensure the sustainability and replicability of the Programme's results. The purpose and scope of the mid-term and final evaluation will be detailed in the legal agreement between MFA and MoFEC.

#### **5.1.6      Joint monitoring missions**

The Programme oversight body and the CRGE Facility will organise annual joint monitoring missions that will provide an opportunity to engage Programme stakeholders, including those that do not have a direct role in implementation.



## 5.2 M&E PLAN

M&E is a crucial part of the Programme design which will assist with improving the performance and results over time. Enabling better management and oversight the process improves both current and future management of impact, outcomes and outputs. According to the current programme set up, a list of indicators is set for each of the four main pillars (See section 8) and these will be measured according to their implementation plan. The progress of the individual indicators will give a good sense of the progress of the Programme towards reaching its desired result.

**Afforestation and Regeneration:** The proposed Programme design builds off the existing ISNFSD programme which has a staff component, based at the woreda level, who are implementing the projects with support from the Federal level coordination office. This system would be adapted to include the FSTU structure which will also have a link to the Regional states. All staff would have some basic form of ongoing reporting activity as part of their job descriptions which would be forwarded to the FSTU. The FSTU would send staff from either the Regional or Federal level to do regular site checks to verify and cross check the information provided from the ground staff. The challenge of this approach will be the dispersed nature of the selected woreda sites, which means significant travel will be involved for the team of staff verifying the progress. Heavy project staff only remain in a Woreda for two years, which means that once a project area work has completed the establishment phase ongoing M&E will revert to light touch from the FSTU central team. The onus will shift primarily to the adjoining community who will begin to manage the forest resource on an ongoing basis. This means that during the projects roll out, sufficient training and capacity development will need to take place for local community members.

**Deforestation and Degradation:** The proposed approach for D/D is centred on the establishment of large tracts of forest area for protection through PFMs. Unlike A/R, D/D has minimal physical alterations to the landscape but is more focused on setting up a conducive environment for sustainable forest usage and management. The initial set up phase can be monitored through the attainment of important milestones in establishment of a viable PFM. Long term M&E, however, would need to shift to focus on the outputs and outcomes for improved forest management. Including the community early in the M&E process will be critical to successful long term management. Which is why during the projects roll out, significant emphasis is placed on training and capacity development for local community members.

**Forest Sector Transformation Unit:** The FSTU is proposed to be the central coordination body for the entire programme and so will need to be measured through the results of the other programme pillars. The FSTU will have basic operational KPIs to meet as a part of its reporting both within GoE and to the GoN.

**Innovative Partnerships:** Are to be run as independent pilots on a small scale, which will be carefully monitored and evaluated to assess their scalability. The pilots will be managed by a dedicated group of staff out of the FSTU with a few regional and woreda level project staff, however, due to the short term nature of the pilots limited community

involvement is required initially. Only if the pilot scales into a large project will more staff be required and, depending on the type of project, the community might need to become involved in M&E.

The World Bank is currently investing in a programme to assist in the development of an MRV framework, through the REDD+ Secretariat, which will establish a standardised format and framework for measuring and evaluating carbon sequestration and abatement. The NICFI funding does not currently extend to include any MRV as it is assumed that this will be sustained and managed by MEFCC through the REDD+ programme. If there is a need for additional NICFI support to fund any portion of the MRV establishment, it will be decided as separate to the initial programme proposal and would only be undertaken if a clearly sustainable model was being developed which would not require ongoing donor support. For more detail on MRV see Annex IV & Annex V.

### **5.3 KNOWLEDGE MANAGEMENT: NATIONAL CLIMATE RESILIENCE AND MITIGATION AGENDA**

The Programme will generate knowledge that will contribute significantly to reducing forest-based emissions and improving natural resource-based livelihood in Ethiopia and, more broadly, in the Horn of Africa region and other areas of the world that are struggling to conserve their forest resources. The knowledge will be enriched by the lessons learned from the situations of Ethiopia's regional states in which the REDD+ Programme will be implemented. While they share some common characteristics, the landscape, economic conditions, and institutional and social factors all differ significantly, and will produce essential learning in, e.g.:

- The role of ecosystems and biodiversity in climate change mitigation and adaptation;
- The success factors to achieve the type of integrated planning essential to implementing environment management successfully and improving rural livelihoods in response to climate change and mitigating GHG emissions;
- The implementation of MRV systems that can be applied to other initiatives;
- The most effective ways to involve rural communities to optimise the use of natural resources and reduce the impact of climate change.

The Programme measures will be implemented through partnerships between the GoE, communities and the private sector. They will create or strengthen institutions, community-based organisations, small business enterprises, youth and women groups, etc. Best practices in one region can be adapted to others.

Action research will be integrated throughout the Programme, with the full engagement of communities and research and development partners, enabling their recommendations to improve future approaches. The implementing Ministries (MEFCC,

MoANR and MoLF) engage regularly with academic/research institutions, and these institutional links will be reinforced during implementation. In this regard, relevant development-oriented research will be conducted to identify means to create or strengthen knowledge, collective learning processes and institutions. All knowledge management and codification of lessons learnt should be the responsibility of the CRGE facility. This will ensure that all future programmes run with the Carbon emissions and reduction purpose will be able to draw on the lessons learnt. Furthermore, since the CRGE is across multiple Ministries it will have the greatest reach and relevance.

## **5.4 INVOLVING BENEFICIARIES IN MONITORING AND EVALUATION**

The engagement of beneficiaries identified during the planning stage will continue to be relevant in the M&E stages, because they have the best ideas as to how the results could continue to remain relevant to them. Beneficiaries should, therefore, be involved in identifying the information or feedback required for M&E. They are also best placed to ensure that the planned initiatives deliver what is intended and in the right way. Beneficiary participation in M&E can help to communicate other objectives by, e.g., communicating ‘early wins’ to increase support and engage those not yet engaged, ensuring access to early products and services for the intended beneficiaries, mobilising additional resources to fill resource gaps and, ensuring the effective use of lessons learned in future decision-making. Beneficiary participation throughout the programming cycle ensures ownership, learning and sustainable results.

Local farmers and herders in the target areas will be part of M&E, planning and implementation. Outputs and outcomes are not just about changing the vegetation – they are also about the impact that will be achieved in changing attitudes and incomes. As such, community members in the target areas will be engaged in monitoring and evaluating the Programme’s progress, achievements and impact. Beneficiaries will engage in project planning, implementation and monitoring and will be encouraged to take part, e.g., in participatory forest management, where communities assess forest resources themselves with little expert support. Information will be generated on a regular basis, e.g., on household-level impact, with the active involvement of beneficiaries. In addition, a self-monitoring mechanism can be developed and included in bylaws, e.g., in relation to forest management.

## **5.5 MONITORING ORGANISATIONAL CAPACITY BUILDING AND CHANGE OVER THE LIFE OF THE PROGRAMME**

Organisational capacity-building aims to strengthen capacity at all levels – federal, regional, woreda and community – to develop human and infrastructure capacity and enhance sustainability across all outputs. It relies on strengthening institutions, processes and systems, and boosting the capacity of human, institutional and regulatory systems for sustainable forest management.

Capacity-building will be monitored based on available capacity at the start of the Programme. A capacity needs assessment (the ability to plan, coordinate, implement and monitor the Programme) will be conducted at the beginning of implementation as a basis for capacity development activities. The development of these capacities throughout the Programme will be monitored periodically by involving beneficiaries and stakeholders.

## 5.6 LESSONS LEARNT

The Programme will strengthen knowledge and collective learning in a number of ways. Its measures will be implemented through partnerships between Government institutions (notably Agriculture, Forestry, Land Use and Energy), communities and the private sector. Its results will be disseminated within and beyond the intervention regions through specialised forums, such as working groups and existing information-sharing networks.

The Programme's main implementing partners should identify and participate in scientific, policy-based and/or any other networks that may benefit implementation through lessons learned. They will identify, analyse and share lessons learned that could be beneficial to the design and implementation of similar future programmes and projects. A two-way flow of information will be maintained between this programme and other projects with a similar focus under the Ministries involved.

Indigenous knowledge will be identified, documented and used when appropriate. A user-to-user extension (e.g., between farmers and private investors), stakeholder workshops/training, awareness creation campaigns, group-specific training, and demonstration sites will be used as collective learning processes. Cross-visits (e.g., on watershed management practices, participatory forest management, and woodlot and feedlot management) will also be used to share experiences and enable peer learning. Documentation of lessons learned will be an integral part of implementation and will be circulated among stakeholders and end-users (including at international levels) through appropriate media, including digital and print.

The National REDD+ Learning Network will function as a platform to share the knowledge and experience generated from the Programme's implementation with civil society.

## 6 Principles and strategic considerations

### 6.1 CONDITIONS FOR SUCCESSFUL SCALING UP OF THE PROGRAMME RESULTS

This national REDD+ investment Programme will take a gradual approach to expanding the conservation of forest areas and the restoration of degraded land, building on successes and allowing the programme to gather momentum. Lessons learned during implementation will be documented and best practices captured. A knowledge exchange forum, e.g., website, knowledge platform or learning network, will facilitate the flow of information between regions and Woredas, and potentially to the public.

Regular field exchange visits between and within regions will accelerate the learning process and standardise knowledge. The regions and target groups will benefit from the exchange of local best practices between the implementation sites through needed, targeted, short-term secondments and transfers of experienced staff. Ongoing training for target groups will provide valuable inputs for expansion, while building capacity at all levels will be essential for sustainability.

### 6.2 PROPOSED PROGRAMME ACTIVITIES TO CONTRIBUTE TOWARDS POVERTY REDUCTION

The Programme takes a holistic, cross-sector approach to reduce deforestation and forest degradation, enhance carbon stock, reduce poverty and improve livelihoods in target households. The beneficiary selection process will ensure that disadvantaged and vulnerable groups, such as women, youth and those who depend on the extraction of timber products, are included.

The Programme aims to improve the livelihoods of over 185,000 rural households by, e.g., enhancing the value addition of forest products, improving access to markets, introducing sustainable land management practices, and creating off-farm skills. The interventions, including creating temporary and permanent employment, developing marketable skills and improving production and productivity by introducing and deepening the penetration of better practices and technologies, will reduce poverty in the short, medium and long terms.

The Programme is also expected to generate health benefits and reduce living expenses, particularly for women and girls, by introducing fuel-efficient options for cooking and solar technologies for lighting.

### 6.3 EXPECTED IMPACT TOWARDS GENDER EQUALITY AND EQUITY

Policies and programmes that ignore the different impact on men and women are often gender blind and potentially harmful for human development. The Programme's activities, enabling environments and investment will therefore be framed with sensitivity towards its impact on gender equality. This will ensure that support for women's and men's contributions is equal and explicit, not just assumed.

The Programme will identify equality gaps by using gender based disaggregated data, developing strategies and policies to close those gaps, dedicating resources and expertise to implement equality strategies and monitoring their results. Men and women have different access to and control over environmental resources, goods and services. The Programme will ensure the benefits are shared equally and strengthen the process for redressing grievances as part of its citizen engagement. It aims to listen to all stakeholders while seeking their consensus on Programme-related activities. To this end the Programme commits to ensuring approximately 40% of all beneficiaries are women.

Gender sensitivity will extend to all facets of the programmes design including the livelihood components of the Programme. Using a landscape approach issues such as household energy supply and demand management, income-generating activities from NTFP, forest land tenure and the establishment of PFM structures will all be planned and designed to be pro gender equality. The Programme will ensure that women are involved in the benefit-sharing design process, safeguard implementation, community participation and citizen engagement. Gender-based M&E indicators will inform the Programme's progress towards achieving its targets and will allow a timely adjustment to any underperforming programme practices.

Gender in sustainable forest management is an integral part of development thinking and policymaking. The PFM must address equity and gender sensitivity by involving women, resource-poor farmers and the landless. These groups should be involved at all stages of the PFM's planning, implementation, and M&E. The PFM's livelihood support initiatives will ensure that female forest-dependent households, marginalised members and female-headed households are well represented, and participate in and benefit from business development support. Participation increases self-esteem and social cohesiveness; participation backed by decision-making leads to empowerment.

Women's participation in a PFM could be constrained by a number of factors. Women seldom know about the provisions, roles and responsibilities of PFM programmes. The lack of clarity about the PFM's applicability and benefits often lead to a lack of interest. Forest department staff generally consider the involvement of women to be a mere formality, and rarely seek to understand their point of view or active participation. Inadequate training and orientation of the lower-level FD staff have left them ill prepared to facilitate women's participation. Women, especially those in lower income groups or who head households, find it difficult to attend PFM meetings because they must take time out from work – and therefore lose income – or have domestic and other responsibilities that clash with meeting times. Social mores are another big barrier to



women's participation. In many communities, women are not allowed to sit on the same platform as men and cannot speak in front of them. The women from elite households who do venture to participate in PFM discussions do not typically represent the interests of women from poor households.

The programme will improve women's participation in PFM by:

- Involving women from the very beginning of PFM programmes, and maintaining a constant and sustained dialogue;
- Increasing awareness among women of their rights to participate and of the benefits of doing so;
- Increasing the representation of women in CBOs (by at least 30 per cent) and other meetings to ensure their concerns are taken into account at all levels, and ensuring women participate in CBO executive bodies and managing committees;
- Arranging separate meetings for women in consolation programmes to get their views;
- Forming all-women groups to allow women to voice their opinions;
- Undertaking gender analysis when developing plans to understand women's and men's different uses of and dependencies on forest products;
- Ensuring that approximately 40 per cent of project beneficiaries are women.

The Programme will market and promote improved cook stoves and coordinate with the National Cook Stoves Programme to increase their uptake across the country. These stoves have the indirect benefit of reducing indoor air pollution, improve women and children's health, and reduce the time spent collecting fuel wood. However, the direct benefit of expanding the usage of these stoves is the reduced demand on wood to fuel cooking, therefore reducing the pressure on the forest resources.

Cooking with biomass results in indoor air pollution (IAP), which causes a variety of respiratory illnesses, e.g., chronic obstructive pulmonary disease (COPD), asthma, bronchitis and pneumonia. Cooking and fuel wood collection are time-intensive activities, so technological efficiencies could save time – especially for women, who could direct that time towards activities that improve their and their families' welfare, such as generating income, education (especially for school-aged girls) and leisure. This would empower women within households and communities.

To complement the directly reduced need for wood harvesting, the Programme will also improve access to wood fuel by expanding community woodlots, subsidising community investments and opening up Government land, e.g., through joint forest management.

The Programme will make a conscious effort to engage women in all activities and increase the number of women beneficiaries. This is especially important as women tend to be the primary users of wood for cooking in the household and so it will have the largest impact both on their lives and on the reducing their demand.

## 6.4 FOSTERING GREATER PARTNERSHIP BETWEEN CLIMATE ACTORS IN ETHIOPIA, AND/OR BETWEEN INTERNATIONAL COUNTERPARTS

This proposed programme is a strategic, multi-sector programme that will require diverse sources of financing and the engagement of various partners, which go beyond the scope of this proposal between GoE and GoN. However, in order to set up the Programme for longer-term success and greater impact, the following principles will need to be adhered to:

- Inter-sectoral coordination should be done through MoFEC (the CRGE Facility), who is able to operate across sectors and Ministries to ensure no overlaps and maximum collaboration and complementarity of programmes
- The Federal REDD+ Steering Committee will help coordinate this program with other REDD+ initiatives such as OFLP and other future REDD+ Projects.
- A multi-partner platform will be created for all stakeholders interested in climate related activities in Ethiopia;
- The Programme will provide a mechanism for raising funds, through the CRGE Facility, to better coordinate programmes and channel and oversee their implementation;
- The Programme's institutional structure will be based on existing federal and state Government structures;
- Clear institutional roles, responsibilities and procedures will be established for key Government implementing partners based on existing institutional mandates;
- Programme initiatives and related projects and activities will be planned and implemented through multi-sector coordination;
- Coordinating and leveraging existing initiatives, which are not currently financed by the programme.
- A Programme Steering Committee, coordination unit and the CRGE facility will oversee joint work planning, budget formulation, reporting to project partners and forest-related policy development/harmonisation; these will be cascaded through all tiers of Government.

### 6.4.1 Stakeholders' roles and responsibilities

- The **Ministry of Finance and Economic Cooperation** (MoFEC) will be accountable for the overall financial management of REDD+ investment, including special accounts and the disbursement of cash transfers to implementing partners (based on the disbursement plan approved by the MoFEC).
- The **Ministry of Environment, Forest and Climate Change** (MEFCC) will oversee the management and coordination of program activities and provide

technical support to the implementing partners to improve planning and implementation. It will also be responsible for establishing appropriate management and coordination arrangements (e.g., platforms/REDD+ institutions) at different levels, taking the lead in developing policy direction, and coordinating and creating links between implementing partners. The implementing partners are structured at different levels (national, regional and district) and comprise Government institutions, non-governmental organisations (civil society), the private sector and the public.

