Ministry of Finance, CRGE Facility
Progress Report to the Danish Embassy

October 2018

Addis Ababa, Ethiopia

Contents

INTRODUCTION

The Ministry of Finance (MoF) and the Danish Embassy in Addis Ababa signed a grant agreement with the total amount of DKK 27.5 million on November 2014 to support greening agricultural transformation in Ethiopia through the CRGE Facility. The MoF and Danish Embassy with active participation of the executing entities (i.e. Ministry of Agriculture and the Environment, Forest and Climate Change commission agreed on an engagement framework including a common result framework, which elaborates the expected results of the support, indicators and targets. Based on this, the CRGE Facility allocated the resource to the two ministries and invited them to submit full project proposals using the CRGE Facility project proposal template.

While the review and appraisal process of the proposals by the CRGE Facility was taking place, the first disbursement from the DANIDA to the CRGE Facility was done on March 9, 2015. After review and appraisal of the project proposals by the CRGE Facility secretariat and approval by the CRGE Facility Management Committee, the MoF and the line ministries signed Memorandum of Understanding (MoU) for project execution. The CRGE Facility subsequently disbursed finance to designated CRGE accounts of the two ministries starting from July 30, 2015. The implementing ministries ensured the establishment of project delivery arrangements from federal to woreda levels and started actual implementation of project activities on September 2015, almost 10 months after the singing of the agreement, and six months after disbursement to the CRGE Facility. This is one of the reasons for the significant delay in the implementation of the project. Hence, for the finalization of the project interventions, the CRGE Facility has requested no cost extension and extended the implementation of the project up until 31 October 2018 with the approval of the Danish Embassy.

This completion report summarizes key accomplishments of the DANIDA supported project from November 2015 to October 2018. Section A highlights the accomplishment of the DANIDA supported projects during the reporting period. Section B, C and D highlight CRGE Facility financial updates, the main challenges encountered, and lesson learned during the project implementation period, respectively.

SECTION A: PROJECT PROGRESS

The main objective of this support is to strengthen the Government of Ethiopia's efforts to mainstream and implement CRGE initiatives in the agriculture and forestry sectors. To this end, the project has three complementary components/outcomes: (a) community based (1) watershed management enhanced and (2) Climate Smart crop and livestock production practices and irrigation systems adopted and productivity increased, (b) selected forests are protected, re-established and/or sustainably managed to provide ecosystem services and carbon sequestration, and (c) Strengthened government capacities to plan and report on green, climate resilient development results. The achievements towards each outcome during the period are presented below:

Outcome One
Community based (1) watershed management enhanced and (2) Climate Smart crop and livestock production practices and irrigation systems adopted and productivity increased

This outcome is basically expected to rehabilitate about 4,274.7 ha of watershed area and facilitate for 1885 small-holder households to adopt Climate Smart Crop and Livestock production practices in their respective areas. The achievement of these results will ultimately contribute both to the poverty reduction and climate resilient green economy building efforts of the Government in the selected 8 woredas of the four regions: Tigray, Amhara, Oromia and SNNP of Ethiopia. Particularly, this component will improve the resilience capacity of the rural communities or farmers by providing various intervention options including applying physical and biological conservation techniques, water harvesting technologies, adoption of CSA practices to improve both the livestock and crop productivity.

Thus far, all the planned interventions to be implemented by the project support within 8 project woredas of 4 regions are finalized and the achievements of all outputs is 100% as of 31 October 2018. The achievement in this outcome include: about **4,274.7 ha** area of watersheds were covered by different climate smart agriculture (CSA) interventions; of which about **1,732ha** of land was covered by various community based integrated watershed management practices and **2,542.7 ha** of lands were covered by various climate smart crop and livestock practices.

