Environment, Forest and Climate Change Commission

Forest Sector Development Program (Phase I & II)

Annual Report on SIDA Supported Projects

By: UNDP

Addis Ababa, Ethiopia

Reporting Period: 2021

Report Submitted by: UNDP

Report Submitted to: SIDA

Programme Geographic Areas:

Regions:

> **Phase I:** Amhara, SNNPR & Tigray

> **Phase II:** Amhara, SNNPR, Oromia, Somali, Benshangul G. & Tigray

Table of Contents

List of Figures

List of Tables

1. Background

Ethiopia's forests underpin key sectors of the economy with immense potential to contribute to social and economic development of the country through a range of environmental, ecological, economic and social services. In addition to the diverse wood and non-wood products gained from the forestry sector, Ethiopia's forested landscapes provide a wide range of environmental services, such as watershed protection and associated benefits related to energy and soil protection, ecotourism potential and biodiversity conservation, contribute significantly to the health and wealth of Ethiopia.

The development challenge for the forest sector in Ethiopia is to reduce the high rate of deforestation and forest degradation, whilst building upon opportunities for forest restoration, increasing landscape productivity, developing and promoting forest enterprises and generating income. Given Ethiopia's desire to increase forest cover from the current 15.5% to 30% by 2030 technical capacities need to be expanded beyond what currently exists to support and derive innovation and stronger engagement with private sector and civil society partners who can create sustainable and cost-effective forest sector development models.

The Government of Sweden has been financially and technically supporting the government of Ethiopia to support and catalyse the investment in the forest sector. SIDA has supported Forest Sector Development Project in two phases. Environment, Forest and Climate Change Commission (EFCCC) in collaboration with United Nations Development Programme (UNDP) has been implementing the forestry projects since 2016. The first phase focused on institutional strengthening of the forest sector while the second phase has additional local and international responsible partners focused on knowledge-based interventions. Both phases are designed to enhance an enabling environment for strong forest sector delivery, promote a sustainable forest production, improve the forest ecosystem services, and foster model environmental stewardship. A brief account of the results achieved in 2021 is presented in this report.

Phase I of the forestry project was being implemented by the then Ethiopian Environment Forest and Climate Change Commission (EFCCC), now Ethiopian Forestry Development (EFD). The amount and budget sources were NICFI (10.5 million USD); SIDA (6.5 million USD); and UNDP (0.5 million USD). The duration for phase I was from 2016 to 2021.
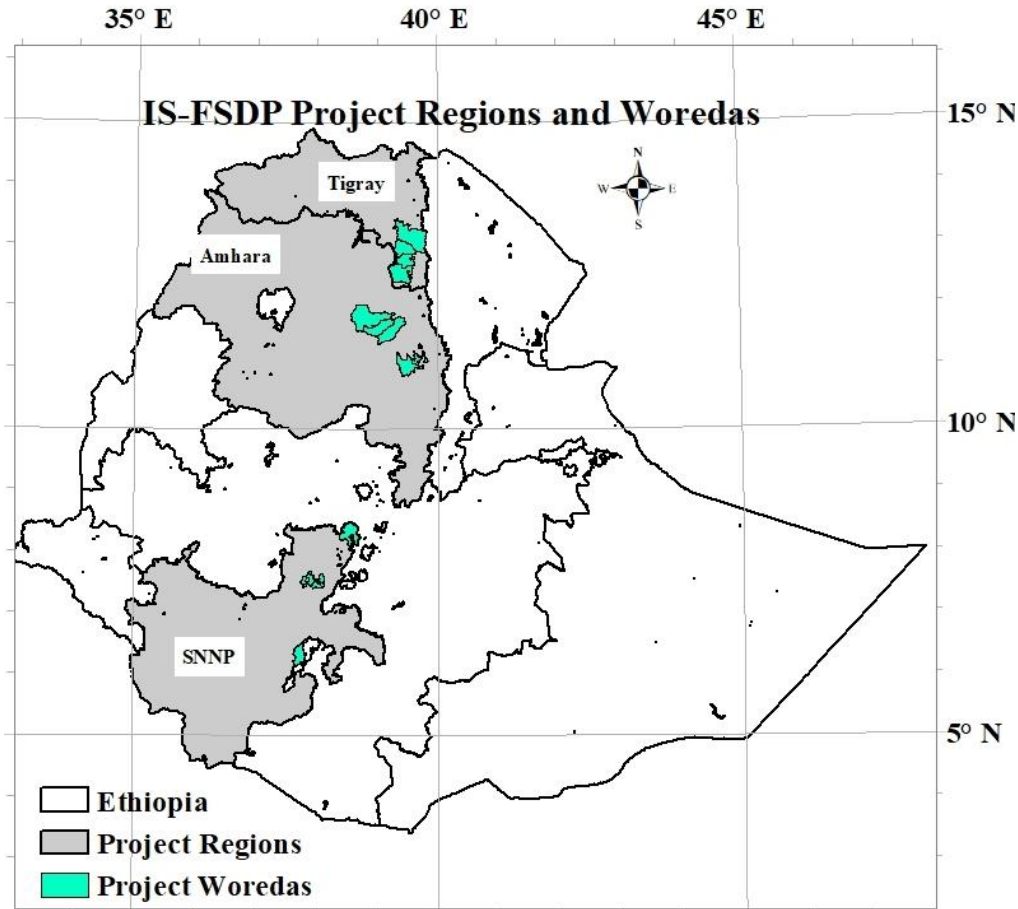
Figure 1. Phase I - Institutional Strengthening Forest Sector Development Program Implementation Regions and Districts

Phase II of the forestry project which is Catalyzing Forest Sector Development Program (CFSDP) was initiated due to the good performances and achievements of phase I; the intent to extend the initiatives started in phase I with wider geographical scope and scaling up of best practices. As a result, three additional regions, ten districts and three cities included (Fig 2). Additional Responsible and Implementing Partners have also joined EFD in Phase II and they are: Swedish University of Agricultural Sciences (SLU), Center for International Research Center (CIFOR), Ethiopian Environment and Forestry Research Institute (EEFRI), Ethiopian Biodiversity Institute (EBI), and Wondo Genet College of Forestry (WGCF). SLU and CIFOR are Responsible Parties to the Principal IP (EFD) while the rest are Implementing Partners.

The amount and source of budget for Phase II is $7.8 million and $1.25 from SIDA and UNDP, respectively. Estimated in kind contribution of Government of Ethiopia is $5 million. The duration of Phase II project is from 2019 to 2022.
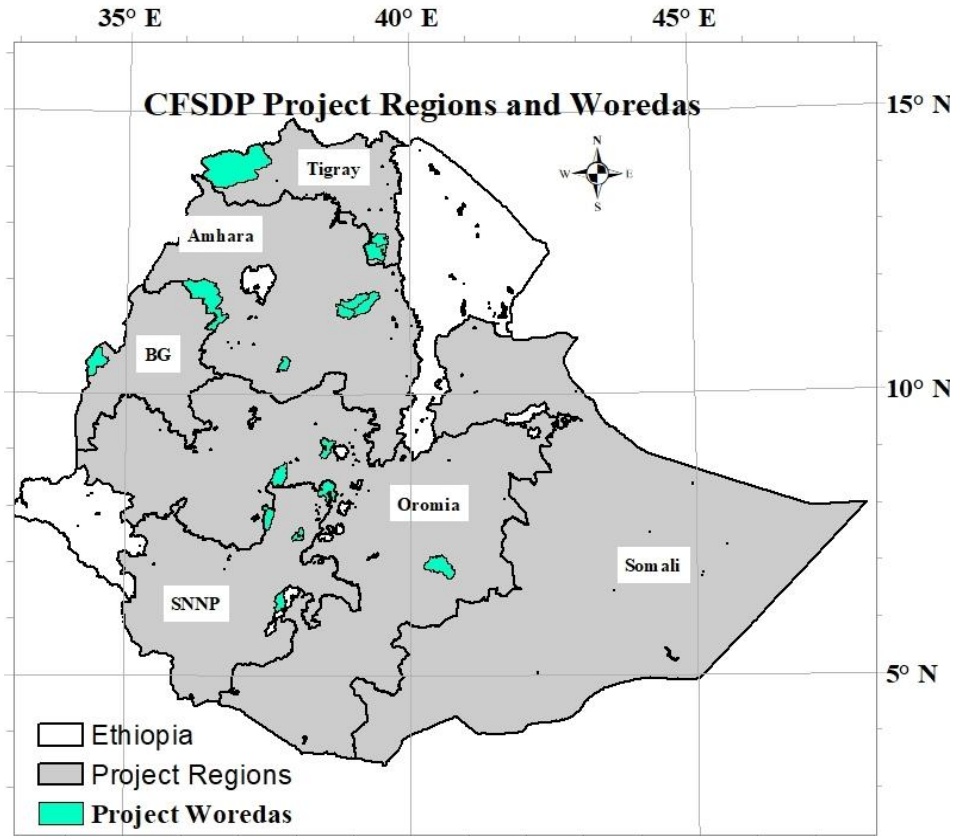
Figure 2. Phase II - Catalyzing Forest Sector Development Program Implementation Regions and Districts

2. Objective of the Projects

The major objective of the projects is to enhance the capacity of institutions and promote sustainable and competitive tree-based production systems thereby contributing for the resilience and improvements of community livelihoods and ecosystem services.

3. Expected Project Outcomes, Outputs and Targets

The expected outcomes, outputs and targets of Phase I & II projects are tabulated as below:

Table 1. Expected outcomes, outputs and targets of Phase I & II projects

Projects	Outcomes	Targets/outputs
Phase I	Outcome 1: Institutional capacity of the Forestry sector strengthened at all levels	• Prepare Roadmap of the forestry sector
	Outcome 2: Forest conservation and development for their multiple benefits enhanced	

	Outcome 3: Private sector involvement in forest development facilitated	• Develop 4500 ha new Forests
	Outcome 4: Science and innovation for enhancing sustainable forest management promoted	• Development oriented research
Phase II	Outcome 1: Strengthening the capacity of forest sector at strategic and operational levels;	• Establish 85,000ha of dry forests
	Outcome 2: Creating multi-functional landscapes in rural and urban areas;	• 3,500 ha of land restored with community forests
	Outcome 3: Substantially reduce the vulnerability of poor communities to extreme events	• Support 3 forest based cooperatives • Forest management plan prepared for 3 NFPAs • Two Botanical Gardens established • 500 ha of pre-urban forests created

4. Results Achieved

The main results achieved in the reporting period are depicted hereunder:

4.1. Forest Sector at Strategic and Operational Levels Capacitated

Phase II:

Substantial capacity is created at the then Environment, Forest and Climate Change Commission (EFCCC) and its replica at the regional levels. Trainings of Trainers (ToTs) for 28 (Female = 5) trainees have been provided. The duration of the training was two months and the trainees were drawn from Amhara, Oromia, and SNNP regions as well as from WGCF-NR, Holeta Polytehnic College and Mertulemariam Colleges. The ToT was facilitated by WGCF and SLU be developing six modules (*Soft-skill in Forestry extension*; *Agroforestry*; *Small-scale and community plantation*; *Restoration of degraded land*; *Silviculture and Natural forest management*; and *Commercialization of forest products*). The trained ToTs have further provided training for 308 Development Agents (DAs) for one month. The detail of the training is shown in Table 2.

