

THE NATIONAL REGIONAL GOVERNMENT OF OROMIA

**OROMIA ENVIRONMENT, FOREST AND CLIMATE
CHNAGE AUTHORITY**

**Oromia National Regional State Forested Landscape Project
Addis Ababa, Ethiopia**

(Project ID P156475)

Project Implementation Manual

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Abbreviations and Acronyms

A/R	Afforestation/Reforestation
AD	Activity Data
AF	Additional Finance
AGP	Agricultural Growth Program
AWP&B	Annual Work Plan and Budget
BioCF	BioCarbon Fund
BMERP	Bale Mountains Eco-region REDD+ Project
BoANR	Bureau of Agriculture and Natural Resource
BoFEC	Bureaus of Finance and Economic Cooperation
BoRLEP	Bureau of Rural Land and Environmental Protection
BoWME	Bureau of Water, Minerals and Energy
BSM	Benefit Sharing Mechanism
CBO	Community Based Organization
CPO	Cooperative Promotion Office
CQS	Selection Based Consultants' Qualifications
CRGE	Climate Resilient Green Economy
DA	Development Agent
EIO	Ethiopian Institute of Ombudsman
EMA	Ethiopian Mapping Agency
ER	Emissions Reductions
ERPA	Emissions Reductions Purchase Agreement
ESMF	Environmental and Social Management Framework
FA	Force Account
FAO	Food and Agriculture Organization of the United Nations
FREL	Forest Reference Emission Level
FRL	Forest Reference Level
GHG	Greenhouse
GIS	Geographic Information System
GoE	Government of Ethiopia
GRM	Grievance Redress Mechanism
GTP	Growth and Transformation Plan
IBRD	International Bank of Reconstruction and Development
ICB	International Competitive Bidding
ICS	Improved Cook Stoves
IDA	International Development Association
IFB	Invitation for Bid
IFR	Interim Financial Report
ILUP	Integrated Land Use Plan
INDC	Intended Nationally Determined Contribution
ISFL	Initiative for Sustainable Forest Landscapes
ITB	Instructions to Bidder
JICA	Japan International Cooperation Agency
LCS	Least Cost Selection

LDC	Least Developed Country
LED	Low Emissions Development
LIB	Limited International Bidding
LICB	Limited International Competitive Bidding
LIFT	Land Investment for Transformation
LULC	Land use and Land Cover
LUPT	Land-use Planning Team
M&E	Monitoring and Evaluation
MEFCC	Ministry of Environment, Forest and Climate Change
MIS	Management Information System
MA&D	Market Analysis and Development
MoANR	Ministry of Agriculture and Natural Resource
MoFEC	Ministry of Finance and Economic Cooperation
MoWIE	Ministry of Water, Irrigation and Electricity
MRV	Monitoring, Reporting and Verification
MWLUPT	Micro-watershed land use planning
NBE	National Bank of Ethiopia
NCB	National Competitive Bidding
NFI	National Forest Inventory
NGO	Non-Governmental Organization
NICSP	National Improved Cook Stoves Program
NRM	Natural Resource Management
NTFP	Non Timber Forest Products
OEFCCA	Oromia Environment, Forest and climate Chnage Authority
OFLP	Oromia National Regional State Forested Landscape Program
OFWE	Oromia Forest and Wildlife Enterprise
OP	Operational Policy
ORCU	Oromia REDD+ Coordination Unit
ORSC	Oromia REDD+ Steering Committee
ORTWG	Oromia REDD+ Technical Working Group
PAD	Program Appraisal Document
PDO	Program Development Objective
PES	Payments for Ecosystem Services
PFM	Participatory Forest Management
PFRA	Participatory Forest Resource Assessment
PIM	Program Implementation Manual
PM&E	Participatory Monitoring & Evaluation
PMT	Program Management Team
MoFEC	Ministry of Finance and Economic Cooperation
PP	Procurement Plan
PSNP	Productive Safety Net Program
QBS	Quality Based Selection
QCBS	Quality and Cost Based Selection
RAP	Resettlement Action Plan
RE	Recipient Executed

REDD+	Reducing Emissions from Deforestation and forest Degradation, Plus the role of conservation, sustainable forest management and enhancement of forest carbon stocks
REI	Request for Expression of Interest
REL	Reference Emissions Level
RFP	Request for Proposal
RPF	Resettlement Policy Framework
R-PIN	REDD+ Program Idea Note
R-PP	Readiness Preparation Proposal
SA	Social Assessment
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
SDP	Social Development Plan
SESA	Strategic Environmental and Social Assessment
SFB	Selection under a Fixed Budget
SLM	Sustainable Land Management
SLMP	Sustainable Land Management Program
SLMP-2	Sustainable Land Management Project Phase 2
SOE	Statements of Expenditure
SPN	Special Procurement Notice
SR	Schedule of Requirement
SRV	Stores receipt Voucher
SSS	Single Source Selection
TA	Technical Assistance
ToRs	Terms of References
ToT	Training of the Trainer
UIFRs	Unaudited Interim Financial Report
UNBD	United Nations Business Development
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank
WB	World Bank Group
WLUPU	Woreda Land-Use Planning Unit
WoANR	Woreda Office of Agriculture and Natural Resource
WoRLEP	Woreda Office of Rural Land and Environmental Protection
WoWME	Woreda Office of Water, Minerals and Energy

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1. INTRODUCTION

1.1 Background

1. **Reducing Emissions from Deforestation and forest Degradation, Plus** the role of conservation, sustainable forest management and enhancement of forest carbon stocks (REDD+) in developing countries has been considered as one of the viable policy instruments in global efforts to climate change mitigation and adaptation by the United Nations Framework Convention on Climate Change (UNFCCC). REDD+ helps to reverse the trend of anthropogenic greenhouse gas emissions from the forest ecosystem in two ways: (1) reducing emissions of greenhouse gases by inhibiting the conversion of existing forests into other land-uses and (2) removing of greenhouse gases from the atmosphere by expanding forests for their ecosystem services including as reservoirs of Greenhouse gases (GHGs).

2. The Federal Democratic Republic of Ethiopia (FDRE) has adopted a phased approach for REDD+ implementation that includes, Readiness Proposal Preparation, REDD+ Readiness, REDD+ implementation phases and Payments for Results. Ethiopia became a REDD+ participant country of the World Bank's Forest Carbon Partnership Facility (FCPF) following approval of its national REDD+ Program Idea Note (R-PIN) submitted to the FCPF's Participants committee in 2008. Since then Ethiopia's national REDD+ program including the preparation of the Readiness Preparation Proposal (R-PP) and the on-going Readiness processes have been funded from the Forest Carbon Partnership Facility (FCPF) Readiness Fund and the BioCF Additional Finance (AF). The R-PP was finalized in 2011 and its implementation was officially launched in October 2012.

3. The objective of the Readiness Program in Ethiopia is to support:

- Design and implementation of National REDD Readiness management arrangements and stakeholder consultation and participation ;
- Preparation of a National REDD+ Strategy proposing a set of program or policy actions to reduce deforestation and/or forest degradation and enhance and conserve carbon stocks, that directly addresses the key drivers of deforestation and degradation;
- Preparation of the national implementation framework for REDD+
- Establishment of a Reference scenario that represents an estimate of historic forest cover change and greenhouse gas (GHG) emissions and uptake from deforestation and/or forest degradation and other REDD+ activities;
- Design a monitoring, measurement reporting and verification (MRV) system for emissions reductions and removals from forests;
- Preparation of 3-4 national REDD+ pilots in different regional states.

4. One of the main outputs of the national REDD+ readiness process (see above) is the preparation of REDD+ pilots in the different regional states. One main purpose of those REDD+ pilots is to test the different elements of the National REDD+ Readiness Program. It is anticipated that the lessons learned from these pilots will inform the National REDD+ Readiness Program and assist Ethiopia to receive and deploy results-based climate finance.

5. The Oromia National Regional State Forested Landscape Program (OFLP) has been identified as the first large-scale jurisdictional REDD+ Pilot Program by the GoE. OFLP takes into account landscape and programmatic approaches to REDD+ implementation in an effort to scale-up and finance improved land use practices across Oromia. The GoE selected Oromia to test this large-scale pilot operation since it has the largest forest cover in the country, and has already acquired some experience and concept of REDD+ through piloting of the Bale Mountains Eco-region REDD+ Project (BMERP) across the Bale massif.

1.2 Objectives and structure of the PIM

6. This Program Implementation Manual (PIM) has been developed by the ORCU in collaboration with the institutions participating in the Program. The objective of the PIM is to spell out the procedures, provide detailed and time bound plan and detailed arrangements for the implementation of the OFLP for the achievement of its objectives. It is based on the draft World Bank Groups Program Appraisal Document (PAD), technical reports on a series of analytical studies conducted as part of its design, consultations with stakeholders and missions reports. The PIM is intended to provide operational guidance to experts within the different departments/agencies tasked with program execution and implementation. It will also serve as a tool for the supervision and monitoring of the program by relevant federal, regional, zone and woreda level organizations to be involved in the implementation process. It will serve the same purpose for the beneficiary communities and development partners engaged in providing technical and financial support to the program.

7. The PIM is a living document and expected to be revised and updated as necessary to incorporate the evolving needs of the Program and any changes in procedures based on the experiences of Program implementation. In such cases, the Oromia REDD+ Coordination Unit (ORCU), need to revise it and assign a new version number to each amended version of the PIM. A change to the PIM will take effect upon approval from the WB in response to a notification of the proposed change sent by ORCU via e-mail. The WB will respond by e-mail or otherwise in writing to the request indicatively within two weeks from the date of the e-mail transmission requesting the “no-objection”. Following receipt of a “no objection” from the WB, ORCU will disseminate the new version of the PIM to all members of the Program Steering Committee and to the donors providing financing to the Program, identifying both the previous text that is to be adjusted, and the new text. ORCU will also ensure that the new version of the PIM is available on the Program website. Each member of Oromia REDD+ steering Committee (ORSC) will transmit the new version of the PIM to the appropriate staff in their organization, and will ensure that only the latest version of the PIM is used.

8. The PIM has been divided into 11 sections and addresses the processes of Program planning, implementation, and monitoring and evaluation. The sections include, (I) Introduction, (II) Program Objectives and Results Indicators, (III) Program Description, (IV) Institutional and Implementation Arrangements, (V) Detailed activities implementation procedures by component, (VI) Financial Management, (VII) Procurement Management, (VIII) Measurement, Reporting, Verification (MRV) and Forest Reference Level (FRL), (IX) Benefit Sharing Mechanism, (X) Environmental and Social Safeguards Management, (XI) Program Monitoring, Evaluation and Reporting.

2. PROGRAM OBJECTIVES AND RESULTS INDICATORS

2.1 Higher Level Objectives to which the Program Contributes

9. Ethiopia's development agenda has been shaped by two key strategies, the Growth and Transformation Plan (GTP) and the Climate Resilient Green Economy (CRGE) strategy. Both strategies aim at transforming the economy from a Least Developed Country (LDC) to a middle income country status by 2025, while still fostering green and sustainable -development. As such OFLP would promote integrated low carbon landscape management interventions and contribute to the GTP-2 and the CRGE goals in forestry, agriculture and energy sectors. The OFLP would also contribute and ensure consistency with the emerging National Forest Sector and REDD+ Strategies as well as sector strategies for energy, water and agriculture.

10. OFLP will support Oromia Regional State's GTP and CRGE implementation strategy. Specifically, OFLP would help deliver on goals on economic growth, poverty reduction, jobs, food and water security, forest protection and expansion, and climate change adaptation and mitigation. Key objectives from the CRGE and the recent INDC¹ include: (i) maintain the 2010 level of GHG emissions of 150 MtCO₂e and further limit its emissions to 145 MtCO₂e in 2030 (a 64% reduction from business-as-usual); and (ii) improve resilience to climate change. Key objectives from GTP-2 include expanding forest cover by 5 million ha nation-wide.

2.2 Program Development Objectives

11. **The overarching Program Development Objective is to reduce net greenhouse gas (GHG) emissions and improve sustainable forest management in Oromia.** This overarching PDO combines the grant and ERPA PDOs, which are presented separately for ease of reporting:

ERPA PDO: To reduce net GHG emissions from forest cover change in Oromia.

Indicators:

- i. Emission reductions² in OFLP accounting area (million tons of CO₂e)
- ii. Gross deforestation reduction in OFLP accounting area(Ha)

Grant PDO: To improve the enabling environment for sustainable forest management and investment in Oromia.

Indicators:

- i. Effectiveness of the enabling environment for reducing deforestation and forest degradation (composite index score)
- ii. Area reforested (Ha)

¹ INDC submitted to the United Nations Framework Convention on Climate Change (UNFCCC) in June 2015. Ethiopia intends to limit its net greenhouse gas (GHG) emissions in 2030 to 145 Mt CO₂e or lower. This would constitute a 255 MtCO₂e reduction from the projected 'business-as-usual' (BAU) emissions in 2030 or a 64% reduction from the BAU scenario in 2030.

² Emission reductions values are an aggregate from various carbon sinks (A/R) and emission sources from forest cover change (deforestation).

- iii. Direct program beneficiaries (number and % female)

2.3 Program Beneficiaries

12. In line with the REDD+ jurisdictional approach that defines the carbon accounting area, OFLP would cover all of Oromia's 287 rural woredas. In these woredas, there are approximately 1.8 million people living inside or immediately adjacent to existing forests. A subset of this population, in addition to officials in relevant institutions at all levels of government state-wide, will directly benefit from the grant. The direct beneficiaries of the grant are smallholders, communities and officials in relevant institutions at all levels of government, who will benefit from capacity building and training in A/R, PFM, land-use planning, safeguards, policy development, and extension activities. The number of these direct beneficiaries is 25,000 (30% female), most of whom are located in 49 woredas with deforestation hotspots. However, work on the enabling environment will be carried out state-wide and the number of direct beneficiaries includes those benefitting from training and other non-investment support provided by the grant.

13. In addition, ER payments will also directly benefit communities and the government according to the rules to be set out in the Benefit Sharing Mechanism (BSM) under preparation. ER payments will promote sustainable land use practices at local level. The exact number of direct beneficiaries of ER payments will be evaluated ex-post, once the BSM is in place. Moreover, these benefits will only materialize when emissions from forest change are reduced in Oromia.

14. For the purposes of this PIM, direct benefits include goods, services, small works, and training that will: (i) improve forest management and empower communities to participate; (ii) create opportunities for jobs, casual labor, and livelihoods from forests; (iii) improve capacities and policies to better manage landscapes for multiple benefits; and (iv) help secure ecosystem services such as more usable water for crops and households, resilience from intact biodiversity, and more shade for livestock. A large additional population in Ethiopia and its neighbours will indirectly benefit from natural asset protection downstream including by reduced soil erosion, flood risk, and sedimentation of water bodies for hydropower, fishing, irrigation, and water supply.

3. PROGRAM DESCRIPTION

3.1 Program Overview

15. **OFLP is Oromia National Regional State's programmatic umbrella and coordination platform for multi-sector, multi-partner intervention on all forested landscapes in Oromia.** The Program will encourage land-use choices that retain forests for multiple purposes and optimize the productivity capacity of forest-surrounding landscapes in Oromia. In order to promote such a transition into a sustainable and economically viable land use sector, OFLP will foster equitable and sustainable low carbon development through promoting a series of: (i) on-the-ground activities that address deforestation, reduce land-use based emissions, and enhance forest carbon stocks (enabling investments); and (ii) statewide and local enhancements to institutions, incentives, information, and safeguards management to scale up investment (enabling environment), including coordinating and

leveraging multiple REDD-relevant interventions across the regional state.³ Table 1 below provides how OFLP would help address the primary causes of deforestation.

Table 1: OFLP interventions to address the main drivers of deforestation

Primary causes of deforestation in Oromia		OFLP Interventions	Source of Funding
Primary Direct Causes	Small-scale agriculture expansion	<ul style="list-style-type: none"> ▪ Forest management investment in deforestation hotspots, including the promotion of Participatory Forest Management ▪ Strengthening extension services on forest management, smallholder agriculture, soil and water conservation, and household energy. ▪ Coordination with several other initiatives in Oromia promoting more resilient and productive agricultural and land management techniques. 	<ul style="list-style-type: none"> ▪ OFLP grant ▪ OFLP grant ▪ GoE and development partners funding REDD-relevant initiatives (such as SLMP, PSNP, AGP, refer to Annex 3)
	Wood extraction for firewood and charcoal	<ul style="list-style-type: none"> ▪ Forest management investment, including afforestation and reforestation for biomass energy -(woodlots). ▪ Coordination with the national cook stoves and the biogas programs to mitigate biomass demand (see below for incentives enhancements and policy). 	<ul style="list-style-type: none"> ▪ OFLP grant ▪ FDRE
Primary Indirect Causes	Inadequate land-use planning and enforcement at micro-level	<ul style="list-style-type: none"> ▪ Land-use planning support at woreda level and community levels ▪ Further coordination to promote smallholder land certification. 	<ul style="list-style-type: none"> ▪ OFLP grant ▪ FDRE land use planning initiative ▪ SLMP Component 3 (MoA/BoA) ▪ Land Investment for Transformation (LIFT)(MoANR/BoA NR with UK, Department for International DEvelopment (DFID)
	Inadequate cross-sectoral	<ul style="list-style-type: none"> ▪ State-level activities to promote cross-sectoral coordination, including the establishment of the 	<ul style="list-style-type: none"> ▪ OFLP grant ▪ FDRE

³ REDD-relevant initiatives are projects, programs and activities in general promoted by GoE, donors, NGOs or private sector that directly or indirectly contribute to reducing emissions from deforestation or increasing forest carbon stocks in the Oromia Regional State. Examples of these initiatives, include, the Ministry of Agriculture’s SLMP, JICA and OFWE’s efforts to promote Participatory Forest Management (PFM) and new forest-based business models (including forest coffee) and OFWE’s planted forests.

Primary causes of deforestation in Oromia		OFLP Interventions	Source of Funding
	policy and investment coordination	<p>Oromia REDD+ Steering Committee chaired by the Oromia Bureau Head; and of the Oromia REDD+ Coordination Unit.</p> <ul style="list-style-type: none"> ▪ Policy development and enforcement (harmonized PFM rules, forest and land certification, incentives for the adoption of renewable energy sources, etc.) ▪ Improvement of incentives (marketing of cook stoves, preparation of benefits sharing mechanism for ER payments, small natural-resource based enterprise operating environment) ▪ Local-level activities to coordinate and leverage existing initiatives to protect and expand forest cover and improve land use. ▪ Information enhancements such as MRV, Forest Management Information System, and strategic communication 	<ul style="list-style-type: none"> ▪ FDRE and development partners funding REDD+ - relevant initiatives (such as SLMP, PSNP, AGP, refer to Annex 3)

16. OFLP will programatically enable the Regional State of Oromia to strategically mobilize, coordinate and scale-up funding from diverse sources. The success of the OFLP and the achievement of the FDRE’s broader forest, land-use, and climate ambitions depend on the OFLP’s ability to leverage financial resources from existing and future REDD+- relevant initiatives such as the PSNP, SLMP, AGP, private sector activities such as the International Finance Corporation (IFC) initiative described below, the CRGE Facility, bilateral support, farmers’ own investments, and the government budget. REDD+- relevant initiatives also include REDD+ projects that are currently seeking carbon payments, which will be ‘nested’ into the OFLP, such as the Bale Mountains Eco-Regiona REDD+ Project and REDD+ Joint Forest Management in five districts of Illu-Ababor Zone South-West thiopia Phase II (REJFMA-SW Ethiopia Phase II).

17. The OFLP is designed to leverage grant resources to attract new financing, expanding the total envelope toward improved land use, forest retention, and forest gains. There is common understanding between the FDRE and development partners that a robust enabling environment is crucial for successfully implementing a REDD+ jurisdictional approach for ERpayments and for leveraging and scalingup action and investments and initiatives on the ground (see Annex 3 for details on how the OFLP and initiatives can be leveraged for win-win outcomes). The OFLP will therefore serve as a ‘scale-up engine’ according to Figure 1.

18.

Oromia Forested Landscape Program



Figure 1: OFLP as a 'scale-up engine

19. OFLP establishes the programmatic approach through two financial instruments that are supported by two legal agreements: (1) a US\$18 million Grant Agreement for 5 years; and (2) a US\$50 million Emissions Reduction Purchase Agreement (ERPA) of up to 10 years. The two instruments will be synchronized in one strategic program as summarized in Figure 2 and detailed below.

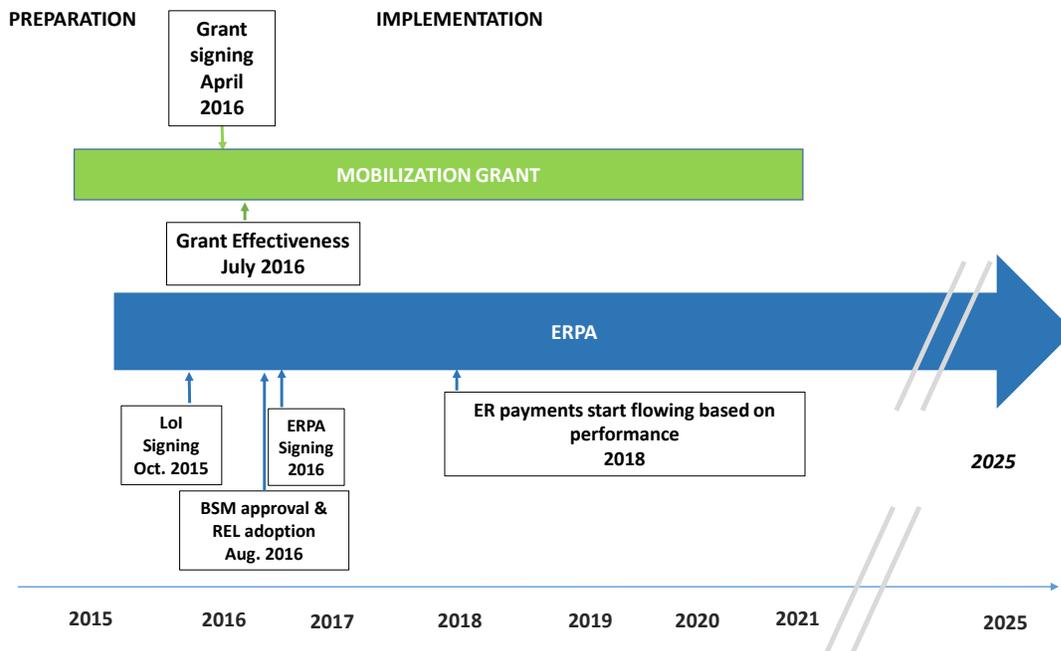


Figure 2:: OFLP Preparation and Implementation Timeline

- (i) The 5-year mobilization grant will finance the establishment and initial implementation of the state-wide jurisdictional Program. The grant will support to strengthen state-level and

local-level enabling environment and implement selected on-the-ground investment activities. The grant will facilitate the achievement of ERs (and resulting ER payments) while also leveraging greater financial resources from multiple sources. The grant will, in particular, finance: (i) TA among all rural woredas across the state (such as landscape management coordination, land-use planning support, and safeguards management); and (ii) selected forest investment and livelihoods support in deforestation hotspots with high carbon content (sites to be identified within 49 woredas) (49 woredas, Annex 4).⁴

(ii) ER payments of US\$50 million for verified carbon performance paid in a period of up to a total of 10 years (anticipated to begin in 2016 depending on the signature of the ERPA). These payments would be available once the Program achieves, verifies and reports on results in terms of reduced emissions. The ER payments would be distributed according to a Benefit Sharing Mechanism to be developed for the Program (see section IX) and used primarily to ensure sustainability of land-use interventions, as well as to scale up action in other geographical areas within Oromia. This climate financing would be channelled through an ERPA to be signed between GoE and WB. The envelope for these payments could grow as OFLP becomes operational and generates results, and as other ER buyers show interest in OFLP.

20. The OFLP geographic boundary is all forests in Oromia meeting the country's forest definition. The Program will monitor and account for positive and negative changes in forest cover and associated GHG ER within all 287 rural woredas within the regional state boundaries of Oromia (i.e., the “accounting area of the Program”). As per the proposed national forest definition⁵, this includes 9 million ha of forests, spread over all of Oromia’s rural woredas. The stakeholders that will benefit from ER payments will be defined in the program's BSM under preparation.

3.2 Program Components

21. The OFLP has three components: The US\$18 million mobilization grant will finance components 1 and 2 over a five-year period: (1) Enabling Investments; and (2) Enabling Environment. These funds will be channelled through the Program as a recipient executed (RE) grant. The third component will consist of up to US\$50 million ER Payments for verified ERs as they are delivered over a long-term period. The components overlap in time (see Figure 2).

⁴These 47 woredas were selected according to: (i) presence of high forest areas (given the high carbon stocks in these forests); (ii) large size deforested area and high rate of deforestation within these woredas; and (iii) contiguity to better reinforce interconnectivity).

⁵ According to the proposed national forest definition, a forest constitutes a minimum area of 0.5ha, a canopy cover of 20% and a height of 2m.

3.2.1 Component 1: Enabling Investments

22. Component 1 will finance investment in PFM (including livelihoods support and selected nature-based community enterprise development) and reforestation in deforestation hotspots in sites to be selected, as well as extension services, and land-use planning state-wide at state and local levels.

3.2.2 Component 2: Enabling Environment

23. Component 2 will finance complementary activities to improve the effectiveness and impact of institutions, incentives (i.e., policies, marketing, BSM), information (i.e., strategic communication, MRV) and safeguards management at state and local levels. This component will enhance the enabling environment to help scale up and leverage action on-the-ground to reduce deforestation and forest degradation.

3.2.3 Component 3: Emissions Reduction (ER) Payments

24. ER payments will be delivered once results are achieved, verified by a third party, and formally reported to the WB. Based on the design of the FRL/MRV system (see Section 8), it is expected that reporting and verification of ERs can occur every two years. The ER payments will be managed by the FDRE and distributed to the beneficiaries according to the Benefit Sharing Mechanism (BSM) to be prepared for the Program (see Section 9), which will aim to incentivize greater uptake of sustainable land use actions. The BSM will need to be formally adopted by the FDRE before any ER payment can be made. In addition, the ER payments may not cover the full cost of implementing changes in landscape management. The ER payments will provide some return that offsets some of the costs of improving the landscape for the wider benefit of all.

3.3 Project Cost and Financing Plan

25. The WB will deploy funds from its BioCF ISFL to programmatically finance the FDRE to implement the OFLP through two financial instruments as detailed above: (i) the US\$18 million mobilization grant; and (ii) up to US\$50 million ERPA. The detailed financing plan and use of financing by project component is shown in Table 2 below..

Table 2: Financing Plan by Project Components and financing instrument(US\$, millions)

OFLP components by financing source	Mobilization grant		ERPA		Total	
	Amount (US\$, millions)	%	Amount (US\$, millions)	%	Amount (US\$, millions)	%
Component 1: Enabling investments						
1.1 Sub-basin land-use planning support	0.50	100.00	0.00	0.00	0.50	100.00
1.2 Investment and extension services	6.76	100.00	0.00	0.00	6.76	100.00
1.3 Forest management investment in deforestation hotspots	3.92	100.00	0.00	0.00	3.92	100.00
Component 1 Subtotal	11.18	100.00	0.00	0.00	11.18	100.00
Component 2: Enabling environment						
2.1 Institutional capacity building	1.81	100.00	0.00	0.00	1.81	100.00
2.2 Incentives	1.55	100.00	0.00	0.00	1.55	100.00
2.3 Information	1.18	100.00	0.00	0.00	1.18	100.00
2.4 Safeguards management	1.54	100.00	0.00	0.00	1.54	100.00
2.5 Program management	0.17	100.00	0.00	0.00	0.17	100.00
Component 2 Subtotal	6.25	100.00	0.00	0.00	6.25	100.00
Component 3: Emission reduction payments	0.00	0.00	50.00	100.00	50.00	100.00
Component 3 Subtotal	0.00	0.00	50.00	100.00	50.00	100.00
Total OFLP costs, excluding contingencies	17.43	25.63	50.00	74.15	67.43	100.00
Physical and price contingencies applied to grant (3.2%)	0.57	100.00	0.00	0.00	0.57	100.00
Total OFLP costs	18.00	26.47	50.00	73.53	68.00	100.00

26. The detailed costs of the program by components, subcomponents and activity-sets to be financed from the mobilization grant over a period of five-years is presented in Annex 2.

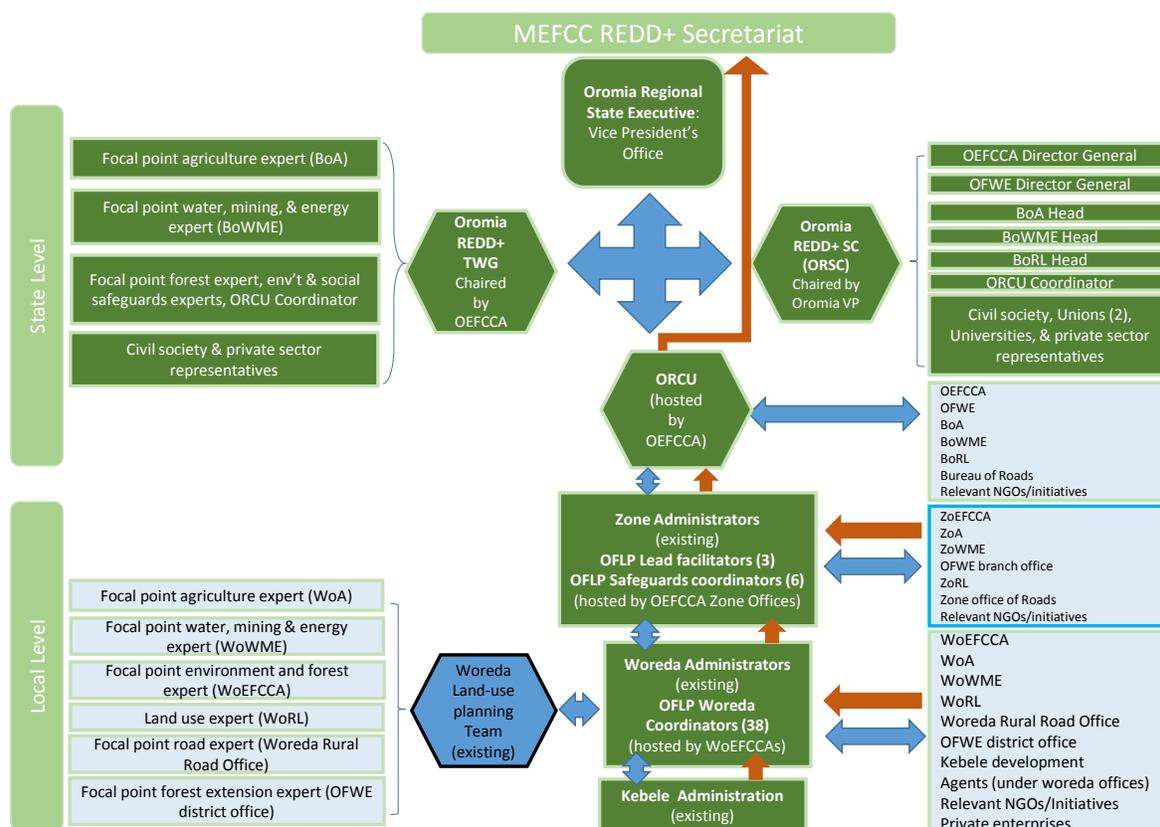
27. For ER Payments, ORCU, with the support of the national MRV system, will be in charge of reporting forest cover changes and associated ERs, and of engaging a third party to verify these results. The third party report will be sent to the WB along with a payment request from the MEFCC/MoFEC. The WB will conduct its due diligence before transferring the payment. The payments are a function of the amount of ERs achieved in a given period and the unit price agreed between the WB and the FDRE. Such payments will continue until the US\$50 million ERPA funds are fully disbursed, but not later than the ERPA closing date. The ERPA could be followed by further agreements if buyers are willing to purchase additional ERs.

4. INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

4.1 Overall Institutional Arrangement

28. The institutional arrangements for the OFLP (see Figure 3 below) aims at coordination of interventions by various actors, financed by multiple sources and partners to scale-up action. Moreover, the OFLP's programmatic approach requires cross-sectoral coordination with all related policies in other sectors to maximize synergies and mitigate trade-offs. Therefore, OFLP's institutional arrangement will be anchored in the following principles: (i) the institutional set-up would be to the extent possible based on existing federal and state government structures; (ii) clear institutional roles, responsibilities and procedures based on existing institutional mandates; (iii) extensive multi-sectoral coordination to plan and implement related projects and activities critical for OFLP success; and (iv) coordinating and leveraging selected associated initiatives (financed by the WB and/or others).

29. The institutional structure for the OFLP includes a range of institutions at the national, state, and sub-state levels with discrete accountabilities and decision-making roles. Within the regional state of Oromia, the OFLP will be led by OEFCCA, with ORCU serving as the OFLP implementing unit within OEFCCA. While ORCU reports administratively to the OEFCCA, it seeks strategic and tactical guidance from the Oromia National Regional State vice president, given the multi-sector nature of OFLP and land use challenges in the regional state. An advisor to the Oromia vice president, has therefore been assigned as the focal point to support the coordination of the OFLP. In addition, the OFLP will be supported by the MEFCC and its National REDD+ Secretariat (in particular on MRV). The regional state's multi-sector REDD+ Steering Committee and Technical Working Group will provide strategic guidance and technical inputs, respectively, for OFLP implementation. The OEFCCA, OFWE and other relevant sector bureaus (such as the BoANR and BoRLAU) will implement and coordinate activities on the ground through their woreda offices and kebele DAs (extensionists) as relevant.



Note: Blue arrows - Information flow; Red arrows - OFLP reporting

Figure 3: OFLP Institutional Set-up: Accountability and Decision-making

4.2 Federal Level

4.2.1 Ministry of Environment, Forest and Climate Change

30. The MEFCC will provide strategic and policy guidance to OEFCCA (and as needed, to the vice president's office) and partners supporting the forest sector and land use to ensure coordination through the OFLP platform consistent with the REDD Strategy, GTP-2, CRGE Strategy, OFLP Financing Agreement, and OFLP PIM. The MEFCC will carry out a fiduciary oversight role through its National REDD+ Secretariat, in particular on MRV, project M&E, safeguards, financial management and procurement. Specifically, MEFCC will provide quality control, guidance and resolution of issues. The MEFCC will have ownership of the OFLP given that the program will be implemented in a pilot region from where lessons can then be learned and transferred and scaled up to other regions.

31. The MEFCC will also administer the transfer of OFLP grant funds (see funds flow below) upon receipt from the Bank. The MEFCC will also convene other relevant national stakeholders such as the EWCA, as needed. Lastly, MEFCC will help guide additional financing for forest related work toward the regional government's OFLP as the coordinating platform for action on forest landscapes in Oromia National Regional State.

4.2.2 *The National REDD+ Secretariat*

32. The National REDD+ Secretariat of the MEFCC will provide strategic and technical guidance on REDD+ issues, consolidate lessons learned from OFLP and disseminate experience in other regional states, and lead the development and implementation of the REDD+ MRV system which is key for the OFLP ERPA.⁶ The secretariat will need to work at the technical level with other relevant national stakeholders such as the EWCA, as needed.

4.2.3 *Ethiopian Wildlife Conservation Authority*

33. EWCA is a key OFLP partner that is responsible for managing conservation lands such as in Bale Mountains National Park in the eastern Oromia. OFLP supports an emerging partnership between MEFCC, EWCA, the Oromia government, and woredas and kebeles bordering the park to coordinate actions on environmental and social sustainability. During OFLP preparation, a letter of understanding was signed between EWCA and OFWE outlining areas for cooperation in OFLP implementation including on the government's OFLP safeguards commitments.

4.3 Regional State Level

4.3.1 *Executive Oromia Regional State (Vice President's Office)*

34. Executive Oromia Regional State (Vice President's Office). The Vice President's Office will be the highest-level institution to provide political leadership and decisions to the OFLP, in particular on multi-sector implementation, policy development, and strategy. The existing "advisor designated as bureau head" is the OFLP focal point assigned by the vice president (memo from the vice president copied to all bureau heads in November 2015). A second advisor will serve as a secondary OFLP focal point. This team will work closely with the OEFCCA/ORCU to help the OEFCCA fulfill its mandate to coordinate across sectors and stakeholders on OFLP implementation, leveraging of existing and future initiatives, strategic planning, funds mobilization and will advise on the functioning of the ORCU.

4.3.2 *Oromia REDD+ Steering Committee*

35. The ORSC will oversee and provide strategic guidance and leadership support to the OFLP, including by mobilizing sectors to coordinate and collaborate under the OFLP umbrella on "REDD+ relevant interventions" that affect OFLP goals. The ORSC will be chaired by the Oromia vice president and members will include heads:

1. H.E Vice President of Oromia Regional StateChair Person

⁶The MRV system development and early implementation is budgeted under a National REDD+ Readiness grant financed by the Bank and implemented by the FAO under contract to the MEFCC. Subsequent financing for further implementation is secured from Norway through its direct financing to the CRGE Facility for forest, REDD+ and MRV.

2. General of OFWEMember & Secretary
3. Head of Oromia Bureau of AgricultureMember
4. Head of Oromia Public Enterprises Supervising Authority.....Member
5. Head of Oromia Bureau of Rural Land & Environmental ProtectionMember
6. Head of Oromia Bureau of Water, Minerals& Energy.....Member
7. Head of Oromia Bureau of Youth& Sport’s AffairsMember
8. Director of Oromia Institute of Agricultural ResearchMember
9. President of Adama UniversityMember
10. Dean of Wondo Genet College of Forestry & Natural ResourcesMember
11. Head of Chilimo Gaji Forest Management UnionMember
12. Head of Farachu Forest Management Union (Adaba Dodola)Member
13. Head of Oromia Bureau of Women’s AffairsMember
14. Director General of OFWEMember & Secretary
15. ORCU Coordinator.....Member
16. Others if deemed necessary.....Member

Representatives from civil societies, unions, universities, and the private sector will also participate. The coordinator of ORCU at OEFCCA will serve as the secretary of ORSC. The Oromia REDD+ Steering Committte will convene at least twice per year.

4.3.4 *Oromia Environment, Forest and Climate Change Authority*

36. The OEFCCA⁷, through ORCU, will lead Statewide OFLP implementation. Specifically, OEFCCA will: (i) administratively host ORCU; (ii) administer the technical, financial and human resources of OFLP to be responsible for fiduciary management of OFLP; (iii) coordinate relevant bureaus, agencies and organizations implementing OFLP activities at regional, woreda and kebele levels; (iv) hire and maintain, with OFLP grant funds, three OFLP lead facilitators in selected zones, 38 OFLP woreda coordinators in selected woredas, and six OFLP safeguards coordinators in selected zones, and other OFLP staff; and (v) jointly implement, with OFWE, grant-financed PFM, livelihoods, and A/R activities (Sub-component 1.3) in deforestation hotspots in 49 woredas (sites not covered under OFWE concessions; sites are yet to be identified); and (f) report on OFLP coordination and OEFCCA-led activities financed by OFLP.

4.3.5 *Oromia REDD+ Coordination Unit*

37. The ORCU⁸ is OEFCCA’s OFLP implementing unit. In addition to implementing OFLP on a day-to-day basis, the ORCU serves as the secretariat for coordinating and aligning various sector initiatives under the OFLP umbrella. ORCU reports administratively to the OEFCCA, and also seeks

⁷ OEFCCA is recently established by the proclamation No. 199/2016 issued by the Oromia National Regional State council on July 20, 2016, whose mandate includes overseeing the forest sector in Oromia.

⁸ ORCU was established in May 2014 administratively hosted by OFWE to coordinate the preparation of OFLP until it was transferred to OEFCCA in December 2016.

strategic and tactical guidance from the Oromia National Regional State vice president, given the multi-sector nature of OFLP and land use challenges in the regional state. The OEFCCA/ORCU will be supported by the National REDD+ Secretariat at MEFCC which will carry out fiduciary oversight and quality assurance role, in particular on MRV, project monitoring, safeguards, financial management and procurement; more specifically, the MEFCC will focus on providing operational guidance to the OEFCCA to carry out OFLP related procurement, FM, and safeguards activities, with MEFCC providing quality control, guidance and assistance to resolve implementation issues. Specific accountabilities include:

- (a) As the OFLP implementing unit within OEFCCA, coordinates and manages OFLP implementation including all day-to-day fiduciary requirements, regularly liaising technically with all partner agencies, NGOs and private sector actors involved in OFLP implementation.
- (b) Carries out and consolidates safeguards implementation and reporting (assisted by OEFCCA).
- (c) Carries out and consolidates FM and reporting (assisted by OEFCCA).
- (d) Carries out and consolidates procurement management and reporting (assisted by OEFCCA).
- (e) Carries out and consolidates M&E for OFLP (each indicator in results framework and others as government requires and the program team desires).
- (f) Directly implements specific TA activities financed by the OFLP grant.
- (g) Carries out joint annual work programming and budget process (with inputs from OEFCCA, OFWE, bureaus and other relevant entities) and preparation of the procurement plan.
- (h) Sub-state ORCU OFLP team engages with woreda- and kebele-level officials (woreda administrators and experts, DAs) and other actors to coordinate OFLP interventions and related initiatives across sectors that have an impact on forests (promoting a landscape management approach).
- (i) Facilitates coordination with OFLP-related initiatives (liaising with executive-level focal points and OEFCCA above, as needed).
- (j) Ensures that ER verification is carried out through a third party.
- (k) Ensures delivery, implementation, and reporting on the agreed BSM for the OFLP ERPA.
- (l) Carries out strategic communication through OEFCCA.
- (m) Acts as secretariat for the REDD+ Steering Committee and REDD+ Technical Working Group and participates actively in meetings.

4.3.6 *Oromia Forest and Wildlife Enterprise*

38. The OFWE remains a key implementing partner in OFLP owing to its experience with implementing PFM, preparing OFLP, hosting ORCU for the past two years, managing plantations, and large concessions where carbon-rich high forest and deforestation hotspots are located. Moreover, given its dual public and private mandates, the OFWE is cultivating private sector relationships. OFWE will be responsible for: (a) implementing part of the OFLP financed PFM activities (only in sites within OFWE concessions; sites are not yet selected) in accordance with the MoU to be signed between OEFCCA and OFWE; (b) planning, preparing, implementing, and reporting on activities financed by OFLP and reflected in the joint annual OFLP work plans and

budgets; and (c) ensuring synergies between existing sector initiatives that affect OFLP and sector objectives. OFWE’s structure is different from that of OEFCCA, where the Branch level is the higher level, beneath which are the district and sub-district offices (there are eight branch offices in OFWE concession areas, one branch office may contain four to six district offices, but one district office may cover two to seven woredas. In OFWE concession areas, there are nearly 130 woredas in total.

4.3.7 Concerned regional bureaus

39. Concerned regional bureaus include the BoANR, BoWME and BoRLAU. These bureaus will: (a) prepare, implement, and report on activities in the joint annual OFLP work plans through the coordination of the OEFCCA/ORCU; and (b) ensure synergies between existing sector initiatives that affect OFLP and sector objectives. These bureaus will also provide oversight support to their respective zonal and woreda offices.

4.3.8 The Oromia REDD+ Technical Working Group:

40. The Oromia REDD+ technical working group (ORTWG) will be responsible for providing technical guidance and support in design, implementation, and monitoring, and ensure that the OFLP and REDD+ - relevant interventions under the OFLP umbrella meet REDD+ technical requirements through a transparent review and outreach process. The ORTWG will be chaired by OEFCCA and members include sector experts from:

1. Oromia Environment, Forest and Climate Change.....Chair Person
2. ORCU.....Secretary
3. Oromia Vice President Office.....Member
4. Oromia Bureau of Agriculture.....Member
5. Oromia Bureau Rural Land & Environmental Protection.....Member
6. Oromia Enterprises’ Supervising Agency.....Member
7. Oromia Bureau of Water, Mineral & Energy.....Member
8. Oromia Agricultural Research Institute.....Member
9. Oromia Livestock Agency.....Member
10. Oromia Bureau of Investment.....Member
11. FARM Africa.....Member
12. SoS Sahel.....Member
13. Environment & Coffee Forest Forum.....Member
14. Climate Change Forum – Ethiopia.....Member
15. Forum for Environment.....Member
16. Ethio-wetlands and Natural Resource Association.....Member
17. Ethiopian Environment & Forest Research Institute.....Member
18. Horn of Africa Regional Centre for Environment & Networking.....Member
19. Wondo Genet College of Forestry and Natural Resources.....Member
20. Farchu Rayya Forest Union.....Member
21. Chilimo Forest Union.....Member
22. National REDD+ secretariat.....Member

23. Other institutions if deemed necessary.....Member

4.4 Zonelevel

4.4.1 Zonal OEFCA Office

41. OEFCCA will provide administrative and technical support to respective offices at zone clusters (each cluster is composed of seven zones and will be served by one OFLP lead facilitator) and woreda level as deemed necessary and share information that will improve and ensure coordination with other entities (that is, bureaus, zone offices and NGOs) operating at regional, zone, and woreda levels. Currently, there are 20 zone offices in the region.

4.4.2 Zone administrations

42. Zone administrations include the zone administration offices and sector offices such as the zone office of Agriculture (ZoANR), zone office of water, minerals, and energy (ZoWME), zone office of rural land administration and use (ZoRLAU), zone office of environment, forest and climate change authority (ZoEFCCA). These offices work closely together on day-to-day affairs, such as by overseeing the work of their respective woreda offices (agriculture, forests, water, household energy, and land use planning). Each office will also provide administrative and technical support to respective woreda offices who are directly implementing sector-specific OFLP activities (some directly financed by the OFLP and some REDD+-relevant initiatives). The zonelevel OFLP partner sector offices and their experts will be trained on the safeguards requirement of the program to ensure understanding and consistency in all sector operations. The heads of the ZoEFCCA together with OFLP lead facilitators will lead the facilitation of the inter-sectoral coordination activities. Progress will be compiled by the OFLP lead facilitators hosted at three selected ZoEFCCAs who will then aggregate the information to report to the ORCU.

4.4.3 OFLP lead facilitators

43. OFLP lead facilitators will be based in three selected ZoEFCCAs, and will facilitate OFLP implementation to ensure that work on the ground is implemented as per the plan (the number of positions for the OFLP lead facilitators is three). The OFLP lead facilitators together with the heads of ZoEFCCAs will work closely with zone sector offices (one lead facilitator will serve a zone cluster composed of seven zones) and ensure the required leadership support is being provided by the respective sector office heads to the OFLP woreda coordinators and that resources for the implementation of OFLP are provided in a timely manner. They will also provide technical and operational support to OFLP woreda coordinators and OFLP safeguards coordinators.

4.4.4 OFLP safeguards coordinators

44. OFLP safeguards coordinators, will be based in six selected ZoEFCCAs, and will closely work with the OFLP lead facilitators and respective zone environmental impact assessment (EIA) experts. They will all report to the heads of the ZoEFCCAs and ORCU's safeguards specialists to ensure that environmental and social safeguards are implemented according to the OFLP environmental and

social safeguards instruments (the estimated number of positions for safeguards coordinators is six). They will also oversee the safeguards work of the OFLP woreda coordinators.

4.5 Local level (woreda, kebele)

4.5.1 The OFWE district office

45. The OFWE district office (covering two to seven woredas) will: (a) implement work on the ground financed directly by the OFLP, such as PFM within OFWE concessions in accordance with the MoU to be signed between OEFCCA and OFWE; and (b) report on implementation progress to OEFCCA/ORCU.

4.5.2 OEFCCA woreda offices

46. OEFCCA woreda office together with other relevant woreda sector experts, including the DAs under them, will coordinate, oversee and implement a range of sector programs and operations. The OFLP woreda coordinators and the head of the OEFCCA woreda offices, together with the woreda administrators will: (a) reinforce woreda capacity to coordinate the implementation of land use related projects and operations that affect or are affected by the forest sector; (b) lead implementation of OEFCCA and other relevant sectors activities directly funded by OFLP financing (as per the AWPB and PP); and (c) support safeguards management.

4.5.3 OFLP woreda coordinators

47. OFLP woreda coordinators will be based in 38 selected WoEFCCs, and will be responsible for implementing OFLP at the woreda level, with each coordinator covering approximately seven to eight woredas. This work includes supporting the coordination of REDD+-relevant interventions across sectors/experts at the woreda level and NGOs (initiatives). Each OFLP woreda coordinator, in consultation with the head of WoEFCC, will be responsible for facilitating overall planning, implementation, and monitoring of the OFLP at the woreda level to ensure harmonization and integration of activities that are: (a) financed by OFLP directly; and (b) related initiatives in the woredas covered by the position. This requires working closely with the woreda administrators and various government officials and project teams that may be present in a particular woreda. They will also serve as the woreda-level safeguards focal persons of the OFLP to ensure safeguards implementation and compliance at the community levels (the estimated number of positions for OFLP woreda coordinators is 38). Their safeguards work will be overseen by OEFCCA/ORCU through its OFLP safeguards coordinators.

4.5.4 Woreda administrations

48. Woreda administrations include the woreda administration offices and sector offices such as the WoA, WoWME, WoRL, WoEFCC, and the OFWE district office where relevant. These offices are meant to work closely together on day-to-day affairs, such as by overseeing the work of the DAs in agriculture, water, household energy, and forests, working at the lowest administrative unit called kebele (village level). Each office will also implement sector-specific OFLP activities (some directly

financed by the OFLP and some REDD+-relevant initiatives). The woreda-level OFLP partner sector offices and their experts will be trained on the safeguards requirement of the program to ensure understanding and consistency in all sector operations. Progress will be compiled by the OFLP woreda coordinator together with the head of the WoEFCC who will then aggregate the information to report to the OFLP lead facilitators at the ZoEFCCAs.

4.5.5 Land Use Planning Teams

49. LUPTs currently exist at the woreda level as part of a national land use planning initiative and are staffed by teams from the respective woreda sector offices. Given that rational land use is critical for the success of OFLP, the LUPTs can be strengthened by OFLP, as relevant, and used as a platform for coordination through the OFLP woreda coordinator together with the head of the WoEFCC and woreda administrator. As one of the key OFLP safeguards implementation arrangements, the existing environmental expert at WoEFCC will be trained and become part of the woreda LUPTs to support mainstreaming of the safeguards requirements in all land use-planning-related issues of OFLP.

4.5.6 Development Agents

50. OEFCCA will, in the near term, rely on DA under the authority of BoA, who are relocated at kebele level to mobilize communities for natural resource development and forest and land management at the grass root level, until such time as OEFCCA has its own core of DAs in place under the respective woreda offices. AMoU will be signed between OEFCCA and BoA detailing how to deploy DAs to implement OFLP activities. The DAs will be in charge of engaging with communities for planning, implementation, and reporting relevant OFLP activities on the ground.

4.6 Civil societies, unions, and universities

51. Civil societies, unions, and universities in the OFLP structure can: (a) provide services to government institutions to implement projects or activities or (b) implement activities directly, outside the financial support of the Bank. One example of the former is Farm Africa, which is currently implementing the Bale Mountains Eco-regional REDD+ Project on behalf of the FDRE. In the case of the latter, the NGOs will work alongside the bureaus as above to: (a) prepare, implement, and report on activities in joint annual OFLP work plans through the coordination of the OEFCCA/ORCU, and (b) ensure synergies between existing sector initiatives that affect OFLP objectives.

4.7 Private sector businesses

52. Private sector businesses implementing or investing in REDD+ - relevant initiatives will have accountabilities similar to those of the NGOs as above. For example, Nespresso and Technoserve are implementing a project financed by IFC and the BioCarbon Fund under the OFLP to improve forest coffee production.

53. Table 3 provides summary of core GoE and OFLP staff roles and responsibilities for OFLP implementation , and Table 4 provides summary of institutional accountabilities for OFLP implementation. .

Table 3: Summary of core GoE and OFLP staff roles and responsibilities for OFLP implementation

<i>Government and OFLP Staff</i>	<i>Roles and responsibilities in OFLP implementation</i>
Minister of Environment, Forest and Climate Change (MEFCC)	<ul style="list-style-type: none"> • Promotes OFLP at the high-level of decision making platforms such as at the council of ministers, the federal parliament and the inter-ministerial committee of the CRGE. • Provides political support in mobilizing additional resources from the CRGE fund, bilateral and multilateral donors, and the private sector to upscale on-ground investments in more woredas of Oromia for increased forest development and forest protection initiatives. • Oversees OFLP implementation and ensures that OFLP gets adequate technical, fiduciary and administrative support from MEFCC’s respective directorates and the national REDD+ secretariat. • Assists in coordination of federal and regional level cross-sectoral policy and programmatic actions relevant to forest management and forest development activities of the OFLP, such as: coordination among forest and land use; forest and energy use; and forest and livestock development. • Assists in promoting OFLP in international fora for more visibility and for mobilizing additional resources.
State Minister of MEFCC	<ul style="list-style-type: none"> • Provides closer supervision so that OFLP implementation gets adequate technical, fiduciary, and administrative support from MEFCC’s respective directorates and the National REDD+ Secretariat. • Assists in mobilization of additional resources from CRGE fund, bilateral and multilateral donors and the private sector to upscale on-ground investment in more woredas of Oromia for increased forest development and forest protection initiatives. • Provides closer support in coordination of federal and regional level cross-sectoral policy and programmatic actions relevant to forest management and forest development activities of the OFLP, such as: coordination among forest and land use; forest and energy use; and forest and livestock development. • Reviews periodical technical and financial reports and annual work programs of OFLP implementation, and provides guidance as required. • Liaises closely with Oromia Vice-Presidency, OEFCCA, ORCU and others actors for effective coordination of OFLP implementation.
National REDD+ coordinator (MEFCC)	<ul style="list-style-type: none"> • Provides strategic and technical guidance on REDD+ issues, consolidates lessons learned from the Oromia pilot, and disseminates them among other regional states. • Lead the development of the national REDD+ MRV system. • Provides closer oversight on the technical soundness of forest sector investment activities under the OFLP. • Ensures operational guidance is provided to ORCU through the REDD+ secretariat technical staff including national REDD+ task forces on MRV, procurement management, financial management, safeguards management, benefit sharing mechanism and ensures procedures are efficiently and effectively applied at ORCU. • Coordinates national level trainings to ORCU technical staff, especially on forest assessment, monitoring, reporting, MRV and verification.

<i>Government and OFLP Staff</i>	<i>Roles and responsibilities in OFLP implementation</i>
	<ul style="list-style-type: none"> • Ensures that required data are collected, documented, analyzed and interpreted at regional and national level, and communicated to the international community as part of the national GHG reporting mechanism. • Ensures the consistency of the data collected, monitored and reported from the OFLP is in line with the approved framework endorsed by the national government and donors. • Ensures standard operational procedures, guidelines, tools for monitoring, reporting forest information system and verification is in place at ORCU level and required technical skills are developed to implement the OFLP as a national jurisdictional pilot program. • Liaises with key national decision-making bodies such as MEFCC, MoFEC, EWCA, EMA, and other relevant sector ministries, on forest and land use issues for better coordination of activities, and technical and policy support for scaling up action to reduce deforestation and forest degradation thus improving overall use of land and natural resources. • Provides guidance and technical support in reviewing and providing feedback on manuals, progress reports, analytical studies carried out by ORC, including liaising with international consultants, as needed. • Ensures that OFLP objectives and activities are fully integrated with the national level strategies, policies, regulations, procedures and goals.
National REDD+ pilot coordinator (MEFCC)	<ul style="list-style-type: none"> • Acts as the main liaison officer between OEFCCA and ORCU in MEFCC facilitating MEFCC's concerned units and the NRS provides timely technical, fiduciary and administrative support to OFLP implementation. • Follows up closely the implementation of policy actions as decided by MEFCC's minister and state minister towards OFLP including additional fund mobilization, cross-sector coordination of activities, and other policy support as deemed necessary. • Provides direct technical assistance and represents the national REDD+ secretariat and MEFCC in OFLP coordination meetings. • Participates in monitoring activities of OFLP, including active participation in OFLP implementation support missions. • Prepares and submits periodical implementation support reports and briefs on the OFLP to MEFCC's minister, state minister and the national REDD+ coordinator.
National REDD+ environmental safeguards specialist (MEFCC)	<ul style="list-style-type: none"> • Provides strategic and technical advice to ORCU safeguards specialists on OFLP safeguards implementation as per the safeguards requirements of the GoE and the WB. • Works closely with ORCU environmental safeguards specialist to ensure OFLP safeguards instruments are effectively and efficiently implemented and monitored. • Provides technical support on environmental safeguards capacity building, implementation, monitoring, communication, and documentation. • Carries out safeguards compliance monitoring periodically and shares the reports with the WB and those concerned.
National REDD+ social safeguards specialist (MEFCC)	<ul style="list-style-type: none"> • Provides strategic and technical advice to ORCU safeguards specialists on OFLP safeguards implementation as per the safeguards requirements of the GoE and the WB. • Convenes relevant national stakeholders such as the EWCA, as needed, for OFLP safeguards implementation and compliance. • Follows up on and ensures the establishment/strengthening of functional OFLP social safeguards systems (GRM, BSM, consultation, participation, and civic engagement), and disclosures of relevant program information to program-affected people and stakeholders across Oromia regional state. • Works closely with ORCU social safeguards specialists to ensure that OFLP safeguards instruments are effectively and efficiently implemented and monitored. • Provides technical support on social safeguards capacity building, implementation, monitoring, communication, and documentation. • Carries out safeguards compliance monitoring periodically and shares the report with the WB and those concerned.

<i>Government and OFLP Staff</i>	<i>Roles and responsibilities in OFLP implementation</i>
National REDD+ MRV specialist (MEFCC)	<ul style="list-style-type: none"> • Supervises the ORCU MRV specialist on forest monitoring and information management system, including land use. • Provides guidance on forest resources inventory, monitoring, and MRV activities across Oromia and ensures that the use of the harmonized methodological framework adopted for the program across the board (carbon stock and ER) is consistent with the national approach. • Ensures the establishment of the Forest MIS and development of associated software and hardware capacities within ORCU. • Checks that all data and results prepared by the ORCU MRV unit are in accordance with the standards defined in the MRV modalities and reviews technical quality including checking geographical data or biometric data from biomass surveys. • Liaises with the national forest MRV task force established under MEFCC and national GHG inventory team. • Provides AD and EF data sets prepared at national level particularly for Oromia, to the ORCU MRV unit and assists in calculating OFLP GHG emissions and ERs, including associated uncertainties, and conducts quality checks on GHG emissions and ERs calculations carried out by the Oromia Regional MRV team. • Provides training, as needed, to ORCU MRV specialist, particularly on forest resources assessment, monitoring, and reporting requirements.
National REDD+ procurement specialist (MEFCC)	<ul style="list-style-type: none"> • Provides procurement support to the OFLP procurement team including during the preparation and review of the procurement plan (PP). • Trains OFLP procurement team in overall procurement management according to GoE and WB procurement procedures. • Guides the OFLP procurement team on procurement processing. • Assists OFLP procurement team to make sure that all procurements follow the procedures as outlined in the Grant Agreement.
National REDD+ financial management specialist (MEFCC)	<ul style="list-style-type: none"> • Provides guidance to ORCU, especially to the financial management team in preparing the annual budget for OFLP. • Ensures proper management of accounting records and financial transactions in line with the standards and formats accepted by the GoE and the WB. • Monitors and ensures that the financial resource allocated under the OFLP grant is used properly for planned activities. • Reviews the financial monitoring reports submitted to MEFCC by the ORCU coordinator, and provides the feedback. • Provides trainings to ORCU financial management team on preparation and submission of documentation of expenditures, bank reconciliation statements, and any other supporting documents to account for the amount advanced. • Guides the ORCU financial management team on preparation of monthly and annual cash flow projections and monitors effective disbursement of funds. • Assists and guides ORCU on the recruitment of OFLP external auditors for effective and efficient auditing of the accounts. • Ensures proper control over all OFLP assets and maintenance of proper systems and procedures. • Liaises with the finance directorate of the MEFCC and OEFCCA to coordinate the financial activities of OFLP.
Oromia vice president (not financed by the OFLP)	<ul style="list-style-type: none"> • Advocates the OFLP at the high-level regional council. • Advocates for forest-smart development. • Ensures that OEFCCA/ORCU participates in the region's budget planning sessions and any other key decision-making events happening at the regional level. • Chairs the ORSC and ensures that all OFLP-implementing sector institutions are represented and their contributions/roles are well coordinated.

<i>Government and OFLP Staff</i>	<i>Roles and responsibilities in OFLP implementation</i>
	<ul style="list-style-type: none"> • Provides political leadership for implementing OFLP and ensures that the respective sector bureaus and offices are actively engaged in OFLP in line with Oromia government structures (vertically and horizontally).
OEFCCA director general (not financed by the OFLP)	<ul style="list-style-type: none"> • Represents the OFLP at the high-level regional council. • Supervises OFLP focal points, monitors overall OFLP progress and provides strategic guidance. • Provides policy, leadership, administrative, and coordination support for OFLP implementation across different levels OEFCCA’s institutional structure (regional, zone, and woreda levels). • Leads the planning and implementation of OFLP forest sector activities coordination through ORCU. • Liaises with the regional policy and decision-making bodies to support OFLP implementation. • Participates in National and ORSC and other high level meetings. • Provides strategic and administrative guidance and support to ORCU and to the ORCU coordinator in ensuring coordination and harmonization of activities by different actors and in mobilizing additional resources for scaling up OFLP activities. • Reports to the Oromia vice president and regional government council as part of its official duties on all matters concerning OFLP implementation.
OEFCCA deputy director general (not financed by the OFLP)	<ul style="list-style-type: none"> • Provides closer oversight on the technical soundness of forest sector investment activities under the OFLP. • Assists the director general and acts on his behalf in his absence. • Reports directly to the OEFCCA director general on matters pertaining to OFLP implementation.
Oromia REDD+ coordinator (financed by the OFLP)	<ul style="list-style-type: none"> • Reports directly to the director general office of OEFCCA and send reports to the Oromia vice president office after these are cleared by OEFCCA. • Coordinates and manages OFLP across the Oromia region. • Leads OFLP implementation through coordination of activities of relevant sector bureaus and initiatives/projects having objectives similar to OFLP, by bringing them all onto a common programmatic platform. • Acts as the secretariat at REDD+ Steering Committee and represented by OEFCCA chairs the Oromia REDD+ Technical Working Group and ensures representation of all relevant sectors and initiatives operating in the region. • Coordinates the development and implementation of the OFLP joint annual work plan and budget. • Manages and coordinates OFLP implementation by supervising the ORCU team on a day-to-day basis and ensuring that all safeguards, procurement, and FM procedures are efficiently and effectively applied. • Participates in regional-level planning processes and ensures that OFLP objectives and activities are fully integrated. • Liaises through OEFCCA with key national decision-making bodies such as MEFCC, national REDD+ secretariat, MoFEC, national planning commission, and other relevant sector ministries, on forest and land use issues for better coordination of activities, use of financial resources, and technical and policy support for scaling up action to reduce deforestation and forest degradation thus improving overall use of land and natural resources. • Leads the development and implementation of the enabling environment for ER payments, including BSM, MRV/REL (requiring liaison with the national-level MRV/REL Unit), safeguards (including GRM), and other requirements as appropriate.
Advisor with the designation of bureau head (appointed OFLP)	<ul style="list-style-type: none"> • Housed at the Oromia Vice President’s Office and directly reports to the vice president of Oromia. • Presents and discusses OFLP with high-level regional decision-making bodies (the vice

<i>Government and OFLP Staff</i>	<i>Roles and responsibilities in OFLP implementation</i>
focal point at the Oromia Regional State) Vice-President's Office) (not financed by the OFLP)	<p>president, the regional council, and other regional decision-making bodies as appropriate).</p> <ul style="list-style-type: none"> • Serves as additional communication channel between OEFCCA/ORCU and regional decision makers, maintaining two-way information flow on program implementation and follow-ups. • When delegated by the vice president, chairs the ORSC, ensuring that all relevant sector institutions are represented and their contributions/roles in OFLP are coordinated. • Provides day-to-day administrative support to OFLP, ensuring that the respective sector bureaus and offices are actively engaged and responsive to OFLP in line with the Oromia government structures (vertically and horizontally). • Supervises sectors' accomplishments with regard to OFLP implementation. • Monitors overall progress and provides implementation guidance.
Senior expert under the designated bureau head (appointed assistant OFLP focal point at the Oromia Regional State Vice-President's Office) (not financed by the OFLP)	<ul style="list-style-type: none"> • Assists the OFLP focal point in presenting OFLP cases to high-level regional decision-making bodies (the vice president, the regional council, and other regional decision-making bodies as appropriate). • Provides day-to-day assistance to the OFLP focal point, ensuring that the respective sector bureaus and offices are actively engaged and being responsive to OFLP along the Oromia government structures (vertically and horizontally). • Compiles relevant information regarding OFLP implementation and presents these to the OFLP focal point for reporting to higher level. • Maintains regular communication with ORCU and respective sector bureaus by facilitating smooth program implementation and oversight. • Assists the OFLP focal point in all matters concerning OFLP implementation according to the roles and responsibilities of the focal point listed above.
Forest resource specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the ORCU coordinator, coordinates forest sector investment activities in close coordination with the OEFCCA's relevant zone and woreda level staff. • Maintains close working relationships and helps coordinate with GoE's sectors and other related initiatives/projects that affect or are affected by forest sector activities. • Supervises and provides technical support to sectors and projects by ensuring that technically sound and harmonized on-the-ground forest investment activities are being applied across sectors and projects. • Leads the preparation of technical manuals and guidelines for promoting forest investment activities (A/R, ANR, PFM, and so on); and provides training on their use. • Supervises and provides technical support to OFLP lead facilitators and OFLP woreda coordinators regarding forest investments in their respective working areas. • Participates in policy development and economic analyses activities. • Assists on forest resource monitoring, MRV, M&E, and other related OFLP activities, as needed. • Collects relevant forest-sector-related data/information. • Prepares and submits regular reports.
Environmental safeguards specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the ORCU coordinator, closely works with the national REDD+ environmental safeguards specialist, the ORCU's social safeguards specialist, OFLP safeguards coordinators, and OFLP lead facilitators to ensure that the environment safeguards instruments prepared for OFLP are effectively and efficiently implemented and monitored across the Oromia regional state. • Co-leads (with the social safeguards specialist) the implementation of the safeguards subcomponent activities financed by the OFLP grant. • Follows up on and ensures the establishment/strengthening of functional OFLP environment safeguards systems across the state. • Ensures the integration of environmental issues into the OFLP and other REDD+-relevant initiatives.

