



## Darwin Initiative Annual Report



Department  
for Environment  
Food & Rural Affairs

**Important note:** *To be completed with reference to the Reporting Guidance Notes for Project Leaders:  
it is expected that this report will be about 10 pages in length, excluding annexes*

**Submission Deadline: 30 April**

### Darwin Project Information

Project Reference	20-019
Project Title	Wof Washa Forest: Sustainable Management for Resilient Livelihoods
Host Country/ies	Ethiopia
Contract Holder Institution	TREE AID
Partner institutions	SUNARMA, Royal Botanic Gardens Kew
Darwin Grant Value	£302,333
Start/end dates of project	Apr 2014 – Mar 2017
Reporting period (eg Apr 2013 – Mar 2014) and number (eg Annual Report 1, 2, 3)	Apr 2013 – Mar 2014
Project Leader name	Tony Hill
Project website	<a href="http://www.treeaid.org.uk/2013/darwin-initiative-funding-for-our-work-in-wof-washa-ethiopia/">http://www.treeaid.org.uk/2013/darwin-initiative-funding-for-our-work-in-wof-washa-ethiopia/</a> ; <a href="http://www.sunarma.org/Wof-Washa-Forest-Project/Projects/">http://www.sunarma.org/Wof-Washa-Forest-Project/Projects/</a>
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### Glossary

ANRSFE	Amhara National Regional State Forest Enterprise
FUG	Forest User Group (units)
FDP&MC	Farmer (and Forest) User Group Cooperatives
FDP&MCU	Farmer (and Forest) User Group Cooperatives Union
Gott	Ethiopian term equivalent to a village
Kebele	Ethiopian term equivalent to a Ward
MA&D	Market Analysis and Development approach utilised by TREE AID
PFM	Participatory Forest Management – Ethiopian government policy
RBG Kew	Royal Botanic Gardens Kew
SWC	Soil and water conservation
TA	TREE AID
VTE	Village Tree Enterprise
Woreda	Ethiopian term equivalent to a District or County

## 1. Project Rationale

The Wof Washa forest in Ethiopia has regional biodiversity significance (see maps and photographs in Annex 5). As one of very few remaining natural forests in Ethiopia, and the only large relict afro-montane juniper forest in Amhara Region, it is home to 193 plant species, including 25 endemics. Whilst the Ethiopian government is implementing Participatory Forest Management in the country, the management of Wof Washa forest is under-resourced. The forest area decreased from 9,200 ha to 8,200 ha within a nine year period between 1993 and 2002. The forest remains under pressure from a growing population, with 14,000 households living around it. A lack of alternative livelihood options for local people exacerbated by insecure tenure rights have encouraged short-term 'mining' of natural resources, especially when land degradation further results in low agricultural productivity.

TREE AID's partner in Ethiopia, SUNARMA, has been working in the area around Wof Washa forest for nearly a dozen years, and its work thus far with local communities has likely significantly slowed the rate of degradation in the forest. Earlier interventions by SUNARMA prompted the development of Forest User Groups (FUGs), with communities building a sense of ownership and interest in sustainable forest management. However, biodiversity remains at risk due to: insecure access rights for local people with no formal agreements with government on equitable sharing of benefits and responsibilities for biodiversity conservation; lack of local knowledge about natural resource management practices and forest care that could support sustainable livelihoods and biodiversity conservation and a lack of alternative livelihoods associated with sustainable management amongst poor communities.

TREE AID's work elsewhere in sub Saharan Africa demonstrates the crucial link between the perceived economic value of forests and biological resources, and decisions at local and national level on their utilisation and sustainable management. Therefore interventions in the area around Wof Washa forest are needed to assure people of rights and instil a genuine sense of stewardship amongst local communities and government stakeholders. For the sustainability of the forest itself, optimal silvicultural prescriptions need to be explored for Juniper, *Olea*, *Hagenia abyssinica* and *Ilex mitis* and new approaches researched for the natural regeneration of these species. Project partner, Royal Botanic Gardens Kew will help local forest users and smallholder farmers formulate detailed management prescriptions for the restoration of the natural forest and its sustainable use for community development.

SUNARMA and TREE AID are implementing the tested and refined Market Analysis and Development methodology (MA&D) which takes forest users through the stages of identifying their local resources, assessing and developing enterprise opportunities based on their resources, and agreeing plans to protect the integrity of natural resources on which their enterprises may then rely. Groups self select into "Village Tree Enterprise" groups (VTEs) and SUNARMA's work establishing the existing FUGs provides a good basis for these entrepreneurial groups to develop. The inclusion of participatory technology development (to refine local agro-forestry prescriptions, fodder tree management and compost production) is a distinctive feature of this project. This will test options for more diverse and sustainably productive agricultural techniques, supporting biodiversity in the forest whilst also improving livelihood incomes, such as from fruit tree nurseries, apiculture and mixed woodlots. Options about payments for Wof Washa watershed ecosystem services are also to be explored.

In summary, the project is supporting biodiversity conservation in the Wof Washa forest and surrounding landscapes whilst at the same time increasing and diversifying the incomes of those poor communities who otherwise rely on the forest resource for their livelihoods. Specifically, the Darwin Initiative grant is providing crucial core funding to help local people become better organised in groups with rights and responsibilities, to enter into joint management responsibilities for the care and regeneration of Wof Washa forest, to establish viable enterprises from thriving and increased numbers of living trees, and to integrate watershed management (such as soil and water conservation) into their livelihood strategies.

## 2. Project Partnerships

TREE AID's Ethiopian partner, SUNARMA, has been leading interventions to promote sustainable management of Wof Washa forest and surrounding areas since 2002. SUNARMA has already engaged forest users on rational management of natural resources and diversification of livelihood options, to which end it has supported the initial formation of youth groups, elders groups, and 18 FUGs. The establishment of representative community groups with the understanding and motivation to take control of their biodiversity and forest resources is the most important outcome of this earlier work. This provided an ideal platform on which to build institutional capacity and engage with Regional State and Woreda authorities to implement PFM plans. SUNARMA's invitation to TREE AID to participate in an external review of its achievements led to joint planning to replicate TREE AID's VTE and poverty reduction

success in forest governance from West Africa where it has engaged with communities of the rural poor for over 25 years.

The proposal to the Darwin Initiative also enabled TREE AID to subsequently invite Royal Botanic Gardens Kew in the planning stages to bring its expertise to the project in forest ecology, natural forest inventory, forest restoration strategies; management of genetic resources and propagation of native species. RBG Kew's full involvement is underway and in turn, the project partners (SUNARMA and Kew) are also engaging with Ethiopian research institutes (Ethiopian Ministry of Agriculture – Forest Research Institute and Debre Birhan University) to maximise resources towards research for the successful regeneration of native tree species and to develop upon existing knowledge on afro-montane juniper forests and associated species. Kew is also an important advisor on activities relating to the CBD.

### 3. Project Progress

In summary, other than minor delays in the signing authority for the start of the project and therefore some delay in operational spending (see Section 11) and the forest survey for Year 1, activities have been underway. Accommodating the schedules of international experts from RBG Kew with the seasonal and logistical support available from SUNARMA proved to be challenging under the Year 1 time constraints.

The project staff was engaged with Woreda (Districts) and Kebele (Ward) experts in the planning for, and identification of communities where new FUGs can be established within and around Wof Washa Forest. The total number of villages (Ethiopian "Gotts") identified as appropriate beneficiaries in the project is estimated at 55 villages, beyond the originally projected number of 53.

SUNARMA staff has been able to legally register some of the FDP&MC Unions (collection of FUGs) in the latter half of this reporting period. The project staff members are encouraged that registration of the FDP&MC Unions has proven to be easier than expected, so the activity is on track.

SUNARMA reports that the target communities of the project are very keen and happy about the project. Since SUNARMA is the only NGO working in most of the target Kebeles, the community expresses their gratitude to SUNARMA & its donors for the support being given. The crop yield is better than the previous year in the project area, and untoward climatic events has affected the project area thus far.

#### 3.1 Progress in carrying out project activities

***NB:** Other than narrative and financial reports submitted to TREE AID, SUNARMA's reports and data are held in Ethiopia, but are available to TREE AID and the Darwin Initiative upon request.*

**Output 1 is designed to help forest users better organise themselves, secure their rights to use the forest and clarify responsibilities for forest and landscape management, with relevant government agencies.** In Year 1 there were four activities to support and mentor FUGs in organizational development and conflict resolution and for their formal recognition of FUGs in the form of FDP&M cooperatives, uniting them under a FDP&MCU structure. A further 3 activities are programmed for next period.