Table 2 Number of DA trainees by region and sex

Regions	Unit	Gender		Total
		Male	Female	

Amhara	No	67	20	87
Benshagul Gumuz	No	15	-	15
Oromiya	No	86	12	98
Sidama	No	25	-	25
SNNPR	No	71	5	76
Somali	No	7	-	7
Total	**No**	**271**	**37**	**308**

Conducting the training at TOT and DA levels has got paramount importance for ensuring sustainability of the project.

Furthermore, in the reporting period, critical trainings important for knowledge management, forest products marketing, monitoring and evaluation provided. These include Geo-informatics, Participatory Forest Management (PFM) and forest product value chain. From the training 251 trainees (7 Female) benefited. As part of building institutional capacity, web-based platform is established at then EFCCC to improve future data management, monitoring, reporting and verification. The online portal (https://fsdp.efccc.gov.et/) is currently at its test run stage.

In order to support on the ground forest development and restoration activities by tangible research results, the project supported development oriented action researches. To this effect, training has been provided for 20 EEFRI researchers. After the training, EEFRI has integrated action research to their research system. A short-term skill training on forest governance was also provided to 60 regional experts to fill the gap identified by the study conducted by SLU and WGCF on forest governance challenges in Ethiopia.

With the support of the project, regulations and organizational structure of the newly established Ethiopian Forestry Development (EFD) prepared and endorsed by the Council of Ministers.

In line with developing forestry statistical yearbook which is the first of its kind in the country, in the reporting period pilot data collection completed by developing forestry survey tools and submitted for Central Statistical Agency (CSA) for the integration of forestry data in their annual routines. This activity of the project has got paramount importance for future calculation of on the contribution of forestry to the national GDP.

Further institutional capacities of higher learning and research institutions and project intervention districts strengthened through the provision of forestry tools and laboratory equipment. The detail is shown in Annex III. To this effect, the capacity field level research activities as well as in the laboratory enhanced.

WGCF-NR conducted two days' national workshop under the theme *harnessing forestry education, research and development for enhancing forest contribution to the CRGE*. A total of 200 participants from international organizations, national and regional forest and natural resource institutions, higher learning and research had participated.

WGCF-NR has conducted a workshop on *structural, curriculum and job opportunity challenges of forestry graduates at national and regional institution, and to the way forwards*. Besides, challenges faced a decline of forestry teaching learning and research processes at both undergraduate and graduate levels and seek plausible mitigation measures. A total of 102 participants attended the workshop. The workshop has enhanced the awareness of the participants on forestry contribution for job creation, the challenges and possible solutions in forestry education.

WGCF-NR also conducted training to 30 zonal and districts experts working around Wondo Genet watershed on forest inventory, biodiversity conservation and forest fire protection for one week. As a result of this training fire occurrence around WGCF-NR has minimized; skill of personnel in the project districts on forest inventory and biodiversity conservation enhanced. This has been proved by post-training test assessment.

SLU with a representative from Addis Ababa University in collaboration with WGCF-NR conducted tailored training to 33 experts on urban greening landscape design for two weeks in two rounds. This training supported the development green infrastructures on the median of the main road and along Borekena River in Legatafo and Kombolcha towns, respectively.

4.2. Enhanced Forest Development for Their Multiple Benefits

Phase I:

In the reporting period, 596.31ha of land is covered by plantations (133% of the 2021 target) and 4,512 ha of land is covered (100% of the total project target). Due to the pre and post –plantation

management activities the survival rate of seedlings reached 84%. Through Assisted Natural Regeneration (ANR) also known as Forest Landscape Restoration, 12,647ha of degraded areas have been rehabilitated. A total of 6,914 (Female = 3,069) people benefited from different livelihood activities (apiculture, shoat production, poultry, cook stove production) in the reporting period.

Phase II:-

In the reporting period 1,226 ha (67%) of community forests which are commercial plantations have been established and 26,347 ha of community forest and dry land forest management have been managed and restored. To date, 2,345ha of commercial plantations and 97,752 ha (19,248 Community Forest and 78,504 dry forest management) of areas have been restored and managed.

As the result of the above interventions: further degradation of forest lands and soil erosion reduced; flooding of lower watersheds minimized. Community cohesion improved through establishment of forest users' association. Re-growth of indigenous flora and fauna species witnessed in the new forest lands, contributing for ecosystem and biodiversity conservation (Fig 3, 4 & 5) (for the detail please refer section 7)

A total number of 10,856 (Female = 4,385) people have been benefited from different livelihood activities (*apiculture, shoat production, poultry, cook stove production and fruit based agroforestry*) (Fig 6).
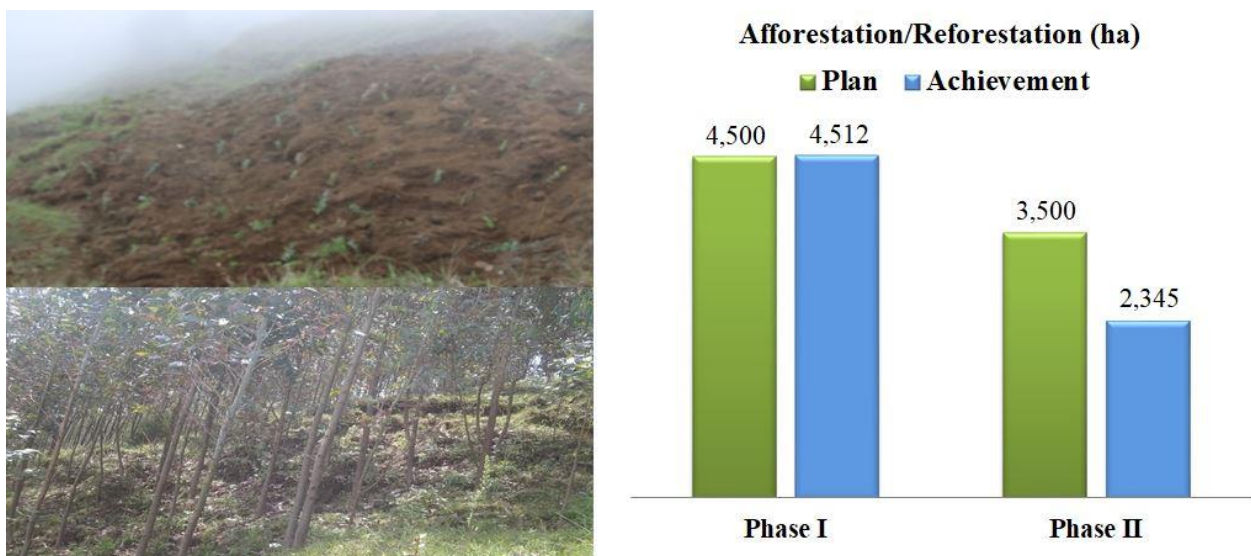
Figure 3 Afforestation and Reforestation Achievements of Phase I & II
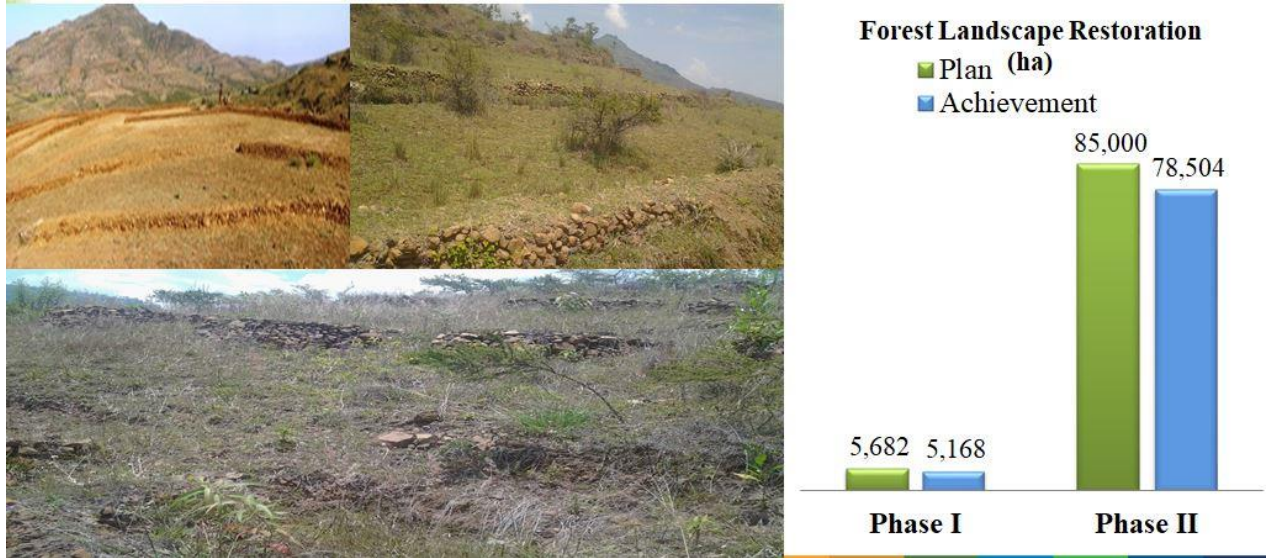
Figure 4 Assisted Natural Regeneration/Forest Landscape Restoration Achievements of Phase I & II
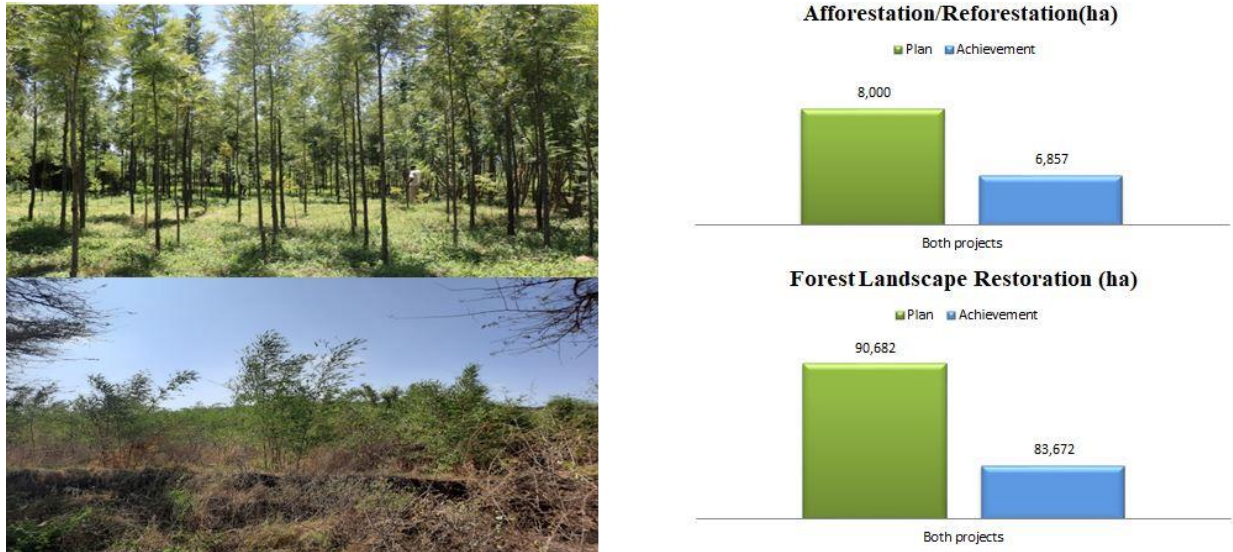
Figure 5 AR and ANR Achievements of both phases
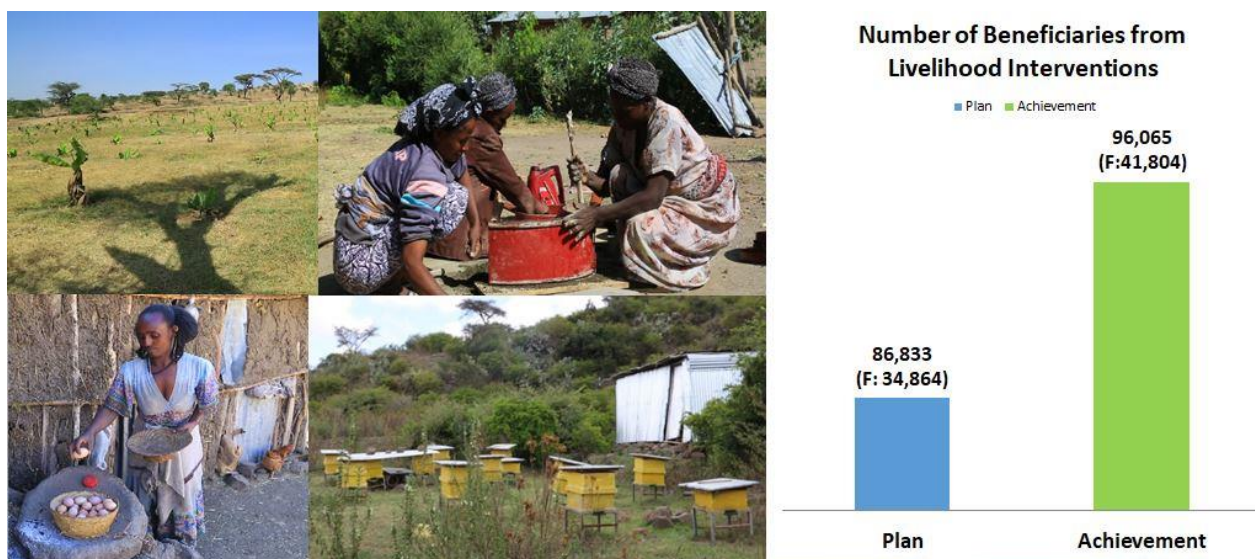
Figure 6 Number of beneficiaries addressed by different livelihood interventions of both phases