- At the national level, the other **important Government Ministries and groups** include the Ministry of Agriculture and Natural Resources (MoANR), the Ministry of Water, Irrigation and Electricity (MoWIE), the Ministry of Livestock and Fisheries (MoLF), the National Planning Commission and the Prime Minister's Office. These entities are all responsible for the implementation of REDD+ activities in collaboration with the respective regional bureaus, non-governmental organisations and the private sector. Operationalised political awareness and buy-in at the highest level of government in all relevant sectors is crucial for the success of the Programme.

#### 6.4.2 Private sector engagement

The private sector is a key stakeholder and implementation partner. Consistent with the national REDD+ strategy, the private sector will be engaged within the framework of public-private partnerships (PPPs). The private sector will also be involved in capacity-building, knowledge generation, and forest-based businesses.

To date there is very limited private sector involvement in the forestry sector in Ethiopia. The CRGE facility has plans to develop a funding window to engage the private sector and other non-government players that will work in specific investment areas that contribute to reducing emissions and developing the overall forestry sector. By supporting better governance and effective law enforcement, the Programme aspires to develop forest ownership and tenure law that is fair, stable and unambiguous, with clear rights and duties (state, common, private). It also aims to enhance the regulatory role of state agencies concerning private and community forest operations, and provide technical and administrative assistance to private forest developers. Lessons learnt from the Programmes innovative partnerships, especially with regards to engagement with the private sector, will be fed back into the CRGE's "funding window" to ensure cross sectoral learning and knowledge transfer.

#### 6.4.3 Community participation

The Programme will follow a demand-driven, bottom-up approach suited to natural resource management and local development in Ethiopia's rural context. This approach – in which communities direct affairs, have a voice in determining priorities and are actively involved in identifying, planning, developing and implementing projects – has

improved development results by increasing beneficiary communities' and local authorities' ownership (see, for example, Sustainable Land Management projects I and II). As per Government guidelines, communities will be engaged through predictable, monitored procedures in PFM, community forestry, SLM, PSNP and ESS. The national REDD+ benefit-sharing mechanism design process, safeguard implementation, community participation and citizen engagement will include efforts to ensure and enhance the equal involvement of female and male beneficiaries.

## 6.5 RESULTS-BASED PROGRAMME DELIVERY

To implement the REDD+ strategy effectively in Ethiopia, an enabling environment will be created at all tiers of Government. Deforestation and forest degradation will be stopped across 660,000 hectares of natural forest<sup>21</sup>, afforestation will be undertaken on ~800,000 hectares<sup>22</sup>, productive, multi-functional landscapes will be created, and community livelihoods will be improved in the Woredas. The Programme will achieve the following results:

- ~8 million tons CO<sub>2</sub> abatement per year by 2020, contributing to the goal of 26 million tons of CO<sub>2</sub> by 2020
- Enhanced capacity of the forest sector to fulfil its mandate at all levels;
- Reduced deforestation and forest degradation in the selected landscapes contributing to reaching national and international emission reduction targets from the forest sector;
- Increased forest coverage that boosts carbon sequestration and other environmental services;
- Enhanced biodiversity conservation and other environmental services of forest resources;
- Sustainable supply of wood and wood products in the selected landscapes;
- Broad-based stakeholder engagement for forest conservation and development, including popular participation;
- Strengthened private sector involvement in forest development and marketing;
- Improved community livelihoods for ~75,000 households

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<sup>21</sup> In addition to ~75,000 Ha under scaled ISNFS programme

<sup>22</sup> Includes ANR and A/R components of ISNFS; excluded PFM under ISNFS

## 6.6 ONGOING SUPPORT, SUSTAINABILITY AND EXIT STRATEGY

The Programme is designed to transform Ethiopia's forestry sector by creating an enabling environment for REDD+ and forest sector development, reducing deforestation and forest degradation through implementing REDD+, and creating multi-functional landscapes to enhance the wellbeing of communities.

Creating an enabling environment for sustainable forest management and empowering communities to take advantage of this will create a stronger sense of ownership by both the Government and communities. Under each of these outcomes, the Programme promotes a collaborative approach to develop local solutions. Participation in training and decision-making will help communities build sustainable capacity, and involving them in critical decisions will increase their commitment to making their own solutions work and taking responsibility beyond the end of the Programme.

By the end of the four-year Programme, selected communities will be able to lay the foundations for sustainable forest management to reduce emissions and improve their livelihoods with limited Government assistance. As the Government is responsible for the REDD+ Programme, the capacity of its administrations to coordinate sustainable forestry and integrated land management activities at all levels be strengthened, enabling the Government to provide technical assistance and services to communities for continued SFM and A/R activities. Furthermore, due to the fact that both A/R and D/D programmes will introduce PFMs, it is hoped that these areas will require minimal external input from the Government or from Donors once they are established as sustainable entities.

The actions proposed originate from the CRGE strategy, NFSDP, REDD+ strategy and GTP II long- and mid-term development strategies/ country plans. This will ensure direct institutional links and coordination with relevant national and regional programmes, such as PSNP, Sustainable Energy, and Household Asset Building. Programme support will focus on developing human capacity and systems at the national, sub-national, local and community levels. Capacity gaps will be identified through regular planning processes and addressed through capacity-building strategies and activities. Progress towards self-sustainability will be monitored and responsibility progressively handed over to stakeholders as their capacity increases.

The Programme will be implemented through the Regional REDD+ implementing bodies in conjunction with woreda-level administration and community organisations to create a sense of ownership at all levels. Technical support will be provided to the intended beneficiaries through the Forest Sector Transformation Unit and demand-led technical assistance team based in the MEFC offices. It is expected that the existing REDD+ extension system will continue to provide participatory and demand-driven services beyond the lifespan of the Programme. The implementing entities will support and strengthen the extension service, providing more opportunities to roll out programme results.

The clear alignment with Ethiopia's strategies and plans combined with the focus on capacity-building will ensure that the targeted Woredas can sustain their efforts and extend their learning to neighbouring areas. This will maximise returns for the REDD+ investments. Financial sustainability will be enhanced by concentrating REDD+ funding on the higher cost capital expenditures required to initiate the transformation process (e.g., PFM and plantation establishment), with annual operating costs falling substantially.

The following specific strategies will ensure the sustainability of the Programme's results:

- The selection of local level/grassroots institutions to help implement the Programme is influenced by their ability to enhance sustainability, either because they have or have influence over decision-making power. Involving local, regional and federal institutions help to ensure the continuity of activities and enhance the sustainability of results.
- The Programme services will be delivered through existing Government and community structures. The Government will continue to provide some technical support (federal, regional and local) after the end of the Programme, although steps will be taken to gradually pass this on to the community-based organisations where practical. This will multiply the Programme's impact during implementation, and build capacity in CSOs and private sector organisations to continue implementation beyond the Programme.
- The Programme will pilot and scale up innovative partnerships that can be extended to large areas and/or become net revenue-generating (e.g., large-scale commercial plantations, eco-tourism, localised payments for ecosystem services). It is expected that these commercially viable forestry options could become self-propagating.
- By the end of its lifecycle, the Programme will have accumulated extensive soft assets (administrative procedures for quality control, monitoring, evaluation, knowledge management and communication) and hard assets (equipment and infrastructure). These will be transferred to the relevant Government institutions at the appropriate level (federal, regional or local) in accordance with Government regulations. Infrastructure installed in the Woredas will be handed over to local administrations or community-based organisations.
- The Programme will put in place a robust and effective knowledge management and communication structure to analyse and disseminate the Programme's goals, actions and results. This recognises that beneficiaries and other stakeholders who understand the Programme's goals and results will be much more willing to take ownership of and participate in on-going activities beyond the Programme's lifecycle.

These and other strategies will be elaborated and incorporated into the Programme implementation manual, structures and systems, to be put in place at the start of implementation.



## 6.7 RISKS AND SAFEGUARDS

### Social and environmental safeguards

The Programme will be executed across about 1.7 million hectares of forest and multifunctional landscapes, and engage local communities and institutions. It will have an enormously positive environmental and social benefit beyond reducing carbon emissions and enhancing carbon removal. It will tackle the country's environmental challenges of deforestation and forest and ecological degradation through multi-faceted interventions to reduce deforestation and degradation, restore the ecology and enhance communities' livelihoods and resilience. It will contribute to a range of policy goals, including building a climate-resilient green economy, biodiversity conservation, provision of ecosystem services, improved livelihoods and poverty reduction, and enhanced forest governance (establishment of an appropriate policy environment, legal frameworks, institutional arrangements and capacity-building). By addressing the drivers of deforestation and forest degradation on the ground, the Programme will provide win-win outcomes in terms of forest conservation and socio-economic progress for the communities concerned.

Still, the Programme has a wide array of potential risks to consider and ensure suitable safeguards are in place to pre-empt any negative fallout. Some of the risks are site specific while others are more, broad, programmatic risks, which will require different approaches to dealing with. Its implementation will strictly observe the REDD+ safeguard instruments, including the World Bank's relevant operational policies and UNFCCC safeguard guidelines that are compatible with the CRGE Facility's safeguard tool. The national REDD+ safeguard instruments include the Strategic Environmental and Social Assessment (SESA), Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF) and Process Framework (PF).<sup>23</sup> The REDD+ safeguard instruments for Ethiopia are finalized and publically available on the REDD+ Ethiopia web blog and MOFEC and MEFCC websites.

Exhibit 15 below refers to the 19 identified risks, for more detail see section 9. However, the five most important cross-cutting issues which have been identified to safeguard against are as follow:

- **Climate and environment.** The GoE is fully committed to conducting sound environmental and social impact management. It has enacted Proclamation 299/2002 (Environmental Impact Assessment Proclamation) and established dedicated institutions (e.g., MEFCC) as a clear illustration of its commitment. The CRGE Facility has an environmental and social safeguard framework, the Environmental and Social Safeguards Framework (ESSF), that complies with international standards (e.g., the World Bank). The Programme's environmental

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<sup>23</sup> Those prepared for the Oromia Forested Landscape (REDD+) Programme are available at <https://reddplusethiopia.wordpress.com/safeguards/>.

and social impact assessment and management have benefited from the Oromia REDD+ programme experience. In addition, an Environmental, Social Impact Assessment (ESIA) should be undertaken for each project which is identified as highly sensitive to further understand and avoid any potential negative environmental and/or social impacts from the Programme

- **Women's rights** need to be both a central part of the Programme design and to have the support of the implementing agents on the ground to ensure that it is properly incorporated into the actual roll out. Apart from the obvious benefits from an equality perspective (as addressed in Section 5.3) including women's voices and ensuring their interests is heard will be important to the sustainability of the programme as they are important users of forest resources. As part of the field staff, especially those involved in community engagement should have female staff represented, who are qualified to engage with the women from the community. Furthermore, through both incentivising participation through preferential loans and business support through to prescribing a certain percentage of women as a part of community groups will go some way towards sensitising the Programme on issues of gender equality
- **Human rights** needs to be closely monitored, and adequate safeguards included in programme design to ensure that all the stakeholders and participants in the programme come away better off than before the programme started. This includes households negatively affected by either D/D or A/R activities who should have suitable livelihood restoration activities and compensation. Conducting ESIA's on affected communities will give a better sense of the effect on social rights and livelihoods for affected households. Furthermore, establishing a clear Grievance Redress Mechanism will help identify and address any rights infringements.
- **Anti-corruption** measures will be built into the programme to avoid any rent seeking behaviour and ensure the programme is allowed to reach its full potential. All financial transactions should comply with the agreed frameworks and will be audited on a regular basis. The Programme should ensure that only qualified personnel is hired who abide by a strict code of ethics. Routine physical check-ups on progress and the status of equipment. Any mismanagement should have a clearly defined line of disciplinary action taken against responsible parties. Setting up a whistle-blower hotline for employees or members of the public to anonymously report mismanagement or corruption can act as a deterrent.
- **Implementing partners** will be used to assist in the successful rollout of the Programme and so it will be crucial to ensure they uphold their professional responsibility and deliver according to the Programme's design. The contracts should be robust and should set out a clear grievance review and resolution mechanism and exit clauses to manage any underperformance. Regular reporting and audits will ensure compliance on any agreements.

## EXHIBIT 15: IDENTIFIED PROGRAMME RISK MATRIX

### RISKS

The risk framework has been updated to include additional risks; highest risks are implementation capacity, land availability and legislation/ enforcement

### Risks

- 1 Political and governance: Delay and failure in enacting of forest and REDD+ legislation, regulations, guidelines and directives
- 2 Political and governance: Failure of the law enforcement in newly planted and protected forests reversing investments made
- 3 Macroeconomic: Inflation induced living cost that increases labour cost and opportunity cost of free labour
- 4 Lack of harmony on strategies and policies of sectors for coordination
- 5 Deficiencies in technical design of programmes that lead to failure in achieving impact
- 6 Insufficiency in institutional capacity for implementation of the programme
- 7 Corruption/ Fiduciary
- 8 Negative and unintended environment and social impact
- 9 Low stakeholder support
- 10 Inability to attract additional funding
- 11 Land unavailability due to competing needs for land
- 12 Natural disaster (Drought impact)
- 13 Unsustainability of the results from interventions
- 14 Gender inequality
- 15 Public unrest
- 16 Low carbon price and insecure market
- 17 Failure in selection of appropriate innovative models to pilot
- 18 Displacement of livelihoods as a result of A/R and DD operations
- 19 Lack of political and operational leadership

DETAILED RISK MATRIX AND MITIGATION PLANS  
WILL BE IN VERTICAL DOCUMENT



Overall Rating: Low to Moderate

Source: Interviews with MEFC, Governance Group and Government of Norway comments on the REDD+ Investment Plan, OFLP risk assessment



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## 7 Budget and support needs

### 7.1 TOTAL COST OF THE PROGRAMME USD 80 MILLION / NOK ~680 MILLION<sup>24</sup>

The budgets for all four of the programme activities are based on existing programmes or benchmarks taken from related programmes (for a more detailed view of all assumptions, see Annex III).

- The Forest Sector Transformation Unit budget was developed through consultations with experts, who have developed delivery unit structures before, and based on a set of assumptions from the best fit scenario
- The A/R budget was adapted directly from the existing ISNFSDP programme, with a correction factor, using actual cost vs budgeted cost. Furthermore, the budget was complemented with information from the original proposal budget and verified in consultation with MEFC staff
- The D/D budget was created using the design of the NTFP/PFM Research and Development Programme, run by Ethio Wetlands and Natural Resource Association (EWNRA), currently implemented in the SWFB. Costs estimates were collected from the existing ISNFSDP Programme and the original REDD+ proposal
- The Innovative partnerships piloting and scale up design and cost estimates were taken from existing case studies of successfully implemented projects. (e.g., Bale Mountain Lodge)
- An assumed inflation rate of 6% was applied to most costs year over year. In some cases (e.g. purchases of materials), this rate was not applied and it was assumed that savings from purchases in bulk would outweigh inflation over time
- An additional factor was included for ongoing technical assistance and contingency of 10-15% given the options to expand the Programme and scale-up innovations that are as yet unknown

Exhibit 16 gives a breakdown of the total Programme costs allocations which are largely cut along the same lines as the activities with the exception that FSTU and the innovative partnerships are placed together and a fourth bucket which includes a contingency element. Within the contingency there is budget allocated for the hiring of a demand-led technical assistance team. The current budget of USD 80 million is based on the high case expectations for the Programme and does not include the MRV cost as these are currently funded through the World Bank. In the event that the

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<sup>24</sup> Using an exchange rate of NOK 8.5 to USD 1

MRV cost needs to be included once the World Bank funding ends in 2018, the budget could be raised from the contingency.