<i>Government and OFLP Staff</i>	<i>Roles and responsibilities in OFLP implementation</i>
	<ul style="list-style-type: none"> • Provides technical support on environmental safeguards capacity building, implementation, monitoring, communication, and documentation. • Monitors environmental safeguards compliance and outcomes during OFLP implementation. • Prepares and submits regular reports on environmental safeguards to the Oromia REDD+ coordinator.
Social safeguards specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the ORCU coordinator, closely works with the national REDD+ social safeguards specialist, the ORCU’s environmental safeguards specialist, OFLP safeguards coordinators, and OFLP lead facilitators to ensure that the social safeguards instruments prepared for the OFLP are effectively and efficiently implemented and monitored across the Oromia regional state. • Co-leads (with the environmental safeguards specialist) the implementation of the safeguards subcomponent activities financed by the OFLP grant. • Follows up on and ensures the establishment/strengthening of functional OFLP social safeguards systems (GRM, BSM, consultation, participation, and civic engagement; and disclosure of relevant program information to program-affected people and stakeholders) across the state. • Ensures the integration of social issues into OFLP activities and other REDD+-relevant initiatives. • Provides technical support on social safeguards capacity building, implementation, monitoring, communication, and documentation. • Monitors social safeguards compliance and outcomes during OFLP implementation. • Prepares and submits regular reports on social safeguards to the Oromia REDD+ coordinator.
Institutions and policy specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the Oromia REDD+ coordinator, supervises the development and implementation of activities in the OFLP joint annual work program and budget on policy analysis, development, and harmonization, to advance successful forest investment in the region. • Advises on forest-related policy development activities outside the OFLP work program. • Leads the institutional coordination tasks under the OFLP operation by analyzing institutional mandates and linkages of implementing government bodies and proposes best options for institutional coordination for OFLP implementation at the regional, zone, and woreda levels. • Leads development and strengthening of new institutions, as required by OFLP, including community institutions, cooperatives, user groups, and so on. • Liaises with higher regional and national policy and decision-making bodies as appropriate, thus seeking strong political and administrative support toward smooth implementation of OFLP.
MRV specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the Oromia REDD+ coordinator, supervises the development and implementation of activities in the OFLP joint annual work plan and budget on forest MRV and more generally on monitoring and information management for forest and land use. • Advises on related monitoring activities outside the OFLP work plan. • Leads forest resources inventory, monitoring, and MRV activities across Oromia. • Coordinates with other initiatives/projects operating in Oromia, ensuring that a harmonized methodological framework of measurement is adopted across the board (carbon stock and ER). • Leads the establishment of the Forest MIS and development of associated software and hardware capacities within ORCU. • Establishes appropriate forest resource assessment, monitoring, and the MRV Unit within ORCU. • Checks all data and results to confirm that these are in accordance with the standards defined in the MRV modalities, requiring technical-level reviews including checking geographical data or biometric data from biomass surveys.

<i>Government and OFLP Staff</i>	<i>Roles and responsibilities in OFLP implementation</i>
	<ul style="list-style-type: none"> • Reports all the data to the National MRV Unit. • Reviews AD and EF data sets provided by the National MRV Unit and calculates program GHG emissions and ERs including associated uncertainties. • Reports to the National MRV Unit for quality check. • Provides technical support to lead facilitators and woreda coordinators, particularly on forest resources assessment, monitoring, and reporting requirements.
Assistant to MRV specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the MRV specialist, assists the development and implementation of activities in the OFLP joint annual work plan and budget on forest MRV, and more generally on monitoring and information management for forest and land use. • Supports forest resources inventory, monitoring, and MRV activities across Oromia. • Helps in coordinating OFLP activities with other initiatives/projects operating in Oromia, by ensuring that a harmonized methodological framework of measurement is adopted across the board (carbon stock and ER). • Assists in the establishment of a Forest MIS and development of associated software and hardware capacities within ORCU. • Compiles all primary and secondary data and results generated at the program/intervention levels. • Checks all data and results to confirm that these are in accordance to the standards defined in the MRV modalities, requiring technical-level reviews including checking geographical data or biometric data from biomass surveys. • Assists in reporting all the data to the National MRV Unit. • Helps in reviewing AD and EF data sets provided by the National MRV Unit and assists in calculating program-level GHG emissions and ERs including associated uncertainties. • Liaises with OFLP lead facilitators and OFLP woreda coordinators, particularly on forest resources assessment, monitoring, and reporting requirements.
Communication specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the ORCU, supervises the development and implementation of activities in the OFLP joint annual work plan and budget on communication and more generally on monitoring and information management for forest and land use. • Advises on related monitoring activities outside the OFLP work plan. • Leads communication research work to help develop the OFLP's communication strategy and needs. • Coordinates development of a communication strategy for OFLP. • Develops and coordinates implementation of capacity-building programs to equip ORCU technical staff, including OFLP lead facilitators, OFLP safeguards coordinators, and OFLP woreda coordinators on strategic communication methods and tools. • Leads the development of outreach programs for OFLP by involving local media outlets, journalists, and others means, as needed. • Organizes and conducts periodic advocacy activities for OFLP through community workshops and consultations. • Leads the preparation and dissemination of OFLP newsletters. • Leads the development of behavioral-change programs targeting deforestation hotspot areas and coordinates consultation programs on proper applications of safeguards, BSM, and GRM in the OFLP woredas.
M&E specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the ORCU coordinator and working closely with OFLP staff and sectors, compiles the OFLP annual work plan and budget for review and approval by the ORSC. • Coordinates and supervises OFLP plans (technical and financial) at all levels of OFLP structures (regional, zone, and woreda levels). • Leads M&E by ensuring periodic, high-quality, and consistent data compilation and consistent

<i>Government and OFLP Staff</i>	<i>Roles and responsibilities in OFLP implementation</i>
	<p>aggregation at all levels.</p> <ul style="list-style-type: none"> • Manages development of data collection methods and tools (survey tools). • Prepares formats and enters monitoring data for eventual processing and tracking of OFLP progress. • Facilitates capacity-building trainings for OFLP staff on M&E, data collection, and processing methods and use of monitoring tools. • Liaises with sectors' M&E experts and officials of other initiatives/projects for adoption and use of unified M&E results framework (monitoring indicators, data collection, and processing system). • Compiles and submits periodic M&E reports. • Assists in the preparation of periodic Bank implementation support missions with an M&E focus.
Private sector development specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the ORCU coordinator, leads public-private partnership discussions to promote private sector investments in the forest sector. • Liaises with relevant national and regional bodies (MEFCC, Agricultural Investment Land Administration Agency, Rural Land Administration and Use Directorate, Ethiopian Investment Commission, Oromia BoRL, Oromia Investment Commission, and other entities as needed) to promote private forest investments. • Coordinates preparation of policy documents, strategies, and operational procedures for private sector engagement in the forest sector. • Liaises regularly with domestic and international private sector and NGO actors to identify and capitalize on investment opportunities ensuring that these investment interests are in line with OFLP goals. • Supervises private sector development activities in the OFLP joint annual work plan and budget. • Establishes a close working relationship with zone- and woreda-government-relevant agencies and coordinates the efforts of lead facilitators and woreda coordinators in promoting private sector investments in the forest sector.
Procurement specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the ORCU coordinator and in consultation with the respective specialists of ORCU and implementing sectors, identifies OFLP procurement needs and prepares a comprehensive joint PP for OFLP. • Understands all program procurement documents, including the guidelines, the PIM, PAD and standard bidding documents, request for proposals, and other relevant templates and applies it in processing procurements. • Leads and implements all procurement activities for the OFLP grant following the Bank's and GoE's procurement procedures. • Tracks the implementation of the joint PP, updates program PP as needed, and prepares regular procurement activities progress report with recommendations for corrective action to keep implementation on track. • Organizes procurement management training programs in collaboration with the Bank's procurement team. • Makes sure that procurement at all levels of the program is consistent with the Grant Agreement made between GoE and the Bank. • Keeps records of all procurement activities under the OFLP grant for post procurement review and audit.
Financial management specialist (ORCU)	<ul style="list-style-type: none"> • Under the guidance and oversight of the ORCU coordinator and jointly with the respective OFLP implementing sectors, assists in preparing the joint annual budget for OFLP which will be submitted to the ORSC for approval. • Leads proper management of accounting records and financial transactions in line with the standards and formats accepted by the FDRE and the Bank. • Ensures that the financial resource allocated under the OFLP grant is used properly for

<i>Government and OFLP Staff</i>	<i>Roles and responsibilities in OFLP implementation</i>
	<p>planned activities.</p> <ul style="list-style-type: none"> • Prepares and submits financial monitoring reports to the Oromia REDD+ coordinator, Oromia vice president, and MEFCC; also provides financial data for the preparation of progress reports. • Leads preparation and submission of documentation of expenditure, bank reconciliation statements, and any other supporting documents to account for the amount advanced. • Maintains a close working relationship with the OFLP procurement specialist and follows up on contracts signed with suppliers and consultants regarding payments. • Manages and controls all disbursements to ensure effective OFLP implementation. • Leads and prepares monthly and annual cash flow projections and monitors effective disbursement of funds. • Liaises with OFLP external auditors to be recruited by the OFLP for effective and efficient auditing of the accounts. • Ensures proper control over all program assets and maintenance of proper systems and procedures. • Liaises with the Finance Directorate of the MEFCC and OFWE to coordinate the financial activities of OFLP.
OFLP lead facilitator (3) (ORCU)	<ul style="list-style-type: none"> • Facilitate OFLP implementation to ensure that work on the ground is implemented as per the plan • Hosted by OEFCCA and directly reporting to the ORCU coordinator, together with the head of ZoEFCCA closely works with and coordinates activities of zone sector offices (up to approximately seven zones) on OFLP implementation. • Establishes synergies between relevant OFLP-related initiatives in the assigned zones and woredas implemented by the sector offices, the NGOs, and the private sector. • Provides technical and operational support and supervises implementation of program activities in the program area. • Provides technical and operational support to OFLP woreda coordinators and to OFLP safeguards coordinators. • Compiles and sends periodic reports to the ORCU on progress of ` activities. • Ensures that the required leadership support is being provided by the respective sector office heads to the OFLP woreda coordinators and that resources/inputs for the implementation of OFLP are provided in a timely manner.
OFLP safeguards coordinator (6) (ORCU)	<ul style="list-style-type: none"> • Hosted by the OEFCCA zone offices and accountable (reporting) to the ORCU's safeguards specialists, works closely with the respective OFLP lead facilitators, OFLP woreda coordinators, and respective zone EIA experts of OEFCCA • Establishes/strengthens the OFLP safeguards system (such as the GRM, BSM, consultation, participation and civic engagement, disclosure of relevant program information to program-affected individuals, and concerned stakeholders). • Provides safeguards capacity building, including training and awareness • Provides technical support on safeguards implementation, monitoring, and documentation to ensure that environmental and social safeguards are implemented according to the OFLP environmental and social safeguards instruments. • Provides regular reports to the ORCU and safeguards specialists.
OFLP woreda coordinator (38) (ORCU)	<ul style="list-style-type: none"> • Reporting directly to the respective OFLP lead facilitator, and hosted by the OEFCCA woreda office, and working closely with the respective OEFCCA woreda head, implements OFLP activities in the assigned woredas (each coordinator covering on average seven woredas). • Coordinates and establishes synergies between sector offices on OFLP activities and other OFLP-related initiatives/projects existing in the assigned woredas. • Facilitates overall planning, implementation, and monitoring of OFLP activities in the assigned woredas.

Government and OFLP Staff	Roles and responsibilities in OFLP implementation
	<ul style="list-style-type: none"> • Ensures coordination and integration of activities: (a) directly financed by the OFLP grant or other financing, and (b) activities financed by related initiatives and projects in the woredas that affect or are affected by forest and land-use resources (examples include the PSNP, AGP, SLMP, LIFT, household energy, water resources projects, private sector initiatives, CRGE-Facility-financed activities, the government’s ongoing mass mobilization campaign and land-use planning activities, and so on). • Works closely with the respective woreda administrators, woreda government (sector) officials, woreda councils, woreda LUPTs, and other project teams existing in the assigned woredas to achieve OFLP objectives. • Maintains a close working relationship with the respective OFLP lead facilitators and OFLP safeguards coordinators by ensuring that OFLP operational procedures and rules are strictly followed within the assigned woredas. • Coordinates regular OFLP reporting, engaging with OFLP actors, government officials, other program staff, and the OFLP M&E specialist as needed. • Ensures that accurate M&E reporting is fully functional, timely, and consistent at the woreda level. • Implements M&E data collection methods and tools (survey tools). • Compiles OFLP-related information and work accomplishment records and reports to the respective OFLP lead facilitators.
OFWE district expert	<ul style="list-style-type: none"> • Implements PFM activities financed by OFLP within OFWE concessions. <p>Note: OFWE district experts have already been implementing PFM with communities within OFWE concessions.</p>
Development Agent	<ul style="list-style-type: none"> • Mobilizes communities at kebele level through participatory approaches defined in key government documents including the mandatory OFLP safeguards instruments, the OFLP PIM, and field manuals for PFM, A/R, land use, and livelihoods that are being updated or developed. • Screens proposed OFLP grant-financed activities against the eligibility criteria. • Facilitates participatory community planning to identify sites for potential grant activities based on local needs, priorities and criteria being developed by the government. • Engages in safeguards outreach, monitoring and documentation on the ground and reports to the OFLP woreda coordinators and the WoEFCC on this. • Prepares and updates annual work plan and budget items to be consolidated by OFLP woreda coordinators, including also identification of specific relevant goods, services and/or works to be procured. • Provides technical advice to communities for implementation of OFLP component 1 activities (PFM, A/R, land use and livelihoods) on the ground as part of their regular activity, based on the implementation manuals (PFM, A/R and land use to be updated or prepared). • Conducts regular quantitative monitoring and reporting of physical achievements (as per the OFLP PIM) to the relevant woreda expert(s) for consolidation and aggregation and further vertical reporting through the government hierarchy and to international financiers (assisted by OFLP woreda coordinators). • Conducts regular qualitative monitoring and reporting of results using photo documentation, community interviews, and other approaches supported by the OFLP for use by the government to communicate OFLP achievements. • Participates in all field visits or missions carried out by the regional, zone, or woreda government institutions. • Receives guidance and training from OFLP woreda coordinators and/or woreda experts on all of the above topics. <p>Note: OEFCCA will, in the near-term, rely on DAs under the authority of the BoA, who are responsible for NRM and forest until such time as OEFCCA has its own core of DAs in place.</p>

Table 4: Summary of institutional accountabilities for OFLP implementation

<i>Institution</i>	<i>Accountabilities in the OFLP</i>	<i>Examples of accountabilities for specific activities financed by the OFLP grant</i>
MEFCC	<ul style="list-style-type: none"> • Provides operational guidance to OEFCCA/ORCU to carry out OFLP procurement, FM, and safeguards activities. • Assists in resource mobilization for the OFLP umbrella. • Provides guidance on strategy and policy. • Monitors and reports on ER according to agreed rules, using the national MRV system (verification will be conducted by a third party to be hired by ORCU administratively guided by OEFCCA). • Supports compatibility of OFLP with Ethiopia’s CRGE Strategy and facility. 	<ul style="list-style-type: none"> • MRV implementation (financed under national REDD+ Readiness grant) • National GHG accounting (to which the OFLP contributes data) • Ensures that fiduciary obligations are carried out and complied with by the ORCU/OEFCCA • Interacts with the Bank team and other development partners
EWCA	<ul style="list-style-type: none"> • Coordinate with contiguous woredas and zones on issues of mutual concern, including land use and watershed planning, resettlement, livelihoods provision/substitution, PFM, A/R, and so on. 	Bale Mountains National Park resettlement intended
REDD+ steering committee	<ul style="list-style-type: none"> • Provides strategic guidance on OFLP management and implementation. • Provides strategic management direction to OEFCCA/ORCU. 	n.a.
REDD+ technical working group	<ul style="list-style-type: none"> • Provides strategic oversight on OFLP management and implementation. • Provides technical direction to OEFCCA/ORCU. 	n.a.
Oromia vice president’s office	<ul style="list-style-type: none"> • Assigns and maintains OFLP focal person to assist OEFCCA/ORCU in coordinating OFLP implementation across sectors. • Provides high-level political support to OEFCCA/ORCU to ensure multi-sector-level coordination. • Assists OEFCCA/ORCU, through OFLP focal person, to cascade and coordinate across the Oromia government’s vertical structure through region, zone, woreda, and kebele levels. • Is the main voice of OFLP in the high-level Regional Council, and (a) advocates forest-smart development, and (b) ensures that OEFCCA/ORCU participates in the region’s budget planning 	n.a.

<i>Institution</i>	<i>Accountabilities in the OFLP</i>	<i>Examples of accountabilities for specific activities financed by the OFLP grant</i>
	<p>sessions and any other key decision-making events at the level of the region.</p> <ul style="list-style-type: none"> • Chairs ORSC and ensures that all OFLP implementing sector institutions are working in coordination. 	
OEFCCA	<ul style="list-style-type: none"> • Leads and administers the implementation of OFLP by overseeing its technical, financial, human resource, and inter-sectoral coordination facilitation activities through ORCU. Responsible for all fiduciary matters pertaining to OFLP implementation. • Hosts ORCU administratively which serves as the implementing unit for OFLP at regional, zonal, woreda, and kebele levels. • Provides strategic and technical guidance to ORCU to ensure multi-sector-level coordination for OFLP implementation. • Provides technical and logistical support to ORCU in facilitating regional multi-sectoral joint annual work plan preparation, budget approval, reporting, M&E, and progress review workshops. • Provides support to ORCU in facilitating the REDD+ Steering Committee and REDD+ Technical Working Group meeting and activities. • Reports to ORCU on specific activities implemented with OFLP financing (that is, PFM, livelihoods, and A/R outside OFW concessions in sites to be selected) for collation and reporting by ORCU upwards to MEFCC and on to development partners. • As a member of the high level regional government council and lead in coordinating the implementation of REDD+ activities at regional level, is instrumental in bringing any outstanding issues related to OFLP implementation on the agenda of the regional council for decision making and/or guidance. • Advocates forest-smart development as its mission, including leading on policy development and harmonization concerning the forest sector. • Participates in the region's budget planning sessions and any other key decision-making events at regional level. • Implements specific forest activities financed by the OFLP grant (that is, PFM and A/R out of OFWE concessions). • Appoints OFLP focal person to coordinate implementation of PFM and A/R activities (Subcomponent 1.3) in 49 deforestation hotspot woredas outside OFWE concessions. • Participates actively in high level meetings and in the REDD+ Steering Committee including REDD+ Technical Working Group. • Coordinates with BoA on deployment of DAs to support PFM, livelihoods and A/R components financed by the grant until such time as DAs are mapped to OEFCCA. <p><i>Note: Preparing MoU with OFWE, BoA, BoWME, BoRL</i></p>	<ul style="list-style-type: none"> • Designs and implements Forest MIS • Design and implements PFM activities (Subcomponent 1.3.1) (out of OFWE concessions) and A/R activities (Subcomponent 1.3.2) in 49 deforestation hotspot woredas
ORCU	<ul style="list-style-type: none"> • As the OFLP implementing unit within OEFCCA, coordinates and manages OFLP implementation including all day-to-day fiduciary 	<ul style="list-style-type: none"> • The ORCU team currently includes 13

<i>Institution</i>	<i>Accountabilities in the OFLP</i>	<i>Examples of accountabilities for specific activities financed by the OFLP grant</i>
	<p>requirements, regularly liaising technically with all partner agencies, NGOs and private sector actors involved in OFLP implementation.</p> <ul style="list-style-type: none"> • Carries out and consolidates safeguards implementation and reporting (assisted by OEFCCA). • Carries out and consolidates FM and reporting (assisted by OEFCCA). • Carries out and consolidates procurement management and reporting (assisted by OEFCCA). • Carries out and consolidates M&E for OFLP (each indicator in results framework and others as government requires and the program team desires) • Directly implements specific TA activities financed by the OFLP grant. • Carries out joint annual work programming and budget process (with inputs from OEFCCA, OFWE, bureaus and other relevant entities) and preparation of the procurement plan • Sub-state ORCU OFLP team engages with woreda- and kebele-level officials (woreda administrators and experts, DAs) and other actors to coordinate OFLP interventions and related initiatives across sectors that have an impact on forests (promoting a landscape management approach). • Facilitates coordination with OFLP-related initiatives (liaising with executive-level focal points and OEFCCA above, as needed) • Ensures that ER verification is carried out through a third party. • Ensures delivery, implementation, and reporting on the agreed BSM for the OFLP ERPA. • Carries out strategic communication through OEFCCA. • Acts as secretariat for the REDD+ Steering Committee and REDD+ Technical Working Group and participates actively in meetings. 	<p>staff at the state level. Under the OFLP, new staff will be added as follows: 5 new staff at the state level, 3 OFLP lead facilitators, 38 woreda coordinators, and 6 safeguards coordinators at the sub-state levels.</p> <ul style="list-style-type: none"> • Institutional Capacity Building (Subcomponent 2.1) and Safeguards management (Subcomponent 2.4)
OFWE	<ul style="list-style-type: none"> • In OFWE concessions, implements part of the PFM, livelihoods and A/R activities financed by the OFLP grant in accordance with the MoU to be signed between OEFCCA and OFWE. Sites are not yet selected. • Participates in the REDD+ Steering Committee and REDD+ Technical Working Group. • Provides items for joint annual work program and budget approval (facilitated and coordinated by ORCU). • Reports to ORCU on OFLP implementation. 	<ul style="list-style-type: none"> • Implements PFM in targeted Woredas in its concession (Subcomponent 1.3.1) in accordance with the MoU to be signed between OEFCCA and OFWE, and also AWPB and PP Assessments of land-use-related regulations, policy, and law (Subcomponent 2.2) • Participates in the design and implementation of the Forest MIS

<i>Institution</i>	<i>Accountabilities in the OFLP</i>	<i>Examples of accountabilities for specific activities financed by the OFLP grant</i>
BoA	<ul style="list-style-type: none"> • Appoints OFLP focal point. • Participates in the REDD+ Steering Committee and REDD+ Technical Working Group. • Provides items for joint annual work program and budget approval (facilitated and coordinated by ORCU). • Reports to ORCU on M&E, FM, and program management, including participating in comprehensive landscape carbon accounting <p><i>Note: Signs MoU with OEFCCA. The MoU will define how the BoA DAs will be deployed to implement OFLP.</i></p>	<ul style="list-style-type: none"> • Assessments of land use-related regulations, policy, and law (Subcomponent 2.2) • Extension support and coordination with forest extension
BoWME	<ul style="list-style-type: none"> • Appoints OFLP focal point. • Implements specific activities financed by the OFLP grant (i.e., marketing of cooking stoves). • Participates in the REDD+ Steering Committee and REDD+ Technical Working Group. • Provides items for joint annual work program and budget approval (facilitated and coordinated by ORCU). • Coordinates all land use-related activities spatially at the woreda level with other bureaus and enterprises. • Reports to ORCU on M&E, FM, and program management. <p><i>Note: Signs MoU with OEFCCA. The MoU will define how the BoWME implements activities financed by OFLP.</i></p>	<ul style="list-style-type: none"> • Assessments of land use-related regulations, policy, and law (Subcomponent 2.2) • TA to NICSP implementation in Oromia, with a focus on forest areas
BoRL	<ul style="list-style-type: none"> • OFLP focal point appointed. • Implements specific activities financed by the OFLP grant (that is, woreda land-use planning at the sub-basin level). • Participates in the REDD+ Steering Committee and REDD+ Technical Working Group. • Provides items for joint annual work program and budget approval (facilitated and coordinated by ORCU). • Coordinates all land use-related activities spatially at the woreda level with other bureaus and enterprises. • Reports to the ORCU on M&E, FM, and program management. <p><i>Note: Signs MoU with OEFCCA.</i></p>	<ul style="list-style-type: none"> • Lead sub-basin land-use planning support (Subcomponent 1.1) • Assessments of land use-related regulations, policy, and law (Subcomponent 2.2)
Bureau of Roads	<ul style="list-style-type: none"> • Appoints OFLP focal point. <p><i>Note: Signs MoU with OEFCCA. MoU will define accountabilities.</i></p>	Guidelines on forest-smart roads (to be discussed)
OFWE branch office	<ul style="list-style-type: none"> • Reports to ORCU on M&E, FM, and program management. 	n.a.
Zone administration office	<ul style="list-style-type: none"> • Highest government administrative body providing political leadership support to OFLP through coordinating zone-level sectoral development activities. • Ensures that OFLP achievements and challenges are discussed at the zone council meetings, thus providing timely administrative and technical support to program implementation on the ground. • Acts proactively in resolving conflicts, whenever they happen during OFLP implementation, in coordination with the relevant zone sector offices. • Ensures OFLP lead facilitator and safeguards coordinator get the required support from sector offices when such support is required. 	<ul style="list-style-type: none"> • Forest management investments: A/R and PFM • ILUP preparation and enforcement in the zone • Energy-related activities: ICS and biogas • Safeguards

<i>Institution</i>	<i>Accountabilities in the OFLP</i>	<i>Examples of accountabilities for specific activities financed by the OFLP grant</i>
	<ul style="list-style-type: none"> • Liaises with relevant regional institutions maintaining two-way information flow for facilitating smooth implementation of the program. • Oversees and ensures appropriate use of OFLP resources by implementing sector entities. 	
ZoEFCCA	<ul style="list-style-type: none"> • Leads and administers the three OFLP lead facilitators, 38 OFLP woreda coordinators, and six OFLP safeguards coordinators—all part of ORCU staff. • Together with the OFLP lead facilitators, facilitates the coordination of inter-sectoral activities. • Provides administrative and technical support to respective WoEFCCs. 	Forest extension capacity development (Subcomponent 1.2)
OFWE district office	<ul style="list-style-type: none"> • Coordinates its land-use-related activities spatially at the woreda level with other bureaus (led by the Woreda Land-use Planning Unit and ZoEFCCA). • Implements agreed on-ground activities in the OFLP AWPB. • Reports on implementation progress to OEFCCA/ORCU. 	Implements part of PFM in high forest concession areas (Subcomponent 1.3.1) in accordance with the MoU to be signed between OEFCCA and OFWE, and also AWPB and PP
WoEFCC	<ul style="list-style-type: none"> • Facilitates coordination of OFLP-related activities horizontally at the woreda level and with other relevant bureaus/institutions. • 38 selected WoEFCCs will host the OFLP woreda coordinators. • Implements PFM and A/R activities (Subcomponent 1.3) in 49 deforestation hotspot woredas outside of OFWE concessions. • Appoints OFLP focal person for the implementation of PFM and A/R activities (Subcomponent 1.3) in 49 deforestation hotspot woredas outside of OFWE concessions. • Trains woreda level experts on the safeguard requirements of OFLP. 	Implements PFM activities (Subcomponent 1.3.1) in 49 deforestation hotspot woredas outside of OFWE concessions and AR activities (Subcomponent 1.3.2).
WoA	<ul style="list-style-type: none"> • Coordinates its land use-related activities spatially at the woreda level with other bureaus and enterprises (led by the Woreda Land-use Planning Unit). • Provides human resource support (DAs) at kebele level. 	Extension support and coordination with forest extension
Woreda administration office	<ul style="list-style-type: none"> • Highest government administrative body at the woreda level providing political leadership support to OFLP through coordinating woreda-level sectoral development activities. • Closely supervises and coordinates planning and implementation of OFLP activities and REDD+-relevant activities in the woreda. • Ensures that OFLP achievements and challenges are discussed at the woreda council meetings, thus providing timely administrative and technical support to program implementation on the ground. • Acts proactively in resolving conflicts, whenever they happen during OFLP implementation, in coordination with the relevant sector offices. • Ensures OFLP woreda coordinator gets the required support from sector offices when such support is required. • Liaises with relevant zone and regional institutions maintaining 	<ul style="list-style-type: none"> • Forest management investments: A/R and PFM • ILUP preparation and enforcement in the woreda • Energy-related activities: ICS and biogas • Safeguards

<i>Institution</i>	<i>Accountabilities in the OFLP</i>	<i>Examples of accountabilities for specific activities financed by the OFLP grant</i>
	<p>two-way information flow for facilitating smooth implementation of the program.</p> <ul style="list-style-type: none"> Oversees and ensures appropriate use of OFLP resources by implementing sector entities. 	
WoWME	<ul style="list-style-type: none"> Coordinates its land use-related activities spatially at the woreda level with other bureaus and enterprises (led by the woreda land-use planning unit). 	<ul style="list-style-type: none"> Biogas demonstration (Subcomponent 2.2) TA to NICSP implementation in Oromia, with a focus on forest areas
WoRL	<ul style="list-style-type: none"> Coordinates its land use-related activities spatially at the woreda level with other bureaus and enterprises (led by the woreda land-use planning unit). 	n.a.
Woreda rural road office	<ul style="list-style-type: none"> Coordinates all land use-related activities (that is, road siting and cross-drainage) spatially at the woreda level with other bureaus and enterprises. 	n.a.
Kebele administration office	<ul style="list-style-type: none"> Under the oversight of the relevant sector woreda offices, coordinates the work of the DAs in agriculture, water, household energy, and forests, in implementing and monitoring OFLP activities at the lowest administrative level. 	n.a.
Community-level user association	<ul style="list-style-type: none"> Coordinates forest-dependent community inputs and interest into the program planning and implementation process. Assists in identifying livelihood activities. Participates in the implementation of livelihood and reforestation activities. Participates in OFLP site monitoring. 	n.a.
Private sector business	<ul style="list-style-type: none"> Participates in the REDD+ Steering Committee and REDD+ Technical Working Group. Coordinates all land use-related activities spatially at the woreda and local levels with other bureaus and enterprises. Carries out activities not financed by the grant but which should be coordinated under the OFLP umbrella Participates in dialogues with the government on enhancements to regulations, policies, etc. 	Development of value chains and domestic and international market opportunities that reinforce sustainable land use management (not financed by the grant)
NGO/civil society organization, union, university	<ul style="list-style-type: none"> Participates in the REDD+ Steering Committee and REDD+ Technical Working Group. Potential partners in the implementation of some of the grant activities, such as PFM and A/R, and/or TA and analytics. 	n.a.

4.8 Spatial and Thematic Coordination

4.8.1 Regional State Level

54. ORCU will serve as a platform and secretariat for (i) joint work planning, budget formulation, compiled procurement planning and reporting for OFLP, and (ii) for forest-related policy development/harmonization involving (as needed) the Executives of Oromia Regional State, OEFCA, and all relevant bureaus.

4.8.2 Local Levels (Zonal and Woreda)

55. The OFLP Lead Facilitators hosted by OEFCCA zonal offices will (i) reinforce zonal and woreda capacity to coordinate the implementation of sector programs, projects and operations, (ii) lead implementation of activities directly funded by OFLP financing, and (iii) support safeguards management.

56. The OFLP woreda coordinators hosted by OEFCCA woreda offices will (i) reinforce woreda capacity to coordinate the implementation of sector programs, projects and operations, (ii) lead implementation of activities directly funded by OFLP financing, and (iii) support safeguards management.

57. The OFLP safeguards coordinators hosted by OEFCCA zonal offices will (i) reinforce Woreda capacity to coordinate implementation safeguards management, and (ii) lead implementation of safeguards management activities directly funded by OFLP financing.

5. DETAILED ACTIVITIES AND IMPLEMENTATION PROCEDURES BY COMPONENT

5.1 Overall Program Description

58. The OFLP will have three components. The US\$18 million mobilization grant will finance activities under two components over a five-year period: (a) Enabling investments (US\$11.55 million) and (b) Enabling environment (US\$6.45 million). These funds will be channeled to the FDRE as a recipient executed (RE) grant. The third component will consist of up to US\$50 million of ER payments for verified ERs as they are delivered over a long-term period. The components overlap in time as shown in Figure 2.

5.2 Component 1: Enabling Investments

59. This component has three subcomponents, namely: (5.2.1) Sub-basin land-use planning support (US\$0.52 million RE grant)⁹; (5.2.2) Investment and extension services (US\$6.98 million RE grant)¹⁰; and (5.2.3) Forest management investment in deforestation hotspots (US\$4.05 million RE grant)¹¹.

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61.

5.2.1 Sub-component 1.1: Sub-basin land-use planning support

5.2.1.1 Overview of ILUP

62. OFLP will promote integrated landscape management interventions across the regional State of Oromia. As such, preparation and implementation of an integrated sub-basin level land use planning at woreda and community levels is very crucial for successful implementation and attainment of OFLP objectives. The prime objective of Integrated Land use Planning (ILUP) is to facilitate allocation of land to the uses that provide the greatest sustainable benefits and to promote the transition to a sustainable and integrated management of land resources.

63. This component will focus on developing tools, knowledge and skills required for completing on-going Sub-basin ILUPs by the Regional State of Oromia. This component will specifically support to:

- Development of Simplified Integrated Land Use Plan (ILUP) manual and technical training syllabus; and

⁹ includes physical and price contingencies of 3.2 percent.

¹⁰ includes physical and price contingencies of 3.3 percent

¹¹ includes physical and price contingencies of 3.3 percent

- Strengthen Regional and Woreda capacity on integrated master land-use preparation and enforcement (sub-basin level ILUP) for Woreda Land Use Planning Team and woreda sector experts

64. ORCU in consultation with BoRLAU will contract an international ILUP Specialist to be attached to the Oromia Bureau of Rural Land and Environmental Protection (BoRLAU). The Specialist will assist in ensuring: effective multi-sector coordination during master land-use plan development at regional level and technical training for woreda LUP team and woreda sector experts to contribute in LUP decisions and enforce the already prepared integrated land-use plans.

65. In YR1, the focus will be in hiring an International ILUP Specialist, preparing a simplified ILUP manual, and finalizing the training syllabus. During YR2-5, the focus would be on providing technical support to the actual ILUP operation of the Bureau and technical training of regional and woreda experts.

66. BoRLAU will lead on this activity and develop a costed annual work plan and budget thus contributing to the development of the procurement plan, which will be consolidated by ORCU. In addition, the multi-sector land-use planning team (LUPT) led by the BoRLAU will be part of the Oromia REDD+ Technical Working Group, which will approve the land use planning activity finance by the OFLP, thereby supporting multi-sector involvement in land use planning and management of trade-offs. The BoRLAU prepares implementation guidelines to support implementation of the land use plans and these guidelines define different agencies' and stakeholders' roles. To this end, the accountability of BoRLAU is clearly indicated in the Memorandum of Understanding (MoU) signed among OFLP implementing entities.

67.

68.

69. OFLP will render Technical assistance to ensure the active participation of stakeholders in an integrated land use planning process, including decision makers and as well as communities at grass roots as a primary users of the land, from the beginning.

70. To contribute to OFLP's objective, the land use planning process in Oromia will be integrated and interactive:

➤ Integrated

- combines elements of both the bottom up and top down approach
- takes into account the complex biophysical and socio economic variables which determine the land use system
- considers legal and institutional aspects which facilitate the implementation of the plan

➤ Interactive

- it is a negotiation process, in which land users interact among themselves and with specialists
- Depending on the scale of the plan,
- different levels (national, regional, woreda, local) interact in the planning process

71. In order to ensure the sustainable management of land resources within Oromia, the integrated land use planning process would be based on:

- i. **Problem identification and formulation of the objective:** As OFLP will create an opportunity to initiate further need for ILUP in Oromia, all activities would be framed in a clear objective to this end.
- ii. **Recognition of stakeholders and their differing objectives:** The planning process shall engage anyone, or any group, or any institution having an interests in, or being affected by, an issue or activity or transaction, and therefore has a natural right to participate in decisions relating to it. The stakeholders include:
 - those having control of a resource
 - those needing or seeking control of, or access to, a resource
 - those who are affected by the use of resources by others
- iii. **An enabling environment and regulatory policy:** Land use plans and land use planning activities at various levels would be “in tune” with each other and not be contradictory. Village (kebele) development plans should be in line with woreda development plans, and woreda development plans should agree with regional and national land policies. A number of laws and regulations should also be in place, concerning the natural resource management and the environment.
- iv. **Effective institutions:** Land use planning needs consultation, endorsement and decision making at various levels. Implementation of land use plans needs long-term supervision, monitoring and action. For this to happen, effective institutions are needed with a clear mandate. It is not important what these institutions are called, as long as they represent all sectors and most important stakeholder groups and are empowered to make decisions. It is mostly the government at various levels to facilitate and ultimately control these institutions, although membership should include representatives from all stakeholders.
- v. **Platform for negotiation:** Land use planning usually involves tradeoffs between the stakeholders and negotiations have to take place. The negotiation stage of land use planning is probably the most important of all stages, and its outcome will determine the success and durability of the whole exercise. The institutions identified at various levels can also serve as platform for negotiation. The Land use Planning Team (LUP) will be the key institution for negotiation and settlement of disputes at local level. When conflicting objectives of different stakeholders or land disputes cannot be resolved at the lowest level, they can be referred to the subnational body. The courts are a last resort if negotiation fails to resolve a dispute.
- vi. **Efficient and accessible knowledge base:** Effective negotiation and decision making on land use cannot take place without a knowledge base that is useful and accessible to all stakeholders. The type of information needed very much depends on the nature and objectives of the land use plan, and may include the following:
 - Land Resources: climate, topography, soil, water, vegetation, present land use
 - Improved technologies of resource management
 - Current living conditions, problems, needs and objectives of stakeholders
 - Institutional and legal framework; land tenure to land, water, trees and wildlife
 - Socio- economic information: physical infrastructure, population
 - Economic conditions such as prices, markets and interest rates

In case of local level planning, much of the information can be collected and analysed by the community themselves, through Participatory Rural Appraisal (PRA) Experts from outside may give advice, provide options, or facilitate the negotiation process, but the final decisions should always be made by the land users themselves.

- vii. **Land use planning procedures:** Land use planning should follow a clear set of procedures. Although procedures may differ at various levels, the overall method is the same at all levels.
72. To ensure the sustainable management of land resources in Oromia and achieve the OFLP's goals in integrated landscape management, the ILUP would take account the following nine key elements indicated in figure 4 below. The details of each element is provided below.

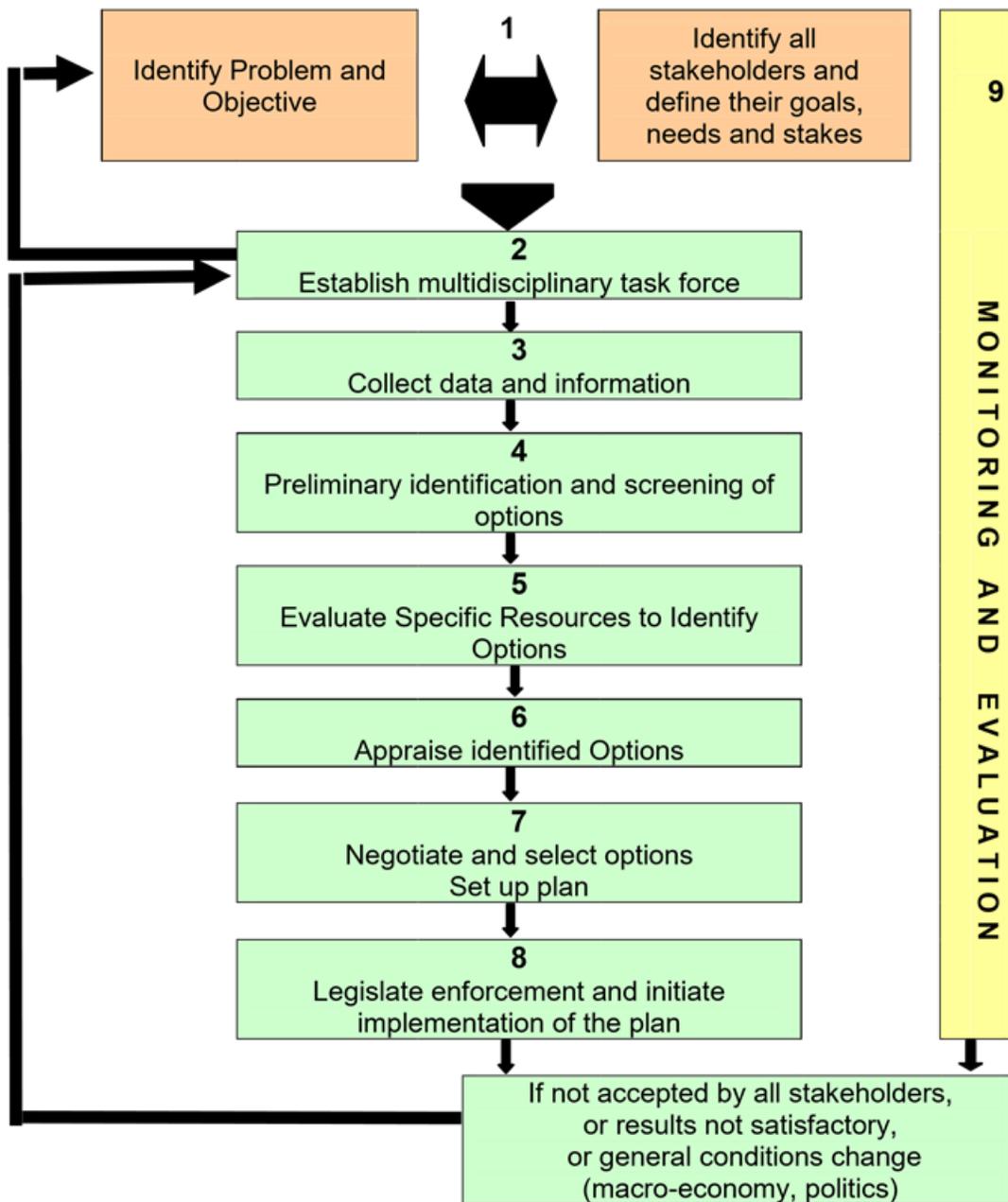


Figure 4: The nine key elements of ILUP

Step 1: Identification of land use problems and stakeholders; formulation of objectives: this involves formulation of an objective which aims at development in woreda and/or targeting a particular community. The objectives could consider short-term and long-term aspects and be focused on sustainable development of the woreda and/or the community and their respective land resources. An essential part of “step 1” is information sharing and the creation of awareness for the affected population about the purpose of land use planning activities and the

issues to be addressed. Therefore, a continuous public information and awareness (PIA) creation campaigns is an instrument for this. The modules for the PIA will be developed as part of the simplified land use planning manual. This will be later complement the PIM.

Step 2: Establishment of Multidisciplinary Taskforces and Institutions: this involves establishing of team which has a stake in a land use planning exercise, mandated to formulate and implement a land use plan or land use policy. The Land Use Planning Team (LUP) at woreda level would serve this purpose.

Step 3: Collecting Data and Information: This involves collection of basic data and information about the land, the physical infrastructure, the people and the organization of administration and services.

STEP 4: Preliminary Identification and Screening of Options: this involves identification and review of improved land use options to address land use problems and achieve the formulated objective.

Step 5: Evaluating Resources for the Identified Options: this involves evaluation of the land use options against the stated objectives of a specific land use planning exercise.

Step 6: Appraisal of Identified Options: the identified land use options must be appraised according to financial and economic viability, social acceptability and potential impacts on the environment.

STEP 7: Negotiating and Deciding upon Options; Set up Plan: At this stage of the planning cycle the stakeholders will actively participate in the negotiation process to defend their own interests.

STEP 8: Implementation, Promotion and Enforcement of the Plan: this stage involves the implementation of the land use plan formulated.

STEP 9: Monitoring and Evaluation: Monitoring and Evaluation (M&E) is given as the last step, it should be performed throughout the planning and implementation process.

5.2.1.2 Local Level ILUP Approaches in Oromia

73. The local level ILUP approach in Oromia follows a bottom up planning approach in which land users and relevant stakeholders participate in the process of identifying and prioritizing problems and potentials of a land unit for sustainable planning. This approach is based on simple and quick methods of natural resources and socioeconomic data inventory, analysis, evaluation and decision making on types of land preferred by land users with assistance from natural resource experts. The approach involves:

- Wereda and Kebele local level participatory planning teams and Kebele level sub teams;
- Provision of adequate training to planning teams;

- Provision of the required technical and material resource;
- Identification of a planning unit area;
- Standardizing scale & determination of the smallest land unit and technologies to be used. Acceptable scale for local level participatory land use planning in this case is >1: 10,000 provides information which unit of land need to be used for which appropriate alternative uses and management interventions based on characteristics and qualities of land units. The parcel level planning scale ranges 1: 2,000 and 5,000.

74. The Woreda level participatory land use planning in Oromia involves multi-disciplinary taskforce team. For instance at woreda level the planning team is composed of (ideal condition (>10 experts) and minimum scenario (4 experts):

- Land Use planning expert (Team Leader)
- Soil Conservation Expert
- Land tenure expert
- Forestry Expert
- Agronomist
- Water Harvesting /Irrigation Expert
- Livestock Expert
- Food Security Expert
- Economist/Socio-economist/Agro-economist
- Cooperative/Marketing and Inputs Expert
- Rural Road Construction Expert and etc.

75. Functions of the Woreda land use planning taskforce team are to:

- Participate in the selection and prioritization of kebele based community watersheds in the *Woreda* using 1:50,000 topo-maps. At the moment, a considerable area of the Oromia Regional State has been covered with Orthophoto with ground resolution of 0.25 to 0.5 m. These existing products along with high resolution satellite images could be used in land use planning given their good visualization potential. The focus is to identify kebele and micro-watershed (250-1000ha). The criteria for selection of Kebele and micro-watersheds include:
 - encroachment of communal and state lands
 - high land use conflicts
 - degradation levels
 - levels of food insecurity (to decide what options are suitable)
 - protection of potential areas
 - specific objectives (water, flood protection, major reclamation, and others)
 - manpower and resources availability and etc.
- Organize orientation and training of DAs in rural land use planning and implementation issues, on-the-job training, preparation of information kits and teaching aids;
- Assist DAs during land use planning preparation;
- Collect and review kebele land use plans, prepare *Woreda* level aggregated land use plans, and use the plans for upgrading of *Woreda* strategic plans;
- Assist coordination between different watershed land use plans, particularly for specific interactions that need to be carried out jointly between communities;

- Provide technical support and training to DAs and farmers, including promotion of field days and experience sharing;
 - Assist in mobilizing and coordinating resource requirements for implementation of land use plans;
 - Coordinate additional technical support from *Woreda*, zone or regions as required
 - Prepare proposals for linkages/synergies with other institutions, for example health, education, rural roads etc;
 - Ensure timely result-based monitoring using participatory approaches and yearly review of land use plans by DAs and communities;
 - Assist in proper documentation, dissemination and networking of land use development plan activities in the *Woreda*;
 - Hold regular meetings every two weeks to review the progress;
 - Undertake *Woreda* level pre-planning work and
 - Formation of Kebele land use planning Team.
76. The Kebele level participatory land use planning in Oromia involves:
- Chair man of the Kebele council;
 - Kebele council member responsible for rural development;
 - Kebele Manager;
 - Religious head of the Kebele;
 - One male and female representatives from each micro-watershed;
 - Representative of the youth;
 - Chairperson of the Land Administration Committee;
 - Chairman of a cooperative;
 - Chairman of water management/users committee;
 - Chairman of forest management committee;
 - Chairperson of women's association;
 - One community elder;
 - Principal of school;
 - Head of health post;
 - Rural road and communication representative and
 - DA (coordinator).
77. The functions of the Kebele land use planning taskforce team are to:
- Ensure land use and management planning is organized in each community;
 - Set priorities based on needs and watershed logic;
 - Coordinate interventions that concern more than one kebeles or two Kebeles;
 - Responsible for resources allocation;
 - Assist in targeting and quality control;
 - Settle disputes and provision of support on specific issues like land certification in consultation with Kebele Land Administration and Use Committee (KLAUC) ;
 - Provide overall guidance on watershed land use planning and management requirements;

- Assist communities in monitoring and evaluation, compilation of reports, training and organization of field days and experience-sharing within and between kebeles;
- Hold a regular meeting once in two weeks to review progress made.

78. The Micro-watershed land use planning team should be composed of at least 10 individuals of which 5 or more should be women. The following are recommended members:

- The Community leader (also representing the community at *kebele* level);
- Four male-headed households representing different social groups (including vulnerable) and living in different parts of the community;
- Four female-headed households representing different social groups (including vulnerable) and living in different strata of the community (down to top);
- One youth representative;
- One religious representative and
- Others as required by the community (innovative farmers, respected people, women's group, and others).

79. The functions of the micro-watershed land use planning (MWLUPT) team are to:

- Serve as a permanent contact with the woreda and kebele land use planning team and task force, the rest of the community/target group and local leaders during planning, implementation and monitoring and evaluation;
- Identify problems, opportunities, priority setting and plan preparations and
- Ensure the watershed liaison with other communities located within the broader watershed unit.

5.2.2 Sub-component 1.2: Investment and Extension services

80. This sub-component seeks to coordinate on-the-ground implementation of landscape management interventions across Oromia. It will finance the operating and administrative costs of key technical personnel who will be responsible for management and coordination of OFLP related activities on-the-ground. Specifically, this component will finance:

- 3 Lead Facilitators (LFs) (see Annex 5 for respective ToRs),
- 38 Woreda OFLP Coordinators (see Annex 5 for respective ToRs), and
- trainings, operating costs and basic fixed assets such as vehicles, motor cycles, office equipment, furniture and computers.

81. OEFCCA/ORCU will hire three Lead Facilitators (LFs) to be hosted at three of the 20 zone offices of OEFCCA (Nekemt, Adama and Shashamane). The LFs will be responsible for providing administrative and technical support to the OFLP Woreda Coordinators and will bring together advice and knowledge on forest, agriculture, natural resource management, livestock, household energy, and income generation, as well as reporting. Each LF will cover approximately seven zones and will report to the OFLP coordinator.

82. Three accountants will be assigned in the same three zones of the OFLP lead facilitators. The accountants will support the lead facilitators together with the OFLP woreda coordinators and OFWE

branch offices to work on program related budgeting, payments, documentation of source documents, compilation of financial reports, among others. 38 OFLP woreda coordinators will be hosted in 38 selected woreda offices of OEFCCA and will be responsible for implementing and coordinating the OFLP activities at the woreda level. Each coordinator will cover an average of seven woredas. This includes facilitating overall planning, implementation, monitoring, and reporting of OFLP at the woreda level to ensure harmonization and integration of activities that are financed directly by OFLP and other related initiatives in the woredas, across sectors. The OFLP woreda coordinators will report to the OFLP lead facilitators and work closely with them as well as the existing DAs at the kebele level. In addition, 26 drivers will be recruited at the zone and woreda levels to support implementation of OFLP activities in the field using the 26 vehicles planned to be procured from the grant proceeds. Six of the 26 drivers will work with the OFLP lead facilitators and safeguards coordinators, while the remaining 20 will work with the OFLP woreda coordinators. Operating costs will cover vehicles and/or car rentals and/or transport fees.

83. In addition to the above staff, this sub-component will also finance trainings, operating costs and basic fixed assets such as vehicles, motor cycles, office equipment, furniture and computer that will be used for the day-to-day management, coordination, monitoring and reporting of OFLP activities.

84. OEFCCA zonal and Woreda offices together with ORCU will be responsible for administering OFLP's LFs and Woreda coordinators. Those OFLP staff will consult with relevant partners and sectoral offices at the Zonal, Woreda and Kebele level to develop corresponding annual work plans and budgets as well as identify procurement items that will be respectively consolidated in the OFLP annual work plans, budgets and Procurement Plan (PP) by ORCU. Besides with the staffing costs, the bulk of the budget under this sub-component will help to acquiring fixed assets in YR1. YRs 2-5 will essentially include the staffing costs, trainings, and operating costs.

5.2.3 Sub-component 1.3: Forest Management Investment

85. This sub-component aims to develop, conserve and sustainably manage forests in sites to be selected from the 49 woredas identified as deforestation hotspots (See Annex 4). More specifically, activities to be promoted under this sub-component include: (i) afforestation and reforestation (A/R) on degraded forest lands and (ii) participatory forest management of natural high forests and livelihoods support.

5.2.3.1 Afforestation and Reforestation (A/R)

86. Forest establishment in areas of deforestation hotspots will help to restore forests and reduce environmental degradation and boost provisioning of forest goods and ecosystem services. This will be realized through developing of forests on lands that have not been forested for long period of time (Afforestation) and re-establishing of forests on lands where forests were removed or destroyed (reforestation) recently.

87. This activity set will finance trainings, goods, civil works, and operating costs for the establishment of woodlots on household and communal land for fuelwood and construction material

production (poles, planks, etc.), using indigenous and exotic species. It will therefore include the costs of seedling production (material purchase such as plastic bag, nursery tools, and seeds) in addition to daily labor cost for nursery workers, transportation of seedlings. It should be noted that the costs of plantation on the ground, and maintenance of planted areas would be covered by those communities and households planting woodlots. This activity set is expected to generate direct benefits through capacity-building on A/R technologies, seedling production, plantation and maintenance; and to establish around 9,000 hectares of woodlots. It will directly address the drivers of deforestation related to biomass consumption.

88. The forest extension agents and individual communities from 49 deforestation hotspot woredas will be trained and equipped with a first-hand skills and knowledge on (i) forest nursery establishment and management, and(ii) plantation establishment and management techniques. Ninety-four experts (two from each Woreda office of agriculture, one forester and one agroforestry expert) will train 1,081 forest extension agents representing each kebele from 49 Woredas who will later provide training to 16, 215 gender disaggregated individuals; 5 individuals represented from each of the Kebele that falls within those deforestation hotspot Woredas. Subsequent trainings will be provided from PY1 through PY3.

89. The OEFCCA , in coordination with the ORCU, will lead the A/R activities by: (i) identifying appropriate sites for A/R; (ii) mobilizing communities; (iii) providing training to extension workers and community members; and (iv) providing technical and material support to those farmers and communities interested in implementing A/R. The areas to be planted should follow local land use plans, where they exist. OEFCCA will develop annual work plans and budgets for these activities as well as identify procurement items that will be respectively consolidated in the OFLP annual work plans, budgets and Procurement Plan (PP) by ORCU. During PY1, the focus will be on elaborating training syllabus and conducting the training which is followed by establishment of private and community nursery for seedling production and some planting. During PYs 2 to 4 the bulk of planting activities will happen together with continued support to building community capacity.

90. ORCU, through its OFLP Woredas Coordinators, monitor the planted areas, and prepare regular GIS-based reports on: (i) success rates of planted areas; (ii) fires and pests occurring in planted areas; (iii) forest management actions undertaken (pruning, harvesting, etc.). The Forest Information System being to be set up by ORCU would accommodate this type of data. Planting material would come from existing nurseries either managed by OFWE, Woreda Office of Agriculture or private nurseries.

The procedures for establishing forest plantations is detailed below.

91. Similar silvicultural practices will be deployed to establish plantation forests through afforestation and reforestation, involving two main sets of activities,(i) nursery establishment and management and (ii) plantation establishment and management. The measures to be undertaken under each sub-set of activity will be as follows.

Nursery Establishment and Management

92. Forest Nursery Establishment and Management in deforestation hotspot areas will be the first step toward the effort of afforestation and reforestation. The nursery site will be selected by the respective woredas, based on criteria presented below. It entails activities such as (i) selection, preparation, design and layout of Nursery site(s), (ii) Establishing the nursery infrastructure and facilities and (iii) production of seedlings.

93. The nursery sites to be selected need to be (i) near main access road, (ii) flat but well-drained and not subject to either inundation or erosion, (iii) close to soil of light texture, and (iv) well-placed relative to the plantation sites. However, whenever available use of nurseries established by the woreda offices of Agriculture would reduce the high costs of their establishment.

94. Preparation of nursery site will involve removal of tree and vegetation cover so as to eliminate all the unwanted vegetation including trees, shrubs and small plants. Besides, the top soil will be removed and replaced by surface dressing. It is advisable that the shape of the nursery would be compact, can either be square or rectangular to increase the efficiency. Ridges of terraces and wind break will be constructed to control erosion and wind while fencing will keep out animals and provide a measure of security.

95. The nursery site will be designed to accommodate the following main functions:

- Administration area: the inclusion of an office and storage facilities will be optional as it depends on the size and useful life span of the nursery.
- Operational area: adequate space will be provided to accommodate the following operations: (i) Extracting, drying and processing of seed: (ii) Preparation of germination trays and potting mixtures, (iv) Screening compost and soil, (v) Filling pots and (vi) Soil shed for soil mixing and filling of containers and (vii) Composting area
- Production areas: Production area will consist of germination bed and transplanting area.

96. Nursery infrastructure will be minimal and kept largely to that which can be constructed using local materials and labour. All watering will be by hand using watering cans. A small water storage pond will be dug alongside each nursery and storage sheds will be built using local materials (thatched roof, earthen floor and mud/dung and pole walls).

97. Nursery beds and shading will also be constructed from locally available materials. Black plastic sheeting, however, maybe used to line the convex bottom of beds before placing the pots to reduce the need for root pruning and to aid in nursery phytosanitation. Beds will be 1m wide with an adjoining path of 0.5 - 0.6m wide. Beds will be 20m long separated by carriageway of 2-3m at the end of adjoin bed rows.

98. Seedling raising using pots is the most widely practiced method of seedling production in Oromia. Potted Seedlings have better survival rates than bare-rooted seedlings when they are planted out in the field. Therefore, afforestation and reforestation activities financed by OFLP would entirely depend on the supply of potted seedlings.

99. Plastic bags or Polyethene tubes having a flat lay diameters 7cm, 10cm, 12cm, 15cm and 20cm will be used to prepare pots as appropriate. The polyethene tube having a flat lay diameter of 7

cm is optimum for tap-rooted species like eucalyptus. The bigger sizes are best suited for tree species having a fibrous lateral root system. Care should be taken while deciding the size of tube to be used for a species as it has a direct impact on cost of production. The polyethylene roll of tube has to be cut to a certain length (about 15 cm).

100. Nursery potting mixture or growing medium will be composed of local soil (top soil), sand and well decomposed organic matter such as manure or compost. In general, a good nursery soil mixture should have the following characteristics although the optimal substrate may vary for each species:

- It is light in weight to facilitate transport but holds seedlings firmly in place
- It does not shrink or swell in a way that may damage the plants
- It retains water but allows proper drainage and aeration of the roots
- It contains the necessary nutrients to allow plant growth and development
- It does not contain weed seeds, high level of toxic salts, harmful fungi, bacteria or insects
- It can be sterilized without changing its characteristics
- Its quality is consistent from year to year.

101. Seeds that can be found abundantly and have relatively high germination rates can be directly sown on potted containers to minimize the cost of transplanting onto pots. However, most of the tree seeds will be allowed to germinate under a more controlled environment in the germination bed. The seedlings will be later transplanted into pots when they have developed the first pair of true leaves. Transplanting helps to produce healthy seedlings that grow vigorously because of the removal of competition.

102. Timely routine nursery care and tending of young and delicate seedlings will be conducted to ensure the production of healthy and quality planting stocks. Those include proper watering, frequent weeding, cleaning, and root-pruning.

103. Nursery diseases will be managed by reducing inoculums of potential pathogens in seedling production areas and promoting conditions which are non-conducive for pathogen infection and spread in the nursery. Treating with chemical pesticides should be the least desirable and last implemented management approach, although sometimes this is the only way to prevent extensive losses.

104. Hardening-off will be done to help seedlings survive after out-planting in harsher field conditions. This can be done by (i) removing from shaded and exposing to sunlight progressively, (ii) pruning of roots, reducing the amount of watering gradually until out-planting time and stop applying fertilizer toward the end of the stay in the nursery.

105. The seedlings or planting stock will be graded and weak seedlings will be culled before they are packed for transportation.

106. All nursery establishment and management will be under the supervision of Natural Resource Management Expert of the respective Woreda Office of Agriculture and Natural Resource (WoANR).

The day to day running of the nurseries will be managed by the Development Agent (DA) of the respective WoANR.

107. Labour productivity in nursery-related activities will be based on the previous experience of the OFWE, as well as other forestry projects in Oromia.

Plantation Establishment and Management

108. Forest plantations will be established using healthy and vigorous planting stocks. To establish plantations, the following activities will be undertaken: (i) plantation site selection, layout and matching with appropriate species, (ii) plantation site preparation, (iii) seedling planting and (iv) tending of planted seedlings.

109. The plantation sites shall be selected through active participation of the local community, and should be in agreement with the local land use plan. The area should currently be non-forest, communally owned and not suitable or recommended to be under other land uses like agriculture, infrastructure and grazing land.

110. Site selection for A/R should be based on a comparison of candidate sites to be identified within each of the 49 deforestation hotspot woredas. The sites to be selected should qualify to develop community woodlots for fuel wood and construction, watershed protection or rehabilitation through assisted natural regeneration, and commercial timber plantations. In each of deforestation hotspot woredas, multiple candidate sites for A/R may be selected to meet one or more of the above mentioned goals. To meet either of the objectives of plantations, sites to be selected should:

- demonstrates good cost effectiveness compared to other candidate sites;
- be a large degraded area ready for A/R compared to other candidate sites;
- have regeneration potential with the existence of soil seed banks and ground stumps to regenerate, good soil depth;
- located in a community that is motivated to act, provide in-kind contributions, organize into a co-operative, and refrain from forest degradation outside the A/R site;
- have a relatively poor community compared to other candidate sites;
- have access to planting materials either from nearby government or private nursery.
- have a reasonable area of demarcated land (state owned, or communally managed) ready for A/R
- have possibility of replicability
- have no on-going competing intervention in the same;
- be relatively accessible for supervision, compared to other candidate sites (e.g. distance from roads and cities; this is mainly for the purpose of project management and monitoring of results;
- be near existing forest;
- be near riparian forests, and will use only native species (this helps biodiversity connectivity and help protect the waterways) (note: If exotic species are used, then the criteria should be avoided).
- be in areas where DAs exist on the ground working under capacitated Woreda experts;

- be where the local community in the candidate sites agrees to limit free grazing practice until A/R interventions are established well;
- be located in an area where state is ready to cover the cost of resettlement in the candidate site (if required)

111. Technical criteria for A/R site selection

A. Size of unused and degraded land available: If the available degraded land is large, the resulting ecological and social benefits from restoration are also great. The potential site for restoration should also be communal area or clusters of several communal areas within a broad landscape, and that can already been set-aside for restoration (currently unused) and will not cause displacement of the local community or loss of agricultural production.