A total of 259.5 kg highland bamboo (*Yushania alpina*) seeds collected in 2020/2021 from Kefa Zone, Adiyo Woreda, Buta kebele, SNNP region and distributed to different parts of the country including project districts (Table 3). This activity of the project contributed for the country's effort of job creation for the youths.

Table 3 Summary of highland bamboo seed distributed in 2021 for project regions and regular programs

S/N	Name of Regions	Amount of seed distributed in kg	Project titles				Remark
			FSDP	CFSDP	RIP-AR	RIP-DD zones	
1	Amhara	69	13	7	49	-	
	Number of Woredas	-	4	2	20	-	26 woreda
2	Oromia	44	-	4	34	6	
	Number of Woredas	-	-	2	17	2	19 wredas & 2 DD zones
3	SNNPR	24	6	2	6	10	
	Number of Woredas		3	1	3	3	7 woreda & 3 DD zones
	Sub total	137					
For Regular Program & KFW project districts							
1	Addis Ababa	2.5					
2	Oromia	28					
3	Amhara	30					
4	SNNPR	50					
5	KFW Project	12					For 6 project woredas
	Sub total	122.5					
Grand total		**259.5 kg**					

4.3.   Carbon dioxide Removal (tCO₂e) by both projects

The amounts of CO_2 removed from the atmosphere by the restored and managed areas of the projects (83000 ha) have been calculated by using UNFCCC's Winrock model and found out that this project intervention have removed 5 million tCO_2 from the atmosphere and are going to sequester 20 million tCO_2 by 2030. This accounts 8.3% of the national NDC target (240.1 Mt $CO_{2)}$ (Fig 7).
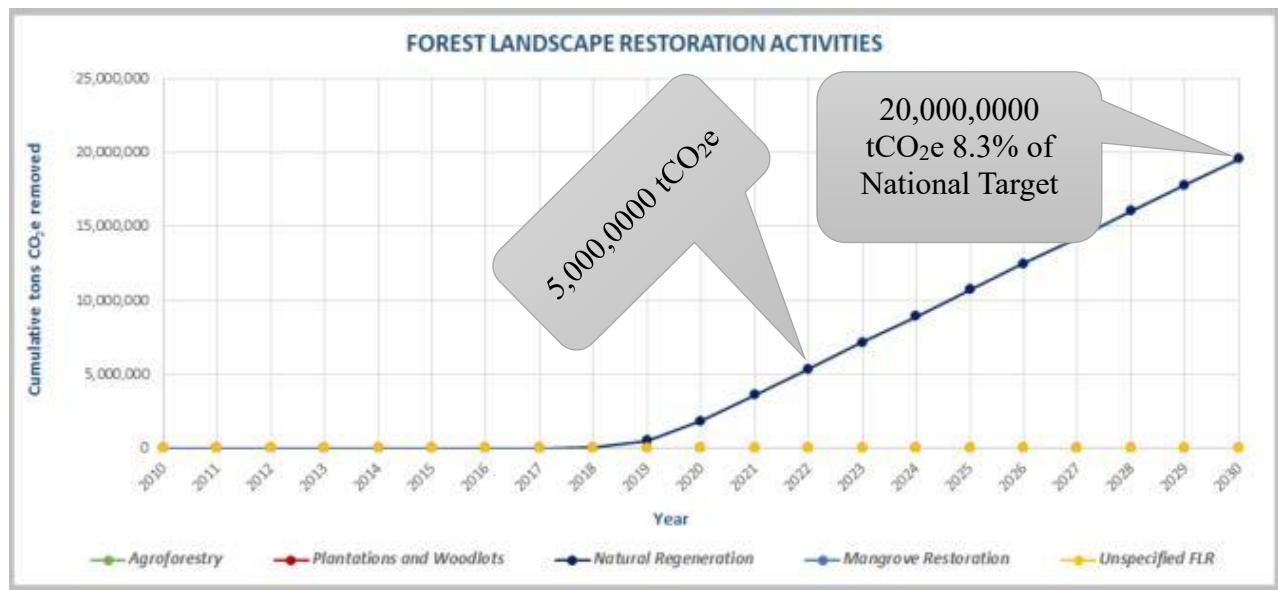
Figure 7 Removal of CO₂ from the atmosphere as a Result Forest Landscape Restoration Achievements

4.4.   Science and Innovation Promoted

Thematic areas have been selected for research and six mega research projects were planned and all of them (100% of the target) outsourced to research institutions. These includes the management and protection of multifunctional forests, economic interactions along the forest-livelihood interface, rehabilitation of degraded forests/forest lands, tissue culture, domestication of underutilized NTFPs and biomass modelling. Accordingly, species specific biomass models have been developed for the four forest biomes (Dry Afromontane Forest, Acacia-commiphora Forests, Moist Evergreen Afromontane forests and Combretum terminalia woodland). These local biomass models will be used for computing biomass estimates instead of using the commonly used generic pan-tropical and/or global biomass estimation models.

This will be critical for Ethiopia and the region as this will be used as evidence to calculate emission/removal. Future forest management schemes and MRV system will be improved through such empirical and scientific studies. Further, two studies are done on product chain development of underutilized non-timber forest products in drylands. This will help to promote sustainable use of underutilized Non Timber Forest Products (NTFPs) and develop successful domestication and management technologies for targeted species. CIFOR has conducted a study to identify challenges & opportunities for women & youth entrepreneurs in forestry. CIFOR is also collecting frankincense samples to test processing and value addition technologies. EEFRI has also developed invitro propagation protocol for key multi-purpose species (*Osyris quadripartita* and *Oxythenantera abyssinica*). This will help future mass propagation for the species.

Eleven action researches which are relevant for forest conservation and development in particular and development agenda of the country in general supported by the project. The detail is discussed on Annex IV. The Ethiopian Biodiversity Institute (EBI) has provided capacity building support for two existing botanical gardens (Jimma and Shashemene) and two other new botanical gardens are being established in SNNP and Gambella which accounts 200% of the planned target. These gardens are meant to enhance ex-situ biodiversity conservation. These newly established botanical gardens will enhance the ex-situ conservation capacity of the country.