## EXHIBIT 16: TOTAL PROGRAMME COSTS ACROSS ALL PROGRAMME ELEMENTS

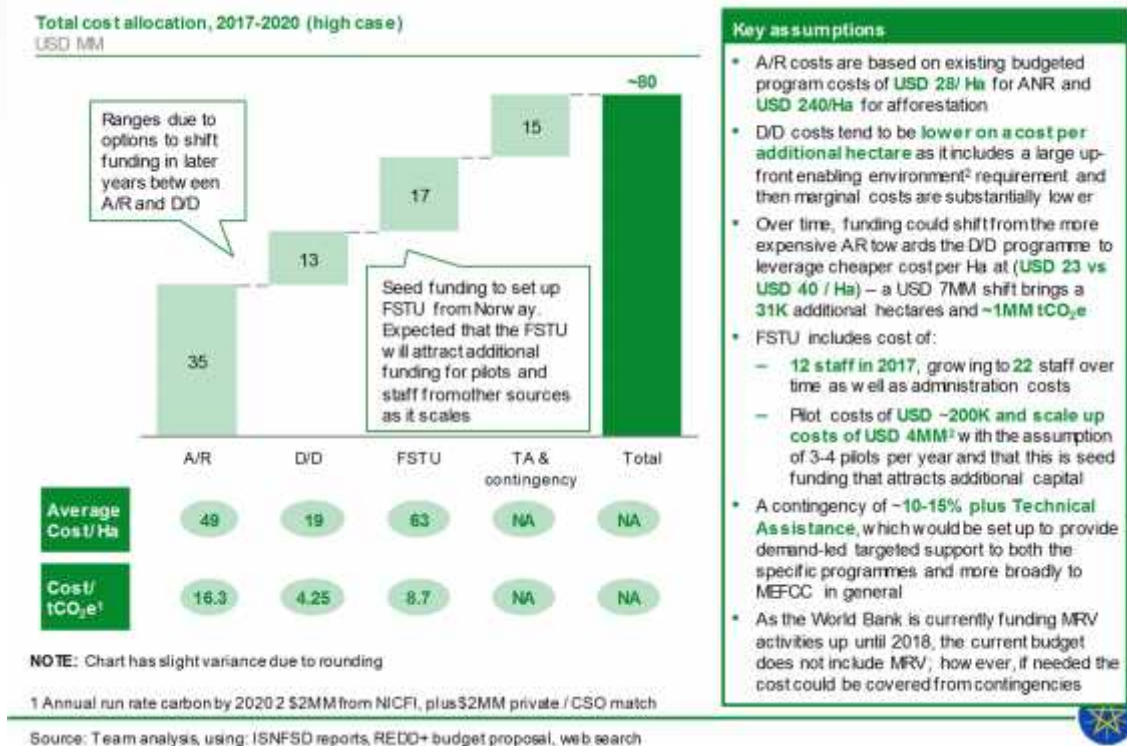


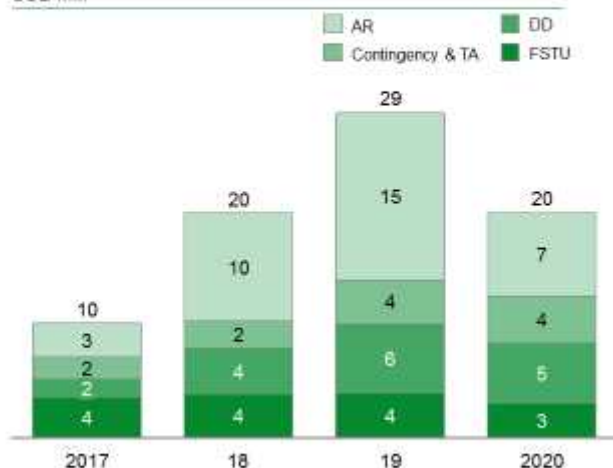
Exhibit 17 illustrates the escalation in costs over the 4 years of the Programme. The primary reason for this is that 2017 is primarily focused on the ramp up of activities, especially with the FSTU and A/R. The final year (2020) the costs begin to taper off as no new pilots are undertaken and no new Woredas are selected to build capability and capacity for A/R activities.



## EXHIBIT 17: PROGRAMME COSTS 2017 - 2020

Total programme cost of USD 80MM includes ~USD 21-29MM for A/R, ~USD 16-24MM for D/D, ~USD 17MM for FSTU and ~USD 17MM for TA & contingency (2/2)

Total cost allocation by year  
USD MM



### Notes

- Refer to previous page for assumptions
- In 2020, A/R budget drops over 2019 as assumed that **no preparation for new woredas for 2021** so only maintaining of existing woredas planted
- FSTU budget grows over time primarily due to more project pilots (assumed to reach about **USD 4 MM** of project scale-up funding by 2020. The number of staff funded remains constant after 2019 as assumed that **other donors and partners will fund additional staff needed**

Source: Team analysis, using: ISNFSO reports, REDD+ budget proposal, web search

NOTE: The budget is expected to change depending on the effectiveness of the programmes. The allocation of funds may be shifted to incorporate more D/D, depending on success of SWFB programme and / or more public-private and civil society partnerships, depending on success of pilots. In addition, USD value of funding may fluctuate with exchange rate, as funding is denominated in NOK. See Exhibit 18 and 19 for a full review of the budget, with more detailed breakdown of the budget appearing in Section 9.

## 7.2 SIMILAR INITIATIVES THAT THIS PROGRAMME WOULD COMPLEMENT

The on-going REDD+ and land use management-related projects in Ethiopia were identified during the design of the Oromia Forested Landscape Programme, and those relevant for support in this Programme are provided in Annex V and VI. The Programme will create coordination and planning platforms when launched to integrate the activities of these initiatives and create synergy.



### 7.3 SUMMARY BUDGET BREAKDOWN

Activity	Sub activity	2017	2018	2019	2020
<b>AFFORESTATION / REFORESTATION</b>					
1	Plan and funding approval	-	-	-	-
2	Identify Woredas	8,000	8,000	5,000	5,000
3	Feasibility and baseline study	50,000	50,000	50,000	-
4	Prepare technical field manuals	-	-	-	-
5	Programme launch	6,000	6,000	6,000	6,000
6	Hiring staff	318,580	316,465	335,423	-
7	Ongoing staff support	-	717,930	1,613,017	2,398,579
8	Form steering committee	-	-	-	-
9	Capacity development	8,850	8,100	8,100	-
10	Reinforce existing or establish new nurseries	824,400	974,034	2,837,539	-
11	Ongoing nursery support - Continue support for 1 year	-	2,149,362	779,418	826,183
12	Engage and mobilise community	512,476	526,571	942,911	706,113
13	Ground activities (Regeneration)	1,284,336	2,364,724	5,711,679	3,220,473
14	Ground activities (Tree planting)	-	2,549,750	2,693,735	199,798
15	National staff support	-	-	50,000	53,000
<b>Total Budget A/R</b>		<b>3,012,642</b>	<b>9,670,935</b>	<b>15,032,823</b>	<b>7,415,146</b>
<b>PREVENTION OF DEFORESTATION / DEGRADATION</b>					
1	SNNPR - Create implementation capacity	-	-	-	-
1.1	Modify and validate design (SNNPR)	20,145	8,000	8,000	8,000
1.2	Build implementation capacity for SWFB	277,960	64,618	68,495	72,604
2	Gambela - Create REDD+ institutions	-	-	-	-
2.1	Establish REDD+ CU in Gambela	291,420	148,290	156,708	165,630
2.2	Prepare regional REDD+ programme	112,400	8,000	8,000	8,000
2.3	Build implementation capacity	276,960	64,618	68,495	72,604
3	Oromia Region PFM	151,960	134,735	142,489	150,709
4	Other Region	-	-	292,495	80,604
5	On ground D/D activities (PFM)	-	-	-	-

5.1	Create awareness and identify sites	272,515	690,873	1,187,134	1,733,514
5.2	Negotiate boundary and demarcate	20,655	34,425	48,195	48,195
5.3	Facilitate forest management planning	18,225	30,375	42,525	42,525
5.4	Organize FMI and internal regulations	33,155	55,275	77,345	77,345
5.5	Formalise FMI and create awareness	44,145	73,575	103,005	103,005
5.6	Implement PFM and develop enterprise	186,420	319,230	426,450	425,810
5.7	Monitor, evaluate and problem solve	8,235	13,770	19,170	19,170
6	On ground D/D activities (CSA)	-	-	-	-
6.1	Increase productivity of crop land	111,200	186,000	258,800	258,800
6.2	Improve livestock production system	111,200	186,000	258,800	258,800
7	Support a sustainable energy programme	94,922	158,203	221,484	221,484
8	National secretariat and Regional REDD+ CU funding	-	227,500	482,300	511,238
<b>Total D/D Budget</b>		<b>2,031,517</b>	<b>2,403,487</b>	<b>3,869,890</b>	<b>4,258,038</b>
<b>FOREST SECTOR TRANSFORMATION UNIT AND PUBLIC-PRIVATE AND CIVIL SOCIETY PARTNERSHIPS</b>					
1	Engage the Prime Minister's office	-	-	-	-
2	Actively assist in the establishment of the unit	-	-	-	-
3	Hire a Director	29,760	-	-	-
4	Hire a Deputy Director	49,000	-	-	-
5	Define deliverables due for each stage gate in the IA development journey	5,000	-	-	-
6	Build alignment across donors to gather support	10,000	5,000	5,000	5,000
7	Hire positions or ongoing staff costs	360,000	1,151,180	1,258,431	1,315,937
8	Run cost-benefit analysis to select 2-3 innovative pilots for late 2017/ 2018	-	-	-	-
9	Plan / prepare for 3 innovative pilots for late 2017/ 2018 <i>(3 of the 5 below, to be selected based on cost-benefit analysis)</i>	64,988	64,988	64,988	-
10	Develop meeting cadence / rhythm	-	-	-	-
11	Launch 3 innovative pilots (3 of the 5 below, to be selected based on cost-benefit analysis)	679,700	720,482	763,711	-
12	Build roadmap for Ethiopia to reach overall forestry sector goals	10,000	-	-	-
13	Support implementation capacity building in priority regions	10,000	-	-	-

14	Hire additional selected staff as needed	-	-	-	-
15	Project scaling	-	2,000,000	4,000,000	4,000,000
16	Procure Technical Assistance	50,000	50,000	50,000	50,000
17	Strengthen the Institutional Capacity of the CRGE Facility and enhance its sub-national engagement	85,250	85,250	85,250	85,250
<b>Total FSTU AND PPP Budget</b>		<b>1,353,698</b>	<b>4,076,900</b>	<b>6,227,379</b>	<b>5,456,187</b>
	Contingency and Technical Assistance	3,988,034	3,999,134	4,015,611	3,055,525
<b>TOTAL BUDGET</b>		<b>10,285,890</b>	<b>20,150,455</b>	<b>29,145,703</b>	<b>20,184,896</b>

## 8 Theory of Change and Results/Logical Framework

### 8.1 THEORY OF CHANGE

Achieving an 8% GDP contribution and 26 MM tCO<sub>2</sub>e sequestered or emissions reduced by 2020 will require a rapid transformation of Ethiopia's forestry sector. This will be on a scale previously unseen in the country and will require entrance of new forestry models in partnership with other players in order to be scalable and cost-effective.

Therefore, to contribute to this transformation, the perspective of this Investment Plan is to ensure that multiple components are built, across all forestry levers (A/R, ANR, and forest protection), across both "grassroots", community-level capacity and top-level system capacity, and across scaling existing models as well as driving for new innovative models. The four components of the program therefore support all these dimensions:

***"Grass-roots" forestry efforts that show value from the forest to the community and encourage community stewardship of forest resources*** to encourage A/R and ANR, reduce deforestation, and generate economic productivity from the forest. This therefore contributes both to GDP and to the carbon emissions reduction goals. This will be achieved through **a large-scale community-based forestry program** that includes both A/R, ANR, and PFM activities. Given the intensity of this program at the woreda-level (requiring woreda-level agreements and staff and intense work in the community to ensure seedling survival rate and build livelihoods) and the time frame, a target of 54 woredas participating in this program has been set, including many of those near deforestation hotspots. This is a scale-up of the existing ISNFSDP program (which delivered 9 woredas of similar activities last year) and the recommended woreda target and activities is based on the existing program and improvements, as described in Section 4.2.1.

***Protection of large tracts of existing carbon-rich forests***, which will significantly contribute to carbon emissions reductions. This will be achieved through a **large-scale forest protection program**, targeting the moist afro-montane Southwest Forest Block and then targeted PFM efforts to supplement the community-based PFM efforts mentioned above to protect deforestation hotspots in other carbon-rich forests. This will drive majority of the carbon impact due to the benefit of preserving carbon already sequestered within existing forest.

***Building system capacity to support these models and to generate others*** that will allow scalable and cost-effective forestry transformation. It is clear that execution on this scale will require new implementation capacity and innovation capacity within

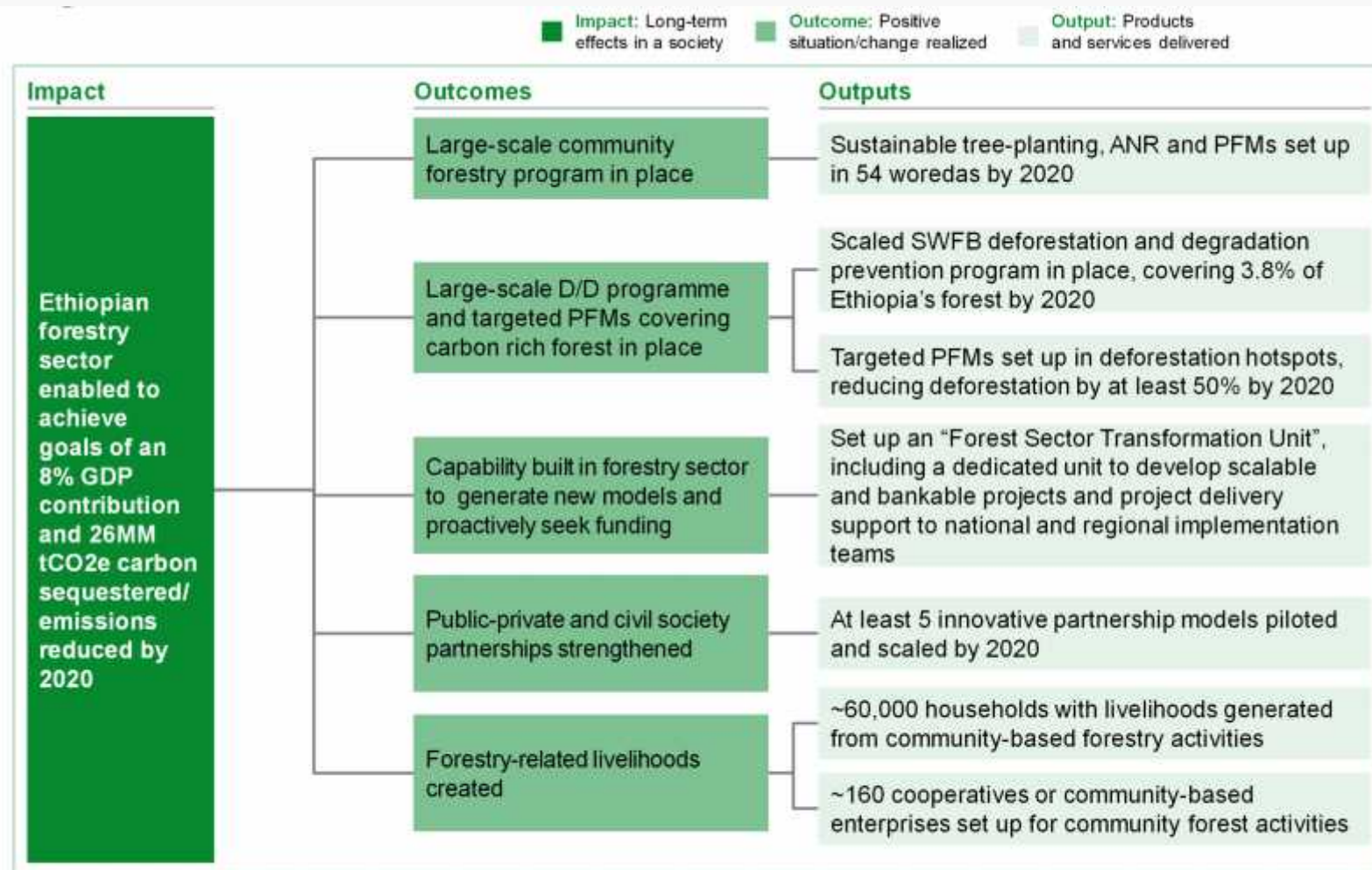
government structures, particularly as MEFCC is a new ministry. This will be achieved through the **Forest Sector Transformation Unit**.

***Securing private-public and civil society partnerships to pilot and scale models*** to address A/R, ANR, and forest protection in achievement of the NFSDP goals. This will be critical to support achievement of REDD+ and NFSDP goals in a cost-effective and sustainable way.

These four pillars interact to build system capacity to transform the forest sector and also deliver against carbon impact and GDP impact.

The exhibits below show the overall logical framework of the Programme, as well as the Impact- and Outcome-Level indicators. Detailed output-level indicators are provided in Annex VIII. This is consistent with the Theory of Change described above, although the livelihood impact from community-based forestry and forest protection programs are shown as a separate outcome.