As indicated above, the ***2,542.7 ha*** of land covered by the various *climate smart crop and livestock* interventions include:

- **78,685** different improved and drought tolerant fruits seedlings;

- **137,738 Kg** of improved vegetables and cereal crops seeds planted;
- 51 hand dung wells and **41,495 M^3** ponds were excavated improving access to water supply for livestock, irrigation and households' consumptions;
- 94 water pumps distributed to the beneficiaries and enhanced access to irrigation schemes in the project areas. Specifically, this has served to cover **192.8 ha** area of land with different high value crops;
- 2,832.50 Kg of improved fodder seeds and 323,767 fodder seedlings were distributed, and 30 ha of land covered by different forage and fodders improving the livestock feeds in the project areas;
- 762 improved Shoat, 8,174 Poultry breeds, 204 Modern and 311 transitional beehives were distributed for the farmers which have diversified livelihood options of the project beneficiaries.

In terms of the integrated watershed management which covered 1,732ha of land include:

- 15,062 different types of micro-water harvesting structures;
- 20,549 M^3 check dams and 2,624.11 Km of physical soil and water conservation (SWC) structures;
- Stabilized 388 Km of physical SWC by multipurpose biological conservation measures, and
- Plantation of over 6,114,517 forest and forage seedlings.

From the above interventions, 1,885 smallholder farmers households are directly and about 12,374 members of the community indirectly benefited.

According to the post assessment report, the communities observed an increase in ground water, vegetation cover and availability of fodder. Moreover, implementation of the project in the watershed has also created a short term job opportunity and income for households who participated in the communal community construction of pond, gabion check dam, hillside terracing, trenches, construction and stabilization of artificial waterways, construction and stabilization of cutoff drains and other different activities watershed management. It was reported that as a result of the implementation of the various project activities, the average household income from livestock and crop production has increased by 91.6 % from the project baseline .

As for reporting on the amount of greenhouse gases sequestered in the project areas, based on the post assessment project evaluation report, 0.025 Mt CO2-e of greenhouse gases is

sequestered and reduced by the project areas as a result of the climate smart agriculture interventions.

To conclude, the adoption of the above crop & livestock related CSA and integrated watershed management practices by the beneficiaries have contributed to a better management of the degraded and agricultural lands, diversification of livelihood options, improved household income and resilience capacities of the small holder farmers in the project areas.

The project post assessment report which was undertaken during the no cost extension period has among other things captured beneficiary testimonies (see annex).

Outcome Two
Selected forests are protected, re-established and/or sustainably managed to provide ecosystem services and carbon sequestration

The Environment Forest and Climate Change Commission has been implementing the project entitled "Protection and Rehabilitation of the Bonga Biosphere Reserve and Enhancing Livelihood of five districts" in Kafa zone, southern Nations, Nationalities, and Peoples Regional State.

The implementation of this project contributing to this outcome was started almost one year after the disbursement of the project budget to the then MEFCC due to institutional reform at the regional level, identification of PFM members and getting permission for the land plot for nursery and plantation purposes took more time than expected.

The project is located in Bonga Biosphere Reserve, covering five woredas, namely, Chena, Chetta, Decha, Gewata and, Tello, in Kefa Zone, SNNP regional state. The project targets the sustainable management of the Bonga biosphere reserve, which is one of the major forest stocks of the country with high biodiversity and ecosystem values, through participatory forest management approach.

The central focus of this outcome is the protection, re-establishment and/or sustainable management of selected forests in the four regions. The key model applied in this context is a participatory forest management approach. The project thus covered interventions related to value chain approaches to developing non-timber products; vegetable and fruit production, honey, herbs and essential oils, coffee and spices, reforestation, eco-tourism, sustainable timber production, and also water conservation. These combined focuses are expected to increase income from alternative economic opportunities (ecosystem services) and environmentally sustainable practices. Under this component/outcome, the different

interventions were mainly envisaged to protect 105,000 hectares (50% of the 210,000 ha) land and improve forest management systems on 200,000 hectares of land.

