FOREST SECTOR TRANSFORMATION UNIT

UNITED NATIONS DEVELOPMENT PROGRAMME

FOREST SECTOR TRANSFORMATION UNIT – AT A GLANCE

Ethiopia committed to increase forest cover by 20%, and forestry's contribution to GDP by 8% in 2020, and achieve 130 MMtCO2e reduction by 2030, representing approximately 50% of the overall CRGE and NDC carbon sequestration and emissions reductions goals. In this regard, it is recognized that shifts in the following area need to be made in the following areas:

1) Unlocking bankable, innovative, and scalable projects, and strengthening partnerships with the private sector and civil society.

2) Developing rigorous project execution capabilities.

3) Creating improved coordination to facilitate cross-functional collaboration.

To achieve these goals set in GTP II, the CRGE, NFSDP, NDC and REDD+, a Forest Sector Transformation Unit (FSTU) has been established to support EFD in achieving the three shifts mentioned above. Main objectives of the Forest Sector Transformation Unit are:

1) Build and scale-up a pipeline of transformative, high-value forestry innovations that can support Ethiopia in achieving its forest sector goals.

2) Support delivery of initiatives by capacitating the forestry sector through targeted, hands-on support to National, Regional and Woreda teams.

3) Provide evidence-based policy analysis and recommendations to EFD and the CRGE, as required.

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Ethiopian Forestry Development

NORWEGIAN MINISTRY OF
CLIMATE AND ENVIRONMENT

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WHAT IS TRANSFORMATION?

Transformation is a:

- Structured and prioritized approach to achieve systemic change.

- A fundamental shift aimed at achieving a sustainable significant improvement in performance and value.

- A process of profound and deep-rooted change that orients an organization in a new direction and takes it to an entirely different level of effectiveness.

The outcomes of the transformation are products (e.g. technology), process (e.g. effectiveness, efficiency, and transparency) and perception (behavioural change, accountability and ownership). Transformation is a learning process, which can be achieved through innovation, investment and enabling environments.
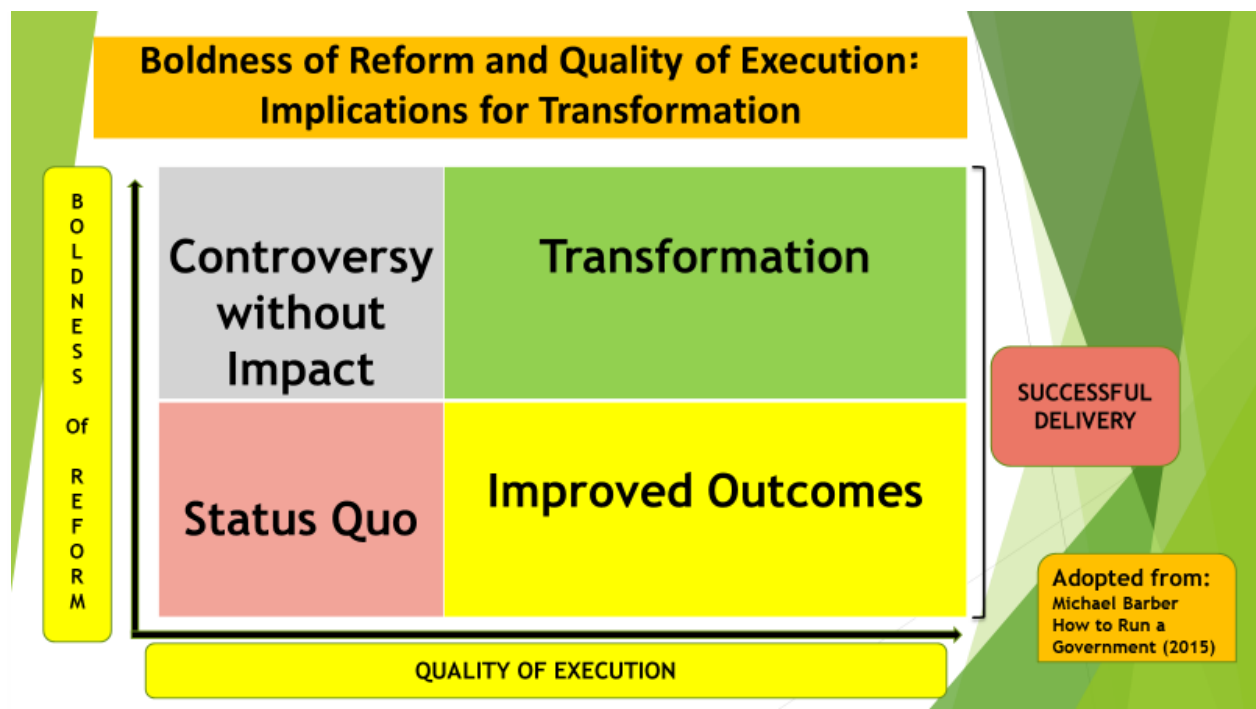