## 8.2 LOG FRAME





## Logframe: impact and outcome indicators

Impact Outcome

	Indicator	Baseline	2017 goal	2018 goal	2019 goal	2020 goal
Ethiopian forestry sector enabled to achieve goals of an 8% GDP contribution and 26MM tCO <sub>2</sub> e carbon sequestered/ emissions reduced by 2020	• % forest sector GDP contribution from REDD+ Investment Plan	0	0	0.3	0.5	0.6
	• Forest sector GDP contribution from REDD+ Investment Plan, USD Millions	0	~38	~226	~442	~664
	• MM t CO <sub>2</sub> e annual carbon sequestration (under NICFI programme)	0	~0.6	~2.3	~5.0	~8.0
1 Large-scale community forestry program in place	• # of Woredas where a sustainable community-based forestry programme has been established	0	9-18	18	36	54
2 Large-scale forest protection programme and targeted PFM covering carbon rich forest in place	• % of Ethiopia's high forest covered by PFM (under NICFI programme)	0	0.5%	1.4%	2.6%	3.8%
	• % reduction in deforestation in areas covered by PFM	N/A	>50%	>50%	>50%	>50%
	• % reduction in degradation in areas covered by PFM (to be added in 2018/19, pending national definition of degradation)	TBD	TBD	TBD	TBD	TBD
3 Capability built in forestry sector to generate new models and proactively seek funding	• Forest Sector Transformation Unit driving Ethiopia's forestry transformation	No	Yes	Yes	Yes	Yes
	• \$ of "match" funding attracted from PPPs / CSO (running total)	-	-	\$ 2MM	\$ 6MM	\$ 10MM
4 Public-private and civil society partnerships strengthened	• # of PPPs / CSO partnerships set up within the forestry sector (per year, under NICFI programme)	N/A	0	1	2	2
	• % of organization involved in PPPs (under NICFI programme) rating their experience as either "very good" or "excellent" <sup>1</sup>	N/A	60%	60%	80%	80%
5 Forestry-related livelihoods created	• # of cooperatives or community-based forestry enterprises created	N/A	25	55	107	159
	• # of households with improved livelihoods from community-based forestry	N/A	~6,820	~19,670	~38,570	~59,630
	• % individuals with improved livelihoods that are women	N/A	>40%	>40%	>40%	>40%

<sup>1</sup> Based on survey, to be designed



## 9 Detailed activities, budget estimates and indicative timelines

The following activities, budget estimates and timelines are preliminary and will be updated during the programme's implementation. It is understood that the budget for a programme at this size and complexity will be subject to adjustments. Budget adjustments will be justified by the pace of implementation for each of the components, as well as experience and lessons learned during the operative work. This can also include change of geographic priorities for both A/R and forest protection activities, any such changes would be expected to be supported by feasibility studies. The need for budget flexibility and approval of such adjustments will be detailed in the legal agreement between MFA and MoFEC.

### 9.1 BUILD FSTU AND PUBLIC-PRIVATE AND CIVIL SOCIETY PARTNERSHIPS

#### 9.1.1 Detailed activities

Activity	Sub-steps	Responsible	Timing
1. Engage the Prime Minister's office, as needed	<ul style="list-style-type: none"><li>■ Develop a set of clear requests and suggested solutions in conjunction with the Prime Minister's Office to facilitate greater coordination between relevant line ministries</li></ul>	GoN	May
2. Actively help to set up the FSTU, including drafting of the letter	<ul style="list-style-type: none"><li>■ Draft a letter for the establishment of the FSTU in conjunction with Dr. Gemedo</li><li>■ Gather consensus through extensive engagement with the various levels of government</li></ul>	GoN MEFCC	May - June
3. Hire a FSTU leader	<ul style="list-style-type: none"><li>■ Draft a job description, roles and responsibilities and contract</li><li>■ Publish a job advert and solicit the help of a placement agency</li></ul>	CRGE, GoN, MEFCC	May onwards



Activity	Sub-steps	Responsible	Timing
	<ul style="list-style-type: none"> <li>■ Shortlist potential candidates</li> <li>■ Conduct interviews</li> <li>■ Finalise candidate posting and sign the contract</li> </ul>		
4. Define deliverables for each stage of the FSTU development journey	<ul style="list-style-type: none"> <li>■ Develop a set of programme management guidelines, targets and deliverables</li> <li>■ Syndicate with the Steering Committee, donors and relevant interested parties</li> <li>■ Adjust and finalise the list of targets, linking payments to KPIs</li> </ul>	FSTU leader, CRGE, GoN	June
5. Build alignment across donors to gather support	<ul style="list-style-type: none"> <li>■ Coordinate existing and potential donor communities in the forestry and environmental space to meet, agree and align on forestry sector goals and targets</li> <li>■ Launch a whistle-blower hotline to report any programme mismanagement (Norwegian hotline (<a href="https://varsling.whistleblownetwork.net/WebPages/Public/FrontPages/Default.aspx">https://varsling.whistleblownetwork.net/WebPages/Public/FrontPages/Default.aspx</a>) could and should be an option)</li> <li>■ Develop a regular meeting to align on the physical foot print of areas covered by forestry programmes to avoid leakage through displacing forest degradation and deforestation to adjoining areas which are not protected.</li> </ul>	GoN	May onwards
6. Hire two or three key members to support the FSTU leader	<ul style="list-style-type: none"> <li>■ Draft a job description, roles and responsibilities and contract</li> <li>■ Publish a job advert and solicit the help of a placement agency</li> <li>■ Shortlist potential candidates</li> <li>■ Conduct interviews</li> <li>■ Finalise candidate posting and sign the contract</li> </ul>	MEFCC HR	July onwards
7. Run cost-benefit analysis	<ul style="list-style-type: none"> <li>■ Assess programmes based on impact, potential scalability</li> </ul>	FSTU leader,	July onwards



Activity	Sub-steps	Responsible	Timing
to select three innovative pilots for late 2017/ 2018	and ROI (drawing on demand-led TA support as needed)	TA team, FSTU staff	
8. Plan/prepare for three innovative pilots in late 2017/ 2018	<ul style="list-style-type: none"> <li>■ Tailor steps based on selected partnerships, e.g., for specialised PES hold bilateral conversations to gauge interests of potential sponsors, develop an incentive package for sponsors and offer/tender; receive and evaluate offers from potential partners</li> </ul>	FSTU leader, TA team, FSTU staff	July-September
9. Develop a meeting cadence/rhythm	<ul style="list-style-type: none"> <li>■ Establish weekly and monthly meeting time slots and schedule in all relevant calendars</li> <li>■ Enforce ongoing, strict control measures to promote regular attendance of all participants</li> </ul>	FSTU leader	May-January
10. Launch three innovative pilots	<ul style="list-style-type: none"> <li>■ Conduct feasibility study in selected Woredas and where necessary, conduct a ESIA</li> <li>■ Select three of the following: <ul style="list-style-type: none"> <li>— Create tourism- and eco-tourism-linked conservation zones (e.g., new national parks)</li> <li>— One Acre Fund</li> <li>— Localise PES Schemes (e.g., hydro project approach)</li> <li>— Grow premium coffee</li> <li>— Youth Cooperatives</li> </ul> </li> </ul>	FSTU leader	September onwards
11. Build a roadmap for Ethiopia to reach its overall forestry sector goals	<ul style="list-style-type: none"> <li>■ Develop an innovation pipeline, including launching appropriate enabling environment initiatives (e.g., investment attraction)</li> <li>■ Begin (and build on) the baselining exercise</li> </ul>	FSTU leader, TA team, FSTU staff	September-January
12. Help to build implementation capacity in priority regions	<ul style="list-style-type: none"> <li>■ Set up regional coordination units</li> <li>■ Build local capacity with woreda level officials, including law</li> </ul>	FSTU leader, FSTU staff	October-January



Activity	Sub-steps	Responsible	Timing
	enforcement		
13. Hire additional selected staff as needed	<ul style="list-style-type: none"> <li>■ Raise personnel requests from relevant projects for approval by the FSTU leader</li> <li>■ Develop job description and roles and responsibilities</li> <li>■ Advertise positions</li> <li>■ Shortlist candidates</li> <li>■ Interview candidates</li> <li>■ Offer selected candidates position</li> <li>■ Provide on boarding and any necessary training</li> </ul>	FSTU leader	September-January

### 9.1.2 Budget estimates

Activity	Sub activity	2017	2018	2019	2020
<b>1</b>	<b>Engage the Prime Minister's office</b>	-	-	-	-
	Develop a set of clear requests and suggested solutions	-	-	-	-
	Set up and hold a meeting with the Prime Minister's Office	-	-	-	-
<b>2</b>	<b>Actively assist in the establishment of the unit</b>	-	-	-	-
	Supporting with the drafting of any documentation or letters to motivate for the units creation	-	-	-	-
<b>3</b>	<b>Hire a Director</b>	<b>29,760</b>	-	-	-
	Draft job description, roles and responsibilities and draft contract	-	-	-	-
	Publish a job advert and solicit the help of a placement agency / Head hunter	5,760	-	-	-
	Short list potential candidates	-	-	-	-
	Conduct interviews	-	-	-	-
	Finalise candidate posting and contract signing	24,000	-	-	-
<b>4</b>	<b>Hire a Deputy Director</b>	<b>49,000</b>	-	-	-
	Draft job description, roles and responsibilities and draft contract	-	-	-	-



	Publish a job advert and solicit the help of a placement agency / Head hunter	1,000	-	-	-
	Short list potential candidates	-	-	-	-
	Conduct interviews	-	-	-	-
	Finalise candidate posting and contract signing	48,000	-	-	-
<b>5</b>	<b>Define deliverables due for each stage gate in the FSTU development journey</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Develop a set of targets and deliverables	-	-	-	-
	Syndicate between steering committee, donors and various interested parties	5,000	-	-	-
	Adjust and finalise list of targets	-	-	-	-
<b>6</b>	<b>Build alignment across donors to gather support</b>	<b>10,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
	Coordinate existing and potential donor community within the forestry and environmental space to meet, agree and align on forestry sector goals and targets	10,000	5,000	5,000	5,000
<b>7</b>	<b>Hire positions or ongoing staff costs</b>	<b>360,000</b>	<b>1,151,180</b>	<b>1,258,431</b>	<b>1,315,937</b>
	Draft job description, roles and responsibilities and draft contract	-	-	-	-
	Publish a job advert and solicit the help of a placement agency	500	-	-	-
	Short list potential candidates	-	-	-	-
	Conduct interviews	-	-	-	-
	<b>Salaries:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Leadership</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	National Director	-	76,320	80,899	85,753
	Deputy Director	-	152,640	161,798	171,506
	<b>Project Delivery Team</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Unit head (Project Manager-equivalent)	23,333	74,200	78,652	83,371
	Project Managers	-	-	-	-
	Analysts	16,667	106,000	168,540	178,652
	M&E	10,000	31,800	33,708	35,730
	Finance	-	-	-	-
	Procurement	-	-	-	-
	Forestry	16,667	53,000	56,180	59,551
	Agro-economists	16,667	53,000	56,180	59,551





	<b>Business Development &amp; Resource Mobilization</b>	-	-	-	-
	Head of business development	40,000	127,200	134,832	142,922
	Forestry expert	16,667	53,000	56,180	59,551
	Analysts	16,667	106,000	112,360	119,102
	<b>Administration support</b>	-	-	-	-
	Administration support	1,667	10,600	11,236	11,910
	Drivers	1,167	7,420	7,865	8,337
	Administration costs - office space, office supplies, travel and accommodation	200,000	300,000	300,000	300,000
<b>8</b>	<b>Run cost-benefit analysis to select 2-3 innovative pilots for late 2017/ 2018</b>	-	-	-	-
	Assess Programmes based on impact, potential scalability and ROI (drawing on demand-led TA support, as needed)	-	-	-	-
<b>9</b>	<b>Plan / prepare for 3 innovative pilots for late 2017/ 2018 (3 of the 5 below, to be selected based on cost-benefit analysis)</b>	<b>64,988</b>	<b>64,988</b>	<b>64,988</b>	<b>-</b>
	<b>Create tourism &amp; eco-tourism linked conservation zones (e.g., new national parks)</b>	-	-	-	-
	Interviews to understand successful models in Ethiopia	-	-	-	-
	Work with ME FCC	-	-	-	-
	Refine initial prioritization at the regional level through discussions with regional ME FCC units (where existing) and regional presidents / vice presidents	-	-	-	-
	Develop investor “pitch pack” and do an investor roadshow	40,650	40,650	40,650	-
	Evaluate investment proposals to develop site-partner matches	-	-	-	-
	<b>One Acre Fund Model</b>	-	-	-	-
	Receive concept note from One Acre Fund (Feb. 24)	-	-	-	-
	Evaluate concept note (impact, scalability, ROI)	-	-	-	-
	Suggest modifications to model, as appropriate (e.g., to enhance environmental impact)	-	-	-	-



	Determine level of GoN support (if any) and most appropriate type of support (funding / facilitation)	20,000	20,000	20,000	-
<b>Youth Cooperatives<sup>25</sup></b>		-	-	-	-
	Dialogue with GIZ and Ministry of Youth and sport	-	-	-	-
	Provide <b>land and start-up funding</b> to youth cooperatives to plant or protect forest	20,000	20,000-	20,000-	-
<b>Localized PES Schemes(e.g., hydro project approach)</b>		-	-	-	-
	Bilateral conversations & workshops to gauge interests of potential sponsors	6,000	6,000	6,000	-
	Work with ME FCC staff	-	-	-	-
	Receive and evaluate offers from potential partners	-	-	-	-
<b>Premium coffee</b>		-	-	-	-
	Identify list of potential implementing partners (including, but not limited to, Partnership for Forests)	-	-	-	-
	Interview with each potential partner to understand model	-	-	-	-
	Receive, evaluate and suggest modifications to concept note (see “One Acre Fund Model” above)	-	-	-	-
	Determine level and type of support	20,000	20,000	20,000	-
<b>10 Develop meeting cadence / rhythm</b>		-	-	-	-
	Establish weekly, monthly meetings time slots and schedule these in all relevant calendars	-	-	-	-
	Enforce strict control measures on an ongoing basis to promote regular attendance of all participants	-	-	-	-
<b>11 Launch 3 innovative pilots (3 of the 5 in item 9 above, to be selected based on cost-benefit analysis)</b>		<b>679,700</b>	<b>720,482</b>	<b>763,711</b>	<b>-</b>
	<b>Create tourism &amp; eco-tourism linked conservation zones (e.g., new national parks)</b>	-	-	-	-

<sup>25</sup> No cost analysis have been done for this pilot option and budget allocation is suggestive.