In view of the above key interventions, the achievement of the project towards contributing to this outcome is summarized as follows:

Protection of Core and Buffer Zones: The project has contributed to the protection of 25,000 hectares of biosphere area of the core zone from deforestation and illegal encroachment and a protection of 80,000 hectares of buffer zones through the combined and participatory interventions. The achievement of the project to this end is therefore about 100% compared with the target of protecting 105,000 ha (i.e. 50% of the 210,000 ha).

The local bylaws established, and the PFM members livelihood transformed**:** External and internal forest demarcations of 2892.125 ha of natural forest, management plan and agreement document, and area map have been developed. Thus far, Local community bylaws were developed for the five project woredas and PFM graduation was conducted in one of the woreda (Chata woreda which has four PFM). These systems together have contributed to reduce pressure on the forest resources and improved management of the forest. The PFM members have been shifting their daily income from selling of fuel wood to generate income from livelihood enhancement activities by engaging as daily laborer and benefiting from livelihood improvement interventions.

During the project implementation period, the project has provided alternative livelihood options for the local community members by creating employment opportunities for 2000 local community members. These have engaged the user groups from the five project woredas and 20 Kebeles. To this end, the user groups have engaged in five intervention areas including: 300 members in wild coffee growing, 200 in mushroom, 500 in honey production, 500 in Fruit trees development, 200 in forest seedling development and 300 in spice production. Moreover, some of the local community members also engaged in the plantation and regeneration of multi-purpose and indigenous species in the buffer and transition zones of the biosphere and the project has indirectly benefited more than 400,000 community members.

The introduction of these integrated livelihood practices together with the plantation and regeneration of multi-purpose and indigenous species therefore contributed to an improved Participatory Forest Management (PFM) system in the project area. In turn, this PFM system has contributed to an improved sense of ownership and management capacities. The project has enhanced the understanding level of the user groups on the roles of the forests, its development and managements, which led to behavioral/attitudinal changes among the

community members. The community members living around the forest have realized that their livelihood for existence is highly linked to the forest resources. This can be witnessed by the different practices on the ground such as their involvements in the establishment of nursery sites (more of indigenous tree seedlings) nearby the forest to undertake plantation in the degraded areas both within and around the forests. Further, plantation of Bamboo forests is being undertaken by the user groups for the development of the forest as well as livelihood improvement.

Diversification of Livelihoods for Forest User Groups: The forest conservation efforts have had livelihood support integrated for the forest dependent community members (user groups). The livelihood interventions were selected based on consultation with communities, woreda agriculture extension experts and the zone's livelihood experts. The key interventions included beekeeping, forest coffee seedling production, mushroom production, establishment of fruit nurseries, and spices plantation. Key achievements under each activity are described below.

Beekeeping

Distribution of 1000 modern beehives and construction of 100 sheds (20 in each woreda) were completed in the project period. The hives were constructed by a local micro enterprise following a bid process at a cost of 889.75 ETB/hive.

These supported the 5 user groups in the 5 woredas with a total of 500 beneficiaries. From the 1000 beehives, that were provided to the communities, 179 were delivered to the community groups earlier and had ample time for preparation before the harvest season. Therefore, bee colony transfer was done only for these 179 hives; however, the colonies were unstable in many of the hives, and communities were able to harvest only from the 82 hives. The user groups have harvested 277kg of honey in one harvesting season from these 82 beehives. The first round of harvest was low with an average of 3.4kg/hive as opposed to the estimated average 7-15kg/hive. This is mainly attributed to the stability and strength of the bee colony as well as availability of food in some of the sheds. To support the seasonal flowering in the forest, plantation of flowering plants is yet to be done in most of the sheds.

However, though the first round yield was low, it has still been quite encouraging for the user groups to harvest within a short period of time. If proper management continues, the groups are expected to start making profit soon. The average price for honey is 100 ETB/kg, while the average cost of establishing one hive is 1,115 ETB. Therefore, even if the hives start production of the minimum estimated 7kg in the next seasons the cost will be covered in the first year (there are two harvest seasons in a year).