Figure 1: Transformation loop
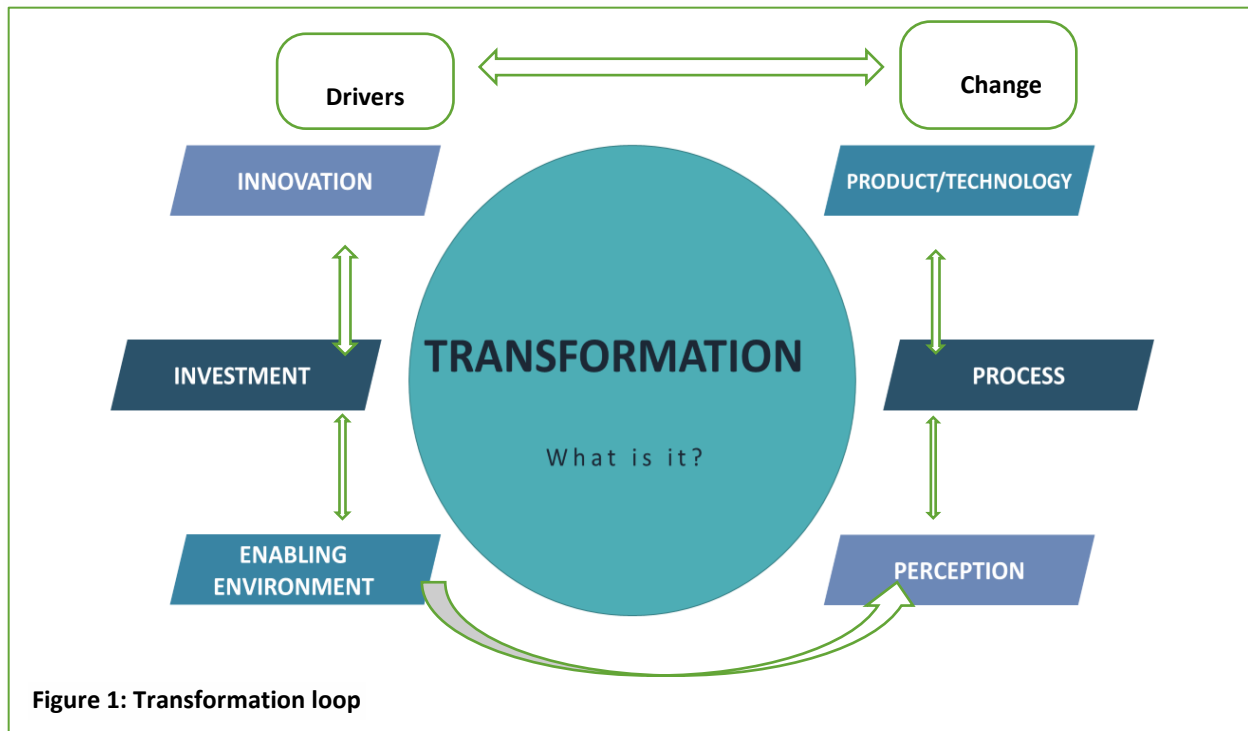
As shown in Figure 1, transformation has various components that re-enforce each other. Transformation begins from preparing a roadmap that establishes clear vision, identifies what to transform first and how, put in place the necessary institutional and operational structure and mobilize the talent.