	Provide 10% match funding for construction of one hotel within one national park	240,000	-	-	-
	<b>One Acre Fund Model</b>	-	-	-	-
	Provide funding for year 1 pilots	200,000	-	-	-
	<b>Localized PES Schemes (e.g., hydro project approach)</b>	-	-	-	-
	Cost to protect ~3000Ha (start-up, plus year 1)	-	-	-	-
	<b>Premium coffee</b>	-	-	-	-
	Fund working capital to set up coffee co-operatives covering 3000 Ha	-	-	-	-
	<b>Other</b>	-	-	-	-
	2 project specific staff (project management / technical experts)	20,000	-	-	-
	1 driver	700	-	-	-
	Train staff	5,000	-	-	-
	<b>Benchmark taken from previous year and raised by inflation</b>	-	-	-	-
	Expected cost	-	720,482	763,711	-
<b>12</b>	<b>Build roadmap for Ethiopia to reach overall forestry sector goals</b>	<b>10,000</b>	-	-	-
	Develop innovation pipeline, including launching appropriate enabling environment initiatives (e.g., investment attraction)	-	-	-	-
	Begin (and build upon) baselining exercise	10,000	-	-	-
<b>13</b>	<b>Support implementation capacity building in priority regions</b>	<b>10,000</b>	-	-	-
	Set up regional coordination units	10,000	-	-	-
<b>14</b>	<b>Hire additional selected staff as needed</b>	-	-	-	-
	Raise personnel request from relevant project for approval by Director	-	-	-	-
	Develop job description and roles and responsibilities	-	-	-	-
	Advertise position	-	-	-	-
	Shortlist candidates	-	-	-	-
	Interview	-	-	-	-
	Offer selected candidate position	-	-	-	-
	Provide onboarding and any necessary trainings	-	-	-	-



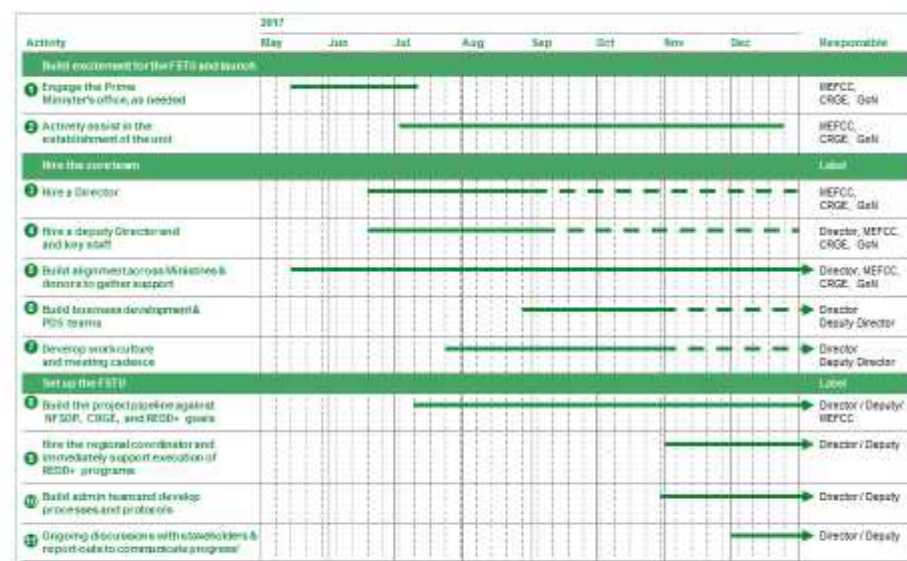
<b>15</b>	<b>Project scaling</b>	-	<b>2,000,000</b>	<b>4,000,000</b>	<b>4,000,000</b>
	Set up regional coordination units - Cost for scaling of 1 project	-	2,000,000	2,000,000	2,000,000
<b>16</b>	<b>Procure Technical Assistance</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>17</b>	<b>Strengthen the Institutional Capacity of the CRGE Facility and enhance its sub-national engagement</b>	<b>85,250</b>	<b>85,250</b>	<b>85,250</b>	<b>85,250</b>
<b>Total</b>		<b>1,553,698</b>	<b>4,076,900</b>	<b>6,227,379</b>	<b>5,456,187</b>



## 9.1.3 Indicative timelines

### INNOVATION ACCELERATOR

#### Preliminary implementation plan for 2017



1 MEFCC, CRGE, donors, regions, and other relevant stakeholders

Source: Interviews with MEFCC staff, document review



## 9.2 SCALE UP AFFORESTATION AND REFORESTATION

### 9.2.1 Detailed activities

Activity	Sub-steps	Responsible	Timing
1. Approve plan and determine funding flow	<ul style="list-style-type: none"> <li>Approve project</li> <li>Fund transfer to CRGE Facility and they in turn transfer it on to BoFEDs</li> </ul>	GoN & MEFCC	May – June



Activity	Sub-steps	Responsible	Timing
	<ul style="list-style-type: none"> <li>Reviewed existing programme management guidelines (including financial control and designation of authority), Programme plan and associated organogram to suit current agreement</li> </ul>		
2. Identify Woredas	<ul style="list-style-type: none"> <li>Define and agree site selection criteria based on sound scientific rationale</li> <li>Regions to identify possible Woredas through defined criteria – give priority to Woredas with potential for existing natural forest protection to link A/R activity to buffering natural forest and create PFMs – In addition, where possibly the criteria will include working to the benefit of local communities and the refugee camps in the Shire area in northern Tigray</li> <li>Each woreda nominates 2 contacts for process facilitation</li> <li>Develop relevant law enforcement institutions at all levels through training on the new legislations, regulations, guidelines and directives and clearly inform them of expectations on how to implement and deal with any transgressions</li> </ul>	Regional Govt and ME FCC	May – July
3. Conduct feasibility and baseline studies	<ul style="list-style-type: none"> <li>Submit study request to the National Programme Coordination Office (NPCO) in the selected woreda</li> <li>Deploy team of EFRI experts to do baseline and feasibility study field work (emphasising water access and frost sensitivity),</li> <li>Conduct full ESIA in appropriate Woredas where there is expected to be some negative impact on the community, such as relocations (Conduct RAP for any resettlements)</li> <li>Write and review the study report</li> <li>Develop a set of recommendations based on available hectares for A/R and D/D for each suitable woreda with specific recommendations on tree types/mix</li> </ul>	ISNFSDP EFRI	June – Aug





Activity	Sub-steps	Responsible	Timing
4. Prepare technical field manuals	<ul style="list-style-type: none"> <li>■ Review existing forestry material and feasibility study findings and prepare <i>kebele</i>-specific practical hand books for field workers</li> </ul>	MEFCC EFRI	Aug - Sept
5. Launch the Programme	<ul style="list-style-type: none"> <li>■ Send invitations to the relevant regional administrators</li> <li>■ Prepare presentation and event materials</li> <li>■ Organise the venue</li> <li>■ Hold a one-day launch workshop to publicise work</li> <li>■ Ensure regional and woreda-level offices are aligned and coordinate resource sharing to establish a local presence</li> <li>■ Conduct localised launch event to raise awareness and promote the merits of the programme to the community</li> <li>■ Conduct capacity building for all woreda level staff, including law enforcement officials</li> <li>■ Launch a whistle-blower hotline to report any programme mismanagement (Norwegian hotline (<a href="https://varsling.whistleblownetwork.net/WebPages/Public/FrontPages/Default.aspx">https://varsling.whistleblownetwork.net/WebPages/Public/FrontPages/Default.aspx</a>) could and should be an option)</li> </ul>	ISNFSDP	Sept
6. Hire staff	<ul style="list-style-type: none"> <li>■ Establish an HR task force in MEFCC to assist with the recruitment process</li> <li>■ MEFCC HR and ISNFSDP staff to develop job-specific roles and responsibilities and job descriptions for all new positions</li> <li>■ Post job adverts for selected positions, e.g., in newspapers</li> <li>■ Shortlist candidates</li> <li>■ Test and interview candidates</li> <li>■ Offer jobs and finalise candidate placements</li> </ul>	MEFCC HR	Aug - Nov
7. Form a Steering Committee	<ul style="list-style-type: none"> <li>■ Form an ISNFSDP woreda-level Steering Committee to take the final decisions on land use allocation</li> </ul>	MEFCC	Nov



Activity	Sub-steps	Responsible	Timing
8. Develop capacity	<ul style="list-style-type: none"> <li>■ Hold two-week intensive theoretical training for all new hires on project management and technical forestry skills</li> <li>■ Existing field staff to conduct one-week in-field training at selected project sites</li> <li>■ Existing staff to mentor new hires for several weeks after training</li> <li>■ Conduct yearly audit of progress and resource management practices</li> </ul>	ISNFSDP	October onwards
9. Reinforce existing or establish new nurseries	<ul style="list-style-type: none"> <li>■ Determine the capacity required and order material/equipment</li> <li>■ Collaborate with ICRAF and national seed centres for seed provision and targeted support during the establishment of a nursery to build capabilities</li> <li>■ Transfer payment to the region then the woreda to support the establishment and growth of nursery activity</li> <li>■ Plant the required number of seedlings in polythene tubes</li> <li>■ Water, manage and maintain the plants</li> </ul>	Region and woreda	Aug onwards
10. Engage and mobilise local communities	<ul style="list-style-type: none"> <li>■ Coordinate community meetings through the woreda, <i>kebele</i> and elders to select specific sites for A/R</li> <li>■ Conduct field visits, through community leadership, to establish PFM beneficiaries for both existing forests areas and for new plantations and ANR zones</li> <li>■ Involve <i>kebele</i> officials and influential community members in the mapping of land users</li> <li>■ Prepare a land use plan directly after the feasibility study</li> <li>■ Conduct signoff ceremony for final documentation to be submitted to Government for finalisation of legal PFM entity</li> <li>■ Conduct community-based training; demarcate area for</li> </ul>	Zonal and woreda administration, ISNFSDP	Aug onwards



Activity	Sub-steps	Responsible	Timing
	<p>assisted natural regeneration activities</p> <ul style="list-style-type: none"> <li>■ Engage regularly on the landscape approach and holistic land management, including assistance in establishing alternative livelihoods</li> <li>■ Agree with the community, elders, <i>kebele</i> and woreda leadership on remuneration packages for work done for the Programme</li> <li>■ Agree on participatory monitoring activities from the community</li> <li>■ Launch a whistle blower hotline to report any mismanagement</li> <li>■ Launch a Grievance Review Mechanism</li> </ul>		
11. Ground activities	<ul style="list-style-type: none"> <li>■ Prepare the ground for water conservation by creating bunds, terraces and other physical structures on land to be planted the following year</li> <li>■ Prepare pits and holes for planting</li> <li>■ Transport seedlings</li> <li>■ Store, water and manage seedlings to prevent drying out</li> <li>■ Plant and apply fertiliser</li> <li>■ Conduct ongoing watering and sapling management, e.g., beating</li> </ul>	woreda community	Oct onwards

### 9.2.2 Budget estimates

Activity	Sub activity	2017	2018	2019	2020
1	Plan and funding approval	-	-	-	-
	Approval of project	-	-	-	-
	Fund transfer to CRGE Facility and MEFC	-	-	-	-
	Develop detailed programme management guidelines &	-	-	-	-



associated organogram structure

<b>2</b>	<b>Identify Woredas</b>	<b>8,000</b>	<b>8,000</b>	<b>5,000</b>	<b>5,000</b>
	Define number of Woreda based on available budget	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
	Identify Regions based on defined criteria	<b>3,000</b>	<b>3,000</b>	-	-
	Regions identify possible Woredas according to defined criteria	-	-	-	-
	Each Woreda to identify 2 contacts for process facilitation	-	-	-	-
<b>3</b>	<b>Feasibility and baseline study</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	-
	Place study request with the National Programme Coordination Office (NPCO) in selected Woreda	-	-	-	-
	Deploy team of EEFRI experts to do baseline and feasibility study field work	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	-
	Conduct Full EISA in appropriate woredas where there is expected to be some negative impact on the community, such as relocations	-	-	-	-
	Conduct review of existing forestry blocks to see suitability for PFM as complimentary to A/R work	-	-	-	-
	Write and review study report	-	-	-	-
	Develop a set of recommendations based on available Ha for A/R and D/D per suitable Woreda	-	-	-	-
<b>4</b>	<b>Prepare technical field manuals</b>	-	-	-	-
	Review of existing forestry material along with feasibility study findings and prepare Kebele specific practical hand books for field workers	-	-	-	-
<b>5</b>	<b>Programme launch</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>
	Send invitations to relevant Regional administrators	-	-	-	-
	Prepare presentation and event material	-	-	-	-
	Organise venue and print any necessary material	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
	Hold one day launch workshop to publicise work	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>6</b>	<b>Hiring staff</b>	<b>297,989</b>	<b>316,465</b>	<b>335,423</b>	-
	Establish specific HR task force within ME FCC to assist with the recruitment process	-	-	-	-



MEFCC HR and ISNFSD staff to develop job specific roles and responsibilities and job descriptions for all new hire positions	-	-	-	-
Release job adverts for selected positions – e.g. Newspaper & Radio	500	500	500	-
Shortlist candidates	-	-	-	-
Written exam and interview candidates	-	-	-	-
Offer job posting and finalise candidate placements	323,760	315,965	334,923	-
Woreda - Project coordinator @ USD 6000/Year	81,000	85,860	91,012	-
Woreda - Forester @ USD 4800/Year	70,200	74,412	78,877	-
Woreda - Socio-economic @ USD 4800/Year	70,200	74,412	78,877	-
Woreda - Admin @ USD 3600/Year	48,600	51,516	54,607	-
Woreda - Driver @ USD 2100/Year	28,080	29,765	31,551	-
Programme related costs - office space travel etc.	20,000	20,000	50,000	-
Office supplies & equipment	10,000	10,000	20,000	-
Travel & accommodation	10,000	10,000	30,000	-
<b>7 Ongoing staff support</b>	-	772,371	1,613,017	2,398,579
Staff cost (for ongoing 18 woredas, of which 10 have PFM activities, and HQ)	-	667,629	1,543,017	2,323,579
HQ - Experts x 3	-	-	38,832	43,631
HQ - Admin x 2	-	-	18,876	21,210
Woreda - Project coordinator	-	171,720	364,046	578,834
Woreda - Forester	-	148,824	315,507	501,656
Woreda - Socio-economic	-	148,824	315,507	501,656
Woreda - Admin	-	103,032	218,428	347,300
Woreda - Driver	-	59,530	126,203	200,662
GOT level PFM facilitator @ 3 per Woreda	-	36,000	145,619	128,630
Programme related costs - office space travel etc.	-	50,000	70,000	75,000
Office supplies & equipment	-	20,000	20,000	5,000
Travel & accommodation	-	30,000	50,000	70,000
<b>8 Form steering committee</b>	-	-	-	-
Form ISNFSD Woreda level steering committee who will make the final decision in land use allocation	-	-	-	-



<b>9</b>	<b>Capacity development</b>	<b>8,850</b>	<b>8,100</b>	<b>8,100</b>	<b>-</b>
	2 week intensive theoretical training for all new hires to be given, on project management and technical forestry skills	<b>8,850</b>	<b>8,100</b>	<b>8,100</b>	<b>-</b>
	1 week in-field training to be conducted by existing field staff on selected project sites	-	-	-	-
	Existing staff to conduct mentoring for several weeks after training	-	-	-	-
<b>10</b>	<b>Reinforce existing or establish new nurseries</b>	<b>824,400</b>	<b>974,034</b>	<b>2,837,539</b>	<b>-</b>
	Determine the required capacity and order material/equipment	-	-	-	-
	Transfer payment to Region then to Woreda to support establishment and growth of nursery activity	<b>824,400</b>	<b>873,864</b>	<b>926,296</b>	<b>-</b>
	Nursery equipment, seeds, etc.	180,000	190,800	202,248	-
	Purchase polyethylene tube, nursery equipment, seeds, etc.	270,000	286,200	303,372	-
	Seedling production, nursery management and physical operating environment development	266,400	282,384	299,327	-
	Capex: physical operating environment development	108,000	114,480	121,349	-
	Plant required number of seedlings in polythene tubes	-	<b>100,170</b>	<b>1,911,244</b>	<b>-</b>
	Water, manage and maintain plants	-	-	-	-
<b>11</b>	<b>Ongoing nursery support - Continue support for 1 year</b>	<b>-</b>	<b>2,149,362</b>	<b>779,418</b>	<b>826,183</b>
	Transfer payment to Region then to Woreda to support establishment and growth of nursery activity	-	<b>286,200</b>	<b>779,418</b>	<b>826,183</b>
	Purchase polyethylene tube and other consumables	-	286,200	572,400	606,744
	Plant required number of seedlings in polythene tubes	-	<b>1,863,162</b>	-	-
	Water, manage and maintain plants	-	-	-	-
<b>12</b>	<b>Engage and mobilise community</b>	<b>512,476</b>	<b>526,571</b>	<b>942,911</b>	<b>706,113</b>
	Coordinate a community meeting through Woreda, Kebele and elders to select specific sites for A/R	-	-	-	-
	Kebele officials and influential community members involved in mapping of land users	-	-	-	-
	Land use plan preparation directly after feasibility study	<b>261,101</b>	<b>276,767</b>	<b>276,767</b>	<b>-</b>
	Preparing land use plan	117,101	124,127	124,127	-
	Baseline data and mapping (base map and development map) , including Bio-physical & socio-economic data collection	144,000	152,640	152,640	-