With additional support from the phase II program, following feasibility study, these groups are expected to be strengthened and be examples to their communities. Further, the transition from traditional to modern beehives provided better opportunities for women to own resources and actively participate in beekeeping.

Forest Coffee Development

By the end of the program, 1,390,940 coffee seedlings with the survival rate of 83% were planted on 487.35ha in the 5 kebeles. From the total seedling planted 31% was planted in the forest users' communal land (166.6 ha), 59% was planted by the forest user group members on their own private land (320.75 ha) and 10% was sold. The seedlings are currently managed by the 5 user groups in 19 nursery sites which will also serve as sources of seedlings beyond the project period. The forest user groups have managed to earn a total of 48,788.75 ETB through sell of the coffee seedlings. The coffee plantations are expected to be good income source for the community. Assuming good management practice and environmental conditions, average yield per ha is estimated at 8 quintal/year. Therefore, with 50 ETB/kg estimation the community will be able to earn 40,000 ETB/ha and on average.

Mushroom Production

Construction of the mushroom house for two districts and procurement of the necessary equipment have been finalized. There was a continuous dialogue with the local authorities on the choice of source of power (Solar vs. Electric power) to be used for the operationalization of the mushroom production which took quite significant time. Finally, agreement was reached with the local Water, Irrigation and Electricity office to facilitate the provision of electric power supply for the operationalization of the mushroom production. The supply of electric power provision was one of the main reasons for the request of no cost extension until October 31, 2018. During the reporting period, procurement of transformer for only one of the Woredas (Decha) was undertaken and due to the security problem in the area and institutional reform in the Zone, it was not possible to install the transformer and start the envisaged Mushroom production before 31 October 2018. However, all the required follow up will be made by the Zone to install the transformer and facilitate production start-up during the early stage of the second phase of the project.

Fruit Nursery Establishment

Ten fruit nurseries were established during the project period and during this time 174,930 seedlings of Avocado, Mango, Papaya and Banana were planted on 59.31 ha (9.4 ha communal land and 49.6 ha private land of the user group members). By the end of the program period, the communities in Decha woreda were able to harvest from their Banana plantation. Around 428 hands (estimate around 30 kg each) were harvested in three rounds and sold in local markets for 3,424 ETB. The user groups have not yet started selling seedlings but did give out

various fruit seedlings to individuals as a marketing strategy which has led to high demand within the woreda. As a result, they will soon start selling fruit seedlings in addition to the fruits to supplement their livelihood. In the project area, both the banana seedlings and fruits are currently mainly supplied from Arbaminch. Therefore, the user groups have the potential to take the advantage of supplying the fruit demand of the area at a competitive price.

Spice plantation

Three types of spices (Cardamom, Pepper and Ginger) have been planted on 16.3 ha of communal land and yield is expected the following year. The spices are planted in a land given to the user groups by the local government in Cheta, Telo and Chena woredas. As a result, the area is managed by and supports 300 local communities who are members of the user groups. Once the beneficiaries start harvesting the yield, it is expected to contribute to increased income and improved livelihoods of the beneficiaries. Challenges related to storage and access to market that were evidenced through other PFM groups engaged in spice plantation have been recognized and will be part of the feasibility study in the phase II program.

All the above livelihood interventions are also expected to have contribution to forest conservation. Most of the activities are done in the buffer zone and will minimize farm expansion into the core area. Further, ensuring community members have additional income source is likely to reduce their dependency on the forest resources, particularly timber extraction. The potential high price for forest honey and coffee can also increase the value of the forest in the eye of the communities further strengthening their need to conserve their forests.