BASIC REQUIREMENTS FOR TRANSFORMATION

Strategy	Operating model	Structure	Talent	Processes
• Vision • Roadmap • Investment • Alignment with government policies • Ownership and buy-in	• Creating synergy (internally and externally)	• Flexibility • Simplicity • Adaptive process management • Enabling environment	• Commitment/motivation • Attitude/Mind set • Willingness/open mindedness Risk taking • Team quality • Leadership • Aspiration for change • Transparency • Information seeking behavior • Accountability	• Technology • research and innovation • Well-designed plan • Knowledge management system • Documenting and sharing best practices • Assessment and consultation • Stakeholder engagement

One of the challenges a transformation process encounters is the mismatch between the boldness of reform and the quality of execution. This is because when a leader tries to advance transformational agenda, inertia and resistance ensues because of people who feel comfortable in the status quo. They claim, we have seen it all … and pose questions like what is new about the agenda? They also suggest the idea needs to be tested first, etc. This creates a situation of controversy, which doesn't move forward the transformational agenda. This phenomenon is referred as *controversy without impact*. Progress starts to be made when the boldness of reform and the quality of execution improves. This results in improved outcomes. However, caution is called for here, because complacency can easily set into the detriment of the transformation agenda. It is, therefore, important to raise the bar of the transformation drive by reinforcing the boldness of reform and significantly boosting the quality of execution. It needs to be noted that transformation cannot happen overnight. In this regard, it is important to identify priorities (quick-wins or low hanging fruits) that could promote buy-in, build momentum, and contribute to learning. Transformation has risks, which need to be managed carefully by not attempting to change everything at once. Note that while incremental transformation can be slow, disruptive transformation could be problematic.

Boldness of Reform and Quality of Execution: Implications for Transformation

BOLDNESS Of REFORM

Controversy without Impact

Transformation

Status Quo

Improved Outcomes

SUCCESSFUL DELIVERY

QUALITY OF EXECUTION

Adopted from: Michael Barber How to Run a Government (2015)

THE FSTU TEAM PERSPECTIVE CONCERNING ITS ROLES AND RESPONSIBILITIES

The FSTU's team perspective concerning role each member of staff includes the following:

The staff should -

- be cooperative and supportive in bringing new ideas
- communicate more effectively
- remain commitment/dedicated to the achieve the transformative objectives
- be a better listener to clearly understand problems
- be committed to respect differences of opinion and remain constructively engaged
- be prepared to learn from others
- strive to convert ideas to concept notes and project proposals
- comply with compliance with rules

The leaders should-

- have a clear vision and demonstrate a good understanding of what transformation is, what it requires and how it ought to be implemented Coordinating/monitoring.
- demonstrate exemplary conducts in their availability, openness, dynamism, decisiveness, communication, flexibility, providing space for staff to fully use their knowledge, skill and competencies, willing to coach, mentor and delegate, team building, by being inspirational, motivational, etc.
- regularly analyze the operational context and trends, anticipating potential challenges, risks and readiness to take advantage of emerging opportunities.
- build internal and external networks and partnerships

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WHAT MAKES THE FSTU DIFFERENT?