Three small-scale wood processing machinery are procured (100% of the Target) and one installed at Wood Technology Research Institute (WTRC) of EEFRI. SLU had offered a tailored training for 17 experts at WTRC and the subsequent trainings planned have been halted due to COVID-19 challenge. Technical support provided by the International Consultant for the construction and operationalization of clonal nursery at Gefersa area. To this effect site preparations and plans for constructing the nursery were finalized and the actual construction is pending due to the budget issue.

Kombolcha and Lege Tafo are the selected pilot towns. These two towns accounted 66.7% of the target have progressed to developing a site plan for their green infrastructure. Both towns have constructed a green infrastructure on the median of the main road and along Borekena River in Legatafo and Kombolcha towns, respectively.

School environment clubs have been established and supported in the elementary and high schools (Fig 8). In the environmental clubs, the project provided seedlings and technical support for the students to take care of the seedlings. This creates a grass root environmental movement and investing on future generation/leaders.

Figure 8 Environmental Clubs at Schools

4.5.   COVID -19 Response

Under the scenario of not being able to contain Covid -19 in a short-term, more than half a million dollars has been repurposed from the SIDA supported forestry projects. This resource is primarily targeted for awareness creation, hygienic facilities and Covid-19 responsive livelihood activities at the project locations. All the 19 SIDA supported project woredas in Amhara, Benshangul Gumuz, Oromia, SNNPR, Somali and Tigray regions are supported by this plan and Covid-19 response activities have been implemented as per the plan. The Covid-19 responsive livelihood activities are planned to target vulnerable community members to offer economic relief as a result of worsening income conditions triggered by the pandemic. It will have additional advantage to increase post-covid resilience of the local communities.

5. Project Progresses against Baseline and Project Targets

5.1. Impact level Reporting - Phase I (ISFSDP)

Impact: The project produced a capacitated staff to fulfil mandates at all levels and which can deliver sustainable forest development and created market oriented alternative livelihoods in a climate resilient environment and community.

Impacts statement and Indicators	Baseline Value	Project life time target or plan	Progress against baseline and targets	
			2021 performance	Cumulative Progress (since the start of the project)
Staffs capacitated, forest cover increased and market based livelihood created	Limited capacity and degraded forest with dire livelihood situation	Improve capacity at all levels and produce short rotation forest for market based livelihood	45 woreda staff and governmental office experts from the 9 woredas were able to produce georeferenced map, database and restoration/plantation plan for sustainable and commercial use.

596.31ha of land is covered by plantations in 2021 (133% of the 2021 target) | A well-functioning structure established at three levels capable of producing and managing forest.

4,512 ha of land is covered up to end of 2021 which is 100% of the total target of the project.

Several livelihood based forest related businesses created in the form of 26 legal and 178 associations. For instance, in Amhara region local communities gained 29,746,959 Birr from sheep |

			6,914 (F=3,069) beneficiaries of different livelihood interventions have been benefited.	and goat fattening and production, selling of eggs, production of fruits, grass collection, fuel saving cook stove production and wood harvesting . In Oromia, 1305 egg laying chickens distributed to 261 farmers. 29360 ETB could be obtained from selling eggs. 52 sheep and 52 goats distributed to 26 and 52 farmers respectively for fattening and production purposes and farmers received got an additional income of 312000 Birr from selling sheep 312000 birr from goat production. Modern beehives have also been distributed to 60 honey producers and 180000 Birr have been obtained from selling honey. 53,078 (F=23,149) beneficiaries of different livelihood interventions have been benefited.

5.2. Outcome Level Reporting - Phase I (ISFSDP)

#	Indicator	Baseline Value	Project target (plan)	Progress against baseline and targets	
				2021 performance	Cumulative Progress since the start of the project)
Outcome 1: Institutional Capacity of the Forestry Sector Strengthened at All Levels					
1.1	National action plan document produced	0	1		EFCCC, previously MEF was established by government decree in 2018. At that time EFCCC has serious capacity challenges at systemic, individual and organizational levels to implement environment and forestry actions which it was supposed to implement. To make it a functioning institution, National Forest Sector Development Program (2018-2028) prepared and implementation commenced; similarly region specific RFSDPS prepared for 11 regions. This is 100% achievement. Forest sector structure established in nine regions, Tigray and BG still operate under bureau of agriculture, which is 82% achievement against the target. Human resource capacitated in these nine regions and hence an 82% achievement. ESMF developed (100%). Forest data base established
	Regional action plan produced	0	11		
	Forest sector structures established in 11 regions	No such structure	Structures established		
	Forest sector development structures become functional	0	Federal and regional system get operational	One region has expanded its structure to Woreda level	
	Required skilled human resource at federal and region		Skilled human resource	Skill training given for staffs at all levels including	

#	Indicator	Baseline Value	Project target (plan)	Progress against baseline and targets	
				2021 performance	**Cumulative Progress since the start of the project)**
	Forest data base become operational at all levels	Limited human resource There was no data base	Data base put in place	community levels in forest management. Data base training is given for 39 project woreda staffs of the then EFCCC and 26 related Bureaus. The cumulated effect of capacity training and adequate guidelines has yielded a good capacity at region and Woreda levels. The capacity of tree growers and communities are also developed. Due to such interventions, project woredas attained a more than 10% forest cover per woreda.	and website under construction at federal level, it is envisioned that the Federal system will work with Woredas which are trained to feed and access the central data base, this is 80% achievement. Field vehicles, motor cycles and forestry tools and equipment procured and provided for all districts and regions. Thus, the institutional, structural (governance), human resource, logistics, policy and strategies are in place and are fully applied to advance the forest sector development. All these systems, skill and knowledge gained enables the implementers to deliver project activities with required level of technical quality and enabled them to provide effective technical support to farmers.
Outcome 2: Forest Conservation and Development for Their Multiple Benefits Enhanced					

#	Indicator	Baseline Value	Project target (plan)	Progress against baseline and targets	
				2021 performance	**Cumulative Progress since the start of the project)**
2.1	Areas covered per region with short rotation plantation; Integrated Rural Land Use plans that support development and conservation of forest resources in pilot sites produced;	None in the intervention area There was no land use plan	4,500ha Clearly defined and integrated Rural Land Use plans that support development and conservation of forest resources in pilot sites produced;	596.31ha of land is covered by plantations in 2021 (133% of the 2021 target) and	4,512 ha of land are covered up to end of 2021 which is 100% of the total target of the project. Land use plan preparation started in earlier years has been continued as the plantation and restoration site increase. Local level land use plan was prepared for micro watersheds. Geo-maps are also produced for all intervention sites. Clearly defined participatory and integrated Rural Land Use plans prepared for all 9 project woredas and this will be used as a master plan to undertake selection of plantation site, restoration and related activities.
	OUTCOME 3: Private Sector Involvement in Forest Development Facilitated				
3.1	Number of awareness raising workshops organized to enhance the involvement of the private sector;	None	Four awareness raising workshops conducted	A workshop on "Harnessing Forest based Private Sector Development in Ethiopia" was held between 22 and 23 September 2021. A number of presentations were delivered by	A total of 178 cooperatives established of which 26 are certified. These cooperatives generated an annual income of birr 2,480,885 for 7,638 HH beneficiaries.

#	Indicator	Baseline Value	Project target (plan)	Progress against baseline and targets	
				2021 performance	**Cumulative Progress since the start of the project)**
	Number of poor women and youths organized to establish and run small forestry business enterprises as alternative livelihoods	0		experts on different topics of private sector on the forestry sector.	Three trainings (75%) with a total of 251training were given in value chain and business development. 54 cooperatives with 493 members established. So far they have generated a benefit of birr 563,040. These trained members have already started generating income from beekeeping, poultry and livestock feed production. Other investments will soon produce incentive
	Number of forest sector initiatives with the engagement of the private sector	0			
Outcome 4: Science and innovation for enhancing sustainable forest management promoted					
4.1	Number of research institutions Capacitated	In adequate capacity of research Institution	One Forest and Environment Research Institute Capacitated		Overall 5 research projects awarded to the institute, Multiple forest tools and equipment which are used in forest research provided, direct engagement in project implementation together upgraded the capacity of the institution. It is observed that continuous training, monitoring and

#	Indicator	Baseline Value	Project target (plan)	Progress against baseline and targets	
				2021 performance	Cumulative Progress since the start of the project)
	Number of research proposals developed with relevance to policy, extension and curricula Number of professionals who received refreshment training; Number of toolkits for environmental training produced, Number of research papers published	Was no similar projects of its kind There is no such adaptive model	13 thematic research projects announced and offered to university		experience sharing provided by the project so far contributed to this change. Overall 13 highly useful research projects completed which are on species selection, carbon estimation methodologies, and value chain development and restoration area management. Three research papers published. These achievements enable us to manage short rotation plantations well and able to select high value products for community livelihood. Thirteen applied research with a focus to forestry awarded and nearly all have been finished. Two papers published, Species specific biomass models have been developed for the four forest biomes (Dry Afromontane Forest, *Acacia-commiphora* Forests, Moist Evergreen Afromontane forests and *Combretum terminalia* woodland).

#	Indicator	Baseline Value	Project target (plan)	Progress against baseline and targets	
				2021 performance	**Cumulative Progress since the start of the project)**
					forest biomass estimated and carbon stock modeling for indigenous tree species developed
Outcome 5: Stakeholders engagement in forest development enhanced					
5.1	Number of forestry action data base established.

Presence of one platform for the engagement of stake holders in forestry Presence of road map for stake holder's engagement in forestry

At least one data basis established for forest sector | Stakeholders were not identified and mapped

Absence of roadmap for stakeholder engagement

Absence of platform for the engagement of stakeholders in forestry

No comprehensive database for forestry sector | 1.One forestry action data base established

Stakeholder engagement road map developed

One platform for the engagement of stakeholders in forestry established

4.Website developed for information and knowledge sharing | Interactive website for information and knowledge sharing within the platform established and preparation underway to train immediate and subsidiary users.

Establish information on plantation opportunities in the face of climate change. | 4 consultative meetings organized to enhance the role of community in forest development discussion platforms. Information is provided on opportunities of plantation development for the changing climate and against the threat of COVID.

Stakeholder engagement platform will be conducted this year. Actually it was planned for 2020 and shifted to 2021.