The livelihood interventions, particularly coffee, and some fruit plantations require continuous management until the first yield which on average is three years. Thus, the management interventions will continue with technical support from the zone as well as in the second phase of the project. Lessons learned will be shared to other kebeles in the five woredas to ensure scaling up of activities based on results from the project.

Capacity building: Training on the integration of advanced and traditional Forest management was conducted and Training of Trainers on Result Based Management was provided for 60 experts (57 male and 3 female) from Bonga zone and the five project woredas. Further, eight different type of training manuals were prepared to provide training of trainers for 95 participants (86 male and 9 female) from the Woredas and Kebeles. The manuals prepared include coffee production & management; Spice production & management; fruit production & management; beekeeping management; trends in Forest management in kafa zone; participatory forest management and ffinancial management, accounting & reporting.

This is expected to contribute increased understanding of forest management, improved planning, implementation (results based M&E), and results reporting of both zonal and Woreda level experts.

Outcome Three
Strengthened government capacities to plan and report on green, climate resilient development results

This outcome mainly focuses on building capacity to better plan; implement and monitor CRGE funded programs in CRGE units of federal ministries as well as regional and woreda levels. The capacity building efforts will also work towards better monitoring, evaluation and learning. The key interventions in this context include trainings particularly on planning, proposal preparation, management including performance and financial management, reporting, and M&E. The effects of this outcome is expected to have positive effects on the two other outcomes in terms of effectiveness and efficiency of funds utilization but may also have a direct positive effect on the mainstreaming of the CRGE Facility's operation.

During the project implementation period, 13 capacity building trainings were provided to the experts and senior managements from CRGE line ministries who are engaged in planning and decision making including Ministry of Agriculture, Ministry of Water Irrigation and Electricity and Environment Forest and Climate Change Commission drawn from federal, regional and woreda level participants. Regional level capacity building training was also organized with Bureaus of Finance and Economic Development (BoFED) of six regions during the no cost extension period using the exchange rate gain of the project. During this period, the capacity building training was provided to a total of 2330 experts since November 2015 up until 31 October 2018. The capacity building training is expected to enhance the institutional capacity of the CRGE line ministries and their respective counterparts at regional and woreda levels and heighten the technical skill of decision makers in planning and reporting on climate resilient development and green growth. The training workshops were designed in a progressive way starting from key concepts and national strategies on climate change adaptation and mitigation, result based management and reporting, gender and environmental and social safeguards frameworks and culminating in understanding how to mainstream climate change into the different sectors planning and implementation.

Further, Similar capacity building training was also provided to 54 parliamentarians to improve their knowledge on climate change and sustainable development so that policy/decision makers can have better understanding of how to support the adaptation and resilience capacities of communities and individuals to the effects of climate change and other shocks.

The participants of the training include chairs and vice chairs of the 16 standing committee of parliamentarians.

As part of strengthening the capacity in submitting and preparing financing proposals, feasibility study for the funding proposal submitted to the GCF on sustainable cities and baseline report for the Adaptation fund project of the CRGE Facility were prepared through commissioning consultants using financial resource from this project which contributed towards the resource mobilization effort of the CRGE Facility. Moreover, capacities of eight senior levels MoF staff were strengthened on Project Management through a training on Advanced Senior Project Management. Further, six days capacity building training was organized for 11 technical experts on improving result based report writing skills. Hence, as a result of the different interventions the monitoring and reporting capacity of the CRGE Facility and CRGE line ministries has been improved.

A progress summary of the project is provided in annex 2.

SECTION B. FINANCIAL UPDATE

Outcome	Allocation (ETB)	Disbursement (ETB)	Utilization (ETB)	Remarks
Outcome 2.1: Watershed management and climate smart Agriculture	48,377,360.00	48,377,360.00	48,377,360.00	The project has implemented all the planned interventions under this outcome and the financial utilization is 100%.
Outcome 2.2: Forest Management, protection and re-establishment	20,000,000.00	20,000,000.00	19,999,571.55	All the planned interventions are implemented. There is remaining balance of 428.45 ETB.
Outcome 2.3 Planning Capacity of the CRGE Facility	18,584,430.00	18,584,430.00	18,584,430.00	The exchange rate gain and the remaining budget during the third no cost extension period is fully utilized.