The FSTU's differentiation is marked by the value it adds to on-going sustainable forest development and management efforts, the innovative models it develops and pilots and the transformative processes it adopts to pilot and scaling up the models (Figure 2). The work ethic/culture it maintains and the successful practices it disseminates will also be unique markers of the FSTU. For the above to happen, the FSTU (a) ensures the active engagement of stakeholders, (b) puts in place strong communication plan and platforms, (c) generates new ideas/innovations and shares best practices, and (d) invests in capacity building on specific thematic expertise gaps.
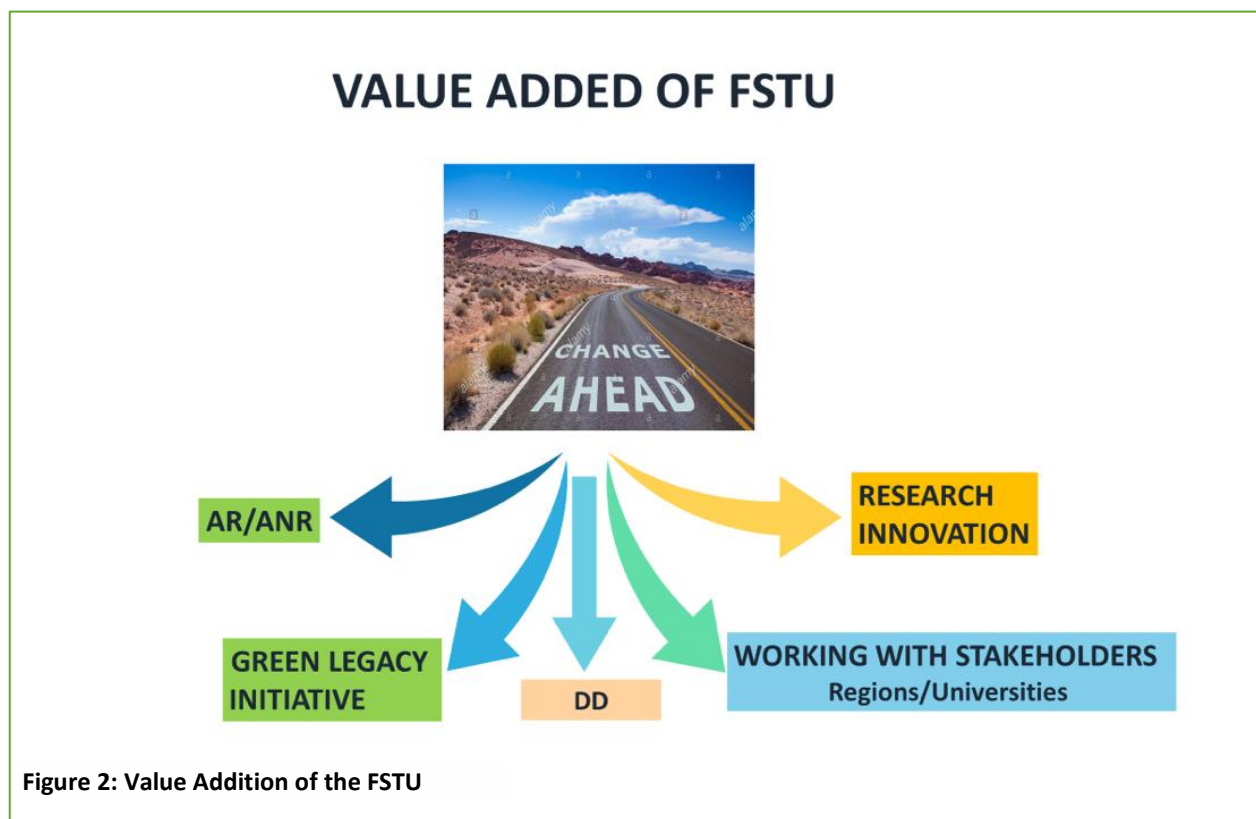

Figure 2: Value Addition of the FSTU

- Since its establishment in 2018, the FSTU has been putting efforts to communicate its mandates, objectives, and the concept of transformation to internal and external stakeholders in various forums. As the forestry sector generally takes a long time to transform, the FSTU believes that it is important to communicate the concept of what transformation is in the forestry sector and how it needs to be implemented to raise awareness of the stakeholders.