Activity 1.1 The formation of FUGs is nearly complete - 34 forest user groups have been formed to date (6 new since the project start). 6 plan preparatory committees were elected in each of the FUGs by the forest user community, to work closely with the project. Further communities where FUGs can be established were identified, through joint planning with Woreda and Kebele level experts. This activity will be on schedule in Year 2.

Within those groups 50 enterprise groups (Village Tree Enterprises) were to be formed in Year 1, but thus far 19 of 50 are formed and have completed 3 of 4 phases of Market Analysis and Development training, with completion expected end of 2<sup>nd</sup> quarter of Year 2. The next groups forming will begin in September 2014. The target number of enterprise groups to be formed is 140.

Activity 1.2 Ongoing mentoring of the FUGs as above has taken place in Year 1, and lead farmers have been identified and trained from the FUGs, to provide leadership for products such as apple, honey and woodlot creation. 14 community workshops were held involving Woreda level experts for reps from 18 FUGs (112 women & 17 men) the topics of women, youth & children's issues, to help women confront gender issues & roles in participatory forest management. 5 trainings were given (78 women & 81 men) on integrating gender considerations in institutional structures and operations of FUGs. 10 trainings on record keeping & financial management were held for FUG saving and credit committee members (32

women, 43 men) to subsequently share with their groups. 14 trainings on group governance & group dynamics were held across 14 FUGs (22 women, 129 men) – focusing on ways to strengthen groups to become legally registered.

Activities 1.3 and 1.4 to review policies and guidelines for the registration of, and the best governance processes for FUGs have begun and is continuing.

**Output 2 is meant to provide forest users with technical skills and know-how to sustainably manage forest biodiversity, soils and water.** Both government agencies, with a mandate for environment management, and forest users themselves must feel confident in their own capacity to deliver on sustainable natural resource management. Participatory development of agro-forestry prescriptions, fodder tree management, compost production and the integration of permanent vegetation in SWC measures will enhance biodiversity in the agricultural landscape. FUGs will lead on extensive forest restoration activities– all agreed and committed to through signed PFM plans.

Activity 2.1 Developing the capacity of FUGs on natural forest management will develop more fully in Year 2 but thus far a good link has been established with Debre Birhan University and a potential collaborative opportunity emerged with the Ethiopian Institute of Agriculture Research – Forestry Research Center which is planning research at Wof Washa. Kew experts will be connecting with these local experts in May 2014.

Activity 2.2. Delayed until next period. This had to be delayed until 1<sup>st</sup> quarter Year 2, (see section 3 above). There was therefore a significant underspend of funding (nearly £20,000 from Year 1 explained in Section 11). Nonetheless forest boundary delineation was inventoried and mapped with GPS. The participants included 16 experts, 44 Kebele committee members and 112 Kebele reps; 3 Woreda reps from Environment Protection, Land Use & Administration Office, and the Agriculture Office; and Kebele admin & environment reps and forest guards, all joining community representatives. This was in advance of the arrival of experts from Royal Botanic Gardens Kew and is good preparation of the forest boundary to inform their survey.

**Output 3 supports the set-up of viable, operational enterprises based on tree and forest products, established and managed by poor rural households,** to alleviate poverty, diversify household income against shocks and stresses including those linked to climate change, and motivate long-term investment in the forest.

The application of the MA&D methodology began in Year 1, where firstly trainers are trained and supported to facilitate Village Tree Enterprise group formation, with appropriate follow up technical support. Enterprises are likely to emerge based on tree fruit production, apiculture, woodlots and forest herbs & spices where the poorest and most disadvantaged are targeted (land-poor farmers, women and landless youth). These groups are most likely to exploit the natural forest to compensate for lack of alternative livelihood opportunities.

Activity 3.1 resulted in 12 people trained by TA specialists as facilitators, allowing for replication of skills (Wof Washa project staff, Woreda staff, other SUNARMA project staff and 1 SUNARMA head office staff member). Group facilitators in turn guided self-selected groups in the Market Analysis and Development approach. Presentations were made to 3 Woreda officials, 2 zone experts and SUNARMA management. 19 enterprises were formed based around 8 different products

Activity 3.2, to build the business development skills, is underway and generating results. The 8 different products honey, fuel & construction wood, potato, and potato *Rhamnus prinoides* (“gesho” drink). The list of VTE groups and products of choice for their enterprises is provided in Annex 7. Feedback from 30 enterprise group members was gathered. Participants appear to have an understanding of planning and reporting formats to formulate their business plans.

Activity 3.3 Technical support for VTEs on fruit tree nursery and management was begun with the 1<sup>st</sup> & 2<sup>nd</sup> session training executed for 2 days to 90 farmer group members from 6 target Kebeles on new nursery establishment, site selection, nursery types, bed preparation, seeding, and management of seedlings. The training was given practically by demonstrating each activity on their nurseries. The project staff & Development agents facilitated the training.

As the result of the training, group members have established 6 demonstration nurseries in 3 Woredas. So far, 176 nursery beds & 32,300 pots were prepared across the demonstration nurseries. The nursery beds & pots sowed with tree seeds are germinating.

Activity 3.4 and 3.5 on apiculture and management of woodlots is scheduled for next period

Activity 3.6 on revolving savings and credit schemes was begun in Year 1 when 13 community workshops were held for 75 women and 25 men on the management of revolving savings & credit schemes. Saving and credit cooperatives were set up for 50 women and a further 80 women have begun monthly savings collectively.

Activity 3.7 Set up of Forest Carbon/REDD+ scheme is delayed until end of Year 2 since it needs to be set up with expert consultation, and is best done once the forest inventory results are in.

#### **Output 4 aims to Integrate Watershed Management and Application of Improved Agro-forestry Techniques for Livelihoods Improvement**

Integration of permanent vegetation into SWC measures requires rights and responsibilities for the care and management of such trees, shrubs or grasses (i.e. against free ranging livestock) and requires governance processes to support the implementation of such agreements. Activities under this output promote best practice in agro-forestry, fodder tree management and composting systems, refined with local participation. The project is supporting the creation of profitable private tree nurseries to create a sustainable supply of indigenous trees. Such enterprises will take up the role of producing indigenous tree seedlings for forest restoration as well as grafted fruit tree seedlings. Residents will then have the materials and the means and incentives to maintain resources through profitable tree product enterprises and payments for environmental services.

Activity 4.1 on giving technical advice for integrating permanent vegetation into soil and water conservation activities (i.e. supplemental to soil bunds and rock terraces) was scheduled for next period but thus far the project supported SWC activities on 460 ha of watershed area to protect farms against erosion (e.g. stone & soil terraces, trenches, waterways). This is in conjunction with the government's promotion of such activities with mandated participation from each household where 2 family members (1144 people) worked on the activity for 50 days during 4<sup>th</sup> quarter of Year 1.

Activity 4.2 to develop agreements on rights and responsibilities is scheduled to begin next period, where overall, 220 meetings over 3 year period are planned

Activity 4.3 will provide participatory training on agro-forestry prescriptions, fodder tree management and compost production by programming 2 workshops of 2 days for 665 farmers (350+189 over yrs1&2, 126 yr3) in 3 years, is scheduled to begin in Year 2.

However in the year 2013, from previous support, the project produced 1,934,410 tree seedlings (554,352 indigenous & 1,380,058 multipurpose), 822 apple seedlings & 21240 forage grass splits. In the July & August planting season 1,729,528 tree seedlings, 21240 forage grasses & 822 apple seedlings were planted out on 286.91 ha of different land use systems by 12,042 people (9045 men & 2995 women). The project also purchased a total of 13.4 sets of hand tools and 50kgs of polythene tube to distribute to target beneficiaries and nursery activities respectively.

### **3.2 Progress towards project outputs**

**Output 1 Formation and registration of FUGs** is near complete with 34 forest user groups formed to date (6 newly formed since the Darwin project's start), and further communities were identified that can be established as FUGs. Within those groups 50 enterprise groups (Village Tree Enterprises) were to be formed in Year 1, but thus far 19 of 50 are formed. The delay is explained in Sections 3 and 8. The next groups forming will begin in September 2014. The target number of enterprise groups is 140.

Training and mentoring is underway for FUGs in: gender issues, the PFM concept, increasing the role of women in FUGs, including gender integration into institutional structure and operational procedures. FUG members were trained in record keeping and financial management, to pass on to other group members and to executive committee and fellow FUG members specifically tasked with saving and credit schemes. Fourteen FUGs were trained on group governance & dynamics to improve their organization & management.