SECTION C: CHALLENGES

The major challenges encountered during project implementation includes:

- Delay in financial and substantive reports from region and woreda levels as well as from the federal IEs;
- Continuous institutional reforms and staff turnover at various levels;
- Delay in commencement of the project;
- Procurement delays;
- Inadequate Logistics capacity: the zone and woreda team reported lack of computers and vehicle as major logistic challenges; and
- The security problem in some of the woredas.

SECTION D: LESSONS LEARNED

Key lessons learned during the project implementation are:

- The importance of integrated approach for climate smart agriculture and forestry interventions to be implemented in the same watershed for greater result in livelihood improvement, ecosystem services and carbon sequestration;
- The importance of using channel one financial management system where the project fund will be dispersed from Ministry of finance to the designated CRGE Accounts of Bureaus of Finance and Economic Development (BoFED) at the regional level and CRGE Woreda Office of Finance and Economic Development at the woreda level on a regular level. This has improved the efficiency of project implementation and financial management.
- The importance of a capacity component in project development. The project has improved institutional capacity in monitoring and reporting on results. However, there are still gaps in relation to project management, quality of reports and M&E feedbacks as well as development of emissions measurement system;
- The need for the development of baseline and feasibility assessment of a project before the design of project interventions; and
- The need to engender the full project cycle management.

ANNEX 1: BENEFICIARY TESTIMONY

Testimonial: a female headed household farmer from Endamehoni Woreda, Tigray Region,
Name: Azimera Kahisay
Age: 40
Marital Status: married
No. of Children: 5

Azimera Kahisay has been married for 20 years but she has been the head (leader) of her family and get help from her husband in activities such as ploughing and rearing animals. One of her children is male and three of her children are female and their age lies from 5 up to 20 years old. Her children are attending their education including the later childhood one attending at zero class by now. The first daughter has reached 10th grade.

Prior to the project, Azimera Kahisay was using inputs from any market and the cooperatives such as fertilizer, improved seed and technical support but not in sufficient manner. “But now, things have changed” as Azimera Kahisay explained “After the project has introduced to my Kebele, my life is changing as a result of different crop and livestock practices”. She received improved wheat seeds and Apple fruit, 12 sheep and also trainings on honey production and

the use of apiculture equipment. Further, in return to her participation in the soil and water conservation at the watershed, she was paid monthly income as wage which has improved her livelihood.

As a result of improved inputs and improved techniques, Azimera explained that she managed to get good harvest which is about two fold of the previous harvest before the project and became the owner of 8 modern hives, 2 dairy cow, 12 sheep, 3 oxen and a house with three classes in town.

Testimonial: A Male farmer from Dawunt Woreda, Amhara Region, life changing
Name: Kasa Getu
Age: 42
Marital Status: Married
No. of Children: 7
Kasa has been married for 28 years and has been the head of the household. Four of his children are male and 3 are female. Prior to the project, Kasa was using his farmland for share cropping as he could not afford to purchase seeds and fertilizers and the income from share-cropping was not enough to fulfill the needs of his household

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However, the project has brought about positive changes and Kasa explained “After the project came to our Kebele, my livelihood has improved. Through the project, I have received improved wheat seeds and fertilizers and improved livestock breed"

As a result, “I got a good harvest which is about four fold of the previous. Now I can fully cover the consumption needs of my family and my monthly income has increased” Kasa concluded by stating that “the project is life changing for me and I wish all other men in our Kebele get the opportunity to improve their livelihood like me.”