- FSTU has been actively working to mobilize resources for innovative forestry projects. Currently, the following project proposals have been developed and submitted to donors:
    - ✓ A REDD Investment Program tow (RIP-II) project proposal (with a total budget of **75 million dollars**) has been prepared and submitted to the Norwegian government, and efforts are being made to replace the existing agreement document with a new agreement. Until the agreement is signed, a one-year extension of more than 20 million dollars has been approved for the program, and the full program is expected to be approved soon.
    - ✓ **Climate Investment Fund (CIF):** The total budget of a **50-million-dollar** project concept (Concept Note/Expression of Interest) was submitted to the Climate Investment Fund (CIF) and was accepted. Accordingly, Ethiopian Forestry Development has selected the African Development Bank (AfDB) to prepare the main project document.
    - ➢ A project concept with a total budget of **50 million dollars** has been prepared and given to the Green Climate Fund/GCF to sustainably develop the lowland forests and reduce the vulnerability of the community. We are currently in the process of organizing additional inputs from GCF to revise the document and submit it back to the organization.
    - ➢ The project concept was prepared and submitted to the Ministry of Planning and Development, obtaining a letter of support and working with UNEP to generate the **20 million dollar** resources through the Global Environmental Facility/GEF Least Developed Countries Fund/LDCF with the intention to scale up the good practices recorded in Green Legacy program (Scaling up the green legacy initiative best practices to enhance the resilience of smallholder farmers and disadvantaged groups in Ethiopia).
    - ➢ A project concept entitled "Scaling up integrated livelihood and forest landscape restoration and management to enhance social-ecological resilience along the Great Green Wall belt of Ethiopia" was prepared and presented to the Ministry of Planning and Development, and obtaining a letter of support and working with UNEP, to generate the **5.09 million dollar** resources through the Global Environmental Facility/GEF STAR 8 window in order to scale-up the works started around the Great Green Wall in Ethiopia.
    - ➢ A Fund entitled "Special Fund for the Green Legacy and Restoration of degraded lands was being prepared in collaboration Ministry of Finance with a purpose to generate 0.5 percent to 1 percent

of the annual budget for Green Legacy and Restoration of degraded lands as well as the sustainable forest development.

➢ Made significant contributions to a project entitled "Nature Based Solutions for Urban greening, building resilience and enhancing human well-being in Selected Cities of Ethiopia" which was prepared under the GGGI coordination. The document has been sent to donors and it has been stated that up to **50 million dollars** will be released.

- Furthermore, strategic studies were also conducted and among which few of them are ongoing-

  ➢ Introduction of Real Time Forest Monitoring System
  ➢ Provide training on GIS data collection, management, and establishment of national geodatabases for REDD+ Investment Program (RIP) project areas - GIS Expert
  ➢ Assessing the Effectiveness of Participatory Forest Management (PFM): Implications for Reducing Deforestation and Emissions from Degradations
  ➢ Conducting a study on the contribution of forestry to the national GDP
  ➢ Studying and documenting the best practices of AR/ANR implementation in Ethiopia in terms of its effectiveness in contributing to social, environmental, and ecological development.
  ➢ In-depth analysis including preparation of safeguards and other documents to enhance the social, economic and environmental benefits of the Green Legacy Initiative.
  ➢ Prepare documentary on AR/ANR and DD and Livelihood Improvement.

Model landscape restoration and livelihood projects are being piloted in ten locations and model nurseries as part of the Green Legacy Initiative are being developed in three sites in Amhara, Jigjiga and Dire Dawa City Administration.

Figure 10: Partial view of Dengego model restoration site
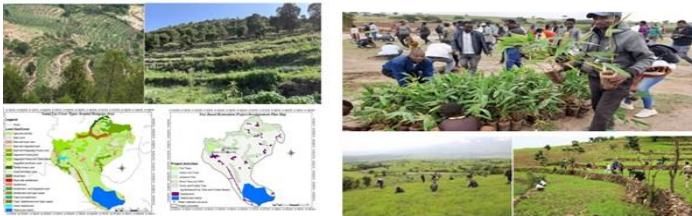
The purpose of these initiatives is to scale up the interventions based on the success factors and the lessons to be learnt from the pilot models. To this end, Memorandum of Understandings have been signed with Regional States and eight Universities, consultations with the local communities and other stakeholders have been completed, criteria and indicators to assess the development of model restoration sites have been developed and site preparation works are in progress.

- The three model nurseries have produced quality seedlings of about 5.3 million seedlings that supported the national Green Legacy Initiative.
- The model nurseries are unique in their features-
  - ✓ Model nursery facilities (office, seed storage cold room, warehouse, workstation, toilet, computer etc.) has been completed.
  - ✓ The design and construction of model sites were professionally monitored.
  - ✓ Piloting of root trainer tray which plays a significant role in the survival of seedlings.
  - ✓ Creating favorable working conditions (especially for women)
  - ✓ Monitoring and providing support to the model seedling station.