Overall, impressive stakeholder mobilization and acquisition of their knowledge and experience made with over 56 thousand different types of community members engaged in one or another forms of the intervention. |

5.3. OUT PUT Level Reporting – Phase II (CFSDP)

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	Cumulative Progress (since the start of the project)
Output 1: Enabling Environment for Strong Forest Sector Delivery Enhanced				
• Absence of strong institutional set-up especially at the grass root level • Weak capacity of forest training centers to provide skill training • Lack of skill-based training for forest extensionists • Limited skilled experts in forest management and forest business • Limited forest information system	• Number of institutions with strong and functional set-up • Number of training centers capacitated • Number of tailored skill trainings provided • Number of trained participants with enhanced awareness • Number of forest information systems	• Strong delivery unit established at federal level • At least three training centers capacitated with facilities • TOT provided for 35 experts and skill training provided for one thousand extension agents • Provide training for one thousand (100 female) extension workers (Development Agents (DAs)) • Tailored training on urban green landscape design offered to 13 experts • 60 regional experts trained on forest governance • Forestry yearbook produced	• TOT provided for 28 (5 women) experts at WGCF with 2 rounds which are 80% of the target number of trainee. • 308 (F=37) DAs drawn from 6 regions have received the training at WGCF, Holeta Polytechnic College and Mertule Mariam College. 31% of the total project target is achieved. • Further, SLU through Addis Ababa University and Wondo Genet have also conducted training on urban Green Space Planning, Development and Management. Planning. In all, 33 experts trained in Urban Green Landscape design Planning.	• Strong delivery unit established at federal level • Three colleges such as Wondo Genet College of Forestry, Holeta Polytechnic College and Mertulemariam TVET have been capacitated through provision of different forest tools and equipment procured abroad via UNDP. This capacity development plan is 100% achieved. The procured and distributed forest tools and laboratory

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	Cumulative Progress (since the start of the project)
			• 60 regional experts trained on forest governance • One training on AR and on DOAR to 20 EEFRI researchers • Efforts to integrate the collection and publishing report of forestry related data to the annual CSA data collection and reporting routines have progressed very much. Questionnaires, Manuals and guidelines are developed and encoded in the CAPI system. Piloting of the data collection on one zone will be conducted in April before scaling it up to national level. • An interactive web based database management system (DBMS) is developed and on the test run stage (https://fsdp.efcccc.gov.et). The DBMS is designed to	equipment are 65 by type and 1,495 in total number. • Forestry institutions are capacitated with a targeted study on forestry resource governance gap by SLU. • Manuals of 6 Modules and Lesson Plans prepared for the TOT and experts training • Same as 2020 performance

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	**Cumulative Progress (since the start of the project)**
			manage the spatial and non-spatial data of the projects. It will have its reporting system as well as public outreach page. It will be launched once training is given to the users which is going to be undertaken in the 2022. • Guideline on how to establish and support tree growing cooperatives produced	
Output 2: Sustainable Forest Production Promoted				
• Degraded highland and dryland areas to be restored • Poor participation of women in the sector • Limited PPP and TBL pilots in the forest sector	• Extent of key challenges of women in the sector identified • Number of PPP and TBL initiated • Hectares of dry forests restored	• 85,000ha of dry forests managed properly • 2,000 new jobs generated through sustainable dry forest management • 1,000 Youth and Women supported to pilot tree-based livelihoods (TBL) as forest-entrepreneurs on private land holdings.	• 26,347 ha of dry forest is mapped and demarcated for PFM scheme. • CIFOR and EEFRI have been conducting 12 studies on a number of research topics. 4 of the studies have been finalized and conclusions and recommendations are drawn. • The remaining two small scale wood processing machines are	• 78,504ha of dry forest is mapped and demarcated for PFM scheme which is 92 % of the target dry forest management. 19,248ha of community forest is demarcated for restoration through Assisted Natural Regeneration. The

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	Cumulative Progress (since the start of the project)
		• 1 document produced on challenges and opportunities of PPP	procured and delivered to Ethiopia. The machines are about to be given the already selected recipients. • International consultant has been hired to provide technical supports for the construction of clonal nursery and making it operational. • Opportunities and key challenges of women and youth to engage in forestry identified. sharing A workshop was conducted to present results and thereby validate it.	total area of restoration and management scheme covers 97,751.8ha • New jobs are created for 10,856 (Female = 4,385) beneficiaries. • 7,589 different tree and fruit seedlings brought from different places and provided to 311 households of Basona-Warana and Wolmera woredas for TBL • On challenges and opportunities for PPP national workshop organized and document preparation is on the making • One small-scale wood processing machinery is procured and installed at Wood

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	Cumulative Progress (since the start of the project)
				Technology Research Institute (WTRC) of EEFRI. SLU had offered a tailored training for 17 experts at WTRC but subsequent trainings planned have been halted due to Covid challenge. The remaining two small scale wood processing machines are procured and delivered to Ethiopia. The machines are about to be given the already selected recipients. 100% achievements. • CIFOR has provided awareness creation on forest product cooperatives for 23 participants who came

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	Cumulative Progress (since the start of the project)
				from six regions and criteria will be set to select 3 best performing ones. • In Amhara region, 5 certified cooperatives with total members of 1,310 are formed and one group with total members of 28 is established and its certification process is underway.
Output 3. Forest Ecosystem Services Enhanced				
• Degraded forest landscapes • Limited information on trade-offs and impact of landscape changes on biodiversity	• Hectares of Forest landscape restored • Extent of clear understanding on trade-offs in new production systems • number of new botanical gardens	• 3,500 ha of land restored with community forests • Forest management plan prepared for 3 NFPAs • 2 botanical gardens established • Scientific study on trade-offs and systems dynamics delivered	• 1,226ha of land are covered with Afforestation Reforestation (A/R) as community forest (TBL) which accounts 62 % of the planned target. • 26,347ha of dry forest is being managed.	• 2,345ha of land are covered with Afforestation Reforestation (A/R) as community forest (TBL) which accounts 62 % of the planned target.

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	Cumulative Progress (since the start of the project)
• Limited botanical gardens to support future FLR efforts • Covid vulnerable communities	• Number of Covid vulnerable HH supported	• Hygienic support provided for 5,000 Covid vulnerable community members	• One document produced on the process and outcome (for scaling up) of TBL to promote it to forest-preuneur youths and women. • One guideline produced on Innovative Dry Forest management and use practices • One document produced describing the value chain of key forest products - wood, bamboo and frankincense. • Scientific study on trade-offs and systems dynamics in contrasting landscapes produced.	• 78,504ha of dry forests which is 92% of the total project target, have been managed • The Ethiopian Biodiversity Institute (EBI) has provided capacity building support for two existing botanical gardens (Jimma and Shashemene) and two other new botanical gardens are being established in Amhara and Gambella which accounts 200% of the planned target. • All the 19 woredas in Tigray, Amhara, Oromia, SNNPR, Somali and Benshangul Gumuz regions are supported

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	Cumulative Progress (since the start of the project)
				by this plan and Covid response activities have been implemented as per the plan. Accordingly, 356 (all female) beneficiaries are engaged in poultry production; 145 (all female) beneficiaries on vegetable farming; 391 (173 Female) beneficiaries on fruit farming; 40 (10 female) on apiary; and 176 (68 female) on shoat production. Altogether, 1,108 (752 female) beneficiaries are provided with hygienic facilities. Out of the 5,000 plan to provide a hygienic support, only 22%

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	**Cumulative Progress (since the start of the project)**
				could be attained. This is mainly due to COVID restrictions. It was estimated that a total of 1,905,391 ETB of an income were generated by the beneficiaries.
<td colspan="5" align="center">**Output 4. Model Environmental Stewardship Fostered in Selected Urban Areas**</td>				
• Weak green infrastructure and facilities in cities • Limited trained personnel on urban greening • Limited urban green infrastructure and no comprehensive guideline for implementation	• Number of cities with better capacities for greening • Number of trained urban experts with enhanced skills/knowledge on urban greening • Hectare of land covered with pre-urban forests • Number of pilot designs and	• 15 experts trained on urban green landscape design • 500 ha of pre-urban forests created • 1 national guideline prepared for integration of green facilities in city planning • Three Pilot cities with better capacities for greening initiatives	• 33 trainees are trained on urban greening at WGCF • 1 national guideline prepared for integration of green facilities in city planning • SLU through Addis Ababa University and WGCF have developed one national guideline (100% of the target) on urban Green Space Planning, Development and Management. • 2 towns (66.7% of the target) have been selected for the pilot	• Same as 2020 performance

Baseline Value	Indicators	Target	Progress against baseline and targets	
			2021 performance	**Cumulative Progress (since the start of the project)**
• Scarce pre-urban forests around cities	guideline document on urban greening		green infrastructure development. The pilot towns are Kombolcha and Lege Tafo. Green infrastructures such as median greening of Legetafo town and green areas of Borkena river have been built.	

6. Project Contribution for Ensuring Gender Equity

Given the national challenges and the long way to go with regard to ensuring gender balance, the project has contributed a lot by participating women and youth in different trainings, workshops, livelihood activities and jobs. Among all the participants in the aforementioned activities of the project, the proportion of women were 41% (total 29313, Female 11,888) which is a good start in ensuring gender balance. The project has also conducted a research on "*Identifying opportunities and challenges for youth and women to engage in forest-based entrepreneurship in Ethiopia*" and "*Pro-poor bamboo value chain development*" and identified entry points to support and empower women in the forest entrepreneurship and bamboo value chains.

7. Sustainability of Project Activities

Different activities have been done to ensure that project activities are sustainable even after the phasing out of the projects. The major ones are:

- The projects closely worked with government structure so that the government shares practices, experiences and lessons from the project along their implementation. Strong steering and technical committees are established at all levels and these committees have been involved in every step of the activities. These arrangements ensure that the government structures will take-over the project activities after the phasing out and take it to wider scopes.

- Despite more has to be done, cooperatives/CBOs of developers and alternative livelihood beneficiaries established/empowered. The organization of developers to cooperatives gives strengths and increases their bargaining power so that they will sustain and evolve to the next organizations levels and processing stages.

- Ownership and land use rights changed in favor of developers. This secures and ensures their ownership right.