Landscape in a key watershed, with up to 500 ha or more is preferred. Besides, the smallest restoration plot size should be a strip or a patch bigger than or equal to 5 ha.

Scoring

3= Presence of a cumulative potential area for afforestation/reforestation greater than or equal to 500 ha.

2= Presence of a cumulative potential area for restoration of 250 to 500 ha.

1= Presence of a cumulative potential area for restoration of less than 250 ha.

B. Presence of plantation forest or restored forest area: This provides a benchmark (i.e. species used, growth rates achieved, markets supplied) for use in planning A/R. Such demonstration areas can be especially valuable where forestry has not been a traditional land use.

Scoring

3= Presence of a cumulative plantation or restored forest area greater than or equal to 100 ha.

2= Presence of a cumulative plantation or restored forest area of 50 to 100 ha.

1= Presence of a cumulative plantation or restored forest area less than 50 ha.

C. Carbon sequestration potential

The carbon sequestration potential of a site depends on various biophysical and climatic conditions, plant species, soil depth and fertility, rainfall, temperature and the like. In selecting potential sites, the ability to increase carbon storage must be assessed carefully. Based on existing information, either from plantations or restored forest areas, a baseline annual carbon storage potential should be estimated.

3= Ex ante estimated potential of sequestering more than 4 tons CO₂e per ha annually

2= Ex ante estimated potential of sequestering 3-4 tons CO₂e per ha annually

1= Ex ante estimated potential of sequestering less than 3 tons CO₂e per ha annually

D. Environmental priority areas: areas with significant environmental problems, such as uplands with eroding slopes, watersheds of important dams/rivers or polluted areas affecting other land users in the landscape are priority for A/R. The most relevant environmental issue is related to eroding slopes within watershed of important dams or rivers. Based on slopes' sensitivity to erosion, it can be categorized as: highly fragile if the slope is over 60%; moderately fragile if the slope is 30-60% and less fragile if the slope less than 30%. This sensitivity is also recognized in national land use policy, which designates highly fragile areas for non-agricultural environmental protection purposes, moderately fragile areas for agriculture only with appropriate soil and water conservation measures are taken and the less fragile slope for agriculture and other economic use.

Scoring

3= sites with more than **30%** of the total landscape categorized as ***highly fragile*** and located within valuable watershed for dams/natural water systems (lakes, rivers, wetlands) protection.

2= sites with 10-30% of the total landscape area **highly fragile**, or over 50% of the total area categorized as **moderate to highly fragile** and located within valuable watershed for dams/natural water systems (lakes, rivers, wetlands) protection.

1= less than areas 10% highly fragile, and a relatively stable landscape with low contribution to watershed protection for dams/water systems.

E. Opportunity cost: Opportunity costs are critical in determining whether A/R actions can be realistically and sustainably implemented. The project will not be sustainable where the foregone revenues or subsistence needs exceed the benefits (monetary and non-monetary). Districts in which A/R implies a high opportunity cost will be given a low score. A positive net-gain especially on the side of communities will be considered to be more desirable. At this stage only a preliminary assessment is possible, based on available data or proxies of the potentials of the nominated sites. In areas where forest is traditionally managed to generate income for the

livelihood of the local community (e.g. medicinal plants, bamboo, forest coffee, honey, spices, gums and resins production), A/R can be if plantation also incorporates NTFP source species. In such situations, gains from A/R implementation may exceed opportunity costs. Hence, presence of forest based livelihood will be taken as proxy.

Scoring:

- 3 = gains likely to exceed opportunity costs (additional revenue from more than one NTFPs produced in restored forest)
- 2 = gains likely to just exceed opportunity costs (additional revenue from at least one NTFP produced in restored forest)
- 1 = gains are less than opportunity costs (no additional revenue from A/R/ no NTFP).

F. Presence of strong potential implementing partners (non-state actors): Sites with a high number of strong project partners that may reinforce or accelerate the project development and implementation activities will be preferred.

Scoring

- 3 = >2 potential implementing partners
- 2 = 1-2 potential implementing partners
- 1 = no potential implementing partner

G. PFM in operation or other natural resources management agreement: Participatory forest management (PFM) is the involvement of forest-adjacent communities in sharing the responsibilities and the benefits from forest management. PFM indicates an advanced process of forest management including establishment of community institutions and development and implementation of forest management plans. For the success of project implementation, it is best to select sites where agreement of PFM arrangement is near completion, or there is some form of organized forest/ natural resources user groups.

Scoring

- 3 = PFM or other NRM agreements in place i.e., resource management plans and by-laws are approved at the local level

2 = PFM or other NRM agreements in the making i.e., resource management plans have been submitted to the local level authorities for approval; and clear bi-laws for members have been discussed and negotiated, but is not yet signed

1 = PFM or other NRM agreements are at early stages or not yet initiated

H. Biodiversity value: Biodiversity co-benefits are integral to the National REDD+. REDD projects in areas with high biodiversity values are likely to fetch a better price on voluntary markets and be perceived as contributing to higher national and international benefits. Similarly, A/R activities that contribute restoration of degraded forest biodiversity and ecosystem services are given high priority. Such forests may also tend to get non-market co-funding for achieving REDD.

Scoring

3= Use of more than 10 tree species seedling in planting

2= Use of 5 to 10 tree species seedlings in planting

1= use of less than 5 tree species seedlings in planting

I. Potential for poverty alleviation: sites with medium to high levels of poverty will be preferred. A/R is more likely to make significant impact on human livelihoods in these localities than in localities with richer populations, and a project has the potential to create new livelihood options where there are currently few alternatives. In giving preference to localities (sites) with high poverty levels, the project also has the potential to contribute to the national development agenda.

Scoring

3= Presence of high level of poverty (over 40%)

2= Presence of medium level of poverty (25-40%)

1= Presence of low level of poverty (less than 25%)

J. Watershed protection service: Forests and trees affect the hydrologic behavior of a watershed, including the quantity and quality of stream flow, erosion, and sedimentation. In

general, natural forests yield the highest quality of water of any ecosystem. The role of trees and forests can be viewed in terms of watershed protection, enhancement of water resources, and watershed rehabilitation. Protection of watershed in the highlands of Ethiopia is very important for protection of hydropower and irrigation dams, and agricultural lands downstream. Sites that are found in upstream of important dams and river systems are given priority, and score high.

Scoring

3= Sites within a watershed that has current or potential for more than one large dams for hydropower, irrigation and vast areas for diverse economic development downstream.

2= Sites within a watershed that has current or potential for a dam for hydropower, irrigation and areas for diverse economic development downstream.

1= Sites within a watershed that has little potential for large hydropower/ irrigation dams downstream.

Weighing

All criteria have equal weights in evaluating a site for selection. Sites will be ranked according to their cumulative scores. A site with highest total or mean score will be selected for piloting.

112. The choice of tree species to plant on a site will be an early and very important step of the planning process. Tree species can have very different requirements in terms of soil nutrient and moisture resources, and sites can vary widely in the extent or character of resource regimes. Therefore, by careful matching of species and sites, the chances of achieving a healthy and productive forest will greatly be improved. While selecting the species for planting in a particular area the following points shall be considered:

- The soil and climate of the area is suited to the growth of a particular tree species,
- The species selected for planting are in accordance with the plantation policy of the Government,
- The species selected should meet the multi-purpose requirements of the villagers living in the vicinity,

113. Planting site lay-out will consist of four activities: (i) Spacing decision, (ii) area survey and marking operation, establishing of firebreak line around the forest plantation as boundary protection line, and (iv) mapping of the location of the plantation. Table 5 provides general guidelines of plantation layout.

Table 5: General guidelines on how to lay-out a forest plantation.

Activity	Methodology
Area survey/ marking boundaries	<ul style="list-style-type: none"> - Instruments: Compass (or GPS) and distance measuring tape - Permanent marking clearly visible for all corners and intersection points
Firebreak line establishment	<ul style="list-style-type: none"> - Where there are no existing roads, paths or watercourses within the forest plantation - Permanent line with no flammable vegetation or use fire resistant species (green-break) - Width of firebreak according to surrounding vegetation height (cleaning of 2-15m)
Tree spacing	<ul style="list-style-type: none"> - Spacing 1 - 2 m: fuelwood, maximize yield, short rotation, no small size limit - Spacing 2 - 4.5 m: Sawn timber, large log size 30 cm+ in DBH, long rotation, regular thinning - Squared or rectangular spacing on flat land; triangular spacing on sloping land
Marking planting lines and pits	<ul style="list-style-type: none"> - On slopes <15 degrees, establish base line (1 or more) parallel to a convenient road or track - Mark the location of the start of the planting lines along the base line with poles - Use compass and rope marked with fixed intervals to trace the planting line, at right angles to the base line - Mark the planting pits with sticks/pegs along the marked rope - In steep terrain, use a simple level (or A frame) to mark planting pits along contour lines
Mapping	<ul style="list-style-type: none"> - Scale 1:50 000: General planning of the location of forest plantation areas - Scale 1:10 000: Activities planning for forest plantation or area >10 ha - General planning of location for forest plantation of area <10 ha - Scale 1:5 000/1:2 500: Activities planning for forest plantation of area <10 ha

114. Spacing or planting density will vary with objectives, forest type and condition, and species. Trees planted at wider initial spacing tend to have increased stem taper, bigger knots, reduced average density, higher grain angle, a larger juvenile core and poorer stem straightness, resulting in sawn timber with inferior mechanical properties and dimensional stability. Wider spacing also means that there are fewer trees to select amongst when thinning, and at very wide spacing there is the risk that the biological capacity of the site may not be fully utilized. However, at wider spacing establishments costs are lower, tree stability is improved and a merchantable volume is achieved earlier.

115. Plantation site preparation or development will involve clearing vegetation that may compete with plants for moisture and nutrients, provide good rooting conditions for the plants and create conditions where dangers of fire are kept to a minimum. The extent of preparation needed for the planting site would depend on purpose of plantation, species to be planted, existing vegetative cover, and soil conditions.

116. After clearing the land and before digging of pits, pit sites should be identified by using a measuring tape to ensure the desired spacing and then mark with wooden or bamboo sticks at the spot that will be the centre of the pit. Pitting will be undertaken manually using hand tools to excavate a pit of 40cm diameter and 30cm deep. Pits should be deep enough to ensure that the roots of the plants do not curl up once the planting material is placed in it. The soil dug from the pits should be dumped close to the pit. While digging stones, roots of trees, grass or shrubs, if any, should be separated so that while filling the dug up earth back in the pits these are not mixed with the soil. The spacing of pits varies according to the planting scheme for different areas (see plantation site lay out guideline provided above). The timing of pitting is not as exacting as for other plantation activities but should not be undertaken so early to allow overgrowth by weeds.

117. The planting will commence each year immediately after the first good rains as the occurrence of the rainy season usually determines the planting time. Evapotranspiration stress at planting is one of the main causes of initial death of planted seedlings. To minimize planting stress, seedlings should be planted when the soil moisture level has returned to field capacity, ie, after approximately 100 mm of steady rain has fallen; during cloudy days; and using well-watered seedlings. Table 6 provides guidelines for planting techniques.

Table 6: Guidelines for planting techniques

Activity	Methodology
Planting method for bare root seedlings	<ul style="list-style-type: none"> - Dig a small (20-25 cm deep) planting pit or open up a slit with a hoe or spade or mattock - Seedlings are inserted up to the root collar level with the ground, using one hand - Soil is carefully filled back with the other hand and pressed with the foot around the seedling
Planting method for container grown seedlings	<ul style="list-style-type: none"> - Dig a small (slightly bigger than the container) planting pit with a hoe or spade or mattock - Remove the container and position the seedling in the pit with the root collar level with ground - Fill back with soil and firm with the foot around the seedling
Soil additives	<ul style="list-style-type: none"> - Infertile sites usually may require addition of NPK (nitrogen, phosphorus, potassium) fertilizer. - Mix fertilizer with small amount of soil and place the mixture in the bottom of the planting hole - In dry areas, it is advantageous to mulch the soil surface near the freshly planted seedlings
Watering	<ul style="list-style-type: none"> - Rarely necessary if planting done during the rainy season - In dry areas, or if no rain has fallen within 1 week of planting, watering is necessary to

Activity	Methodology
	maintain an acceptable survival rate of seedlings
Quality control	<ul style="list-style-type: none"> - Essential to identify most efficient techniques as well as causes of non-performance of plantation - Quality control measures include: planting depth of seedlings; seedling root contact with surrounding soil (no empty spaces); firmness of seedlings; and seedling root - Position in the planting hole (roots not crowded together)

118. The following conditions are essential for successful planting:

- the seedlings should be vigorous with active root system
- the labour should be well trained
- good planting tools like sharp hoes, pick axe with narrow blade, planting auger, small semi-circular spade etc should be used
- planting should be done when the soil is moist enough, i.e. planting starts in the beginning of the rainy season and should be completed as soon as possible so as to give the plants enough time to develop a deep root system before the onset of the dry season
- deep planting is essential, particularly in areas of marginal rainfall
- the soil should be well pressed around the roots so as to hold the seedlings firmly upright
- ensure that polythene tube is removed without disturbing the tubed soil.

119. Maintenance of the young delicate newly planted seedlings involves beating-up or replanting, protection and guarding and weeding operations. Table 7 provides guidelines for maintenance of forest plantation.

120. If the survival rate of the planted seedlings is too low, the most important rule is to carry out replanting (beating up) within the first year of plantation establishment, i.e., the following planting season, to ensure minimum variation of plantation ages. Replanting represents an added cost, therefore relatively high losses can be acceptable, provided the dead seedlings are evenly distributed. Beating up is only necessary if survival is less than 80% and, when blanks are not evenly distributed.

121. The maintenance or tending activity for a successful plantation involves the protection and guarding of the planted area from fire, animal damage by grazing/browsing and human trespass for cultivation. It is always necessary to clean all firebreaks on an annual basis. Guarding the plantation is an on-going job.

122. Weeding requirements vary with the site, the tree species, as well as the existing weed species in the vicinity of planted seedlings. In wet areas, herbaceous growth tends to smother even fast growing trees and in dry areas, the weed plants compete with trees for scarce water. Annual weeding

requirements will be high if the spacing between planted seedlings is large enough to allow sufficient light to penetrate and facilitate the rapid growth of weed plants.

123. Weeding will be undertaken up to four times during the establishment of the plantation according to need, i.e., twice in the first year, once each during the second and third years. The early weeding is the most important if undertaken in thorough and timely fashion will allow rapid seedling growth and may obviate the need for weeding during the third year. Weeding should be commenced early after finishing planting in September and October to ensure that active growth continues as long after planting as possible and is not constrained by premature moisture stress and competition for nutrients by weeds. A second weeding in the first year will be undertaken at a time according to need but at least before the onset of the June rains. The third weeding should take place probably in September/October. Final weeding can be undertaken as required.

124. The labour requirement for weeding will depend on the season, type of weed and density of weed growth. As such weeding will be the most labour intensive and most costly of all establishment activities but is essential to ensure survival and the early high growth rate of planted seedlings.

Table 7: Guidelines for maintenance of forest plantation

Activity	Methodology
Replanting (Beating up)	<ul style="list-style-type: none"> - For reliable estimation of survival rate, select randomly to cover the range of planting conditions - Assessment should be done at the end of each planting season and the gaps filled the following season - Failed patches large enough to allow serious weed invasion usually merit replanting; evenly distributed seedling losses as high as 20% could be accepted, since less thinning will be needed later
Fire protection and guarding	<ul style="list-style-type: none"> - Clean the firebreak established around the plantation at the beginning of the long and short dry season - Protect against fire, human encroachment and animal browsing
Weeding	<ul style="list-style-type: none"> - Cut grasses, Gramineae or shrubs using machete or axe - Cleaning: 1 m or more each side of the tree until tree height >2 m; for trees with height >2 m, remove only shade overhead and climbers (where 25%+ infested trees) - Frequency: first year (twice); second and third year (once/year) until tree height >2 m - Timing: after/before the rainy seasons

125. Pruning will be conducted as required by silvicultural characteristics of species and as appropriate. Pruning will typically be applied to improve timber quality and value. It is the removal, close to the branch collar or flush with the stem, of side branches and multiple leaders from a standing tree. Lateral pruning removes branches because they form knots, which are a common defect of lumber and reduce timber value. The retention of large, dead branches low on the trunk is particularly counterproductive. Corrective pruning removes multiple leaders to improve stem form.

Sometimes, pruning is applied to control disease, improve aesthetics or accessibility. Pruning is usually done during the dormant season (fall and winter) because trees can be damaged more easily during the summer. Dead and live branches should be cut close to the stem to reduce the time of healing. It is important not to damage the branch collar to ensure optimal healing. Table 8 provides guidelines for pruning of forest plantation.

Table 8: Guidelines for pruning of forest plantation

Activity	Methodology
Low pruning	<ul style="list-style-type: none"> - Where low branches are persistent (this will depend on species and spacing) - Purpose: create easy access for thinning operations, produce knot-free timber, provide fodder, leaf mulch, fuelwood, etc. - Remove branches for all trees as soon as this can be done, up to 2 m above the ground without exceeding half of total tree height - Removal of branches is done with pruning scissors or a curved pruning saw mounted on a long pole - Avoid the use of a machete or axe because it is difficult to make a clean cut - If no thinning is planned, low pruning may not be necessary
High pruning	<ul style="list-style-type: none"> - The most promising trees selected for final harvest are pruned, approximately 200 trees/ha, and is usually done at same time as thinning - Pruning height is usually less than half of total tree height, approximately 5-7 m - The pruning is done with curved pruning saw mounted on an extendable pole (4-5 m) - Avoid the use of a machete or axe with ladder because it is difficult to make a clean cut - Pruned branches should be removed from the base of tree to reduce fire risk

126. Thinning will be conducted as required by silvicultural characteristics of a species and as appropriate. Thinning will be conducted in stands past the sapling stage to reduce stand density, primarily to improve tree growth, enhance tree health, or recover potential mortality. It entails the removal of trees to temporarily reduce stocking to concentrate growth on the more desirable trees. Normal thinning does not significantly alter the gross production of wood volume. Thinning does impact stand growth, development, and structure. It provides the main method, implemented between regeneration and final harvest, to increase the economic productivity of stands.

127. Thinning schedule: How and when thinning is applied in forest plantation depends on:

- Objectives and desired benefits of the forest plantation.
- Ecological considerations (e.g. site quality, species composition, stand structure, and stand condition).
- Economic considerations (e.g. costs and benefits, incentives, local markets).

- Social considerations (e.g. regulations, aesthetics).
- Other past and planned management activities.

128. A schedule of thinning for a stand should identify the thinning methods to be used, the intensity of application, and when thinning will occur. Ideally, the application of a thinning schedule should be a systematic, yet flexible endeavor consistently followed throughout the rotation.

129. All plantation establishment and management will be under the supervision of Natural Resource Management Expert of the respective Woreda Office of Agriculture and Natural Resource (WoANR). The day to day running of the plantation will be managed by the Development Agent (DA) of the respective WoANR.

130. Labour productivity in plantation-related activities will be based on the previous experience of the OFWE, as well as other forestry projects in Oromia

5.2.3.2 Participatory Forest Management and livelihoods support

131. The grant for this activity set will finance consultants, workshops, travel, goods, and civil works for OEFCCA and OFWE to support CBOs to manage approximately 120,000 ha of targeted forest blocks within the targeted 49 woredas located in deforestation hotspots through PFM, and to promote livelihoods activities, in sites to be identified using priority criteria to be developed and included in the PIM. This activity is expected to increase incentives for the protection of natural forests through forest patrolling, fire management, and restoration. OFWE will implement in targeted woredas within its concessions, whereas OEFCCA will implement in targeted woredas outside of the OFWE concessions

132. The OEFCCA leads this subcomponent, and implementation on the ground is shared jointly with OEFCCA and OFWE. OEFCCA will implement on the ground in sites to be selected in targeted woredas outside the OFWE concessions while OFWE will implement on the ground in sites to be selected in targeted woredas within its concessions. An MOU on joint implementation of OFLP detailing the implementation modalities will be signed among OEFCCA, OFWE and other relevant implementing bureaus. To mobilize communities and engage in activity implementation on the ground, DAs will be deployed by OEFCCA while OFWE will deploy its own district experts who have already been implementing PFM with communities in OFWE concessions. OEFCCA will, in the near-term, rely on DAs under the authority of the BoANR, who are responsible for NRM and forest until such time as OEFCCA has its own core of DAs in place.

133. OEFCCA will develop the annual work plan and budget, including procurement items, for this subcomponent, with inputs from OFWE and BoANR. ORCU will consolidate the annual work program, budget and procurement plan. It is expected that OFWE will manage its own budget to implement its PFM and livelihoods activities. The procurement plan will define which entity carries out a given procurement.

134. The objectives of this sub-component would be to contribute to the long-term conservation and improvement of forest condition in Oromia through adoption, expansion and implementation of

Participatory Forest Management (PFM) in targeted forest blocks within 49 woredas with deforestation hotspots(Annex 4). All forest areas/ blocks bigger than 20 ha within the target woredas shall be adminstred under the PFM arrangement. In addition to conservation and improvement of forest consitions, PFMwould contribute to poverty reduction and improvement of livelihoods in forest dependent communities through providing support for viable forest based businesses led by Community Based Organizations (CBOs).

135. Participatory Forest Management (PFM),as it has been adopted in Ethiopia,is used to describe systems in which communities and government institutions providing technical services in the forest sector work together by defining the rights of forest resource use, identify and develop forest management responsibilities, and agree on how forest benefits will be shared.

136. The PFM approach rests on the premise that people will conserve forest resources if they have secure user rights to the forests, if they gain more benefits by retaining forest resources and if these benefits are directly linked to the existence of the forest. The approach is gaining increasing recognition as the most feasible strategy for the sustainable management of forest resources while taking into account the levels of rural poverty and the role of forests in rural livelihoods.

137. PFM has been implemented in Ethiopia for over two decades. In 1991, the Oromia Regional State working with Farm Africa established the first PFM initiative in Ethiopia in Chilimo forests site. Some years later in 1999, the Oromia Regional State working with SOS Sahel Ethiopia set up the Borena Collaborative Forest Management Project. From 2010 through 2015, PFM has been aggressively scaled-up in Oromia by the Scaling-up Participatory Forest Management (SUPFM) Project of the Ministry of Agriculture (MoA) and the Strengthening Sustainable Livelihoods and Forest Management Program (SSLFMP) of Farm Africa with financial support obtained from European Commission (EU). At the moment, OFWE has institutionalized PFM internally as official strategy for sustainable forest management. This sub-component will build on decades of experience of PFM implementation in Oromia.

138. PFM maybe based on traditional systems of community-based natural resource management where well established roles and responsibilities for the resource management exist or in the absence of traditional systems, new systems can be established by taking into account the specific situation of the area.

139. The harmonized PFM guideline developed by the then Ministry of Agriculture will be used to implement community based forest management activities. Accordingly,PFM will be implemented in three phases, namely (i) Mobilization Phase, (ii) Planning Phase and Implementation Phase. The detailed PFM implementation process can be found in harmonized PFM guideline prepared by Ministry of Agriculture (MoA). It is anticipated that ORCU as a Program Management Unit (PMU) will prepare simplified PFM guideline in due course that can be consistently applied throughout the Program.Figure5 below presents the PFM process flow chart and the summary of PFM processes in Annex 6.

140. Forest site selection for PFM should be based on a comparison of candidate forest sites to be identified within each of the 49 deforestation hotspot woredas. The criteria for proritization of cabndidate sites for investment is indicated below.

- Candidate site includes a community that is motivated to act, provide in-kind contributions, organize into a co-operative, and refrain from causing forest degradation outside the PFM site -- compared to other candidate sites.
- Candidate site includes a relatively poor community compared to other candidate sites.
- Replicability potential of the candidate site.
- Presence of no on-going competing intervention in the same forest area;
- Readiness of the state to cover the cost of resettlement in the candidate site (if required);
- Candidate site is relatively easily accessible for supervision, compared to other candidate sites (e.g. Distance from roads and cities; this is mainly for the purpose of project management and monitoring of results.
- Extent and speed of deforestation and forest degradation
- Existence of more dependent people on forest for livelihoods (sale of timber, honey, coffee, incense, seeds, medicine, firewood etc) as compared to other candidate sites
- Potential for maximizing the benefits from NTFP value addition (timber processing, fodder, coffee, honey, incense, seeds, medicine, firewood,tourism, as well as ready markets for these products)
- Potential delivery of ecosystem services such as watershed protection or biodiversity conservation.
- Existence of DAs on the ground working under capacitated Woreda experts.
- Existence of contiguous forests
- Significant size of the natural forest (eg >5000ha)
- Adjacent to already organized PFM cooperatives
- Existence of established traditional practices and norms for managing natural forest (eg. Geda system)





Figure 5: PFM Phases/ PFM Flow Chart

141. Like presented in the above PFM flow chart however, PFM implementation doesn't necessarily require to follow a sequential order. Some activities such as participatory monitoring, PFM planning and organizing community could be done at the same time.

Phase I: Mobilization Phase

Step 1: Getting Started

142. This step involves a series of activities that include (i) choosing forest site for PFM, (iii) establishing PFM implementation team, (iii) orienting stakeholders, (iv) meeting and briefing with Kebele leadership, kebele assembly and community members.

143. Forest blocks falling within the 47 woredas identified as deforestation hotspots will be targeted for PFM implementation. The following criteria will be used in prioritizing woredas for PFM:

- access to the forest sites,
- extent of threat and existence of contiguous forest blocks,
- shortage in forest goods supply
- evidence of a positive attitude of community towards forest conservation

144. The PFM process will be implemented by a multidisciplinary team comprising of Woreda OFLP Coordinator, Forest extension or PFM expert from branch or distinct OFWE office, Cooperative Promotion office (CPO) expert from Woreda Cooperative Promotion Office (CO) and Natural Resource Management (NRM) or forestry expert from WoANR. The Forest extension or PFM expert from OFWE branch or district office will be a PFM focal person and s/he will coordinate all PFM activities within the woreda.

145. The woreda PFM implementation team will conduct briefings with woreda council, kebele, leaders, elders and influential and concerned individuals representing the community on PFM. The meeting will start at woreda level and continue meeting lower level administrative bodies in the presence of woreda representatives as a gesture of support. At all levels it is important to carry out historical forest situation trend analysis and then introduce PFM using the PFM brochure.

146. The woreda PFM implementation team will meet and brief the Kebele leadership, with an objective to develop a good rapport. In addition, it will meet with the community groups of three or two or kebele level general assembly with an objective to discuss forest management issues, create awareness on PFM, and reach consensus to do PFM in their locality.

Step 2: Familiarization of PFM purposes and processes

147. The PFM familiarization process involves (i) identifying and defining primary and secondary stakeholders community groups, (ii) identify forest uses and gender issues, (iii) training on woreda level facilitation team on PFM.

148. The purpose of identifying primary and secondary stakeholders and community groups will be to identify and define the main stakeholders as either primary or secondary stakeholders in terms of their influence and importance in the implementation of PFM. This process will help to identify and define community groups to be involved in PFM. Primary stakeholders are those who live in and around the forest and are most affected by the outcome of PFM planning process and secondary stakeholders are mostly not living in the area and are indirectly or less affected by the outcome of the planning process. Mostly those community members who used to reside in the area but have currently left though still maintaining traditional right to utilize NTFPs such as forest coffee could be considered as secondary stakeholders. The primary stakeholders would determine the process. The primary stakeholders would determine the process owing to their importance to the process and the capacity to influence the outcomes of the forest management practice. Once the primary stakeholders are identified, the process would be finalized with the establishment of a planning committee.

149. The stakeholders will be divided into different interest groups depending on gender, wealth, age, and individual preferences of forest uses. In addition, stakeholders will be analysed based on gender roles, labour, power, decision making process, access to and control over the resources, forest use etc. as well as analyse of constraints to women's participation in PFM process and develop strategies to overcome these constraints to ensure active participation of women in PFM implementation.

150. Introductory training on PFM will be provided to woreda level PFM facilitators and development agents to help them initiate and lead PFM planning process. The PFM training will be designed to include the following contents for better understanding and success:

- Introduction to the training
- What is PFM: definition, objectives of PFM
- Why PFM and forest management
- PFM developments in the world, Africa and Ethiopia
- Impacts of PFM, environmental, economic, social, cultural and political
- Principles of PFM and success factors for PFM
- Challenges of PFM implementation
- Lessons learned from PFM implementation in Ethiopia
- PFM process, the six steps of PFM process
- What needs to be done in their locality to initiate PFM? And what action points were identified?

Phase II: Planning Phase

Step 3: Participatory forest resource assessment and management planning

151. Participatory forest resource assessment and management planning will involve three complementary activities: (i) Participatory forest boundary mapping with blocks and sub-blocks, (ii) Conducting Participatory Forest Resource Assessment (PFRA) and (iii) Forest Management Planning

152. Participatory forest boundary mapping with blocks and sub-blocks will be carried out with the purpose to delineate the boundary of the forest area to be handed over to the community group under the PFM scheme. Participatory forest boundary mapping can be a form of a sketch map with forest blocks and sub-blocks when necessary. The map should display important information, such as forest boundaries, physical features (such as rivers, roads, paths), and key forest resources. It is usually done by the planning team and elders together with neighbouring community and kebele administration representatives, together with the PFM Implementation team.

153. Steps to be followed in forest boundary demarcation include:

- Make sure that a fair representation is seen in the group of community representatives.
- Discuss on the importance of forest boundary map and summarize that the map will be their legal document with some revisions if necessary.
- Ask the team to draw the perceived boundary of the forest they are accessing by drawing on the ground, a blackboard or a large sheet of paper with natural features, bordering farm plots, and boundary with other neighbouring community (Note that bordering community representatives are there and ensure they agree on internal boundary of the forest between community groups).
- Facilitate discussion on issues arising while drawing boundary.
- Verify by walking along the edge of the forest to mark the outer boundary; if available use GPS to take coordinates (Note that forest includes land designated as a forest land by the forestry service or the community).
- Write down local names of the area you are crossing and other features like roads, rivers, that serve as boundary mark and remarks that help to translate into topographic maps
- After finishing the outer boundary, if the block has plantation or dense and degraded natural forest or mixed forest try to delineate the boundary of these too (Take note to make the sub compartments few in number)
- Finally, after the facilitator has helped finalized the map, calculate the area in hectares and present the map to the planning team for approval.

154. Forest boundary demarcation will be carried out as per the safeguard requirements of the Program to address the issue of resettlement, restriction of access to clearly also identify the strategic options of demarcating the boundary.

155. Participatory Forest Resource Management will be conducted to gather technical baseline information necessary for preparing a management plan and obtain a detailed knowledge of the resource at the time of the assessment. This will be used to determine any changes in the resource over time (by repeating the assessment for monitoring purposes), and seeing if the changes are as expected from the management prescriptions. If not, then changes need to be made either to the prescriptions, or to the implementation of the prescriptions.

156. The PFRA would be conducted in four major steps:
- a. Preparation: Organize introductory session with the planning team and some additional community members to have a briefing and discussion on the purpose of PFRA; the PFRA process: what kind of information, why and how it is gathered, who should be part of the PFRA team from the community and when the PFRA will be conducted, formation of PFRA team, arrangement of logistics and materials required for the assessment like map of the forest and equipment; planning the PFRA: decide on the number of sample plots to be assessed,
 - b. Conducting the PFRA,
 - c. Reporting/summarizing the PFRA,
 - d. Discussion on management implications of the assessment, what they learnt from the exercise and management actions regarding forest development, forest utilization and forest protection aspects.

Annex 7 provides PFRA Plot Assessment Recording form (PFRATemplate).

The location and condition of each of those plots will be uploaded in a GIS platform so as to monitor them remotely.

157. Forest management planning will be conducted to produce a Forest Management Plan (FMP) which will become part of the key documentation for PFM. The PFRA report will be a key input to develop meaningful, realistic forest management activities based on detailed information about actual forest resource conditions. The PFRA provides the basic information for formulating the main sections of the forest management plan. The Forest Management Plan is approved when the Forest Management Agreement (see step 4) is signed. The Forest Management plan template is provided in Annex 8.

Step 4. Organizing and legalizing community institution(s) & signing FMA

158. Organizing and legalizing community institutions is the fourth step of the PFM planning process but this does not mean that activities of organizing community would start after step three when PFM planning is finalized. Actual activities of organizing community should start soon after the stakeholders are identified and PFM planning team unit is established during the mobilization phase.

159. The main tasks of step four includes (i) awareness raising to the community, establishing of forest cooperatives, (iii) PFM agreement development and (iv) approval and signing of PFM.

160. Forest Management Community institutions will need to be legal, accountable and transparent as they deal with environmental, social and financial management issues that have both individual and collective interest. The planning team and community representatives drawn from whole range of elders, youth, and different interest groups will be informed of the need for legal institution to implement PFM plan and to represent the group having a legal background to interact with the concerned institutions legally in advance to agreement signing. Legal and accountable community institutions can be established at the start of the PFM process or along the process after PFM plan is developed depending on the interest of the community.

161. An expert from Woreda CPO will explain to the community the advantages of establishing cooperatives and what is expected of them to acquire a legal certificate. The community will be informed to prepare a bylaw as a code of conduct for internal administration and a business plan to guide its business development (A Template for such a plan is provided in figure 6 below). The community will discuss on a model cooperative bylaw prepared by one of the forest cooperatives elsewhere section by section to modify, delete and add whatever they think is appropriate taking into account the cooperative principles and interests of the community members.

162. A follow-up meetings, discussions and negotiations will carried out between OFWE and forest management CBOs to formulate the PFM agreement. The PFM Agreement will be signed and will become the legally binding contract document for PFM. The signatories will be the Woreda Administration and/or the OFWE, on behalf of the Oromia Regional state, and the Chairperson and executive committee of the forest management group, on behalf of the community. PFM agreement development: the outline for the Forest Management Agreement will have the following format:

- Introduction/preamble
- Article 1. Definitions
- Article 2. Objectives of the agreement
- Article 3. Location and condition of the forest
- Article 4. Description of agreeing parties
- Article 5. Benefits of the agreeing parties
- Article 6. Rights and responsibilities of the agreeing parties
- Article 7. Termination or withdrawal of the agreement
- Article 8. Duration and revision of the agreement
- Article 9: Approval and signing of forest management agreement
- Article 10 Distribution of the agreement

Annexes of the agreement include:

- List of members and their signature
- Map of the forest
- PFRA report
- PFM plan

163. PFM agreement signing will be the start of a new era in forest management where the community group is becoming a responsible partner in forest management. This will be conducted on a ceremony to be organized where the Secretary or the Chairperson or someone representing the forest cooperative present the process they have gone through and the major rights and responsibilities of the agreeing parties. This could will be conducted during the ceremony at which representatives of government institutions and community are signing of the agreement.

Phase III: Implementation Phase

Step 5: Capacity building and skill development for PFM plan implementation

164. The major activities in PFM plan implementation are forest development, forest protection, forest utilization and forest monitoring activities. To effectively implement these major activities, the community will be provided support in the form of institutional capacity building, technical skill development and administrative support provisions.

165. Institutional capacity of the CBOs will be assessed in collaboration with the executive committee or body of the forest cooperatives and other sub committees. The institutional capacity can be expressed in several ways and can be in terms of effectiveness and efficiency of management actions through the internal bylaws, whether the bylaws are having graduated sanctions and effectively being implemented, transparency of actions taken by executive committee, and whether the committee is encouraging the participation of individual members, particularly women and the poor, and the level of understanding that governance issues may jeopardize the participation of individual members and the functions of the community institution, etc.

166. Technical skill and capacity development will be demand-driven support to the community organizations on forest development, forest protection, forest utilization, and marketing, conflict management, financial management and administrative support. Besides, the CBOs will be provided with livelihoods training to help cooperatives develop livelihood development enterprises such as NTFP production and marketing, wood processing and value addition and market developments by linking them with other forest-based livelihood development actors working on forest-based livelihood options through establishing forest-based livelihood enterprises. Based on the requests from the community to implement PFM plans and annual work plans, Development agents of WoANR will provide technical training support demanded at a time convenient for the community.

167. During implementation of the PFM plan there could be certain instances where the forest cooperative requires external administrative support from other service providers and local administrators. It is the responsibility of the forestry extension worker to help bring such requests to the attention of relevant officers and local administrative bodies in close collaboration with the forest cooperatives. Some of the administrative support required includes community dealings with forest crime and conflict management within the community. Forestry extension workers at local level need to facilitate to secure legal backing for the engagement of cooperatives with offenders. At a higher level, BoA, forestry enterprise and other environmental agencies need to jointly work to mainstream environmental governance at all levels. This includes that prosecutors, the police and the judiciary have to understand and appreciate the community's collective action and be concerned with the damages caused by offenders on community agreements.

Step 6: Participatory Monitoring and Evaluation and Revision

168. The Participatory a PM&E will involve the following main activities: (i) discuss the objectives of PM&E (ii) agree on the elements to be monitored, (iii) decide which information gathering tool is to be used, (iv) conduct PM&E,(v) analyse and present result and (vi) making use of the PM&E findings.

169. The monitoring sub-committee with the involvement of the executive committee of the forest cooperative will take the lead in forming the monitoring taskforce representing the forest cooperatives and also representatives of the government partner. This joint committee formed from representatives of both parties will handle PM&E. The committee will be about 5-7 persons. The monitoring team will be provided with PM&E training at the initial stage.

170. Before starting the process of participatory monitoring, participants of the monitoring team will agree on the elements to be monitored and establish indicators for monitoring. The main elements to be monitored could for example be forest management activities such as development, protection, and utilization and implementation of bylaws, record keeping, duties and responsibilities of different committees etc. The most important indicators are usually not quantifiable and qualitative indicators give more meaningful measures. Some indicators must be objectively verifiable or measurable variables of the forest management system. Example could be number of seedlings planted versus planned; number of regenerating seedlings and saplings since PFM; number of offences recorded since PFM etc. The M&E indicators should be established jointly.

171. The most suitable information gathering tool(s) or methods that should be used to measure changes in above indicators (e.g. ranking, scoring, proportional piling, ladder diagrams, radar diagrams etc.). Before using the method "for real" in the assessment, test it with community members - most methods look easy on paper but require fine-tuning once you start to use them in the field. The information gathering tools should be simple, adjusted to the capacity of the community. Tools such as participatory forest assessment, comparative assessment of work accomplished (as documented) versus plan in the PFMP and annual plans, financial balance sheet, interviews with members, etc. can be used in addition to PRA tools as found necessary.

172. Based on the indicators measure the changes or impacts using the agreed format. E.g. "Before and after" PFM intervention, corrective actions, etc. Use as a guiding principle "less is more". It is better to collect less data and actually use it than to collect data you do not use. Keep asking why particular information is needed and by whom.

173. Data analysis or "making sense of the data" is challenging and often benefits from facilitators input and guidance. It is important not to focus on data collection at the expense of analysis! It is strongly recommended to analyse the data as you collect it, because analysis often inspires new questions that require further data collection. As soon as the analysis is done results should be presented to the FMC general assembly for reflection and learning. The reflection meeting of the general assembly should also reflect on the why, how, when problems happened and list down a tentative gap analysis for which they demand skill development or capacity building.

174. Use results in decision making, planning, implementation, and management of the PFM activities. Based on the results, revision of the plan may be made as necessary to improve performance and gain achievement of goals and objectives.

175. Moreover, a regular five year rigorous evaluation of the PFM processes would be conducted. The evaluation processes needs to develop protocol and indicators by a joint committee of CBO and government representatives. The major component of the evaluation protocol should comprise degree

of achievements of the FMP, internal stability and transparency of the CBO administration, law enforcement processes and others. Evaluation should be conducted at the end of the FMP period. The evaluation process should be bi-directional i.e., not only the state counterpart should target the assessment for the performance of the FMC but also the other way round whereby the community assesses whether the state counterpart is performing its roles and responsibilities. Hence, the purpose of the evaluation should be to reflect on the achievements of both parties whether they are "on course" to achieve the long aims of PFM, and if necessary to make adjustment on their future ways of doing things. Hence, this phase is where the two parties learn from their successes, failures and challenges. Therefore, it will help them to re-adjust some of the fundamentals such as re-negotiate on benefit sharing scheme, roles and responsibility, capacity needs and others.

176. The outputs of step 6 are PM&E procedure and set of indicators to be used for following PM&E, PM&E report, actions from monitoring and List of identified issues for action, follow up report of actions.

177. Time required to complete step six: this step could be finalized in one month's time. The total time required for the whole PFM process could be between 6 to 9 months and if all stakeholders are committed to establish the system, it can be finalized in less than 6 months.

Livelihoods Support

178. The sustainability of PFM gains and REDD+ initiatives to the larger extent depends on contribution to livelihoods improvement of communities who directly depend on the forest. This output focuses on building the capacity of the REDD+ CBOs to establish and manage potential forest businesses, develop quality forest products and forest product marketing skills. Under this outcome, focus will be on ensuring the sustainability of the REDD+ CBOs in terms of economic viability and forest-livelihood outcomes.

179. The activities leading to this outcome focus on improving the livelihoods of forest dependent communities through strengthening promising forest based businesses led by CBOs. By increasing the share of viable non-forest products in household income, OFLP aims to create incentives for local communities to protect forest resources as a valuable source of income.

180. The forest based livelihood assessments will be conducted to allow the program to identify viable forest based products and interested target groups who have a practical background that will enable them to take advantage of new opportunities. The action will build on the target beneficiaries' traditional knowledge, and help them improve product quality and quantity for local and international markets. Through product demonstration, processing, packing, labelling, and marketing, beneficiaries will be able to maximise their value added benefits from traditional products.

181. A number of business potential and value chain development studies related to NRM have been carried out by different projects in Ethiopia. The common conclusion of these studies is that the major key weakness in the value chain is product quality and product quantity of supply. To address this issue the OFLP would adopt the FAO's Market Analysis and Development (MA&D) approach. The MA&D approach is a comprehensive set of business development steps which community

business trainees follow. It is a value chain training that enables communities to understand and act in natural product value chains, from basic natural product identification, to market opportunity and systems analysis, to business plan development. NGO's such as Farm Africa has successfully introduced the MA&D approach to other PFM projects with considerable impact¹².

182. FAO's MA&D process entails four phases, each with a number of steps:

Phase one: Assessing the existing situation

- Step one: Identify potential entrepreneurs;
- Step two: Potential entrepreneurs assess their capacities to become entrepreneurs;
- Step three: Potential entrepreneurs list local resources and products;
- Step four: Potential entrepreneurs identify the main constraints in the market system;
- Step five: Potential entrepreneurs' shortlist potential products for their enterprises;
- Step six: Potential entrepreneurs recognize the benefits of group work.

Phase two: Carry out surveys in order to select products and identify enterprise ideas

- Step one: Potential entrepreneurs collect data on the five areas of enterprise development;
- Step two: Potential entrepreneurs select the most promising products;
- Step three: Potential entrepreneurs reflect on the most appropriate form of enterprise.

Phase three: Preparing an enterprise development plan (EDP)

- Step one: Entrepreneurs analyse the data collected in Phase 2 in order to refine the enterprise ideas;
- Step two: Entrepreneurs prepare their enterprise development plans;
- Step three: Entrepreneurs identify training and assistance needs.

Phase four: Supporting the start up phase of enterprises

- Step one: Entrepreneurs obtain financial resources as estimated in their EDP's;
- Step two: Entrepreneurs receive the necessary training to start up their enterprises;
- Step three: Entrepreneurs start their activities at a pilot level;
- Step four: Entrepreneurs learn how to monitor their enterprise activities and evaluate the enterprise results.

183. Moreover, the program will support enterprise business growth and innovation through establishing a business mentoring programme, whereby experienced business mentors in the natural products sector provide professional advice and coaching in value adding techniques and product development. This will assist forest based businesses to develop partnerships, market linkages, product improvements, new product development and thereby increase their income.

184. Regarding the promotion of forest-based businesses led by cooperatives, the OFWE will identify promising business ideas in sectors such as non-timber forest products (NTFP) (honey,

¹² Piloting REDD+ in the Bale Eco-region of Ethiopia: Strengthening community and regional level institutional capacity for natural resource governance, November 2012, Addis Ababa.

mushrooms, spices, forest coffee), nature-based tourism, and wildlife management (including civet cat rearing). Since this is a pilot activity, the approach is to support business initiatives with a high potential for success (such as initiatives identified with support from other partners, cooperatives already engaged with market activities, business sectors with ‘proof of concept’, and so on). The OFWE will call for proposals and eligible beneficiaries will present simplified business plans for selection by the OFWE (the detail on the template for these simplified business plans is presented below). Eligible beneficiaries will be registered cooperatives who have forest management contracts signed with the government. The ORCU will have a dedicated value chains expert in charge of providing TA to the identified cooperatives in accessing the market, managing funds, and so on. It is estimated that the OFLP will finance 15 promising businesses. No funds will be disbursed to the identified cooperatives, but rather the ORCU will manage the funds on behalf of these cooperatives to finance the proposed business plans.

185. A business plan should provide a comprehensive gathering of ideas and information on potential business and its feasibility. It is an essential tool in starting and managing a new or expanding venture. The template to be used to develop a business plan by the CBOs is presented in Figure 6 and the description of each of the components is provided below.

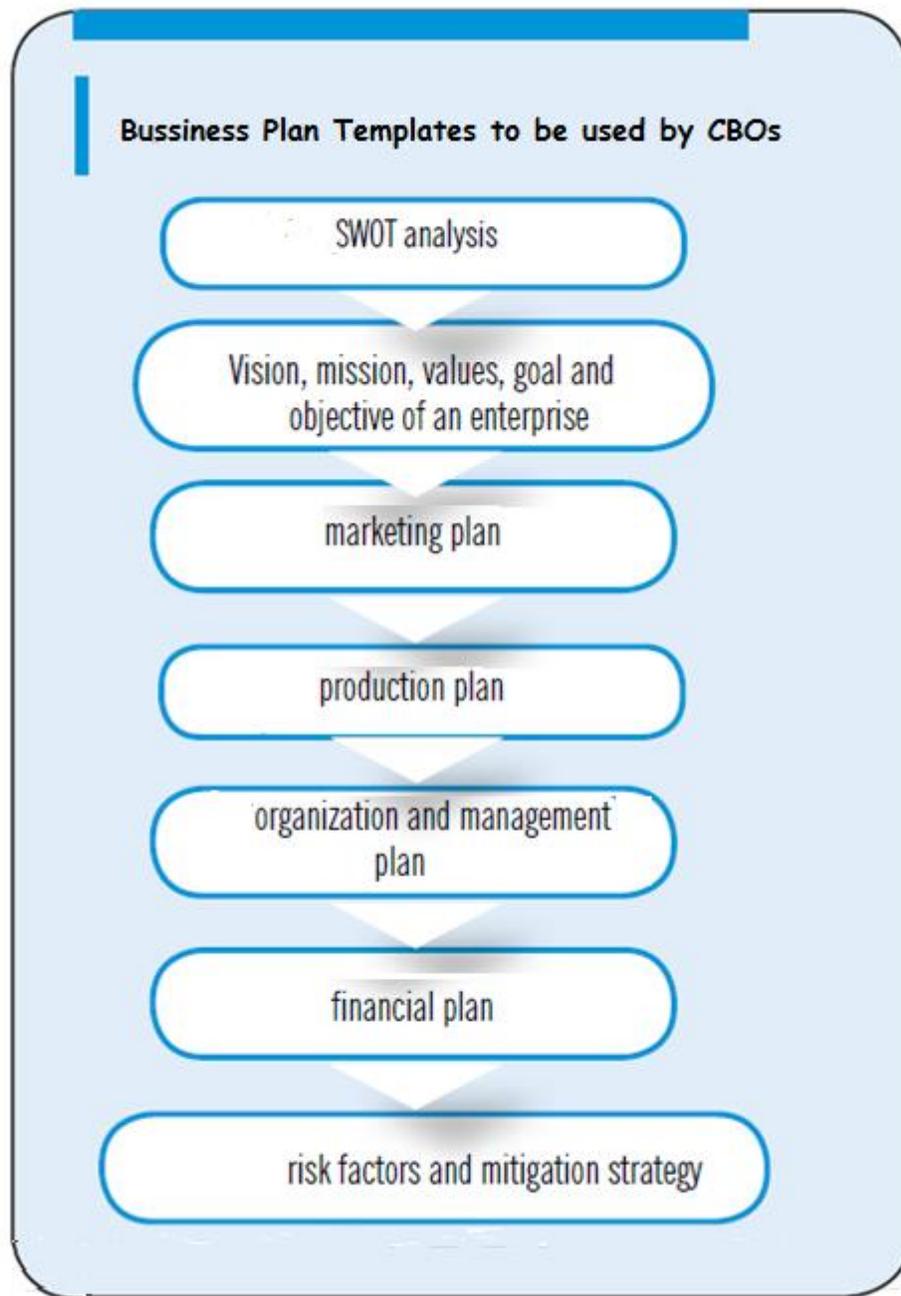


Figure 6: Business Plan Template¹³

¹³ ANSAB (2010): Business Planning For Community Based Natural Products Enterprises. Rural Development Toolkit series. Toolkit 3.

(i) **SWOT analysis:** A SWOT analysis provides idea on what strengths, weaknesses, opportunities and threats prevails with the community for the identified enterprise option. This also suggests how to build on strengths, and minimize effect of the weaknesses.

(ii) **Define vision, mission, values, goal and objective of the enterprise:**

- **Vision:** Vision statement that defines the desired future state of the enterprise or the world in which it operates in terms of its fundamental objective and/ or strategic direction. Vision is a long term view.
- **Mission:** Mission statement that defines the fundamental purpose of an enterprise, succinctly describing why it exists and what it does to achieve its vision. A mission statement guides the actions of an enterprise, spells out its overall goal, provides a sense of direction, and guides decision-making. It answers the question, “What do we do?”
- **Values:** Values are the beliefs that are shared among the stakeholders of an enterprise. Values drive an enterprise’s culture and priorities and provide a framework in which decisions are made.
- **A goal or objective:** a general target for medium to long term accomplishments, or just a direction which an enterprise wants to follow. Goals are designed to reach within a finite time by setting deadlines. A goal may be to change the current focus of a Hemp Enterprise from producing coarse thread production to fine thread production. Enterprises sometimes summarize goals and objectives into a mission statement and/or a vision statement.

(iii) **Marketing Plan:** Marketing Plan describes all the necessary actions to achieve the marketing objectives of an enterprise. Marketing plan provides ways for community enterprises to take their products to end-users and make them able to compete with the competitors. This plan makes visible the real market scenario, sets the annual sales target and estimates marketing costs so that the enterprise can design appropriate marketing strategies. The main aspects of marketing plan includes:

- Details of the product,
- Competitors
- Target market/market area
- Sales price determination
- Market demand and sales target
- Marketing strategies
- Marketing cost

(iv) **Production Plan:** In this section the following are main aspects of production plan will be detailed:

- Enterprise location
- Processing methods and technology
- Environmental and social plan
- Production cost (Fixed assets and depreciation, Raw materials cost, Direct (Variable) labor cost and Other variable cost).

(v) **Organization and Management Plan:** Organization and management plan describes the legal status of the enterprise, its organizational structure, hierarchical positions, norms and policies.

(vi) **Financial Plan:** Financial plan indicating the overall analysis of the enterprise in terms of financial viability. It describes about the required total working capital of the enterprise and how that capital could be well managed for maximizing the profit of the business.

(vii) **Risk Factors and Mitigation Strategy Analysis:** This involves identification of the factors that can potentially hinder the planned activities and description of the ways to mitigate those.

186. Cognisant of the constraints forest enterprises face in terms of accessing finance to develop and upgrade their products and businesses, OFLP will also support the FMGs to set up and establish a community savings and lending sub-groups and linking these with private sector investments.

187. The program aims to link the forest based enterprises to external markets through facilitating the participation of business group leaders in local, regional and national trade fairs. This will give them a chance to advertise their organic products, link with buyers and exporters and share experiences with other natural product business actors.

188. The business development specialist/value chains specialist to be hired by ORCU will conduct forest based livelihoods assessment and identify most promising value chains and will also support CBOs to prepare simplified business plans.

5.3 Component 2: Enabling Environment

189. Component 2 will finance activities to improve the effectiveness and impact of (5.2.1) institutions, (5.2.2) incentives, and (5.2.3) information, (5.2.4) safeguards management and (5.2.5) Program Management. This component will enhance the state-level enabling environment for reducing deforestation and forest degradation, and associated livelihood options.

5.3.1 Sub-component 2.1: Institutions

190. This sub-component will support the establishment and implementation of the OFLP coordination mechanism through the following activity sets: (5.2.1.1) maintenance of the Oromia REDD+ Coordination Unit (ORCU); (5.2.1.2) development of the OFLP M&E system; and (2.2.1.3) development of extension guidelines and manuals.

5.3.1.1 Maintenance of ORCU

191. This activity set aims at strengthening the technical and institutional capacity of ORCU through recruitment of additional staff. Table 9 below provides the staff composition and relative recruitment status as of February 2016. Furthermore, the ToRs for each position is found in Annex 5.

Table 9: ORCU staff composition

Position	No. Required	Status
Program Coordinator	1	Recruited
Forest Resource Specialist	1	Recruited
Environmental Safeguards Officer	1	Recruited
Social Safeguards Officer	1	Recruited
M&E Specialist	1	Vacant
Financial Managements Specialist	1	Recruited
Procurement Specialist	1	Vacant
Communication Specialist	1	Recruited
Institutional and Policy Specialist	1	Vacant
MRV Specialist	1	Vacant
MRV Assistant	1	Vacant
Private Sector Development Specialist	1	Vacant
Administrative Officer	1	Vacant
Secretary-Cashier	1	Recruited
Office Assistant	1	Recruited
Driver	3	Vacant

192. This activity set will also finance operating costs (including meetings of REDD+ Steering Committee and Technical working for Oromia), and goods (one additional vehicle and office furniture and equipments). The respective roles and responsibilities of ORCU, ORSC and ORTWG is provided in section 4.2.2.

193. ORCU will continue to be embedded within the already existing structure of OFWE (including down to the local levels). ORCU will have the main functionality of coordinating OFLP at state-level but also reaching the zonal and woreda levels (through OFLP Lead Facilitators and OFLP Woreda Coordinators placed at the OFWE Branches and District offices respectively).

194. During PY1, ORCU will prepare annual work plan, operationalize procurement plan, and finalize recruitment of additional staff and the M&E system for OFLP. The focus will be to establish a functional and operational coordination mechanism for OFLP.

5.3.1.2 Development of the OFLP M&E system

195. This activity aims to establish and operationalize OFLP M&E system through setting a baseline (if deemed necessary), strengthening capacity on OFLP M&E and financing the associated operating costs. The main outputs include: (i) M&E manual (as part of the PIM), which includes detailed implementation arrangements and templates (and used as a basis for the training); (ii) Baseline study for OFLP; and (iii) Detailed five year work plan for M&E implementation.

196. During PYs 1-2, the M&E system will be established and become fully functional while the baseline study will be finalized within the first year of effectiveness of OFLP.

197. ORCU will be responsible for establishment and operationalization of OFLP M&E System. ORCU will hire an international M&E consultant to work alongside the ORCU M&E specialist to undertake this activity. Planned information flows (data feeding in from OFLP Lead Facilitators and OFLP Woreda coordinators at Branch and District levels) will be operationalized and detailed training conducted to ensure systematic implementation.

5.3.1.3 Development of extension guidelines and manuals

198. This activity set aims to develop, update, and standardize extension guidelines and manuals relevant to OFLP through financing consultants, goods, as well as travel as needed. Specific activities may include: (ii) translation of harmonized PFM guideline prepared by the then MOA into Afaan Oromoo and Amharic languages, (iii) translation of Nursery and /or Plantation Establishment and Management Manuals prepared by MoANR into Afaan Oromoo, (iii) translation of Integrated Land Use Planning guideline to be prepared by an ILUP consultant and other manuals relevant to OFLP if deemed necessary.

199. This activity set will be conducted during PYs 1-4.

200. ORCU will hire consultants to develop, update and standardize extension guidelines and manuals.

5.3.2 Sub-component 2.2: Incentives

201. This sub-component will include the following activity sets: 5.2.2.1. Resource mobilization and leveraging; 5.2.2.2. Technical assistance (TA) and analytics on economics, markets, and policy; and 5.2.2.3. Preparation and supervision of the Benefit Sharing Mechanism (BSM).

5.3.2.1 Resource mobilization and leveraging

202. This activity will finance consultants, operating costs, goods, travel and workshops for ORCU and its partner Oromia government authorities to carry out: (i) Four fundraising events per year for OFLP, including two holding “fund-raising roadshows” and two business expo's at relevant national and international public and private sector events or among targeted companies, foundations, or donors; (ii) preparation of a strategic action plan for private sector investment in sustainable natural resource and forest based business; (iii) proposal development, as well as investment planning and preparation as opportunities emerge; and (iv) designing (not implementing) community revolving funds modelled after the successful community self-managed revolving funds developed by SLMP-2, funded by SLMP-2 communities themselves, and implemented in Oromia (implementation could occur via OFLP Component 1). Community revolving funds would ensure that the initial disbursement revolves to the next round of beneficiary groups.

203. ORCU will lead these activities in consultation with partner Bureaus and MoFEC, as needed, and include the activity costs and corresponding procurement items in the consolidated OFLP annual work plans, budgets and Procurement Plan (PP) throughout PY 1 to 5.

5.3.2.2 Technical assistance (TA) and analytics on economics, markets, and policy

204. The grant under this activity set will finance consultants, operating costs, goods, travel and workshops for ORCU and its partner Oromia government authorities to implement TA and analytics on economics, markets, and policy.

205. Main activities include:(a) Organization of policy dialogue fora and business investment roundtables; (b) Assessments of regulations, policies and laws; (c) Support in forest governance; (d) Feasibility assessment of options for introducing payments for ecosystem services (PES) for non-carbon markets; and (e) promoting/marketing household energy options as alternatives to fuel wood.

Organization of policy dialogue fora and business investment roundtables

206. This activity aims to organize policy dialogue fora and business investment roundtables relevant to OFLP through financing workshops, consultants and travel.

207. The activity will be implemented through PYs 1-5 led by ORCU policy and Institution, and Private Sector Development Specialists to recruited under sub-component 5.2.1.1).

Assessments of regulations, policies and laws

208. This activity set aims to assess and/or develop regulations, policy and laws on enabling environment for sustainable landscape management from the following menu of activities:

- (i) Assessment of regulations on communal land certification;
- (ii) Analyzing value chains for natural resource-based enterprises and NTFPs;
- (iii) Harmonization of PFM policy;
- (iv) Assessment of options to provide greater security to private investors in forest activities (joint ventures, provisions for fixed concession periods, consultation requirements);
- (v) Assessment of options to provide greater security to private investors in forest activities (joint ventures, provisions for fixed concession periods, consultation requirements); and
- (vi) Assessment of policies related to renewable energy and distribution of Improved Cook Stoves.

209. The specific assessments and analytics listed above are subject to shifting demands among policymakers and technical needs, changes in the enabling environment for sustainable landscape management, and private sector development.

210. All assessments will be conducted during the FY1 and updated during the subsequent years through public dialogue and lesson faced during implementation, led by ORCU policy and Institution Specialist to be recruited under sub-component 5.2.1.1, and OEFCCA legal officer). .

Support in forest governance

211. This activity aims to improve the forest governance across the Oromia Regional State through (i) training of relevant OFWE staff at all levels, as well as lawyers, courts staff and zonal and woreda

level administrative staff on forest governance; and (ii) Preparation of communication material on forest laws, including manuals and guidelines. The activity will finance workshops, consultants and travel, the number of which will be determined every year, based on demand and annual plan of the program.

212. The activity will be implemented through PYs 1-5 led by ORCU policy and Institution Specialist to be recruited under sub-component 5.2.1.1 and OFWE legal officer).

Feasibility assessment of options for introducing payments for ecosystem services (PES) for non-carbon markets

213. This activity aims to initiate the development of markets for non-carbon forest ecosystem services through conducting feasibility assessment of options. Example of options for markets for non-carbon forest ecosystem services include payments for watershed protection values as a result of improved hydrological cycle and/or soil and water conservation values, and biodiversity conservation. This activity will finance consultants and workshops.

214. This activity will be implemented through PY 1-2 led by the ORCU Forest Resource Specialist.

Promoting/marketing household energy options as alternatives to fuel wood

215. This activity aims to support market development in the form of marketing and business skills training, promotion and marketing campaigns and coordination of improved cook stove (ICS) activities. Benefits accrue especially to women as they are responsible for firewood collection and homestead use – with a clear link to indoor air pollution risks from business as usual.

216. This activity set includes: (i) an inventory of existing active and lagging ICS producers which identifies barriers and supporting structures for entrepreneurs to scale-up businesses; (ii) training of ICS producers in marketing, basic business skills, establishing wholesale and distribution lines, and how to offer flexible payments to customers and village associations. The producers would also receive information and training on sustainable charcoal production (improved kilns) and suitable wood species for charcoal production. Information and guidance about the Market Development for Renewable Energy and Energy Efficient Product Credit Line, with small loans available through MFIs in Oromia will also be included in the business skills training; (iii) Marketing through radio broadcasting, market day promotion, cooking competition and school day promotions. Existing marketing materials, developed by the National Improved Cook stove Program (NISCP) and the NGO Practical Action, would be used and if needed complimented with new material. Marketing will be targeted at both men and women.

217. OFLP would support ICS producers to reach potential customers in remote towns and villages close to forests in all Zones, but prioritize Bale, Borena, Guji, Kelem Wollega, Horo Guduro, East Wollega, West Wollega, East Hararge, Illubabor and Jimma, as these zones have high deforestation rates and have not been prioritized for ICS marketing interventions in the past.

218. This activity will be implemented throughout PY 1 to 5 led by ORCU and implemented by an outsourced service provider. Individual partner Bureaus or Government Enterprises (i.e. OFWE and BoWME), will be determined during annual work planning, budgeting, and PP sessions facilitated and led by ORCU. ORCU together with BoWME would leverage existing government structures within the NICSP and Oromia Regional Improved Cookstove Program (ORICSP) to facilitate already planned but under-financed activities in Oromia to reach all targeted OFLP Woredas. ORCU would also support training of some Zonal and Woreda Energy Officials in stove marketing; the establishment of stove retailers and wholesalers; and coordination of stove production and distribution.

5.3.2.3 Preparation and supervision of the Benefit Sharing Mechanism (BSM)

219. The grant will finance consultants, operating costs, goods, travel and workshops for ORCU and its partner Oromia government authorities.

220. This activity set aims to establish and operationalize the Benefit sharing Mechanism (BSM) for OFLP. It will finance consultants, operating costs, goods, travel and workshops leading to (i) preparation of detailed implementation manual for BSM based on extensive preparation, consultation, and (ii) Training on BSM manual implementation at all levels.

221. The BSM is a requirement to finalize and sign the ERPA. As part of the BSM, tools will be developed for tracking expenditures channelled through the BSM, as well as monitoring and reporting results on the ground from these expenditures.

222. The BSM manual preparation will begin in PY1, and will be ready before the signature of the ERPA, and training on BSM implementation will take place throughout PY 1-5.