- Moreover, the unit has been working on introducing and implementing pilot technologies that could contribute to transformation of the forestry sector. These are-

  - o **Real Time Monitoring System:** *The overall goal of the system is to be able to collect and integrate real-time information from a remote forest and fill the data gap for future forest management and policy making in the form of a pilot project covering 100 square kilometers of natural forest in the selected part of Ethiopia.*
  - o **Root Trainer Pots:** *These are simple technologies that improve seedling survival. The rooting unit is mounted on a support in the ground so that when the taproot grows, it is air-dried. This air pruning causes the roots to thicken inside the pot with stored carbohydrates, which promotes vigorous root growth when the plant is placed in the ground (encourages roots to grow deeper, straighter, causing root pruning, transplant shock reduction and root damage)*

- A mechanism and guideline for Challenge Fund has been developed, which will be rolled out to support the private sector and communities to implement innovative forest-based industries.
- Based on a training needs capacity assessment, training on Results-based Project Management, Payment for Ecosystem Service, Sustainable Forest Management and Forest-based livelihoods and value chain development has been given to 146 participants.
- The unit in collaboration with United Nations Forum on Forests Secretariat (UNFFS) has provided a training on building national capacity in the process of forest financing strategy preparation, project design and formulation requirements such as GCF & GEF and thereby contribute to resource mobilization from all sources and national coordination of domestic and external sources.
- FAO and FSTU has trained forestry experts and stakeholders in selected thematic areas. The areas include-
  - a. *Improving forest-based livelihoods to reduce deforestation and forest degradation through the development of community-based business enterprises to pave the way for increased private sector engagement in forestry development.*
  - b. *Strengthening national forest monitoring system to improve results-based forest management and improve the existing knowledge base to facilitate policy and decision-making; and*
  - c. *Understanding existing legal frameworks pertaining to forest protection and appropriate use of forest resources.*
  - d. *Create Understanding on existing legal frameworks pertaining to forest protection and appropriate use of forest resources.*
  - e. *Strengthening national forest monitoring system to improve results-based forest management and improve the existing knowledge base to facilitate policy and decision-making.*
  - f. *Improving forest-based livelihoods to reduce deforestation and forest degradation through the development of community-based business enterprises paves the way for increased private sector engagement in forestry development.*
- FSTU has informed and shaped national policies and strategies including the land use policy, the bamboo strategy and action plan, revised forest policy and strategy. FSTU has also been leading the process of knowledge generation through assessments and studies, these include (a) exploring possibilities for

improving the livelihood of forest-based communities through small-scale forest resources-based enterprises, (b) Assessment of wood and bamboo resources for the development of enterprise opportunities and assessment of options for securing land for commercial plantation in Amhara and Oromia Regions, (c) Training and Capacity Building Needs Assessment for REDD+ Investment Program, (d) Assessment of Gender and Social Inclusion in REDD+ Implementation Programme, (e) Documentation and Analysis of Forestry Practices in Ethiopia. In addition to the above, the following studies are underway in collaboration with UNDP Country Office:

Developing Innovative Charcoal Production and Marketing Model: Implication for Enhancing the Socio-economic and Environmental Valuation of Renewable Energy Opportunities.	Development of Support for Public-Private and Civil Society Partnership: Strengthening the Private Sector Associations Engaged in Commercial Forestry & Wood Processing Industries.	Developing National Communications Strategy and Tool Kits for Ethiopian Forest Development (EFD).	Developing Forest Sector Transformation Roadmap to enhance the Socio-economic, Social and Environmental Evaluation of Forest Management.

COMPOSITION OF THE FSTU TEAM

Director	Technical Advisor	Project Delivery Support Manager	Delivery Analyst	Senior Finance & Operations Officer
Business Development Manager	Forest Experts (Delivery; Resource Mobilization)	Business Development Analyst	Livelihood Expert	**Drivers**

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