The indicators will be most valuable in years 2 and 3 of the project, since year 1's activities have been to build the foundational elements of functional and inclusive FUGs, and within those, "business literate" VTE groups. The process for registering FUGs has been found to be manageable and therefore Indicators 1-3 are feasible (legal registration, gender balance, FUG co-operatives and unions formed). Indicators 4 and 5 will be relevant later (recorded infringements of common by-laws and financial independence of FUG unions increases), and indicator 5 will have to be re-evaluated and adjusted since funding is for 3 years, not 5 as originally proposed, so it may not be an apparent indicator for the project.

**Output 2. Natural Forest Management by FUGs** is behind schedule due to time availability conflicts between the two partners, SUNARMA and Kew (see Section 3) but Activity 2.2 is underway (forest survey), which will positively affect progress in Activities 2.1 (FUG capacity on forest management) and 2.3 (FUGs undertake forest restoration activities). The indicators as written will be appropriate in Years 2 & 3.

Nonetheless, 159 FUG members (119 men and 40 women) from 9 FUGs in the target Kebeles have undertaken capacity building training. Sixteen experts from Government offices, 44 Kebele committee members, and 112 Kebele representatives participated in forest boundary delineation, marking by GPS, inventory & mapping, which is an important step for the communities' understanding about the forest boundaries.

**Output 3. Development of viable, operational enterprises based on tree and forest products** is likely to be on track by 3<sup>rd</sup> quarter of Year 2, though significant progress was made in Year 1 despite some challenges associated with an approach to enterprise development in a novel area with a new implementation partner (see Section 8). Seven SUNARMA and 3 government staff were trained on the 1<sup>st</sup>&2<sup>nd</sup> Phase of MA&D approach. 12 SUNARMA and 2 new government staff were trained on the 3<sup>rd</sup> Phase of MA&D approach.

19 VTE groups were formed after phase 1&2 MA&D training. 8 different products identified include products such as honey, fuel & construction wood, potato, *Rhamnus prinoides* ("gesho" drink). Participants now understand planning and reporting formats to formulate their business plans reflecting the appropriateness of the indicator for viable and operational enterprises and ultimately the outcome indicator - increased income.

100 community representatives (75 women, 25 men) selected from 18 FUGs, attended 13 community workshops on self-mobilization of revolving saving & credit schemes. Savings and credit cooperatives were set up for 50 women and a further 80 women have collectively begun monthly savings.

90 farmers from 6 target Kebeles received 2-day session trainings on tree nursery establishment and management. As a result of the training, group members have established 6 demonstration nurseries in 3 Woredas. Thus far, 176 nursery beds & 32,300 pots were prepared in the demonstration nurseries. The nursery beds & pots sowed with tree seeds are germinating.

**Output 4 Integrating Watershed Management and Application of Improved Agro-forestry Techniques** has progressed thus far through SWC activities implemented on 460 ha of watershed area to protect farms against erosion.

In the reporting period, nursery operation such as nursery bed preparation, tree seed sowing & management of transplanted seedlings was underway in the project demonstration nurseries. The production of seedlings for the next season's planting is underway. The aforementioned training in Output 3 on nursery establishment & management and the establishment of 6 new nurseries is an important element to achieve Output 4.

In the year 2013, with previous support, allowed the project to produce 1,934,410 tree seedlings (554,352 indigenous & 1,380,058 multipurpose), 822 apple seedlings & 21240 forage grass splits. In the July & Aug plantation season 1,729,528 tree seedlings, 21240 forage grasses & 822 apple seedlings were planted out on 286.91 ha of different land use systems by 12,042 people (9045 men & 2995 women).

The indicators are suitable for the entire project period (examples of permanent vegetation planted in agricultural land, local conventions on management of permanent vegetation for SWC, network of lead farmers established). These demonstrate meaningful and sustainable change, rather than just being measures of project activities such as seedling distribution, which thus far are appropriate as foundational building blocks in Year 1, figuratively and literally with the terracing and vegetation planting activities for near term erosion control.

The output level assumptions are still upheld, however numbers 2 and 4 remain the least known for probability of being true and the SUNARMA staff is well aware of what they might have to invest in terms of extra budget and personnel time to help mitigate any risk of the assumptions not holding true.

1. No inconsistencies between Federal and State legislation and policies pertaining to PFM
2. ANRSFE competent and capable of negotiating practical agreements with FDP&MCU on PFM and Forest Carbon/PES benefit sharing

3. Option for FUGs to register as cooperatives remains the most practical and effective route to official recognition and legal status. In fact there are some drawbacks to this designation and some stakeholders are currently arguing that other options should be explored, but it remains the option recommended at present
4. Federal legislation on NGO operations does not prevent SUNARMA committing the required resources for good management of project field operations

### **3.3 Progress towards the project Purpose/Outcome**

Other than minor delays in the signing authority for the start of the project and therefore some delay in operational spending and the forest survey, the outputs will be achieved and activities are scaling up in the next period, making the outcome still achievable for the project period. That is, that 53 villages (Gotts), in and around Wof Washa forest, representing 13,841 households and 57,400 people, will have:

- legally recognised rights to access and control forest and biodiversity resources, with concomitant responsibilities for protecting and conserving these resources;
- the skills and technical knowledge to manage these resources;
- the material incentives to sustainably manage these resources through profitable tree product enterprises and PES.

However, the indicators may not be evidenced by the end of Year 2, and the increase in natural forest and biodiversity stated for Year 5 needs to be re-assessed as the Darwin Initiative reporting time frame is within 3 years instead of 5.

The 3 year nature of the Darwin Initiative funding may require that any payment for ecosystem services or marketing of carbon credits (originally a year 5 indicator) be refined with an indicator more appropriate to the Darwin reporting time frame.

The assumptions are being upheld, with no untoward risks at this point in the project (such as changes in markets or a catastrophic climatic event) and the enabling environment within government for forest management and rural development is still conducive to the project.

### **3.4 Goal/ Impact: achievement of positive impact on biodiversity and poverty alleviation**

The Impact statement originally in the Wof Washa project application form is still relevant and achievable: Resilient, diversified livelihoods for 53 communities living in and around Wof Washa natural forest supported by a secure, sustainable supply of forest products and environmental services arising from improved management and restored biodiversity of the forest. This supply of products and services will provide material incentives for these communities to continue their investment in the sustainable, participatory management of the forest. Well governed, accountable, legally recognised community structures (in the form of Forest User Groups organised into FDP&MCs - cooperatives) will facilitate community engagement, internal conflict resolution and external negotiation on natural resource management. This, in turn, will enable communities to make wise decisions on forest management to deliver a positive outcome in terms of reducing poverty through sustainable management of biodiversity.

All community members will benefit in the medium term by transition from over-exploitation to rational, sustainable management of biodiversity with consequent improvements in environmental security including protection of forest resources as well as the water supplies, soil fertility and biological cycles on which their livelihoods depend.

The presence of the project, along with the tangible, situational training that has begun with Forest User Groups, emerging Village Tree Enterprise groups (including business literacy training and tree nursery management and seedling distribution activities) is demonstrating that life will change for the 53-55 target communities in the area. Feedback from the training sessions is demonstrating that people feel they are learning new skills. TA's experience on its other Village Tree Enterprise projects gives evidence that the establishment of viable enterprises and generation of household income are reasonable achievements with indicators outlined in the logframe (business plans, VTE groups making a profit, entrepreneurs with access to savings and credit). Demarcation of the forest in Year 1 has demonstrated on the ground that protection, action and stewardship of the forest will become a real prospect, followed by management prescriptions to be put in place in Years 2 and 3. Functional Forest User Groups with designated rights and responsibilities will underpin the longer term sustainability of the resource, and with alternative

livelihoods and tree resources being generated, the pressure on the forest will be alleviated and incomes can remain viable.

The Participatory Forest Management concept (PFM) is the subject of a current Ministry of Agriculture initiative. The Ministry of Agriculture and other development agencies with an interest in PFM remain as the key government audiences for TREE AID and SUNARMA to share experience and lessons learned from this project. The Darwin Initiative funding is allowing the Wof Washa project to seize the opportune moment to shape the development of PFM for pro-poor biodiversity management. This project will enrich discussions on this topic, informing national policy development in the process.

The Wof Washa project design builds on experience of participatory forest management in Ethiopia but also draws on TREE AID's experience in decentralised forest governance in West Africa. This cross fertilisation of project strategies is providing a fresh perspective on the scaling up PFM for biodiversity conservation in Ethiopia and is generating interest with local government stakeholders. In the implementation of enterprise development activities especially through the implementation of MA&D approach in Year 1, staff from the government, community and project proved to be keen to know more about the approach. The FUG "entrepreneurs" were actively participating and they believe it will improve their business skills. Output 3, Indicators 1-3 track this through the development of business plans for VTE groups forming, and access to microfinance and revolving loans for entrepreneurs by the end of Year 2. The Outcome Indicator for the levels of increased income from forest and tree products is based on TREE AID results from projects in West Africa.