- Value chain supported (small wood processing machines imported and being transferred and will be used as a training and technology sharing centers)

- Strategic documents produced (National Forest Sector Development Program (NFSDP)) which will serve as a roadmap for the sector until 2028 that implies the document serves after the project period.
- Forestry sector strengthened
  - The newly formed Ethiopian Forest Development (EFD) has been supported by this project in preparing the draft regulation that determines its mandates, duties and responsibilities as well as its organizational structure.
  - The regulation of EFD is now approved by the Council of Ministers. The scope and mandates of the newly established EFD will enable to catalyze the forest sector at Federal and Regional levels. To this effect, EFD will have centers in the regions and city administrations to further spearhead the forest conservation and development activities at subnational levels.
- In line with developing forestry statistical yearbook which is the first of its kind in the country, in the reporting period pilot data collection completed by developing forestry survey tools and submitted for Central Statistical Agency (CSA) for the integration of forestry data in their annual Agricultural data collection and reporting routines. This activity of the project has got paramount importance for future calculation on the contribution of forestry to the national GDP.

8. Observed Impact of the Projects

In addition to the direct results of project activities, some very important impacts have already been observed in the project implementation districts. There are case examples in each of project districts for the following observed impacts:

- Emission reduction. Both projects could be able to sequester 5,000,0000 tCO_2e and will reach 20,000,0000 tCO_2e by 2030 which is 8.3% of National Target (Fig 7)
- Environmental protection
  - Protection of soil and water erosion
  - Development of ground water
  - Land slide prevented

- o Biodiversity improved: as a result of area closures created for Assisted Natural Regeneration (ANR) areas, plant species regenerated from the seed bank. Some of the restored plant species are: - *Albizia schimperiana*, *Croton macrostachyus*, *Dodonaea angustifolia*, *Acacia abyssinica*, *Juniperus procera*, *Olea africana*, *Grewia ferruginea*, *Maytenus arbutifolia*, *Allophylus abyssinicus*, *Erica arborea* etc.
- o Wildlife restored: as a result of area closure created for Assisted Natural Regeneration (ANR) wild animals returned back to the areas which were historically known to the area. Some of the returned wild animals are: *Spotted hyena, Leopard, common jakal, common bushback, diker, serval cat, Caracal* , etc

- Farmers' sources of income diversified and increased: For instance, in Amhara region local communities gained 29,746,959 Birr from sheep and goat fattening and production, selling of eggs, production of fruits, grass collection, fuel saving cook stove production and wood harvesting. In Oromia, 1305 egg laying chickens distributed to 261 farmers. 29360 ETB obtained from selling eggs. 52 sheep and 52 goats distributed to 26 and 52 farmers respectively for fattening and production purposes and farmers received an additional income of 312000 Birr from selling sheep 312000 birr from goat production. Modern beehives have also been distributed to 60 honey producers and 180000 Birr have been obtained from selling honey.

- The project introduced production of tree seedlings with plastic bags with better management practices. Before the project intervention, productions of tree seedlings were bare root. As a result of knowledge and skill transfer from project to other nurseries in the project district, quality of seedlings and thereby their survival has improved by 80%.

- In frost prone areas, the survival of tree seedlings barely reach 50%. The project introduced different pre and post planting management practices to improve survival of seedlings. One of the strategies used by the project to escape the worst frost period is planting of seedlings around March and April. The second one is construction of soil and water conservation structures, proper site selection i.e species site matching, standard pit preparation, early planting with healthy and vigorous seedlings, weeding and hoeing, application of compost and mulches, low thinning and pruning, avoiding free grazing, played a vital role for seedling survival and growth. As a result, the average seedling survival in project areas reached was greater than 85 %.

- As part of introduction of livelihood options by the project, modern beehives have been introduced. After the intervention, the amount of honey harvested from modern beehives has increased and reached 17 - 20 kg/hive/harvest. Before intervention traditional hives were used by communities and the amount of honey used to be harvested was between 4-5 kg/hive/harvest with 13-15 kg/hive/harvest improvement.

- Construction of Schools: In Sodo Gurage woreda, people generated additional money from their area closures by selling grasses, producing honey and cattle production and fattening. As a result of improved community income from proper forest resource conservation, beneficiary communities have built 250,000 ETB worth of high school which is the first of its kind in the area (Fig 9). Previously, children both boys and girls, were travelled to other towns when they joined high school causing for additional expenses and even dropouts. This school has solved the problems and reduced the number of school dropouts.

Figure 9 School built at Sodo Gurage by the income obtained from ANR site

- Improved Ground water recharge: the downstream of ANR sites have their ground waters recharged by preventing surface runoff and improved the percolation rate of the soil. The recharge of ground waters have increased potable water for the peoples as well as their cattle and significantly reduced the women and girls time to fetch water.

- Conversion of private farmlands to commercial plantations encouraged: in the project sites, the project offices are receiving additional application from farmers to get tree seedlings so that they can grow commercial forests by converting their farmlands in to forest lands. Sample list of farmers who have applied in Meket woreda can be seen in figure 10. This is also one of the preliminary signs of sustainability of the project activities. In Amhara region 729 farmers converted 100.98ha of their farmlands to commercial tree plantations because of the positive influence of a neighbor who has benefited from commercial tree plantations.

Figure 10 Sample list of Farmers who have applied to convert their farmlands to commercial forest lands

- Natural Resource based conflicts reduced

- Private sector promoted: In Delanta woreda of Amhara region, 2 wood producers and processors created due to availability of timber because of commercial tree production.

- Displacements and local migration reduced: Floods and landslides prevented: As a case example- the site in Mirab-Abaya used to be attacked by annual floods and people get displaced as a result. These people end up under government's humanitarian assistance. The youths were subjected to migration. Once the project prevented the flood by rehabilitating the upper stream, the people returned and developed a banana plantation in the downstream

(Fig 11). The local people are now not only self-sufficient but are rich and exporting banana and honey to other towns. Now, youths from other areas are being migrated to this productive area because of created more jobs. Two sites in Wadla Woreda of Amhara region covering 1.18ha of land, had been severely affected due to flood that comes from upper catchment, however, after the intervention, the damage is reduced.

Figure 11 Bamboo plantations developed after landslides are prevented by rehabilitation of upper streams

- Microclimate modifications: the ANRs have modified the microclimate of their vicinity for the better. As a result, wild animals have returned; cattle accessed shade; school classes became cooler and conducive for teaching-learning processes. A school from Mirab-Abaya can be taken as a case example how trees made the teaching-learning processes as favorable at it gets (fig 8).

9.Status of Risk Assumption and the proposed management response

Please see Annex V   for the updates

9. Monitoring and Evaluation

Project Steering Committees (PSC) are established at Federal, Regional and Woreda levels. The woreda steering committee chaired by woreda administration chief closely follows reviews and approves the physical implementation and financial delivery of the project. Furthermore regular quarterly meeting meetings chaired by the then Deputy Commissioner of EFD being held on regular basis to review project implementation. In the quarterly meetings all districts administrators, project managers and UNDP are participating

The regular field monitoring and evaluations are hugely affected by the onset of COVID-19 public health crisis. Despite the Covid-19 challenge, tangible progress has been made by the national program coordination office in improving the overall M&E system with particular attention given to the improvement of the quality of the data, data management and reporting. The physical monitoring and reporting by the project have improved but there is still more work to be done to ensure consistency in reporting system at lower levels. Moreover, the national Program Coordination office has established a continuous (every 15 days) telecommuting arrangement with both local and international stakeholders (UNDP, CIFOR, and Swedish University of Agricultural Sciences (SLU), WGCF-NR, EBI, and EEFRI).

10.Financial Report

Institutional Strengthening for Forest Sector Development project in Ethiopia

	DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	ACTUAL EXP 2022	DIFFERENCE
OUT PUT 1	Institutional Capacity of the Forest Sector Strengthened	94,336.48	137,336.28	1,060.66	**(40,060.46)**
OUT PUT 2	Forest Conservation and Development for their Multiple Benefits Enhanced	337,765.43	346,190.68	67,073.23	**(75,498.48)**

	DESCRIPTION				
OUT PUT 3	Private Sector Involvement in Forest Sector Development Facilitated	0.00	0.00	0.00	0.00
OUT PUT 4	Science and innovation for Enhancing Sustainable Forest Management Prompted	26,428.98	11,947.73	14,485.71	(4.46)
OUT PUT 5	Stakeholders Engagement in Forest Development Enhanced	42,015.24	24,684.75	0.00	17,330.49
OUT PUT 6	Organization & Management	49,258.04	68,652.43	21,353.37	(40,747.76)
EXCHANGE RATE GAIN/LOSS		0.00	47,892.74	2,948.85	(50,841.59)
TOTAL		430,235.00	636,704.61	106,921.82	(193,822.26)

NB: This progress report is provisional. Final Certified Financial Statement will be released on June 30, 2022.

FOR DETAIL INFORMATION SEE ANNEX I

Institutional Strengthening for Catalyzing Forest Sector Development project in Ethiopia

	DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	DIFFERENCE
OUT PUT 1	Enabling Environment for Strong Forest Sector Development Project Implementation Enhanced	1,400,527.00	728,381.39	672,460.41
OUT PUT 2	Sustainable Forest production and Value Chain Promoted	996,225.00	399,194.42	597,030.58
OUT PUT 3	Forest Ecosystem Services Enhanced	1,037,949.00	343,449.57	694,499.43
OUT PUT 4	Model Environmental Stewardship Fostered in Selected Urban Areas	287.140.00	395,971.49	(108,831.49)
OUT PUT 5	Monitoring And Evaluation	269,607.00	173,640.53	95,966.47
	EXCHANGE RATE GAIN/LOSS	0.00	125,904.46	(125,904.46)
TOTAL		3,991,448.00	2,166,541.86	1,824,906.14

NB: This progress report is provisional. Final Certified Financial Statement will be released on June 30, 2022.

FOR DETAIL INFORMATION SEE ANNEX II

11.Conclusions and Key Lessons

The SIDA support program has achieved planned targets, increased livelihoods while arresting land degradation. The program has l also contributed to biodiversity conservation, climate change adaptation and mitigation efforts of the country. The achievements registered in plantation establishment, rehabilitation of degraded lands and local livelihood improvement are encouraging. However, the next phase of the project period requires accelerated result-based delivery. It is

expected that, such programs will be important pillars for the next generation support by development partners. The key lessons from these interventions include:

- The importance of a dynamic planning approach considering emerging challenges
- The need to coordinate activities using coordinated platforms
- Periodic consultations (every 15 days)
- The viability of diversifying income generation activities beyond agriculture
- The need for robust forestry institution down at the grass root level.
- The importance defining forest user groups/cooperatives and certification under community forestry scheme, also considering potential sources of conflicts

12. Key challenges and Way for ward

- Delay and report inconsistency of all program woredas.
- Low wage rate for labor resulted in shortage of labor force especially for nursery management activities.
- Supervision and implementation of some of the project activities is constrained by conflict in the north and the COVID-19 outbreak.
- Limited availability of quality seeds of indigenous tree species.
- Problem of viability in some tree seeds even when purchased from known seed centers or suppliers.