ANNEX 2- PROJECT PROGRESS SUMMARY

Result Areas	Indicators	Achievements by 31 October 2018	Remark
Engagement Objective 2: To strengthen the Government of Ethiopia's efforts to mainstream and implement CRGE initiatives in the agriculture and forestry sectors			
Outcome 2.1: Community based (1) watershed management enhanced and (2) Climate Smart crop and livestock production practices and irrigation systems adopted and productivity increased	▪ About 4,274.7 ha watershed area will covered by integrated natural resources management activities and various climate smart agriculture interventions of which about 1,732ha of land put under various community based watershed management practice.	As planned 4,274.7 ha of watershed area were covered by integrated natural resources management and various climate smart agriculture interventions out of which: • 1,732ha of land put under various community based watershed management practice and; • 2,542.7 ha of land was covered by various climate smart crop and livestock interventions	The project has implemented all the planned interventions at watershed and farm level
	1,885 households adopted Climate Smart crop and livestock production	As per the plan, 1,885 households of smallholder farmers adopted the CSA practices and benefited from	The achievement is about 100% compared to the target.

Result Areas	Indicators	Achievements by 31 October 2018	Remark
		the integrated natural resources management as well as various climate smart agriculture interventions. On the other hand, a total of 12,374 members of the households and community members have indirectly benefited from the project.	
	0.087 Mt tons of CO2e GHG emissions reduced in 8 Woredas through SLM, climate smart crop production and climate smart livestock development in 18 months vis-a-vis the baseline.	0.025 Mt CO2-e of greenhouse gases is sequestered and reduced by the project areas as a result of the climate smart agriculture interventions.	The findings of the project post assessment report has indicated that the actual greenhouse gases sequestered is 0.025 Mt CO2. The major disparity between the actual and expected figure is due to problem in target setting. The actual size of the water shade is 4,274.7 ha but the target size of water shade which was used for setting target for this indicator was 14,800. Further, most of the soil and water conservation interventions for watershed management focus on physical soil and water conservation (SWC) structures and plantation different

Result Areas	Indicators	Achievements by 31 October 2018	Remark
			forage and fodders improving the livestock feeds in the project. Therefore, one of the key lessons drawn from the project on this regard is the importance of integrated approach for climate smart agriculture and forestry interventions to be implemented in the same watershed for greater result in livelihood improvement and ecosystem services and carbon sequestration
Outcome 2.2: Selected forests are protected, re-established and/or sustainably managed to provide ecosystem services and carbon sequestration	Cumulative area of (individual & communal) land under sustainable, climate smart, land management plans disaggregated by: • Protected (50%); 210,000 hectares of land • Under improved forest management systems on 200, 000 hectares of land. The local bylaws established, and the PFM members livelihood	The project has contributed to the protection of 25,000 hectares of biosphere area of the core zone from deforestation and illegal encroachment and a protection of 80,000 hectares of buffer zones through the combined and participatory interventions. The achievement of the project to this end is therefore about 100% compared with the target of protecting 105,000 ha (i.e. 50% of the	Most of the planned project activities are completed but operationalization of some of the interventions and delivery of yield is expected to be realized in the coming three years during the second phase of the project. There was a continuous dialogue with the local authorities on the choice of source of power (Solar Vs Electric power) to be used for the operationalization of the mushroom production which took quite

Result Areas	Indicators	Achievements by 31 October 2018	Remark
	transformed	210,000 ha); The project has provided alternative livelihood options for the local community members by creating employment opportunities for 2000 local community members; Tree plantation and natural regeneration in the buffer & transition zones of the biosphere were well promoted by the local communities; Local community bylaws were developed for the five project woredas and PFM graduation was conducted in one of the woreda (Chata woreda which has four PFM). These systems together have contributed to reduce pressure on the forest resources and improved management of the forest;	significant time. Finally, agreement was reached with the local Water, Irrigation and Electricity office to facilitate the provision of electric power supply for the operationalization of the mushroom production which being one of the main reasons for the request of no cost extension up to October 31, 2018 to facilitate the supply electric power provision. During the reporting period, procurement of transformer for only one of the Woreda (Decha) was undertaken and due the security problem in the area and institutional reform in the Zone, it was not possible to install the transform and start the envisaged Mushroom production before 31 October 2018. However, all the required follow up will be made by Zone to install the transformer before the commencement of the second phase of the project. Understanding was also reached with Danish Embassy and MoF to take the