The project will be able to build on experience of forest carbon payments in Ethiopia, notably from the Humbo Assisted Natural Regeneration Project. As on PFM, the project will maintain a dialogue to share learning with others such as Farm Africa and the World Bank funded REDD+ scheme at Bale Mountain, with the activities taking place from Year 2. However given the 3 year time frame of the Darwin Initiative funding, the original Output 3 Indicator 5 may have to be adjusted from the current expectation: Carbon credits successfully marketed, in Years 4 and 5.

#### **4. Project support to the Conventions (CBD, CMS and/or CITES)**

The Wof Washa project has the opportunity to support Ethiopia's obligations under the CBD. At the beginning of Year 2, new survey work to be conducted by RBG Kew will confirm the species present in the forest, map their distribution and help gauge priorities for conservation. Initial mapping and inventory will provide a baseline against which future monitoring and inventory can be compared to assess changes in the medium term. **Article 7. Identification and Monitoring** (specifically sub-sections a and b)

In the Wof Washa forest, 25 endemic species of flora have been identified in a previous project and the overall project Outcome and Output 1 (Formal PFM agreements and general management plans agreed between FDP&M Cooperative Union + constituent FDP&M Cooperatives and ANRSFE + Woreda Administrations by Qtr 4 Yr 2) and Output 2 (Development of detailed management prescriptions for restoration of the natural forest by Qtr 4 Yr 1; Development of local training curriculum and programme by Year 2; Forest restoration activities are planned, implemented and reviewed by FUGs as from Year 2) will directly contribute towards the rehabilitation, conservation and sustainable management of the forest. **Article 8. In-situ Conservation** (specifically sub-sections d,e,f and i)

FUGs will receive training to develop their knowledge of forest ecosystems and biological cycles along with skills in natural forest management allowing continued traditional use of forest resources whilst conserving and improving the biodiversity of the forest. All outputs contribute towards this. **Article 10. Sustainable use of Components of Biological Diversity** (specifically sub-sections b,c and d)

FUGs will have formal recognition from relevant government agencies and recognised rights to access and control forest resources allowing them to develop profitable tree product enterprises providing an incentive for conservation and sustainable use of forest resources. All outputs contribute towards this. **Article 11. Incentive Measures**

In recent years, the government of Ethiopia placed emphasis on watershed development activities by designing different strategies. The climate resilient green economy, a creation of the Ministry of Environment and Forestry and other initiatives are positively influencing the project activities.

In Year 1 SUNARMA found out that Ethiopian Institute of Agriculture Research-Forestry Research Center is planning to launch a government funded project to undertake different researches on the Wof Washa natural forest. They are interested to collaborate with the project and other stakeholders in the project area like Amhara State Forest Enterprise, Debre Birhan University, Debre Birhan Research



Center and the Woreda and Zonal concerned bodies. Therefore it will be an opportunity for SUNARMA to create a strong partnership with the research center, which will take place during RBG Kew's expedition in May 2014.

The principle means of engaging in policy dialogues will be through membership of the national 'PFM taskforce', networking with relevant development agencies, collaboration with academic institutions on evaluation & thematic studies and dissemination of study reports. These activities will begin more formally in Year 2 with the opportunity for the Wof Washa implementing partners to collaborate in Ethiopia for action research on PFM and watershed management to inform relevant national policies. In Year 1 the project leader participated in the annual PFM event day organized in Bonga town, SNNPR region & Jimma city, Oromia region. In the program the opportunities, challenges and the progresses of PFM in the regions made so far were discussed and initiatives undertaken to make PFM one of the forest management approaches in the country. Important guidelines and training manuals were received which will be employed in the Wof Washa forest project implementation. During the final day of the program it was also announced that Amhara region (where the Wof Washa project operates) will be the next organizer of the annual PFM event day (Year 2 of Wof Washa project).

## **5. Project support to poverty alleviation**

The Ethiopian Government's Growth & Transformation Plan (2010/11-2014/15) prioritises three areas for delivery on its commitment to poverty eradication: Good Governance & Democratization; Agriculture and Rural Development; Social and Human Development. The Wof Washa project is closely aligned with this poverty alleviation plan by: creating a more secure institutional environment in which poor, rural smallholders can invest their time and resource with confidence; establishing new opportunities to diversify livelihoods for those farmers; and building capacity to ensure poor communities are able to take up those opportunities with confidence and skill, make informed choices and better their lives.

At the heart of the project is support for participation of poor people in decision-making and sustainable access to the natural resources on which they depend for their livelihoods. Membership of the 40 Forest User Groups being supported by the project includes the socially disadvantaged - landless youth, "land-poor" farmers and women, all more likely to depend on communal forest. Activities in Year 1 have included gender sensitivity training for FUGs as well as direct coaching to women participants about their opportunities to engage in FUGs. Forest User Groups in turn achieving legal status as FDP&M Cooperatives unified under a formally recognised FDP&MC union will give them a direct role in negotiating forest wide management agreements. This is reflected in the Outcome Indicator: 40 functional FUGs (established as FDP&M cooperatives) with legally recognised rights & responsibilities by Qtr 3 Yr 2

The members of FUGs/FDP&MCs (approximately 6,000 people) can directly benefit as they diversify and increase income from tree and forest products. They and their dependents, will be better insulated against economic shocks & trends and better able to cope with climate extremes. Within the Forest User Groups, the project is establishing 140 Village Tree Enterprises, directly benefiting more than 2,000 poor people. Using a proven Market Analysis and Development approach (MA&D) co-developed with the FAO, the project is building business literacy and creating sustainable and diversified pro-poor, small businesses which increase household income in poor rural communities. A recent 5-year EC-funded TREE AID programme across Mali and Burkina Faso, using the same community enterprise approach, demonstrated that such enterprises increased household income attributable to non-timber forest products by 17-35% (SECAM, 2012). The Outcome Indicator "Average household income increased by 35% from year 1 levels and diversified to include 2-3 or more sources by end Yr 3" tracks this. In Year 1, the training of 12 local trainers in MA&D facilitation, the formation of 19 Village Tree Enterprise groups based on 8 different products, and the support provided to tree nursery production are all providing tangible benefits for poverty alleviation and a demonstrable result of the project to local communities.

The project is also building the technical capacity of rural smallholders, giving them the skills to manage land, forests and other natural resources on a sustainable basis which is tracked in the Outcome Indicator: 40 FUGs have the capacity to plan and execute sustainable management of the natural forest by Qtr 3 Yr 2.

## **6. Monitoring, evaluation and lessons**

TREE AID as an organisation conducts baseline surveys, annual stakeholder workshops, mid-term reviews and end of project assessments, programmed into project activities and budgets and usually commissioned to outside expert, local consultants. The baseline survey design was tailored from other TREE AID baseline methodologies in West Africa, but drew upon the experience of an expert Ethiopian

sociologist and included specifically relevant measures such as fuelwood consumption, use of the forest etc.. Such baselines collect quantitative and qualitative data disaggregated by gender, from which to evaluate the impact of the project, such as household data on incomes – the use of, gender control over, average & proportion from various products and activities; on food security / coping strategies; household assets; livelihood diversity; literacy and attitudinal data. results from which will be reviewed in detail during the mid-term evaluation between TA and SUNARMA. The baseline survey template for the Wof Washa project (English version) is supplied as Annex 6.

TREE AID's West Africa team has familiarised SUNARMA with reporting and records-keeping practices for the MA&D approach. The viability of Village Tree Enterprises can be measured through the collection of quantitative data on the volume of products sold; quality; numbers, value and diversity of market linkages; profit/loss of VTE groups and business assets (e.g. inventory and equipment); savings and loans books and on qualitative data such as measures of confidence in individuals' abilities and skills-building, coping mechanisms, and confidence in their Forest User Groups and VTE group performance. The legal registration and records of FUG performance allow an external assessment of FUG performance by the project's assessors, whereas the impact of the forest protection and management can be gauged by both qualitative data on FUG learning and attitudes and quantitative data on the forest cover, ground truthing surveys scheduled, and so on.

SUNARMA has its own history and practices of monitoring and evaluation for international donor projects in place, as well as a partnership agreement with TA with set objectives, deadline dates and 6-monthly reporting. Quarterly financial reporting is being initiated with all TA partners in fiscal year 2014-15. SUNARMA headquarters receives monthly and quarterly reports prepared by project staff to be shared with donors and government stakeholders to meet stipulations.