ANNEX I

Institutional Strengthening for Forest Sector Development project in Ethiopia

OUTPUT 1: Institutional Capacity of the Forest Sector Strengthened					
DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	ACTUAL EXP IN 2022	DIFFERENCE	REMARK
SALARY	37,854.44	33,254.45	982.09	**3,617.90**	
CONSULTANCY SERVCIE	0.00	6,239.05		**(6,239.05)**	
SHIPMENT COST	0.00	1,712.48		**(1,712.48)**	
MATERIALS AND GOODS	56,482.04	85,957.23		**(29,475.19)**	

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	ACTUAL EXP IN 2022	DIFFERENCE	REMARK
GMS SERVCIE CHARGE	0.00	10,173.07	78.57	(10,251.64)	
TOTAL	**94,336.48**	**137,336.28**	**1,060.66**	**(44,060.46)**	

OUTPUT 2: Forest Conservation and Development for their Multiple Benefits Enhanced

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	ACTUAL EXP IN 2022	DIFFERENCE	REMARK
SALARY	0.00	0.00	0.00	**0.00**	
CONSULTANCY SERVCIE	16,263.97	9,333.77	87.41	**6,842.79**	
STUDIES & RESEARCH SERVICE	58,279.21	82,148.30	29,118.80	**(52,987.94)**	
TRAVEL EXPENSE	0.00	0.00		**0.00**	
SEED PRODUCTS	69,121.85	60,748.09	15,993.56	**(7,619.80)**	
MATERIAL & GOODS	0.00	0.00		**120,668.00**	
MEDICAL PRODUCTS	13,028.79	8,144.66	15,659.01	**(10,774.88)**	Support was made for covid protection items
PRINTING & PUBLICATIONS	8,131.98	0.00		**8,131.98**	
MANAGEMENT & REPORTING SRV	0.00	17,716.42		**(17,716.42)**	
LEARNING & TRAINING	172,939.63	142,455.68		**30,483.95**	
GMS SERVCIE CHARGE	0.00	25,643.76	6,214.45	**(31,858.21)**	GMS budget was not hold in the system for each output.
TOTAL	**337,765.43**	**346,190.68**	**67,073.23**	**(75,498.48)**	

OUTPUT 3: Private Sector Involvement in Forest Sector Development Facilitated

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	ACTUAL EXP IN 2022	DIFFERENCE	REMARK
SALARY	0.00	0.00	0.00	0.00	
STUDIES & RESEARCH SERVICE	0.00	0.00	0.00	0.00	
GMS SERVICE CHARGE	0.00	0.00	0.00	0.00	
TOTAL	**0.00**	**0.00**	**0.00**	**0.00**	

OUTPUT 4: Science and innovation for Enhancing Sustainable Forest Management Prompted

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	ACTUAL EXP IN 2022	DIFFERENCE	REMARK
CONSULTANCY SERVCIE	6,776.65	6,280.10	0.00	**496.55**	
TRAVEL EXPENSE	0.00	0.00	0.00	**0.00**	

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	ACTUAL EXP IN 2022	DIFFERENCE	REMARK
STUDIES & RESEARCH SERVICE	19,652.30	3,882.61	13,412.69	**2,357.00**	
PRINTING AND PUBLICATIONS	0.00	0.00	0.00	**0.00**	
GMS SERVICE CHARGE	0.00	1,785.02	1,073.02	**(2,858.04)**	
TOTAL	**26,428.95**	**11,947.73**	**14,485.71**	**(4.46)**	

OUTPUT 5: Stakeholders Engagement in Forest Development Enhanced

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	ACTUAL EXP IN 2022	DIFFERENCE	REMARK
CONSULTANCY SERVCIE	2,710.66	0.00	0.00	**2,710.66**	
TRAVEL EXPENSE	0.00	0.00	0.00	**0.00**	
MATERIALS & GOODS	9,487.31	0.00	0.00	**9,487.31**	
PRINTING AND PUBLICATIONS	29,817.27	22,929.22	0.00	**6,888.05**	
GMS SERVICE CHARGE	0.00	1,755.53	0.00	**(1,755.53)**	GMS budget was not hold in the system for each output.
TOTAL	**42,015.24**	**24,684.75**	**0.00**	**17,330.49**	

OUTPUT 6: Organization & Management

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	ACTUAL EXP IN 2022	DIFFERENCE	REMARK
SALARY	17,921.44	19,639.80	0.00	**(1,718.36)**	
CONSULTANCY SERVCIE	0.00	11,571.05	19,771.64	**(31,342.69)**	
TRAVEL EXPENSE	31,336.60	24,884.29	0.00	**6,452.31**	
PRINTING & PUBLICATIONS	0.00	0.00	0.00	**0.00**	
STATIONERY OTHER OFFICE SUPP	0.00	276.04	0.00	**(276.04)**	
LEARNING & TRAINING	0.00	0.00	0.00	**0.00**	
MANAGEMENT & REPORTING SRV	0.00	3,013.84	0.00	**(3,013.84)**	
FUEL & TRANSPORTATION COST	0.00	0.00	0.00	**0.00**	
GMS SERVICE CHARGE	0.00	9,267.41	1,581.73	**(10,849.14)**	GMS budget was not hold in the system for each output.
TOTAL	**49,258.04**	**68,652.43**	**21,353.37**	**(40,747.76)**	
UNREALIZED LOSS	0.00	47,892.74	2,948.85	**(50,841.59)**	Exchange Rate Loss

TOTAL	0.00	47,892.74	2,948.85	(50,841.59)
GRAND TOTAL	549,804.17	636,704.62	106,921.82	(193,822.26)

This progress report is provisional final report will be certified financial statement will be released on June 30,2022

ANNEX II

Institutional Strengthening for Catalyzing Forest Sector Development project in Ethiopia

OUTPUT 1: Enabling Environment for Strong Forest Sector Development Project Implementation Enhanced				
DESCRIPTION	**BUDGETED AMOUNT**	**ACTUAL EXPENDITURE**	**DIFFERENCE**	**REMARK**
SALARY	176,000.00	113,615.25	**62,384.75**	
CONSULTANCY SERVICE	29,792.00	160,455.27	**(130,663.27)**	Consultancy service was over utilized
TRAVEL EXPENSE	46,764.00	23,183.30	**23,580.70**	
STUDIES & RESEARCH SERVICE	476,581.00	36,001.33	**440,579.00**	
MATERIALS AND GOODS	190,000.00	80,336.26	**109,663.74**	
SEED PRODUCTS	0.00	0.00	**0.00**	
RENTAL SERVICE	0.00	2,260.32	**(2,260.32)**	No budget was hold for vehicle rent related to IC
LEARNING & TRAINING	481,390.00	229,736.36	**251,653.64**	
GMS SERIVCE CHARGE	0.00	82,793.30	**(82,793.30)**	GMS budget was not hold in the system for each output.
TOTAL	**1,400,527.00**	**728,381.39**	**672,145.61**	
OUTPUT 2: Sustainable Forest production and Value Chain Promoted				**REMARK**

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	DIFFERENCE	
CONSULTANCY SERVICE	107,143.00	26,940.30	**80,202.70**	
TRAVEL EXPENSE	47,000.00	2,849.88	**44,150.12**	
SHIPMENT	0.00	29,593.98	**(29,593.98)**	Budget was included in procurement of Materials & Goods
SEED PRODUCTS	220,000.00	27,474.45	**192,525.55**	
MATERIALS AND GOODS	331,077.00	153,618.53	**177,458.47**	
STUDIES & RESEARCH SERVICE	142,365.00	106,402.41	**35,962.59**	
PRINTING AND PUBLICATIONS	13,000.00	0.00	**13,000.00**	
LEARNING & TRAINING	85,640.00	22,792.19	**62,847.81**	
REVOLVING FUND	50,000.00	0.00	**50,000.00**	
GMS SERVICE CHARGE	0.00	29,522.68	**(29,522.68)**	GMS budget was not hold in the system for each output.
TOTAL	**996,225.00**	**399,194.42**	**597,030.58**	

OUTPUT 3: Forest Ecosystem Services Enhanced				
DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	DIFFERENCE	REMARK
CONSULTANCY SERVICE	74,000.00	23,283.39	**50,716.61**	
TRAVEL EXPENSE	190,500.00	0.00	**190,500.00**	
STUDIES & RESEARCH SERVICE	120,015.00	39,442.93	**80,572.07**	
SEED PRODUCTS	252,100.00	153,396.58	**98,703.42**	
MATERIALS AND GOODS	234,134.00	20,413.56	**213,720.44**	
PRINTING AND PUBLICATIONS	18,000.00	1,274.29	**16,725.71**	
LEARNING & TRAINING	60,000.00	23,736.55	**36,263.45**	
FUEL & TRANSPORTATION COST	55,200.00	0.00	**55,200.00**	
MEDICAL ITEMS	34,000.00	56,461.56	**(22,461.56)**	Over purchased medical materials
GMS SERVICE CHARGE	-	25,440.71	**(25,440.71)**	GMS budget was not hold in the system for each output.