223. ORCU will lead this activity in consultation with partner Bureaus as needed. ORCU will also prepare a detailed annual work-plan and budget, which will be included into the procurement plan, to support these activities. ORCU will also be responsible for monitoring the implementation of the BSM after the end of the grant, which could be funded through the ER payments.

5.3.3 Sub-component 2.3: Information

224. This sub-component includes: (5.2.3.1) strategic communication; (5.2.3.2) Forestry Management Information System; and (5.2.3.3) ICT access for forest management authorities.

5.3.3.1 Strategic communication

225. This activity set aims to ensure that program opportunities are understood and that there is time and space for dialogue and consensus building to bring about changes in the attitudes and behavior of significant groups of stakeholders. To this end, State-wide information campaigns to continuously disseminate information about the program and its guidelines to all potential beneficiary communities, thereby increasing awareness, transparency and participation, will be developed. Therefore, OFLP communication strategy should include an understanding of the perceptions and

predispositions of targeted groups of stakeholders, factors affecting behavior within these groups, and incentives required to motivate change. It should also include the development of adequate systems for monitoring reactions and obtaining feedback on actions and information being disseminated.

226. In order to adopt an efficient and reliable strategic communication for OFLP, the following activities will be conducted: (i) Communication-based assessment and collection of quantitative data through focus group discussion, (ii) Communication action plan; (iii) a Capacity building program, (iii) a Behavioral change program, targeted to hotspot deforestation areas within the targeted 47 woredas; (iv) Training of OFLP Lead Facilitators, OFLP Woreda Coordinators, OFLP Safeguards Coordinators, and other relevant staff on strategic communication methods and tools; (v) a Communication toolkit to facilitate internal communication and ensure consistency of messages about the program; (vi) Training of journalists and Public Relations experts of the relevant sector bureaus on reporting about forest issues; (vii) Establishment of forest community radios in selected/strategic program areas (piloting one in the first year, and scaling-up, if feasible, otherwise using alternative existing channels); (viii) Printed, audio and video materials to be used as supporting tools during consultation processes, workshops and events; (ix) media tours for journalists; (x) newsletters for policy-makers; (xi) documentation of state-level program activities.

227. The first task in the communication program to be developed for OFLP will be to carry out a rapid communication needs assessment aimed at identifying effective communication channels, trusted sources of information and communication gaps in the state of Oromia. This entails a series of in-depth interviews with key Government officials at various levels as well with civil servants, representatives of civil society organizations, the media and the private sector. These interviews could be complemented if deemed necessary, by relevant opinion research, including focus group discussions, cluster surveys, and media content analyses. This activity will be carried out by an individual consultant to be hired by ORCU.

228. Based on the preliminary assessment conducted by an individual consultant aimed at identifying effective communication channels, trusted sources of information and communication gaps at state level, ORCU communication specialist will develop a communication action plan for the grant period.

229. A communications plan will be an important part of an OFLP's daily operation. As a living document, it frames media activities, including internal and external communications, clarifies the priorities and target audiences. The communications plan for OFLP will be prepared based on:

- An understanding of the target audience and how to reach it,
- Research into past media coverage and public opinion about the issues
- identification of messages to be delivered
- identification of materials to be produced
- allocation of sufficient budget to implement the communication plan and
- A written work plan

230. In PY1, the focus will be on implementing the communication capacity building program. During PYs 2 to 5, the focus will be on implementing the behavioural change program targeted to

hotspot deforestation areas within the targeted 47 woredas. Outreach and advocacy would be continuous activities during PYs 1-5.

231. ORCU will lead this activity set through the communication specialist (to be financed under sub-component), with the support from local consultants and the assistance of an audio visual technician (to be financed under sub-component). ORCU will lead and develop costed activities to be included in the OFLP annual work plan and budget, and procurement items in the OFLP PP. ORCU communication specialist will liaise with the Oromia Bureau of Communication Affairs and the Public Relations staff of the relevant sector regional Bureaus.

232. The program will develop work plans for each major activity or event and try to review overall plans at least quarterly. Elements of a communications work plan should spell out assignments and important tasks:

- Develop timelines, calendars of events and priorities;
- Assign responsibilities to lead and support staff, giving each a list of specific tasks;
- Review progress and enforce or revise deadlines;
- Hold people responsible for completing work and reassign tasks as needed.

233. Given the limited budget, this activity set will be implemented in synergy with *The Air We Breathe* project that will be financed by Norway through a grant of about US\$ 1.7M and implemented by BBC Media Action. This project uses mass media strategies that address resilience, and adaptation to climate change to increase knowledge, shift attitudes, and promote new practices among rural families in Oromia. The project activities aim to reduce indoor air pollution and promotion of improved cooking methods through: (i) production of a radio drama, (ii) production of public service announcements, (iii) training for local media professionals, and (iv) development of communications materials and activities for school clubs.

234. By creating demand for investments on the supply side, such as fuel efficient stoves and afforestation, this behavior change initiative would contribute to the enabling environment to reduce deforestation and forest degradation. The development of the behavior change program financed under this activity set will particularly benefit from the research carried out within the BBC Media Action project to understand what influences family choices around domestic practices and identify the barriers and facilitators for action. It will also benefit from the activities for school clubs that will test the potential of young people to act as change agents, by leveraging the existing network of environment or science clubs in schools. Such activities targeted to children aged 11-15 years and carried out in selected Woredas in Bale and Borena could be replicated in other Woredas under OFLP. Finally, the training of local media professionals on environmental reporting as well as the production of radio drama and public service announcements will offer other opportunities to build synergies between this activity set and the BBC Media Action project.

5.3.3.2 Forest Management Information System

235. Forest Management Information System (FMIS) is an important tool for effective management and planning of forest resources. Besides supporting internal processes of OFWE, FMIS can also serve the information needs of the broader public thus supporting transparency and accountability.

Therefore, this sub activity set will allow to establish and maintain a long-term FMIS for forest monitoring, regulatory and policy decision support and investment tracking across the Oromia Regional State.

236. A (computer-assisted) FMIS has four basic components: *software, hardware, databases* and *user*. The user is considered a component of the system since the user's background knowledge helps to create "information" from "data". This generally means that an experienced and well educated user can get more support from a certain system than a less educated user.

237. Preliminary Designs of the FMIS for OFLP, including but not limited to:

- General structure of the system;
- Hardware requirements;
- Major modules;
- Functions of each module;
- Interface between modules;
- The database structure, what data is stored and how;
- User groups and roles with access levels (who has access to the system);
- Flow of information through the system;
- Output formats of the system and
- Maintenance requirements.

238. The main activities required to establish and operate a FMIS include: (i) Establishing Geographical Information System (GIS) and investment database, through the collection and compilation of existing forest-related data, to assess the availability and quality of forest data, and to identify data gaps; (ii) Establishment and maintenance of long-term Management Information System. Establishing GIS Infrastructure and Investment Database.

239. The establishment of GIS infrastructure and investment database will be based on assessment of operational aspects of FMIS that includes:

- Technological capability to generate, store, and update the (Remote Sensing) RS/GIS data; this often requires high computer capabilities and specialized software for imagery and GIS analysis, interpretation, and manipulation.
- Human capital to generate, manipulate, apply, and interpret the data, as well as capability to translate data in user-friendly format to end users.

240. In order to be effective and functional, the process of establishing FMIS shall involve:

- An initial assessment of existing information and identification of data gaps;
- Filling out data gaps by creating the data needed (that is for example through, digitizing features from satellite imagery);
- Establishing a baseline of (i) the spatial distribution of features of interest that are susceptible to change and (ii) the boundaries against which change will be periodically assessed.
- Information obtained through RS sources can be less detailed than intensive fieldwork; ground verification is usually needed to verify and calibrate the RS data. A combination of RS data and field work will produce the most accurate information.

- Conducting periodic assessments of the features of interest or surrogate indicators. Periodicity depends on the characteristics being monitored. Compliance with forestry law may only need yearly assessments of the extent and location of logging activity, while incidence of fires may need weekly or monthly monitoring.
- Effective venues to channel the information to end users in easy, user-friendly formats such as Web sites, paper maps, posters, or CDs. Critical information should be channeled in a speedy manner to allow rapid response and action.

241. Based on GIS infrastructure and investment database put in place, a long term FMIS for forest monitoring, regulatory and policy decision support, and investment tracking will be established and maintained throughout PY 1-5 with the support of a consulting firm to be hired ORCU. This will enable a decision-making environment where reliable, accurate, and current information on forest resources and related decisions will continuously and increasingly publicly available.

5.3.3.4 ICT access for forest management authorities

242. This activity aims at facilitating OFLP implementation by establishing a continuous and reliable internet access for all ORCU staff, including three Lead Facilitators, six Safeguards Coordinators and 38 Woreda Coordinators. This internet system will consist of internet USB keys used to connect laptops to the internet via a built in modem by using the networks of the cell phone service provider, EthioTelecom.

243. The activity involves purchase of goods (such as laptops, internet keys, SIM cards and Ethio-Telecom service, which could be adjusted as the telecommunications sector evolves with new technologies, companies, if any, and services).

244. The continued and reliable internet access will be established from PY1.

5.3.4 Sub-component 2.4: Safeguards Management

245. This sub-component will finance six ORCU OFLP Safeguards Coordinators located at OFWE branches, six vehicles, training, technical support and monitoring workshops, travel and goods for ORCU to train forest extension agents in all 277 woredas on safeguards management including implementation procedures, monitoring, reporting and documentation.

246. This activity set specifically aims to establish, operationalize and strengthen OFLP Safeguards management system through:

- (i) Providing trainings and technical support for capacity strengthening of federal, regional and woreda institutions for managing safeguards in the OFLP carbon accounting area (i.e. the OFLP program area) in accordance with the World Bank safeguards standards. This includes on: OFLP safeguards instruments implementation, documentation, reporting and monitoring of safeguards performance in the accounting areas, standardization, environmental and social advisory services, consultation and civic engagement with communities in the regional state, and support to safeguards officers'

to improve their ability to monitor the Grievance Redress Mechanism (GRM) and BSM activities;

- (ii) Hiring of six OFLP Safeguards Coordinators hosted at OFWE's six operational Branch offices to advance safeguards management throughout the regional state and working under the two safeguards officers at ORCU. However, OFLP Safeguards Management will not finance land acquisition (if required), which is the responsibility of GoE; and
- (iii) Support for safeguards due diligence for nested REDD-related initiatives under the OFLP umbrella, even where these initiatives include their own safeguards management activities.

247. OFLP's Safeguards Management will be implemented throughout PY1-5 led by ORCU in consultation with WoA, WoRLEP, WoWME and OFWE forest extension experts, and develop costed activities to be included in the OFLP annual work plan and budget, and procurement items for the OFLP PP.

5.3.5 Sub-component 2.5: Program Management

248. This sub-component would finance consultancies to deliver annual financial audit services; annual procurement audit services; the program mid-term evaluation report, and the program completion report.

249. The financial and procurement audits will be conducted throughout PY 1-5. The Program mid-term evaluation will be conducted towards the end of PY2, and the Program completion report will be finalized during PY5.

250. ORCU will hire consultants for this activity set, which will be included in the detailed annual work-plan and budget and procurement plan. Beyond the period of the grant, the OFLP program management costs would need to be fully covered by general government budget, OFWE income, the ERPA via the BSM, or other sources.

5.4 Component 3: Emissions Reductions (ER) Payments

251. ER payments will be delivered once results are achieved, verified by a third party, and formally reported to the WB. The ER payments could begin once the ERPA is signed and emissions reductions (results) occur, are verified and reported to the WB. The ER payments would be managed by the GoE and distributed to the beneficiaries according to the BSM, which would aim to incentivize greater uptake of sustainable land use actions. The BSM needs to be formally adopted by the GoE before any ER payment can be made. In addition, it should be noted that the ER payments will not cover the full cost of implementing changes in landscape management. The ER payments will provide some return that offsets some of the costs of improving the landscape for the wider benefit of all.

252. With the support of the National MRV Unit (to be established at MEFCC), ORCU will be in charge of reporting forest cover changes and associated ERs, and of engaging a third party to verify these results. The third party report will then be sent to the WB along with a payment request from

ORCU. The WB will conduct its due diligence before transferring the payment. The payments are a function of the amount of ERs achieved in a given year and the unit price agreed between the WB (acting as the trustee for BioCF) and GoE.

6. FINANCIAL MANAGEMENT

6.1 Financial Management Guidelines

253. Effective Financial Management System (FMS) is crucial to achieve OFLP's Development Objectives through adopting proper management of Program's resources. The objectives of program's financial management system are to: (i) ensure that funds are used only for their intended purposes in an efficient and economical way while implementing agreed activities; (ii) enable the preparation of accurate and timely financial reports; (iii) ensure that funds are properly managed and flow smoothly, rapidly, adequately, regularly and predictably to implementing agencies at all levels (federal, regional, zone and woreda and others); (iv) enable program management to efficiently monitor program implementation; and (v) safeguard the program's assets and resources.

254. The Financial Management (FM) arrangements for OFLP are separately defined for the mobilization grant and the Emission Reduction (ER) payment. The arrangements for the mobilization grant will follow the World Bank's policies and procedures for Investment Project Financing outlined under OP/BP 10.00 guided by the grant agreement while the ER payments will follow the policies and procedures of the bank's carbon financing, which will be governed by the ERPA.

6.2 Financial Management Arrangements for Mobilization Grant

255. The FM arrangements for the mobilization grant will follow Channel II fund flow arrangement of the FDRE where the Ministry of Environment, Forest and Climate Change (MEFCC) will be responsible for receiving funds from International Development Association (IDA) and making direct transfers to OEFCCA which in turn transfers portion of the proceeds to other relevant implementing bureaus and OFWE.

Federal level

256. At federal level one financial management specialist will be recruited at MEFCC using grant resource to oversee and facilitate the overall FM of OFLP and communication with the WB and OEFCCA on FM affairs. Tasks of FM Specialist at Federal level (at MEFCC, the REDD+ Secretariat), includes:

- Oversees, monitors and facilitates the overall financial management aspects of OFLP program work plans and budgets for ORCU and OEFCCA,
- Ensure consistency of the allocation of financial resources.
- Opens Designated Accounts for OFLP at the National Bank of Ethiopia (NBE).
- Opens Birr account
- Responsible for the day-to-day management of the Designated Account and the Birr account.

- Provide guidance, training and support to OEFCCA/ORCU and other implementing agencies on financial management, and disbursement and reporting of the OFLP resources to ensure the timely implementation and reporting on the project,
- Disburses resources to OEFCCA as per the instruction of the ORCU, collect reports from these institutions and consolidate and report on the use of funds to government, donors, and other stakeholders.
- Collects and aggregates financial data and information from regions and prepares consolidated quarterly and annual financial reports to be submitted to the World Bank and MoFEC, and handle the audit of the project financial statements
- Liaises with the NBE and World Bank on disbursement of funds to OEFCCA and ORCU.

Regional level

257. At Regional level one assistant financial management specialist, on top of the existing FM specialist at ORCU, will be recruited using grant resources. The responsible unit for keeping the books of accounts, safeguarding assets and enhancing financial accountability and reporting at OEFCCA/ORCU is the Finance, and Property Administration Directorate of OEFCCA. It is responsible for the overall financial management aspect of the OFLP. The financial management specialists operating at OEFCCA/ORCU Regional office will have the following FM tasks:

- Open the OFLP separate Birr bank account for the project into which transfers from MEFCC will be deposited.
- Involve in the planning and budgeting of the project activities in the region.
- Involve in informing the budget allocations of regional implementers to OEFCCA allowing disbursement to the entities
- Transfer the budget to the implementing units at the OFWE Branch level.
- Collect and aggregate all financial data and information from the OEFCCA, OFWE and other relevant implementing bureaus to send to the MEFCC,
- Ensure that a suitable accounting and reporting system covering regional, zonal and woreda OEFCCA levels is established.
- Coordinate implementation of the project at the regional level.
- Allocate the project resources to OEFCCA Branch, and assess use performance.
- Ensures that external auditors receive the necessary information during the conduct of the audit. Takes appropriate action on findings noted.
- Responsible for training and supporting accountants at Branch levels.

258. The financial management specialist operating at other Regional implementing Bureaus will have the following tasks:

- Open the OFLP separate Birr bank account for the project into which transfers from OEFCCA will be deposited.
- Involve in the planning and budgeting of the project activities of the bureau.
- Transfer the budget to the implementing units at the zonal level.
- Collect and aggregate all financial data and information from the zonal level and expenditures to be sent to OEFCCA

- Consolidate region-based financial reports, including that of respective Regional bureaus.
- Ensure that a suitable accounting and reporting system covering both regional and zonal levels is established.
- Allocate the project resources to Zonal office, and assess use performance.
- Ensures that external auditors receive the necessary information during the conduct of the audit. Takes appropriate action on findings noted.

259. The financial management specialist operating at Regional OFWE will have the following tasks:

- Open the OFLP separate Birr bank account for the project into which transfers from OEFCCA will be deposited.
- Involve in the planning and budgeting of the project activities of the enterprise.
- Transfer the budget to the implementing units at the OFWE Branch level.
- Collect and aggregate all financial data and information from the Branches and expenditures to be sent to OEFCCA
- Consolidate region-based financial reports, including that of OFWE HQs.
- Ensure that a suitable accounting and reporting system covering both OFWE HQs and Branch levels is established.
- Allocate the project resources to Branch OFWE office, and assess use performance.
- Ensures that external auditors receive the necessary information during the conduct of the audit. Takes appropriate action on findings noted.

Zonal level

260. At OEFCCA zonal level, it is recommended that the zones fill out the vacant posts of FM Specialists immediately and one accountant should be assigned to oversee the project's resources. However, on top of the existing accountants at OEFCCA zonal level, OEFCCA/ORCU will recruit three additional project accountants using the grant resource to strengthen financial accounting in sites identified as deforestation hotspots where almost all of the on-the ground investments in forestry (PFM and A/R) will take place. Financial accounts and their transactions will be maintained by their respective Zonal office of finance and economic cooperation. It should be noted that recruitment of FM Specialist at all levels using the grant resources requires a no-objection from WB. The following finance staff will be positioned at different levels for the OFLP implementation.

261. The financial management specialist operating at OEFCCA/ORCU Zonal office (not financed by the grant resources) will have the following FM tasks:

- Open the OFLP separate Birr bank account for the project into which transfers from OEFCCA/ORCU will be deposited.
- Involve in the planning and budgeting of the project activities in the zone and respective Woredas.
- Apply payments for implementation of activities at zonal level

- Collect and aggregate all financial data and information from the zones to send to the OEFCCA/ORCU,
- Consolidate zone -based financial reports
- Ensure that a suitable accounting and reporting system covering zone levels is established.
- Coordinate implementation of the project at the zonal level.
- Allocate the project resources to ZoEFCCA and assess use performance.

262. The financial management specialist operating at other zonal implementing offices (not financed by the grant resources) will have the following tasks:

- Open the OFLP separate Birr bank account for the project into which transfers from respective bureaus will be deposited.
- Involve in the planning and budgeting of the project activities in the zone and respective Woredas.
- Apply payments for implementation of activities at zonal level
- Collect and aggregate all financial data and information from the zones to send to the respective bureaus,
- Consolidate zone -based financial reports
- Ensure that a suitable accounting and reporting system covering zone levels is established.
- Coordinate implementation of the project at the zonal level.
- Allocate the project resources to respective zones and assess use performance.

263. The financial management specialist operating at OFWE branch level will have the following tasks:

- Open the OFLP separate Birr bank account for the project into which transfers from OFWE HQs will be deposited.
- Involve in the planning and budgeting of the project activities of the branch.
- Transfer the budget to the implementing units at the OFWE district level.
- Collect and aggregate all financial data and information from the districts and expenditures to be sent to OFWE HQs
- Consolidate branch-based financial reports, including that of OFWE branch offices.
- Ensure that a suitable accounting and reporting system covering both OFWE branches and district levels is established.
- Allocate the project resources to OFWE district offices, and assess use performance.
- Ensure that external auditors receive the necessary information during the conduct of the audit. Takes appropriate action on findings noted.

Woreda level

264. The financial management specialist operating at OEFCCA/ORCU Woreda office (not financed by the grant) will have the following FM tasks:

- Open the OFLP separate Birr bank account for the project into which transfers from OEFCCA/ORCU will be deposited.

- Involve in the planning and budgeting of the project activities in the woreda and respective kebeles.
- Apply payments for implementation of activities at woreda level
- Collect and aggregate all financial data and information from the woredas to send to the OEFCCA/ORCU zonal level,
- Consolidate woreda -based financial reports
- Ensure that a suitable accounting and reporting system covering woreda levels is established.
- Coordinate implementation of the project at the woreda level.
- Allocate the project resources to respective kebeles and assess use performance.

265. The financial management specialist operating at other woreda implementing offices will have the following tasks:

266. Open the OFLP separate Birr bank account for the project into which transfers from respective bureaus will be deposited.

- Involve in the planning and budgeting of the project activities in the woreda and respective kebeles.
- Apply payments for implementation of activities at woreda and respective kebeles,
- Collect and aggregate all financial data and information from the woredas to send to the respective zones,
- Consolidate woreda -based financial reports
- Ensure that a suitable accounting and reporting system covering woreda level is established.
- Coordinate implementation of the project at the woreda level.
- Allocate the project resources to respective kebeles and assess use performance.

6.2.1 Fund Flow Arrangement

267. The funds flow into and within the OFLP among various institutions is depicted in Figure 7, OFLP grant funds flow arrangement. The grant funds will flow from the World Bank into one designated accounts (one for both of the trust funds) to be opened by the MEFCC at the NBE, and funds from these accounts will then be transferred to a pooled local currency (Ethiopian birr) account to be held by the MEFCC. From the pooled local currency account, the MEFCC will transfer funds to separate local currency accounts opened by OEFCCA. Other implementing agencies such as OFWE, BoWME and BoRLAU, ZoEFCCAs and WoEFCCs, and other bureaus as relevant, will open separate bank accounts for the program and will receive their resources from OEFCCA according to their respective annual work plan and budget. Before transferring any money, the MEFCC will ensure that separate bank accounts have been opened for OFLP and that there are adequate FM systems including capacitated staff. No funds will flow to the CBOs mentioned under Activity set 1.3.2 of Subcomponent 1.3 and required procurement of goods will be conducted by ORCU on their behalf.

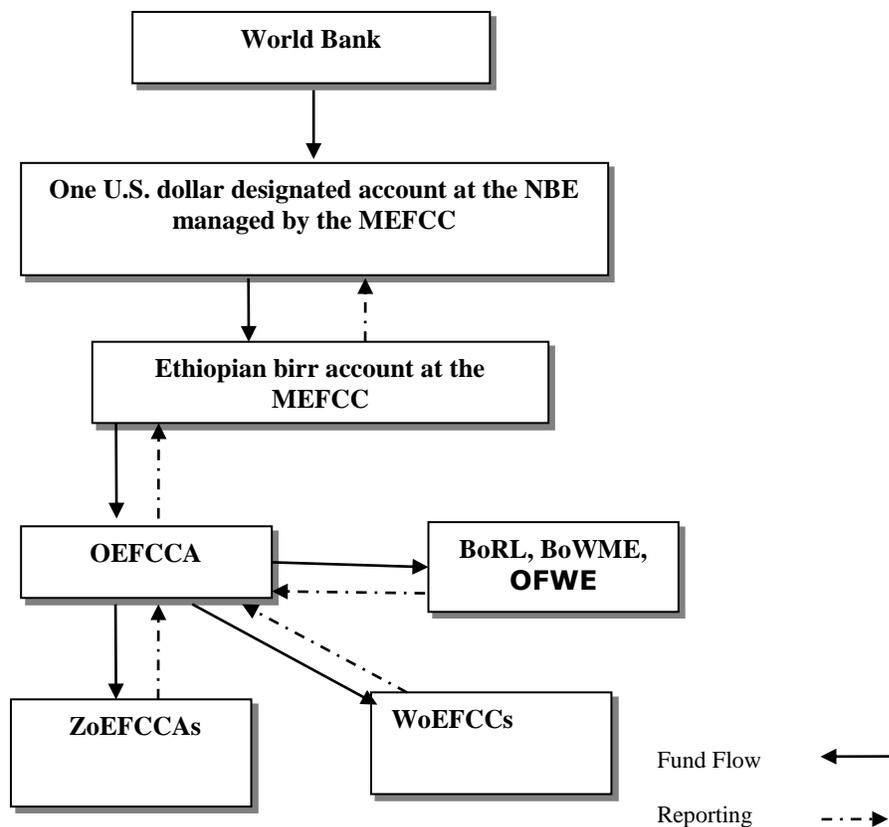


Figure 7: OFLP Mobilization Grant Fund flow arrangement

6.2.2 Disbursement Procedures

268. Disbursements may only be made to finance eligible program expenditures, in line with the purposes of the OFLP. Accordingly, the first steps in establishing disbursement arrangements are to determine the expenditures that are eligible for financing under the project funds, decide how these will be grouped in expenditure categories, ascertain what share (disbursement percentage) of each expenditure category will be financed by source of fund, and determine the need for any disbursement conditions.

269. There are other financing considerations that affect disbursement arrangements of OFLP. This includes among others financing of fees and other loan charges. The General Conditions define eligible expenditures as the reasonable cost of goods, works, and services required for the project to be financed out of the proceeds of the grant and procured, all in accordance with the legal agreement and during the loan disbursing period. Expenditure categories provide a means to monitor and manage the expenditures for project activities. A disbursement percentage is the portion of eligible

expenditures that the Bank has agreed to finance. This is reflected in the grant agreement signed between IDA and the Federal Government of Ethiopia, see Table 10.

Table 10: Categories of Eligible Expenditures under the Project

Category	Amount of the Grant Allocated (expressed in USD)	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
	USDOS ¹⁴ Grant	MoCE ¹⁵ Grant	
Goods, works, non-consulting services, and consultants' services, Operating Costs, and Training	8,550,000	9,450,000	100%
TOTAL AMOUNT	8,550,000	9,450,000	

270. The allocation of the grant proceeds would be based on the OFLP components. This will facilitate the monitoring of the program performance indicators as well as financial aspects since expenditures are directly allocated to components. Requests for replenishment of the Designated Account for expenditures incurred under each component would be based on expenditures incurred at the implementing agencies for which justification of utilization has been provided. One or a combination of the following disbursement methods maybe used under the grant:

- Designated Account (DA),
- Direct payment,
- Reimbursement.
- Special commitment, and

271. **Designated Account (DA):** DA disbursement method is based on submission of Statement of Expenditures of the program at least quarterly by MEFCC to the World Bank.

272. **Direct Payments:** These refer to payments to a third party (e.g., contractor, supplier, consultant) for the cost of project expenditures. The borrower provides documentation showing that such expenditures have been incurred at the time a request for payment to the third party is made.

¹⁴ The United States Department of State

¹⁵ Norway Ministry of Climate and Environment

273. **Reimbursement:** These are payments to the borrower for the cost of program expenditures. The borrower provides documentation showing that such expenditures have been incurred and paid from its own resources at the time a request for payment is made.

274. **Special Commitment:** These are payments to a financial institution for the cost of program expenditures covered by a special commitment. A special commitment is a binding commitment entered into by the Bank in writing to pay such amounts notwithstanding any subsequent suspension or cancellation. The financial institution provides confirmation that such expenditures have been incurred at the time a request for payment is made.

275. Disbursement for the project will be made based on 'Report-Based Disbursement' procedures - using Interim Financial Reports (IFR) - submitted to the Bank on quarterly basis, within 45 days after the end of reporting period.

276. Withdrawals from the World Bank of amounts to be deposited into DA will be made by application for withdrawal supported by the statement of expenditure (see Annex 11) for simplified statement of expenditures), whenever applicable. The minimum and maximum value of application at a time will be USD 100,000 and USD 2,000,000, respectively, as indicated in the disbursement letter.

277. A letter of Authorization, cheques and payment vouchers will only be signed with appropriate supporting documentation (certified supplier invoices, purchase orders and requestion orders). Payment vouchers should be stamped, indicating the date paid and cheque number, then attached to relevant supporting documentation. In addition, after payment, all invoices must be stamped to ensure the payments are not duplicated.

278. All original records of receipts of payments, including; invoices, cheques, debit advices, credit advices, and bank reconciliation statements will be maintained and filed by the FM specialists. Furthermore, authorization letters and purchase orders must be properly filed.

279. The disbursement deadline date will be four months after the closing date specified in the financing agreement (i.e., December 31, 2022). Any changes to this date will be notified by the IDA.

6.2.3 FM Planning and Reporting

280. Planning and budgeting: The planning budgetary Policy guidelines issued by Ministry of Finance and Economic Cooperation (MoFEC) will guide the FM planning and budgeting process of OFLP. The budget process will be participatory among various implementing agencies participating in the Program. The Annual Work Plan and Budget (AWP&B) will be based on the work program to be prepared by OEFCCA/ORCU for all components with the input of the concerned stakeholders. OEFCCA/ORCU also consolidates the AWP of the Regional Bureaus tasked to implement some of the OFLP activities.

281. OEFCCA/ORCU will consolidate these Annual Work Plans and Budgets and submit them for review by the OFLP Regional Technical Committee and then approval by the OFLP Regional

Steering Committee, respectively. This planning work will be performed using the electronic Planning and Reporting Tool (PRT). PRT is fully functional in all zones and Woredas.

282. The budget of the OFLP is analysed by category and components. Budgets shall be broken down to quarterly, annual, year-to-date and cumulative analysis. Budget items shall be mapped with the general ledger accounts to facilitate comparison between budget vis-à-vis actual. The budget classification scheme is how the budget is organized by each budget institution. For accounting purposes, the budget classification scheme as defined in the government's annual budget is tracked to identify expenditure variances between what is budgeted and what is expended by budget institution. The budget classification scheme to classify budget institutions is uniform at the federal and regional levels. The timing of budget planning processes will be consistent with the government budget cycle.

6.2.4 Budget Procedures for OFLP

283. The annual budget and work plans for OFLP will be prepared through a bottom-up approach (upstream process), i.e., it follows an upstream process starting at the woreda level moving upwards to the region and the federal levels.

284. . It will be important that the timing of budget planning processes is consistent with the government budget cycle.

285. WoEFCCA/OFLP woreda coordinators will collect all the Annual Work Plan and budget requests from woredas, consolidate them based on the approved work plan and submit to ZoEFCCA/LFs that will in turn prepare a consolidated budget and submit to OEFCCA/ORCU which in turn prepares consolidated reports at State level to be submitted to the Regional Steering Committee for approval at the beginning of the physical year. After approval of the AWP&B by MEFCC and No objection from the World Bank, MEFCC send to OEFCCA/ORCU, which in turn send subsequently to zones and woredas..

6.2.5 Revisions of budget and Work Plan

286. During the course of the year, it is essential (ideally every six months) to revise the Annual Work Plan and budget of OFLP. This is needed for instance, to cover unforeseen costs, over expenditure or redirect funds from one budget to another. To this end, the financial management specialist should ensure that:

- i. Requests for revisions were tabled by the M&E, and provide details of the activities for which revisions are requested, reasons for the revisions, the original budget amount, and proposed revised amounts.
- ii. Ratification of the revised budget was obtained by the steering committee and the World Bank, and
- iii. If the revision is approved, the M&E will inform concerned budget holders of the alterations that have been made to the budget to incorporate the approval revision.

287. Implementing agencies at Regional level will collect all the budget requests from zones, and zones interun request woredas, consolidate them based on the approved work plan and submit to Program Coordination of OEFCCA/ORCU who will prepare a consolidated budget and submit to the Regional OFLP Technical Committee for review and then to Regional OFLP Steering Committee for approval at the beginning of the physical year. Then, OEFCCA/ORCU sends the revised AWP and Budget to MEFCC. After approval of the AWP&B, MEFCC will send finance to implementing agencies at Regional level and subsequently to the implementing agencies at zonal and woreda levels. Annex 9 provides steps to be followed during budget preparation.

288. The program document and further review of the agreement shall determine the program budget for the entire period of the program.

289. The budget classification scheme is how the budget is organized by each budget institution. For accounting purposes, the budget classification scheme as defined in the government's annual budget is tracked to identify expenditure variances between what is budgeted and what is expended by budget institution. The budget classification scheme to classify budget institutions is uniform at the federal and regional levels.

290. OFLP FM related costs of: (i) audit costs; (ii) related logistics and supervision costs (e.g., transportation, per diem and accommodation while travelling) and (iii) providing FM Related trainings, etc. will be reflected in the program's work plan and budget.

6.2.6 Accounting Arrangements

291. **Accounting centers:** The accounting centers for OFLP funds are: (i) MEFCC; (ii) OEFCCA; (iii) OFWE HQ; (iv) Other Implementing Agencies (BoANR, BoRLAU and BoWME). All these institutions will maintain accounting books and records and prepare financial reports in line with the system outlined in this FM guideline.

292. OFLP will maintain regular and exact accounts for the program implementation using an appropriate accounting system. For OFLP financial transactions, MEFCC, OEFCCA/ORCU head office and OFWE Branch offices use Peachtree accounting software with the exception of Finfinne branch, which uses a computerized system developed to meet its needs. There are plans to replace the existing systems with a new integrated system which would be used across the enterprise. Program accounting will cover all sources and all uses of funds.

293. **Foundation of accounting:** The foundation of accounting is the basic set of principles and rules employed by the accounting system to determine when and how to record transactions. The accounting system at the federal, regional and branches levels employs a modified cash basis of accounting.

294. The modified cash basis of accounting means that cash basis of accounting applies except for recognition of certain defined items. The key considerations used to determine which items to include or exclude in the modified cash basis of accounting are the availability, complexity, practicality and

efficiency with which information can be obtained to include other assets and liabilities within the accounting system and the need to keep the basis of accounting consistent with the government's budgeting system.

295. FDRE's accounting policies and procedures¹⁶would be largely used for the accounting of OFLP. Although the accounting policies at OFWE are accrual basis of accounting, which is different from the modified cash basis used by the government, given that the implementation involves MEFCC and other regional bureaus, it is recommended that the modified cash basis of accounting will be used for consistency purposes. Consistent with the government manual, the OFLP accounting shall employ modified cash basis of accounting in that the cash basis of accounting applies except for recognition of the following transactions:

- Revenue and expenditure are recognised when aid in kind is received
- Expenditure is recognised:
 - When payroll is processed, based on payroll and attendance sheet
 - At the end of the year when a grace period payable is recognised.
 - When goods are received or services are rendered.
- Intergovernmental transfers are recognised in the absence of actual cash movement.
- Transactions resulting from salary withholdings are recognised in the absence of actual cash movement.

296. **Method of Bookkeeping:** The FDRE accounting system uses double-entry bookkeeping. Double-entry bookkeeping means that both aspects of each transaction are recorded in the accounting records with at least one debit and one credit so that the total amount of debits and the total amount of credits are equal to each other.

Double-entry bookkeeping has numerous advantages, including:

- All aspects of the transaction are properly recorded in accounts.
- The accounts are self-controlling because the total of all debits must equal the total of all credits; therefore, many errors are easily detected and corrected.
- Modified cash basis of accounting can be introduced.

297. Double-entry bookkeeping requires an understanding of some additional basic accounting concepts and terms. The most basics are the terms debit and credit. Debit literally means left and credit literally means right.

By convention, the rules shown in Table 11 are true for each account category used in modified cash basis of accounting.

Table 11: Accounting Rules for Debits and Credits

¹⁶The Ethiopian Government follows a double entry bookkeeping system and modified cash basis of accounting. This is documented in the Government's Accounting Manual. This has been implemented at the federal level and in many regions. The Government's Accounting Manual provides detailed information on the major accounting procedures.

Account Category Used for Modified Cash Basis	Normal Balance	Increase Recorded as	Decrease Recorded as
Revenue	Credit	Credit	Debit
Expenditure	Debit	Debit	Credit
Cash and cash equivalents	Debit	Debit	Credit
Receivables	Debit	Debit	Credit
Payables	Credit	Credit	Debit
Transfers	Debit or Credit depending on transfer type		
Net assets/equity	Credit	Credit	Debit

298. **Chart of Accounts:** A chart of accounts is a system of coding used by a financial management system to identify and classify financial transactions and events. The chart of accounts used is exactly the same at the federal, regional, zonal; and woreda levels to record revenues, expenditures, transfers, assets, liabilities and net assets/equity. The OFLP chart of account shall be designed by category, financier and component in addition to government chart of accounts. The chart of account for OFLP prepared by OEFCCA/ORCU is found in the Annex...

299. **Accounting Cycle:** The accounting cycle for the OFLP passes the following processes:

- Budgeting expenditures
- Capturing transactions in source documents
- Journalising entries to the transaction register
- Posting to general and subsidiary ledgers, and
- Preparation of monthly financial reports, quarterly IFRs, and annual financial statements.

300. **Accounts Recording:** Based on the actual source document such as check and cash payment vouchers, receipt vouchers and journal vouchers the project should be recorded into **Peachtree** accounting software.

301. **Accounting Period:** The FM reporting period will be from July 8 to July 7 of the following year. This shall be stipulated in the government program documents.

6.2.7 Internal Control

302. **Internal Control – Check Payments:** The internal control process will include

- New check books received from the bank must be checked for completeness and kept in safe custody.
- The checks may be collected from the Bank by one of the signatories or by delegated person. Only one check book at a time should be issued to the person responsible for check preparation against return of a completed check book stub.

- Used check book stubs should be filed in date order by the program's Financial Management Specialist.
- All payments above Br. 2,500 must be made by check.
- Spoiled and cancelled checks should be stamped VOID, retained in the check book and the signatures torn off or obliterated to reduce the possibility of these being fraudulently copied.
- Blank checks must never be signed in.
- Cheques must be signed by at least two signatories.

303. **Check Preparation and Signature:**

- Check signatory must be assigned by Implementing Agency higher officials.
- Checks may only be prepared against Request for Payment, which is to be approved for payment by the Program Coordinator or designated check signatory.
- Check payments will be evidenced by pre-numbered check payment vouchers and signed by the assigned person.
- Check payment vouchers and supporting documentation should be stamped PAID to avoid double payment.

304. **Internal Control–Bank transfers (Using letter):** The internal control process will include:

- Bank Transfers may be made using letter requests to the bank by mentioning the name of the beneficiary and the name of the Bank branch and of the bank account (if required).
- The bank notifies the payment action for the requests by sending debit advices specifying the amount charged to the Project Bank account.
- The accountant should check the debit advice against the letter request. And process the transaction using the Payment window of Peachtree Complete Accounting.
- Letter requests are to be approved by check signatories.

305. **Bank Reconciliation:**

- All bank accounts must be reconciled monthly by using Peachtree accounting software or Excel spread sheet
- Reconciliation should be made as soon as the statements are received from the bank.
- Bank reconciliations must be printed and checked for correctness by reference to the source documents of items reported as outstanding.

306. **Internal Control – Petty Cash payments:** The internal control process will include

- Petty cash should be kept on the imprest system whereby the cashier is advanced a float of a fixed amount, which will always be represented by cash or vouchers.
- The amount of the petty cash float should be reasonable in relation to requirements and should not exceed about one month's normal expenditure but the ceiling is birr 30,000.00
- Only payments of up to Br. 2,500 may be made from petty cash.

- Petty cashiers should not have access to the accounting records or check books other than petty cash vouchers, petty cash report and request forms (Where cashiers act as petty cashiers then they would also have access to cash receipts, bank deposit slip.
- Payments from petty cash must be approved by the responsible person. Petty cash payment vouchers and supporting documents must be stamped "PAID" at the time of payment.
- Periodic and surprise counts should be made.

307. **Internal control - Fixed Assets:** Fixed assets are physical items that are expected to have a useful life of longer than one year and have a certain minimum value. Although fixed assets are charged to expenses up on purchase, no depreciation shall be charged on the fixed assets. The program should maintain a fixed asset register for items that:

- Have life expectancy of more than 1 year, and
- Have a value of Birr 1000.

308. Fixed assets register which keep track of all assets obtained under the program shall be maintained at each implementing agency. The register shall include all necessary information about the assets including:

- Fixed asset description
- Supplier's name
- Unit of measurement
- Invoice No. and invoice date
- Original Cost and related expenditures
- Identification No.
- Location, etc., of the assets. Moreover, assets should be tagged with identification numbers.

309. Another consideration in fixed asset management of significance is **Physical Verification**. Fixed assets should be physically checked periodically (must be done atleast annually) in order to make sure that the assets exist. All inventories of fixed assets shall be physically verified against records at least annually. Any identified difference should be communicated to management for decision and action.

310. **Reporting Currencies and Exchange Rates:** The reporting currency for the program is Birr. However, reports on the Designated Accounts can be provided to the World Bank in USD at which the Designated Accounts are maintained. Transactions denominated in foreign currencies shall be translated into Birr and shown in the accounts at the rates ruling on the transaction dates. The balances in the Designated Accounts will be translated into local currency (Birr) and shown in the financial statements (Final Accounts) at the rate prevailing at the end of the reporting period. Gains/losses on foreign currency should be recognised in the books of OFLP by MEFCC.

6.2.8 *Financial Reporting*

311. **Final Accounts :**The final accounts (annual financial statements) has the objective to provide information about the financial position, performance and cash flows that is useful in making and

evaluating decisions about the sources, allocation and uses of financial resources and about how the activities were financed. In addition, the accounts provide users with information about whether resources were used in accordance with the approved budget. Moreover, the final accounts are audited by independent auditors on which opinions on the fairness of the statements are expressed.

312. OFLP's financial statements would be prepared in respect of each accounting year for the purpose of providing information including the source and use of funds during the year and financial position at the end of the year then ended. The financial statements required for the OFLP, and as stipulated in the government accounting manual, shall comprise:

- Balance Sheet,
- Income and Expenditure Statements (Statement of Source and Use of Funds), and
- Accounting Policies and Notes to the Financial Statements.

313. In addition to the above statements, the Statement of the Movement of the Designated Accounts, and list of materials procured shall be annexed to the Notes to the Financial Statements. A single audit opinion shall be expressed on the final accounts. OEFCCA/ORCU shall be responsible for preparing the final accounts by consolidating the various financial reports received OFWE and other relevant implementing agencies. Thus, amounts shown in the final accounts shall equal the aggregate of amounts shown in the quarterly financial reports submitted to donors. The statutory reporting entails reporting of final accounts to the Office of the Federal Auditor General (OFAG) or other project external auditor.

6.2.9 Periodicity of Reporting

314. **Monthly reporting:** ZoEFCCA/OFLP LFs shall send the consolidated financial reports of institutions participating in the program within 20 days after the end of the month as per the following check list:

- prepared the report as per the standard format
- sending of the report as per the financial agreement schedule
- attached the trial balance
- attached the balance sheet
- attached the Income statement
- attached the Bank statement & Bank reconciliation
- attached the explanation of the variances.
- completeness of the report Signed by authorized Signatory
- ensure the Eligibility of expenditures.
- copy of cash count certificate
- copy of fixed asset registration at the end of the year

315. OEFCCA/ORCU shall submit the quarterly report of its own accounts to MEFCC within 30 days of the quarter end.

316. **Interim Financial Report (IFR):** Management information is required in order to control financial resources. The WB and DPs require monitoring based on internationally accepted accounting principles. Likewise, monitoring physical performance in relation to financial disbursement is important in order to establish the value for money. At operational level, reporting is essential to facilitate routine activities of the Project.

317. The MEFCC shall prepare and submit the Interim Unaudited Financial Reports (IFRs) to the WB within 45 days after the end of each quarter. The report shall include the following:

- A statement of source and uses of funds indicating all the resources and use of program funds for the reporting period and cumulative.
- Statement of Uses of fund (expenditures) by component and category compared with budgets for the reporting period and cumulative
- Apportionment the reporting period expenditure by financiers
- IFR subject to prior and post review statement for the reporting period.
- Designated Account activity statements for the reporting period
- Six month Cash forecasts Statement for the next 2 quarter
- Notes and variance analysis related to the financial report.
- Attached Trial Balance, Balance Sheet, Bank statement, bank reconciliations, aging analysis, etc

6.2.10 Auditing

318. **Internal Audit:** Internal auditing is a profession and activity involved in helping organizations achieve their stated objectives. It does this by utilizing a systematic methodology for analyzing business processes, procedures and activities with the goal of highlighting organizational problems and recommending solutions. The scope of internal auditing within an organization is broad and may involve topics such as the efficacy of operations, the reliability of financial reporting, deterring and investigating fraud, safeguarding assets, and compliance with laws and regulations.

319. At Federal level, MEFCC internal auditors will conduct a regular check on the cash balance and bank reconciliations at MEFCC level, and also the formal internal audit review of the program. Each of the institutions receiving funds from OFLP will conduct internal audit and inspection service unit will conduct a regular audit of OFLP fund by their respective internal audit and inspection service at each level using their own internal audit guideline. Regional BoA internal audit and inspection service unit would conduct a regular audit of OFLP fund at Regional BoA Office level using its own internal audit guideline. Therefore, all the implementing agencies should include OFLP in their annual work plan and conduct regular visits. The report of the implementing agencies internal auditors shall be addressed and submitted to the head of the agency. However, major findings during audit shall be communicated to MEFCC immediately for corrective action.

320. **External Audit:** External audit is a periodic examination of the books of account and records of an entity conducted by an independent third party (an auditor) to ensure that they have been properly maintained, are accurate and comply with established concepts, principles, and accounting standards, and give a true and fair view of the financial state of the entity.

321. According to the Ethiopian Constitution, the Office of Federal Auditor General (OFAG) is responsible for carrying out the audit of all the financial transactions of the federal government and subsidies to the regions. Each of the regions has regional Auditor General responsible for auditing financial transactions in the region. But OFAG usually delegates its responsibility to a parastatal or a private audit firm in the country to carry out the audit of donor-financed programs. Annual audit for the OFLP shall be performed by an independent audit firm nominated by the OFAG and the audit report shall be submitted to the WB and DPs within 6 months after the end of each physical year.

322. The audit of the whole project shall be conducted in accordance with the terms of reference to be provided by MEFCC. The audit report shall be addressed to MEFCC.

323. **Audit of Statement of Source and Uses of Funds:** The objective of this audit is to ensure that all source of the program funds are included in the statement and that payments are properly included in the accounts.

324. **Audit of Interim Financial Reports:** The objective of this audit is to ascertain that the individual expenditures, which comprise the IFR totals, are fully supported by documentation kept in the program files kept at different locations, and are properly authorised and eligible under the Project document.

325. **Audit of Designated Accounts:** The objective of such audits are to verify that the Designated Accounts bank statements are reconciled with the Project books of accounts and what has been withdrawn or deposited from designated accounts is traceable in the program books and records.

326. As indicated above, the Office of the Federal Auditor General (OFAG), or a qualified auditor nominated by OFAG and acceptable to IDA would conduct the external audit. The audit would be carried out in accordance with the International Standards of Auditing (ISA) issued by the International Federation of Accountants (IFAC). The auditor should also ensure that the implementing agencies get adequate coverage in the yearly audit exercises.

327. Annual audited financial statements and audit reports (including Management Letter) would be submitted to IDA within 6 months from the end of the fiscal year. The annual financial statements would be prepared in accordance with the standards indicated in the audit TORs provided in Annex 12.

328. After the reports are issued, MEFCC has the responsibility to prepare audit action plans through its internal auditors within one month of the receipt of the annual audit report. The prepared action plan would be disseminated to OEFCCA/ORCU and regional implementers including OFWE, who will be responsible for taking appropriate action and responding back to MEFCC. MEFCC would be responsible to submit the consolidated status report within a maximum of two months after the receipt of the audit report.

329. In accordance with the WB's policies, the borrower would disclose the audited financial statements in a manner acceptable to the WB; following the WB's formal receipt of these statements

from the borrower, the WB makes them available to the public in accordance with The WB Policy on Access to Information.

6.2.11 Internal control and Supervision plan

330. OFLP's internal control is required to:

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- Carry out the Program activities in an orderly and efficient manner;
- Ensure adherence to policies and procedures;
- Ensure maintenance of complete and accurate accounting records; and
- Safeguards the assets of the Program.

331. The internal control comprises the whole system of control, financial or otherwise, established by management, regular government systems and procedures would be followed, including those relating to authorization, recording and custody controls. The Program's internal controls, including processes for recording and safeguarding of assets.

332. Since the FM risk for the Program is rated 'substantial', the Program would be supervised twice per year. After each supervision, risk would be measured and recalibrated accordingly. Supervision would be carried out in coordination with the WB, donors and other development partners and would include onsite visits, meetings, review of IFRs, audit reports, and follow up on actions during various mission meetings.

6.3 Financial Management Arrangements for ERPA

333. The FM arrangements for the ER payments (US\$50 million) will be defined in the BSM Implementation Manual, to be prepared by OEFCCA/ORCU with no-objection from the WB prior to ERPA signature. The BSM manual will cover critical financial management aspects of the payments and hence capacity assessments and recommendations for risk mitigation measures will be proposed by the WB.

7. PROCUREMENT ARRANGEMENT

7.1 General Guidelines

334. The Procurement procedures for OFLP are separately defined for the mobilization grant and the ER payments. The procurement under mobilization grant will follow the usual WB financed procurement system where the WB's Guidelines are applied, and will be governed by the grant agreement. The procurement under ER payment will follow the BSM to be prepared for the Program as well as the policies and procedures of the WB's carbon financing, and will be governed by Emission Reduction Purchase Agreement (ERPA) to be signed between the WB and the FDRE.

335. The following WB's guidelines will govern procurement activities to be carried out by the mobilization grant:

- Guidelines for Procurement of goods, works and Non-Consulting Services under International Bank for Reconstruction and Development (IBRD) Loans and International Development Association (IDA) Credits dated January 2011 and revised July 2014;
- Guidelines for Selection and Employment of Consultants by World Bank Borrowers dated January 2011 and revised July 2014 (sections I and IV);
- Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants Dated October 15, 2006; and,
- Provisions mentioned in the Financing Agreement.

7.2 Procurable Items under the Project

336. Procurable items under the Program could include small works, goods and consulting and non-consulting services. The ORCU will identify and consolidate specific Procurement items to be financed from the mobilization grant with consultation of OEFCCA, and other institutions participating in the program and submit the Procurement Plan to the WB through MEFCC for no objection before any procurement is initiated and expenditures can be made.

7.2.1 Procurement of Goods

337. Goods to be procured under OFLP will include office supplies, computers, software, transportation vehicles, motorcycles, cook stoves, seeds, and seedlings and nursery hand tools and etc. needed for the implementation of OFLP at OEFCCA/ORCU, OFWE district offices and other implementing agencies or sectors.

338. The Program procurement will be conducted using the Bank's SBD for all ICB and National SBD agreed with or satisfactory to the Bank (considering the NCB exceptions). To the extent practicable, goods contracts shall be grouped into bid packages estimated to cost the equivalent of US\$ 1,000,000 or more to be procured through ICB procedures. Goods and equipment contracts estimated to cost less than USD 1,000,000 per contract may be procured using National Competitive Bidding (NCB), using national SBD agreed with or satisfactory to the Bank. Direct contracting (see sub heading 7.3.5 below) for goods may be used in exceptional cases, such as for the extension of an existing contract, standardization, proprietary items, spare parts for existing equipment, and emergency situations. All direct contracts above US\$ 1,000.00 will require Bank prior review except for such procurements under community participation where the allowable threshold without Bank prior review is up to US \$ 5,000.00 equivalent per contract with good justification and records maintained for future audits. However, such DC procurement should be authorized by the head of procuring agency or by head of ORCU. Shopping may be used for contracts with estimated values of less than US\$ 200,000. Following the Bank's Guideline, Goods and equipment like vehicles and motorcycles may also be procured from UN Agencies such as IAPSO with prior no objection from the Bank. For goods produced in Ethiopia, Bank's Procurement Guidelines grant margin of preference of 15 per cent in ICB if this is agreed in the FA.

7.2.2 Procurement of Works

339. Works to be procured under OFLP, may include construction and maintenance of office buildings, maintenance of access roads, fencing, terracing work, plantation establishment and tending operations and etc. The procurement of such small scale works shall be carried out using the WB's procurement procedures.

7.2.3 Non-consultancy Services

340. Non-consultancy services to be procured under the OFLP would include procurement of transport services, media, mapping services, telecommunication/ internet services, etc. The procurement methods for non-consultancy services are similar to the Procurement of Goods.

7.2.4 Selection of Consultants

341. Consultancy Services under OFLP would include bigger and smaller consultancy assignments in which individual (national and/or international) consultants may participate at various levels of program implementation as well as advisory services to be provided by firms in various aspects of the OFLP as described in the Project Procurement Plan... Short lists of consulting firms for services estimated to cost less than \$200,000 per contract may comprise entirely of national consultants in accordance with the provision of paragraph 2.7 of the Bank's Consultant Guideline except engineering and works supervision. In the case of engineering and works supervision the shortlist may be made up entirely of national consultants for contract value less than US\$ 300,000.00.

7.2.5 Operating Costs

342. Expenditures made for operational costs such as fuel and stationery, cost of operation and maintenance of equipment, communication charges, transportation costs and travel allowances to carry out field supervision will follow FDRE practices that have been found acceptable.

7.2.6 Training and workshops

343. Training and workshops will be based on capacity-building needs. Venues for workshops and training and purchase of materials will be done on the basis of at least three quotations (refer guidance for shopping method). The selection of institutions for specialized training will be done on the basis of quality and therefore would use the Qualifications Based Selection method. Annual training plans and budget shall be prepared and approved by the WB in advance of the training and workshops.

7.3 Procurement Methods

344. Methods of Procurement of Goods, Works and Non-Consulting Services under the OFLP involve:

- International Competitive Bidding, National Competitive Bidding, Direct Contracting and Shopping, depending on their appropriateness and fitness to the purpose under consideration.

The choice and application of a particular method would be determined by the cost estimate, nature of the goods, availability of goods in-country and market situation.

- Direct contracting (for goods and works) and single source selection may also be used when the implementing agency is satisfied that such method brings value for money and the conditions stipulated in paragraph 3.7 of Procurement Guidelines and paragraph 3.8 of Consultant Guidelines are fulfilled to the satisfaction of the WB.
- Shopping or other methods under community participation could be used to procure goods and works required under community demand driven initiatives.
- The different goods, works and services that are going to be procured under the project are to be agreed in the annual procurement plan.

7.3.1 International Competitive Bidding (ICB)

345. Basically, ICB shall be default procurement method (preferred method). Nevertheless, when ICB is not required due to acceptable and justifiable reason (such as not efficient or economical or if other methods are otherwise deemed more appropriate), then other methods can be used.

346. The following basic points need to be considered when ICB is applied:

- All ICB procurements should be done at OEFCCA, unless MEFCC is requested by OEFCCA/ORCU to process the ICB on its behalfes.
- To the extent practicable, contracts should be grouped into bigger packages to attract potential bidders and all packages of value equivalent or above US \$7.0 million and US\$ 1.0 million for works and goods, respectively, shall be processed through ICB.
- The goods, works or services must be organized and/or grouped in such a way that they attract the interest of foreign suppliers or contractors. However, domestic preference should apply to goods manufactured and works carried out in Ethiopia. The current domestic preference stands at max. 15% margin for goods and max. 7.5% for works and apply for ICB process.
- The OEFCCA/ORCU is expected to prepare and submit to the Bank thorough MEFCC a draft General Procurement Notice (GPN) to be published in the United Nations Development Business (UNDB) and a list of all responses to this notice shall be maintained. The GPN shall be updated annually for all outstanding procurements.
- Invitations to pre-qualify or bid for specific contracts shall be advertised as Specific Procurement Notice (SPN) and published in a national newspaper (in Amharic and English languages), United Nations Development Business, and respondents to the GPN. There must be at least eight weeks interval between the publication of the GPN and the SPN.
- The Bank's Standard Bidding Documents will be used for all ICBs.
- Bidding documents shall be issued which will clearly state the type of contract, size, scope, technical specifications, payment method and the general and specific conditions governing the procurement. The bidding documents should also describe the criteria and methodology for evaluation of bids and selection of successful bidder.
- Registration of foreign bidders with local authorities should not be a requirement for bidding under ICB. However, successful bidder may have to register if such is required by Ethiopian law.

- Foreign firms should not be required to associate with local firms in joint venture or to employ specific personnel as a condition for pre-qualification or bidding. Local or foreign bidders should submit only one bid either individually or as members of a joint venture.
- Successful bidders must be awarded the contract within the period of the validity of the bids. New conditions must not be introduced that was not in the original and/or amended bidding documents. Where inspection is required for imported items, such should not be subject to price verification, but only be verified for quality and quantity.
- Cost incurred for certification of imports shall not be a factor in the bid evaluation.
- ICB contracts will be subject to prior review by the Bank.

347. Drafting of Bidding Documents. After Procurement Plans are approved and technical specifications are ready by the user department, the procurement unit is required to draft appropriate bidding document or request for proposals, depending on the procurement method approved in the PP.

348. Preparation of the ICB Documents: The procurement process itself starts with the preparation of the bid documents. Among other information, which must appear in the documents, it is particularly important to ensure that information on technical and functional specifications are complete and sufficiently detailed, accurately reflects the needs of the end-users and is broad enough to allow international competition. Technical specifications must be drawn by a competent technical authority or person, with advice and external technical assistance if required.

- The bidding documents shall be prepared very carefully and shall furnish all information necessary for a prospective bidder to prepare a bid for goods, works and non-consulting services. While the detail and complexity of these documents may vary with the size and nature of the proposed bid package and contract, the contents of a bidding document for procurement of goods and non-consulting services include the following:
 - Instructions to Bidders (ITB)
 - Bidding Data Sheet (BDS)
 - Evaluation and Qualification Criteria
 - Bidding Forms
 - Eligible Countries
 - Schedule of Requirements
 - General Conditions of Contract (GCC)
 - Special Conditions of Contract (SCC)

7.3.2 *Limited International Bidding (LIB)*

349. Limited International Bidding (LIB) is essentially ICB by direct invitation without open advertisement. It may be an appropriate method of procurement where (a) there are only a limited number of suppliers, or (b) other exceptional reasons may justify departure from full ICB procedures. Under LIB, borrowers shall seek bids from a list of potential suppliers broad enough to assure competitive prices, such list to include all suppliers when there are only a limited number. Domestic preferences are not applicable in the evaluation of bids under LIB. In all respects other than advertisement and preferences, ICB procedures shall apply, including the publication of the award of contract.

7.3.3 National Competitive Bidding (NCB)

350. NCB should be used where it is considered most efficient and economical for the procurement of goods, works, or services the nature or scope of which is unlikely to attract foreign competition. The procedure must be structured to ensure economy, efficiency, transparency, and broad consistency with the provisions of the Bank's Guidelines. The following are acceptable instances where NCB may be used:

- Where the contract values are relatively small;
- Where the location of works are scattered geographically or spread over time;
- Where the works to be contracted are labour intensive;
- Where the goods or works to be procured are available locally at prices below international market prices; or
- Where the advantages of ICB are clearly outweighed by the administrative or financial burden involved.

351. The different goods, works and services that are going to be procured under this procedure are indicated in the procurement plan.

352. The following points are need to be considered when using the NCB procurements:

- Goods estimated to cost less than USD\$ 1,000,000 equivalent and works estimated to cost less than USD\$ 7,000,000 equivalent per contract may be procured under NCB. NCB is open to all foreign eligible bidders.
- All procurements under the NCB mode are exempt from the publication of General Procurement Notices, and advertising may be limited to widely circulate national press or official gazette.
- National SBD, agreed with or satisfactory to the Bank will be used. Bidding documents may be prepared in English language or in widely used federal Government's working language (Amharic), and local currency can be used for the purposes of bidding and contracts payment.
- Its procedure should provide adequate response time for preparation and submission of bids while encouraging competition in order to ensure reasonable prices.
- NCB contracts estimated to cost above US\$ 500,000 per contract for goods, and US\$ 5,000,000 per contract for works will be subject to prior review by the Bank.

353. The criteria for bid evaluation and contract award should be clearly specified in the bidding document. Any foreign firm indicating interest in participation should be allowed to do so. Below are NCB exceptions, listed in para. 292, that are agreed in the Financing Agreement and should be observed while using NCB procedure:

354. **Preparation of Bidding Document for NCB:** The project procurement officers should either use the World Bank's SBD for ICB or the federal level SBD for the Procurement of Goods and Related Services (NCB). The project procurement officers shall complete the cover page, BDS, evaluation and qualification criteria, statement of requirements and special condition of contracts to reflect the specific nature of the goods related to the project. The BD shall contain sufficient information to enable competition to take place among bidders on the basis of complete, unbiased

and objective terms. It is important to note that the estimated cost of the object of procurement should be reassessed and approved prior to finalization of the BD. Relevant technical experts of the project will be part of the team to prepare the respective BD. The BD shall furnish all information necessary for a potential bidder to prepare a bid for the goods or works. The details and complexity of the information required may vary with the nature of the proposed bid package.

355. The project procurement officers shall comply with the following instructions when preparing BDs. BDs shall be so worded that they permit and encourage open competition and shall set out clearly and precisely:

- the work to be carried out and the location of the work;
- the goods to be supplied and the place of delivery or installation;
- the schedule for delivery and completion;
- the minimum performance requirements ;
- the warranty and maintenance requirements;and
- any other relevant terms and conditions.

356. All prospective bidders shall be provided the same information and be assured of equal opportunities to obtain additional information promptly upon request. After preparation of the draft BD it shall be reviewed by Bid Approving Committee (BAC) to prepare the final version of the BD. The advertisement, bid closing and opening, evaluation, award and signing of contracts are the same with the provisions and steps described under ICB procedure. The contract award notification will be published using the standard format.

357. International and National Competitive Bidding: Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International and National Competitive Bidding. National Competitive Bidding (NCB) shall follow the Recipient's procurement procedures subject to the following additional procedures:

- i. The Recipient's standard bidding documents for procurement of goods and works acceptable to the Bank shall be used. At the request of the Recipient, the introduction of requirements for bidders to sign an Anti-Bribery pledge and/or statement of undertaking to observe Ethiopian Law against fraud and corruption and other forms that ought to be completed and signed by him/her may be included in bidding documents if the arrangements governing such undertakings are acceptable to the Association (IDA).
- ii. If pre-qualification is used, the Bank's standard prequalification document shall be used.
- iii. No margin of preference shall be granted in bid evaluation on the basis of bidder's nationality, origin of goods or services, and/or preferential programs such as but not limited to small and medium enterprises.
- iv. Mandatory registration in a supplier list shall not be used to assess bidders' qualifications. A foreign bidder shall not be required to register as a condition for submitting its bid and if recommended for contract award shall be given a reasonable opportunity to register with the reasonable cooperation of the Recipient, prior to contract signing. Invitations to bids shall be advertised in at least one newspaper of national circulation or the official gazette or on a widely used website or electronic portal with free national and international access.

- v. Bidders shall be given a minimum of thirty (30) days to submit bids from the date of availability of the bidding documents.
- vi. All bidding for goods shall be carried out through a one-envelope procedure.
- vii. Evaluation of bids shall be made in strict adherence to the evaluation criteria specified in the bidding documents. Evaluation criteria other than price shall be quantified in monetary terms. Merit points shall not be used, and no minimum point or percentage value shall be assigned to the significance of price, in bid evaluation.
- viii. The results of evaluation and award of contract shall be made public. All bids shall not be rejected and the procurement process shall not be cancelled, a failure of bidding declared, or new bids shall not be solicited, without the Bank's prior written concurrence. No bids shall be rejected on the basis of comparison with the cost estimates without the Bank's prior written concurrence.
- ix. In accordance with para.1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Financing shall provide that: (1) the bidders , suppliers, contractors and subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Bank , at its request, to inspect all accounts, records and documents relating to the bid submission and performance of the contract, and to have them audited by auditors appointed by the Association; and (2) Acts intended to materially impede the exercise of the Bank's audit and inspection rights constitutes an obstructive practice as defined in para. 1.16 a (v) of the Procurement Guidelines.