Other than narrative and financial reports submitted to TREE AID, SUNARMA's reports and data are held in Ethiopia, but are available to TREE AID and the Darwin Initiative upon request.

In Year 1 field monitoring was done to see and observe the activities undertaken and discuss with target beneficiaries. Monitoring and self evaluation meetings were organized by the project to discuss the achievements and plans. Donor representatives visited the project and gave feedback on the project implementation and discussed with the community representatives to evaluate their understanding of the Wof Washa project.

The project organized a workshop to discuss on the whole Wof Washa project proposed idea, objectives, outputs, activities, strategies and the role and responsibilities of the community and stakeholders. In the workshop, a total of 64 concerned Woreda sector office heads and delegates participated. All stakeholders became aware about the next multi-year project plan and expressed their commitment to partaking in activities.

More widely, government-led NGO and GO forums were offered in the region both at Woreda and at zonal level to discuss the performance of projects, NGO-GO collaboration and future plans and directions. SUNARMA attended both meetings and obtained useful information for future implementation and for maintaining alignment with stakeholder expectations and government programming in the region (i.e. soil and water conservation mandates for local farmers).

Specific thematic studies are scheduled for Year 2. These, combined with a mid-term evaluation in the middle of Year 2 by TREE AID and its new Ethiopia Country Manager with SUNARMA, will align the activity schedule, refine the logframe and indicators and better define a Monitoring and Evaluation and Learning plan for this project. TA will assess the plan with SUNARMA against the UK Bond Evidence principles. TA was an instrumental participant in the creation of the Bond principles.

## **7. Actions taken in response to previous reviews (if applicable)**

n/a

## **8. Other comments on progress not covered elsewhere**

Problems encountered in the project activities implementation All 3 government staff members who were trained in the 1<sup>st</sup> & 2<sup>nd</sup> phases of MA&D approach left their office & transferred. They were not helpful in the implementation of the training received. To mobilize and train entrepreneurs, the project budget as planned was limited such that activities to mobilize the communities took longer than expected. New project ideas such as rural entrepreneurship instead of just farming or harvesting are not easily understood by the community and they need more training.

Solution or initiatives made to implement and address the issues raised above The project facilitators took on the increased responsibility to mobilize the entrepreneurs and form the interest groups despite

the shortcomings mentioned above. The project managed to form 19 interest groups with the communities despite all the challenges.

Recommendation for change in the planned project implementation. Discussion between TREE AID and SUNARMA created an understanding to revise the MA&D implementation approach for Village Tree Enterprise Development activities to support the creation of new interest groups.

With the elements in place from Year 2 and lead farmers identified, and with the arrival of the vehicle from Darwin Initiative funds, the creation of enterprise groups should proceed at a quicker pace. The headquarters at SUNARMA will be supportive in implementing the other elements of the project – completing legal registration of the FUGs, liaising with RBG Kew on forest research and management prescriptions and building studies and relationships with government focal points on the CBD and watershed management/PES, capitalizing on the current favourable policy environment for such issues. SUNARMA headquarters will also benefit from the advent of a newly appointed TREE AID Ethiopia Country Manager to help in the execution of the project, mid-term review etc. Therefore the biggest risk within the project design during its timeframe is an extreme climatic event that will distract people from training and enterprise development and potentially affect nascent tree nursery endeavours.

## 9. Sustainability

Forest users living within and around the forest feel responsibility about the management of the forest and ownership of the forest. Thus far, they are engaged in the protection and development of the forest informally by the support of SUNARMA. In order to encourage the forest users to be fully engaged in its management, the project is working with stakeholders to the growth of FUGs into legal entities. At this stage most of the FUGS are ready to become legal entities to manage the forest by engaging in mutual agreements with the responsible government body.

The government placed high emphasis on watershed development and mobilized communities to be involved in the construction of physical soil and water conservation (SWC) for the last 3 months, January to March 2014 all over Ethiopia. The Wof Washa project is underpinned by Village Tree Enterprise development and increasing household incomes. It provides tangible, individual incentives which are complementary to the initiatives that play to the greater good: the government-mandated SWC effort requiring manual labour, and a better governed and restricted-access forest. Direct benefits to people based on sustainable resources are foundational for a successful, longer term exit strategy.

## 10. Darwin Identity

TREE AID publicised the support from the Darwin Initiative on its own website and by Twitter feed. TREE AID has recognised the funding as a launch opportunity for the partnership with SUNARMA and RBG Kew but needs to plan that with results in Year 2. In Year 1 locally SUNARMA is continuing its work and presence in the region of a dozen years without a marked difference, except through the notable addition of MA&D training to communities. Acknowledgement of Darwin Initiative funding to stakeholder institutions at Kebele and Woreda level under MA&D training and presentations has taken place. In Year 2 especially with the arrival of the RBG Kew expert team and reporting of those activities there will be new opportunities for more widespread announcements of support from Darwin, and for the partnership team to plan that proactively in Year 2.

## 11. Project Expenditure

**Table 1 project expenditure during the reporting period (1 April 2013 – 31 March 2014)**

<b>Project spend since last annual report</b>	<b>2013/14 Grant (£)</b>	<b>2013/14 Total actual Darwin Costs (£)</b>	<b>Variance %</b>	<b>Comments (please explain significant variances)</b>
<b>Staff costs (see below)</b>			13%	
<b>Consultancy costs</b>		-	100%	Agreement & field work with Kew Gardens delayed until May 2014 due to scheduling conflicts

<b>Overhead Costs</b>			0%	
<b>Travel and subsistence</b>			37%	Significant delay in project start time due to delay in government signatory approval
<b>Operating Costs</b>			49%	Ditto to above
<b>Capital items (see below)</b>			13%	
<b>Others (see below)</b>			13%	
<b>TOTAL</b>				

<u>Underspend</u>	£38,448.73
<u>Agreed amount by LTSI to carry forward</u>	£ 4,646.00
Revised underspend	£33,802.73

Despite a change request to the Year 1 budget in anticipation of under-spending, and being granted a carryforward request of £4,464.00, there is a significant underspend in the Year 1 budget. This is due a delay in the availability of Royal Botanic Gardens Kew to travel to Ethiopia, and SUNARMA to host the expedition team at an appropriate time in the seasonal calendar of Year 1, amounting to £20,000 of the overall amount. As such the expedition could not begin until May 2014 (Qtr 1, Year 2) and the agreement and expenses were executed at the start of Year 2. Further, a delay in the government signing of the project start delayed operational spending by the project by at least 6 months and the operations team did not catch up on the spending as they predicted. Future overestimates of the spend rate are not foreseen for Years 2 and 3. A mid-term planning review by TREE AID and the new oversight to the project by a newly recruited, in-country TREE AID Ethiopia Country Manager in the first period of Year 2, should further ensure project targets and expenditure are met by all partners.

**12. OPTIONAL: Outstanding achievements of your project during the reporting period (300-400 words maximum). This section may be used for publicity purposes**

I agree for the Darwin Secretariat to publish the content of this section (please leave this line in to indicate your agreement to use any material you provide here)

Significant achievements are expected during Year 2 and Year 3 of the project, whereas foundational material is provided in 3 annexes to this Year 1 report, which are photographs/maps, the baseline livelihoods questionnaire, and details about the emerging Village Tree Enterprise groups thus far.