Training on land use planning	19,800	-	-	-
Community based trainings - Demarcate area for assisted natural regeneration activities	-	-	-	-
Ongoing engagement - landscape approach, holistic management of the land, including assistance in establishing alternative livelihoods - Continue support for 1 year	<b>251,375</b>	<b>249,804</b>	<b>666,144</b>	<b>706,113</b>
Alternative livelihood enhancement activities x 2	20,948	13,878	499,608	529,585
Alternative energy supply x 2	6,983	4,626	166,536	176,528
<b>13 Ground activities (Regeneration)</b>	<b>1,284,336</b>	<b>2,364,724</b>	<b>5,711,679</b>	<b>3,220,473</b>
Ground work preparation for water conservation by creating bunds, terraces and other physical structures on land to be planted the following year	<b>260,193</b>	<b>511,542</b>	<b>511,542</b>	-
Prepare enclosure management plan	49,893	105,774	105,774	-
Undertake physical conservation measures, including terraces, micro basins, bunds, check dams, gully reclamation	191,400	405,767	405,767	-
Site Protection (site guard) @ USD 2100/Year	18,900	-	-	-
Pitting and hole preparation for planting	<b>50,400</b>	<b>106,848</b>	<b>1,923,264</b>	-
Plantation site preparation including site clearing and pitting	50,400	106,848	106,848	-
Seedling purchase	<b>90,000</b>	<b>190,800</b>	<b>202,248</b>	-
Transport seedlings	<b>17,190</b>	<b>36,443</b>	<b>36,443</b>	-
Transportation	9,000	19,080	19,080	-
Store, water and manage seedlings to prevent drying out	8,190	17,363	17,363	-
Planting and fertiliser application	<b>393,611</b>	<b>834,455</b>	<b>1,668,910</b>	<b>1,769,045</b>
Enhancing natural regeneration through libration cutting (other silvicultural practices)	40,787	86,468	172,936	183,312
Enrichment planting/seeding	174,681	370,323	740,647	785,085
Planting seedlings of economically viable species (Fruits and other fast growing species)	125,688	266,458	532,916	564,890
Legume species integration	52,456	111,206	222,413	235,758
Ongoing watering and sapling management e.g., beating	<b>322,942</b>	<b>684,636</b>	<b>1,369,272</b>	<b>1,451,428</b>
Supplemental spot irrigation, including establishment of water harvesting facilities	247,528	524,760	1,049,520	1,112,491



	Farmers training /workshops	12,569	26,647	53,294	56,492
	Running costs for rehabilitation activities	62,844	133,229	266,458	282,445
	Vehicles & transport for project	<b>150,000</b>	-	-	-
<b>14</b>	<b>Ground activities (Tree planting)</b>	-	<b>2,549,750</b>	<b>2,693,735</b>	<b>199,798</b>
	Tree planting:	-	<b>2,399,750</b>	<b>2,543,735</b>	<b>149,798</b>
	Plantation site preparation including site clearing and pitting	-	65,388	69,311	73,469
	Planting and beating-up, including survival counting	-	13,064	13,848	14,679
	Weeding /hoeing/mulching	-	2,613	2,770	2,936
	Supplemental spot irrigation, including establishment of water harvesting facilities	-	26,128	27,695	29,357
	Site protection (site guard)	-	5,226	5,539	5,871
	Fertilizer application, including compost development and legume integration	-	5,226	5,539	5,871
	Training, workshop and conferences	-	2,613	2,770	2,936
	Running costs for short-rotation plantation activities	-	13,064	13,848	14,679
	Vehicles & transport for project	-	<b>150,000</b>	<b>150,000</b>	<b>50,000</b>
<b>15</b>	<b>National staff support</b>	-	-	<b>50,000</b>	<b>53,000</b>
	Staff costs at national level	-	-	<b>50,000</b>	<b>53,000</b>
<b>Total Budget</b>		<b>3,012,642</b>	<b>9,690,935</b>	<b>15,032,823</b>	<b>7,415,146</b>



### 9.2.3 Indicative timelines

Activity	2017								Responsible
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1 Plan and funding approval									GoN & MEFCC
2 Identify Woredas <sup>1</sup>									Regional Govt MEFCC
3 Feasibility and baseline study									ISNFSD EFRI
4 Prepare technical field manuals									ISNFSD EFRI
5 Programme launch									ISNFSD
6 Hiring staff									MEFCC HR
7 Steering committee									MEFCC
8 Capacity development									ISNFSD
9 Reinforce existing or establish new nurseries									Regional Govt Woreda Admin
10 Engage and mobilise community									Zonal & Woreda Admin & ISNFSD
11 Ground activities									Woreda Admin

1 Can be done in parallel to funding approval

Source: Interviews with MEFCC staff, document review



## 9.3 PREVENT DEFORESTATION AND DEGRADATION

### 9.3.1 Detailed activities

Activity	Sub-steps	Responsible	Timing
1.1 Fast-track and validate SWFB programme design for SNNPR	■ Consult with SNNPR vice president and relevant regional bureaus	MEFCC, GoN	May
	■ Set up working group to design SWFB programme in priority zones	MEFCC, GoN	June
	■ Conduct planning workshop to build commitment from all the relevant stakeholders and get input for fast tracking/validation	NRC, RPCU	June
	■ Conduct field visits and workshops in the area to assess needs	NRC, RPCU	June – Aug
	■ Conduct baseline and feasibility study	ISNFSDP EFRI	June – Aug
	■ Prepare programme document (final draft), including management guidelines (including financial control and designation of authority)	NRC, RPCU	July – Aug
	■ Conduct a programme validation workshop	NRC, RPCU	Aug
	■ Produce the final programme document by integrating input and modifications	NRC, RPCU	Aug
	■ Signing ceremony with regional government (Regional President or RVP)	NRC, RPCU	Aug
	■ Organise the SNNPR Forest Landscape Programme (SFLP) launch ceremony	RPCU	Sept
	■ Develop relevant law enforcement institutions at all levels	RPCU	Oct



Activity	Sub-steps	Responsible	Timing
	through training on the new legislations, regulations, guidelines and directives and clearly inform them of expectations on how to implement and deal with any transgressions		
1.2 Build implementation capacity in SNNPR	■ Understand implementation capacity requirements for specific programme areas	NRC, RPCU	May
	■ Assess the qualifications and skills required for each programme staff member	NRC, RPCU	May
	■ Design operational procedures and reporting mechanisms	NRC, RPCU	May
	■ Place job advertisements for the required staff members	NRC, RPCU	May
	■ Shortlist candidates	NRC, RPCU	June
	■ Conduct written exams, interviews and select suitable candidates	NRC, RPCU	June
	■ Organise the programme office including vehicles, equipment and supplies	SFLP	June
2.1 Establish a Gambela region REDD+ coordination unit (GRPCU)	■ Consult with Gambela vice president and relevant region bureaus	MEFCC, GoN	May
	■ Assess needs for a regional coordination office for Gambela	NRC	June
	■ Assess qualifications and skills required for the coordinator role and other staff	NRC	June
	■ Place a job advertisement for the coordinator and other staff roles	NRC	June – July
	■ Shortlist candidates	NRC	June –Aug



Activity	Sub-steps	Responsible	Timing
2.2 Prepare the regional REDD+ programme	■ Conduct written exams, interviews and select suitable candidates	NRC	July
	■ Hire the coordinator and other staff	NRC	July
	■ Organise the coordination office including vehicles, equipment and supplies	NRC	Aug
	■ Establish an REDD+ Steering Committee and technical working groups	NRC	Aug
	■ Identify deforestation and degradation hotspots	GRPCU	Sept – Nov
	■ Identify D/D interventions through the REDD+ strategy document	GRPCU	Nov – Dec
	■ Prepare draft implementation and other REDD+ readiness documents	GRPCU	Dec
	■ Conduct a validation workshop to build commitment from all the relevant stakeholders and for the implementation and readiness documents	GRPCU	Jan 2018
	■ Prepare the final implementation and readiness documents including management guidelines (including financial control and designation of authority)	GRPCU	Jan 2018
	■ Launch the Gambela Forested Landscape Programme (GFLP)	GRPCU	Jan 2018
	■ Develop relevant law enforcement institutions at all levels through training on the new legislations, regulations, guidelines and directives and clearly inform them of expectations on how to implement and deal with any transgressions	RPCU	Feb 2018





Activity	Sub-steps	Responsible	Timing
2.3. Build implementation capacity	■ Assess implementation capacity needs for specific areas	GRPCU	Nov – Dec
	■ Asses qualification and skills required for each programme staff	GRPCU	Dec
	■ Design operational procedures and reporting mechanisms	GRPCU	Dec
	■ Place job advertisements for the required staff members	GRPCU	November
	■ Shortlist candidates	GRPCU	Dec
	■ Conduct written exams, interviews and select suitable candidates	GRPCU	Dec
	■ Organise the programme office including vehicles, equipment and supplies	GRPCU	Dec
3. Launch Oromia PFM programme	■ Contact OFLP and WB to assess where possible synergies and areas for complimentary work could be carried out to reduce leakage	MEFCC, GoN	May
	■ Identify if sufficient capacity exists within the OFLP to assist in the roll lout of additional PFMs at a regional level	MEFCC, GoN	June
	■ Conduct field visits and workshops in the area to assess needs	NRC, RPCU	June
	■ Fill gaps as needed at the regional level programme office	NRC, RPCU	June – July
	■ Develop relevant law enforcement institutions at all levels through training on the new legislations, regulations, guidelines and directives and clearly inform them of expectations on how to implement and deal with any transgressions	RPCU	July
4. Launch a consolidated	■ Meeting between regional vice-presidents bi-annually	NRC, RPCU	July



Activity	Sub-steps	Responsible	Timing
SWFB, interregional coordination committee	<ul style="list-style-type: none"> <li>■ Implementing Units meeting once every 2 months, with NGOs, WB or others active parties in the forestry sector in these regions</li> </ul>		
5.1. Create awareness and identify sites	<ul style="list-style-type: none"> <li>■ Set up a PFM Facilitation Team (PFMFT) (MEFCC and BOA, DAs) and conduct practical training</li> </ul>	PFMC	July
	<ul style="list-style-type: none"> <li>■ Conduct initial forest site selection and develop an action plan - Coordination of site selection across the three regions will be importance to minimize leakage. Site selection should be based on the OFLP site selection.</li> </ul>	PFMFT, PFMC	July
	<ul style="list-style-type: none"> <li>■ Select influential <i>got</i>, kebele and woreda level representatives</li> </ul>	PFMFT, PFMC	July
	<ul style="list-style-type: none"> <li>■ Conduct woreda meetings on PFM to align on goals and expectations</li> </ul>	PFMFT, PFMC	July
	<ul style="list-style-type: none"> <li>■ Provide representatives with a PFM request letter</li> </ul>	PFMC	July
	<ul style="list-style-type: none"> <li>■ Submit request letter after consultation with <i>kebele</i> administration</li> </ul>	CFT	Aug
	<ul style="list-style-type: none"> <li>■ Select DA/technicians and train them in baseline data collection and analysis</li> </ul>	PFMFT	Aug
	<ul style="list-style-type: none"> <li>■ Collect data on households, forest products, conditions and conflicts</li> </ul>	Development Agents/foresters	Aug
	<ul style="list-style-type: none"> <li>■ Analyse the data and decide on the suitability of the community and forest for PFM</li> </ul>	Foresters	Aug
	<ul style="list-style-type: none"> <li>■ Launch a Grievance Review Mechanism</li> </ul>	NRC, RPCU	May
	<ul style="list-style-type: none"> <li>■ Launch a whistle-blower hotline to report any programme mismanagement (Norwegian hotline</li> </ul>	NRC, RPCU	May – June



Activity	Sub-steps	Responsible	Timing
	( <a href="https://varsling.whistleblownetwork.net/WebPages/Public/Default.aspx">https://varsling.whistleblownetwork.net/WebPages/Public/Default.aspx</a> ) could and should be an option)		
5.2. Negotiate and demarcate the boundary	■ Train DAs, foresters and CFT in boundary negotiation and demarcation	PFMC	Aug
	■ Negotiate external and internal PFM forest boundaries with all relevant parties, mark trees with paint and take GPS readings	CFT, PFMFT	Aug
	■ Produce a map of the internal PFM forest and external <i>got</i> boundaries with a GPS	CFT, PFMFT	July
	■ Make representatives of neighbouring governments sign a form verifying the boundary	PFMFT	July
	■ Register <i>got</i> and associate members (customary users of the forest) as members of the forest user group	PFMFT	August
5.3. Facilitate forest management planning	■ Train DAs, PFMFT and CFT in the basic principles and practice of SFM	PFMC	August
	■ Conduct a rapid forest resource assessment (map)/observation walk and fill	PFMFT, CFT	August
	■ Analyse forest products, including wild coffee, and biodiversity (matrix of product list, quality, value and how to improve (Q&Q)	PFMFT	September
	■ Analyse forest management (discuss and register strengths, weaknesses and recommendations)	PFMFT	September
	■ Prepare a three-year forest management framework and decide on overall key activities (on MPU3) for each year at a general assembly	PFMFT, CFT	September



Activity	Sub-steps	Responsible	Timing
5.4. Organise FMI and internal regulations	■ Train DAs, PFMFT and CFT in the principles and practice of facilitating a democratically elected organisation and choosing an organisational form	PFMC	October
	■ Form a got-level Forest Management Group Executive Committee through a facilitated democratic process and develop internal regulations	PFMFT, CFT	October
	■ Form a woreda-level Forest Management Association (FMA) through a facilitated democratic process and develop bylaws and a project plan (members are representatives of the <i>got</i> FMG)	PFMC	October-November
	■ Prepare all documentation for the registration of the FMA and its got-level branch FMG; register as legal entities	PFMC, PFM	December
	■ Build capability and capacity of local community to monitor and report on progress	PFMC, PFM	December
5.5 Develop and sign the PFM agreement	■ Complete and compile all documents necessary for the PFM agreement	PFMC, PFMFT	October-November
	■ Raise awareness and facilitate negotiations (if required) between government and community members so that the community gets the most attractive PFM agreement possible (facilitated discussion on terms)	PFMC, PFMFT	November
	■ Organise and hold a ceremony for the PFM agreement signing	PFMC, PFMFT	November
	■ Distribute copies of the agreement and create awareness among all key stakeholders on the new responsibilities and rights for the government and communities in the agreement	PFMC, PFMFT	November
5.6. Implement the PFM and develop the enterprise	■ Form a forest product marketing organisation (select appropriate for Forest Management Association)	PFMC	November



Activity	Sub-steps	Responsible	Timing
	■ Sign a binding MoU between the FPMO and FMA specifying joint/separate roles and responsibilities	PFMC	November
	■ Develop and implement a joint action plan for the FMA and FPMO	PFMC, FPMO, FMA	November
	■ Develop internal regulations and build consensus among FMG members	PFMC, PFMFT	December
	■ Develop a detailed and practical annual plan facilitated by the FMA/FPMO and a support system for the FMG	PFMC, PFMFT	December
	■ Provide training/support on demand to all community organisations	PFMC	December
	■ Strengthen the voice of PFM communities by developing networks of FMA/FPMOs, forums and connections at different levels of government from woreda up to federal level and between community organisations and government	PFMC	December
5.7. Monitor, evaluate and problem solve	■ Conduct training in planning, monitoring and evaluation systems, methods and skills for all parties in PFM	PFMC	July- December
	■ Set up relevant and feasible PM&E systems to meet the requirements of each stakeholder	PFMC, PFMFT	July-December
	■ Assign two PM&E team members as coordinator (FMA auditor) and facilitator to each FMG	PFMFT	July-December
	■ Develop baselines, criteria, indicators and methods to meet the requirements of each stakeholder in PFM	PFMFT	July-December
	■ Develop responsive planning and implementation that ensures PFMs continually learn from and build on the concrete experience of monitoring and evaluation	PFMC, PFMFT	July-December



Activity	Sub-steps	Responsible	Timing
	<ul style="list-style-type: none"> <li>■ Conduct regular monitoring and evaluation (once a quarter for each FMG)</li> </ul>	PM&E team	July-December
6.1. Increase crop land productivity	<ul style="list-style-type: none"> <li>■ Conduct a baseline study on the current crop types and productivity in each area</li> </ul>	RPCU-CPC	July
	<ul style="list-style-type: none"> <li>■ Analyse gaps in productivity and technology use for better productivity</li> </ul>	RPCU-CPC	August
	<ul style="list-style-type: none"> <li>■ Identify possible technologies to introduce in the area and select the appropriate ones</li> </ul>	RPCU-CPC	August
	<ul style="list-style-type: none"> <li>■ Select and train pioneer farmers to spearhead technology adoption</li> </ul>	RPCU-CPC	August
	<ul style="list-style-type: none"> <li>■ Procure technology (improved seeds, farming practices (consultant), small-scale harvesting and post-harvest machinery)</li> </ul>	RPCU-CPC	August
	<ul style="list-style-type: none"> <li>■ Hold field days to demonstrate pioneer farmer results</li> </ul>	RPCU-CPC	October
	<ul style="list-style-type: none"> <li>■ Train other farmers in new technologies tried with pioneer farmers</li> </ul>	RPCU-CPC	November-December
6.2. Improve livestock production systems and productivity	<ul style="list-style-type: none"> <li>■ Contact MoLF to coordinate and ensure alignment</li> </ul>	MEFCC, CRGE	June
	<ul style="list-style-type: none"> <li>■ Conduct gap assessment on livestock production systems and productivity</li> </ul>	RPCU-LPC	July
	<ul style="list-style-type: none"> <li>■ List possible technologies and select those appropriate for introduction</li> </ul>	RPCU-LPC	July
	<ul style="list-style-type: none"> <li>■ Select and train pioneer farmers in selected technologies</li> </ul>	GRPCU-LPC	August
	<ul style="list-style-type: none"> <li>■ Procure selected technologies (e.g., fodder seeds, breeds and construction of stall, milking and milk storage facilities)</li> </ul>	RPCU-LPC	August