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	DIFFERENCE	REMARK
TOTAL	**1,037,949.00**	**343,449.57**	**694,499.43**	

OUTPUT 4: Model Environmental Stewardship Fostered in Selected Urban Areas

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	DIFFERENCE	REMARK
CONSULTANCY SERVICE	0.00	22,122.91	**(22,122.91)**	No budget was made for IC
STUDIES & RESEARCH SERVICE	170,140.00	291,394.00	**(121,254.00)**	Over utilized for research
MATERIALS AND GOODS	10,000.00	0.00	**10,000.00**	
SEED PRODUCTS	30,000.00	36,363.71	**(6,363.71)**	Over utilized
TRAVEL EXPENSE	13,000.00		**13,000.00**	
PRINTING AND PUBLICATIONS	0.00	288.82	**(288.82)**	No budget was made
LEARNING & TRAINING	64,000.00	14,691.80	**49,308.20**	
GMS SERVICE CHARGE	0.00	31,110.25	**(31,110.25)**	GMS budget was not hold in the system for each output.
TOTAL	**287,140.00**	**395,971.49**	**(108,831.49)**	

OUTPUT 5: Monitoring and Evaluation

DESCRIPTION	BUDGETED AMOUNT	ACTUAL EXPENDITURE	DIFFERENCE	REMARK
SALARY	126,572.00	95,132.75	**31,439.25**	
CONSULTANCY SERVICE	57,750.00	53,450.26	**4,299.74**	
TRAVEL EXPENSE	52,962.00	11,592.26	**41,369.74**	
CONNECTIVITY CHARGES	-	867.36	**(867.36)**	No Budget
MATERIALS AND GOODS	19,000.00	0.00	**19,000.00**	Over utilized
PRINTING AND PUBLICATIONS	-	0.00	**0.00**	
LEARNING & TRAINING	13,323.00	0.00	**439.59**	
GMS SERVICE CHARGE	-	12,597.90	**(12,597.90)**	GMS budget was not hold in the system for each output.
TOTAL	**269,607.00**	**173,640.53**	**95,966.47**	
UNREALIZED LOSS	0.00	125,904.46	(125,904.46)	Exchange Rate Loss

TOTAL	0.00	125,904.46	(125,904.46)	
GRAND TOTAL	3,991,448.00	2,166,541.86	1,824,906.14	

Annex III

Procured items by the projects

No	Type of Equipment	Quantity
1	Analytical Balance	10
2	Auger Drill Bit/Plant Digger	15
3	Bark gauge	40
4	Binocular (CLESTRON 20X50MM)	18
5	Caliper	100
6	Canopy Analysis System	1
7	Color Printer	1
8	Combined Refrigerator	1
9	Compass Suunto	76
10	Debarking Spade / Shovel	75
11	Densitometer	1
12	Desktop Computer	5
13	Desktop Computer - Monitor	8
14	Digital Balance	1
15	Digital Calliper	15
16	Digital Camera Canon EOS 80D; 25 Pcs of shoulder Bag for Digital Camera and 25 pcs of Memory card	25
17	Digital Clinometer	56
18	Digital Moisture Meter	1
19	Digital PH Meter	11
20	Digital Zoom Microscope	1
21	Double Cap Pickup Car - Toyota	9
22	Emission Meter: Photo Electric Detector	1
23	Emission Meter: Portable Automotive Vehicle Car Exhaust Gas Analyzer	1
24	External Hard disk	4

25	Factor gauge/hand tools chain relascope	60
26	Fire beater	100
27	Flash Disk	5
28	Freeze Dryer	1
29	Gater Eye caliper	20
30	Glass Bead Sterilizer	1
31	Hand Held GPS	68
32	Hand lens	20
33	Horizontal Laminar flow Hoods	1
34	Hypsometer/ height meter	91
35	Laptop Computer	8
36	Log Jack RIMA	10
37	loglifter/Woodchuck Quad Log Jack	12
38	Long handle seed collection cutter	44
39	MD II Calliper	11
40	Microscope Olympus BX53 Fluorescent Compound	1
41	Mirror Stereoscope	6
42	Motor Cycles	12
43	MUNSELL Soil color chart	13
44	Petri Dish with lid	300
45	Plant Canopy Imager	2
46	Pocket Balance	13
47	Portable Digital Densitometer	23
48	Printer	1
49	Pruning saw	50
50	Refrigerator	1
51	Rotary Vacuum evaporator	1
52	Seed Preservation Refrigerator	2
53	Soil Auger/Core sampler with drill bits	12
54	Soil Moisture Measurement System	1
55	Sokkia Abney Level with 5x Magnification	35
56	Spiegel relascope	17
57	Stereo Zoom Microscope	1
58	Telescopic ratchet lopper	30
59	The Leaf Image Analysis System for Leaves – Rapid System	1
60	Theodolite with tripod and accessories	4
61	tree caring lever (Logging Hooks and Tongs)	15
62	Tree felling level with hand tools timber	20
63	Universal Oven	1
64	Vertex VL5 Indomultimeter	6
65	Wood Processing Machines	2
	Total	**1498**

ANNEX IV

Action Research Conducted and Their Findings
Action research conducted

1. Promoting tree-based livelihoods in Ethiopian highlands

2. Promoting Sustainable Management of Dry Forests

3. Pro-poor bamboo value chain development

4. Understanding system dynamics and managing trade-offs between forests and agriculture in production systems with contrasting trends

5. Evaluating Forest Landscape Restoration activities of EFCCC

6. Identifying and supporting model tree growers and wood products marketing cooperatives

7. Identifying opportunities and challenges for youth and women to engage in forest-based entrepreneurship in Ethiopia

8. Exploring options for improving value addition and marketing of frankincense

9. Resource use Conflict Management (Trade off Management Approach) (WGCF-NR)

10. Ecotourism potentials and local people's socioeconomic benefits (WGCF-NR)

11. Ecosystem Services of the Wondo Genet forested Catchments for the surrounding community (WGCF-NR)

Key findings of completed research areas

1. **Value Chain of Smallholder Highland Bamboo Production: The Case of Hula and Gummer Districts, Ethiopia**

- Major actors in the highland bamboo value chain are the smallholder bamboo producers, intermediaries (brokers), wholesalers, processors, recreational house constructors, and consumers.

- From the selected three main channels, the channel through the manufacturing industry adds the highest value to bamboo culm which is 134 ETB per culm.

- The largest share of TGMM went to processors.

- Smallholder highland bamboo producers' probability of participation in the bamboo market was significantly influenced by output price, proximity to an all-weather road, presence of market linkage, access to market information, district variable, and awareness about economic benefits of bamboo.

- Producers' level of bamboo market participation is significantly associated with household size, size of land cultivated with bamboo, output price, and herd size.

- The market outlet choice of producers is influenced by age of household head, education level of household head, previous experience in bamboo selling, proximity to an all-weather road, access to market, and presence of information access.

2. **Determinants of Smallholders' Commercial Plantation Establishment: Challenges and Opportunities to Promote Tree Based Livelihood in Ethiopia**

- The study concluded that transition to TBL is challenged by delayed return on investment, lack of capital, and land shortage. On the other hand, surging demand for trees and tree products, increased access to markets, agro-ecological suitability, and access to extension service can be considered as enablers to tree-based livelihood.

3. **The Role of Dry Forest Products to Household Income: The Case of Gums and Resins in Jawi District, Northwest Ethiopia**

- The study found out that (i) Forest income accounted for 23.69% of total annual household income; (ii) Forest income tends to decrease household income inequality and (iii) Income from gums and resins reduced income inequality by 2.13%. The study identified household size, market availability, PFM membership, Access to extension services, and Forest proximity as key factors having positive effect on HHs participation, whereas distance to market and Landholding size acted as negative drivers.

4. **Trade-off between Forest Conservation and Agricultural Expansion in Gura Ferda District, Southwest Ethiopia**

- Findings of the study showed that Annually 425 ha of forest is lost, and this loss entails a loss of ETB 33,633,650/year (from forest conservation) and a gain of ETB 109,776,692.5/year (agricultural activity). Total economic value from the land use is

maximized if the district allocates 92,395.35ha and 25,110.16ha for forests and agriculture, respectively. This allocation maximizes total net income and minimizes soil erosion per ha by approximately 12% and 22%, respectively, from their current levels.

5. **A manuscript entitled "Do Ecological Evidences Support Biodiversity Optimizing Roles of Eucalyptus Plantation Forests?" is submitted to the international journal.**

- The overall results suggest that Eucalyptus plantation forests weakly support biodiversity and hence, the strategies and policies that properly govern its characteristic areas of plantation to enhance biodiversity is profoundly indispensable

ANNEX V

Status of Risk Analysis and Management Response

#	Description	Date Identified	Type	Impact & Probability	Counter measures/ Management response	Owner	Status update
1	Political and governance: Failure of the law enforcement and competing interest for land	Project implementation 2018-2022	Political	Probability (medium - high) –Unwillingness/ to enforce existing forest law and regulation Impact –damage rehabilitation and plantation progresses made by the project P = 3 I =3 Risk = PxI = 9	Conduct series of meetings with stakeholders and local authorities and reach consensus on law enforcement.	Federal ministries, Regional governments;	Series of meetings conducted by the then EFCCC and its replica at the regions

| 2 | Lack of harmony on strategies and policies of sectors for coordination | Project implementation 2018-2022 | Political | Probability – (High-medium) level of awareness of the decision makers including the parliamentarians on the integration of sectoral strategies

Impact – Poor participation of the private sector

P = 3

I =3

Risk = PxI = 9 | Awareness raising and effective communication strategy including collating, analyzing and availing the experiences of other countries in sectoral integration | Steering Committee , Ministry of Environment, Forests and Climate Change

Ministry of Agriculture and NR | Bimonthly meeting conducted with the Responsible parties and Implementing partners and the then EFCCC and UNDP; Steering committee established in each project districts are fully functional and project implementation closely followed up. Steering Comitte meeting for REDD+ and Foretsry project was also carried out |

3	Insufficiency in institutional capacity for implementation of the programme and inability to attract additional funding	2018-2022	Operational	Probability (moderate)–delay in crowding-in funding from potential donors Impact – delay in the implementation of the project P = 3 I = 3 Risk = PxI = 9	Putting in place working modality on how to reach different development partners around this project	UNDP and MEFCC and UNDP,	The project coordinator in the government and the project manager of UNDP are actively participating in the CRGE Forum where all the DPs are represented.
4	Public unrest and low public support	Project implementation 2018 - 2022	Operational	Probability (low) – lack of peace and security; Impact –. delay in the planning and implementation of region specific restoration programme P = 2 I = 3 Risk = PxI = 6	Ensure public participation and bottom-up approach Establish continuous public awareness on the importance of this project and improve public trust;	Steering Committee, MEFCC and its regional Replica	Steering committee established in each project districts are fully functional and project implementation closely followed up.

| 5 | Delay in procurement process | Project implementation 2018 - 2022 | Operational | Probability (high) – Lengthy procurement process affects the timely implementation of the programme

Impact – attaining the programme objectives constrained

P = 3

I = 3

Risk = PxI = 9 | Procurement by delegation and direct payment modalities | MEFCC, Programme Manager and Programme Management Office | Actions indicated in the management response are under implementation |
| 6 | Gender inequality | Project implementation 2018 - 2022 | Operational | Probability (low) – Culturally oriented under participation of women in implementation

P = 2

I = 3

Risk = PxI = 6 | Outreach women groups in the various components, build their capacity and organize them | MEFCC, UNDP, Program Manager and Program Management Office | Women groups are participating in the various project components. However, effort will continue to increase their numbers. |