## Annex 1: Report of progress and achievements against Logical Framework for Financial Year 2013-2014

Project summary	Measurable Indicators	Progress and Achievements April 2013 - March 2014	Actions required/planned for next period
<p><b>Goal/Impact</b></p> <p>Resilient, diversified livelihoods for 53 communities living in and around Wof Washa natural forest supported by a secure, sustainable supply of forest products and environmental services arising from improved management and restored biodiversity of the forest.</p> <p>This supply of products and services will provide material incentives for these communities to continue their investment in the sustainable, participatory management of the forest.</p>		<p>The presence of the project, along with the tangible, situational training that has begun with Forest User Groups, emerging Village Tree Enterprise groups (including business literacy training and tree nursery management and seedling distribution) is demonstrating that life will change for the 53-55 target communities in the area. Feedback from the training sessions is demonstrating that people feel they are learning new skills. Demarcation of the forest is demonstrating that protection, action and stewardship of the forest will become a real prospect.</p>	
<p><b>Purpose/Outcome</b> 53 Communities living in and around Wof Washa forest (representing 13,841 households / 57,400 people) will have:</p> <ul style="list-style-type: none"> <li>legally recognised rights &amp; responsibilities to access and control forest resources;</li> <li>the skills and technical knowledge to sustainably manage these biologically diverse resources;</li> <li>the material incentives to do so through profitable tree product enterprises and payments for environmental services.</li> </ul>	<ol style="list-style-type: none"> <li>40 functional FUGs (established as FDP&amp;M cooperatives) with legally recognised rights &amp; responsibilities by Qtr 3 Yr 2</li> <li>40 FUGs have the capacity to plan and execute sustainable management of the natural forest by Qtr 3 Yr 2</li> <li>Average household income increased by 35% from year 1 levels and diversified to include 2-3 or more sources by end Yr 3</li> <li>Area of natural forest (as defined in year 1 baseline inventory) maintained <u>and</u> quality of biodiversity within forest (as defined in year 1 baseline inventory) increased,(at time of repeat forest inventory in Yr 5)</li> </ol>	<p><b>Assumptions:</b></p> <p><b>References to co-management of state forest resources in National and Regional policy statements are retained, expanded on and translated into practice.</b></p> <p><b>Support of government agencies with a mandate for environmental management and rural development at National, Regional, Zonal and Woreda level is maintained or increased</b></p> <p><b>Stable national, regional and international markets for tree products, environmental services and forest carbon respectively</b></p> <p><b>Frequency and intensity of extreme climatic events does not increase to the point that local agricultural</b></p>	<p>The formation of more VTE groups and their completion in formulating business plans and tree nursery care management will be near completion by Year 2.</p> <p>The forest survey and research into regeneration and restoration is underway. Forest User Groups will get training on forest monitoring and more active stewardship.</p> <p>The results of the baseline survey will further refine the project's programme of work and be used in the project mid-term review to be conducted in the next period.</p>

		<p><b>based livelihoods are completely undermined</b></p> <p>Other than minor delays in the signing authority for the start of the project and therefore some delay in operational spending and the forest survey, the outputs are being produced and will scale up in the next period, making the outcome still achievable for the project period. However, the indicators may not be evidenced by the end of Year 2, and the increase in natural forest and biodiversity stated for Year 5 needs to be re-assessed as the current project is funded for only 3 years .</p> <p>The assumptions are being upheld, with no untoward risks at this point in the project (such as changes in markets or a catastrophic climatic event) and the enabling environment within government for forest management and rural development is still conducive to the project.</p>	
<p><b>Output 1. Institutional Development for Forest User Groups (FUGs)</b></p>	<ol style="list-style-type: none"> <li>1. 40 FUGs legally registered as FDP&amp;M Cooperatives with a leadership that is gender balanced and accountable, and a membership that is representative of all forest users, by Qtr 3 Yr 2.</li> <li>2. FUGs federated within a legally registered and officially recognised FDP&amp;M Cooperative Union by Qtr 4 Yr 2.</li> <li>3. Formal PFM agreements and general management plans agreed between FDP&amp;M Cooperative Union + constituent FDP&amp;M Cooperatives and ANRSFE + Woreda Administrations by Qtr 4 Yr 2.</li> <li>4. Recorded infringements of common</li> </ol>	<p>Formation of FUGs is near complete, 34 forest user groups have been formed to date (6 new since the Darwin project's start), and further communities that can be established as FUGs were identified. Within those groups 50 enterprise groups (Village Tree Enterprises) were to be formed in Year 1, thus far 19 of 50 are formed. Next groups forming will begin in September 2014. The target number of enterprise groups is 140.</p> <p>Training and mentoring is underway for FUGs in gender issues, the PFM concept &amp; increasing the role of women in FUGs, including gender integration into institutional structure and operational procedures.</p> <p>FUG members trained in record keeping and financial management, to pass on to other group members and executive committee and fellow FUG members for saving and credit schemes.</p> <p>14 FUGs were trained on group governance &amp; dynamics to improve their organization &amp; management.</p> <p>The indicators will be most valuable in years 2 and 3 of the project, since year 1's activities have been to build the foundational elements of functional and inclusive FUGs, and within those, "business literate" VTE groups. The process for</p>	

	<p>by-laws agreed and implemented by FDP&amp;M Cooperatives</p> <p>5. Financial independence of FDP&amp;M Cooperative Union + constituent FDP&amp;M Cooperatives increases annually as from Year 4.</p>	<p>registering FUGs has been found to be manageable and therefore Indicators 1-3 are feasible. Indicators 4 and 5 will be relevant later, and indicator 5 will have to be re-evaluated and adjusted since funding is for 3 years, not 5 as originally proposed, so may not be an apparent indicator for the project.</p>
Activity 1.1 Complete establishment of FUGs (extending coverage to include lowland communities)		<p>Formation of FUGs near complete - 34 forest user groups to date (6 new since the project start), and communities that can be established as FUGs were identified. 19 VTE groups formed, Phases 1-3 of 4 phases of Market Analysis and Development training completed</p>
Activity 1.2 Ongoing mentoring and organisational development of FUGs,		<p>Lead farmers identified and trained from the above groups, to provide leadership for products such as apple, honey and woodlot creation.</p> <p>4 community workshops for reps in 3 Kebeles were held (74 men, 24 women) and a further 2 workshops in another Kebele (26 men, 11 women) introduced to participatory forest management concepts and issues.</p> <p>14 community workshops were held for reps (112 women &amp; 17 men) from 18 FUGs with experts from Woredas on women, youth &amp; children issues to help women face gender issues &amp; roles in participatory forest management.</p> <p>5 trainings were given (78 women &amp; 81 men) held on integrating gender considerations in institutional structures and operations of FUGs.</p> <p>10 trainings on record keeping &amp; financial management towards FUG saving and credit for groups</p> <p>14 trainings on group governance &amp; group dynamics</p>
Activity 1.3 Research govt policies and guidelines for establishing Forest Users Institution - FDP&MCU at Woreda and Zonal levels		<p>The review is underway and continuing</p>
Activity 1.4 Review relevant policies, guidelines and byelaws of similar organisations, in consultation with stakeholders		<p>The review has been undertaken and the project leaders are ready to advocate for the best locally appropriate suite of governance processes to FUGs</p>
Activity 1.5 Support FDP&MCU in participatory development of by-laws, forest management plans and work plans		<p>Scheduled for next period</p>
Activity 1.6 Legal registration of FDP&MCUs		<p>Scheduled for next period</p>
Activity 1.7 Support/accompany FDP&MCU in implementing their plans and by-laws		<p>Scheduled for next period</p>
<b>Output 2. Natural Forest Management by FUGs</b>	<p>1. Development of detailed management prescriptions for restoration of the natural forest by Qtr 4 Yr 1</p> <p>2. Results from remote sensing and participatory mapping with FUGs</p>	<p>This output is the most far behind due to time availability conflicts between the two partners, SUNARMA and Kew (see Section 3) but Activity 2.2 is underway, which will positively affect progress in Activities 2.1 and 2.3. The indicators as written will be appropriate in Years 2 &amp; 3.</p> <p>Nonetheless 159 FUG members (119 men and 40 women) from the target Kebeles coming from 9 FUGs have undertaken capacity building training.</p>

	<p>combined and cross checked through ground truthing, re-classification and forest sampling in Year 1.</p> <p>3. Development of local training curriculum and programme by Year 2.</p> <p>4. Forest restoration activities are planned, implemented and reviewed by FUGs as from Year 2.</p>	<p>16 experts from Government offices, 44 Kebele committee, and 112 Kebele representatives have participated in undertaking forest boundary delineation, marking by GPS, inventory &amp; mapping, which is an important step for community understanding about the forest boundaries.</p>
Activity 2.1. Capacity development of FUGs on natural forest management		Links being pursued with Debre Birhan University and with Ethiopian Institute of Agriculture Research – Forestry Research Center.
Activity 2.2. Baseline & repeat forest inventory		Delayed until next period. This had to be delayed until 1 <sup>st</sup> quarter Year 2, (see section 3) Nonetheless forest boundary delineation was inventoried and mapped with GPS, involving 16 experts, 44 Kebele committee members and 112 Kebele reps. 3 Woreda reps from Environment Protection, Land Use & Administration Office, and Agriculture Office, and Kebele admin & environment reps and forest guards joined community reps.
Activity 2.3. Accompany FUGs (and other stakeholders) on forest restoration activities		Scheduled for next period.
<b>Output 3. Viable, operational enterprises based on tree and forest products established and managed by poor rural households</b>	<p>1. &gt;50 VTE groups formed by Qtr 3 Yr 1 and produce draft business plans by end of Yr 1.</p> <p>2. &gt;140 VTE groups formed by Qtr 2 Yr 2, with operational business plans by Qtr 1 Yr 3</p> <p>3. Access to microfinance and revolving loans secured at a community level by Year 2.</p> <p>4. &gt;140 VTEs generating a working profit by end of Yr 3</p> <p>5. Carbon credits successfully marketed, in Years 4 and 5.</p> <p>6. Poorest 20% of households (as defined in baseline livelihoods survey) have income increased by 20% by year 5.</p>	<p>7 SUNARMA and 3 government staff trained on the 1<sup>st</sup>&amp;2<sup>nd</sup>Phase of MA&amp;D approach. 12 SUNARMA and 2 new government staffs trained on the 3<sup>rd</sup> Phase of MA&amp;D approach.</p> <p>19 VTE groups were formed after phase 1&amp;2 MA&amp;D training. 8 different products identified include products such as honey, fuel &amp; construction wood, potato, <i>Rhamnus prinoides</i> (“gesho” drink). Participants understand planning and reporting formats to formulate their action plans.</p> <p>100 community representatives (75 women, 25 men) selected from 18 FUGs, attended 13 community workshops on self-mobilization of revolving saving &amp; credit schemes. Savings and credit cooperatives were set up for 50 women and a further 80 women have collectively begun monthly savings.</p> <p>90 farmers from 6 target Kebeles had 2 day session trainings on tree nursery establishment and management. As the result of the training group members have established 6 demonstration nurseries in 3 Woredas. So far, 176 nursery beds &amp; 32,300 pots were prepared in the entire demonstration nurseries. The nursery beds &amp; pots sowed with tree seeds are germinating.</p> <p>The Output Indicators as written in the original proposal cite the marketing of carbon credits and increased income for households by the 5<sup>th</sup> year of the project, although the funding is for 3 years, so the indicators will need to be reconsidered,</p>