Activity	Sub-steps	Responsible	Timing
	■ Hold field days to demonstrate pioneer farmer results	RPCU-LPC	August
	■ Train more farmers in the new technology tried with pioneer farmers	RPCU-LPC	October
	■ Facilitate the formation of milk cooperatives to collect, process (on a small scale) and market milk products	RPCU-LPC	November-December

### 9.3.2 Budget estimates

Activity	Sub activity	2017	2018	2019	2020
<b>1</b>	<b>SNNPR - Create implementation capacity</b>	-	-	-	-
<b>1.1</b>	<b>Modify and validate design (SNNPR)</b>	<b>20,145</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
	Set up working group for fast tracking/ validation of programme	-	-	-	-
	Conduct planning workshop to get inputs for fast tracking/ validation	<b>3,974</b>	-	-	-
	Conduct field visits and workshops in the area to assess needs	<b>4,196</b>	-	-	-
	Workshops	1,104	-	-	-
	Field visits	3,092	-	-	-
	Prepare programme document (final draft)	-	-	-	-
	Conduct programme validation workshop	<b>2,650</b>	-	-	-
	Produce final programme document by integrating inputs and modifications	-	-	-	-
	Get approval from Norwegian Government	-	-	-	-
	Organize SNNPR Forest Landscape Programme (SFLP) launch ceremony	<b>1,325</b>	-	-	-
	Deploy team of EEFRI experts to do baseline and feasibility study field work	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>1.2</b>	<b>Build implementation capacity for SWFB</b>	<b>377,960</b>	<b>64,618</b>	<b>68,495</b>	<b>72,604</b>
	Conduct implementation capacity requirement for specific	-	-	-	-



	programme area				
	Determine qualification and skills required for each programme staff	-	-	-	-
	Design operational procedures and reporting mechanism	-	-	-	-
	Place job advertisement for required staff members	<b>1,000</b>	-	-	-
	Shortlist candidates	-	-	-	-
	Conduct written exams, interviews and select suitable candidates	-	-	-	-
	Hire / support staff	<b>60,960</b>	<b>64,618</b>	<b>68,495</b>	<b>72,604</b>
	Project coordinator	15,000	15,900	16,854	17,865
	PFM, Livelihood and CSA coordinators	31,200	33,072	35,056	37,160
	Admin	5,400	5,724	6,067	6,431
	Driver	9,360	9,922	10,517	11,148
	Organize programme office including vehicles, equipment and supplies	<b>216,000</b>	-	-	-
	Provide vehicles	300,000	-	-	-
	Provide computers and accessories (programme office)	16,000	-	-	-
	Forest tools and equipment	-	-	-	-
<b>2</b>	<b>Gambela - Create REDD+ institutions</b>	-	-	-	-
<b>2.1</b>	<b>Establish REDD+ CU in Gambela</b>	<b>191,420</b>	<b>148,290</b>	<b>156,708</b>	<b>165,630</b>
	Assess needs for a regional coordination office for Gambela	-	-	-	-
	Assess qualification and skills requirement for coordinator and other staffs	-	-	-	-
	Place job advertisement for coordinator and other staff positions	<b>1,000</b>	-	-	-
	Shortlist candidates	-	-	-	-
	Conduct written exams, interviews and select suitable candidates	-	-	-	-
	Hire coordinator and other staffs	<b>45,420</b>	<b>96,290</b>	<b>102,068</b>	<b>108,192</b>
	Coordinator	15,000	15,900	16,854	17,865
	Forest officer x2	24,000	25,440	26,966	28,584
	MRV, M&E x2	15,600	16,536	17,528	18,580
	Safeguards	7,800	8,268	8,764	9,290



	Gender	7,800	8,268	8,764	9,290
	Fin. Mgt	9,000	9,540	10,112	10,719
	Sect.cash.	5,400	5,724	6,067	6,431
	Driv Mech. X2	6,240	6,614	7,011	7,432
	Organize coordination office including vehicles, equipment and supplies	<b>137,000</b>	<b>44,000</b>	<b>46,640</b>	<b>49,438</b>
	Provide vehicles	100,000	-	-	-
	Provide computers and accelerates (programme office)	21,000	-	-	-
	Running cost for the coordination office	16,000	44,000	46,640	49,438
	Establish REDD+ steering committee and Technical working groups (2 groups x 4 meetings a year)	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>2.2</b>	<b>Prepare regional REDD+ programme</b>	<b>112,400</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
	Identify hotspots of deforestation and degradation with drivers study	<b>40,000</b>	-	-	-
	Identify D/D interventions through REDD+ strategy document	<b>40,000</b>	-	-	-
	Prepare draft implementation and other REDD+ readiness documents	<b>27,000</b>	-	-	-
	Analysis of legal & institutional arrangement for REDD+	4,500	-	-	-
	Contextualizing Environmental & Social Safeguards	4,500	-	-	-
	Determining regional FRL	4,500	-	-	-
	Regional MRV unit	4,500	-	-	-
	Modalities for BS	4,500	-	-	-
	Program document preparation	4,500	-	-	-
	Conduct validation workshop for implementation and readiness documents	4,050	-	-	-
	Prepare final implementation and readiness documents	-	-	-	-
	Launch Gambela region Forested Landscape Programme (GFLP)	1,350	-	-	-
	Deploy team of EEFRI experts to do baseline and feasibility study field work	-	8,000	8,000	8,000
<b>2.3</b>	<b>Build implementation capacity</b>	<b>276,960</b>	<b>64,618</b>	<b>68,495</b>	<b>72,604</b>
	Conduct implementation capacity need assessment for specific areas	-	-	-	-



		Asses qualification and skills required for each programme staff	-	-	-	-
		Design operational procedures and reporting mechanism	-	-	-	-
		Place job advertisement for required staff members	-	-	-	-
		Shortlist candidates	-	-	-	-
		Conduct written exams, interviews and select suitable candidates	-	-	-	-
		Offer job posting and finalise candidate placements	<b>60,960</b>	<b>64,618</b>	<b>68,495</b>	<b>72,604</b>
		Project coordinator	15,000	15,900	16,854	17,865
		PFM, Livelihood and CSA coordinators	31,200	33,072	35,056	37,160
		Admin	5,400	5,724	6,067	6,431
		Driver	9,360	9,922	10,517	11,148
		Organize programme office including vehicles, equipment and supplies	<b>216,000</b>	-	-	-
		Provide vehicles	200,000	-	-	-
		Provide computers and accelerates (programme office)	16,000	-	-	-
<b>3</b>	<b>Oromia Region PFM</b>		<b>151,960</b>	<b>134,735</b>	<b>142,489</b>	<b>150,709</b>
		Offer job posting and finalise candidate placements	<b>60,960</b>	<b>129,235</b>	<b>136,989</b>	<b>145,209</b>
		RIP Officer	15,000	31,800	33,708	35,730
		PFM, Livelihood and CSA specialists	31,200	66,144	70,113	74,319
		Admin	5,400	11,448	12,135	12,863
		Driver	9,360	19,843	21,034	22,296
		Organize programme office including vehicles, equipment and supplies	<b>66,000</b>	-	-	-
		Provide vehicles	50,000	-	-	-
		Provide motorbikes	16,000	-	-	-
		Provide computers and accessories (programme office)	-	-	-	-
		Deploy team of EFRI experts to do baseline and feasibility study field work	<b>25,000</b>	<b>5,500</b>	<b>5,500.00</b>	<b>5,500.00</b>
<b>4</b>	<b>Other Region</b>		<b>-</b>	<b>-</b>	<b>292,495</b>	<b>80,604</b>
		Offer job posting and finalise candidate placements	-	-	<b>68,495</b>	<b>72,604</b>
		Project coordinator	-	-	16,854	17,865
		PFM, Livelihood and CSA coordinators	-	-	35,056	37,160



	Admin	-	-	6,067	6,431
	Driver	-	-	10,517	11,148
	Organize programme office including vehicles, equipment and supplies	-	-	<b>216,000</b>	-
	Provide vehicles	-	-	200,000	-
	Provide motorbikes	-	-	16,000	-
	Provide computers and accessories (programme office)	-	-	-	-
<b>5</b>	<b>On ground D/D activities (PFM)</b>	-	-	-	-
<b>5.1</b>	<b>Create awareness and identify sites</b>	<b>272,515</b>	<b>690,873</b>	<b>1,187,134</b>	<b>1,733,514</b>
	Set up PFM Facilitation Team (PFMFT) (MEFCC and BOA, DAs) and conduct practical training (all in one group at a central place)	<b>247,000</b>	<b>588,348</b>	<b>1,095,599</b>	<b>1,641,979</b>
	Cluster coordinators (1 per 5 woredas)	16,800	48,336	83,596	134,347
	Woreda facilitators	63,000	181,260	353,934	546,676
	Got PFMFT leaders	97,200	274,752	546,070	848,956
	Provide motorbikes	21,000	-	-	-
	Provide computer and accessories (woreda facilitators)	14,000	24,000	32,000	32,000
	Forest tools and equipment	35,000	60,000	80,000	80,000
	Conduct initial forest site selection and develop action plan	-	-	-	-
	Select influential Got3, Keeble and Woreda level representatives	-	-	-	-
	Conduct Woreda meeting on PFM to align on goals and expectations	<b>14,580</b>	<b>24,300</b>	<b>34,020</b>	<b>34,020</b>
	Got representatives and PFMFT leaders (x4)	14,580	24,300	34,020	34,020
	Provide representatives with a PFM requesting letter	-	-	-	-
	Submission of requesting letter after consultation by Kebele administration	-	-	-	-
	Select DA/technicians to train on baseline data collection and analysis	<b>10,935</b>	<b>18,225</b>	<b>25,515</b>	<b>25,515</b>
	Collect data on households, forest products and condition and conflicts	-	-	-	-
	Analyse data and decide suitability of community and forest for PFM	-	-	-	-
<b>5.2</b>	<b>Negotiate boundary and demarcate</b>	<b>20,655</b>	<b>34,425</b>	<b>48,195</b>	<b>48,195</b>



	Train DAs, foresters and CFT <sup>2</sup> on boundary negotiation & demarcation	18,225	30,375	42,525	42,525
	Negotiate external and internal PFM forest boundaries between all relevant parties and mark trees with paint and GPS readings taken	-	-	-	-
	Produce map of internal PFM forest and external Got boundaries with GPS	2,430	4,050	5,670	5,670
	Flip charts	2,025	3,375	4,725	4,725
	Markers	405	675	945	945
	Make representatives of neighbouring govts sign form verifying boundary	-	-	-	-
	Register Got and associate members (customary users of the forest) as members the Forest user group	-	-	-	-
<b>5.3</b>	<b>Facilitate forest management planning</b>	<b>18,225</b>	<b>30,375</b>	<b>42,525</b>	<b>42,525</b>
	Train DAs, PFMFT & CFT on the basic principles and practice of SFM <sup>2</sup>	18,225	30,375	42,525	42,525
	Conduct rapid forest resources assessment (map)/observation walk & fill	-	-	-	-
	Conduct forest product analysis including wild coffee and biodiversity (matrix of product list, quality, value and how to improve (Q&Q)	-	-	-	-
	Conduct forest management analysis (strengths, weaknesses and recommendations are discussed and registered )	-	-	-	-
	Prepare three year forest management framework with general key activities decided (on MPU <sup>3</sup> ) for each year on a general assembly	-	-	-	-
<b>5.4</b>	<b>Organize FMI and internal regulations</b>	<b>33,155</b>	<b>55,275</b>	<b>77,345</b>	<b>77,345</b>
	Train Das, PFMFT and CFT on the principles and practice of facilitating a democratically elected organization and choosing an organizational form.	18,225	30,375	42,525	42,525
	Form Got level Forest Management Group Executive Committee in facilitated democratic process and develop internal regulations	-	-	-	-
	Form woreda level Forest Management Association (FMA) in a facilitated democratic process	7,290	12,150	17,010	17,010



	Develop byelaws and project plan for (FMA)	350	600	800	800
	Validate bylaws and project plan by the general assembly	7,290	12,150	17,010	17,010
	Prepare all documentation for the registration of the FMA <sup>5</sup> and its Got level branch FMG so that both are registered and become a legal entities	-	-	-	-
<b>5.5</b>	<b>Formalise FMI and create awareness</b>	<b>44,145</b>	<b>73,575</b>	<b>103,005</b>	<b>103,005</b>
	Complete and compile all documents necessary for PFM agreement.	-	-	-	-
	Conduct awareness raising and facilitated negotiation	-	-	-	-
	Set up and hold a ceremony for signing of PFM agreement	40,500	67,500	94,500	94,500
	Distribute copies of the agreement and create awareness among all key relevant stakeholders on new responsibilities and rights	3,645	6,075	8,505	8,505
<b>5.6</b>	<b>Implement PFM and develop enterprise</b>	<b>186,420</b>	<b>319,230</b>	<b>426,450</b>	<b>425,810</b>
	Form forest product marketing organization (select appropriate for FMA) at woreda level	7,290	12,150	17,010	17,010
	Sign a binding MoU between the FPMO <sup>2</sup> and FMA specifying joint roles and responsibilities and separate roles and responsibilities	-	-	-	-
	Develop joint action plan of the FMA and FPMO and implement	700	1,200	1,600	1,600
	Provide a revolving seed fund for the purchase of productive assets to cooperatives - Mandatory 40% for Women	175,000	300,000	400,000	400,000
	Formulate internal regulation & build consensus among members of FMGs	-	-	-	-
	Develop detailed and practical annual plan for FMG facilitated by the FMA/FPMO	-	-	-	-
	Develop support system to the FMG	280	480	640	-
	Provide Trainings/support on demand to all community organizations	-	-	-	-
	Developing networks of FMA/FPMOs, forums and connections (every six months in the area)	3,150	5,400	7,200	7,200
<b>5.7</b>	<b>Monitor, evaluate and problem solve</b>	<b>8,235</b>	<b>13,770</b>	<b>19,170</b>	<b>19,170</b>
	Assign two PM&E team members with the roles of coordinator (the FMA auditor) & facilitators (two for each FMG)	-	-	-	-
	Conduct trainings on appropriate planning, monitoring and	8,235	13,770	19,170	19,170





	evaluation systems, methods and skills for all parties in PFM.				
	Relevant and feasible PM&E systems set up to match the requirements of each stakeholder	-	-	-	-
	Develop suitable baselines, criteria, indicators and methods for the requirements of each specific stakeholder in PFM	-	-	-	-
	Develop a responsive planning and implementation that ensures PFM's continually learn from and build on concrete experience from the M&Es	-	-	-	-
	Conduct periodical regular monitoring and evaluation (once a quarter for each FMG)	-	-	-	-
<b>6</b>	<b>On ground D/D activities (CSA)</b>	-	-	-	-
<b>6.1</b>	<b>Increase productivity of crop land</b>	<b>111,200</b>	<b>186,000</b>	<b>258,800</b>	<b>258,800</b>
	Conduct baseline study on current crop types and productivity in each area (study through a TA or consultancy)	<b>14,000</b>	<b>24,000</b>	<b>32,000</b>	<b>32,000</b>
	Select and train pioneer farmers to spear head on technology adoption	<b>16,200</b>	<b>27,000</b>	<b>37,800</b>	<b>37,800</b>
	Procure technology (improved, seed, farming practice and small scale harvesting and postharvest machinery)	<b>81,000</b>	<b>135,000</b>	<b>189,000</b>	<b>189,000</b>
	Hold field days to demonstrate results on pioneer farmers	-	-	-	-
	Train other farmers on new technologies tried with pioneer farmers	-	-	-	-
<b>6.2</b>	<b>Improve livestock production system</b>	<b>111,200</b>	<b>186,000</b>	<b>258,800</b>	<b>258,800</b>
	Conduct gap assessment on livestock production system and productivity (study through a TA or consultancy)	<b>14,000</b>	<b>24,000</b>	<b>32,000</b>	<b>32,000</b>
	Select and train pioneer farmers for selected technologies	<b>16,200</b>	<b>27,000</b>	<b>37,800</b>	<b>37,800</b>
	Procure selected technology (e.g. fodder seeds, breeds and construction of stall and milking and milk storage facilities)	<b>81,000</b>	<b>135,000</b>	<b>189,000</b>	<b>189,000</b>
	Hold field days to demonstrate results from pioneer farmers	-	-	-	-
	Train more farmers on new technology tried with pioneer farmers	-	-	-	-
<b>7</b>	<b>Support a sustainable energy programme</b>	<b>94,922</b>	<b>158,203</b>	<b>221,484</b>	<b>221,484</b>
	Fund an Improved cook stove roll out programme that is being implemented by partners	<b>94,922</b>	<b>158,203</b>	<b>221,484</b>	<b>221,484</b>
<b>8</b>	<b>National secretariat and Regional REDD+ CU funding</b>	<b>-</b>	<b>227,500</b>	<b>482,300</b>	<b>511,238</b>