358. The Basic Steps in using NCB Methods are as follows:

- i. The items to be purchased should be included in the Procurement Plan and the method is agreed to be NCB.
- ii. Preparation of Bidding Document.
- iii. Implementing agencies under the project can use the Federal Government Standard Bidding Document for the procurement of goods and works for National Competitive Bidding (NCB).
- iv. Bid Announcement/Advertisement and Sells of Bidding Document: Invitations to bid should be advertised on at least two (2) consecutive days in a local newspaper of wide circulation (preferably Ethiopian Herald, Addis Zemen, etc), and prospective bidders should be allowed a minimum of thirty (30) days between the date on which the notification appears for the first time and the deadline for bid submission.
- v. **Bid Submission:** Bidders are required to follow the specific instruction to Bidders ITB and the qualified instructions in the Bid Data Sheet (BDS) in submitting their bids before deadline for bids submission as specified in the issued bidding document. .
- vi. **Bid Opening:** The Bid shall be opened in public at the same date and time of Bid closing following the procedures as specified in the issued bidding document.
- vii. **Bid Evaluation and Preparation of Bid Evaluation Report:** Bids should be evaluated consistent with the evaluation and qualification criteria specified in the issued bidding document. No new criteria shall be used and all criteria in the issued bidding document shall be applied during evaluation of the bids. Publication of Contract Award: Publishing of bid evaluation result on appropriate media and notification of all Bidders of the result of the evaluation.

- viii. Contract Award by issuing a letter of acceptance to the successful bidder: if the procuring entity has not received compliant within a period of five working days, for NCB, of Contract Award Notification, the borrower may proceed with award of the contract to the successful bidder.
- ix. Receive Performance Security and signing of contract agreement.
- x. Contract Implementation.

Shopping

359. Shopping is a method of procurement for procuring readily available off-the-shelf items or standard specification commodities that are small in value where price quotations are obtained from at least three suppliers.

360. It is also used at times of emergencies or during relief-type operations such as when re-establishing vital services like utilities, communications, shelter, and vital supplies caused by disasters such as flood resulting in one or several activities in supply of goods, installation and commissioning of equipment, or very urgent minor civil works. Shopping method may be used for contract value of less than USD \$100,000. Moreover, Small Works estimated to cost less than USD \$200,000 equivalent per contract, may be procured under lump-sum, fixed price contracts awarded on the basis of quotation obtained from minimum of three qualified contractors in response to written invitation. The invitation shall include a detailed description of the works, including specifications, the required completion date, a basic form of agreement acceptable to the World Bank, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and the resources to complete the contract successfully.

361. The following steps should be taken during procurement of Goods, Works and Non-Consulting Services using Shopping procurement method:

Step 1: Preparation of Technical Specifications: The requesting department with the help of technical department should prepare a detailed specification, which is sufficient and precise, and submit it to the procurement unit of the Implementing Agency to initiate the procurement process. The items requested should be verified by the procurement unit whether they are clearly stated in the approved procurement plan. During preparation of specification Brand names should not be specified. If brand names are required (e.g. for spare parts) add: “or equivalent”.

Step 2: Preparation of Request for Quotations: The Request for Quotations (RFQ) should be prepared by the procurement unit of the Implementing Agency by taking the following major points in to consideration:

- Shortlisted suppliers name and address
- The deadline for submitting the quotations and place of submission, usually one week from the date of issuance of the RFQ
- The required period of validity of the quotations, usually 15 days
- The key contract terms: fixed price, place and time for delivery, etc

- Payment provisions and mode of payment
- The description and quantity of the goods, works or services
- The RFQ should be approved by the head of the procurement unit before issuing it to selected firms.

Step 3: Invite Firms to Quote: The Implementing Agency should send RFQ to shortlisted suppliers or contractors or service providers in seeking written quotations from as much qualified firms as possible. The firms invited to quote should be reputable, well established, and are suppliers of the goods or services being purchased as part of their normal business. It is recommended to invite a minimum of four suppliers, with the aim of receiving at least three quotations to evaluate. Local advertisement through “Notice Board” which is currently practised in the some regions and woredas is also acceptable as far as it attracts more competition to the process. The suppliers should be independent from one another, registered in the countries of operation, and capable of delivering the required goods (trading in specific or similar goods). Moreover, suppliers who have a conflict of interest with a staff member of the Implementing Agency may have to be disqualified.

Step 4:Receiving Quotations (minimum three): Suppliers should submit their quotations in writing with closed envelopes. They are not obligated to submit bid or performance securities as part of their quotation. The quotation shall be submitted on the date and time specified in the RFQ. It requires opening with the presence of more than two witnesses or with the presence of the suppliers who wish to attend. Normally, requests for quotes indicate the expected date of submission of quotes, within one week of the initial request. In other cases, if the Implementing Agency has not received at least three quotations within the time set, it will be required to re-invite suppliers in writing for submission of quotations. At this point if three and above quotations are received, the Implementing Agency may proceed with the comparison of the quotations received.

Step 5:Quotations Opening and Comparison: The head of the procurement unit should assign an evaluation committee consisting of at least three qualified staff for carrying out quotation opening and comparison. The evaluation committee should record the opening process and evaluation and comparison of quotations in Minutes. The following major points should be considered during evaluation and comparison of quotations:

- Verify if the quotations is substantially responsive to the request for quotations;
- Examine if quotations conform to the technical specifications and the delivery time
- Verify any arithmetical errors. For example, if the quotation in figures is different from the quotation in words, the amount in words will prevail. If there is a discrepancy between the unit price and the total price that is obtained my multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected;
- Tabulate the Quotations and compare the prices of the quotations that are substantially responsive.
- Identify the supplier with the lowest price
- Verification of the evaluation results by the procurement unit head

Step 6: Preparation of Quotation Evaluation & Comparison Report: After the verification of the evaluation result made by the Head of the procurement unit, the evaluation committee should prepare a Minute of quotation evaluation and comparison report, which incorporate recommendation for contract award, and present it to the approving authority for approval.

Step 7: Contract Award and Issuance of Purchase Order: The procurement unit should prepare a Purchase Order (PO) listing all the items which are awarded to the least evaluated supplier and send it to the supplier for his/her acceptance. Notification of the award through official PO will constitute the formation of the contract. This Notification will be sent by registered mail, inviting the supplier to deliver the goods [or works] in accordance with the conditions of the Request for Quotations. Moreover, the Implementing Agency should publish the award of contract on the agency's notice board and notify the unsuccessful suppliers under each contract.

Step 7: Contract Management and Implementation: It should certainly be governed by the provisions stated in the Purchase Order or contract agreement documents.

Step 8: Delivery and Acceptance: When the goods are delivered by the supplier to the project site each item delivered should be inspected and verified that they are delivered as per the agreed specifications and technical requirements. Finally, Goods Receiving Report (GRN) should be issued by the Store Department and payment should be effected accordingly. When the construction work is also completed it has to be inspected and verified by the consultant that the work has been done in accordance with the signed contract agreement. After verification and approval the client will take over the works provisionally.

362. The procurement unit should document the award decision and its rationale and keeps it for review and audit by the World Bank, as needed. The record contains also the list of firms invited and the list and value of the quotations received and documents clearly that the award is based on sound economic criteria.

Direct Contracting

363. Direct contracting is contracting without competition (single-source) and may be an appropriate method under the following circumstances:

- Where the need arises for the extension of an existing contract for goods, works, or services awarded in accordance with procedures acceptable to the Bank and the purchase amount in direct contracting should not exceed 25% of the main contract (similar quality and price) amount and the purchase should be made within 6 months of the main procurement. To utilize this mode of procurement for this purpose, the Bank should be satisfied that no advantage could be obtained through further competitive solicitation process and that the prices on the extended contract are reasonable. It is advantageous to include provisions for such an extension in the original contract if extension is envisaged.
- Where the need arises for the procurement of additional items being part of some standardized equipment or spare parts considered compatible with existing equipment from its original supplier. To be justifiable:

- The original equipment must be suitable;
 - The number of the required items must generally be less than the existing number;
 - The price must be reasonable; and
 - The advantages of another make or source of equipment must have been considered and rejected on grounds acceptable to the Bank.
- Where the required item is proprietary and can only be obtainable from one source.
 - The procurement of certain goods from a particular supplier is essential to achieve the required performance or functional guarantee of an equipment or plant or facility;
 - In exceptional cases, such as, but not limited to, in response to natural disasters and emergency situations declared by the **Federal Government of Ethiopia** and recognized by the Bank; and
 - In circumstances that are in accordance with the provisions of paragraph 3.10 of the Bank's Procurement Guidelines for procurement from UN Agencies.

364. The OEFCCA/ORCU, through MEFCC, shall submit to the Bank for its review and no objection a sufficiently detailed justification, including the rationale for direct contracting instead of a competitive procurement process and the basis for recommending a particular firm in all such cases, except for contracts below US\$1,000 and except for such procurements under community participation where the allowable threshold without Bank prior review is US\$5,000 equivalent per contract as per OFLP PAD and set forth in the Procurement Plan.

365. The following steps should be taken during procurement of goods, works and non-consulting services under Direct Contracting (DC) Procurement Method, with prior No Objection from the Bank:

Step 1: Submit the estimated cost and the justification for direct contracting to the Bank for No-Objection

Step 2: Fine-tune and finalize the detail technical specifications and the schedule of requirements with a draft contract conditions including: the delivery time, place of delivery, and other vital information;

Step 3: Carryout market assessment and Prepare client's cost estimate

Step 4: Request a quotation from the supplier or contractor;

Step 5: Verify if the prices being charged by the supplier or contractor are compatible with the cost estimate and with the cost prevailing in the market of a similar nature;

Step 6: Negotiate and sign the contract;

Step 7: Publish the contract award with all necessary information.

7.3.4 Procurement from United Nations Agencies

366. This method is employed by engaging some specialized agencies of the United Nations (UN) to procure items in accordance with their own procedures. This is only recommended when it is considered most economical and efficient to procure small quantities of off-the-shelf goods. Contracts to be procured under this method should not exceed USD \$100,000.

7.3.5 Inspection Agents

367. Pre-shipment inspection and certification of imports is one of the safeguards for the NPU, particularly in projects with large import components. The inspection and certification should be made to cover quality, quantity, and reasonableness of price. The inspection agents' remunerations should be based on fees levied on the value of the goods inspected.

368. Methods for selection of consultants for OFLP consultancy may include:

- Quality and Cost Based Selection (QCBS),
- Quality Based Selection (QBS),
- Least Cost Based Selection (LCS),
- Fixed Budget Selection (FBS) and
- Consultant Qualification as appropriate, as described in Consultant Guidelines and agreed in the Procurement Plan.
- Individual Consultant (IC)
- Single Source Selection (SSS)

369. The applicable methods for procurement of works, goods, consultancy and non-consultancy services and the floating period for bids are shown in Table 12 and [Annex 13](#).

Table 12: Applicable procurement methods for works, goods, consultancy and Non-consultancy services

<i>Contracts For</i>		<i>Shortlisting of Consultants</i>	
<i>Works</i>	<i>Goods and Non-Consulting Services</i>	<i>Engineering and Works Supervision</i>	<i>All Other Consultancy Assignments</i>
Contract value is less than US\$5,000,000	Contract value is less than US\$1,500,000	Contract value is less than US\$300,000	Contract value is less than US\$200,000
NCB is allowed.	NCB is allowed.	Shortlist may be made up entirely of national consultants.	Shortlist may be made up entirely of national consultants.
Contract value is more than US\$5,000,000	Contract value is more than US\$1,500,000	Contract value is more than US\$300,000	Contract value is more than US\$200,000
ICB is required.	ICB is required.	Shortlist cannot be made up entirely of national consultants.	Shortlist cannot be made up entirely of national consultants.
Contract value is less than US\$200,000	Contract value is less than US\$50,000	Individual Consultants of any value	
Shopping (request for written quotation) is	Shopping (request for written quotation) is allowed. For vehicles, it will	At least three CVs of qualified consultants must be compared. Advertisements are not a must but are recommended. No comprehensive request for proposal is	

<i>Contracts For</i>		<i>Shortlisting of Consultants</i>	
<i>Works</i>	<i>Goods and Non-Consulting Services</i>	<i>Engineering and Works Supervision</i>	<i>All Other Consultancy Assignments</i>
allowed.	be allowed up to US\$200,000.	required. However, written communication on the ToRs of the assignment, proposals regarding understanding of the ToRs, and proposals for remunerations and other service costs may be submitted to serve as a base for negotiations.	

7.4 Standard Procurement Documents and Forms

370. Bank's standard BD and SRFP shall be used for selection of all consultancy services and procurement of goods and works at OEFCCA/ORCU Regional Office level and MEFCC Office as needed through International Competitive Bidding (ICB).

371. National competitive bidding may use Government's standard bidding documents, with necessary qualifications and procedures as listed in the NCB exceptions of the PAD.

372. There basic procurement standard document/ formats/templates to be used in the procurement process of OFLP. Some of them are listed below (details annexed as a separate document to be used as part of this PIM):

- General Procurement Notice (GPN)
- Invitation for Bids or Specific Procurement Notice (SPN)
- Request for Expression of Interest (REOI)
- Bid Evaluation and Award Recommendation Report Format (for Goods and Works)
- Consultant proposals Evaluation Report Format
- Contract register Format
- Shopping Request for Quotation (RFQ) Format
- Purchase Order (PO) format
- Shopping Quotation Comparison Format
- Disclosure of Contract award
- Template for disclosure of consultancy Contract award
- Template for consultancy contract disclosure and award
- Letter of acceptance
- Letter to notify the unsuccessful bidders

7.5 Contract packages & cost estimation procedures

373. The project implementing institutions at all levels should prepare procurement plans considering the following key aspects:

- What to procure: (need identification): this has to be consistent with the project work plan

- How to procure; Market analysis and procurement strategy including selection of appropriate procurement methods(ICB, NCB, shopping, DC, other agreed procurement methods)
- When to do each step: (procurement timeline for each step, each package)
- Who: (who is the implementing institution, who approves, who reviews the request)

374. Packaging: in packing, the following points need to be considered:

- Each product/goods, work or service can be considered as an “item” to be procured;
- Each item/package could be procured separately under a specific procurement process;
- Suppliers’ interest is likely to increase with the contract value;
- For the benefit of the project implementing institutions and the supplier, it is desirable to group items which are technically similar and would interest the same category and class of firms/suppliers;
- All items similar by nature or may be manufactured or dealt with the same suppliers may be grouped together in a contract package or “lots”
- Bidders may be invited to submit a bid and quote price for the entire package or multiple of lots. This grouping of similar items under one package with possible number of lots or will allow both big and smaller suppliers to participate in tender opportunities.
- In order to obtain best prices, group by lots or slice, or package, items which are reasonably homogenous and can be offered from a single source;
- The size of lot, slice or package should be appropriate to foster maximum competition to obtain the most economic contracts;
- If similar items are to be procured for several sectors/sub-components in a project it may be convenient to combine them in one package in order to achieve economies of scale ;
- If large quantities of a single commodity are being procured, packaging should take into consideration the following aspects:
 - market practices for the item;
 - transportation costs,
 - unloading capabilities;
 - storage capacities, and, etc
- Goods and works supplied from different sources and to be delivered and erected at different dates during the project implementation should be packaged separately. This is because of potential problems with contract interfacing and assigning responsibility for any subsequent defect.
- A large number of small lots or slices, encourages small suppliers and domestic contractors, but discourages larger and more efficient firms from bidding on a package of small contracts. It is recommended against an excessive number of lots or slices in a package.

375. **Cost Estimate (Budget):** Preparation of a well-thought-through cost estimate is essential if realistic budgetary resources are to be earmarked. There is different practice for the preparation of cost estimate for different categories of contracts (works, goods, non-consultancy services or consultancy services) and model of contracting strategy. For example for consultancy contract (firm), the cost estimate preparation is based on the project implementing institution’s assessment of the

resources needed to carry out the assignment with the desired quality and time frame. This may include: experts' time, logistical support, and physical inputs (for example, vehicles, laboratory equipment). Consultancy services costs are usually divided into two broad categories: (a) fee or remuneration (according to the type of contract used), and (b) reimbursable items, and further divided into foreign and local costs. The cost of experts' time inputs shall be estimated based on a realistic assessment of required international and national expertise. The RFP shall indicate the estimated level of experts' time inputs or the estimated total cost of the contract, but not detailed estimates such as fees.

7.6 Procurement Needs Identification and the Procurement Plan

376. The first and most important step in the procurement cycle is the identification of the required items and services to be procured and determine when those goods/services are required for the project. This requirement shall be reflected in the procurement plan and the project implementing institutions shall perform proper planning for all procurement activities in order to ensure that they meet their needs in the most effective, economical and timely manner.

377. A procurement plan is a legal document required in the procurement process. Annual PPs for OFLP shall coincide with budgets and targets to be achieved. Plans shall address the technical, operational, management, financial and other significant considerations. This should be carried out by the user section/entity and should result in clear identification of the items and corresponding specific functional and service requirements. Procurement Specialists or Officers at all levels that are engaged in planning and managing procurement activities of OFLP must be aware of all governing legislation and the agreed procurement rules and procedures in order to inform decision-making processes.

378. Once procurement needs have been identified and specified, the concerned project implementing institutions should also ensure that procurement is carried out in time. For this a PP should be prepared giving sufficient lead time for the process. Project implementing institutions should ensure that appropriate approvals at each level are in place. Separate Procurement Plan should be prepared for Consulting service, Goods, Works and non- consulting services. Furthermore, the Procurement Plan identifies in reasonable details (i) the various contracts of Goods, works, Non-consulting Services and Consulting Services required implementing the Project: (ii) the proposed methods of procurement for such contracts that are permitted, and (iii) the related WB review procedures.

379. The PP should be prepared and approved by the OEFCCA/ORCU authorized body at various levels as needed, including other implementing agencies of OFLP. Procurement should be carried out in accordance with the provisions in the approved procurement plan. Procurement activities carried out without an approved procurement plan are considered as ineligible expenditures and are not financed through project fund. The duration of time required to properly carry out each stage of procurement activities should be estimated carefully to develop a realistic plan.

Procurement planning steps

380. For the preparation of a PP, the following steps are essential

- Listing of the various goods /works to be constructed and services to be obtained for the project in that period; each of them constitutes an “item” to be procured.
- identifying key dates when each project component made of several items should be ready for use or available on site;
- Package the items on the list in logical contract groups (for example, if the list includes a laptop computer and a desktop computer, these together would make a “computers contract package” for procurement purposes).
- deciding the contents of each procurement “package” which will constitute a specific procurement operation;
- Study the local market for the availability of the required goods, works and services
- Obtain updated unit prices of items included in each package from suppliers, shopkeepers, catalogues, previous contracts, internet, etc.; using this information, cost each package.
- Cost each package based on updated price
- identifying the interrelationships between dependent items;
- determining the lead time for each package and scheduling the target date for each package in the procurement process; and
- Correlate contract package cost with thresholds mentioned in this PIM
- Determine the lead time for each contract package and schedule target dates accordingly
- Prepare a procurement plan using the template enclosed herewith, which is to be”
 - Updated periodically
 - Monitored the critical path when conditions change
- Marked with actual dates of accomplishing each procurement and the attendant steps
- developing a monitoring system to ensure timely procurement decisions and follow-up actions;

381. OFLP Procurement Plan (PP) will be developed for program implementation which provides the basis for the procurement methods. This plan would be reviewed and agreed on during program appraisal and would be available in the Program’s database and in the WB’s external website. The Procurement Plan would be updated in agreement with the WB annually or as required to reflect the actual program implementation needs and improvements in institutional capacity.

382. OEFCCA/ORCU offices at Regional, Zone and Woreda levels are responsible for the leading and preparation of the Procurement Plan. The PP would also be prepared in consultation with the other sector agencies implementing or supporting the OFLP at Regional, Zonal and woreda levels. This requires documentations that shows participation of these sector agencies, such as minutes or meeting notes. The Program Technical Committees, Program Steering Committee and the Vice Presidency Office will be involved in the revision of the PP as needed. ORCU will identify and consolidate the overall procurement items to be financed from the mobilization grant and submit it through MEFCC to the WB. The Procurement Plan will provide an outlook and a detailed planning of activities to be procured during at least 18 months.

383. The first step in the procurement cycle is the identification of need to procure. This should be carried out by the user unit or section and should result in clear identification of specific function and service requirements. These are referred to as technical specification for good and works; and when it comes to descriptions of services; those are usually referred to as “TOR.” Once procurement needs have been identified and specified, the concerned executing entity should ensure that procurement is carried out in time. For this a procurement plan should be prepared, and the executing agency should also assure itself that funding for the contract is available before it initiates any approaches to suppliers or consultants.

384. The Procurement Plan includes for each activity:

- i. A serial number;
- ii. An indication as to the Project component the activity relates to;
- iii. A title/brief description of the activity and an indication about the geographic scope of the activity;
- iv. The estimated cost of the activity;
- v. The Procurement method to be used;
- vi. A proposed timeline indicating the necessary steps to be completed for Procurement of the activity.

385. All revisions and updates of the Procurement Plan need to be submitted to the WB for approval. The Procurement Plan is to be updated as needed at least annually to cover the subsequent 18-month period of the duration of the Project.

386. **Scheduling:** It is one of the important PP activities. The following points need to be considered:

- Once the contract package and the procurement method are determined, the next step is to fix the dates when procurement action should take place to ensure the availability of goods, works and none consulting services.
- This requires the determination of the lead-time for each package and this consists of both administrative time and the contractor’s or supplier’s delivery time.
- Scheduling may involve some or all steps of the procurement process like:
 - Preparation of bidding document
 - Advertisement for Invitation for bid
 - Preparation and submission of bids
 - Preparation and submission of evaluation report
 - Contract award
 - Signing of contract and contract performance
 - Arrival of goods
- Each of the activities must be examined and the time to complete the activity will be determined
- Some of the activities may overlap; e.g. an advertisement for IFB could be sent to the daily press while the bidding documents are being finalized and printed;
- An implementation chart should then be prepared indicating the critical path and dates for the completion of each activity

- An implementation chart should then be prepared indicating the critical path and dates for the completion of each activity
- This chart will be useful in monitoring the progress of the procurement activities during project implementation

387. “Plan” versus “Actual”: It is also one of the information to be indicated in the PP.

- Once the procurement process for the contract starts, the actual dates for each procurement step are inserted in the row designated as “Actual”.
- The procurement coordinators/officers at all levels should keep record of the reasons for any delays, for supervision purposes.

The same is done for the actual implementation of contracts.

7.7 Procurement thresholds

388. Based on the assessment of overall risk for procurement for OFLP, which is rated HIGH, the thresholds for prior review for international competitive bidding (ICB), including the maximum contract value for which the shortlist may comprise exclusively Ethiopian firms in the selection of consultants, are presented in Table 13 below for the purposes of the initial procurement plan. However, the thresholds will be revised according to the improvements or deterioration in procurement capacity implementing agencies of OFLP, which in turn rely on the annual assessment of the procurement capacity.

Table 13:OFLP Procurement thresholds

Category	Prior Review Threshold (US\$)	ICB Threshold (US\$)	National Shortlist Maximum Value (US\$)
Works	≥5,000,000	≥7,000,000	NA
Goods	≥1, 500,000	≥1 000,000	NA
Consultants (Firms)	≥500,000	NA	<200,000
Consultants (Individuals)	≥200,000	NA	NA

389. All ICB contracts shall be subject to IDA prior review. All single source and direct contracts above US\$1,000 and US\$5,000.00 for CDD type of procurement,would require WB prior review..

7.8 Margin of preference for domestic goods

390. In accordance with paragraphs 2.55 and 2.56 of the Procurement Guidelines, the Borrower may grant a maximum of margin of preference up to 15 percent for goods manufactured in the Borrower country and of 7.5 percent for eligible local contractors in the evaluation of bids under ICB procedures, when compared to bids offering such goods produced elsewhere and foreign contractors.

1.3 Economies of scale and Value for money

391. A key principle for procurement for the OFLP is that it is advantages to do bulk purchase of similar items to be used at various level of OFLP to achieve relatively cheaper price from the bulk seller. In addition, it saves procurement processing efforts, time and related costs which would be used for other activities of the project. Based on the decision of OEFCCA/ORCU Items such as IT, vehicles, office equipment and furniture can be pushed in bulk, among others.

392. The other aspect of procurement is the value for money. The supplier with the lowest price should be awarded the contract only when the purchaser is satisfied that the products being supplied are adequate to meet the need. In this case, quality of the goods, and also practical considerations such as the availability and price of spare parts or consumables in local markets in Ethiopia are taken in to account during the assessment. In addition, it is essential to consider reliability and past performance of specific suppliers. However, there are times when it will be necessary to purchase goods that are not the lowest price, in case the comparison of price between suppliers is not comparing goods of the same quality or availability. The technical specifications and future sustainable use of the goods to be purchased must be clearly agreed with those for whom the procurement is being tendered at the planning stage. This will ensure that goods procured meet the needs of end-users. It is the responsibility of procurement planners to ensure that the right goods are procured, not just the cheapest.

7.9 Procurement Supervision

393. In addition to the prior review, procurement supervisions periodic will be carried out from WB team. Annual supervision missions will be conducted through field visit to carry out post review of procurement actions. The ORCU would conduct its own supervision and monitoring to make sure that the different implementing agencies and regional OEFCCA branches are implementing the project procurement consistent with the agreed procedures. The ORCU will also submit to the Bank an annual procurement audit report carried out by an independent consultant whose ToR will be agreed with the Bank in advance.

7.10 Review of Procurement decisions

394. Procurement is fundamentally the responsibility of OEFCCA/ORCU. Nevertheless, Bank's prior review and No Objection is required on the following documents or decisions before being implemented:

- (i) Procurement Plans and its update;
- (ii) Procurement transactions for prior review contracts;
- (iii) Resolution of procurement complaints; and
- (iv) contract variations and termination.

7.11 Documentation of procurement activities

395. All steps of procurement processes need to be documented to achieve successful outcomes. Because, lack of record keeping or an efficient filing system causes long and costly delays in the

processing of procurement activities as well as searching and referring for documents at critical moments when procurement issues arise. In addition, such weakness adversely affects procurement post reviews, and audit works.

396. Based on best practices of procurement filing, documented are filed according to works, goods, consultant services/training and operating cost categories. The filing also covers the entire procurement process for each contract of each category in an efficient and easily accessible manner. The process covers from purchase request, advertising to contract signature and contract management. This procurement filing system should be well organized in an acceptable manner of documents filing to maintain usefulness in terms of procurement governance and transparency. The basic records of some of the procurement activities are indicated in the tables for goods, works and selection of consulting firms (Please refer Annex 14, Important Records to be kept for Procurement of Goods and Works for different methods; Annex 15 Important records to be kept for selection of consultancy services).

7.12 Procurement Plan Preparation and Review Process at various levels

397. All revisions and updates of the Procurement Plan need to be submitted to the WB for approval. The Procurement Plan is to be updated as needed at least annually to cover the subsequent 18-month period of the duration of the Project.

398. Procurement is processed following basic steps at OEFCCA/ORCU Regional Office, zonal and woreda OEFCCA offices. This allows to comply with the WB godliness and GoE Procurement Proclamations and directives. It also allows to ensure accountability, transparency and documentation. Annex 15 details of basic steps of processing procurements at different levels of OEFCCA/ORCU for further understanding and implementation.

7.12.1 Procurement at OEFCCA/ORCU

399. The procurement section of OEFCCA zonal Office is responsible for procurement of goods and services to be done at zonal level under shopping method. Table 14 below provides the thresholds of procurement under shopping method at the levels of OEFCCA/ORCU Regional Office and OEFCCA/ORCU Zonal Office levels. The OEFCCA/ORCU Regional Office Procurement Department/Officers provide technical assistance to the procurement processing and supervise the procurement activities at OEFCCA Zonal Office.

Table 14: OFLP Procurement thresholds under shopping method at regional OEFCCA/ORCU, zonal OEFCCA/ORCU and woreda OEFCCA/ORCU levels/

Category	Procurement Thresholds Under Shopping Method (US\$)		
	OFWE/ORCU Regional Level	OEFCCA /ORCU Zonal Level	OEFCCA/ORCU woreda Level
Works	200,000		25,000
Goods	50,000	25,000	25,000

Consultants	50,000	-	-
Non-consulting services	50,000	25,000	15,000

400. To maximize the benefit of efficient procurement, OEFCCA Zonal Offices consolidate procurement requests from different woredas into packages to allow competitive pricing through bulk purchase/supply. OEFCCA/ORCU zonal Office can delegate OEFCCA/ORCU Regional Office to conduct some procurement activities with regards to procurement of works, goods and consultancy services, especially those items with high value and requires critical attention.

401. Procurement contracts for goods will normally include a requirement for suppliers to deliver the goods to OEFCCA zonal or woreda Offices or as close to that OEFCCA zonal or woreda Offices. This location will normally require secure storage facilities. The respective OEFCCA zonal Offices will be responsible for receiving the goods at this location and distribute for use according to needs, set procedures and documentations. In all cases, procurement requests will be dealt with as efficiently as possible to ensure that the required goods and services are available for timely implementation of OFLP.

402. The process of procurement at of OEFCCA Zonal Office level will be as shown below:

- Based on the request from user units/staff at OEFCCA Zonal Office level and from OFLP Woreda Coordinators from OEFCCA woreda Offices and Other Implementation Agencies at Zonal and Woreda level, OFLP Facilitators at OEFCCA Zonal Office level prepares the yearly procurement plan and related budget in collaboration with the Procurement Specialist of OEFCCA zonal Office.
- OFLP Facilitator at OEFCCA Zonal Office level submits the PP for review and approval to the pertinent Head of OEFCCA at zonal level.
- OFLP Steering Committee at Zonal approves the procurement plan
- Finally the OEFCCA Zonal Office submits the approved procurement plan, on standard procurement planning format to OEFCCA/ORCU Regional Office for approval, along with the OFLP Annual Work Plan and budget
- OEFCCA/PRCU Regional Office communicate the approved procurement plan to OEFCCA/ORCU zonal Office,
- Once received notification from OEFCCA/PRCUORCU Regional Office, OEFCCA/ORCU zonal Office communicate the approved procurement plan to OEFCCA/ORCU woreda Offices,
- OEFCCA/ORCU zonal Office Procurement Unit executes the procurement for zonal and woreda level procurement needs

7.12.2 Procurement at OEFCCA/ORCU Regional Level

403. The OEFCCA/ORCU Regional Office is also responsible for procurement for its own office (OEFCCA Regional Office level), through the Finance and Property Administration Directorate Team of OEFCCA. If delegated or agreed, OEFCCA/ORCU will be responsible to procure goods, works and services for items and services needed by Regional BoRLAU, BoRLA, OFWE. The

OEFCCA/ORCU Finance and Property Administration Directorate will have the following main tasks:

- It prepares the regional procurement plan that includes the pooled procurement of OFLP such as vehicles, motorcycles, and IT and office equipment.
- It also verifies, approves and consolidates the procurement plan presented by all zonal offices of OEFCCA, OFWE and other relevant implementing agencies zonal and request IDA no objection through MEFCC.
- MEFCC communicate the approved procurement plan to OEFCCA/ORCU;
- OEFCCA/ORCU Regional Office communicate the approved procurement plan to institutions participating in the program.
- The Procurement Unit of OEFCCA/ORCU Regional and zonal Office and other implementing institutions executes the procurement to be done at their level.

404. OEFCCA/ORCU Regional Office procures the goods and services listed in the procurement plan in line with the procurement steps detailed in the Annex 17.

7.12.3 Procurement at MEFCC level

405. MEFCC can be delegated by OEFCCA/ORCU to conduct some procurement activities with regards to procurement of works, goods and consultancy services, especially those items with high value and ICB or those procurement activities that requires critical attention.

7.13 Use of the consultancy services of Government-owned Universities/research centers

406. Government-owned entities are neither legally nor financially autonomous. Thus, under ordinary circumstances they would not be eligible to participate in WB financed projects as consultants. However, as this initiative is a new approach and needs lots of innovations and flexibility in this Program, some Government-owned universities and research centers may possess the requisite expertise and accumulated local practices in forest sector management in general, and, in particular, PFM. Therefore, their participation is considered to be critical due to their unique local research knowledge and experience in the sector. Thus, as an exception to the eligibility in accordance with paragraph 1.11(c) of the Consultants Guidelines, local universities and research centers would be allowed to participate as consultants in this program on a case-by-case basis whenever their participation is justified that they can add better value to the achievement of the program objectives. The selection of appropriate universities and research centers would be done competitively. On the same basis, university professors or scientists from research institutions would be contracted individually under this program when the need arises.

7.14 Procurement Implementation Arrangement

407. The OFLP procurement implementation arrangement will involve institutions at federal, regional, zonal and woreda levels. Most of the procurement activities will be carried out by the OEFCCA/ORCU at Regional level. Accordingly, Finance and Property Administration Director of OEFCCA will be responsible for the overall procurement activities of the OFLP. MEFCC will also

support and oversight the Project procurement activities. OEFCCA/ORCU shall support and oversee the procurement process at the branch levels. The OEFCCA/ORCU Program Coordinator assisted by the ORCU Procurement Specialist manages the overall process. ORCU coordinator communicates with both the Bank and the MEFCC for activities that require Bank's prior no-objection.

408. The procurement role of institutions at the different levels is presented below.

7.14.1 Federal Level

409. As MEFCC is responsible for the overall oversight of OFLP, it will also play a major role in the support and actual follow-up of the procurement activities of all components to be executed by OEFCCA/ORCU. In addition to provision of the overall guidance, MEFCC support processing some procurement activities, including ICB activities on behalf of OEFCCA/ORCU when requested by the latter. MEFCC will assign a focal procurement specialist for OFLP.

7.14.2 At the OFLP Office/ORCU Level

410. OEFCCA Finance and Property Administration Directorate and ORCU jointly manage the project procurement. Under the guidance and support of OEFCCA Finance and Property Administration directorate, ORCU would be in charge for coordinating and undertaking of all or most of the procurement activities of the components/sub-components of the OFLP that would be undertaken at the ORCU level.

411. In the same manner, other Regional implementing agencies participating in the program will use their respective procurement department for procurement purpose based on the portion of the mobilization Grant to be transferred to their respective bank account and activities planned jointly with OEFCCA/ORCU.

412. In general, all procurements that will be required for components 1 and 2 will be initiated by the OEFCCA/ORCU and other implementing institutions procurement units which would also be responsible for the day to day activities of the procurement including preparation of specifications and TORs, bidding documents, follow-up of sale of bidding documents, receipt of bids, arranging bid opening ceremonies, contract administration of the procured goods. Those institutions have also their tender committee composed of representatives from the relevant departments or units. At OEFCCA/ORCU, the procurement head serves as the secretary of tender committee. While OEFCCA procurement unit is responsible for the administration of goods and works, consulting contracts administration in consultation of ORCU. In the same manner, other implementing agencies will designate unit and staff responsible for the administration of goods and works, consulting contracts administration.

413. OEFCCA/ORCU is responsible for the consolidation and preparation of a consolidated procurement plan of all implementing agencies at the regional level. All institutions are also responsible to compile procurement plans of different Branches and zones in the region, which would be the basis for the preparation of compiled regional PP.

414. To ensure efficient procurement by the regional government, both agencies also consolidate procurement requests from different Branches /zones into packages to allow competitive pricing through bulk supply at the Branch or zonal level. To this end, procurement related funds would be

transferred to OEFCCA/ORCU zonal and woreda offices based on the approved procurement plan, AWP and budget.

415. OEFCCA/ORCU will carry out all NCB procurement of Goods and/or works for the region and to its respective zonal Offices including selection of consultants involving local firms for the estimated cost of the assignment that is less than USD 200,000.

416. OEFCCA/ORCU will also hire consultants to undertake special studies in areas including training, technical assistance, and other capacity building activities, monitoring and evaluation studies, integrated land-use systems studies, annual financial and procurement audit services.

417. In addition, all ICB procurement of goods and/or works, and all selections of consultants involving foreign firms or the estimated cost of the assignment exceeding USD 200,000 will be carried out by OEFCCA/ORCU. When the need arise, OEFCCA/ORCU can request MEFCC to execute such procurements.

7.14.3 Branches and Zonal level

418. Each OEFCCA zonal office is responsible for the preparation and compilation of procurement plan and processing of the procurement needs at zonal level, which also captures Woreda procurement needs of OFLP. It would closely cooperate with Zonal and Woreda Offices other relevant organizations/offices to consolidate the identify needs and prepare the consolidated PP. The Procurement Specialist at OEFCCA zonal level will lead the preparation and consolidation of the PP and procurement process in consultation with the Lead Facilitator and Woreda Coordinators of OFLP.

419. In some cases the quantities of goods and services required to implement the OFLP across the Zones and woreda will not be available locally at a competitive price or in an adequate quality to meet woreda procurement requirements. In these cases procurement requests will be passed on to OEFCCA /ORCU Regional office for procurement.

7.14.5 Districts/Woredas level

420. All goods, woks and consultancy services required at the woreda and kebele levels for implementation of the project will be identified by the OFLP Woreda Coordinators hosted at OEFCCA woreda offices and DAs from the Agricultural Office respectively and forwarded to the zonal OFLP Lead Facilitator to prepare the consolidated PP at Branch level. In this process technical and supporting staff would be consulted. In addition, ideas of other spectral office might be sought as needed. The type of procurement at District level are CDD and shopping methods only.

7.15 General Procedures for Procurement of Goods and Works

421. (These procedures are generic. Otherwise the specific BD's provisions are prevailing over the generic guidance)

7.15.1 Advertisement of Procurement Opportunities

422. Notification of procurement opportunities for goods and works should be sent out timely and appropriately for competitive and efficient procurements. Consequently, the OEFCCA/ORCU must prepare and submit to MEFCC and then the latter to the Bank a draft General Procurement Notice for all procurements through ICB.

423. **General Procurement Notice (GPN):** The GPN should contain information to inform suppliers and contractors on the major ICB procurement opportunities associated with OFLP. For all planned ICB procurements under the OFLP, the OEFCCA/ORCU should prepare a draft GPN and submit to the Bank through MEFCC for approval and posting on the United Nations Development Business (UNDB) *on-line*, not later than eight weeks prior to the release of any pre-qualification or bidding documents. A list of all responses to the GPN shall be maintained by the OEFCCA/ORCU. The GPN should be updated whenever there are significant changes in the project and at least once a year as long as ICB procurement opportunities are there.

424. **Specific Procurement Notice (SPN):** Specific Procurement Notices are issued as a public invitation to pre-qualification or invitation for bids on each of the major procurement packages in the project that ICB or NCB procurement methods are to be used. The SPN should be published:

- in at least one newspaper of general circulation in Ethiopia;
- in an official gazette in Ethiopia;
- by direct notification of all firms which have expressed an interest in the procurement in response to the GPN;
- by notification to local representatives of banks of eligible countries that are potential suppliers of the goods, works or services required;
- in the printed version of the UNDB or well-known magazines, international newspapers or trade publications for large, specialized or important contracts.

425. The OEFCCA/ORCU is responsible to prepare SPN for every procurement of goods and works under the ICB and submit to the bank through MEFCC for approval before publication.

7.15.2 Standard Bidding Documents

426. Standard bidding documents shall be used for procurements under OFLP involving the use of ICB and NCB methods of procurement.

427. The Bidding Documents should:

- Clearly instruct the bidders of the nature, extent, and details of the requirements for the works, goods or services being proposed thereby encouraging eligible firms to submit responsive bids.
- Provide instructions on how to prepare and submit responsive bids;
- Set out fair and non-discriminatory criteria for evaluation and assessments of bids;
- Inform potential bidders of their contractual obligations under the Contract.

428. The bidding documents should be developed in three parts consisting of:
- A. **Requirements for Bids:** This should be the part that essentially covers the bidding process and should be made up of the following components:
 - i. Invitation for Bids (IFB);
 - ii. Instructions to Bidders (ITB);
 - iii. Content of Bids
 - Bid Data Sheet
 - Evaluation and Qualification Criteria
 - Bidding Forms
 - Eligible Countries
 - Schedule of Requirements
 - B. **Contract Provisions in SBD:** This part should define the responsibilities and obligations of all parties under the proposed Contract. It should clearly define the tasks to be performed, the manner of its performance, and the mode of payment to signify a satisfactory closure. It is normally made up of two components as follows:
 - i. General Conditions of Contract;
 - ii. Special Conditions of Contract.
 - C. **The Form of Agreement:** This is made up of the following:
 - i. Agreement Form
 - ii. Performance Security
 - iii. Advance Payment Security (if applicable)

429. Standard bidding documents shall be used for procurements under OFLP involving the use of ICB and NCB methods of procurement.

430. Bidders shall not submit these forms with their bids because they are applicable only to successful bidders. These sets of documents are further elaborated in greater details to provide guidance for the preparation and/or modification of the desired bidding documents or the use of approved SBDs. An understanding of the essences of their provisions is expected to make for a more effective implementation and better contract administration of the OFLP.

The following are the various components of the Bidding Document:

431. **Invitation for Bid (IFB):** IFB is a formal request by the OEFCCA/ORCU to prospective bidders to submit an offer to undertake the task being proposed under a contract. It makes available to bidders adequate information to enable them determine whether or not the contract is within their interests and competences. The IFB should indicate the bid evaluation criteria and qualification requirements. The Invitation for Bids is not technically considered as part of the bidding documents. It is therefore usual to include a clause indicating that it is a memorandum document only IFB for procurements under the OFLP shall be issued in accordance with the provisions of Paragraph 2.7 & 2.8 of the Guidelines. When drafting the Invitation for Bid, the information to be set out in them should be measured and carefully considered.

432. **Instructions to Bidders (ITB):** This component, together with its complementary component, the Content of Bids, makes specific provisions on the preparation and submission of bids. Its major function is to inform bidder what to do when preparing and submitting the bid and to state this in precise terms. It is to be noted however that a fairly detailed Instructions to Bidders is only required when the solicitation process is unrestrictive and public such as with ICB and NCB. The document is therefore not required in the same details when a restrictive bidding process is used such as Limited International Bidding. Bids prepared in accordance with clear instructions are easier to evaluate and compare. Instructions to Bidders serve this purpose and make clear the criteria for evaluating and assessing all submitted bids. The OEFCCA/ORCU should avoid legal liability and protect its integrity by laying down and following a well-defined and acceptable procedure for determining the suitability of offers. The legal implications of the relationships between the bidders and the OEFCCA/ORCU require that caution is exercised in the documentation and management of the bidding process. The following are some important principles to provide guidance in preparing the Instructions to Bidders dictated by precedence and good practice:

- Where a bid need to be submitted in accordance with clearly established procedures, the requirements must be complied with strictly by both the bidders and the OEFCCA/ORCU as both are equally bound by them;
- Where the requirements for bidding specify the rules under which the client will determine which offer to accept, the client must follow those rules to avoid legal claims and liability by apparently injured bidders;
- Where the bid requirements specify that the lowest, or any bid may not necessarily be accepted, the OEFCCA/ORCU still maintains an obligation to award the contract only to a bidder whose bid complies with the issued Bidding Documents;
- Bidders are obliged to comply only with the issued bidding requirements, thus if the OEFCCA/ORCU reserves any undisclosed conditions or preferences not provided for in the Bidding Documents or made known to all bidder, the OEFCCA/ORCU may unduly open itself to legal claims and liability by unsuccessful bidders; and
- Bidding requirements issued cannot be unilaterally altered by the OEFCCA/ORCU after submission of bids by bidders.

433. **Instructions to Bidders (ITB):** Standard bidding documents shall be used for procurements under OFLP involving the use of ICB and NCB methods of procurement.

434. The content of Instructions to Bidders depends on the nature of the contract being proposed. The Bank has produced Standard Bidding Documents (SBD) for general and specific goods and works. These SBD's should be used unreservedly. They can also be modified and adapted to situations that do not require the use of the Bank's SBD.

435. **The Bid Data Sheet (BDS):** The information and provisions specific to a particular bidding process are contained in the Bid Data Sheet. In order to aid proper completion of the Bid Data Sheet, its clauses should be numbered with the same number as the corresponding ITB clauses. No clause in the Bid Data Sheet shall be left blank.

436. **Evaluation and Qualification Criteria (EC):**The evaluation criteria spell out the criteria that will be used to evaluate the bids and post-qualify the lowest-evaluated bidder.The EC usually contain the following:

- Objectively set evaluation criteria;
- Procedure for evaluation of Multiple Contracts;
- Procedure for evaluation of Domestic Preference;
- Post Qualification Criteria.

437. **Bidding Forms:** The standard forms contained in the Standard Bidding Document are composed of the followings:

- Bidders Information Sheet;
- Bid Submission Sheet;
- Price Schedule Form;-
- Bid Security Form;
- Bid Bond;
- Manufacturing Authorization Form (where applicable).

438. The OEFCCA/ORCU may include other forms that would assist in the qualification and evaluation of bids submitted by the bidders. The bidder is expected to fill in these forms in accordance with instructions contained therein.

439. **Eligible Countries:** This form should contain the current list of all firms that are debarred/suspended from participating in procurements financed by the World Bank or IDA.

440. **Schedule of Requirements (SR):** The schedule of requirements consists of four parts:

- List of Goods and Delivery Schedule
- List of Related Services and Completion Schedule
- Technical Specifications
- Drawings

441. The SR shall be carefully drafted to provide sufficient information to enable bidders to efficiently and accurately prepare bids that are realistic and competitive.A badly worded or incomplete Schedule of Requirements may lead to incessant request for clarification from the bidders or submission of bids based on different understanding of required goods and services or submission of conditional bids.This may lead to amending the Bidding Documents, possible extension of bid-submission deadline and ultimately delay in project execution.

442. The SR shall clearly specify:

- The required standards of workmanship;
- The characteristics of materials;
- The performance of the goods;
- The delivery and completion of the goods and related services.

443. **Special Conditions of Contract (SCC):** The SCC shall contain information or provisions specific to the particular bidding process. To aid preparation and completion of the SCC, its clauses are numbered with the same number as the corresponding GCC clauses.

444. **Forms of Agreement:** The forms of the agreements are made up of the following:

- the Letter of Acceptance
- the Letter of Bid
- the Addenda Nos. _____ (if any)
- Special Conditions of Contract
- General Conditions of Contract
- the Specification (including Schedule of Requirements and Technical Specifications)
- the completed Schedules (including Price Schedules)
- The Performance Security
- The Advance Payment Security (where applicable)
- any other document listed in GCC as forming part of the Contract

445. These forms are included in the Bidding Documents for information purpose only. Bidders are not expected to submit them with their bids. The Agreement Form shall be prepared by the OEFCCA/ORCU and are sent to the successful bidder, who in turn shall sign the form and return it with the Performance Security and the Advance Payment Security (where applicable).

446. **Bidding Forms, Schedules and Statements:** To ensure that all the relevant data is provided by bidders, OEFCCA/ORCU should include in the Bidding Document, all relevant forms and schedules that may assist in a fair qualification and evaluation of bids submitted. Such forms and schedules could be in form of questionnaires or blank forms to be completed and returned by bidders. These forms, schedules, and statements should be listed in the Content of Bids. All schedules regardless of whether or not they are questionnaires or statement sheets, should carry appropriate headings, which should:

- Identify the contract;
- Indicate the Schedule's title and number;
- Be consecutively numbered;
- Bear a statement to the effect that the Schedule forms part of the bid identified by its date;
- Be self-explanatory;
- Carry Preface Note outlining the information requested on the statement sheets;
- Provide a space for the name of the bidder to be inserted; and
- Provide a space for signature.

447. A statement should be inserted at the head of the list making it clear that failure to complete any form or schedule or to submit a required statement may render the bid non-conforming. The forms, schedules and statements should be prepared in a manner that they are easily understood by bidders to avoid misrepresentation or omission of important information. The Bank's SBDs contain standard Bid Forms that can be adopted as appropriate. Some of these forms and schedules are further described below:

448. **Bidder's Management and Administrative Structure:** It is preferred that this is administered in the form of a questionnaire to elicit details of the bidder's management structure. If the bidder is being invited from a list of nominated bidders prepared by the OEFCCA/ORCU, this information may already be in the possession of the OEFCCA/ORCU and the form may be unnecessary. The questionnaire should be used to generate the following information to be provided by the bidders. If a joint venture is involved, similar information should be obtained in respect of all the firms comprising the joint venture:

- The name of the bidder;
- Form of incorporation;
- Business address;
- Registered office address;
- Telephone, fax, e-mail number;
- Outline of Contractor's experience;
- Names and addresses of associated companies to be involved in the task under the Contract; and
- If the bidder is a subsidiary company, details of the parent company and its involvement in the work under the contract.

449. **Financial Statements:** Financial information requirements can be categorized into two, as follows:

- 1) **General Financial Statement:** to be obtained by using a questionnaire to include the following:
 - a. Details of Authorized and Issued Capital;
 - b. Annual value of work undertaken during the last five years;
 - c. Approximate value of work currently in hand;
 - d. Name and address of the bank or financial institution to whom reference can be made; and
 - e. Copies of audited final accounts for the past 3 years.
 - f.
- 2) **Specific Financial Statement:** also to be obtained using a questionnaire to include the following:
 - a. Financing arrangements for the Contract;
 - b. Discounted cash flow and program of payment;
 - c. Details of insurance policies to be provided;
 - d. Provision for Contract Sum adjustment including alternative formal, as appropriate;
 - e. Details of payments which would be made to workers and which are outside the relevant award or industrial agreement.

450. **Bidders Background and Experience:** This Schedule can be provided as a questionnaire or in the form of a statement sheet for information to be supplied by bidders in their own format. Its purpose is to find out if the bidder has the necessary experience and resources to undertake the task being proposed. The following should be included in the questionnaire:

- Details of contracts of a similar nature or magnitude previously undertaken;
- Their work commitment on other projects during the current proposed Contract;

- Their present total labor force;
- The number of their labor force that would be available for the work being proposed under the Contract.

451. **Bidder's Industrial Relations Record:** This information is only of consequence when labour relation technique of the contractor is of the essence such as when the work being contracted is to be carried out at the contractor's premises. The information could be generated by way of questionnaire or by use of the statement sheets. Alternatively, the questions can be incorporated in the Bidders Background Schedule discussed above. The typical questions normally asked include the following:

- The bidder's history of industrial relations;
- The manner in which the bidder achieves good industrial relations;
- The person in the bidder's organization who handles industrial relations;
- The identity of the person from the bidder's organization who would be at the Site to handle industrial relations;
- The identity of the unions whose members would be employed on the Site;
- The industrial awards or agreements that would apply to labor on the Site.

452. **Changes to Prequalification Documents:** This schedule should be provided in the form of a statement sheet for information to be provided by bidders in their own format. Is only applicable where bidders have been invited as the result of a Prequalification procedure.

453. **Statement on Bidder's Work Methodology:** Bidders should be requested to provide a brief outline of their proposed approach to the work under the Contract. The Schedule may be in the form of a statement sheet itemizing the required information with particular reference to:

- Proposed method of construction and/or fabrication;
- Nature and extent of temporary works, including supports for plant. Diversion of surface water, and protective covers for plant installed before permanent protection is built;
- Site area requirements for temporary buildings and storage of materials and construction camp, where applicable;
- Proposed arrangements for acquiring the labor force, including sources and mobilization and demobilization procedures and provisions for acquiring additional labor force for short-term peak requirements;
- Provisions for supervision for the work and quality control;
- How and where work will be engineered, if applicable;
- Arrangements for project control including planning, scheduling and cost control;
- Proposals for commissioning and training operations personnel, if applicable.
- Where bidders are required to nominate the date for practical completion, they can be stated in this Schedule.

454. **Program of Work:** Bidders should be requested to attach a program for the work supporting their contention that they can meet the specified or tendered dates for Practical Completion. This program can be in a bar chart or other form and should indicate Site start dates, manufacture start dates and any "milestone" dates.

455. **Schedule of Key Personnel:** Regardless of the bidder's previous experience and track record, the quality of its key personnel should influence the evaluation and the determination of its relevance for the job. This information should thus play the most significant role in assessing the bidder's offer. Bidders should be asked to prepare a schedule of key personnel for the work, together with details of their positions and responsibilities. This should be obtained in statement sheets and should be supported by a brief CV for each of the nominated personnel. The details of the personnel's technical skills, qualifications, and experience are the most important variables in the CV of the personnel and this should be stated in the Preface Note on the Schedule. Superfluous information should be avoided.

456. **Schedule of Subcontract:** This is normally completed in two sections as follows. In the first section, the OFLP-Implementing agencies should:

- List the task to be performed by nominated subcontractors along with the names of the nominated subcontractors who would undertake them if known. If the names of the subcontractors are not known they should be marked 'to be advised'.
- List the task to be carried out by designated subcontractors together with the names of such subcontractors; and
- List the work to be undertaken by selected contractors together with a listing of the approved subcontractors. Bidders should be requested to nominate the subcontractors they select to perform the task.

457. In the second part, bidders should be requested to list the other parts of the tasks they propose to subcontract and, where possible, to nominate the subcontractors who would perform the task.

458. **Schedule of Major Construction Plant and Equipment:** Bidders should be requested to list all the major items of constructional plant, which they propose to use on the work. This should comprise all items of plant and equipment used in the execution of the work under the Contract but not forming part of the Works. The Schedule should be in the form of a statement sheet in which the bidders should be required to itemize the following information separately:

- Items of plant and equipment already owned by the bidder and available for use on the Contract;
- Items of plant and equipment the bidders proposes to acquire for the work, indicating their sources and whether they will be wholly owned or obtained under a hire-purchase agreement;
- Items of plant and equipment, which the bidder proposes to hire or lease, indicating the reliability of source and availability.

459. **Schedule of Imported Items:** This provides the details of items to be imported in executing the proposed task. Bidders should be required to complete a questionnaire that provides the following information, among others:

- 1) Common information for all items:
 - a. Basis of Cost: stating whether fixed or subject to adjustment, indicating Contract Sum Adjustment formula, if applicable;
 - b. Currency of Bid: indicating the currency to be adopted for quote and exchange rate to be used and the date of its application;
 - c. Import Duty: indicating if paid and its mode of application.

- 2) Information for individual items:

- a. Item cost: indicating whether Ex Works, FOB, FAS, CIF as applicable; and
- b. Delivery cost: this should be indicated if separate quotes are require

460. **Schedule of Bid Drawings:** The need for this schedule normally arises when the contract provides for all or some of the design to be the responsibility of the Contractor. Bidders may be asked to provide certain drawings with their bids. The details of the requirement should be clearly stated in the Instructions to Bidders and bidders should be asked to list the drawings in this Schedule. The principal purpose of this schedule is to ensure that all copies of the drawings have been included in the bid. For this reason, bidders should be requested to include in the Schedule drawing numbers, title, date of issue, and number of copies supplied for each drawing. This schedule is different from those drawings prepared by the client and made part of specifications in the bidding documents detailing the requirements for submission of working drawings by contractors.

461. **Schedule of Transport and Delivery:** Transportation and delivery of both locally manufactured and imported items should not be overlooked and should be given adequate consideration during the bidding process. The OEFCCA/ORCU should seek to know how exactly bidders propose to handle this aspect of the task for which reason a schedule should be assigned for this purpose. In generating this information, the following is pertinent:

- 1) Information common to all items:
 - a. Mode of transportation: such as by air, sea, road, rail.
 - b. Point of delivery as nominated by the OEFCCA/ORCU.
 - c. Provisions for handling: such as offloading by contractors or by other parties indicating which parties.
 - d. Provisions for the type of insurance and who should provide the cover.
 - e. Delivery time: to be expressed in week's ex-works, weeks on-Site, etc.
 - f. Shipment Details: delineating total mass of shipment, size and mass of largest item, number of items in shipment, or as appropriate.
- 2) Information for Individual Imported Items:
 - a. Anticipated Date of Shipment;
 - b. Port of Shipment;
 - c. Port of Delivery;
 - d. Name of Ship, Shipping Company or Airline, etc.

462. **Schedule of Insurance Policy:** Where insurance is to be the responsibility of the Contractor, bidders should be asked to provide details of insurance policies that they already hold or intend to effect in order to cover their obligations under the Contract. It is preferred that this information should be obtained in the form of a questionnaire, with separate entries required for each policy in respect of the works, workers' compensation and Public Liability. The information to seek may include the following:

- i. The nature of the policy and risk covered;
- ii. The status of the policy, whether existing or proposed;
- iii. The name of the insurer;
- iv. The amount of insurance coverage; and
- v. The amount of any excess.

463. **Equipment Design Data Schedules:** These schedules supplement Job Specifications as outlined in the Conditions of Contract. Data Schedules to be completed and returned with bids should be listed in the Content of Bids and copies included with the other Forms and Schedules for Bidding.

464. **Schedule of Substitutions:** Bidders should be required to provide a statement sheet with details of any substitutions of specified make or manufacture of goods, materials, or catalogue items, which the bidder proposes to submit for approval.

465. **Schedule of Recommended Spare Parts and Price List:** If the contractor is to be responsible for the design of plant and equipment, the OFLP OEFCCA/ORCU may require bidders to nominate in this schedule, a list of recommended spare parts with prices. Alternatively, where the PCU is responsible for the design, bidders may be asked to price spare parts listed in the Schedule. The requirements should be set out in a Supplementary Condition.

466. **Qualification of Bidders:** The process of qualification of bidders for procurements through international competitive bidding (ICB), limited International Competitive Bidding (LICB) and national competitive bidding (NCB) could be on any of the following basis:

- pre-qualification of bidders; or
- Post-qualification of bidders.

467. Pre-qualification of bidders is common for large works, turnkey, plants, build operate and transfer (BOT), complex information technology system and some special goods. Contracts for the supply of vehicles, personal computers, ordinary goods and simple works does not normally require pre-qualification. However, the credit agreement usually specifies the categories of contracts that required pre-qualification. This project is expected to have no contract that involves pre-qualification procedure.

468. **Pre-qualification of Bidders:** Pre-qualification screens potential bidders to isolate those that have the required experience, technical, personnel and financial resources to bid for the contract. The credit agreement usually specifies the categories of contracts that required pre-qualification. Some of the benefits of pre-qualification of bidders are given below:

- Probable limited number of bids received for evaluation as a result of pruning the list of bidders, which may result in time and cost savings to the Borrower.
- Leading contractors and suppliers, particularly the international ones, are more likely to bid knowing that competition is confined to only those qualified. This is also to the benefit of the Borrower.
- The scale of interest by potential bidders can be measured, affording the opportunity to revise bidding conditions as necessary to develop adequate competition.
- An early indication of the Borrower's procurement capability is provided, allowing necessary improvements to be made at the initial stages of procurement.
- A preliminary indication of a contractor's eligibility for domestic preference in civil works contracts is given, where this is allowed.
- The creation of appropriate joint ventures is encouraged.

469. The disadvantages of pre-qualification of bidders are:

- The invitation and evaluation to pre-qualify bidders and the eventual evaluation of bids received from qualified bidders may lead to increase in procurement lead-time.
 - Names of all prequalified bidders are known in advance of bid submission, making it easier for bidder collusion and price fixing to occur.
470. The pre-qualification process should not:
- Be used to limit competition to a predetermined number of potential bidders;
 - Impose upper limit of pre-qualified potential bidders.
471. **Forms of Agreement:** The forms of the agreements are made up of the following:
472. **Advertisement for Pre-qualification:** The procedure for advertisements and information content of invitation for pre-qualification shall be in accordance with the bank's procurement guidelines under general procurement notice (GPN) and special procurement notice (SPN). The followings are the standard documents contained in a typical advertised invitation for prequalification (IFP):
- **Invitation for Prequalification** – a Special Procurement Notice to potential qualified bidders of the intention to prequalify bidders for a particular project or projects contained in the earlier issued General Procurement Notice.
 - **General Information to Applicants (GITA)**– general information on the contract or contracts (e.g. source of funds, scope of works, qualification criteria, domestic bidder price preference, submission of applications etc.).The wordings of the GITA are to remain intact.Specifics about a particular contract should be reflected in the PITA.
 - **Particular Information to Applicants (PITA)**– this amplifies the information contained in the GITA and also includes any specific provisions relating to the contract in question.
 - **Letter of Application** – to be filled by the applicant and used in forwarding the completed Invitation for Prequalification.
 - **Information Forms**– usually in form of questionnaires to collect relevant data about the applicants for the purpose of evaluating their capabilities to perform the particular contract satisfactorily.
473. **Prequalification of Joint Venture:** The following provisions are applicable to prequalification of Joint Ventures in addition to the general provisions and must be clearly stated in the Invitation for Prequalification document.
- A firm or partner in a joint venture shall not be allowed to submit a separate bid in addition to the bid already submitted as a member of a joint venture;
 - Each partner in the joint venture must submit complete documentations required of a firm applying for individual prequalification.However, the collective data of all the partners may be aggregated to meet the qualifying criteria;
 - One partner must be designated as the partner in charge to whom all correspondences shall be directed to;
 - All partners shall be jointly and severally liable for the performance of the contract and this shall be stated in the Joint Venture Agreement (JVA);
 - The application must state the proposed participation and responsibilities of each partner, proposed capital contribution of each partner and share of profit or losses by the partners;

- The proposed percentage participation of each partner must correspond to the capacity of such member in terms of each of the qualifying criteria.

474. **Evaluation of Prequalification Submission:** The prequalification evaluation committee should set clearly defined minimum criteria to be met by prospective applicants in order to demonstrate their ability to satisfactorily perform the contract. Applicants are to be graded on a pass/fail basis. The usual criteria for evaluation are:

475. **Experience**– This is further divided into two, namely:

- **General Experience**– general capabilities of the applicant as demonstrated in records of recent experiences and annualized value of work undertaken over a stated period of years.
- **Particular Experience** – specific capabilities demonstrated in successful execution of contracts/works that is substantially of a nature, size and complexity to the contract in question.

476. **Financial** – Demonstration of the financial ability to meet the estimated contract cash flow required for a specified number of months. Interpretation of financial statement submitted should take account of the peculiarities of the accounting procedures of the applicant country.

477. **Personnel** – The possession of staff that are experienced in the critical operational or technical areas, demonstrated in the number of years in similar position and comparable projects. A principal and an alternate candidate should be designated for each of the key positions to guard against delay in the event of indisposition of one of them. Key staff assigned to critical areas should have a specified number of years of experience with the firm to assure that they have gained sufficient knowledge of the firm’s policy, procedures and practices.

478. **Equipment:** The possession of and/or demonstration of the ability to acquire or lease those heavy specialized equipment critical to the execution of the contract.

479. **Litigation History**– A review of the litigation history arising from executed contracts within a specified period of time should be made to ensure that there are no judgments or pending proceedings that may affect the performance of the contract. Applicants with consistent and significant history of excessive contract arbitrations and litigation resulting in awards against them should be disqualified.

480. **Conditional Pre-qualification:** Applicants may be conditionally prequalified where there are deficiencies in submission, which in the opinion of the SLMP-II PCU does not materially affect the ability to perform the contract. Applicants are notified of the deficiencies for rectification prior to submission of bids. Some of the common conditional prequalification are:

- Provision of additional information;
- Revision of the Joint Venture Agreement (JVA);
- Hiring of experts in specialized areas;
- Improvement in proposed senior or key staff;
- Provision of specialized equipment;

- Ability to perform the contract concurrently with other pending ones.

481. **Prequalification Evaluation Report:** A prequalification evaluation report shall be prepared at the conclusion of the prequalification process and submitted to the Bank for review and comment. The report should address each of the pass/fail criteria set in the document. Typically, the report should contain the following in a summarized form:

- List of all prequalified applicants and their qualification;
- List of all conditionally prequalified applicants and their observed deficiencies;
- List of all disqualified applicants and reasons for their disqualification.

482. **Notification to Applicants:** Applicants are notified of the result of the prequalification exercise only after the receipt of the Bank's "no objection" report on the conduct and conclusion of the process. All applicants shall be notified of the outcome of the prequalification process. Also remember:

- Qualified applicants are invited to submit bids for the contract;
- Conditionally qualified applicants are requested to correct the observed deficiencies prior to submission of bids;
- Disqualified applicants are notified of the reason(s) for their disqualification.