		however based on previous TA VTE projects, the first four output indicators are appropriate and demonstrable.
Activity 3.1 Organisational development for producer groups		MA&D facilitators trained. Presentations were made to 3 Woreda officials, 2 zone experts and SUNARMA management. 19 enterprises have been formed for 8 different products
Activity 3.2 Business development skills/MA&D for VTE development		8 different products identified Feedback from 30 enterprise group members was gathered.
Activity 3.3 Technical support for VTEs establishing fruit tree nursery and management services enterprise development		2-day trainings completed for 90 farmers on new nursery establishment, site selection, nursery types, bed preparation, seeding, management of seedlings. The training was given practically by demonstrating each activity on their nurseries
Activity 3.4 Technical support for VTEs on apiculture		Scheduled for next period
Activity 3.5 Technical support for VTEs on optimum management of woodlots		Scheduled for next period
Activity 3.6 Facilitate revolving savings and credit schemes and access to external microfinance		13 community workshops were held
Activity 3.7 Set up of Forest Carbon/REDD+ scheme		Delayed until end of Year 2
<b>Output 4. Integrated Watershed Management and Application of Improved Agro-forestry Techniques for Livelihoods Improvement</b>	<ol style="list-style-type: none"> <li>1. Examples of integration of permanent vegetation into agricultural land in all 14 Kebeles by end of Year 3.</li> <li>2. Local conventions on management of permanent vegetation integrated into SWC measures in all 14 Kebeles by end of Year 2.</li> <li>3. Network of Lead Farmers and Farmer Field Schools established by Qtr 2 Yr3</li> </ol>	<p>Thus far SWC activities implemented on 460 ha of watershed area to protect farms against erosion.</p> <p>In the reporting period, nursery operation such as nursery bed preparation, tree seed sowing &amp; management of transplanted seedlings was underway in the project demonstration nurseries and production of seedlings for the next season plantation is underway. 90 farmers trained on nursery establishment &amp; management and established 6 new nurseries,</p> <p>The project in the year 2013 produced 1,934,410 tree seedlings (554,352 indigenous &amp; 1,380,058 multipurpose), 822 apple seedlings &amp; 21240 forage grass splits. In July &amp; Aug plantation season 1,729,528 tree seedlings, 21240 forage grasses &amp; 822 apple seedlings were out planted on 286.91 ha of different land use system by the participation of 12,042 people (9045 men &amp; 2995 women). The project also purchased a total of 13.4 sets of hand tools and 50kgs of polythene tube to distribute to target beneficiaries and nursery activities respectively.</p> <p>The indicators are suitable to the timeframe of the entire project period to</p>

		demonstrate meaningful and sustainable change, rather than just measures of project activities such as seedling distribution, the latter being appropriate as foundational building blocks and literally terracing and vegetation for near term erosion control in Year 1.
Activity 4.1. Technical advice on integrating permanent vegetation into Soil and Water Conservation measures		Scheduled for next period and thus SWC activities implemented in watershed area to protect farms against erosion (e.g. stone & soil terraces, trenches, waterways). From each household 2 family members (1144 people) worked on the activity for 50 days during 4 <sup>th</sup> quarter of Year 1.
Activity 4.2. Institutional development at sub-Kebele level to share rights & responsibilities for mgt of such trees, shrubs or grasses		Scheduled to begin next period, 220 meetings with groups over the project period
Activity 4.3. Participatory technology development to refine agro-forestry prescriptions, fodder tree management, compost production		Scheduled to begin Year 2 through 2 workshops of 2 days over project period for 602 farmers (350+189 yrs1&2, 126 yr3).
<b>Output 5. Monitoring and Evaluation</b>		
Activity 5.1. Detailed design of methodology for impact evaluation		Household survey and sampling design completed, survey conducted Year 1 4 <sup>th</sup> quarter.
Activity 5.2. Livelihoods baseline survey		Undertaken at the end of Year 1, results being analysed
Activity 5.3. Annual stakeholder review meetings/workshops		Annual general meeting held for the whole Wof Washa project – outputs, activities, strategies, roles of communities and stakeholders, status of the forest and role of FUGs in the forest's future. 76 attendees, 1/5 <sup>th</sup> women.
Activity 5.4. Specific thematic studies		Scheduled for next period
Activity 5.5. Mid term evaluation		To be scheduled and conducted by TREE AID and its new Ethiopia Country Manager with SUNARMA in middle of 3 <sup>rd</sup> quarter Year 2

## Annex 2 Project's full current logframe

Project summary	Measurable Indicators	Sources and Means of Verification	Assumptions
<p><b>Goal/Impact</b></p> <p>Resilient, diversified livelihoods for 53 communities living in and around Wof Washa natural forest supported by a secure, sustainable supply of forest products and environmental services arising from improved management and restored biodiversity of the forest.</p> <p>This supply of products and services will provide material incentives for these communities to continue their investment in the sustainable, participatory management of the forest.</p>			
<p><b>Purpose/Outcome</b></p> <p>53 Communities living in and around Wof Washa forest (representing 13,841 households / 57,400 people) will have:</p> <ul style="list-style-type: none"> <li>legally recognised rights &amp; responsibilities to access and control forest resources;</li> <li>the skills and technical knowledge to sustainably manage these biologically diverse resources;</li> <li>the material incentives to do so through profitable tree product enterprises and payments for environmental services.</li> </ul>	<ol style="list-style-type: none"> <li>40 functional FUGs (established as FDP&amp;M cooperatives) with legally recognised rights &amp; responsibilities by Qtr 3 Yr 2</li> <li>40 FUGs have the capacity to plan and execute sustainable management of the natural forest by Qtr 3 Yr 2</li> <li>Average household income increased by 35% from year 1 levels and diversified to include 2-3 or more sources by end Yr 3</li> <li>Area of natural forest (as defined in year 1 baseline inventory) maintained and quality of biodiversity within forest (as defined in year 1 baseline inventory) increased,(at time of repeat forest inventory in Yr 5)</li> </ol>	<ol style="list-style-type: none"> <li>Signed PFM agreements between FDP&amp;M cooperatives (FUGs) and relevant government agencies (ANRSFE and the Woreda Administrations).</li> <li>Forest management plans and records of annual participatory review of these plans.</li> <li>Household livelihood monitoring surveys to be undertaken at years 1, 3, and 5.</li> <li>2012 floristic composition survey, plus new mapping &amp; inventory to be undertaken in year 1, will serve as baseline. Repeat mapping &amp; inventory will be done in year 5.</li> </ol> <p>Monitoring reports to be prepared and submitted as part of PES systems by FUGs with support of project staff and Woreda technicians will serve to measure change consequent to this project intervention.</p>	<ol style="list-style-type: none"> <li>References to co-management of state forest resources in National and Regional policy statements are retained, expanded on and translated into practice.</li> <li>Support of government agencies with a mandate for environmental management and rural development at National, Regional, Zonal and Woreda level is maintained or increased</li> <li>Stable national, regional and international markets for tree products, environmental services and forest carbon respectively</li> <li>Frequency and intensity of extreme climatic events does not increase to the point that local agricultural based livelihoods are completely undermined</li> </ol>