	Staff and operational costs for National REDD+ Secretariat	-	125,000	265,000	280,900
	Staff and operational costs for 4 Regional REDD+ Coordination Units	-	102,500	217,300	230,338
<b>Total</b>			<b>2,031,517</b>	<b>2,403,487</b>	<b>3,869,890</b>
					<b>4,258,038</b>



### 9.3.3 Indicative timelines

Activity	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Responsible
<b>1. Create implementation capacity (SNNPR)</b>									NRS, RRPCU
1.1. Modify and validate design									NRS, RRPCU
1.2. Build implementation capacity									NRS/RRPCU
<b>2. Create REDD+ institutions (Gambela)</b>									NRS <sup>3</sup>
2.1. Establish REDD+ CU									NRS
2.2. Prepare regional REDD+ programme									RRPCU
2.3. Build implementation capacity									RRPCU
<b>3. Launch Oromia PFM programme</b>									RRPCU/IP <sup>2</sup>
<b>4. On ground D/D activities (PFM)</b>									
4.1. Create awareness and identify sites									RRPCU/IP <sup>2</sup>
4.2. Negotiate boundaries and demarcate									RRPCU/IP <sup>2</sup>
4.3. Facilitate forest management planning									RRPCU/IP <sup>2</sup>
4.4. Organize FMI <sup>1</sup> and internal regulations									RRPCU/IP <sup>2</sup>
4.5. Develop PFM agreement and sign									RRPCU/IP <sup>2</sup>
4.6. Implement PFM and develop enterprise									RRPCU/IP <sup>2</sup>
4.7. Monitor, evaluate and problem solve									RRPCU/IP <sup>2</sup>
4.8. Budget support to NCSIP <sup>4</sup>									
<b>5. On ground D/D activities (CSA)</b>									RRPCU/IP <sup>2</sup>
5.1. Increase productivity of crop land									RRPCU/IP <sup>2</sup>
5.2. Improve livestock production system									RRPCU/IP <sup>2</sup>

1 Forest Management Institutions

2 Implementing partner

3 National REDD+ secretariat

4 National Cook Stove Improvement Programme of Ethiopia



## 9.4 INITIAL STEPS FOR SELECTED TRANSFORMATIVE HIGH-VALUE ACTIVITIES (INNOVATIONS)

### 9.4.1 Detailed activities

Innovation	Key first steps
Create tourism- and eco-tourism-linked conservation zones (e.g., new national parks)	<ul style="list-style-type: none"> <li>■ Conduct interviews to understand successful public-private and civil society partnerships in Ethiopia (e.g., Wef Washa and Bale Mountain Ecotourism projects) and internationally (e.g., USD40 million of Government of Indonesia investment)</li> <li>■ Work with ME FCC staff (likely Natural Forest Development and Protection Coordination General Directorate) to identify potential priority areas for investment at a national level (e.g., areas in existing national parks that have basic transportation infrastructure and are a draw for tourists)</li> <li>■ Refine the initial prioritisation at the regional level through discussions with regional ME FCC units (where existing) and regional presidents/vice presidents</li> <li>■ Develop an investor “pitch pack” and conduct an investor roadshow to discuss investment opportunities with tourism/eco-tourism infrastructure companies, lodge operators, etc.</li> <li>■ Evaluate investment proposals to develop site/partner matches</li> </ul>
One Acre Fund opportunity	<ul style="list-style-type: none"> <li>■ Receive concept the note from the One Acre Fund (Feb. 24)</li> <li>■ Evaluate the concept note (impact, scalability, ROI)</li> <li>■ Suggest modifications as appropriate (e.g., to enhance environmental impact)</li> <li>■ Determine the level of GoN support (if any) and the most appropriate type of support (funding/facilitation)</li> </ul>
PES payment scheme as part of existing or planned jurisdictional/regional forest protection (e.g., hydro project approach)	<ul style="list-style-type: none"> <li>■ Hold bilateral conversations and workshops to gauge the interest of potential sponsors, building on private sector conversations through REDD+ readiness supported by the World Bank</li> <li>■ Develop and offer/tender an incentive package for sponsors</li> <li>■ Receive and evaluate offers from potential partners</li> </ul>
Premium coffee	<ul style="list-style-type: none"> <li>■ Draw up a list of potential implementing partners (including, but not limited to, Partnership for</li> </ul>



Innovation	Key first steps
	<p>Forests)</p> <ul style="list-style-type: none"> <li>■ Interview each potential partner to understand the model (impact, scalability, ROI), funding gaps and potential for partnership with GoN, and shape a potential funding proposal (from the implementing partner to NICFI)</li> <li>■ Receive, evaluate and suggest modifications to the concept note (see One Acre Fund model)</li> <li>■ Determine the level and type of support required</li> </ul>

### 9.4.2 Budget estimates

Included in Forest Sector Transformation Unit budget

### 9.4.3 Indicative timelines

Included in Forest Sector Transformation Unit timeline



## 10 Risk assessment matrix

	Risks	Probability	Consequences	Overall risk assessment	Mitigation strategy	Risk owner
Political and governance:	Delay and failure in enacting of forest legislation, regulations, guidelines and directives (due to a lack of motivation from decision makers to implement, from an overly cumbersome and bureaucratic process, or absence of a clear, transparent and effective national forest governance structure)	Moderate	High	High	a) Build on the Governments current high level of commitment to promote REDD+ legislation, regulations, guidelines and directives; this momentum will need to be sustained through continued awareness creation, advocacy, and promotion of the merits and benefits of swift implementation within the ME FCC, the CRGE, and Government as a whole.	ME FCC, NRC
					b) Link payment of grant funding to organisations, such as regional bureaus responsible for forestry, to finalisation of legislation, regulations, guidelines and directive deliverables	ME FCC, NRC
					c) Provide demand-led technical assistance to the ME FCC and its Regional implementing partners to co-develop any outstanding required legislation, regulations, guidelines and directives	ME FCC, NRC, Partners such as donors
	Failure of law enforcement in newly planted and protected forests reversing investments made	High	Serious	High	a) Develop relevant law enforcement institutions at all levels through training on the new legislations, regulations, guidelines and directives and clearly inform them of expectations on how to implement and deal with any transgressions	ME FCC, NRC, RRP, ISNFSDPP
					b) Increase social buy in of affected community, through awareness campaigns on the benefits of the programme and long term goals for the programme to benefit local communities to promote social policing from the adjacent community	ME FCC, NRC, RRP, ISNFSDP



	<b>Displacement of livelihoods as a result of A/R and D/D operations</b>	High	Serious	Moderate	a) Conduct livelihoods assessment, in accordance with Resettlement Policy Framework (RFP), of affected community to ascertain the most negatively affected households	<b>MEFCC, NRC, RRCU, RPCO, ISNFSDP</b>
					b) Develop a comprehensive Resettlement Action Plan (RAP) specifying the procedures the sponsors will follow and the actions they will undertake to properly resettle and compensate affected people and communities.	
					c) In accordance with Resettlement Action Plan, the programme should provide assistance in establishing alternative livelihood options for affected households	
					d) Provide preferential loans and other forms of business assistance to any NTFP businesses from those families negatively affected by the programme	
					e) Provide preferential hiring in programme activities to affected households	
	<b>Unavailability of land to carry out sufficient scale of planned programme work due to competing needs for land</b>	High	Serious	High	a) Ensure the selection criteria for Woredas and programme sites includes the availability of land as a selection key specification	<b>MEFCC, NRC, RRCU, RPCO, ISNFSDP</b>
					b) Engage all levels of government from Regional down to kebele administration to ensure there is full support for the shift in land use for the community of land users	
					c) Engage the other ministries and woreda-level offices involved in land use management, especially Agriculture	
	<b>Lack of harmony across strategies and policies to target the overall CRGE goal, of 150MM tCO<sub>2</sub>e mitigation by 2030, broadly and the how that</b>	High	Moderate	Substantial	a) Strengthening of existing inter-ministerial CRGE Committee through the improvement of information and analysis available to enable good decisions, furthermore, REDD+ progress should be a set as a standing item on the CRGE steering committee agenda	<b>NRC, MEFCC, RMEFCC, RRCU</b>
					b) Create regular update cadence within the MEFCC and REDD+ at a federal level and between the Federal and the implementing Regional level institutions	





	<b>will affect the forestry sector more specifically</b>				<ul style="list-style-type: none"> <li>c) Build the capacity of the REDD+ institutions, across all tiers of government, through targeted support and through trainings of existing staff               <ul style="list-style-type: none"> <li>- REDD+ Programme overview</li> <li>- NFSDP overview</li> <li>- Forestry 101</li> <li>- Programme specific rules and regulations with designated roles and responsibilities</li> </ul> </li> </ul>	
	<b>Corruption and/or mismanagement of programme resources</b>	Moderate	Serious	High	<ul style="list-style-type: none"> <li>a) Create clear programme management rules and regulations with explicit delegation of authority, especially on financial oversight and management</li> <li>b) Ensure highly qualified staff (e.g. Chartered Accountant), with relevant qualifications are hired to positions of responsibility who understand the rules and regulations</li> <li>c) Ensure regular audit from an external third party organisation</li> <li>d) Create whistle blower hotline and policy and provide training to all staff to encourage anonymous reporting from throughout the organisation on financial or other forms of resource mismanagement</li> </ul>	MEFCC, CRGEF
	<b>Low level of stakeholders support and buy in from both Government and non-government players</b>	Small	Serious	Substantial	<ul style="list-style-type: none"> <li>a) Identify potential stakeholders in government at the (Federal, Regional and woreda levels) as well as any donor, or private sector groups or individuals for the programme as a whole and of each targeted area of implementation</li> <li>b) Set clear, objective and transparent targeting strategy with a consistent message across stakeholder groups, with tailored messaging and message delivery approaches</li> <li>c) Involve the community and stakeholders in ongoing progress monitoring and continuous communication of results allowing an open feedback loop for programme design improvements and to promote programme awareness</li> </ul>	MEFCC, NRC, RRCU, RPCO, ISNFSDP
	<b>Increase in public frustration and unrest</b>	Moderate	Serious	High	<ul style="list-style-type: none"> <li>a) Increase social buy in of affected community, through awareness campaigns on the benefits of the programme and long term goals for the programme to benefit local communities which will promote social policing from the adjacent community</li> </ul>	MEFCC, NRC, RRCU, RPCO, ISNFSDP



					<p>b) Ensure there is a well-publicised and easily understandable dispute and conflict resolution framework for all community based contestations to be aired and dealt with in an open and transparent way</p> <p>c) Create alignment with local law enforcement officials as to the expected behaviour from them in the case of conflict, including a regularly updated emergency management plan, including who to contact, what priority actions to take for on the ground staff etc.</p>	
Macroeconomic:	<b>Low carbon price and insecure market</b>	Moderate	Moderate	Substantial	a) Ensure diversified livelihoods of affected community from the improved forest resource management practices, is a strong enough incentive to continue irrespective of the carbon market price	<b>MEFCC, NRC, RRCU, RPCO, ISNFSDP</b>
					b) Both the OFLP and the Ethiopia-Norway partnership agreement has a future promise of purchasing carbon credits from reduced deforestation. Norway has until now also operated with a fixed price of USD 5 per ton CO2	
	<b>Adverse effect of inflation on the cost of living, which will in turn increase the cost of labour and opportunity cost of free labour</b>	Moderate	Moderate	Substantial	a) Ensure slight to moderate increases in manual labour cost can be absorbed by the programme, through the formulation of a contingency budget	<b>MEFCC, NRC, ISNFSDP, RPCO</b>
					b) Work closely with local government and community leaders to agree ahead of time with the local communities on a labour agreement to ensure the cost of labour can be more accurately accounted for ahead of time	<b>ISNFSDP, RPCO</b>
Design and implementation risk	<b>Lack of sufficient detail in the technical design of the programme or a failure to account for sufficient risks that lead to failure in</b>	Moderate	Serious	High	a) Rely on staff with a proven track record of successfully working on PFM and A/R programmes within Ethiopia and successfully implementing similar programmes	<b>MEFCC, NRC, RRCU, RPCO, ISNFSDP</b>
					b) Build on and reinforce from the lessons learnt on similar existing programmes	
					c) Provide access to a demand-led technical assistance team of external consultants who can assist in stress testing the programme design and	



	achieving impact				ensure an external perspective	
					d) Build a robust MRV and M&E infrastructure which will enable rapid course adjustment and allow the immediate correction of any technical flaws in the programme design	
					e) Adopt a landscape approach which reduces the reliance on any one specific programme component, reducing the chance of failure	
					f) Empower decision makers at the regional and local level to support a dynamic and agile programme structure allowing flexibility in dealing with ad hoc contextual issues faced by the programme, which may not have been accounted for in the programme design phase	
					g) Create localised syndication between programmes early to ensure collaboration and coordination to avoid conflicting agendas and improve coverage	
	Insufficient capacity within the existing ME FCC and REDD+ structure for successful implementation of the programme	High	High	High	a) Ensure there is a sufficient number of available field staff and administrative support to undertake the required establishment of the programmes	ME FCC, NRC, RRCU, RPCO, ISNFSDP
					b) Classify the core skill sets for each role and in programme role out and strengthen/build the required skills through training of the office and field staff. GIS and RS capability at federal and regional levels for landscape planning and monitoring	
					c) Access to demand-led technical assistance team for targeted, support and issue resolution	
					d) Collaborate with regional and woreda level, existing institutions, such as REDD+ Coordination Units and regional institutions for improved coordination and to leverage existing capacity to work together to implement the programme	
	Unsustainability of the results from interventions	Moderate	Moderate	Substantial	a) Increase social buy in from the affected community through awareness campaigns on the benefits of the programme and long term goals for the programme to benefit local communities which will promote social	ME FCC, NRC, RRCU, RPCO,





	such as infrastructure development (road, dam for hydroelectric power)					
Environmental and social	<b>Adverse effect of a natural disaster (e.g., Drought impact)</b>	Very small	Serious	Substantial	a) Utilise the relevant climate prediction services to inform planning and implementation of programme to maximise the best time of the year for productive activities in the field	<b>MEFCC, NRC, RRCU, RPCO, ISNFSDP</b>
					b) Include various scientific best practice to mitigate any adverse weather effects, e.g., tree planting with moisture conservation techniques in drought affected areas	
					c) Create management structures to alleviate localised risks, e.g., strengthen preparedness for forest fire prevention through trainings and community involvement	
	<b>Negative and/or unintended impact on the environment and society</b>	Moderate	Serious	High	a) Conduct feasibility and Environmental & Social Impact Assessment (ESIA) studies for relevant programme sites which should identify any immediate or major potential risks to the programme to create a more detailed, site specific list of possible risks	<b>MEFCC, NRC, RRCU, RPCO, ISNFSDP</b>
					b) Engage affected communities early to ensure broader community report and to develop buy in on the programme	
					c) Prepare and allocate/commit resources to both prevent the occurrence of negative events and to draw on in the event of a negative incident, in accordance to the environmental and social management plan as laid out in the feasibility study	
					d) Monitor implementation of mitigation measures for the negative impacts and enhancement measures for the positive impacts	
	<b>Gender inequality</b>	Small	Serious	Substantial	a) Prescribe a set number of women representation on the PFM, or other form of forest management, committees	<b>MEFCC, NRC, RRCU, RPCO,</b>



						<b>ISNFSDP</b>
					b) Provide preferential loans and other forms of business assistance to any NTFP businesses owned primarily by women	
					c) Ensure there is a gender specialist hired at the Regional level, and where possible at the woreda level, to engage the women of the affected communities on any women specific issues and to ensure that the cultural influences might not repress the voices of women in open forum discussions or community debates	<b>RRCU,</b>
					d) Implement a Grievance Redress Mechanism (GRM)	
	<b>Lack of community participation</b>	Moderate	Moderate	Moderate	a) Ensure the GRM is in place	<b>Woreda, RRCU</b>
					b) Run ongoing community engagement sessions across the spectrum of local people, ensuring to cover multiple segments of local society	
	<b>Overall Rating</b>	<b>Moderate</b>	<b>Moderate</b>	<b>Moderate</b>		