483. **Post-Qualification of Bidders:** Post-qualification is suitable for use in the procurement of goods of small value and small works contracts. Most of the procurements in the OFLP would be subject to post-qualification evaluation as a result of the size and nature of contracts envisaged. Post-qualification is conducted after the evaluation and determination of the bidder that submitted the lowest responsive evaluated bid. This is to ascertain whether the selected bidder has the capacity and ability to perform the contract. Where a selected bidder fails the post-qualification evaluation, the next lowest responsive bidder is considered for post-qualification. The procedure for carrying out post-qualification of bidders is similar to that of prequalification, except that:

- Post-qualification is on selected lowest evaluated bidder;
- Emphasis is placed on the technical and financial resources of the selected bidder to perform the contract

484. All the necessary forms and schedules (as listed in the prequalification procedure), and the criteria for qualification of bidders that will be used in the qualification of selected bidders should be included in the bidding documents. Successful applicants are notified only after the receipt of the Bank's "no objection" report on the Standard Bid Evaluation Report.

485. **Sealing and Marking of Bids:** The bidder shall submit the original and copies of completed bids in separate sealed envelopes and duly marked "Original" and "Copy". The envelopes shall also bear the project name, project number and a statement "Do Not Open Before....", following specific Bidding Document's ITB .

486. **Deadline for Submission of Bids:** Bids shall be submitted and received at the address specified in the Invitation for Bid (ITB) on or before the date and time specified in the Bid Data Sheet or amended date and time specified in any amendment to the bid document issued and circulated to

all those that purchased the bidding document. Bids received after the stipulated deadline shall be rejected and returned to the bidder unopened. For Bank financed contracts single envelope is submitted for simple goods and works contracts, be it Shopping, NCB or ICB procedure.

487. **Modification and Withdrawal of Bids:** A bidder may modify or withdraw his bids before the deadline for the submission of bid in writing. However, the modified bid or substituted bid must be resubmitted on or before the deadline given for the submission of bids. Modification of bids after the bid submission deadline shall not be allowed. Likewise, withdrawal of bid in the interval between bid submission deadline and bid validity period shall not be allowed. Any such withdrawal shall lead to seizure of bid security.

7.15.7 Generic Bids Opening procedure (each specific BD will have its own procedures)

488. In the process of bid opening,

- i. The Purchaser shall conduct the bid opening in public at the address, date and time **specified in the BDS**. Any specific electronic bid opening procedures required if electronic bidding is permitted. It shall be as **specified in the BDS**.
- ii. First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. If the withdrawal envelope does not contain a copy of the "power of attorney" confirming the signature as a person duly authorized to sign on behalf of the Bidder, the corresponding bid will be opened. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding Bid being substituted, and the substituted Bid shall not be opened, but returned to the Bidder. No Bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at bid opening. Envelopes marked "MODIFICATION" shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Bid opening. Only envelopes that are opened and read out at Bid opening shall be considered further.

489. All other envelopes shall be opened one at a time, reading out: the name of the Bidder and whether there is a modification; the Bid Prices, including any discounts and alternative offers; the presence of a Bid Security or Bid-Securing Declaration, if required; and any other details as the Purchaser may consider appropriate. Only discounts and alternative offers read out at Bid opening shall be considered for evaluation. No Bid shall be rejected at Bid opening except for late bids.

490. The Purchaser shall prepare a record of the Bid opening that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, substitution, or modification; the Bid Price, per lot if applicable, including any discounts, and alternative offers if they were permitted; and the presence or absence of a Bid Security or Bid-Securing Declaration, if one was required. The Bidders' representatives who are present shall be requested to sign the attendance sheet. A copy of the record

shall be distributed to all Bidders who submitted bids in time, and posted online when electronic bidding is permitted.

7.15.3 Generic Evaluation of Bids (the ITB of specific BD is to be followed)

491. **Bids Evaluation Committee:** The Bid evaluation committee is one of the important aspects of decision making process in procurement activities. Bids evaluation will be carried out by an ad hoc evaluation committee members who would be nominated by the implementing agency, comprising staff from procurement, supporting and technical units as needed. The Procurement Specialist (PS) as a secretary. The Chairman will be appointed by the implementing agency manager. The evaluation committee will take decision on a collegial basis. Each member will be provided with a copy of the proposals and will meet to discuss on the scores of criterion by the evaluators. All decisions of the evaluation committee shall be taken at simple majority.

492. **Preliminary Evaluation:** Preliminary evaluation shall be carried out on all bids received by the evaluation committee immediately after the bid opening. This is to determine the preliminary responsiveness of the bids to the requirements contained in the bidding documents. Some of the specific areas of this preliminary evaluation include:

- Ascertain that the bid documents are properly signed by authorized representatives of the bidder;
- Ascertain that the bid securities are in the amount, period and format stipulated in the bidding documents;
- Recheck all computations and make necessary non material corrections to arithmetical errors in the bid documents;
- Ascertain that all required documents included in the bidding documents together with any necessary documentary evidence to support qualifications have been returned.

493. Any bid not meeting the stipulated minimum requirements will be regarded as non-responsive and rejected at this stage. However, care must be exercised to ensure that bids are not rejected on trivialities. The guiding principle here is that minor informality, non-conformity or irregularity in a bid which does not constitute material deviation may be waived provided it does not give any undue benefit to a bidder or prejudice the interest of other bidders.

494. **Arithmetic Errors:** The following principles shall govern the conduct of rectification of arithmetical errors:

- If there is a discrepancy between the unit price and the total price (quantities multiplied by unit price), the unit price shall subsist and the total price amount shall be corrected;
- If there is a discrepancy between the amount in words and in figures, the amount in words shall prevail;
- Bidders must accept the arithmetical corrections or else the bid will be rejected and bid security forfeited.

495. **Currency Conversion:** Bids for goods shall be converted to the local currency (i.e., Ethiopian Birr), using the rates published by the Central Bank of Ethiopia at the date of bid opening. Bidders for works shall be requested to price their bids in Ethiopian Birr.

496. **Detailed Evaluation:** The procedures for the evaluation of bids received for goods and works are described below:

- **Price Only Basis:** This is mostly applicable to procurement of simple commodities where all offers received are of identical and comparable material and price alone is the critical factor. Prices of local bids for locally manufactured or assembled goods shall be determined EXW (ex-factory, ex-works, ex-showroom, of-the-shelf). This includes all costs incurred in the manufacturing or assembling of such goods but exclude VAT on local bids for imported goods shall be total cost incurred including custom duties paid on the imported item. Prices of foreign bids shall be determined on cost, insurance and freight (CIF), including all costs, taxes and duties payable on the goods. The lowest evaluated bidder shall be the one offering the lowest price.
- **Price and Other Factors Basis:** Bid prices are determined based on the total cost of goods to the project site, maintenance costs and delivery schedules. These factors shall include:
 - Price as determined on the “Price only Basis”;
 - Inland transportation cost to project site;
 - Insurance cost to project site;
 - Availability and cost of spare parts for a predetermined period – the cost of spare parts, supply of spare parts and maintenance costs for these period are added to the price quoted; and
 - Delivery period – delays in deliveries beyond the estimated delivery time are quantified monetarily and added to the quoted price.

497. The bidder with the lowest aggregate cost is deemed the lowest evaluated bidder.

- **Life Cycle Cost Basis:** The initial price of the goods plus estimated maintenance costs and residual value of goods/plants are computed in determining total cost. The lowest aggregate price is deemed to be the lowest evaluated bidder. This is mostly applicable to vehicles, plants and equipment.
- **Merit Point Basis:** This basis of evaluation assigns weights to the price and other relevant aspects of the goods bided for. The bid scoring the highest number of points shall be deemed to be the lowest evaluated bidder. It is applicable where price basis is deemed inadequate and life cycle basis is cumbersome and Use of this method, for Works, Goods, and non-consultancy Services is not acceptable by the Bank and if necessary, it requires prior approval of the Bank.

498. **Evaluation of Works:** Evaluation of bids for works shall be carried out in two phases:

- Non-Price Factors:
 - Technical compliance of the bid with the specifications contained in the bidding documents;
 - Relevant experience of the firm demonstrated in successful execution of similar work carried out in the recent past;

- Relevant experience and qualifications of key staff proposed;
- Evaluation of the financial statements of the bidder to ascertain its financial capabilities to undertake the contract; and
- The price factor shall be the evaluation of the price offer by the bidder.

499. The lowest evaluated bidder shall be the one offering the lowest price amongst those that scaled through the non-price factor evaluation.

500. **Domestic Preference:** The application of domestic preferences in the evaluation of bids shall be so stated in the bidding documents together with the eligibility criteria to be used. It is applicable only to ICB procurement method.

501. Bids are grouped under three headings (A, B or C) and evaluated in accordance with the procedures outlined in the Appendix 2 of the Bank Procurement Guidelines (also annexed to PIM). Different procedures, as contained in the Guidelines are used in evaluating bids for goods and works. This is again to be specified in the evaluation and qualification section of each Bidding Document.

502. **Rejection of All Bids:** The Client/ORCU may, with the approval of the Bank, reject all bids received on the ground that:

- All bids received are deemed not responsive to the requirements contained in the bidding documents;
- The lowest evaluated bid is substantially in excess of the cost estimate prepared by PCU;
- The client concludes that all the bids received are non-competitive.

503. **Standard Bid Evaluation Report:** The OFLPmanagement should prepare a Standard Bid Evaluation Report upon completion of the bid evaluation process by the Bid Evaluation Committee. This shall be forwarded to the Bank for review and request for “no-objection”.

Award of Contract

504. Upon receipt of the Bank’s “**no-objection**” comment, the following procedure shall apply:

- The successful bidder shall be notified of the intension for award and all other unsuccessful bidders shall be notified of the outcome of the evaluation of the bids;
- If there is no any complaint on the outcome of the Bid evaluation process, then
- The successful bidder shall be notified of the award, noting the following:
- The Agreement Form, Performance Security Form and the Advance Payment Security Form (where applicable) shall be prepared by the OEFCCA/ORCU and sent to the successful bidder, with a request to complete and return these forms within the time specified in the bidding documents;
- In the event that the notified successful bidder failed to return the signed forms and provide the required performance security within the stipulated time, the next lowest evaluated bidder shall be offered the contract.

505. After receipt of the signed Agreement Form, Performance Security Form and the Advance Payment Security Form, the bid security all other unsuccessful bidders shall be returned.

7.15.4 Publication of Results and Debriefing

506. To ensure transparency and accountability, publication of procurement opportunities and award of contracts is indispensable. On-line (DG Market, UN Development Business, and/or Client Connection) publication of contract awards will be required for all ICB, NCB, Direct Contracting and the Selection of Consultants for contracts exceeding a value of US\$200,000. In addition, where prequalification has taken place the list of pre-qualified bidders will be published. With regard to ICB and large-value consulting contracts, the Recipient will be required to ensure publication of contract awards as soon as IDA has issued its “no objection” notice to the recommended award. In case of Direct Contracting and NCB, publication of contract awards can be in aggregate form on a quarterly basis and in local newspapers. All consultants competing for an assignment involving the submission of separate technical and financial proposals, irrespective of its estimated contract value, should be informed of the result of the technical evaluation (number of points that each firm received) before the opening of the financial proposals. The OEFCCA/ORCU will be required to offer debriefings to unsuccessful bidders and consultants should the individual firms request such a debriefing.

7.15.5 Complaints Handling

507. It is likely that the project implementing institutions can receive complaints at any stage in the procurement process. The complaint may come direct from the complainant or it may come through other agencies including the World Bank. It is very important to give due attention and handle complaint properly and transparently.

508. Any complaint received should be directed to the Head of the procuring entity whose responsibility is to handle the complaint after a thorough investigation and analysis of the facts. The Head of procuring entity shall ensure that the following steps are taken in handling complaints.

7.15.6 Prior Reviewed Contracts

509. In addition to handling the complaint, all project implementing institutions are required to inform the World Bank TTL of the project through OEFCCA/ORCU about the complaint and the response given thereof at the appropriate stage in the procurement process. Table 15 shows the action OEFCCA/ORCU and other implementing agencies should take when receiving complaints at different procurement stages.

Table 15: Procurement Complaint Handling

SN	Stage when complaint is received	Actions to be taken by OEFCCA/ORCU
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SN	Stage when complaint is received	Actions to be taken by OEFCCA/ORCU
1	After short listing	Provide response to the complainant and copy to the World Bank. Hold debriefing session with any unsuccessful applicant or consultant who requests for it. Copy of the debriefing report shall also be forwarded to the World Bank.
2	Prior to bids/proposal submission	Provide response to the complainant and copy to the World Bank
3	During evaluation of bids/proposal/prequalification	This is generally confidential stage of the process and it is only after evaluation results are announced that complaints are expected. But if the client wants to get clarification from bidders, that helps the evaluation process, this can be requested in writing and any written response that changes the substance of the initial bid should not be considered
4	Before award of the contract.	Immediately inform the Bank that the Client has received a complaint and consult the Bank on the draft response to the complaint. Provide response to the complainant within standstill period with copy to the World Bank.
5	After award of the contract	Provide response to the complainant and copy to the World Bank and ensure that the World Bank is satisfied with the response given thereof before awarding the contract.
6	After contract award	Provide response to the complainant and copy to the World Bank. Hold debriefing session with any unsuccessful bidder who request for it. Copy of the debriefing report shall also be forwarded to the World Bank

7.15.7 For Post Reviewed Contracts

510. The procedure to be followed in handling procurement complaints for post reviewed contracts is also similar with the prior reviewed contracts as shown above except federal, regional and branch project implementing institutions/procuring entities are not required by their own initiation to notify the World Bank the nature of the complaint and the response given during the procurement process. Federal, regional and branch project implementing institutions/procuring entities shall keep complete documents of complaints in the procurement files and provide all the information associated with the complaint if requested by the World Bank during project supervision.

7.15.8 Procurement Process Flow

511. Figure 8 below depicts the procurement process to be followed under OFLP for Goods, works and consulting services. (Source: *Bank-Financed Procurement Manual, July 2001 Draft*)

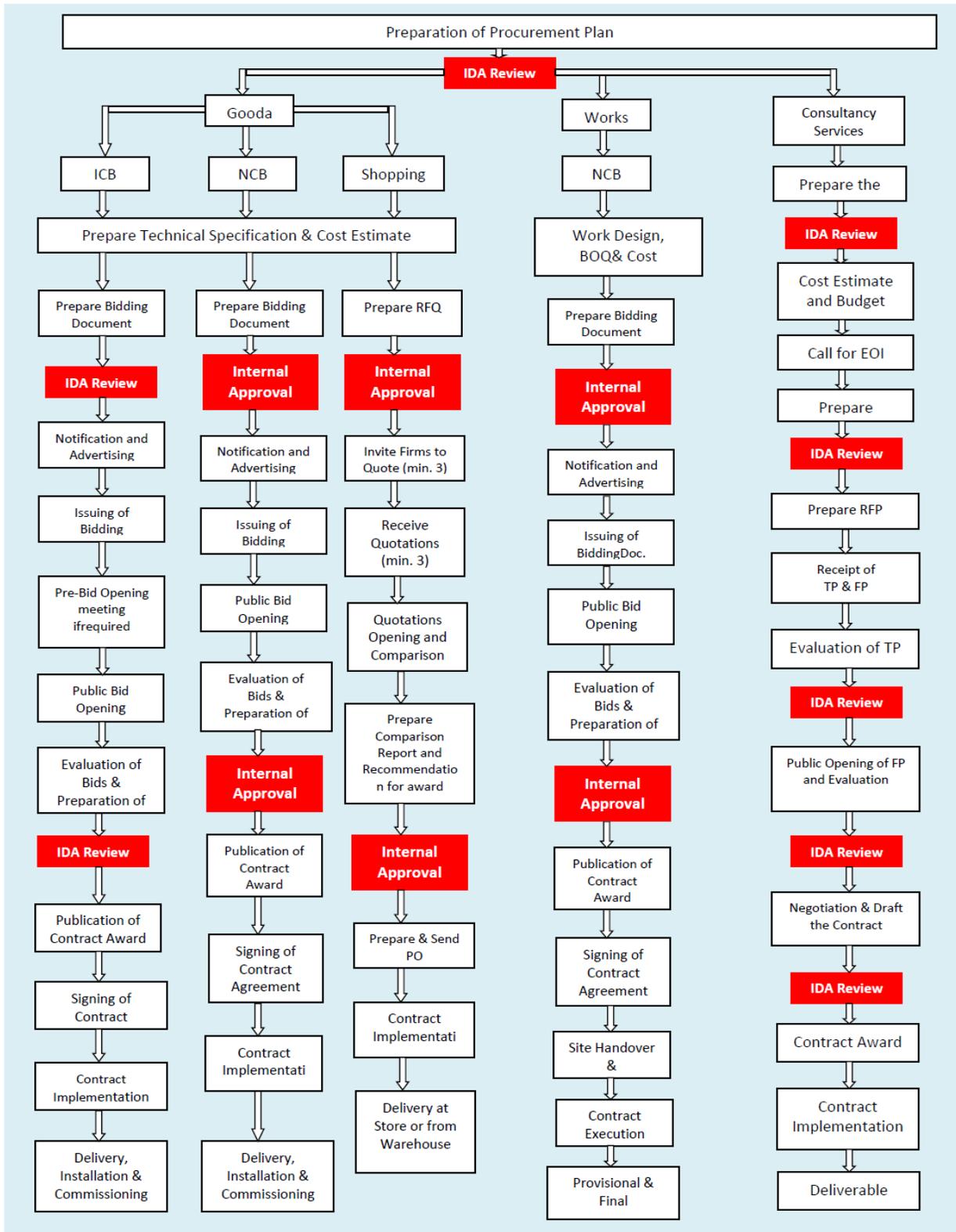


Figure 8: Procurement process flow diagram for OFLP

7.16 General Procedures for Procurement of Consultancy Services

7.16.1 Selection Methods

512. The general criteria for the selection of consultants as contained in the Bank's Consultants Guidelines are:

- Fairness and Clarity – the REI and the RFP must be clear and unambiguous and the criteria stated in these documents must be fair to all and be applied equally to all.
- Transparency-the selection process must be transparent and be seen to be transparent.
- Confidentiality-confidential information on the evaluation of proposal and recommendation of award must not be divulge to persons not officially involved in the process until the successful consultant is awarded the contract and accept the contract.

513. The Consultants Guidelines stipulated several methods for selection of consultants. The selected method is dependent on the nature, size, complexity, impact of the assignment, technical and financial considerations and the circumstances of the assignment. These selection methods are presented below:

7.16.2 Quality and Cost Based Selection (QCBS)

514. **Quality and Cost Based Selection (QCBS):** This is suitable where the scope of work can be precisely defined and staff time, cost and other inputs can be reasonably estimated with some degree of accuracy. It is considered appropriate for the following assignments:

- Feasibility studies and designs where nature of investment is well defined, known technical solutions are being considered and impacts from the project can be fairly estimated;
- Supervision of construction works and installation of equipment;
- Procurement and inspection services;
- Technical assistance services.

515. The steps to be followed for the selection and employment of consultants under this project are described below and the procedures to be followed are provided in Annex 18 (the provision of specific RFPs prevail over the following generic procedures):

Step 1: Preparing Terms of Reference (TOR): The Implementing Agency should prepare a TOR to initiate the procurement process for selection and employment of consultants under the project. The TOR should explain the objectives of the assignment, scope of work, activities, tasks to be performed, respective responsibilities of the Implementing Agency and the consultant, expected results, and deliverables of the assignment. After preparing the TOR, the Implementing Agency should send it to the Bank for its prior review and no-objection.

Step 2: Preparing Cost Estimate or Budget for the Assignment: the total budget for each of the consultancy assignments is clearly mentioned in the procurement plan. However, the implementing agencies need to estimate the cost per each category of expenses against the services required in the TOR. The cost estimate shall be based on the implementing agency's assessment of the resources needed to carry out the assignment.

Step 3: Public Invitation of Consultants' EOIs: After receipt of World Bank's comments and no objection, the request for EOI should be published in the national gazette or a national newspaper. For assignments estimated to cost \$200,000 or more, the Implementing Agency should publish an announcement seeking "Expressions of Interest" on the on-line version of United Nations Development Business (UNDB); and on the Development Gateway. After the publication of the request for EOI, not less than 14 days should be given to the consultants to submit their response to the advertisement.

Step 4: Short listing of Consultants: OEFCCA/ORCU should review the qualification of consultants who submitted expressions of interest and gives first consideration to those possessing the best qualifications for the proposed assignment. The short listing process involves assessment of the profiles of the applicant firms whether they have the right competence and capability to undertake the assignment envisaged. The short list should normally comprise consultants of the same category with similar business objectives, corporate capacity, experience and field of expertise, and that have undertaken assignments of a similar nature and complexity. The current WB consultant selection guideline recommends that the short list shall comprise six firms with a wide geographic spread, with (i) no more than two firms from any one country unless there are no other qualified firms identified to meet this requirement. The short list may comprise entirely national consultants (firms registered or incorporated in the country), if the assignment is below the ceiling (or ceilings) established in the Procurement Plan approved by the Bank, and (ii) and at least one firm from a developing country, unless no qualified firms from developing countries could be identified.

Step 5: Preparing Request for Proposal (RFP) and Issuing it to Shortlisted Consultants: OEFCCA/ORCU should prepare and send request for proposal to the six shortlisted consultants. During preparation of the RFP, the Implementing Agency should use Bank's SRFP. The Bank's SRFP is a mandatory format under the project. A standard RFP consisting of, among others: letter of invitation, Instruction to Consultant (including the Data Sheet), Technical proposal formats, Financial Proposal formats, detailed description of the assignment (TOR) and Standard forms of Contracts.

OEFCCA/ORCU should give consultants enough time to prepare their proposals. Depending on the assignment, a period of four weeks for very simple assignments and up to three months for complex assignments should be allowed.

Step 6: Receiving and Opening of Proposals: The following major points should be considered during receipt and opening of proposals by OEFCCA/ORCU

- The technical and financial proposals should be submitted at the same time (in different envelopes).
- Consultants submitting proposals may attend the opening of the technical proposals if they so desire
- No amendments to the technical or financial proposal should be accepted after the deadline for submission.
- To safeguard the integrity of the process, the technical and financial proposals should be submitted in separate sealed envelopes.
- The technical envelopes should be opened immediately by a Tender/Bid committee after the closing time for submission of proposals.
- The financial proposals should remain sealed and should be kept at safe place under the custody of a designated officer until the evaluation of technical proposals is completed.

- Any proposal received after the closing time for submission of proposals should be returned unopened.

Step 7: Evaluating Technical Proposal - Quality Evaluation: The Technical Evaluation Committee shall carry out the evaluation of proposals in two stages: first the technical (quality), and then the cost. Evaluators of the technical proposals shall not have access to the financial proposals until the technical evaluation is concluded. The Technical Evaluation Committee shall evaluate each technical proposal, taking into account the following criteria, as stated in the ITC of the issued RFP:

- the consultants' relevant experience for the assignment;
- the quality of the methodology proposed;
- the competence and qualifications of the key staff proposed;
- The extent of participation of local consultants among key staff in the performance of this assignment, and
- Overall stability and responsiveness of the technical proposal to the issued RFP/assignment

At the end of this process, the tender endorsing/ technical evaluation committee shall prepare an evaluation report of the quality of the proposals based on the Bank's standard reporting format. The report shall substantiate the results of the evaluation, including the relative strengths and weaknesses of the proposals. All evaluation records shall be retained as per the standard Bank's evaluation format.

Step 8: Opening and Evaluating Financial Proposals – Cost Evaluation: The following points should be considered during financial evaluation process under the selection process:

- The financial proposals of those firms that have passed the technical evaluation should be opened publicly in the presence of representatives of the consultants who choose to attend.
- The name of the consultant, the technical points, and the proposed prices should be read aloud and recorded
- The Implementing Agency should review the financial proposals and correct any arithmetic errors. For the purpose of comparing proposals, the costs should be converted to a single currency as stated in the RFP.
- For the purpose of evaluation, "cost" should exclude local identifiable indirect taxes on the contract and income tax payable in Ethiopia on the remuneration of services rendered in Ethiopia by non-resident staff of the consultant.
- The cost should include the entire consultant's remuneration and other expenses such as travel, translation, report printing, or secretarial expenses.
- The proposal with the lowest cost may be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices.
- Finally, the technical and financial scores should be combined to determine the total score. The total score shall be obtained by weighting the quality and cost scores and adding them. As a general rule, the weighting for cost should normally not exceed 30 points out of a total score of 100. The proposed weightings for quality and cost shall be

specified in the RFP. The consultant obtaining the highest total score shall be invited for negotiations.

Step 9: Negotiations and Signing of the Contract: After the Implementing Agency received the No-Objection from the Bank; it should notify and invite the winning consultant for negotiation. During negotiation the implementing agency should appoint a negotiating team whose members should be fully familiar with the TOR, the consultant's proposal, the comments and suggestions of the agency should consider the following technical and financial items: scope of work, the Evaluation Committee relating to the technical and financial evaluation reports, and recommendations of the decision-making authority (at least one member of the Evaluation Committee should take part in the negotiations). Negotiation is one of the activities that are essential in procurement process of selecting consultants. The Negotiations of consultant contracts shall include discussions of the TOR, the methodology, staffing, client's inputs, and special conditions of the contract. However, these discussions should not substantially alter the original TOR or the terms of the contract, or the quality of the final product, its cost, or any parameter that may affect the relevance of proposal evaluation. Financial negotiations of QCBS and QBS would be limited to the clarification of the consultants tax liability in the country (if any), and how this tax liability has been or would be reflected in the contract. Furthermore, proposed unit rates for staff-months and reimbursable shall not be negotiated, since these have already been a factor of selection. A reduction in the price of the proposal should correspond to a reduction of the effort in terms of man month or scope of work. In no case should the negotiated price be higher than the offered price. For negotiation of contracts awarded through the CQS (consultant qualification), all the aspects of the financial offer including unit prices can be negotiated in accordance with the appendix in the RFP issued. The TOR and the agreed work plan shall be incorporated in the "Description of Services," which shall form part of the contract. It should be noted that the selected firm should not be allowed to substitute key staff, unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. The consultant substituting should have same or higher qualification. The initial draft contract shall be submitted for the no objection of the Bank before signature according to the respective level of prior review threshold.

Step 10: Contract Implementation: The Implementing Agency should make arrangements for the regular supervision of consultancy contracts. The supervision procedures of contracts should be undertaken in accordance with the provisions of the contract. The Implementing Agency team should also request the relevant supervisors to prepare regular progress reports on the performance of the consultants. This process would allow it to address at a much early stage any possible unsatisfactory performance that causes delays in completion of planned activities or compromise its quality. The following steps are generic good practices in consultancy contracts administration:

- i. Conduct a kick-off meeting to better know the team members and agree on communication norms (formal and informal) and expectations, including:
 - a. Agreeing on client's counterpart staff arrangement, periodic meeting schedules, procedures regarding client review and feedback on

deliverables, monitoring and general support arrangements; acceptance of reports and payment request procedures...etc

- b. Agree on norms or business standard for reports/deliverables that require client's approval
- ii. During inception report, agree on the entire detail work program and key experts mobilization schedules;
- iii. Conduct regularly monitor/supervise for the delivery of the assignment within agreed timelines, quality and cost;
- iv. Following the institutional procedures and the contract provisions to modify or amend the contract timely, if such change is necessary and benefits the overall objectives;
- v. Close the contract with complete documentation and following legal procedures;

7.16.3 Quality Based Selection (QBS)

257. Quality Based Selection (QBS): This is suitable where the scope of work is difficult to define due to complexity or novelty; and/or there are different ways, sometimes incomparable, by which the work could be carried. It may be considered for assignment such as:

- Complex country, sector and multi-disciplinary investment studies;
- Strategic studies in new fields of policy and reforms;
- Complex feasibility studies;
- Design of complex projects;
- Assignments in which core consultants, NGO's and/or UN Agencies compete.

7.16.4 Selection under a Fixed Budget (SFB)

516. Selection under a Fixed Budget (SFB): This is suitable where there is a fixed budget for the assignment and the TOR can be precisely defined. SFB selection method is relevant for:

- For **simple and well-defined assignments** where the budget is fixed
- Sector or market studies and surveys of limited scope;
- Simple pre- feasibility and feasibility studies;
- Review of existing technical designs and bidding documents;
- Project identification

517. RFP indicates available budget. Technical evaluation first followed by public bid opening of financial envelopes, award to highest ranked technical proposal within budget.

7.16.5 Least Cost Selection (LCS)

518. Least Cost Selection (LCS): The financial proposals of consultants that meet the minimum established qualifying quality mark are evaluated and the least evaluated financial proposal is selected. This method is suitable for routine assignments with well-defined standard practices such as:

- Standard accounting audits;
- Engineering design and supervision of simple projects;

- Simple surveys;
- Maintenance work and routine operations.

7.16.6 Single Source Selection (SSS)

519. **Single Source Selection (SSS):** Under SSS a specific consultant is invited to submit technical and financial proposals and negotiate the contract. This is only acceptable in specific circumstances where one of the following are met and Bank's prior No Objection is obtained:

- The assignment is a direct or natural continuation of a previous one awarded competitively and performance of consultant is satisfactory;
- In emergency situation where a quick selection of consultant is critical;
- The contract value is very small;
- There is only one consulting firm that has the qualification or possesses exceptional experience to perform the assignment.

7.16.7 Selection Based on the Consultants' Qualifications (CQS)

520. **Selection Based on the Consultants' Qualifications (CQS):** This method may be used for small assignments or emergency situations declared by the Borrower and recognized by the Bank for which the need for issuing an RFP, and preparing and evaluating competitive proposals is not justified.

- Prepare the TOR and obtain expressions of interest
- REOI as may be needed, from as many firms as possible, and at least three qualified firms with relevant experience.
- Firms having the required experience and competence relevant to the assignment shall be assessed and compared, and the best qualified and experienced firm shall be selected.
- Only the selected firm shall be asked to submit a combined technical and financial proposal and, if such proposal is responsive and acceptable, be invited to negotiate a contract.
- Both technical and financial aspects of the proposal may be negotiated.
- The minutes of negotiations shall be prepared and signed by both parties.

7.16.8 Commercial Practice (CP)

521. **Commercial Practice (CP):** Established private sector commercial practices are followed in the selection of consultants where the Bank provides a loan to a financial intermediary who in turn finances private enterprises or autonomous commercial enterprises. However, large assignments are recommended to adopt the bank's competitive methods.

7.16.9 Non-Governmental Organizations (NGO)

522. **Non-Governmental Organizations (NGO):** NGO's may be shortlisted for assignments that put emphasis on experience in community participation and in-depth local knowledge. QBS or SFB are the usual methods of selection where NGO's are involved.

7.16.10 Use of the Consultancy Services of Government-owned Universities or Research Centers

523. **Use of the Consultancy Services of Government-owned Universities or Research Centers:** Government-owned entities are neither legally nor financially autonomous. Thus, under ordinary circumstances they would not be eligible to participate in Bank financed projects as consultants. However, in this project, some Government - owned universities and research centres may possess the requisite expertise and accumulated local practices in land and natural resource management or other specific professions/technical areas. Therefore, their participation is considered to be critical due to their unique local research knowledge and experience in the sector. Thus, as an exception to the eligibility in accordance with paragraph 1.11(c) of the Consultants Guidelines, these universities and research centers will be allowed to participate as consultants in this project on a case-by-case basis whenever their participation is justified that they can add better value to the achievement of the project objectives. The selection of appropriate universities and research centers will be done competitively. On the same basis, university professors or scientists from research institutions will be contracted individually under this project when the need arises.

7.16.11 Individual Consultants

524. **Individual Consultants:** Individual consultants are employed on assignments for which:
- a team of experts is not required
 - no additional outside (home office) professional support is required, and
 - the experience and qualifications of the individual are the paramount requirement
 - Advertising for EOIs shall not normally take place for individual contracts below US\$50,000. Such threshold shall, however, be determined in each case, taking into account the nature, complexity, and risks of the assignment.
 - Individual consultants are selected on the basis of their relevant experience, qualifications, and capability to carry out the assignment. They do not need to submit proposals and shall be considered if they meet minimum relevant requirements
 - The selection shall be carried out through the comparison of the relevant overall capacity of at least three qualified candidates
 - The Borrower shall negotiate a contract with the selected individual consultant to agree on satisfactory terms and conditions of the contract, including reasonable fees and other expenses.

. Advertisement

525. **Advertisement:** A brief description of consulting services needed for OFLP and included in the procurement planning shall be advertised in the GPN and consultants are invited to submit expression of interest. The grant agreement shall state the threshold of for individual consulting

services where request for expression of interest (REI) must be published in a national newspaper and in the UNDB. A copy of the REI must be sent to all consultants who responded to the GPN. A shortlist of between three to six prospective consultants is prepared from the respondents to the REI who meets the requirements contained in the REI. Some of the basic requirements that should be included in the REI are:

- Relevant qualifications of the consultant;
- Technical and managerial capabilities of the firm;
- Core business and year in business
- Qualifications of key staff;
- Client references
- Financial capabilities
- Record of integrity.

526. **Forms of Agreement:** The forms of the agreements are made up of the following:

527. The shortlist and a draft Request for Proposals (RFP) is sent to the Bank for review and “no-objection”. As soon as the no-objection approval is received, the RFP are sent to the candidates in the shortlist inviting them to submit proposal for the assignment.

528. **Developing Terms of Reference (TOR):** The TOR is the key document in the RFP. The level of skill demonstrated in the crafting of the TOR will determine the responsiveness of proposals submitted by prospective consultants and also facilitate proper understanding and execution of the assignment. The TOR must cover in sufficient detail and in unambiguous term the following:

- The background of the project;
- The objectives of the assignment;
- The scope of work;
- Qualifications, competence and experts composition of the consultant
- The list of reports, schedule of deliveries and period of performance;
- Date, local services, personnel and facilities to be provided to the consultant;
- Institutional arrangements.

529. **The Evaluation Criteria:** The overriding objectives in setting the evaluation criteria should be to ensure that the consultant selected shall be able to give the best quality services required. The criteria for the evaluation of technical proposals are: Relevant specific experience of the consultant to the assignment in question;

- Adequacy of the proposed methodology and work plan. This could be further divided into the following sub-criteria:
 - Technical Approach and Methodology;
 - Work Plan;
 - Organization and Staffing.
- Qualifications and Competence of Key Staff. This also could be further divided into the following sub-criteria:
 - General Qualifications;
 - Adequacy of Qualifications and Experience in the particular assignment;

- Experience in the Region and Language.
- Training and Transfer of knowledge
- National Participation

530. Weights are allocated to these criteria and sub-criteria for the purpose of rating and scoring proposals received.

531. **Types of Consultant Contracts:** There are basically two main considerations that determine the types of consultant contracts for Bank's financed assignments:

- The nature of the assignment and;
- The distribution of risks between the consultant and the implementing agency.

532. The Bank's Consultant Guidelines identify five main types of consultant contracts:

- Lump-Sum Contracts
- Time-Based Contracts
- Retainer and/or Success Fee Contracts
- Percentage Contracts
- Indefinite Delivery Contracts.

533. The criteria under which any of these contracts should be adopted and their correct application are contained in the Bank's Consultant Guidelines.

534. **Request for Proposals (RFP):** The RFP is issued to all short-listed consultants and contain all the necessary information that could aid interested consultants to prepare a responsive proposal and the criteria that will be used by the PCU in the evaluation of proposals received. The Bank has prepared Standard Request for Proposals (SRFP) that is versatile and mandatory for all contracts exceeding the threshold contained in the Gran Agreement. The SRFP can also be adapted for other smaller contracts. The sections on Information to Consultants, General Conditions of Contract, Technical and Financial Proposal Standard Forms included in the SRFP are to remain intact while other sections may be modified to suite the particular contract in question and local requirements. The RFP must be sent out early to give interested consultants enough time to respond. Usually a period of between 30 days to 3 months is given, depending on the nature of the assignment.

535. **Evaluation of Proposals:** An evaluation committee shall be constituted to evaluate the proposals received in accordance with the criteria contained in the RFP. The committee members are expected to:

- Obtain a thorough understanding of the TOR, the evaluation criteria and sub-criteria specified in the Data Sheet and the selection procedures.
- Have no conflict of interest in the assignment;
- Agree on how to evaluate the proposals.

536. The evaluation committee members are expected to fairly and objectively score and rate each proposal individually using the rating weights prescribed and arrive at the total score of each proposal evaluated. Thereafter, the ratings are discussed collectively and the scores of all the members for every proposal are aggregated to arrive at individual score. The committee shall prepare the

Technical Evaluation Report, detailing the strength and weaknesses of the evaluated firms/consultants, which shall be forwarded to the Bank for “no-objection” report. The Financial Proposals shall remain un-open until the “no-objection” report is received.

537. **Notification and Award of Contract:** Successful consultants are notified after the receipt of the “no-objection” report from the Bank on the Technical Evaluation. However, the procedure for notification of consultant is dependent on the method of selection adopted. All unsuccessful applicants are also notified.

538. **Notification and Award of Contract:** Successful consultants are notified after the receipt of the “no-objection” report from the Bank on the Technical Evaluation. However, the procedure for notification of consultant is dependent on the method of selection adopted. All unsuccessful applicants are also notified.

539. The Financial Proposals are then evaluated and, depending on the selection method, both the technical and financial proposals may be further negotiated with the consultant within some specified limits such as:

- Scope of work;
- Technical approach and methodology;
- Work plan and activity schedule;
- Deliverables;
- Counterpart staff, facilities and equipment’s;
- Staff unit rates;
- Reimbursable expenses

540. The successful consultant is determined based on the selection method adopted, which could be:

- The combined scores of both the technical and financial proposals or;
- The least evaluated financial proposal.

541. Advance Payment

- 10-30% of the contract price for work against bank guarantee for amount equal to the advance payment.
- 10% of the contract price for goods against bank guarantee for amount equal to advance payment.

7.17 Procurement Review, Monitoring and Supervision Procedures

7.17.1 Procurement Review Procedures

542. **Procurement Review Procedures:** Procurement processes and contracts under OFLP shall be subject to either prior or post review by the Bank, depending on the size and nature of such contract.

543. The grant agreement shall set the threshold for contracts that must be subject to prior review and those that may be given post review. The followings are general guidelines on contracts and processes that require prior review:

- GPN, SPN and RFP;
- Pre-Qualification documentations and evaluation;
- Bidding documents, evaluation and award of contract for ICB and LIB contracts;
- Procurements under ICB through loans given to financial intermediaries;
- The first two contracts on NCB for each component of the project;
- Contract for goods, works and services whose values are above the threshold stated in the loan agreement irrespective of methods of procurement;
- REI and RFP for consulting services.

544. The following are contracts and processes that may be given post review:

- Procurement through Shopping methods;
- Small contracts for works or goods under Force Account;
- Small contracts involving fast disbursement operations;
- Other small contracts whose value and quantities may be uneconomical to carry out prior review of these contracts.

7.17.2 Fraud and Corruption

545. Fraud and Corruption: Combating fraud and corruption is central to the Bank's policy for procurement for all projects. Consequently, its fraud and corruption policy affects both the client and the bidders under Bank-financed contracts in a significant way. All parties to the procurement process shall maintain the highest standard of ethics during the solicitation and contract execution. It is therefore imperative for MEF, OEFCCA/ORCU, Branch, District Structure to ensure that:

- The provisions in section 1.15 of the Bank's Guidelines on Procurement are strictly considered and adhered to;
- Procurements process stated in the Guidelines are followed to the letter for goods, works and services to be procured under the **project**;
- Procurement officers at the federal and regional levels are trained and re-trained to ensure that they are very conversant with the Bank's procedures and as simplified in this manual.
- There should be known and implemented policy on punishing erring procurement staff and any other staff involved in procurement process.

7.17.3 Monitoring and Supervision Procedures

546. **Monitoring and Supervision Procedures:** A very important part of good project management is the continuous monitoring of project implementation against the agreed schedule and milestones and the use of procured goods, works and services by the project beneficiaries. An Internal Audit units to monitor all procurements under the OFLP should be set-up/identified at the OEFCCA/ORCU and properly equipped to provide the required monitoring and evaluation of all procurement activities. Therefore, at all OEFCCA/ORCU Structure, the functions of continuous

monitoring and supervision of procurement activities shall be performed by the Internal Audit units and a copy of their reports made available to the MEFCC and OEFCCA/ORCU. The objectives of the Procurement Monitoring Unit shall be:

- To provide continuous feedback on procurement implementation at the federal and regional levels;
- To facilitate timely adjustment to procurement process, where necessary.

547. The procurement plan should contain minimum qualitative and quantitative performance indicators for monitoring procurement progress of each component.

548. The procurement monitoring unit shall prepare the **Procurement Management Report (PMR)** to provide information to OEFCCA/ORCU and OEFCCA/ORCU to MEFCC on the following areas:

- Progress of works and services compared with agreed schedules;
- Physical delivery of goods, structures (works) and services and their respective costs;
- The usage of the goods, structures and services by the project beneficiaries and their reactions;
- Reasons for unexpected reactions by the project beneficiaries;
- Provide general information on the status of contract commitments and expenditures.

549. Deviations from procurement plan and unexpected beneficiary reactions shall be reported in the PMR and a diagnostic study shall be carried out to reveal causes and suggested remedial actions. The PMR prepared by the Procurement Monitoring Unit and the reports of the OEFCCA/ORCU Internal Auditors shall be made available to Bank's supervision missions.

7.17.4 Procurement Records

550. **Procurement Records:** MEFCC and OEFCCA/ORCU shall maintain complete records of all **Procurement process** and contracts for goods, works and services at various levels. Records of procurements competitive bidding shall be kept in a file by purchase item, and shall include:

- Copies of GPN, SPN, local and international advertisement in newspapers and journals, and gazettes;
- Prequalification documentations (where applicable);
- Bid Invitation (IFB, ITB, REI, RFP);
- Bid documents and amendments, if any;
- Records of pre-bid meetings;
- Bid opening minutes;
- List of bids rejected during preliminary examination with reasons for rejection;
- Table of bid prices received;
- Bid evaluation report, including summary of rating sheets;
- Appeals against procedures or award recommendations;
- Signed copy of contract and performance security;
- Contract completion certificate and Stores receipt Vouchers (SRV);

- Copy of Contractors invoices and payment vouchers.
551. Records of procurements for Shopping methods are:
- Current market price for commonly used items (market list);
 - Names and addresses of suppliers invited to quote and their prices;
 - Names and addresses of selected suppliers, quantities and value of orders;
 - Copy of the Purchase Order;
 - Copy of the Stores Receipt Voucher;
 - Copy of Contractors invoices and payment vouchers
552. Other contract administration records that shall be maintained are:
- All contractual notices issued by contractors or the OEFCCA/ORCU;
 - Records of all changes or variation orders issued affecting the scope, quantities, timing and price of contract;
 - Certificate of inspection and acceptance/rejection;
 - Records of claims and disputes and their outcome.

7.17.5 Stores Procedures

553. The ORCU/OEFCCA and the ORCU/OEFCCA shall lower levels maintain proper records of inventory of goods received into and issued out of the stores. A stores officer who reports to the property administration head shall manage the stores. The main thrust of the stores procedures shall be:

- All goods procured are received into the store;
- Goods received into the stores are checked as to conformity with the quality, quantity and type as stated in the contract document;
- Certificate of inspection and acceptance is prepared before SRV are issued;
- Stores Receipt Voucher (SRV) is prepared for every goods received into the store;
- Goods are issued out on the basis of properly authorized Stores Requisition Note and Stores Issue Voucher;
- Inventories are arranged in the stores in a way that:
 - Facilitate easy identification and retrieval of items;
 - Ensure safe custody of items and;
 - Availability of normal inventories.
- Periodic physical stock-taking to agree physical quantities to bin card balances.

8. MEASUREMENT, REPORTING & VERIFICATION AND FOREST REFERENCE LEVELS

8.1 Overall methodological framework of the RL and MRV and integration of data at different levels

554. The Forest Reference Level (FRL) and Measurement, Reporting and Verification (MRV) System for OFLP will be integrated with the National FRL and MRV system and the FRLs of

different project level activities which will be nested in OFLP. The principles for construction of OFLP Forest Reference Levels (FRLs) and MRV System follows the overall framework adopted by the country. Figure 9 below provides a modality for definition of a FRL at three levels: National level, Regional level (e.g. Oromia) and Project/interventions. The basic principles for this integration will be:

- There will be three different levels: national, regional and local;
- Top-down approach from national (High level) to regional and project-level (low level);
- (But) with integration of low level data at the high level;
- Deforestation, degradation and A/R at national level and the REL for these activities will be downscaled to the lower levels; and
- Lower levels may account additional activities or additional pools (e.g. re-vegetation, cropland conservation, soil organic carbon pool if not accounted at national level).

555. Besides to setting a FRL for OFLP, the national level have the responsibility for monitoring and reporting. OFLP would provide data and information that would inform the national level RL, creating a system where information flows both ways.

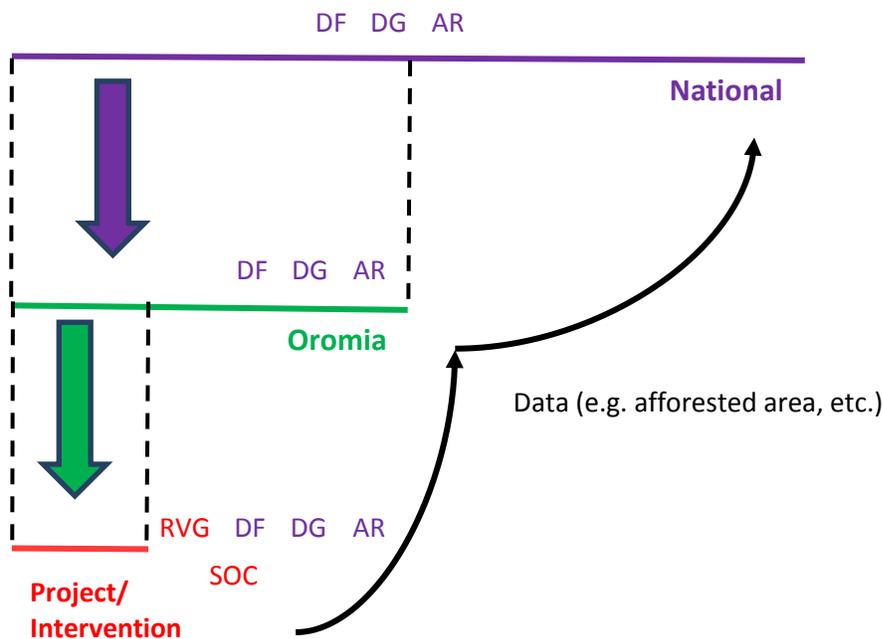


Figure 9: OFLP RL link to the National and Project levels RLs

Note: DF = Deforestation; DG= Degradation; AR=Afforestation, Reforestation; RVG= Revegetation; SOC= Soil Organic Carbon Pool

Sources and Sinks

556. The design of OFLPF RL/MRV system takes into account only three of the five REDD+ eligible activities it will report on¹⁷. These are (i) Reducing Emissions from Deforestation, (ii) Reducing emissions from forest degradation and (iii) Enhancement of forest carbon stocks (ECS). Nevertheless, the rest two eligible activities under REDD+, (i) Sustainable management of forests and (ii) Conservation of forest carbon stocks, are insignificant to account for OFLP and hence the design of FRL/MRV didn't take into account these activities.

557. Furthermore, at the moment, significant data gaps exist that make it difficult to account for “Reducing Emissions from Forest Degradation”. In particular:

- Livestock and coffee farming: At this time there is no readily available data for estimating GHG emissions from these drivers of degradation.
- Firewood: A supply-demand analysis conducted for the BESP¹⁸ provides data that could be used to estimate GHG emissions from degradation at Tier 2. However:
 - This study relies mostly on supply estimates of the WBISPP¹⁹ which are outdated;
 - The biomass supply and demand does not differentiate between biomass sourced from forest and non-forests areas, so GHG emissions might be over-estimated as they include GHG emissions from non-forest areas; and
 - Consumption per capita values are based on household surveys which are not statistically representative of Oromia.
- Accuracy and uncertainty: Available data to estimate GHG emissions from firewood do not have reported uncertainties and accuracies. It would be necessary to estimate uncertainty of the estimates.
- Activity Data: Activity data for applying the direct or indirect approach would have to be generated for forested areas. It is important to note that the delineation of forested areas has to be consistent with the estimation of deforestation in order to ensure that no double counting occurs.
- Emission Factors (EFs): Although data to derive EFs might be available, it is not clear if specific EFs for degradation transitions could be derived from existing data.

558. Based on these data gaps, OFLP would not account for Forest Degradation from the start. However, activities are on-going on the national level to develop appropriate data and methods and include this in the national level REL and MRV system. It is expected that the approach for measuring degradation will be available in 2016, although it is not clear if data on degradation will be available at the same time. If data are available on forest degradation, it can be included in the OFLP REL and MRV system.

559. Additionally, Afforestation/Reforestation (A/R) activities will be established in Oromia, so there is an interest to account for “Enhancement of forest carbon stocks” (ECS), but limited to afforestation/reforestation activities.

¹⁷UNFCCC/CP/2010/7/Add.1 C. Decision 1/CP.16 Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries, Paragraph 70

¹⁸Biomass Energy Strategy of Ethiopia project (2012/2013)

¹⁹Woody Biomass Inventory and Strategic Planning Project (2004)

560. Regarding the REDD+ activities “Conservation of Forest Carbon Stocks” and “Sustainable Management of Forests”, considering the magnitude of GHG emissions from deforestation and forest degradation and the potential for GHG removals from ECS, GHG emissions or removals for these are expected to be insignificant.

561. In summary, OFLP activities to be accounted are indicated in the Table 16 below:

Table 16: REDD+ activities included in the accounting and approach to set the RL/REL

Activity	Included? Yes/No	Approach
Reducing emissions from deforestation	Yes	This is the main REDD+ activity, which will be part of a first version of the REL/FRL, and emissions will be estimated using AD and EF (stock difference).
Reducing emissions from forest degradation	Yes	This will be included in future versions of the REL, using methods developed at the national level, as degradation is expected to represent more than 10% of total forest-related emissions.
	No	Non-CO ₂ emissions from forest fires are not included as they are not significant.
Conservation of forest carbon stocks	No	This is not relevant in the Oromia circumstances.
Sustainable management of forests	No	This is not relevant in the Oromia circumstances.
Enhancement of carbon stocks (A/R)	Yes	This REDD+ activity will be included. Although these activities have been rare in the past, it is expected that they will be relevant in the future. Since this activity is included in the REL/FRL, anFRL must be estimated.
Enhancement of carbon stocks (increase in forest production)	No	This REDD+ activity may be included. Forests in Oromia are degraded or degrading, so they have a high potential for the increase of carbon stocks. Considering that in general carbon stocks in forests in Oromia are degrading, it can be assumed that the FRL is zero removals. At present, we are not considering this activity, yet, for monitoring purposes, it can be quantified jointly with degradation.

8.2. Forest Reference Level (FRL)

562. A FRL for OFLP would be determined from activity data (AD) and emission factors (EFs) for the national level and subsequently downscaled to Oromia level. The AD would be disaggregated per biome while emission EFs would be specific to each biome.

563.

564. For all the selected activities, the REL/RL for OFLP will be estimated, reported separately, and reported as a unique FRL:

$$FRL = REL_{DEFORESTATION} + REL_{DEGRADATION} + RL_{A/R}$$

565. From the point of view of the temporal integration of the different RELs, it is important to note that the first version of the national REL has been submitted to the UNFCCC in 2016. This version reflects the best available information at the time of submission however it is stated that the scope and methodologies applied may be modified if better data becomes available. As part of the national REDD+ readiness process, activities are still ongoing to improve the data.

566. The OFLP REDD+ REL uses the same data and methods as the national FREL. The OFLP REDD+ REL was calculated in February 2017.

567. The OFLP REDD+ REL uses the same data and methods as the national FREL. The OFLP REDD+ REL was calculated in February 2017.

568. Since it is the intention of the BioCF ISFL to pay for emission reductions based on comprehensive accounting from all land-uses (so go beyond REDD+) using the Comprehensive Landscape Methodological Approach under development by BioCF, subsequent versions of the OFLP REL might be produced to incorporate other land uses or as the national REL is updated.

569.

8.3 Measurement, Reporting and Verification

570. **Overall framework and integration with the national MRV system.** The OFLP MRV system will rely almost exclusively on the national MRV system and is not envisaged to be independent to the national one. This will ensure consistency in the reported results for both the OFLP and the national level and it will ensure the sustainability of the system due to the efficient use of resources.

From the temporal point of view, the OFLP REDD+ MRV system will enter into operation in mid-2016, when the national REDD+ MRV system will be in operation. From that point forward the AD will be updated every 2 years (consistent with the biennial reporting set under the UNFCCC) and the EFs will be updated every 5 years. The update of the EFs might also be revised for the REDD+ REL in order to ensure consistency with ex-post estimates and depending on the accounting choices made at a national level for setting the REDD+ REL.

MRV Design

571. **Proposed institutional arrangements for monitoring.** The institutional arrangements and workflow for the REDD+ MRV system are being finalized but will consist of the three different levels defined in the overall framework (see figure 10 below).

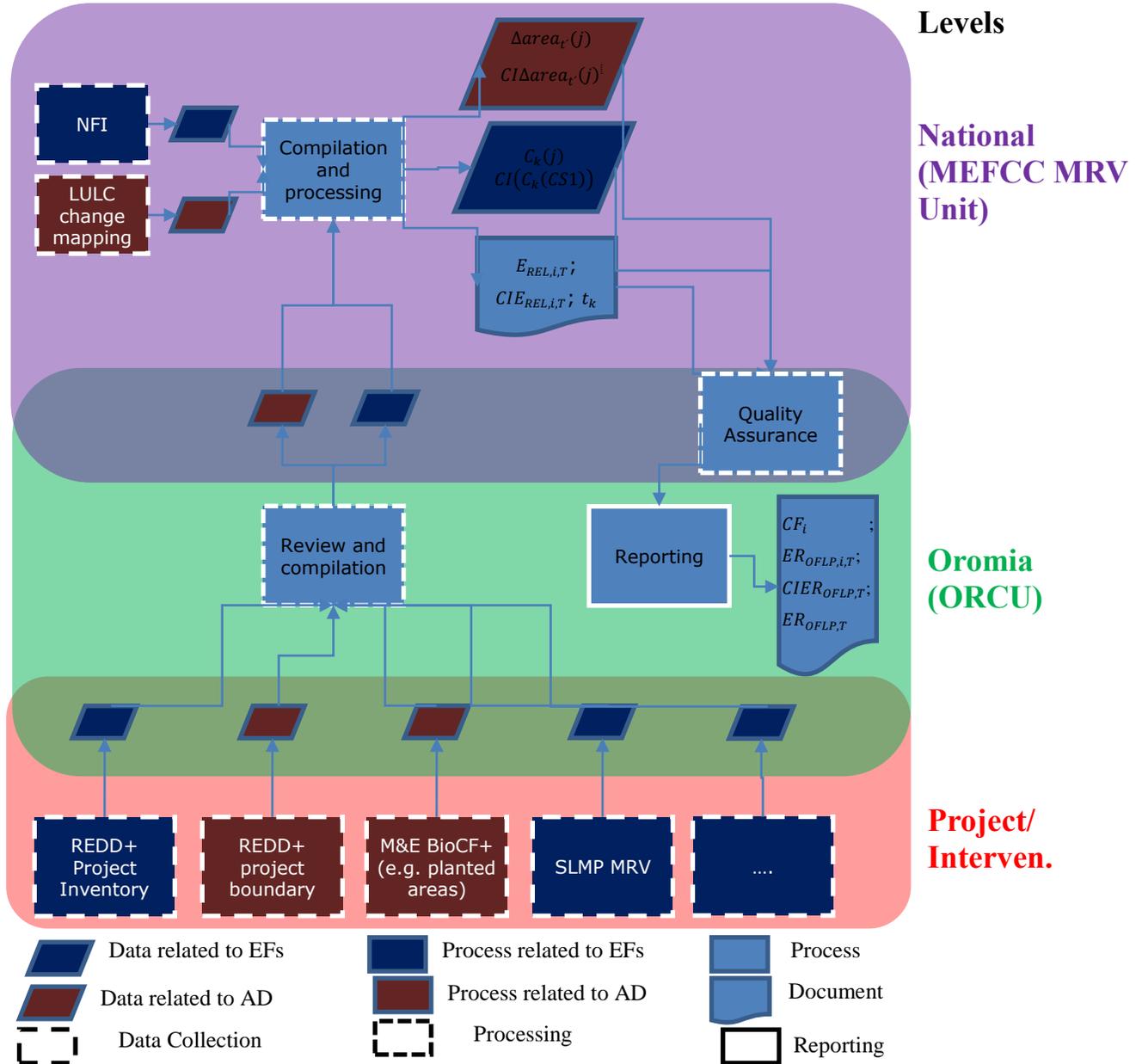


Figure 10: Institutional arrangement for MRV

572. The lower levels will collect important information for feeding the OFLP REDD+ MRV system. These will include, for instance, data reported by REDD+ activities (i.e. forest inventories,

project areas, detailed mapping of land use and land cover [LULC classes] calasses, and so on), data reported by M&E systems (e.g. planted areas by OEFCCA, etc.) or other data (e.g. biomass surveys conducted by the SLMP MRV). It will be necessary to ensure that all these data are generated and reported on in a consistent manner and following certain standards so that they can be incorporated at the national level. This will require setting guidelines or standards to conduct data collection and reporting.

1. The national level will collect primary data and compile primary and secondary data. Additionally, specific LULC mapping made by the MRV Unit in cooperation with the Ethiopian Mapping Agency (EMA) (who might be involved in the first level of analysis of the data to ensure consistency with other sectors) will be used to define AD. Moreover, the NFI will feed data regarding carbon densities into the system. All these data will serve to produce official AD, EFs, revised RELs, and related uncertainties for the Oromia region. These data and values will then be used to calculate the ERs, which will be done in collaboration with ORCU. The ORCU will then include these calculations in their program monitoring report. Moreover, it will be the ORCU which will calculate the ERs that are assigned to each project/intervention area, in case the BSMs are performancebased.
2. Data generation and recording will be done at the national level, and at the lower level by following the specific standards or guidelines for data collection and reporting, consistent with the national-level procedures. Thus, specific methods of data generation and recording must be defined as part of the MEFCC’s Forest National Monitoring and MRV System for REDD+ Readiness Project.
3. The above integration will require both the national and Oromia levels to agree on common MRV modalities clearly defining the responsibilities, the communication procedures, and the standards or guidelines for data collection and reporting. In the case of Oromia, where project/intervention-level data will be generated, it is important that these projects/interventions also commit to apply these standards. This will require specific definition of regional MRV modalities set at the Oromia level clearly defining the responsibilities of each party, the communication procedures, and standards for collecting data and reporting by the different projects/interventions.

573. The proposed institutional arrangements for monitoring are detailed in Table 17 builds on the overall accounting framework described above and the draft version of the national REDD+ strategy.

Table 17: Role of MRV units at the National and Oromia State level

Function	National	Oromia
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Function	National	Oromia
Measurement	The EMA collects LULC data. The MEFCC MRV Unit produces the map. The MRV Unit regularly collects, analyses, and aggregates primary data.	The ORCU MRV team collects primary and secondary data on program interventions (that is, geographical information on A/R activities, program-level biomass survey data, and so on).
Reporting	MRV Unit - The MEFCC calculates GHG emissions at the regional level in both FRL and MRV (as defined in the draft National REDD+ Strategy), including GHG emissions estimate for REDD projects. MEFCC MRV Unit– The MEFCC MRV Unit delivers official GHG emissions estimates.	The ORCU will compile results of the MEFCC MRV Unit for the region and submit a report in the form of a Program Document (for example, BioCF ISFL and Verified Carbon Standard).
Verification	It is conducted by national or international entities. The MRV Unit provides support in verification.	The ORCU will be the focal point and lead verification.
Registry	National web portal	The ORCU is responsible for reporting relevant information to the MEFCC.
High-level oversight and coordination	The Federal Steering Committee oversees the process and ensures a link to decision making. The Federal MRV Task Force monitors the process and reports to the Federal Steering Committee. The MRV Unit manages workflows and day-to-day coordination.	The ORCU, supported by the Technical Working Group, monitors implementation of MRV within the region. The OFWE is a member of the Federal MRV Task Force.
Support and technical advice	The MRV expert group provides support and technical advice. Universities and research institutes will be engaged by the MRV Unit on a continuous basis for research and capacity building. The MRV Unit opens call for research proposal, in close coordination with the ORCU, on any research needs and to liaise with research institutions in Oromia.	The Oromia REDD Technical Working Group provides technical advice.
International reporting	The MEFCC (appropriate directorate) reports to the UNFCCC.	n.a.

9. BENEFIT SHARING MECHANISM (BSM)

9.1 Overview

574. A separate Benefit Sharing Manual will be prepared for the program based on an in-depth consultation with stakeholders. The main elements of Benefit Sharing Mechanism have been discussed and common understanding on those has been reached among the program stakeholders. Those initial ideas will be used as an input to prepare OFLP BSM. However, the details on each element of the BSM discussed below remains valid as long as it doesn't contradict with the provisions to be spelled out in the manual.

575. The BSM design will be finalized during the mobilization grant implementation, through multi-stakeholder consultations to be led by ORCU in year 1. The BSM Manual will be approved by the WB before the ERPA is signed.

9.2 Principles for Developing OFLP BSM

576. At the discussions and consultations held during OFLP preparation, the following principles have been agreed by the stakeholders:

- In the context of the BSM, benefits refer only to the payments for emissions reductions (ERs);
- Most of the benefits (ER payments) from OFLP should reach the local level (forest dependent communities);
- OFLP benefits would be primarily provided to communities as incentives towards the adoption of more sustainable land uses rather than cash payment, and would mostly be used for community-level benefits rather than individual benefits;
- Whereas most benefits provided by OFLP would be in the form of 'non carbon benefits,' such as increased income from new land use practices, natural resource-based small enterprise development, improved and less variable crop yields, and more secure ecosystem services such as water provision and filtering, this BSM deals with ER payments only. The distribution of 'non-carbon benefits' is part of the design of the mobilization grant;
- The BSM would be developed gradually. It would start simple (limited number of beneficiaries focused around forest areas, less complex rules for distributing funds and simplified funds management rules), and could become more complex as OFLP evolves, capacity is strengthened and experience is gained;
- The BSM should build on existing government structures that already have experience on reaching out to and mobilizing communities at the local level, e.g. local government agencies;
- Communities should be consulted during the BSM preparation, and the implementation of the BSM should be assessed in the initial implementation years to ensure communities' concerns are properly considered. The Government's OFLP Grievance and Redress Mechanism would be a tool for communities to address their grievances;

- To facilitate agreement with communities, communities should be organized into Community-Based Organizations (CBOs) using their own by-laws (which would help empower communities). During the mobilization grant implementation, ORCU is expected to facilitate OEFCCA and bureaus to strengthen these CBOs, and ensure they are inclusive;
- Vulnerable communities and individuals such as women, unemployed youth, underserved communities, pastoralists, and the poorest of the poor who are dependent on the forest for their livelihoods should benefit from this BSM.

9.3 Definition of benefits in the context of the BSM

577. In the context of the OFLP BSM, benefits refer only to the payments for ER. The ER payments will occur only when the Oromia government demonstrates and a third party verifies that emissions from forest cover change have been reduced over the regional state in aggregate during the ERPA period.

9.4 Net ER payments

578. Net ER payments refer to the overall ER payments minus program management costs. OFLP implementation will entail program management costs, which will be covered by the ER payments. Such costs include (a) maintenance of the ORCU; (b) functioning of the Oromia Steering Committee and technical committees; (c) preparation and supervision of the BSM; (d) maintenance of the MRV system, including third-party audit costs (the MRV system is a national effort and some of the costs are covered at the national level); and (e) management of risk and promotion of sustainability through the maintenance of a credible safeguards system. The program management costs will be capped at a specific yearly amount, to be agreed during the BSM Manual preparation.