<b>Output Assumptions</b>	<p>No inconsistencies between Federal and State legislation and policies pertaining to PFM</p> <p>ANRSFE competent and capable of negotiating practical agreements with FDP&amp;MCU on PFM and Forest Carbon/PES benefit sharing</p> <p>Option for FUGs to register as cooperatives remains the most practical and effective route to official recognition and legal status. In fact there are some drawbacks to this designation and some stakeholders are currently arguing that other options should be explored, but it remains the option recommended at present</p> <p>Federal legislation on NGO operations does not prevent SUNARMA committing the required resources for good management of project field operations</p>		
<b>Output 1. Institutional Development for Forest User Groups (FUGs)</b>	<ol style="list-style-type: none"> <li>1. 40 FUGs legally registered as FDP&amp;M Cooperatives with a leadership that is gender balanced and accountable, and a membership that is representative of all forest users, by Qtr 3 Yr 2.</li> <li>2. FUGs federated within a legally registered and officially recognised FDP&amp;M Cooperative Union by Qtr 4 Yr 2.</li> <li>3. Formal PFM agreements and general management plans agreed between FDP&amp;M Cooperative Union + constituent FDP&amp;M Cooperatives and ANRSFE + Woreda Administrations by Qtr 4 Yr 2.</li> <li>4. Recorded infringements of common by-laws agreed and implemented by FDP&amp;M Cooperatives</li> <li>5. Financial independence of FDP&amp;M Cooperative Union + constituent FDP&amp;M Cooperatives increases annually as from Year 4.</li> </ol>	<p>Copies of FUG/FDP&amp;MC &amp; FDP&amp;MCU constitutions and meeting minutes</p> <p>Kebele, Wroeda and Zonal cooperative registration records</p>	
Activity 1.1 Complete establishment of FUGs (extending coverage to include lowland communities)			

Activity 1.2 Ongoing mentoring and organisational development of FUGs,		
Activity 1.3 Research govt policies and guidelines for establishing Forest Users Institution - FDP&MCU at Woreda and Zonal levels		
Activity 1.4 Review relevant policies, guidelines and byelaws of similar organisations, in consultation with stakeholders		
Activity 1.5 Support FDP&MCU in participatory development of by-laws, forest management plans and work plans		
Activity 1.6 Legal registration of FDP&MCUs		
Activity 1.7 Support/accompany FDP&MCU in implementing their plans and by-laws		
Activity 1.8 Handover the management of project to FDP&MCU		
<b>Output 2. Natural Forest Management by FUGs</b>	<ol style="list-style-type: none"> <li>1. Development of detailed management prescriptions for restoration of the natural forest by Qtr 4 Yr 1</li> <li>2. Results from remote sensing and participatory mapping with FUGs combined and cross checked through ground truthing, re-classification and forest sampling in Year 1.</li> <li>3. Development of local training curriculum and programme by Year 2.</li> <li>4. Forest restoration activities are planned, implemented and reviewed by FUGs as from Year 2.</li> </ol>	<p>Regional and Woreda level Participatory Forest Management agreements and general management plans</p> <p>Forest survey and inventory reports and maps</p>
Activity 2.1. Capacity development of FUGs on natural forest management		
Activity 2.2. Baseline & repeat forest inventory		
Activity 2.3. Accompany FUGs (and other stakeholders) on forest restoration activities		
<b>Output 3. Viable, operational enterprises based on tree and forest products established and managed by poor rural households</b>	<ol style="list-style-type: none"> <li>1. &gt;50 VTE groups formed by Qtr 3 Yr 1 and produce draft business plans by end of Yr 1.</li> <li>2. &gt;140 VTE groups formed by Qtr 2 Yr 2, with operational business plans by</li> </ol>	<p>Regional and Woreda level Participatory Forest Management agreements and general management plans</p> <p>Village Tree Enterprise business records</p>

	<p>Qtr 1 Yr 3</p> <p>3. Access to microfinance and revolving loans secured at a community level by Year 2.</p> <p>4. &gt;140 VTEs generating a working profit by end of Yr 3</p> <p>5. Carbon credits successfully marketed, in Years 4 and 5.</p> <p>6. Poorest 20% of households (as defined in baseline livelihoods survey) have income increased by 20% by year 5.</p>	
Activity 3.1 Organisational development for producer groups		
Activity 3.2 Business development skills/MA&D for VTE development		
Activity 3.3 Technical support for VTEs establishing fruit tree nursery and management services enterprise development		
Activity 3.4 Technical support for VTEs on apiculture		
Activity 3.5 Technical support for VTEs on optimum management of woodlots		
Activity 3.6 Facilitate revolving savings and credit schemes and access to external microfinance		
Activity 3.7 Set up of Forest Carbon/REDD+ scheme		
Activity 3.8 Explore potential for establishment of PES scheme based on benefits to downstream users of water resources		
<p><b>Output 4. Integrated Watershed Management and Application of Improved Agro-forestry Techniques for Livelihoods Improvement</b></p>	<p>1. Examples of integration of permanent vegetation into agricultural land in all 14 Kebeles by end of Year 3.</p> <p>2. Local conventions on management of permanent vegetation integrated into SWC measures in all 14 Kebeles by end of Year 2.</p> <p>3. Network of Lead Farmers and</p>	Project Management narrative reports

	Farmer Field Schools established by Qtr 2 Yr3		
Activity 4.1. Technical advice on integrating permanent vegetation into SWC measure			
Activity 4.2. Institutional development at sub-Kebele level to share rights & responsibilities for mgt of such trees, shrubs or grasses			
Activity 4.3. Participatory technology development to refine; - agro-forestry prescriptions, - fodder tree management - compost production			
<b>Output 5. Monitoring and Evaluation</b>		Project Management narrative reports	
Activity 5.1. Detailed design of methodology for impact evaluation			
Activity 5.2. Livelihoods baseline survey			
Activity 5.3. Annual stakeholder review meetings/workshops			
Activity 5.4. Specific thematic studies			
Activity 5.5. Mid term evaluation			
Activity 5.6. End of project evaluation			

## Annex 3 Standard Measures

**Table 1 Project Standard Output Measures**

Code No.	Description	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Total to date	Number planned for reporting period	Total planned during the project
Established codes								
7	Training materials: 3 rounds of locally relevant training materials in Amharic (Market Analysis & Development)	3 phases						tba
20	Physical asset (vehicle)	£17,928						£17,928
23	Financial (Vitol Fdn & Jersey Overseas Aid Commission)	£85,321						tba
New - Project specific measures	Training sessions for villagers	80+						tba

**Table 2 Publications**

Type (eg journals, manual, CDs)	Detail (title, author, year)	Publishers (name, city)	Available from (eg contact address, website)	Cost £



## **Annex 4 Onwards – supplementary material (optional but encouraged as evidence of project achievement)**

This may include outputs of the project, but need not necessarily include all project documentation. For example, the abstract of a conference would be adequate, as would be a summary of a thesis rather than the full document. If we feel that reviewing the full document would be useful, we will contact you again to ask for it to be submitted.

It is important, however, that you include enough evidence of project achievement to allow reassurance that the project is continuing to work towards its objectives. Evidence can be provided in many formats (photos, copies of presentations/press releases/press cuttings, publications, minutes of meetings, reports, questionnaires, reports etc) and you should ensure you include some of these materials to support the annual report text.

- In Annex 5, maps of the project area and photographs are provided.
- In Annex 6, the baseline livelihoods questionnaire is provided, the results from which are currently being analysed at the time of TREE AID's Year 1 report submission.
- In Annex 7, the 19 new Village Tree Enterprise groups resulting from the project are documented, including their location, composition and product of choice.

## Checklist for submission

	Check
<b>Is the report less than 10MB?</b> If so, please email to <a href="mailto:Darwin-Projects@ltsi.co.uk">Darwin-Projects@ltsi.co.uk</a> putting the project number in the Subject line.	✓
<b>Is your report more than 10MB?</b> If so, please discuss with <a href="mailto:Darwin-Projects@ltsi.co.uk">Darwin-Projects@ltsi.co.uk</a> about the best way to deliver the report, putting the project number in the Subject line.	no
<b>Have you included means of verification?</b> You need not submit every project document, but the main outputs and a selection of the others would strengthen the report.	no
<b>Do you have hard copies of material you want to submit with the report?</b> If so, please make this clear in the covering email and ensure all material is marked with the project number.	no
Have you involved your partners in preparation of the report and named the main contributors	✓
Have you completed the Project Expenditure table fully?	✓
Do not include claim forms or other communications with this report.	