Result Areas	Indicators	Achievements by 31 October 2018	Remark
		The PFM members have been shifting their daily income from selling of fuel wood to generate income from livelihood enhancement activities by engaging as daily laborer and benefiting from livelihood improvement interventions; Forest coverage in the core, buffer and transitional zones increased and carbon sequestration enhanced; Threatened endemic and indigenous plant species restored and economically important species promoted; The livelihood of communities who directly depend on the forest improved.	lesson learned from mushroom production in Decha woreda and replicate to the other woreda in the second phase of the project. Coffee plantation, a fruit development and spice development activity requires continuous protection and management activities until providing the first yield which mostly takes three years. Thus, the management and protection interventions will continue in the second phase of the project.
	Reduced carbon emissions by 413.58 Giga tone of carbon dioxide per year/or the	Although it was planned to undertake this assessment report to determine the GHE	It is recalled that considering the challenges of undertaking the

Result Areas	Indicators	Achievements by 31 October 2018	Remark
	relative increase of 113 Giga tone of carbon in carbon sequestration per year at five districts level as a consequence of gate funding.	emission reduction during the second no cost extension period, it was not possible to undertake the report due to lack of baseline information, limited budget and the security problem in Bonga	assignment with in the remaining budget and period of the project implementation, this activity was not part of the third no cost extension action plan (July- October 2018). Hence, it is not possible to report the achievement of the project in this indicator. However, this activity is expected to be undertaken in the second phase of the project
Outcome 2.3 Strengthened government capacities to plan and report on green, climate resilient development results	The four regions submit financing proposals and reports of higher quality to the Federal Implementing Entities (sectoral ministries)	Thus far, 13 capacity building trainings were provided to the experts and senior managements from CRGE line ministries. During this period, the capacity building training was provided to a total of 2330 experts since November 2015 up until 31 October 2018. The capacity building training is expected to enhance the institutional capacity of the CRGE line ministries and their respective counterparts at regional and woreda levels and	All the planned capacity building interventions are implemented

Result Areas	Indicators	Achievements by 31 October 2018	Remark
		heighten the technical skill of decision makers in planning and reporting on climate resilient development and green growth. Similar capacity building training was also provided to 54 parliamentarians to improve their knowledge on climate change and sustainable development so that policy/decision makers can have better understanding of how to support the adaptation and resilience capacities of communities and individuals to the effects of climate change and other shocks. The participants of the training include chairs and vice chairs of the 16 standing committee of parliamentarians. Capacities of eight senior levels MoF staff were strengthened on Project	

Result Areas	Indicators	Achievements by 31 October 2018	Remark
		Management through a training on Advanced Senior Project Management. Further, six days capacity building training was organized for 11 technical experts on improving result based report writing skills. Feasibility study for the funding proposal submitted to the GCF on sustainable cities and baseline report for the Adaptation fund project of the CRGE Facility were prepared. Hence, as a result of the different interventions the bankable proposal preparation and reporting capacity of the CRGE Facility and CRGE line ministries has been improved.	
	The four regions monitor and report according to plans and requirements of the CRGE Facility	Training of Trainers on Result Based Management was provided to the project implementing team in Bonga and	As a result of the different interventions the capacity of experts on report writing and submission of technical and financial reports has

Result Areas	Indicators	Achievements by 31 October 2018	Remark
		the five woredas to enhance planning and report capacity. M & E missions are also regularly organized to support regions and woredas in the implementation of the project	improved particularly from regional and woreda levels.