9.5 Eligible Beneficiaries under the BSM

579. Benefits should reach primarily those that contribute to the results under the Program. Eligible beneficiaries will be identified during the preparation of the BSM and consulted using a robust, inclusive process. During the OFLP preparation, the following eligible entities have been identified: (i) Forest-dependent communities organized into Community-Based Organizations (CBOs); (ii) Government agencies (exact agencies and level of government still to be decided). It was agreed that other eligible beneficiaries could be included in the BSM in the future, such as communities outside forests and/or smallholders engaged in reforestation. There was agreement that ORCU will strive to ensure that the eligible CBOs are inclusive, particularly by including as members vulnerable and underserved communities, and women. There was also agreement that ORCU would sign an OFLP Benefit Sharing Agreement with each eligible beneficiary, in which roles and responsibilities of each party is clearly spelled out. Before signing this Agreement, ORCU is expected to do an assessment of the CBO, and ensure that it meets minimal conditions to receive the benefits. One of these conditions is their degree of inclusiveness of vulnerable groups. ORCU will detail within the BSM: (i) the key elements of a standard OFLP Benefit Sharing Agreement; and (ii) the process and scope of conducting the proposed assessment.

9.6 Rules for Benefit Distribution

580. During the OFLP preparation, there was agreement that benefits would be distributed from the regional government of Oromia (represented by ORCU) as follows, with the understanding that further work is expected to operationalize the approach and to be eventually reflected in the BSM Manual:

- i. Large discrete geographic areas in Oromia: These could be a set of Zones (administrative units of the regional state) grouped together, or a different geographical division still to be decided by ORCU. Benefits across these geographic areas will be distributed according to a formula to be developed that takes into account the relative performance of these areas in contributing to reduced deforestation. During the design process of the BSM, the rules on how to measure performance at the discrete geographic area will be determined. These rules would be aligned with the rules to be developed for individual projects expected to be nested into the OFLP (please refer to Section 8), as they should also consider how existing nested REDD+ projects would benefit from the OFLP; and share the benefits with the eligible beneficiaries.
- ii. Within the specific geographic areas defined above (for example, Bale Zone), benefits would be shared among eligible beneficiaries (forest CBOs, government) according to a formula to be agreed. Once again, performance is to be a consideration in this formula. Some of the potential indicators of performance to be considered at the CBO level could be: hectares of land reforested, hectares of forest under a PFM regime, percentage of reduced deforestation. Benefit distribution to Government agencies would also follow the performance principle, that is, those agencies that directly contribute to ER would receive benefits / ER payments. This will be detailed in the BSM Manual.

9.7 Use of the Benefits at the Local Level

581. There is agreement that most of the benefits flowing to local communities (forest CBOs) should be decided by their communities themselves. In general, it is expected that the benefits would be used for the communities' local development priorities, and would create incentives for community members to continue contributing to reduced deforestation or increased forest cover such as by not clearing new land for agriculture, contributing to firefighting, sustainably managing forest resources, etc. This approach should allow the OFLP benefits (ER payments) to complement and leverage other sources of funding, and create incentives for continued support to reduced deforestation. ORCU and partners would use locally arranged consultative processes to engage communities in determining how to use their allocation of the OFLP ER benefits, taking into account the agreed principles. The BSM Manual would contain a negative list of activities / items that cannot be financed by the ER payments. An additional issue that would need to be clarified in the BSM Manual is how CBOs will receive Technical Assistance (TA) to implement land use activities such as conservation agriculture, PFM or A/R, and how these costs would be covered.

9.8 Funds Flow and Management

582. A robust funds management entity and flow of funds mechanism will be identified to allow the OFLP Benefits (ER payments) from the central / regional level to be distributed to the several eligible

beneficiary groups (likely several hundreds). The funds management entity and the flows of funds will be identified and agreed upon during the BSM design process, as well as the associated monitoring and auditing procedures.

9.9 Monitoring of the BSM

583. ORCU will have primary responsibility for monitoring how / whether the Benefits are being transferred adequately, and how they are being used.

10. ENVIRONMENT AND SOCIAL SAFEGUARDS MANAGEMENT

10.1 Overview

584. The OFLP will comply with applicable Ethiopian environmental and social legislations/policies and the World Bank Safeguard Policies. The Program will not finance any activity which causes significant adverse environmental and social impacts. The potential impacts, if any, are expected to be site-specific, and localized at small to medium magnitudes and mitigable through good design and appropriate mitigation measures. Therefore, the OFLP has been categorized as Category B by the World Bank classification.

585. OFLP triggered eight out of ten World Bank's safeguard operational policies (see Table 18 below).

Table 18: Safeguards Policies Triggered by the OFLP

Safeguard Policies Triggered by the Program	Yes/	No
Environmental Assessment (OP/BP 4.01)	[X]	[]
Natural Habitats (OP/BP 4.04)	[X]	[]
Pest Management (OP/BP 4.09)	[X]	[]
Physical Cultural Resources (OP/BP 4.11)	[X]	[]
Involuntary Resettlement (OP/BP 4.12)	[X]	[]
Indigenous Peoples/Underserved and Vulnerable peoples (OP/BP 4.10)	[X]	[]
Forests (OP/BP 4.36)	[X]	[]
Safety of Dams (OP/BP 4.37)	[X]	[]
Projects in Disputed Areas (OP/BP 7.60)		[X]
Projects on International Waterways (OP/BP 7.50)		[X]

586. The risk mitigation measures for OFLP relies on carefully designed safeguards management plans and capacity-building measures to strengthen the implementation capacity of the institutions participating in the Program which will be reinforced by a dedicated Safeguards Management subcomponent in the mobilization grant. Besides, the complex nature of the OFLP's operational context informed the design of the dedicated subcomponent on safeguards due diligence.

587. Four safeguard instruments relevant to the Program were prepared, consulted upon and disclosed in blog of National REDD+ Secretariat, OEFCCA website and World Bank's Inforshop in

October 2015. These include: (a) an Environmental and Social Management Framework (ESMF) in compliance with OP 4.01, (b) a Resettlement Policy Framework (RPF) and Process Framework (PF) in compliance with OP 4.12, and (c) a Social Assessment (SA) and Social Development Plan (SDP) in compliance with OP 4.10 as part of the Strategic Environmental and Social Assessment (SESA).

10.2 Social Safeguards Management

588. The OFLP will operate in a changing and fragile environment with complex social relationships and will likely face social concerns related to the existence of underserved peoples and vulnerable groups in its intervention areas. The social development challenges facing forest-dependent communities include inadequate understanding of relevant social issues; weak capacity and expertise within the government structures to address proposed mitigation measures to risks; weak land tenure at the individual and community levels, particularly among forest-dependent communities; and inequality in sharing benefits from natural resources.

589. The OFLP social safeguards therefore seek to ensure the full and effective participation of local community, underserved/vulnerable people, forest dependent communities, women and other relevant stakeholders in the program, and guarantee their timely access to appropriate and accurate information.

10.2.1 Social Development Plan

The Strategic Environmental and Social Assessment (SESA) that has been prepared for the implementation of the National REDD+ Readiness including the OFLP Social Assessment will be used to meet the social safeguard requirements for OFLP. It included defining characteristics in OP 4.10, and linked with actions needed to reduce safeguards risks, as well as develop socio-economic opportunities for the program affected stakeholders. The findings of the social assessment and consultations formed the basis for the Social Development Plan (SDP) (Table 19) which will ensure that the Program will respect the dignity, rights and culture of groups meeting the OP4.10 requirements and ensure that these people benefit from the Program in a sustainable manner. The SDP can be revisited during OFLP implementation and further consultation maybe undertaken for the underserved groups to ensure their full participation. With respect to the anticipated key risks and mitigation section outlined, Table 19 provides the summary of potential risks and challenges as well as recommendations.

Table 19: SDP for the OFLP

OFLP Component/Issues	Potential Risks and Challenges	Recommendations
Component 1: Enabling Investments		
<i>1.1 Sub-basin Land-use Planning Support</i>	<p>Land tenure</p> <ul style="list-style-type: none"> The OFLP could face challenges related to existing weak land tenure at the individual and community levels due to the perception of land tenure insecurity, mainly in 	<ul style="list-style-type: none"> The OFLP should promote PFM to address perceived lack of tenure security by transferring or promoting joint forest management rights to communities using defined contracts. The OFLP as a coordination platform will complement the GoE's effort on rural land certification by encouraging other projects to

OFLP Component/Issues	Potential Risks and Challenges	Recommendations
	<p>the forest sector</p> <ul style="list-style-type: none"> • Forest demarcation, if any (as part of the ILUP), may induce conflict and result in relocation of people and restrict access to resources. 	<p>finance, outside the scope of the OFLP, the first steps toward individual land certification in forested areas.</p> <ul style="list-style-type: none"> • The OFLP will address restriction of access through its PF.
<i>1.2 Investment and Extension Services</i>	<ul style="list-style-type: none"> • The OFLP may encounter resistance and low capacity to adopt new technologies and practices in the forest, agriculture, water, and energy sectors. 	<ul style="list-style-type: none"> • OFLP coordination staff, including the safeguard teams at all levels, should conduct intensive consultations and ensure participation to create awareness. • The OFLP should build the capacity of actors at all levels to understand, promote, and adopt improved technologies.
<i>1.3 Forest Management Investment in Deforestation Hotspots</i>	<ul style="list-style-type: none"> • The OFLP may face concerns in existing PFMs due to population explosion, demand for agricultural land, and livestock stock increase. 	<ul style="list-style-type: none"> • OFLP-supported PFM promotion should draw lessons from ongoing PFM interventions, ensure that the process remains consultative and participatory, and capitalize on the mechanism of non-forest-based resources' benefits.
	<ul style="list-style-type: none"> • The achievements of the OFLP might be compromised by limited participation and little or no benefit for the community in conservation initiatives such as PFM. 	<ul style="list-style-type: none"> • The OFLP should ensure broad-based consultation and mobilization of communities during the formation phase of PFM groups to make sure that communities draw proportional benefits from forest resources and sustainable forest management.
	<ul style="list-style-type: none"> • Conflicts may arise between PFM and non-PFM community members. 	<ul style="list-style-type: none"> • Quota for vulnerable and underserved groups in PFM establishment should be allocated. • An equitable, fair, and participatory establishment process of PFM groups should be ensured.
	<ul style="list-style-type: none"> • OFLP implementation may serve as a fertile ground for external actors and influential individuals for instigating conflict and/or disagreement. 	<ul style="list-style-type: none"> • The OFLP should be inclusive of relevant stakeholders, CBOs, Government Organizations, NGOs, local institutions, and influential individuals.
	<ul style="list-style-type: none"> • Restriction over natural resources, spiritual exercise, and use and access rights may create social instability. 	<ul style="list-style-type: none"> • The OFLP should allow communities to have access for spiritual exercise.
	<ul style="list-style-type: none"> • OFLP on-the-ground investments may obstruct community walking routes living on either side of the forest due to PFM area closure and conservation. 	<ul style="list-style-type: none"> • OFLP on-the-ground investments should allow communities to use the routes or establish/identify reasonably convenient alternative routes.
	<ul style="list-style-type: none"> • The OFLP may face challenges in enhancing or introducing new livelihoods as alternative options to forest degradation and depletion. 	<ul style="list-style-type: none"> • The necessary training and awareness on enhancing existing, new livelihood, and resource alternatives should be provided. • Community-based tourism (where it is economically and financially viable, noting that the OFLP is not directly financing tourism) and other nature-based or conventional small and medium enterprises for alternative livelihoods should be

OFLP Component/Issues	Potential Risks and Challenges	Recommendations
		<p>promoted.</p> <ul style="list-style-type: none"> The design of forest community-based initiatives on sustainable forest management that will last beyond the grant periods should be supported.
	<ul style="list-style-type: none"> The OFLP may encounter forest governance and corruption challenges: <ul style="list-style-type: none"> (a) The program development opportunities may end up benefiting the powerful, resource-rich, and elite groups. (b) Indifference of the local people, including the leadership, toward displaced persons and destruction of resources may exist. (c) Absence of guidelines and exertion of pressure on resettled communities lead to social conflict. 	<ul style="list-style-type: none"> A mechanism to ensure the resource poor and the disadvantaged are targeted and included should be put in place. Fair representation and accountability in forest-related institutions such as PFMs, including underserved communities, should be ensured. Regardless of status, power, or connections, it should be ensured that mitigation measures are applied impartially. All forest-related OFLP guidelines should reflect the issues and concerns of underserved and vulnerable groups.
	<ul style="list-style-type: none"> The OFLP operation may induce conflict due to traditional resource access and utilization. 	<ul style="list-style-type: none"> Context-specific conflict resolution mechanism such as the <i>Gadda</i> system and/or <i>Awlia</i> should be used. Traditional resource access and use mechanisms in different parts of the OFLP operation, including <i>Godantu</i>, <i>Qobbo</i>, should be supported.
	<ul style="list-style-type: none"> The OFLP may face challenges related to illegal migrants or squatters in its operation area. 	<ul style="list-style-type: none"> The issue of squatters or illegal migrants should be addressed as a concern through the OFLP RPF and PF provisions, including compensation, resettlement assistance, alternative livelihood support, and rehabilitation assistance.
Component 2: Enabling Environment		
<p>2.1 Institutional Capacity Building</p> <p>2.2 Incentives</p> <p>2.3 Information</p> <p>2.4 Safeguards Management</p> <p>2.5 Program Management</p>	<ul style="list-style-type: none"> The OFLP will likely face social concerns related to the existence of underserved and vulnerable groups in its intervention areas. The OFLP may face inadequate understanding of relevant social issues. The OFLP may operate in inadequate capacity and expertise within the government structures to deal with both social and environmental risks and properly mitigate and document the process. 	<ul style="list-style-type: none"> The OFLP should dedicate a safeguards subcomponent to address operational risks. The OFLP needs to carefully design safeguards capacity-building measures. Direct and all-inclusive community consultation about the OFLP should be ensured. OFLP communications and participation strategies should be used to sensitize the underserved and vulnerable groups.
	<ul style="list-style-type: none"> Communities and individuals in OFLP operation sites may 	<ul style="list-style-type: none"> Community consultations and participation should create awareness about the OFLP GRM to support

OFLP Component/Issues	Potential Risks and Challenges	Recommendations
	<p>believe that they are adversely affected by the program.</p> <ul style="list-style-type: none"> • The OFLP might be challenged by the inadequate institutional capacity of traditional grievance redress and resource management institutions. • Restriction of access to natural resources due to OFLP intervention might inflict conflict among traditional seasonal migrant forest resource users including pastoralists. 	<p>citizen’s complaints or grievances in a formalized, transparent, cost-effective, and time-bound manner.</p> <ul style="list-style-type: none"> • The <i>Gadaa</i> system should be used in case grievances occur (<i>Abbaa Allenga, Lagaa, and Abbaa Ollaa</i> are the institutions that serve the community to resolve conflicts instead of the formal court).
	<p>Vulnerable and underserved groups</p> <ul style="list-style-type: none"> • The resource poor and the vulnerable forest-dependent communities might be excluded. • OFLP measures might include or exclude certain social groups through the process. 	<ul style="list-style-type: none"> • The OFLP will promote a community-driven-development-approach, whereby communities prioritize development activities and promote socially inclusive, participatory processes for planning, subproject implementation, monitoring, and learning. In this way, the people directly affected by the project activities will be treated fairly and equitably; and project funds will be shared in a socially inclusive manner among different groups within communities, particularly the underserved and vulnerable. • The OFLP citizen engagement and participation plans should be used to engage communities in the OFLP design, implementation, and follow-up process.
	<ul style="list-style-type: none"> • OFLP operations may not be gender sensitive and women might be affected differentially. 	<ul style="list-style-type: none"> • OFLP enabling environment and investment will mainstream gender and be gender-sensitive to address the strategic and practical issues, while ensuring equity in the OFLP process and screening of subproject activities will be done through the gender lens. • The OFLP BSM design process, safeguards implementation, community participation, and citizen engagement issues will also include efforts to ensure and enhance women’s participation.
	<p>Awareness and communication</p> <ul style="list-style-type: none"> • The illiterate and disadvantaged groups of the community might be left out from the program opportunities. • Some religious and social groups might oppose the OFLP operation. • Changing attitudes may antagonize local values and beliefs for some groups. 	<ul style="list-style-type: none"> • The OFLP will focus on increasing community engagement and participation in forest management and decision making of all forest-dependent groups and social class. • The capacity of forest-dependent communities should be boosted to make their own decisions about community-led planning process. • Channels where citizens and various levels of government can work together in the context of implementation and monitoring of community-led PFM should be supported. • Implementation with sufficient awareness-creation trainings and through full participation of social groups should be supported.

OFLP Component/Issues	Potential Risks and Challenges	Recommendations
		<ul style="list-style-type: none"> The OFLP should ensure that all consultations and awareness-creation meetings respect the values, beliefs, and identity of the people.
	<ul style="list-style-type: none"> There is potential perception of linkage between the OFLP and the potential involuntary resettlement in the Bale Mountains National Park. 	<ul style="list-style-type: none"> It should be ensured that the GoE applies Bank Group safeguard policies in managing this resettlement if and when it occurs.
Component 3: Emissions Reduction Payments		
<ul style="list-style-type: none"> <i>Incentive for greater uptake of sustainable land-use actions</i> <i>Adoption and implementation of a BSM by the GoE-Oromia government</i> 	<ul style="list-style-type: none"> Benefits associated with ER payments may not reach the stakeholders (elite capture, exclusion of some stakeholders, particularly underserved and vulnerable groups). The OFLP, during the ERPA period, may not maintain the safeguards system or the BSM established during the grant period. 	<ul style="list-style-type: none"> A well-consulted and equitable BSM should be developed for carbon payments to help incentivize forest communities conserve and rehabilitate forest (an approved BSM is a requirement for signing the ERPA). The OFLP should preclude and manage safeguard risks by establishing a robust safeguards system during the grant period. It should be strengthened during the ERPA period to ensure that the program's citizen engagement, equitable sharing of program benefits, GRM, and safeguards risks management steps are sustained beyond the grant period; and the GoE will allocate adequate resources (human and financial) for safeguards implementation/due diligence.

10.2.2 Resettlement Action Plan

590. OFLP triggered OP/BP 4.12 on Involuntary Resettlement since Program implementation may involve acquisition of land and/or restriction of access to legally designated parks, protected areas, or forest management/reforestation areas. In one of the aforementioned cases, WB safeguard policy will be applied to ensure that good practice is followed in managing resettlement(s). The Resettlement Policy Framework (RPF) and the Process Framework (PF) that has been prepared for the Program provide features of policy requirements on consultative process for resettlement.

591. As much as possible, involuntary land acquisition and involuntary resettlement will be avoided or minimized. When program activities trigger involuntary resettlement, RPF will be used in conjunction with the Environment and Social Management Framework (ESMF), Social Development Plan as part of the Strategic Environmental and Social Assessment (SESA) and Process Framework (PF). The RAP process will ensure that affected communities are meaningfully consulted, participated in the planning process, adequately compensated (their livelihoods restored to the pre-displacement extent), and the process is fair and transparent. When a Resettlement Action Plan (RAP) is necessary, it will be worked out according to the guidance provided in the RPF. Figure 11 below provides structure to develop RAP.

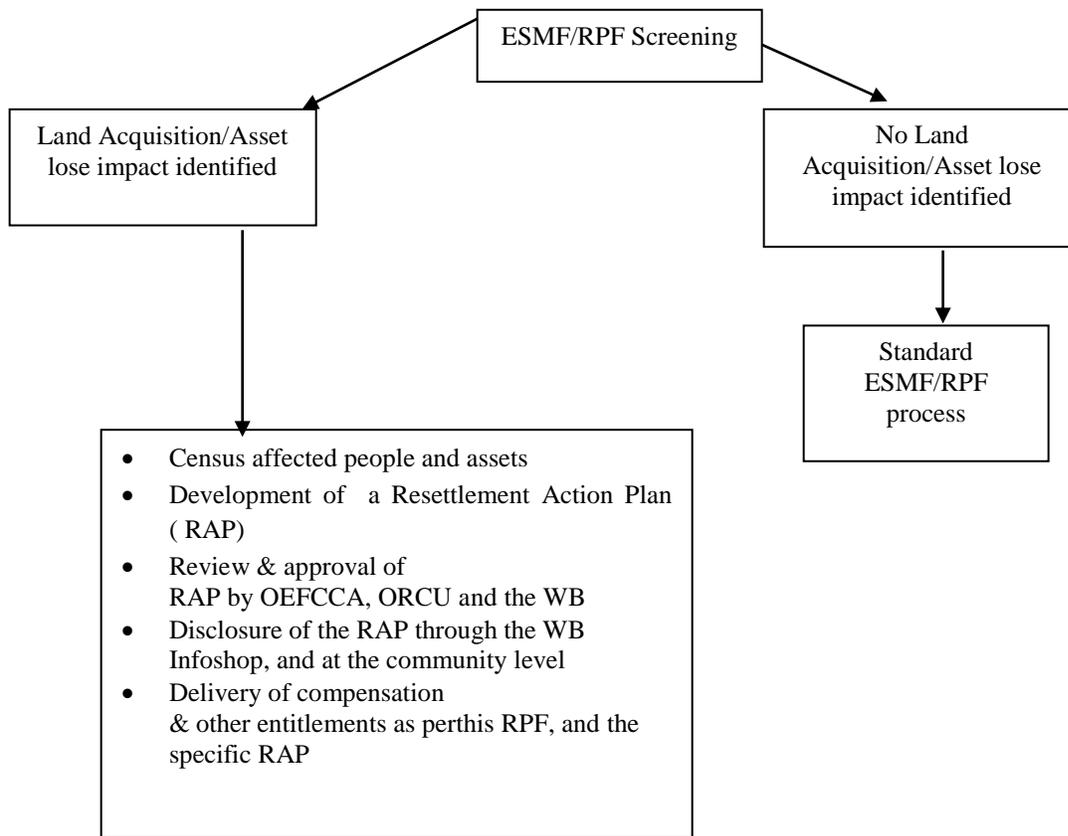


Figure 11: Structure for RAP Development

10.2.3 Restriction of Access to Natural Resources

592. Some of the program activities of OFLP may lead to protection against uses of resources and protection of the right to lands. Access restriction to land or natural resource in turn may trigger social impacts such as poverty aggravation, cultural and spiritual practice cease and community disintegration. Therefore, adverse impacts of access restriction will be identified and appropriate mitigation and monitoring system would be developed. If adverse impacts are inevitable or cannot be mitigated, a compensation (whether in cash or in kind depending on which of the compensation type resolves the impacts) shall be implemented with due care and justification of how this would result in a net benefit for the project stakeholders. It should be noted that financial incentives to rectify access

restriction that maybe imposed by OFLP alone will not ensure a successful outcome for peoples and communities whose lives and livelihoods have depended on forests for years.

10.2.4 Community participation and citizen engagement

593. The OFLP will focus on increasing community engagement and participation in forest management and decision making. It will do so by seeking to (a) increase the capacity of forest-dependent communities and citizens to make their own decisions about the community-led planning process; (b) increase the capacity and responsiveness of regional and woreda administrations to respond to citizen demand; and (c) support channels where citizens and various levels of government can work together in the context of implementation and monitoring of community-led forest management. Citizen feedback and a series of consultations with community members, government officials, and representatives of civil society organizations were conducted in the design of the OFLP, and feedback on the process will continue during implementation. Community participation and citizen engagement will be operationalized through the implementation of the OFLP C&P, GRM, Participatory Planning etc.

10.2.5 Gender

594. Policies and programs that ignore the differential impact on men and women are often gender blind and potentially harmful for human development. Therefore, all proposed enabling environment and investment by OFLP will be screened through the gender lens to test practical mainstreaming to deliberately give visibility and support to both women's and men's contributions explicitly, rather than assuming that both groups will benefit equally from program's interventions. The program will identify gaps in equality through the use of sex-disaggregated data, developing strategies and policies to close those gaps, devoting resources and expertise for implementing equality strategies and monitoring results of development interventions. In the context of environmental issues, the difference is in beneficiaries' access to and control over environmental resources as well as goods and services. Therefore, OFLP will mainstream gender equality in sharing program benefits and strengthen grievance redress as part of citizen engagement aimed at listening to stakeholders and seeking their consensus on OFLP-related activities.

595. OFLP activities including such aspects as household energy demand management, household livelihoods support activities, community forest tenure piloting, and the scaling up of PFM structures are gender sensitive. In addition, OFLP BSM design process, safeguards implementation, community participation, and citizen engagement issues will also include efforts to ensure and enhance female involvement. M&E indicators will be disaggregated by gender to inform the OFLP's adaptive management. The gender aspects of the OFLP will address the strategic and practical needs of women while ensuring equity in the process.

596. **Household Energy Demand Management:** OFLP will promote marketing and promotion of cook stoves. Furthermore, it seeks to coordinate with the National cook stove program in an effort to scale-up more up-take of improved cook stoves across Oromia. Improved cookstoves have the potential to reduce indoor air pollution, improve the health of women and children, and cut time spent collecting fuel wood. Cooking with biomass results in indoor-air pollution (IAP) that causes a variety

of respiratory illnesses such as chronic obstructive pulmonary disease (COPD), asthma, bronchitis, and pneumonia. Because cooking and fuelwood collection are time intensive activities, technological efficiencies could generate savings in time spent cooking and collecting fuel wood that would, presumably, mainly benefit women. a technology that relaxes women's time constraint will release time that will be gainfully employed in other welfare enhancing behaviours such as income generation, education (especially for school-aged girls) and leisure. This in turn could empower women within households and communities.

597. In addition, the program will improve access to woodfuel by expanding community woodlots, subsidize community investments, address institutional failures that counteract collective action on commons, and enable utilization of government land, e.g. through Joint Forest Management. Fundamental to any such intervention is the functioning of the tenure system. An energy-gender perspective on the land tenure and land administration reforms could therefore have profound effects on woodfuel supplies.

598. **Participatory Forest Management:** The concept of gender issues in sustainable management of forests has got widespread acceptance in contemporary development thinking and policy-making. Equity and gender sensitivity is vital to be addressed in PFM and involving of women, resource-poor farmers and landless groups need to be brought to the forefront and actively involve them at all stages of planning, implementation, monitoring and evaluation of the progress and impacts of PFM. The PFM livelihood support will ensure that both male and female forest dependent households, marginalised members and female headed households are well represented and have a chance to participate in and benefit from business development support. Participation increases self-esteem and social cohesiveness with pride of owning the resource. Participation backed by decision making leads to empowerment.

599. The participation of women in PFM could be constrained by a number of factors. Women seldom know about the provisions, roles and responsibilities of JFM programs. In addition there is a lack of clarity about the applicability and gains of PFM which often leads to a lack of interest. Forest department staffs generally consider the involvement of women as a mere formality. Very rarely are special efforts taken to understand women's point of view and to seek their active participation. In addition, inadequate training and orientation of the lower forest department staff ranks has left them clueless about the ways and means of facilitating women's participation and under time pressures staff may find it too time consuming to motivate women. Women, especially those belonging to lower income groups or who are head of the household, may find it difficult to attend JFM meetings as this means loss of wages. Due to domestic and other chores women find it extremely difficult to find time for meetings which are often organised at times and venues inconvenient to women. Women participation is greatly handicapped in view of social customs. In many communities women are not allowed to sit on the same platform as men and they are expected not to speak in front of men. The women from elite households who may venture to participate in PFM discussions do not normally represent the interests of women from poor households.

600. To ensure a positive environmental impact, OFLP will improve women's participation in PFM through:

- Involving women from the very beginning of PFM programs. Constant and sustained dialogue will be maintained with them.
- Increasing awareness among women of their rights to participate, and of the benefits if they do.
- Increasing the representation of women in CBOs (at least by 30%) and other meetings to ensure their concerns are taken into account at all levels. Furthermore, ensuring women participation in executive body of CBOs and in the managing committees.
- Arranging separate meetings for women to get their views
- Forming all-women groups to allow women to voice their opinions.
- Undertaking gender analysis when developing plans, in order to understand the different uses and the different dependence of women and men on forest products.
- Ensuring about 40% of the project beneficiaries are women.

601. **Rural Land Administration, Certification and Land Use:** In order for women to use land sustainably, they need equal access to land and control over land based resources. Therefore, women will be trained and empowered as member, and take the leadership position in land administration and certificate and land use plan committee (at least 30%). They will be involved in formulating plan and budget for same, measure land, delineate boundary and verify the size and type of land owned by individuals, community and organizations. And also take the responsibility to facilitate cadastral surveying, mapping, registration and certification, properly record and keep documents concerning rural land administration, give ear for grievance and complaints and mediate / arbitrate conflicts arises between the users.

602. **Project Management:** Women will be empowered to involve in OFLP interventions from the idea generation all through implementation and monitoring and evaluation of the project, as well as decision making (at least 30%). That is, women qualify as a member and leaders during the planning of OFLP interventions, monitoring and evaluation and the project will take a responsibility to ensure that the gender responsive monitoring and evaluation system is in place. Therefore, the project provides the maximum attention to facilitate women take part in project monitoring and evaluation:

- ensures community members (ultimate beneficiaries) are equipped with the necessary awareness and capacity for gender mainstreaming and follow up,
- adequate budget for addressing gender issues is allocated,
- planning/programs formats and reports incorporate sex disaggregated data, and
- Capacity building packages of the project take into consideration, the empowering of women in decision making.

10.3 Environmental Safeguards Management

603. Generally, OFLP will have positive environmental impacts through its activities stated under Components 1 and 2. However, some of the local-level activities under Component 1 may have limited adverse environmental risks; these activities could potentially include construction or rehabilitation of physical structures such as A/R, area closures, check dams, water harvesting

structures, agricultural intensification (including small-scale irrigation that may necessitate applying agrochemicals such as pesticides), and access roads. Component 3 may have also adverse environmental and social impacts, specifically in relation to benefit sharing. Adverse environmental and social risks of these activities can be avoided or mitigated if proper mitigation measures are developed and implemented. Therefore, safeguards risks from activities under Components 1 and 3 can be avoided or mitigated using the OFLP safeguards instruments, including the ESMF and the SA and SDP (as part of the SESA). The ESMF includes measures for addressing broader environmental and social impacts and impacts on natural habitats, forests, physical cultural resources, and pest management. As the program also triggered OP/BP 4.37 on Safety of Dams, in cases of small dam construction (less than 4.5 m) as part of small-scale irrigation schemes, it will use the FAO's Manual on Small Earth Dams, A Guide to Siting, Design, and Construction and the MoANR's guidelines on the construction of small dams. The ESMF will be used to develop site-specific Environmental and Social Management Plans before the commencement of activities under Component 1. The ESMF includes standard methods and procedures along with appropriate institutional arrangements for screening and reviewing program activities and monitoring the implementation of mitigation measures to prevent adverse and cumulative impacts. The effective use of the ESMF will be regularly reviewed and audited.

604. Since the program also triggered OP 4.09 Pest Management guideline for preparation of an Integrated Pest Management Plan has been included as part of the ESMF to address related environmental and social impacts of program activities.

605. The ESMF procedures for the OFLP specifies the relevant national and regional administrative and environmental policies, laws, proclamations, guidelines and procedures to be followed during the screening of OFLP sub-projects against any potential environmental and social impacts. OFLP implementing agencies will ensure that program activities adhere to these provisions during the entire implementation period. Furthermore, the ESMF is required to comply with applicable environment and social safeguard policies of the World Bank in addition to those relevant national and regional policy and legal frameworks.

606. Annex 19 provides the summary of potential risks/challenges associated with the implementation of OFLP program activities and proposed mitigation measures that will be undertaken by the program.

10.4 Environmental and Social Management Plan

607. The environmental and social management planning and implementation under OFLP will be guided by the following principles.

- The enabling investments component of the OFLP involves relatively small-scale activities that can be designed, implemented and managed at the kebele level using standardised published guidance, and with the assistance of DAs and woreda staff as required;
- The Program activities planning process will be participatory and communities have the opportunity to prioritize needs; and participation in the community activities will be entirely voluntary;

- The design of program and landscape activities will be guided by technical support and technical materials to avoid or minimise adverse impacts and encourage positive environmental and social effects;
- Program activities planning and implementation will integrate appropriate Environmental and Social Management Plan;
- Identified program activities by the communities will be screened, vetted and adopted in the Kebele landscape management plan on the basis of selection criteria and screening designed to eliminate program activities with major or irreversible environmental or social impacts (as stated in the guidelines below). Program activities with special environmental concern will be directed to the attention of the Oromia REDD+ Technical Working Group (TWG) and Oromia Bureau of Rural Land and Environmental Protection (BoRLEP) at the regional level;
- Approval at regional level will involve the Oromia (BoRLEP, which will have the right to decline a program activity on environmental or social grounds, or to conduct an assessment of likely impacts prior to approval.
- Special attention will be given to the impacts of small-scale irrigation projects, water harvesting structures and community roads involving land/asset acquisition and activities that adversely affects PCR and forest and natural habitats as well. Such types of program activities will be notified to the BoRLEP. The BoRLEP will decide whether an ESIA is required. Following such ESIA, the BoRLEP may modify the program activities, recommend a management plan, or disapprove program activities.
- Program activities implementation will be supervised and monitored at Kebele and Woreda levels. The DAs, with assistance as deemed necessary from the Woreda LUPT, OFLP woreda coordinators, and OFLP safeguards coordinators, will ensure that the specified mitigating measures are implemented.

10.5 Environmental and Social Screening

608. The environmental and social management planning process for OFLP will begin at sub-project level by deploying Environmental and Social Screening of activities. The purpose of the screening is to determine the sub-project's eligibility for OFLP funding and to identify subproject's potential adverse impacts and consequently the appropriate safeguard instruments and mitigation measures to manage those impacts. Environmental and social screening will be carried out at the stage of identification and selection of subprojects.

609. Environmental and Social Screening will commence with selection of program activities by local communities based on their needs and priorities through a participatory Natural Resources Management planning. Development agents (DA) and Woreda level agricultural experts will provide technical support to the community Natural Resources Management planning process. The Program activities design/plan will then be sent to the Woreda Land Use Planning Teams (LUPTs) comprising of woreda sector offices, including Woreda Office of Rural Land and Environmental Protection. Given that rational land-use is critical for the success of OFLP, the LUPTs will be strengthened by OFLP as relevant, and used as a platform for coordination through the OFLP Woreda Coordinators hosted at the OEFCCA Sub-District Offices. As one of the key OFLP safeguards implementation arrangements, the existing Woreda environmental experts will be trained and as part of the Woreda

LUPT to support implementation of the safeguards requirements in all land-use planning related issues of OFLP.

610. The WoRLAU, with technical inputs of Woreda LUPT, will screen the program activities. Woreda LUPT passes recommendations if any design modifications are required. The Woreda Administrators/council approves plans based on the decisions of WoRLAU and recommendations of Woreda LUPT. If program activities of any significant environmental concerns are included, then the plan document will be directed to the attention of the Oromia REDD+ TWG and BoRLAU. Such cases are rare since the program activities do not involve destruction of natural habitats and forests, construction of large dams, canals and roads or significant resettlement or land acquisition. The BoRLAU, with technical inputs of the Oromia RDD+ TWG, will make decisions if ESIA is required for those program activities. Based on ESIA outcomes, BoRLAU will recommend modifying the design, preparing environmental and social management plan to mitigate negative impacts or reject/disapprove the program activities. Figure 12 below provides Environmental and Social Management Process Flow and Annex 20 provides checklists for eligibility and screening of OFLP program activities at different levels.

611. The Environmental and Social Management Framework (ESMF) for OFLP establishes guiding principles for assessment and management of environmental and social aspects of the program activities under component 1. Those activities could potentially include construction or rehabilitation of physical structures for water catchment management such as check-dams, water harvesting structures, small scale irrigation, access roads, and area enclosures. ESMF provides a framework to systematically identify, predict, and evaluate beneficial and adverse environmental and social impacts of the program activities and to design enhancement measures to boost beneficial impacts, and mitigation measures for adverse impacts due to program implementation. The ESMF will guide during preparation of site specific Environmental Management Plan (EMP) prior to commencement of activities under component 1.

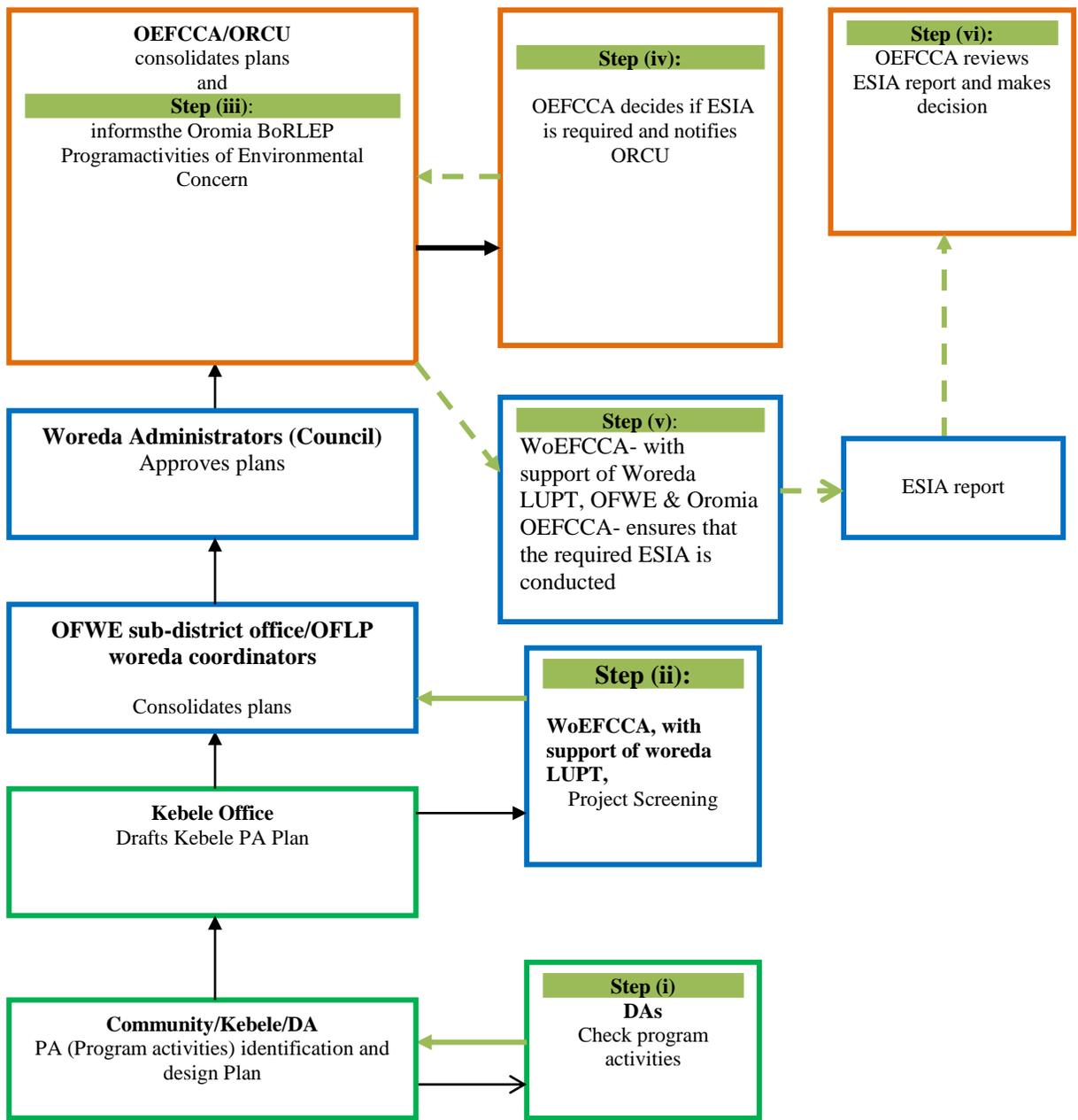
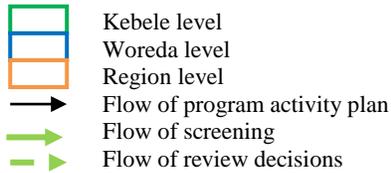


Figure 12: Flow of the Environmental and Social Management Process

Keys on colors and flow of activities:



10.6 Grievance Redress Mechanism

612. OFLP's Grievance Redress Mechanism (GRM) will be an integral element of Program management and national GRM that intends to seek feedback from beneficiaries and resolve complaints on program activities and performance. Grievances may arise from members of communities who are dissatisfied with (i) the eligibility criteria, (ii) community planning and resettlement measures, or (iii) actual implementation of program activities. The mechanism will ensure that the public within the Program influence are aware of their rights to access, and shall have access to, the mechanism free of administrative and legal charges; that these rights and interests are protected from poor program performance, especially of beneficiaries and/or affected persons. In general, the OFLP GRM procedure will take the program's implementation and institutional arrangements indicated in section 4 and Table 20 below provides the suggested OFLP GRM at different levels.

Grievances will be actively managed and tracked to ensure that appropriate resolution and actions are taken. A clear time table will be defined for resolving grievances, ensuring that they are addressed in an appropriate and timely manner, with corrective actions being implemented if appropriate and the complainant being informed of the outcome. Grievances may arise from members of communities who are dissatisfied with (i) the eligibility criteria, (ii) community planning and resettlement measures, or (iii) actual implementation.

613. Communities and individuals who believe that they are adversely affected by OFLP could submit their complaints to Ethiopian Grievance Redress Mechanism (GRM) and/or to the World Bank's Grievance Service (GRS)[<http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>, Email: grievances@worldbank.org, Fax: +1-202-614-731 or by letter The World Bank, Grievance Redress Service (GRS), MSN MC 10-1018, 1818 H St NW, Washington, DC 20433, USA]

614. OFLP grievance procedure does not replace existing legal processes. Based on consensus, the procedures will seek to resolve issues quickly in order to expedite the receipt of entitlements, without resorting to expensive and time-consuming legal actions. If the grievance procedure fails to provide a result, complainants can still seek legal redress.

10.6.1 Federal/Oromia Grievance Redress Mechanism

615. As part of risk mitigation measures, the program will support citizen's complaints or grievances in a formalized, transparent, cost-effective, and time bound manner. Resolution of different types of grievances can be addressed at different levels. These mechanisms are generally categorized into three broad classes as traditional, religious and formal.

616. *The Oromo Gadaa System (Traditional GRM)*. The Oromo peoples have rich culture of resource management and settling of grievances arising from the management and uses of natural resources derived from the traditional institutions such as Gadaa, Aadaa, Safuu, Seera and Sinqee. In the Oromo culture, responsibilities are categorized based on age classes. For instances, it is the responsibility of the Luba elders whose ages are between 40-48 to redress grievances within the community or among groups and individuals and apply the laws dealing with the distribution of resources, criminal fines and punishment, protection of property, theft, etc. The indigenous/traditional mechanism has been found out to be the best in redressing grievances both within the community and with the government and/or neighborhood communities. The Gadaa system is one of the best indigenous tools used to harness grievances that arise over the management and use of natural resources in the Oromo culture.

617. *Shari'a Court (Religious GRM)*. The *Shari'a* court is a system that is run by local communities but is nevertheless part and parcel of the formal legal system. The tentacles of Sharia courts sometimes start at the Kebele level (Kebele is the smallest administrative unit in the region/country). When traditional ways of redressing grievances fail to achieve the desired outcome, then the case is referred to the Sharia' courts where the disputants face a statement of verdict given by the religious judges (Qadis). This structure has some links to the government court at the Woreda level. While the sharia' courts work independently of the modern courts, it does not look into cases being handled by the formal courts. Its decisions are approved and implemented by the other formal legal and administrative bodies at the higher level.

618. *Formal Grievance Redress Mechanism*: Consists of Arbitration by appropriate formal institutions at Kebele, Woreda, ZOnal and *Regional Public Grievance Hearing Offices* (PGHO) in Oromia. Those include Socila Courts, Courts, the The Office of the Ombudsma, the Ethiopian Ethics and Anti-Corruption Commission (EACC) and the Ethiopian Human Rights Commission (EHRC).

619. *Social Courts (Formal GRM)*:The Ethiopian Government has established Kebele Administrations (KA) as the smallest unit of administration throughout the country. Therefore, within the Kebele administration of the Oromia region, there are social courts which redress grievances at grass root level. Shengo is a judicial committee to oversee conflicts with the power to impose decisions through fines and imprisonment. Grievances related to natural resource management are reported to the relevant government office after decision is being made by Shengo. Social courts represent a fundamental and irreplaceable tool for quick and affordable dispute settlement at the kebele level as stipulated in the revised Constitution of the Oromia Regional State. Social courts work to ensure peace and stability among Kebele community and thereby create conducive atmosphere for development and to make best efforts to raise the legal consciousness of the Kebele community. As indicated above, social courts have jurisdiction over minor cases. For instance, the Determination of Powers of Social Courts of Oromia Proclamation No. 66/2003 limits the jurisdiction of social courts on cases up to 1000 ETB.

620. *Courts (Formal GRM)*: This is a formal state judiciary system that may be viewed as external to the parties involved in the grievance. The modern court established at Woreda level accomplishes the issues of grievances that arise in the community. This court handles both civil and criminal cases. The decision made at Woreda court abides to the parties involved in grieves with their rights reserved to take to the case into the next higher level court by appeal. The Woreda court mostly settles grievance cases related natural resource management and use.

621. *The Office of the Ombudsman (Formal GRM)*: According to Article 5 of the Institution of Ombudsman Establishment Proclamation No. 211/2000, the objective of the Institution is to bring about good governance that is of high quality, efficient and transparent, and are based on the rule of law, by way of ensuring that citizens' rights and benefits provided for by law are respected by organs of the executive. The Institution has a jurisdiction over executive organs of the federal as well as regional governments. It is an organ that protects citizens from maladministration. To accomplish its activities, it has powers to: supervise administrative directives issued, and decisions given, by executive organs and the practices thereof so that they do not contravene the constitutional rights of citizens; receive and investigate complaints in respect of maladministration; conduct supervision, with a view to ensuring that the executive carries out its functions in accordance with the law and to preventing maladministration; seek remedies in case where it believes that maladministration has occurred; and make recommendations for the revision of existing laws, practices or directives and for the enactment of new laws and formulation of policies, with a view to bringing about better governance.

622. *Ethiopian Ethics and Anti-Corruption Commission (EACC) (Formal GRM)*: The EACC has no jurisdiction to entertain citizen complaints involving maladministration. The enforcement jurisdiction of the EACC is limited to prosecuting or causing the prosecution of serious ethical breaches and corruption that constitute violations of the penal code.

623. *Ethiopian Human Rights Commission (EHRC) (Formal GRM)*: The EHRC offers advisory services and has a decision making power. It only investigates issues relating to violations of fundamental human rights which will exclude the great majority of complaints of administrative maladministration.

624. A complainant has the option to lodge his/her complaint to the nearby EIO branch or the respective PGHO in person, through his/her representative, orally, in writing, by fax, telephone or in any other manner. Complaints are examined; investigated and remedial actions are taken to settle them. If not satisfied with the decision of the lower level of the Ethiopian GRM system, the complainant has the right to escalate his/her case to the next higher level of administration. In addition, some regions (including Oromia) have mobile grievance handling teams at woreda level to address grievances by clustering kebeles; and some have good governance command posts to handle cases that have not been settled by the Kebele Manager and woreda PGHOs. The Protection of Basic Services Project (being financed by the WB) is supporting GRM system strengthening including the opening of new EIO branches.

625. Where satisfactory solutions to grievances cannot be achieved, the aggrieved party may take the matter before the courts.

626. All program-affected people will be informed about how to register grievances or complaints, including specific concerns on any OFLP activities. Table 20 below provides Grievance Redress procedures at the different levels of administration.

Table 20: Grievance Redress procedures at the different levels of administration

Level	Responsible Institution	How
Federal Level	MEFCC- REDD+ Secretariat (REDD+ steering committee)	The national REDD+ Secretariat and MEFCC need to give response within one month for the grievance not responded by one region only and conflict raised on cross cutting issues
	Federal Ombudsman's Office	The Federal Ombudsman's can also give advice for unresolved issues before the case submitted to the court
	Federal Court	Complainants may also pursue their cases through the court system, if they are not satisfied with the Grievance Redress System.
Regional Level	Regional Environment Office & Regional REDD+ Coordination unit	If the grievance submitted at woreda level by the local community and other stakeholder did not satisfy or referred to the regional environment office then the regional office will give response within 15 days, Regional Stakeholders can submit their appeal to the offices
	Regional Ombudsman's	Regional stakeholders can also get advice from the
	Regional Court	Regional stakeholders affected by the implementation REDD+ can appeal to the court if it is not resolved at environment office
Woreda Level	Woreda Environment office	For grievance not addressed at kebele level and other grievance raised at woreda level appeal can be submitted to the office and provide response after clarifying the issue within 10 days Woreda environment office If the applicant did not satisfy by the response of they can take the issue to the Regional REDD+ office or Woreda formal court
	Woreda Ombudsman's Office	The affected stakeholder can also submit its appeal to get advice to Ombudsman's
	Woreda Court	The applicant can submit the appeal to the formal court and continue with the formal process
Kebele Level	Kebele Shengo	Community/person can apply for traditional leaders and/ or Kebele Shengo for grievance caused by REDD+ implementation need to get a response within 10 days

10.6.2 World Bank Grievance Service

627. Communities and individuals in OFLP operation sites who believe that they are adversely affected by the program may submit complaints to the program-level Grievance Redress Mechanism (GRM) to be put in place or the Bank's Grievance Redress Service (GRS). The OFLP GRM builds on Ethiopian grievance redress systems as part of a robust risk mitigation measure. The program will support resolution of OFLP-related citizen complaints or grievances in a formalized, transparent, cost-effective, and time-bound manner. All program-affected people will be informed about how to register grievances or complaints, including specific concerns on any OFLP activities. The OFLP GRM ensures that complaints received are promptly reviewed to address program-related concerns.

11. PROGRAM MONITORING, EVALUATION AND REPORTING

11.1 Overview

628. The overall purpose of Program's monitoring and evaluation (M&E) is to collect quantitative and qualitative information to assess whether the development objectives of the Program are being achieved or not, identification of gap, and providing the evidence for taking remedial actions. The M & E system will allow for ongoing learning and feedback throughout implementation of all Program components and sub-components.

629. OFLP results monitoring and evaluation (M&E) is a management tool used to systematically track progress of program implementation, demonstrate its results on the ground, and assess whether changes in program implementation arrangements and activities are necessary in light of evolving circumstances and evidence. It is critical for program success to design a functional program M&E system and to use it along with other management tools during program implementation. These tools, when used properly will generate timely and reliable data that can be used to improve decisions, proactive measures and support achievement of expected results for the program.

630. The specific objectives of OFLP M&E system will be to:

- i. Generate OFLP specific information on progress, processes and performance.
- ii. Analyse and aggregate data generated at all levels of government to track progress, process quality and project sustainability.
- iii. Promote public accountability by (i) monitoring OFLP efficiency and effectiveness to assess and (ii) communicating whether OFLP activities are likely to achieve expected results or realize its objectives.
- iv. Inform and support management decision making and control during implementation.
- v. Draw lessons from factors that have facilitated or inhibited the achievement of objectives.
- vi. Help in strategic communication through provision of information and feedback both internally and externally.
- vii. Provide robust information and justification for mobilizing and leveraging additional financing domestically and internationally, including additional ER payments.

631. The OFLP M&E system is designed to be cost-effective and simple to implement by the institutions participating in the Program. It will be guided by an overarching PDO, under which there

is a PDO for the grant and a PDO for the ERPA, with a results framework for each (see Annex 1). Having an overarching PDO helps bind the two instruments together, while the respective grant and ERPA PDOs allow the progress of the grant and ERPA to be independently monitored from one another. Each results framework has indicators for the PDO level as well as for the intermediate levels.

632. Data will be gathered on a semi-annual and annual basis, drawing as much as possible from existing data sources and information management tools to be put in place government staff (Woreda experts, DAs) and OFLP staff on the ground. Information tools include the M&E system, the Forest MIS as well as the regional MRV system. The templates that will be used for data collection are inserted in the Annex..., and the accompanying M&E module could provide more specific templates customized to the program's real context. Furthermore, detailed training will be provided to relevant staff on how these will be used.

633. The M&E reporting for the activities financed by the mobilization grant will be implemented during the initial five years of OFLP implementation while the M&E reporting for ERPA will continue in a period of up to ten-year's when the ERPA will remain valid. The implementation of OFLP M&E during the first five-years, including for the grant and ERPA, will be financed from the mobilization grant. As the grant closes and WB implementation support ends after these five years, the OFLP M&E for ERPA during the remaining program implementation period will continue supported by the: (i) ERPA results framework, (ii) MRV system to track changes in forest cover and emissions reductions at PDO level, (iii) the BSM which would include arrangements for monitoring BSM implementation; and (iv) the safeguards management system.

634. The M&E framework under ERPA will be guided by the MRV, which will report on changes in emissions from forest area change for the full ten-year period of the ERPA. Furthermore, the M&E framework under ERPA will monitor whether payments for ERs are made as per the BSM to be negotiated and agreed among eligible entities participating in the Program. The implementation frameworks for MRV and BSM under ERPA are described in sections 9 and 10 respectively.

635. The results in terms of reducing deforestation and net GHG will be based on the monitoring of changes in forest cover (activity data) and associated GHG emissions (emissions factors for the different types of forests within the regional state) compared to a business-as-usual baseline or Reference Level (see Section 8 for details).

636. The Reference Level for OFLP and monitoring will rely on and be linked to the national Reference Level and MRV system that is currently being developed as part of the national REDD+ Readiness Program. MEFCC will set the Reference Level for OFLP and will have the primary responsibility for monitoring information and reporting. At the same time, other data (for example data used for estimating removals from A/R activities), will be reported by OEFCCA to MEFCC so it can be integrated.

637. Based on the national FRL, submitted to the UNFCCC, the OFLP's second version has been produced in February 2016. This version will be valid until the second half of 2016 when it is

expected that the national level activities related to the FREL and the MRV are expected to be concluded.

638. The information and reporting flow will follow that of the institutional arrangement for OFLP (see organogram in Figure 3). The specific roles and responsibilities and approaches for M&E implementation at the various levels is elaborated under the monitoring and evaluation sub-sections below.

11.2 Monitoring

639. Monitoring is an integral part of program management and is a continuous activity. It will help to monitor performance from activities implementation up to measuring of impacts of the Program through tracking of inputs, activities, outputs, outcomes and other aspects of the program on an ongoing basis.

OFLP activity implementation monitoring

640. OFLP activity implementation monitoring is a routine exercise and will operate at regional, zone, woreda and kebele levels using dedicated OFLP staff working closely with existing Government staff at each level in bureaus, zones, woreda offices, and DAs working at kebele level.

- At Oromia State level, the program coordination unit (OCRU) will be responsible for the establishment and overall function of the program's M&E system. The M&E within ORCU will coordinate with all the participating level and their respective sector representation (i.e. OFECCA, OFWE, BoANR, BoWME, WoRLAU, WoA, etc.) to ensure timely information gathering, follow up and reporting.
- At zonal level, the OFLP Lead Facilitators will coordinate with the OFLP Woreda Coordinators and respective zonal sector offices (i.e. ZoEFCC, OFWE branch offices, ZoANR, ZoWME, ZoRLAU, etc.) to ensure timely information gathering, follow up and reporting;
- At Woreda level, the OFLP Woreda Coordinators will coordinate with DAs and respective woreda offices (i.e. WoEFCC, OFWE districts, WoANR, WoWME, WoRLAU etc.) to ensure timely information gathering, follow up and reporting.
- Experts from the National REDD+ Secretariat/MEFCC and regions (OFECCA, OFWE, BoRLAU, BoANR, BoWME and etc.) including technical advisors from development partners will regularly conduct activity monitoring. Usually implementation problems such as timely delivery of inputs, labor organization and finances are solved on the spot or otherwise referred to the next higher level for solutions.

641. OFLP activity implementation monitoring will be conducted through telephone communication, conducting meetings and on the site discussions on the basis of Program's annual work plans, Joint Monitoring Mission (JMM) and progress reporting.

Results monitoring

642. Results Monitoring of PDO level indicators and intermediary outputs for the grant and ERPA will be conducted regularly to assess and check achieved results prior to reporting to the next level.

643. The PDO level results indicators for ERPA including emission reductions in OFLP accounting area (tCO₂-e) and gross deforestation reduction in OFLP accounting area (ha) will be monitored by MEFCC and ORCU using information generated by the national MRV System to be put in place by MEFCC. The respective roles of institutions involved in MRV System is presented in figure 12.

644. The intermediary results level indicators for ERPA include establishment and operationalization of (i) MRV system [both at National and Oromia levels], (ii) Benefits Sharing Mechanism (BSM) and (iii) safeguards management system for OFLP. The first output will be monitored by MEFCC and ORCU.

645. The Grant PDO level indicators including (i) effectiveness of the enabling environment for reducing deforestation and forest degradation, (ii) area reforested (Ha) and (iii) Direct project beneficiaries (and % female) will be monitored by ORCU. The first will be based on an expert based survey to form a Composite Index (CI) which aims to quantify changes in incentives (policy, markets, laws and regulations), information and institutions (coordination, capacity). The last two PDO level indicators will be monitored at different levels including at grass roots level.

646. The responsibility of monitoring output at grass-roots level mainly rests on DAs, WoEFCC, OFWE district offices and PFM Coops. At Woreda level the OFLP Woreda Coordinator along with representation of relevant Woreda sector offices (WoEFCC, OFWE district offices, WoANR, WoRLAU and WoWME) verifies the outputs reported from village level. He/she aggregates the verified outputs and sends it to the OFLP Lead Facilitators. The ORCU will also conduct sporadic field assessment in selected micro-level to check the quantity of outputs reported.

647. The monitoring of quality of outputs achieved through OFLP financing will be conducted at least twice in a year by adopting the Joint Monitoring Mission (JMM) tools. JMM is a monitoring instrument developed to check quality and quantity of reported outputs and selected outcomes through expert observation, measurement and focus Group Discussions (FGD) will be undertaken during JMM. JMM will allow participation of key stakeholders in the progress assessment process. JMM will be conducted twice a year before and after the main rainy season by capacitated JMM team brought together from relevant sector offices in each Woreda.

648. The JMM team will comprise of the Woreda technical team drawn from relevant sector offices, representatives from the PFM Coops and the DAs and other development partners working in the Woreda. The core JMM team members will be guided and supported by at least one outside expert such as ORCU's M&E Specialist, ORCU's specialists, or one capacitated zonal expert per team. The JMM team members at all levels will be trained and familiarized with the JMM techniques, methods, formats and indicators to be measured.

649. The selection of representative communities/forest sites will be done by the JMM team in each Woreda based on balanced, representative samples of well performing, medium performing and

poor performing. The number of community cooperatives /forest areas to be selected should not be less than three during each JMM. The Woreda OPLP coordinator is expected to advise the team during the selection process of the community and forest sites. The decision to include or exclude communities/forest sites where JMM already took place is left up to the Woreda JMM team. The sampling should be done in a way that each OFLP intervention areas is covered by JMM at least every two years. The monitoring and evaluation manual of SLMP will be consulted for the more elaborated explanations about the JMM procedures.

650. **Independent Surveys for Monitoring of Higher Level Indicators** will be conducted through independent surveys by external consultants. Such independent surveys by external consultants will be organized as necessary after second year of implementation by ORCU in consultation with the development partners such as TheWB. The indicators for the ERPA and Mobilization grant will be monitored by external consultants at least after second year of implementation.

651. **Joint Implementation Support Mission (JISM)** will be conducted basically to provide support to the implementation process. However, it is partly a kind of progress review mission and hence can be considered as part of the OFLP M&E system. This mission should not be confused with the Joint Monitoring Mission (JMM), which is one of the pillars of the internal monitoring system of OFLP. As described earlier, JMM is planned and implemented at Woreda level with the support and involvement of regional and zonal experts specifically to monitor the achievement of the indicators and quality of outputs.

652. JISM on the other hand is jointly organized and led by the development partners financing the program and the MEFCC. It is usually conducted twice in a year and the objective is to assess to what extent the implementation of the project is being carried out in accordance with the project agreements and recommend actions that enhance effectiveness. The mission will specifically assess:

- the degree to which immediate outcomes and outputs are being achieved and how these are contributing towards the achievement of the program's development objectives (PDO);
- the degree to which actions agreed upon during the last joint implementation support mission have been carried out;
- the operational effectiveness of the OFLP-specific monitoring and evaluation system;
- Compliance to the program and WB procurement and financial procedure at all level
- Effectiveness of overall project management and coordination mechanism.

653. At the end of every mission an Aid Memoir elaborating specific action points to help overcome the identified weaknesses will be written. Rating to the project implementation will also be given in the Aid Memoir. The Aid Memoir once agreed with both the development partners and the government will be part of the project agreement and binding.

654. ORCU will implement the M&E system. The OFLP Woreda Coordinators, hosted by OEFCCA woreda offices, with cooperation of sector woreda offices (development agents and extensionists for agriculture, water, energy and forest) would generate and collate data at woreda

level. The OFLP Lead facilitators would gather data from different woredas under their operation, check for consistency and consolidate before sending to the Regional Coordination Unit.

11.3 Evaluation

655. Evaluations of the Program will be carried out at the Mid-term & near closing time of the program by qualified external consultants. The purpose of these evaluations is to assess efficiency, effectiveness, impact and overall Program coordination. The evaluation team will basically draw on results from the internal monitoring system and on other secondary data sources. The team would also substantiate the information gained from secondary sources by conducting own observations and with OFLP-key stakeholders at all level as well as conducting focus group discussions with beneficiaries including representatives of the communities. The evaluation is also expected to show the analysis of the cost and benefit aspect of investments made in OFLP.

656. Both the Mid-term (at the end of two and half year of implementation) and final evaluations (at the end of fifth year of implementation) will be initiated by ORCU in consultation with OEFCCA and MEFCC and development partners.

11.4 Reporting

657. ***Quarterly Progress Reporting.*** The provision of informative progress reports will be a formal requirement and will be included in the Loan and Financing Agreements of the program. The quarterly and annual reports (Template found in Annex 21) will be prepared and submitted to development partners. The main functions of progress reports are:

- Review current progress compared to planned activities, and expenditures compared to budgets;
- Provide overall status information on the project since it started – in terms of physical progress and total expenditure;
- Identify problems encountered during the reporting period and any remedial actions taken to resolve the problems;
- Analyse strength and weaknesses, opportunities and threats;
- Discuss quantitative and qualitative progress made in achieving the overall objectives; and,
- Provide strategic direction for the next planning cycle.

658. The activity and output level performance information will be first received from the ZoEFCCA, OFWE District offices, WoWME, WoANR and WRLAU on weekly or monthly basis as appropriate by the Woreda OFLP Coordinator who is assigned to give close support and follow-in his operational mandates. The Woreda OFLP Coordinator after summarizing the verified performance by quarter will send it to the OFLP Lead Facilitators. The OFLP Lead Facilitator will receive and consolidate reports from OFLP Woreda Coordinators and Safeguards Coordinators under his supervision and will send the consolidated reports to the ORCU.

659. The reports to be prepared at each levels should provide a brief description on the process of implementation, on the challenges faced and recommendations for improved performance. The reporting template will be developed as part of OFLP's result based monitoring and evaluation manual to be prepared during the first year of implementation period.

660. Joint Monitoring Mission (JMM) Reporting: Presentation of findings of JMM will be made in a way it shows the level of achievement for each indicator with a narrative summary and – most importantly – it should indicate lessons learnt and best practices (positive and negative) for knowledge management and up-scaling. Recommendation on necessary actions for management decision making should also be part of it. This report is written each time when the JMM is conducted by the mission participants. The responsibility of leadership of writing this report is the external team members (e.g. participants from the Zone, or Region). The JMM reporting templates will be developed as part of OFLP's result based monitoring and evaluation manual to be prepared during the first year of implementation period.

12. ANNEXES

Annex 1: Results Framework and Monitoring

Annex 1: Results Framework and Monitoring

Country: Ethiopia

Project Name: Oromia National Regional State Forested Landscape Program (P151294)

ERPA Results Framework^{20,21}

Project Development Objectives

PDO Statement²²

The Program Development Objective is to reduce net GHG emissions from forest cover change in Oromia.

These results are at Program Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values										
		YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR 10	End Target
1. Emission Reductions in the OFLP accounting area (MtCO ₂ e)	0	0	0	1.25	2.5	3.75	5.0	6.25	7.50	8.75	10	10
2. Gross deforestation reduction in the OFLP	0	0	0	8,367	17,483	26,412	35,341	44,269	53,198	62,127	71,056	71,056

²⁰This results framework is designed to cover (up to) the 10-year implementation period of the OFLP ERPA.

²¹All indicator target values are cumulative, unless otherwise noted in the definition of the indicator.

²²The overarching program development objective (PDO) is to reduce net GHG emissions and improve sustainable forest management in Oromia. This overarching PDO combines the grant and ERPA PDOs.

accounting area (ha)												
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Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values										
		YR1	YR2	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	End Target
3. Established MRV system maintained at national and Oromia levels (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Established BSM maintained (Yes/No)	No	No	Yes	Yes								
5. Established safeguards system maintained (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
1. Emission Reductions in the OFLP accounting area	(See detailed indicator definition)	Annual ²³	National MRV system	ORCU and MEFCC
2. Gross deforestation reduction in the OFLP accounting area	(See detailed indicator definition)	Annual	National MRV system	ORCU and MEFCC

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
3. Established MRV system maintained at national and Oromia levels	For further MRV system details, see Section 8. (See also detailed indicator definition)	Annual	Program records	MEFCC/ORCU

²³ The YR1 result will be reported retroactively after YR2 once MRV is operational and thereafter biannually (annual values will be inserted ex post as an average of the biannual values).

4. Established BSM maintained	For further BSM details, see Section 9. (See also detailed indicator definition)	Annual	Program records	ORCU
5. Established safeguards system maintained	For further details, see Section 10. (See also detailed indicator definition)	Annual	Program records	MEFCC/ORCU

Note: YR = (Program) Year

*Please indicate whether the indicator is a Core Sector Indicator (see further <http://coreindicators>)

**Target values should be entered for the years data would be available, not necessarily annually.

Detailed indicator definition

Indicator 1. Emission reductions in the OFLP accounting area (MtCO₂e)

1. Emission reductions values are an aggregate from various carbon sinks (A/R) and emission sources from forest cover changes (deforestation). These values are based on a maximum expected volume of ERs for the ERPA divided over a period of 10 years (for the first two years, zero ERs are assumed and for YRs 2–8, targets are set at 1.25 MtCO₂e per year).
2. This indicator is reported cumulatively.
3. The first result will be reported retroactively after YR2 once MRV is operational and thereafter biannually (annual values will be inserted ex post as an average of the biannual values).

Indicator 2. Gross deforestation reduction in the OFLP accounting area (ha)

4. This value is calculated using the ER values from indicator 1.
5. First, the removals from the A/R activities were calculated based on the targeted areas under indicator 2 of the grant component.
6. The remaining ERs were assumed to come from a reduction in gross deforestation.
7. The calculation from the ERs to area uses and the average weighted EF that is calculated using the areas and carbon stocks of the different forest types.

Indicator 3. Established MRV system maintained at National and Oromia levels (yes/no)

8. This indicator will measure the functionality and effectiveness of the MRV system established both at the national and Oromia levels in line with the existing or emerging National Forest Monitoring System and following the methodological framework indicated in Section 8. It will include measuring the consistency in the reported results at both the Oromia and the national levels and sustainability of the system due to the efficient use of resources, including the quality of field data collection, aggregation, and reporting procedures from the local to the national level. This indicator will be measured following the internationally standardized quality assurance procedures and will be checked against the method used in the baseline survey for estimating GHG emissions. More specifically, the following methods will be used:

- Document review at all levels (functionality of national registry and the ORCU database) on documentation, method of calculation, accuracy, uncertainty, trainings provided, training manuals, training sessions and topics covered, staff number and capacity, etc.
- Review of the analysis made at each level (project, regional, and national levels) using the annual and biannual report submitted by the program implementer (ORCU and MEFCC) and the verification report by a third party and check its consistency against the method used for baseline estimation
- Checking of the primary/original field data from the woreda OFLP coordination units and ORCU offices on boundaries, A/R, etc. A sample from the plots used for the National Forest Inventory will also be taken when deemed necessary.
- Expert interview on the processes followed and discussions with community and key informants at all levels (focus group discussions) to understand to what extent the procedure is understood by the main stakeholders and what capacity constraint exists

- Frequency of data collection will be at least twice during the ERPA period.
- The availability of MRV tools and equipment and how they are calibrated will be reviewed.

Indicator 4. Established BSM maintained (yes/no)

9. This indicator measures the existence of a transparent and fair BSM that is in line with the best international and local practices, which is endorsed by the main stakeholders (government at all levels; wider communities, especially those living inside or adjacent to forests whose livelihood is mainly dependent on forest-related services and products; marginalized communities [less served]; and project developers, if any). It will also measure the functionality of the mechanism at all levels, including its effectiveness and transparency on distribution of benefits among the stakeholders with regard to both time and space. The BSM will also be aligned with the grievance redressing mechanism and will monitor how effective the use of the benefits by each beneficiary is. This indicator will be measured through documents review (progress reports, audit reports, community action plan, bank statements proving disbursement, etc. focus group discussions at each level (cooperative, women, men, youth, district, ORCU, OEFCCA, MEFCC), and a household survey (using a questionnaire to be developed). This indicator will also include monitoring of the percentage of payments received by the FDRE that are disbursed to beneficiaries as intended according to the rules set out in the BSM.

Indicator 5. Established safeguards system maintained (yes/no)

10. This indicator aims to capture the maintenance of the safeguards system that is established. The safeguards system will enable the OFLP to acquire extensive technical support on OFLP safeguards instruments implementation, documentation, reporting, and monitoring of safeguards performance in the accounting areas; standardization; environmental and social advisory services; and consultation and civic engagement with communities in the regional state. The recruitment and capacity-building support to safeguards officers will help improve their ability to implement OFLP safeguards instruments (ESMF, RPF, PF, and SA) across their jurisdiction. Safeguards officers will ensure the establishment or strengthening and monitoring of the GRM, BSM, community consultation, participation, and citizen engagement at all stages of the OFLP implementation.

11. This indicator will be measured through an expert survey taking into account the various aspects described. The survey will include information on the timely recruitment of six OFLP zone safeguards coordinators and capacity building for OFLP implementing entities, including regional stakeholders and woreda counterparts. Safeguards training to 287 ruralworedas [each with six experts from the Woreda Office of Agriculture, Woreda Office of Rural Land (WoRL), Woreda Office of Water, Minerals, and Energy (WoWME), Woreda Office of Roads, OFWE, and OEFCCA], awareness raising reaching 200 individuals per kebele in 6,889 kebeles of the Oromia Regional State. The reports from each session will be gender disaggregated.

12. Data sources:

- OFLP safeguards coordinators contracts
- Quarterly reports from OFLP safeguards coordinators
- Training, awareness workshops, and meeting reports
- Availability and use of safeguards instruments at the woreda levels

- Establishment/strengthening of the GRM, BSM, community consultation, participation, and citizen engagement reports
- Safeguards implementation supervision and technical support reports
- Proper safeguards instruments implementation, documentation, reporting, and monitoring of safeguards performance

Country: Ethiopia

Project Name: Oromia National Regional State Forested Landscape Program (P1564)

Mobilization Grant Results Framework

Project Development Objectives

PDO Statement²⁴

The Program Development Objective is to improve the enabling environment for sustainable forest management and investment in Oromia.

These results are at | Program Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values					
		YR1	YR2	YR3	YR4	YR5	End Target
1. Score on composite index for tracking changes in the enabling environment for reducing deforestation and forest degradation (Number)	0.35	0.39	0.43	0.47	0.51	0.55	0.55
A. Incentives (policy, laws, regulations, markets) (Number - Sub-Type: Supplemental)	0.37	0.41	0.45	0.49	0.53	0.57	0.57
B. Information	0.35	0.39	0.43	0.47	0.51	0.55	0.55

²⁴The overarching program development objective (PDO) is to reduce net GHG emissions and improve sustainable forest management in Oromia. This overarching PDO combines the grant and ERPA PDOs.

(generation and dissemination of information) (Number - Sub-Type: Supplemental)							
C. Institutions (capacity to implement & coordinate) (Number - Sub-Type: Supplemental)	0.33	0.37	0.41	0.45	0.49	0.54	0.54
2. Area reforested (Hectare(Ha))	0	1800	3600	6300	8100	9000	9000
3. Direct project beneficiaries (Number) - (Core)	0	7000	13000	20000	25000	25000	25000
A. Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core)	0	15	20	25	30	30	30

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values					
		YR1	YR2	YR3	YR4	YR5	End Target
4. Forest area brought under management plans ²⁵ (Hectare(Ha)) - (Core)	0	12000	36000	72000	108000	120000	120000
5. Forest users trained (Number)	0	7000	13000	20000	25000	25000	25000
A. Forest users trained - Female (Number - Sub-	0	1050	2600	5000	7500	7500	7500

²⁵For the purpose of the OFLP, the definition of the indicator includes hectares of forest brought under landuse management plans, PFM plans, community-micro/critical watershed management plans, plantation plan, or other equivalent land-use or management planning regime as a result of the program. Program area: 9 million ha total forest area in 287 of Oromia's woredas.

Type: Breakdown) – (Core)							
6. Land users adopting sustainable land management practices as a result of the project (Number) - (Core)	0	2000	7000	12000	14000	18000	18000
A. Land users adopting SLM practices as a result of the project – Female (Percentage - Sub-Type: Supplemental)	0	15	20	25	30	30	30
7. Beneficiaries that feel project investments reflected their needs (percentage) (Percentage) - (Core)	0	0	70	70	80	90	90
A. Beneficiaries that feel project investments reflected their needs - female (number) (Number - Sub- Type: Supplemental) - (Core)	0	0	1820	3500	6000	6750	6750
B. Total beneficiaries - female (number) (Number - Sub- Type: Supplemental) - (Core)	0	1050	2600	5000	7500	7500	7500
C. Total beneficiaries - male (number)	0	5950	10400	15000	17500	17500	17500

(Number - Sub-Type: Supplemental) - (Core)							
D. Beneficiaries that feel project investments reflected their needs - male (number) (Number - Sub-Type: Supplemental) - (Core)	0	0	7280	10500	14000	14000	14000
8. Reforms in forest policy, legislation or other regulations supported (Yes/No) - (Core)	No	Yes	Yes	Yes	Yes	Yes	Yes
9. Grievances registered related to delivery of project benefits addressed (Percentage)	0	50	70	80	90	100	100
10. MRV system established and maintained at national and Oromia levels (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes
11. Benefit Sharing Mechanism (BSM) established and maintained (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes
12. Safeguards system established and maintained (Yes/No)	No	Yes	Yes	Yes	Yes	Yes	Yes

Indicator Description

Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Res Col
1.Score on composite index for tracking changes in the enabling environment for reducing deforestation and forest degradation	A composite index is a grouping of indicators or indexes combined in a standardized way to provide a useful measure for overall event performance over time. In this case, a set of questionnaires covering three areas (incentive, information and institutions) were developed. Each category has a number of significant variables. The index allows for tracking changes in the enabling environment for sustainable forest management. (See detailed indicator definition)	Bi-annual	Survey	OR
A. Incentives (policy, laws, regulations, markets)	Sub-indicator for indicator 1	Bi-annual	Survey	OR
B. Information (generation and dissemination of information)	Sub-indicator for indicator 1	Bi-annual	Survey	OR
C. Institutions (capacity to implement & coordinate)	Sub-indicator for indicator 1	Bi-annual	Survey	OR
2. Area reforested	See detailed indicator definition	Annual	Program records	OR
3. Direct project beneficiaries	Direct beneficiaries are people or groups who directly derive benefits from an intervention (i.e., children who benefit from an immunization program; families that have a new piped water connection). Please note that this indicator requires supplemental information.	Annual	Program records	OR
A. Female beneficiaries	Sub-indicator for indicator 3. Supplemental Value: Female beneficiaries (percentage). Based on the assessment and definition of direct project beneficiaries, specify what proportion of the direct project beneficiaries are female. This indicator is calculated as a percentage.	Annual	Program records	OR

Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Res Col
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				Col
4. Forest area brought under management plans	This indicator measures the forest land area, which, as a result of Bank investments, has been brought under a management plan. This includes production and protection forests as well as other forests under sustainable management. The baseline value is expected to be zero. (See detailed indicator definition)	Annual	Program records	OR
5. Forest users trained	This indicator is a core indicator and calculated to include only direct beneficiaries from the grant financing itself, not from leveraged sources of financing or the ERPA. For the purpose of the OFLP, the definition of the indicator includes woreda/kebele-level experts and community members trained in the application of PFM, A/R, land-use planning, safeguards, and extension practices (and % female). (See detailed indicator definition)	Annual	Program records	OR
A. Forest users trained - Female	Sub-indicator for indicator 5.	Annual	Program records	OR
6. Land users adopting sustainable land management practices as a result of the project	This indicator measures the number of users adopting sustainable management practices in the project areas. To measure this indicator, formal survey should be carried out at regular intervals, as well as at the end of the project. The baseline value is expected to be zero. (see detailed indicator definition)	Annual	Survey	OR
A. Land users adopting sustainable land management practices as a result of the project - Female	Sub-indicator for indicator 6.	Annual	Survey	OR
7. Beneficiaries that feel project investments reflected their needs (percentage)	This will measure the extent to which decisions about the project reflected community preferences in a consistent manner. (See detailed indicator definition)	Mid-term and grant close	Survey	OR
A. Beneficiaries that feel project investments reflected their needs - female (number)	Sub-indicator for indicator 7.	Mid-term and grant close	Survey	OR
B. Total beneficiaries -	Sub-indicator for indicator 7.	N/A	N/A	N/A

female (number)				
C. Total beneficiaries - male (number)	Sub-indicator for indicator 7.	N/A	N/A	N/A
D. Beneficiaries that feel project investments reflected their needs - male (number)	Sub-indicator for indicator 7.	Mid-term and grant close	Survey	OR
8. Reforms in forest policy, legislation or other regulations supported	See detailed indicator definition.	Annual	Program records	ME
9. Grievances registered related to delivery of project benefits addressed	This citizen engagement indicator is a core indicator and measures the transparency and accountability mechanisms established by the program so that the target beneficiaries have trust in the process and are willing to participate, and feel that their grievances are attended to promptly. (See detailed indicator definition)	Annual	Program records	OR
10. MRV system established and maintained at national and Oromia levels	The MRV system will need to be in line with international best practices and allow the state and the MEFCC to report annually on forest cover and forest carbon stock change. The MRV system includes both the MEFCC and Oromia government accountabilities; MEFCC budget for this is partially covered by the National REDD+ Readiness Project financed by the Bank. See Section 8.	Annual	Program records	ME
11. Benefit Sharing Mechanism (BSM) established and maintained	See detailed indicator definition (and also Section 10).	Annual	Program records	OR
12. Safeguards system established and maintained	See detailed indicator definition (and also Section 10).	Annual	Program records/expert survey	OR

Detailed indicator definitions²⁶

13. Each indicator for measuring progress of the achievements from the grant financing is defined below. Many of the indicators are the Bank's "core indicators," which are vetted and advocated by the Bank for the purpose of cross-project comparability, aggregation, mutual learning, and to simplify program preparation. For the purpose of this program, some of the core indicators have been reworded slightly to enhance clarity in the context of OFLP (as indicated below).

Indicator 1. Score on composite index for tracking changes in the enabling environment for reducing deforestation and forest degradation (number); A. Incentives (policy, laws, regulations, markets) (number); B. Information (generation and dissemination of information) (number); and C. Institutions (capacity to implement and coordinate) (number)

14. A composite index value close to "1" implies a highly favorable enabling environment for forest management and land use; whereas value index close to "0" indicates a highly unfavorable enabling environment.

15. A composite index is a grouping of indicators combined in a standardized way to provide a useful measure for tracking overall performance of complex variables of interest over time. In this case, a set of questionnaires covering the three constituent categories (A - incentives, B - information, and C - institutions) were tested and administered to a reasonable sample of informants from across society with a strong emphasis on government at woreda, zonal, state and federal levels. Each of the three categories has a number of significant variables, and can be reported on individually or grouped into an overall index. The composite index – which is not a WB core indicator – allows for tracking changes in the enabling environment for sustainable forest management. For the baseline calculation and target definition, the survey instrument was used by 323 informants who discussed and provided anonymous data on the state of the enabling environment for forest management and land use. See project files for details.

16. *Limitations.* The main concern with the composite index is its subjectivity and reliability. The outcome depends largely on the choice and degree of turnover of respondents. It is also important to note the value of separately assessing scores in the respective areas, as improvement in one area could potentially mask deterioration in another. Exact definitions for each of the survey question helps optimize consistency as much as possible.

Indicator 2. Area reforested (ha)

17. This indicator measures the land area targeted by the program that has been reforested (including restored and afforested). This refers to restoration of degraded land where the objective is to have permanent improvement in the capacity of the forest land area to provide environmental, social, and economic services, expressed in hectares as well as 'establishment of forest through planting and/or deliberate seeding on land that, until then, was not classified as forest' or 're-

²⁶World Bank, 2014. *Core Sector Indicators and Definitions: Forestry, Land Administration and Management and Project Beneficiaries.*

establishment of forest through planting and/or deliberate seeding on land classified as forest' expressed in hectares. This can also include Assisted Natural Regeneration (ANR), coppicing, or other locally appropriate methods. This indicator does not include areas which have been cleared during or in anticipation of the project. There are overlaps in definitions and different stages of a project. It is essential that the area forested is reported only once. The baseline value for this indicator is expected to be zero.

Indicator 3. Direct project beneficiaries (number) and A. female beneficiaries (percentage)

18. **Bank's core indicator:** Direct project beneficiaries (number) and female beneficiaries (percentage)

19. **Core indicator description.** A 'beneficiary' in the broadest sense is anyone who is benefiting from a project/program. In particular, in the context of Bank-financed operations, direct beneficiaries are people or groups who directly derive benefits from an intervention (that is, children who benefit from an immunization program or families that have a new piped water connection). Based on the assessment and definition of direct project beneficiaries, the percentage of female beneficiaries is specified.

20. **Application of indicator to the OFLP.** This indicator defines the direct beneficiaries from the grant financing only (limited to Component 1) and does not include benefits from leveraged sources of financing or the ERPA. Direct beneficiaries include woreda-/kebele-level experts as well as community members who are trained in PFM, A/R, land-use planning, safeguards, and extension and this definition is consistent with indicator 5. Reporting also includes percentage of female beneficiaries.

Indicator 4. Forest area brought under management plans (ha)

21. **Bank's core indicator:** Forest area brought under management plans

22. **Core indicator description.** This indicator measures the forest land area which, as a result of the Bank-financed program, has been brought under a management plan. This indicator includes production and protection forests as well as other forests under sustainable management. To the extent the area under the management plan is a protected area, please also consider using the indicator "Areas brought under enhanced biodiversity protection" under the Biodiversity theme (Theme 80). The baseline value for this indicator is expected to be zero.

23. **Core indicator guidance on 'forest area brought under management plans'.** Total production, protection, and other forest areas—but not designated protected areas—for which management plans have been prepared, endorsed, and are also in the process of implementation, are expressed in hectares.

24. **Application of indicator to the OFLP.** For the purpose of the OFLP, the definition of the indicator includes hectares of forest brought under land-use plans, PFM plans, community-micro/critical watershed management plans, plantation plan, or other equivalent landuse or

management planning regime as a result of the program. Program area: 9 million ha total forest area in 287 of Oromia's woredas.

Indicator 5. Forest users trained (number); A. Forest users trained – Female (number)

25. **Bank's core indicator:** Forest users trained

26. **Core indicator description.** Often, Bank-financed projects do not directly invest in the management of specific land or forest areas. Instead, these capacity-building projects aim at strengthening communities to improve forest management and their livelihoods. The expected baseline value for this indicator is zero.

27. **Core indicator guidance on 'forest users trained (number)'. Forest users may include farmers, households, farmer organizations, communities, lessees, or customary holders of the land that benefited from such interventions. This refers to the number of forest users and community members who have received capacity building through training as a result of the program. The concept may need to be adjusted according to local practice or national legislation. Training needs to be targeted to a specific audience. General media or public awareness campaigns are not included. When estimating the number of people trained, it is essential to avoid double-counting if the same individuals have participated in a series of training events. The baseline value for this indicator is expected to be zero. Data must be disaggregated gender.**

28. **Application of indicator to the OFLP.** This indicator captures the number of woreda/kebele experts and community members trained in the application of the PFM, land-use planning, extension practices, and safeguards training (gender disaggregated). See Table below for assumptions in calculating this indicator.

Assumptions for calculating number of people trained

	Number	Assumptions
Number of woreda experts trained in PFM, land-use planning, safeguards, and extension	1,278	In each of the 287 woredas, experts from the WoA, WoWME, WoRL, OEFCCA, and OFWE (OFWE only in 130 woredas plus forest sector experts where they are present in other woredas) will be trained in PFM, land-use planning, safeguards, and extension. Calculation: 287 woredas x4 woreda experts = 1148 + OFWE experts in 130 woredas = 1278. Number will be gender disaggregated.
Number of community members trained in A/R (planting, pitting, nursery management, etc.)	16,905	In each of the 49 deforestation hotspot woredas, there are on average 23 kebeles and 5 people (community members) from each kebele will be trained in A/R. Calculation: 49 woredas x 23 kebeles x 5 people from each kebele x 3 years = 16,905. Number will be gender disaggregated.
Number of DAs trained in A/R	1,127	In each of the 49 deforestation hotspot woredas, there are on average 23 kebeles and 1 DA from each of those kebeles will be trained in A/R. Woreda experts will not be trained in A/R as the expectation is that this knowledge already exists. Calculation: 49 woreda x 23 kebele x 1 DA = 1,127. Number will be gender disaggregated.
Number of CBOs members trained on PFM	6,370	In each of the 49 deforestation hotspot woredas eligible for PFM establishment support, 130 individuals will be trained in PFM practices which include forest inventory and forest management plan preparation, fire management, and CBO strengthening. These individuals are members of community-based organizations (such as cooperatives which are going to adopt PFM. Calculation: 49 woreda x 130 CBOs members from each woreda = 6,370. Number will be gender disaggregated.
Total number of people trained	25,680	Rounded up to 25,000

Indicator 6. Land users adopting sustainable land management practices as a result of the project (number); A. Land users adopting SLM practices as a result of the project – Female (percentage)

29. **Core indicator description.** This indicator measures the number of users adopting SLM practices in the program areas. To measure this indicator, a formal survey should be carried out at regular intervals, as well as at the end of the program. The baseline for this indicator is expected to be zero. When reporting on this indicator, the progress is equal to the cumulative number of land users adopting SLM technologies since the beginning of the program.

30. **Core indicator guidance on land user.** Land users are the recipients of SLM interventions. They may be farmers, households, farmer organizations, communities, lessees, or customary holders of the land that benefited from such interventions. Where land users' associations or cooperatives exist in a program area or community, care must be taken to ensure that only the land users specifically reached by the SLM interventions are recorded.

31. **Core indicator guidance on SLM practices.** SLM practices include technologies and approaches to increase land quality. The practice must be site-specific because different areas will require different interventions. For example, tree planting may be an SLM practice in one area but not in another because the practice may negatively affect downstream water availability. The Bank task team is expected to identify, in conjunction with stakeholders, the most appropriate practice in a given context. SLM technologies include agronomic, vegetative, structural, and management measures, for example, new seed variety, terracing, forestation, reduced tillage, micro irrigation, fertilizer placement, livestock feeding schedule, feeding ingredients, and so on. SLM approaches include ways and means of support that help to introduce, implement, adapt, and apply technologies in the field.

32. **Application of indicator to the OFLP.** This indicator captures the number of community members trained in the application of PFM and/or A/R practices that adopt the new practices learned (gender disaggregated).

Number of people adopting new practices

	Number	Assumption
Number of community members adopting A/R practices	9,000	9,000 community members who benefitted from the training are adopting A/R practices. Number will be gender disaggregated.
Number of CBOs members adopting PFM practices	9,000	15 CBOs/cooperatives that have adopted PFM with the support of the program x 600 average number of CBOs/cooperative members, who will share the benefits from the adoption of PFM. Number will be gender disaggregated.
Total number of people adopting A/R and PFM practices	18,000	—

Indicator 7. Beneficiaries that feel project investments reflected their needs (percentage); A. Beneficiaries that feel project investments reflected their needs – female (number); B. Total beneficiaries – female (number); C. Total beneficiaries – male (number); D. Beneficiaries that feel project investments reflected their needs – male (number)

33. **Core indicator description.** This will measure the extent to which decisions about the project reflected community preferences in a consistent manner. It is expected that the baseline value for this indicator is zero.

34. **Core indicator guidance.** Survey techniques will be used to document male and female beneficiary priorities at project outset. Surveys during and at the close of the project may identify respondents' satisfaction with project investment, including a specific question about the degree to which respondents felt project activities reflected their preferences (ex post). This indicator will draw on one question from a survey that samples a representation of beneficiaries. It is understood that a meaningful analysis of satisfaction with project outputs will require an analysis of more than one question. A larger sample might be needed if program management needs to track the impact by gender, ethnicity/language group, geography, etc.

35. Cross-project aggregation will require that the survey includes the following question: How satisfied are you that the project activity (name) is useful to you? (scale 1–5 representing very unsatisfied to very satisfied, with a score of 3 representing neither satisfied nor dissatisfied). This indicator will record the percentage of men and women reporting scores of 4 or 5 in response to this question. A project beneficiary is anyone benefiting from the project/program.

36. **Application of indicator to the OFLP.** This citizen engagement indicator will measure the extent to which decisions about the program reflected community preferences in a consistent manner (using a satisfaction-level survey through sampling) at midterm and closing of the program.

Indicator 8. Reforms in forest policy, legislation, or other regulations supported (yes/no)

37. **Bank's core indicator.** Reforms in forest policy, legislation, or other regulations supported.

38. **Core indicator description.** Some Bank-financed projects/programs aim at supporting reforms of forest policies, forest products, and trade policies, as well as legal and institutional frameworks in client countries. In some federal states, Bank support to reforms may be delivered at a lower, sub-sovereign level. This indicator measures whether a program has supported forest sector reforms. This includes support to revised policies or legal and institutional reforms that have been adopted by the client. It also includes well-defined, time-bound, phased action plans that have been launched with the objective of achieving such forest sector reforms. The processes have to be formalized through documented official endorsement. Adoption of reforms can be indicated by approving new legislation or by issuing implementing regulations or decrees. They also have to be inclusive and consultative. The expected baseline value for this indicator is No.

39. **Core indicator guidance.** If the project has launched an action plan to achieve forest sector reforms, projects are expected to document the 'official endorsement' and the 'consultative' and 'inclusive' nature of the process in the comments section.

40. **Application of indicator to the OFLP.** This indicator gauges the extent to which the OFLP supports forest sector reforms, here interpreted as providing TA with a focus on policy fora, PFM policy harmonization, community bylaws/forest community tenure rights, forest governance support, policy briefs, etc. The OFLP cannot be held accountable for changes in law, policy, and regulation that are outside its direct sphere of control. However, the OFLP can provide inputs into the government's policy process.

Indicator 9. Grievances registered related to delivery of project benefits addressed (percentage)

41. This indicator measures the transparency and accountability mechanisms established by the program so that the target beneficiaries have trust in the process and are willing to participate and feel that their grievances are attended to promptly. It is understood that local sensitivities and tensions will not allow grievance or redress mechanisms to be established in all projects. It is expected that the baseline value for this indicator will be zero.

42. **Guidance.** Grievance mechanisms are required to ensure beneficiaries can act on their entitlements to project benefits, can query decision-making processes within the program that may exclude them from benefits, and register complaints about the negative impacts of the program. Programs may want to measure indicators that show whether communities have information about the program and are fully aware of the program processes, whether they are aware of the GRMs put in place, including the response time, and whether any conflict or disputes taken to the mechanisms is resolved within the appropriate time. It is expected that there will be a program-level definition of a grievance mechanism where this indicator is relevant. Where grievance or redress mechanisms have been established, program-monitoring systems should provide useful information on: (a) the number of complaints made, and (b) the number of these complaints that are resolved. This indicator will be a simple percentage of these two numbers, allowing programs to make a statement such as ‘x percent of complaints received through program redress mechanisms were resolved’. This means that if 100 people complain about the same single program defect and this one defect is repaired, then the numerator value is 100 and the indicator value will be 100 percent. Further information—for example, that captures the nature of complaints, plaintiffs’ satisfaction with the outcome, or the ease with which complaints may be filed—will also be of use for program management. These measures are beyond the scope of this indicator. This measure should be easily aggregated within a program. It can also be aggregated across projects/programs, recognizing that different redress mechanisms may be in place in different projects/programs.

Indicator 10. MRV system established and maintained at national and Oromia levels (yes/no)

43. This indicator will measure the functionality and effectiveness of the MRV system established at both the national and Oromia levels, in line with the existing or emerging national forest monitoring and MRV system and following the methodological framework indicated in Section 7. It will include measuring the consistency in the reported results for both the Oromia/OFLP and the national levels and sustainability of the system due to the efficient use of resources, including the quality of field data collection, aggregation, and reporting procedures from the local to the national level. This indicator will be measured following the internationally standardized quality assurance procedures and will be checked against the method used in the baseline survey for estimating GHG emissions. More specifically, the following methods will be used:

- Document review at all levels (functionality of national registry and the ORCU database) on documentation, method of calculation, accuracy, uncertainty, trainings provided, training manuals, training sessions and topics covered, staff number and capacity, and so on.
- Review of the analysis made at each level (project, regional, and national levels) using the annual and biannual report submitted by the program implementer (ORCU and MEFCC) and

the verification report by a third party and check its consistency against the method used for baseline estimation.

- Checking of the primary/original field data from the woreda OFLP coordination units and the ORCU offices on boundaries, A/R, and so on. A sample from the plots used for the NFI will also be taken when deemed necessary.
- Expert interview on the processes followed and discussions with community and key informants at all levels (focus group discussions) to understand to what extent the procedure is understood by the main stakeholders and what capacity and constraints exist.
- Frequency of data collection will be at least twice during the ERPA period.
- The availability of MRV tools and equipment and how they are calibrated will be reviewed.

Indicator 11. Benefit Sharing Mechanism (BSM) established and maintained (yes/no)

44. This indicator measures the existence of a transparent and fair BSM that is in line with the best international and local practices, which is endorsed by the main stakeholders (government at all levels; wider communities, especially those living inside or adjacent to forests whose livelihood is mainly dependent on forest-related services and products; marginalized communities [less served]; and project developers, if any). It will also measure the functionality of the mechanism at all levels, including its effectiveness and transparency on distribution of benefits among the stakeholders with regard to both time and space. The BSM will also be aligned with the grievance redressing mechanism and will monitor how effective the use of the benefits by each beneficiary is. This indicator will be measured through documents review (progress reports, audit reports, community action plan, bank statements proving disbursement, and so on), focus group discussions at each level (cooperative, women, men, youth, district FDRE, ORCU, OEFCCA, MEFCC), and a household survey (using a questionnaire to be developed). This indicator will also include monitoring of the percentage of payments received by the FDRE that are disbursed to beneficiaries as intended according to the rules set out in the BSM.

Indicator 12. Safeguards system established and maintained (yes/no)

45. This indicator aims to capture the safeguards system establishment and operation that will enable the OFLP to acquire extensive technical support on OFLP safeguards instruments implementation, documentation, reporting, and monitoring of safeguards performance in the accounting areas; standardization; environmental and social advisory services; and consultation and civic engagement with communities in the regional state. The recruitment and capacity-building support to safeguards officers will help improve their ability to implement OFLP safeguards instruments (ESMF, RPF, PF, and SA) across their jurisdiction. Safeguards coordinators will ensure establishment or strengthening and monitoring of the GRM, BSM, community consultation, participation, and citizen engagement at all stages of the OFLP implementation.

46. This indicator will be measured through an expert survey taking into account the various aspects described. The survey will include information on the timely recruitment of six OFLP

safeguards coordinators and capacity building for OFLP implementing entities including regional stakeholders and woreda counterparts. Safeguards training to 287 rural woredas (each expert from WoA, WoRL, WoWME, OEFCCA, OFWE), awareness raising reaching 200 individuals per kebele in 6,889 kebeles of Oromia. The reports from each session will be gender disaggregated.

47. **Data sources:**

- OFLP safeguards coordinators contracts
- Quarterly reports from OFLP safeguards coordinators
- Training, awareness workshops, and meeting reports
- Availability and use of safeguards instruments at woreda levels
- Establishment/strengthening of the GRM, BSM, community consultation, participation, and citizen engagement reports
- Safeguards implementation supervision and technical support reports
- Proper safeguards instruments implementation, documentation, reporting, and monitoring of safeguards performance

Annex 2: OFLP Costs by Components (US\$) [for Mobilization Grant]

OFLP Costs by Component (US\$)	Lead Agency	YR1	YR2	YR3	YR4	YR5	Total
Component 1: Enabling Investment		3,778,591	1,980,779	2,270,547	1,916,761	1,237,088	11,183,765
1.1 Land use planning support at woreda and community levels		78,000	193,990	149,020	73,990	5,000	500,000
1.1.1 Simplified Integrated Land Use Plan (ILUP) manual and technical training syllabus preparation(Lump sum)	BoRL	20,000	0	0	0	0	20,000
1.1.2 Hiring an international ILUP Specialist (to be attached to Oromia BoLEP)	BoRL	50,000	125,000	75,000	0	0	250,000
1.1.3 Regional level technical TOT training	BoRL	0	3,540	3,540	3,540	0	10,620
1.1.4 Technical training on integrated master land-use preparation (sub-basin level ILUP) for Woreda Land Use Planning Team and woreda sector experts	BoRL	0	65,450	65,450	65,450	0	196,350
1.1.5 Training material printing and stationery costs(Lump Sum)	BoRL	8,000	0	5,030	5,000	5,000	23,030
1.2 Investment and extension services		3,191,383	877,839	887,309	896,968	906,820	6,760,319
1.2.1 OFLP Lead Facilitators(3)		616,218	67,253	68,598	69,970	71,369	892,189
1.2.1.1 OFLP Lead Facilitators salary	OEFCCA/ORCU	39,960	40,759	41,574	42,406	43,254	207,953
1.2.1.2 Acoountants(3 for Zonal Offices located in deforestation hotspots woredas)	OFWE/ORCU	25,974	26,493	27,023	27,564	28,115	133,952
1.2.1.3 Office equipment & furniture(3Lead Facilitators+3 Accountants)	OEFCCA/ORCU	7,428	0	0	0	0	7,428
1.2.1.4 Purchase Cost of a Double Cabin Pick-up truck(6)	OEFCCA/ORCU	542,856	0	0	0	0	542,856
1.2.2 Operating Cost for truck and/Car rental or transport fees		37,579	75,158	75,484	75,816	76,156	340,192
1.2.2.1 Fuel & lubricants(Lump-sum/year)	OEFCCA/ORCU	0	17,430	17,430	17,430	17,430	69,720
1.2.2.2 Maintenance & tire replacement(Lump-sum/year)	OEFCCA/ORCU	0	35,712	35,712	35,712	35,712	142,848
1.2.2.3 Insurance(Lump-sum/year)	OEFCCA/ORCU	0	5,712	5,712	5,712	5,712	22,848
1.2.2.4 Driver Salary (Lump-sum/year) [6 at Branch level]	OEFCCA/ORCU	0	16,304	16,630	16,962	17,302	67,197

1.2.2.5 Operating Cost for Car rental and transport fees (LF and safeguard specialists)	OEFCOA/ORCU	37,579	0	0	0	0	37,579
1.2.3 OFLP Woreda Coordinators(38)		2,309,760	335,584	342,296	349,142	356,125	3,692,906
1.2.3.1 Woreda Coordinators Salary	OEFCOA/ORCU	329,004	335,584	342,296	349,142	356,125	1,712,150
1.2.3.2 Purchase Cost of a Double Cabin Pick-up trucks(20)	OEFCOA/ORCU	1,809,520	0	0	0	0	1,809,520
1.2.3.3 Purchase Cost of Motor Cycles(18)	OEFCOA/ORCU	77,148	0	0	0	0	77,148
1.2.3.4 Office Equipment & Furniture	OEFCOA/ORCU	94,088	0	0	0	0	94,088
1.2.4 Training for Woreda Experts(Agriculture ,Water & Energy, Land-use, Forest Extension)		51,099	67,560	67,560	67,560	67,560	321,339
1.2.4.1 DSA for Woreda Experts(58)+ Sector Expertors as Trainers(4)	OEFCOA/ORCU	40,455	53,940	53,940	53,940	53,940	256,215
1.2.4.2 Lunch and two coffee breaks	OEFCOA/ORCU	8,928	11,904	11,904	11,904	11,904	56,544
1.2.4.3 Hall rent	OEFCOA/ORCU	1,716	1,716	1,716	1,716	1,716	8,580
1.2.5 Operating costs		176,727	332,285	333,372	334,480	335,611	1,512,474
1.2.5.1 DSA for field works, supervision Mission & Stationery for OFLP Lead Facilitators	OEFCOA/ORCU	4,138	5,517	5,517	5,517	5,517	26,206
1.2.5.1.1 DSA for Lead Facilitators field works	OEFCOA/ORCU	2,741	3,654	3,654	3,654	3,654	17,357
1.2.5.1.2 DSA for Lead Facilitators Supervision mission	OEFCOA/ORCU	326	435	435	435	435	2,066
1.2.5.1.3 Stationery(Lump-sum)	OEFCOA/ORCU	1,071	1,428	1,428	1,428	1,428	6,783
1.2.5.2 DSA for field works, supervision Mission & Stationery for OFLP Woreda Coordinators	OEFCOA/ORCU	27,617	36,822	36,822	36,822	36,822	174,905
1.2.5.2.1 DSA for Coordinators field works	OEFCOA/ORCU	11,571	15,428	15,428	15,428	15,428	73,283
1.2.5.2.2 DSA for Coordinators Supervision mission	OEFCOA/ORCU	2,480	3,306	3,306	3,306	3,306	15,704
1.2.5.2.3 Stationery(Lump-sum)	OEFCOA/ORCU	13,566	18,088	18,088	18,088	18,088	85,918

1.2.5.3 Operating Cost for truck and/Car rental and transport fees	OEFCOA/ORCU	125,263	250,526	251,613	252,721	253,852	1,133,974
1.2.5.3.1 Fuel & lubricants(Lump-sum/year)	OEFCOA/ORCU	0	58,100	58,100	58,100	58,100	232,400
1.2.5.3.2 Maintenance & tire replacement(Lump-sum/year)	OEFCOA/ORCU	0	119,040	119,040	119,040	119,040	476,160
1.2.5.3.3 Insurance(Lump-sum/year)	OEFCOA/ORCU	0	19,040	19,040	19,040	19,040	76,160
1.2.5.3.4 Driver Salary (Lump-sum/year) [20 at woreda level]	OEFCOA/ORCU	0	54,346	55,433	56,541	57,672	223,991
1.2.5.3.5 Operating Cost for Car rental and transport (cars)	OEFCOA/ORCU	125,263	0	0	0	0	125,263
1.2.5.4 Operating Cost for motos and/car rental or transport fees		19,710	39,420	39,420	39,420	39,420	177,390
1.2.5.4.1 Fuel & lubricants(Lump-sum/year)	OEFCOA/ORCU	0	8,568	8,568	8,568	8,568	34,272
1.2.5.4.2 Maintenance & tire replacement(Lump-sum/year)	OEFCOA/ORCU	0	13,716	13,716	13,716	13,716	54,864
1.2.5.4.3 Insurance(Lump-sum/year)	OEFCOA/ORCU	0	17,136	17,136	17,136	17,136	68,544
1.2.5.4.4 Operating Cost for Car rental and transport fees (cars)	OEFCOA/ORCU	19,710	0	0	0	0	19,710
1.3 Forest Management Investment in Deforestation Hotspots (47 woredas)		509,208	908,950	1,234,218	945,803	325,268	3,923,447
1.3.1 PFM and livelihoods (127,383ha goal)		188,778	502,557	691,335	566,335	188,778	2,137,785
Familiarization/Consultations on PFM (per ha)		3,312	6,624	9,936	9,936	3,312	33,119.58
Forest resources assessment and planning (ha)							
Forest boundary demarcation / maintenance (ha) + zoning into management blocks + forest resources assessment (ha)	OEFCOA/ORCU	38,215	76,430	114,645	114,645	38,215	382,149
Forest management plan preparation (ha)	OEFCOA/ORCU	5,350	10,700	16,050	16,050	5,350	53,501
Cooperation establishment and legalization (ha) + Forest management agreements	OEFCOA/ORCU	4,331	8,662	12,993	12,993	4,331	43,310
Implementation phase (ha)	OEFCOA/ORCU						
Capacity building and skills development (ha)	OEFCOA/ORCU	637	1,274	1,911	1,911	637	6,369
Fire equipment (ha)	OEFCOA/ORCU	3,185	6,369	9,554	9,554	3,185	31,846

Seedlings for enrichment planting (ha)	OEFCCA/ORCU	133,749	267,498	401,247	401,247	133,749	1,337,490
Livelihood promotion / Forest-based business development	OEFCCA/ORCU						
Seed money for value chain development	OEFCCA/ORCU	0	125,000	125,000	0	0	250,000
1.3.2 Af- and Re-forestation (9,642ha goal)		320,429	406,393	542,883	379,468	136,489	1,785,662
1.3.2.1 ToT training community on (plantation, nursery management, pruning) per year (14,100 individuals in 3 years)	Oromia BoA	163,415	163,415	163,415	0	0	490,245
1.3.2.2 DSA	Oromia BoA	35,525	0	0	0	0	35,525
1.3.2.3 Seedling production (material purchase, seeds, labor cost) of 600 trees per ha (usd126/ hectare - 600trees)	Oromia BoA	121,489	242,978	364,468	364,468	121,489	1,214,892
1.3.2.4 Best performance awards	Oromia BoA	0	0	15,000	15,000	15,000	45,000
Component 2: Enabling Environment		1,706,676	1,189,912	1,249,562	1,092,106	1,012,915	6,251,171
2.1 Institutions		617,212	312,884	297,453	292,113	291,867	1,811,528
2.1.1 Maintenance of the Oromia REDD+Coordination Unit (ORCU), Steering Committees & Technical Committees		412,212	277,884	282,453	287,113	291,867	1,551,528
2.1.1.1 Salaries(ORCU)	OEFCCA/ORCU	223,977	228,457	233,026	237,686	242,440	1,165,585
2.1.1.1.1 Program Coordinator	OEFCCA/ORCU	19,980	20,380	20,787	21,203	21,627	103,977
2.1.1.1.2 Forest Resource Specialist		14,652	14,945	15,244	15,549	15,860	76,250
2.1.1.1.3 Environment Safeguards Specialist		14,652	14,945	15,244	15,549	15,860	76,250
2.1.1.1.4 Social Safeguards Specialist		14,652	14,945	15,244	15,549	15,860	76,250
2.1.1.1.5 Institutions and Policy Specialist		11,322	11,548	11,779	12,015	12,255	58,920
2.1.1.1.6 MRV Specialist		13,320	13,586	13,858	14,135	14,418	69,318
2.1.1.1.7 MRV Assistant		11,322	11,548	11,779	12,015	12,255	58,920
2.1.1.1.8 Communication Specialist		11,322	11,548	11,779	12,015	12,255	58,920
2.1.1.1.9 Monitoring & Evaluation Specialist		11,322	11,548	11,779	12,015	12,255	58,920
2.1.1.1.10 Private Sector Development specialist		11,322	11,548	11,779	12,015	12,255	58,920
2.1.1.1.11 Procurement Specialist		11,322	11,548	11,779	12,015	12,255	58,920
2.1.1.1.12 Financial Management Specialist(MEFCC)		11,988	12,228	12,472	12,722	12,976	62,386
2.1.1.1.13 Financial Management Specialist		11,322	11,548	11,779	12,015	12,255	58,920

(ORCU)							
2.1.1.1.14 Financial Management Assitant		9,990	10,190	10,394	10,601	10,813	51,988
2.1.1.1.15 Administrative Officer		9,990	10,190	10,394	10,601	10,813	51,988
2.1.1.1.16 Cashier Secretary		3,330	3,397	3,465	3,534	3,604	17,329
2.1.1.1.17 Office Assistant		1,665	1,698	1,732	1,767	1,802	8,665
2.1.1.1.18 Driver		7,992	8,152	8,315	8,481	8,651	41,591
2.1.1.1.19 Audiovisual technician		7,992	8,152	8,315	8,481	8,651	41,591
2.1.1.1.20 Operating Costs for ORCU Technical Staff field work		14,520	14,810	15,107	15,409	15,717	75,563
2.1.1.2 Operating costs		15,000	15,000	15,000	15,000	15,000	75,000
2.1.1.3 Office equipment & furniture		29,712	0	0	0	0	29,712
2.1.1.4 Purchase Cost of Station Wagon truck		123,809	0	0	0	0	123,809
2.1.1.5 Operational budget for the Oromia VP		5,000	5,000	5,000	5,000	5,000	25,000
2.1.1.6 Operating Cost for truck and/Car rental or transport fees	OECCA/ORCU	14,714	29,427	29,427	29,427	29,427	132,422
2.1.1.6. 1 Fuel & lubricants(Lump-sum/year)		0	8,715	8,715	8,715	8,715	34,860
2.1.1.6.2 Maintenance & tire replacement(Lump-sum/year)		0	17,856	17,856	17,856	17,856	71,424
2.1.1.6.3 Insurance(Lump-sum/year)		0	2,856	2,856	2,856	2,856	11,424
2.1.1.6.4 Operating Cost for Car rental and transport fees (ORCU level)		14,714	0	0	0	0	14,714
2.1.2 Operationalizing M&E System	OECCA/ORCU	190,000	20,000	0	0	0	210,000
2.1.2.1 International M&E consultant		50,000	20,000	0	0	0	70,000
2.1.2.2 Baseline		100,000	0	0	0	0	100,000
2.1.2.3 M&E Training		40,000	0	0	0	0	40,000
2.1.3 Development of Extension Guidelines and Manuals	OECCA/ORCU	15,000	15,000	15,000	5,000	0	50,000
2.1.3.1 Translation costs		5,000	5,000	5,000	5,000	0	20,000
2.1.3.2 Consultancy costs		10,000	10,000	10,000	0	0	30,000
2.2 Incentives		311,199	401,905	385,819	321,905	131,905	1,552,732
2.2.1 Resource Mobilization and leveraging	OECCA/ORCU	30,000	70,000	70,000	60,000	60,000	290,000
2.2.1.1 Fundraising for OFLP; preparation of a strategic action plan for private sector investment; and Proposal development, as well as investment		30,000	70,000	70,000	60,000	60,000	290,000

planning and preparation as opportunities emerge							
2.2.2 Economic, markets, and policy to improve and attract investment	OEFCOA/ORCU	160,000	260,000	210,000	210,000	20,000	860,000
2.2.2.1 Organizing policy dialogue fora and business investment roundtables		20,000	20,000	20,000	20,000	20,000	100,000
2.2.2.2 Assessments of regulations, policies and laws to improve and attract investment		100,000	150,000	150,000	150,000	0	550,000
2.2.2.3 Support for enhancing forest governance through training of enforcement stakeholders (justices, lawyers, courts, rangers)		40,000	40,000	40,000	40,000	0	160,000
2.2.2.4 Feasibility assessment of options for introducing payments for ecosystem services (PES) for non-carbon markets		0	50,000	0	0	0	50,000
2.2.3 Preparation of BSM and monitoring distribution of Benefits	OEFCOA/ORCU	30,000	30,000	10,000	10,000	10,000	90,000
2.2.4 Cook stoves and biogas marketing and demonstration		91,199	41,905	95,819	41,905	41,905	312,732
2.2.4.1 Regional inventory of active ICS producers in 277 Woredas, this will happen 2 times over the 5 year period.		28,670	0	28,670	0	0	57,339
2.2.4.2 Zonal level training for Zonal Energy Officers and stove producers in marketing and customer relations at each Zonal level		25,244	0	25,244	0	0	50,489
2.2.4.3 Coordinating and delivering market day promotion and stove exhibition, collecting and compiling data of trained stove procures location and contact details, distribute information to Woreda officials, design and dissemination of local marketing material		26,477	29,297	29,297	29,297	29,297	143,664
2.2.4.4 Per diem for field visits to market days, remote towns, 1 time a year per town (100 towns) (\$25 per day x 3 days per town visit, including transport)		9,000	12,000	12,000	12,000	12,000	57,000

2.2.4.5 Printing of training material and marketing material, weather proof banners, radio production and broadcasting		1,808	608	608	608	608	4,240
2.3 Information		463,908	145,575	210,275	145,575	210,275	1,175,608
2.3.1 Forest Management Information system	OEFCOA/ORCU	150,000	10,000	10,000	10,000	10,000	190,000
2.3.2 MRV		90,675	47,575	82,275	47,575	82,275	350,375
2.3.2.1 Office establishment		73,500	20,400	35,100	20,400	35,100	184,500
2.3.2.1.1 Equipment		14,700	0	14,700	0	14,700	44,100
2.3.2.1.2 Training of staff (to be provided by FAO)		10,000	10,000	10,000	10,000	10,000	50,000
2.3.2.1.3 Software and Licenses		48,800	10,400	10,400	10,400	10,400	90,400
2.3.2.2 Activity Data		11,450	11,450	11,450	11,450	11,450	57,250
2.3.2.2.1 Review of primary and secondary data		11,450	11,450	11,450	11,450	11,450	57,250
2.3.2.3 Emission Factor		5,725	5,725	5,725	5,725	5,725	28,625
2.3.2.3.1 Review of primary and secondary data		5,725	5,725	5,725	5,725	5,725	28,625
2.3.2.4 Third Party Verification(ER)		0	0	30,000	0	30,000	60,000
2.3.2.5 Financial Audit fee for the verification of ERP		0	10,000	0	10,000	0	20,000
2.3.3 ICT(at ORCU, Branch and District Level for Laptops, CDMA,connection through SIM card and Ethiocom service)	OEFCOA/ORCU	82,000	21,000	21,000	21,000	21,000	166,000
2.3.4 Strategic Communication		141,233	67,000	97,000	67,000	97,000	469,233
2.3.4.1. Research		20,000		10,000		10,000	40,000
2.3.4.2 Training		64,000	0	20,000	0	20,000	104,000
2.3.4.3 Outreach		22,000	22,000	22,000	22,000	22,000	110,000
2.3.4.4. OFLP documentation		5,233	0	0	0	0	5,233
2.3.4.5. Advocacy		15,000	15,000	15,000	15,000	15,000	75,000
2.3.4.6.Behavior change activities targeted to hot spot deforestation areas		15,000	30,000	30,000	30,000	30,000	135,000
2.4 Safeguards Management	OEFCOA/ORCU	294,358	309,549	311,016	312,513	313,868	1,541,304
2.4.1 Safeguard Coordinators		86,784	73,367	74,834	76,331	77,857	389,172
2.4.1.1 Safeguard Coordinators Salary		71,928	73,367	74,834	76,331	77,857	374,316
2.4.1.2 Office furniture & equipment		14,856	0	0	0	0	14,856
2.4.2 Capacity Building: Trainings and Awareness		138,962	183,570	183,570	183,570	183,399	873,072

2.4.2.1 DSA for Safeguard Coordinators & Woreda Coordinators capacity building who will cascade to Woredas		2,552	2,552	2,552	2,552	2,552	12,760
2.4.2.2 DSA for OFLP Woreda Coordinators for safeguards implementation and follow up		6,242	8,323	8,323	8,323	8,323	39,534
2.4.2.3 DSA for regional stakeholders training (BoA, BoEL, BoWME, OFWE Branches, etc.)		870	870	870	870	870	4,350
2.4.2.4 DSA for Woreda experts Safeguard capacity building of who will cascade to Kebele		129,298	171,825	171,825	171,825	171,654	816,427
2.4.2.4.1 DSA for Woreda Experts		26,970	35,960	35,960	35,960	35,960	170,810
2.4.2.4.2 Refreshment(a lunch and two coffee breaks)		17,707	23,610	23,610	23,610	23,610	112,146
2.4.2.4.3 Hall rent		1,714	1,714	1,714	1,714	1,543	8,401
2.4.2.4.4 Round Trip Transport fee		6,203	8,271	8,271	8,271	8,271	39,286
2.4.2.4.5 Stationeries		1,785	2,380	2,380	2,380	2,380	11,305
2.4.2.4.6 DSA for field works of Safeguard from Woreda (WoA, WoWE, WoLE, OFWE training) including consultation, participation, civic engagement and awareness to kebele level engaging one Development Agents per kebele		74,918	99,891	99,891	99,891	99,891	474,480
2.4.3 Safeguards Implementation Support, monitoring and documentation(Operating Costs) Environmental & Social Audit		68,612	52,612	52,612	52,612	52,612	279,060
2.4.3.1 Stationery		2,856	2,856	2,856	2,856	2,856	14,280
2.4.3.2 DSA for Supervision mission Safeguard Coordinators from Branch		30,624	30,624	30,624	30,624	30,624	153,120
2.4.3.3 DSA for monitoring by ORCU safeguards team		3,132	3,132	3,132	3,132	3,132	15,660
2.4.3.4 Environmental & Social Audit		16,000	16,000	16,000	16,000	16,000	80,000
2.4.3.5 Gender Analysis and Action Plan Development to mainstream gender in the OFLP Implementation		16,000					16,000
2.5. Program Management	OEFCOA/ORCU	20,000	20,000	45,000	20,000	65,000	170,000
3.1 Financial Audit Service(Firm)		10,000	10,000	10,000	10,000	10,000	50,000

3.2 Procurement Audit Service(IC)		10,000	10,000	10,000	10,000	10,000	50,000
3.3 Project Mid-Term Evaluation Report and Project Completion Report(IC)		0	0	25,000	0	45,000	70,000
Total OFLP Costs excluding contingencies		5,485,267	3,170,692	3,520,109	3,008,867	2,250,003	17,434,937
Physical & Price Contingencies(3.241%)		177,777	102,762	114,087	97,517	72,923	565,066
Total OFLP Costs including contingencies		5,663,044	3,273,454	3,634,196	3,106,384	2,322,925	18,000,003

Summary of OFLP Cots by Component

OFLP Costs by Component (US\$)	Lead Agency	YR1	YR2	YR3	YR4	YR5	Total
Component 1: Enabling Investment		3,778,591	1,980,779	2,270,547	1,916,761	1,237,088	11,183,765
1.1 Land use planning support at woreda and community levels	BoRL	78,000	193,990	149,020	73,990	5,000	500,000
1.2 Investment and extension services	OEFCCA/ORCU	3,191,383	877,839	887,309	896,968	906,820	6,760,319
1.3 Forest Management Investment in Deforestation Hotspots (47 woredas)	OEFCCA/ORCU /OFWE	509,208	908,950	1,234,218	945,803	325,268	3,923,447
Component 2: Enabling Environment		1,706,676	1,189,912	1,249,562	1,092,106	1,012,915	6,251,171
2.1 Institutions	OEFCCA/ORCU	617,212	312,884	297,453	292,113	291,867	1,811,528
2.2 Incentives	OEFCCA/ORCU	311,199	401,905	385,819	321,905	131,905	1,552,732
2.3 Information	OEFCCA/ORCU	463,908	145,575	210,275	145,575	210,275	1,175,608
2.4 Safeguards Management	OEFCCA/ORCU	294,358	309,549	311,016	312,513	313,868	1,541,304
2.5. Program Management	OEFCCA/ORCU	20,000	20,000	45,000	20,000	65,000	170,000
Total OFLP Costs excluding contingencies		5,485,267	3,170,692	3,520,109	3,008,867	2,250,003	17,434,937
Physical & Price Contingencies(3.241%)		177,777	102,762	114,087	97,517	72,923	565,066
Total OFLP Costs including contingencies		5,663,044	3,273,454	3,634,196	3,106,384	2,322,925	18,000,003

Annex 3: Interface between OFLP and Selected Initiatives

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
1	SLMP <i>(under implementation)</i>	MoANRD	<ul style="list-style-type: none"> World Bank GEF Norway Ministry of Foreign Affairs Kreditanstalt Für Wiederaufbau(KfW) Foreign Affairs, Trade and Development - Canada through the German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit; GIZ) 	To reduce land degradation and improve land productivity in selected watersheds in targeted regions in Ethiopia	Natural resource management (watershed management, soil and water conservation, area enclosure, soil fertility enhancement, small-scale irrigation, A/R, and so on), livelihoods and rural household energy (biomass), and land certification. The program covers 52 woredas or critical watersheds and 385 kebeles in Oromia.	US\$257 million through 2020 Budget estimate for Oromia: US\$40 million	Existing activities <ul style="list-style-type: none"> PFM in 5 critical watersheds/woredas Degraded landscape restoration and revegetation in 52 critical watersheds/woredas in Oromia Community-based participatory watershed development Grazing land closures and ANR Soil and water conservation, small-scale irrigation and intensification CSA Smallholder land certification and tenure security Potential activities <ul style="list-style-type: none"> A/R 	<ul style="list-style-type: none"> PFM and A/R support watershed functions and food security Support to woredas (administrators, experts, kebeles' DAs) for coordinating activities within the landscape to help manage trade-offs and optimize benefits Training and knowledge development for woreda experts and DAs on various issues (land-use planning, PFM, A/R, and so on) that can help advance SLM (that is, do more, do it better) Safeguards

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
								training to woredas
2	PSNP-4 <i>(under implementation)</i>	MoANRD	<ul style="list-style-type: none"> World Bank United States Agency for International Development DFID European Commission Government of Canada Government of Ireland Netherlands Development Association Swedish International Development Agency 	To increase access to safety net and disaster risk management systems, complementary livelihood services, and nutrition support for food-insecure households in rural Ethiopia	Promoting integrated watershed management (IWSM) and rehabilitation of degraded land through cash-for-labor arrangements, investing in improved agricultural practices including water harvesting and small-scale irrigation, and supporting social protection and disaster risk management systems; safety nets transfer to chronically food-insecure households, and support to a scalable response mechanism for	US\$2.6 billion through 2020 Budget estimate for Oromia: US\$500 million	<p>Existing activities</p> <ul style="list-style-type: none"> Asset building and livelihoods support (crop, livestock, and off-farm activities) in 123 woredas (in Oromia's drylands) Employment opportunities in civil works (roads, catchment rehabilitation, water abstraction, and so on) Training to farmers in Farmer Training Centers and pastoralists in crop and livestock management and off-farm diversification Community-based participatory watershed development Rural savings and credit cooperatives <p>Potential activities</p> <ul style="list-style-type: none"> A/R 	<ul style="list-style-type: none"> Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits Training and knowledge development for woreda experts and DAs on various issues (ILUP, PFM, A/R, and so on) PFM and A/R support watershed functions and food security Safeguards training to woredas experts

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					transitory needs; sustainable community assets and human capital investments; and institutional capacity-building and project management support. The project covers 123 woredas in Oromia.			
3	AGP-2 <i>(under implementation)</i>	MoANRD	<ul style="list-style-type: none"> • Swedish International Development Agency • Danish International Development Assistance • United Nations Children's Fund • World Food Program 	To increase agricultural productivity and commercialization of smallholder farmers targeted by the project	Increase access to public agricultural services of smallholder farmers; supply demand-driven agricultural technologies; increase access to efficient irrigation water supply to smallholder farmers; commercialize smallholder farmers	<p>US\$365 million through 2020</p> <p>Budget estimate for Oromia: US\$100 million</p>	<p>Existing activities</p> <ul style="list-style-type: none"> • Demand-driven agricultural extension and technology promotion in 62 woredas • Training to woreda experts, DAs, and farmers on participatory extension management, improved crop and livestock technologies, post-harvest handling and market-oriented 	<ul style="list-style-type: none"> • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and DAs in the ILUP, watershed management to enhance ecosystem

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					<p>through market access and efficiency of input and output market; and ensure sound project implementation , effective M&E of results, and a consistent and effective approach to capacity development. The project covers 62 woredas and 1,640 kebeles in Oromia.</p>		<p>agricultural commodities</p> <ul style="list-style-type: none"> • Coffee, vegetables, and fruit crop development • Agricultural marketing and value chain (agri-business development) • Local-level land-use planning • Community-based participatory watershed management, soil fertility enhancement, and small-scale irrigation • CMA <p>Potential activities</p> <ul style="list-style-type: none"> • Agroforestry • Restoration of degraded agricultural land with tree-based strategies and area closures 	<p>services and productivity</p> <ul style="list-style-type: none"> • Safeguards training to woredas experts

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
4	NICSP (<i>under implementation</i>) and Sustainable Rural Energy Technologies Project United Nations Development Programme (UNDP)/GEF (<i>under preparation</i>)	MoWIE	<ul style="list-style-type: none"> Royal Embassy of Norway through Energy+ Barr Foundation UNDP United Nations Capital Development Fund (CleanStart) GEF 	To reduce carbon emissions from deforestation and forest degradation through large-scale adoption of clean cooking technology and to support the dissemination and adoption of 9 million ICS in Ethiopia	To establish project management and coordination structures at the federal and regional levels; develop and introduce quality standards, manuals, guidelines, technical procedures, and certification systems; build the technical and institutional capacity of government institutions; provide capacity-building training and loans to ICS producers; support marketing and promotion activities; establish	<p>US\$5.5 million through 2020</p> <p>Budget estimate for Oromia from the NICSP: US\$1.5 million</p> <p>Budget estimate for Oromia from the UNDP/GEF: US\$1 million</p>	<p>Existing activities (NICSP)</p> <ul style="list-style-type: none"> Regional ICS training and demonstration laboratory center ICS promotion and dissemination manuals and guidelines Training on technology development, marketing, and promotion in 71 woredas Producers and entrepreneurs development Loan service for rural cooperatives, ICS producers, urban large-and small-scale producers, and users Stove performance measurements <p>Potential activities</p> <ul style="list-style-type: none"> Establish business incubation centers Scale up ICS promotion and distribution in all 	<ul style="list-style-type: none"> Support to woredas in coordinating energy-efficient technology promotion activities Training of zonal and woreda energy officers and stove producers in marketing and customer relations Market day promotion and stove exhibition Regional inventory of active ICS producers in 277 woredas

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					testing laboratories at the federal and regional levels; design and implement a carbon finance program to generate revenue; and establish reporting and M&E frameworks. The program works in 67 woredas in Oromia.		277 woredas	

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
5	LIFT Program <i>(under implementation)</i>	MoANRD	<ul style="list-style-type: none"> DFID Other development partners provide resources for LIFT Bank-financed SLMP-1 and SLMP-2 have been financing the same activity for six years 	To improve land tenure security and support sustainable land governance systems and a better functioning rural land market in collaboration with the government to drive productive land use and green growth	Distribute second-level certification in up to 35% of the woredas (districts) in four states (Oromia, Amhara, Tigray, and the SNNPR), support the development of the land administration system, record all rural land rights, and protect the rights of women. LIFT is operating in 54 woredas in Oromia.	US\$69–105 million through 2020 Budget estimate for Oromia: US\$23–38 million	<p>Existing activities</p> <ul style="list-style-type: none"> Second-level land certification in 26 woredas Development of land administration system Improving rural land market for women and poor farmers <p>Potential activities</p> <ul style="list-style-type: none"> Focus on woredas in and around forests to help reduce pressure on forest resources and intensify crop production 	<ul style="list-style-type: none"> Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits Training and knowledge development for woreda experts and the DAs in the ILUP and land administration Safeguards training to woredas experts
6	Bale Mountains Eco-regional REDD+ Project <i>(under implementation)</i>	<ul style="list-style-type: none"> OFWE Farm Africa 	<ul style="list-style-type: none"> Royal Norwegian Embassy Royal Netherlands Embassy Irish Embassy in Addis Ababa 	To prevent high rate of deforestation and achieve a net anthropogenic GHG ER, which is estimated (ex ante) at 44,687,543	REDD+ through PFM; agricultural intensification; development of alternative sources of fuelwood and construction poles through agroforestry	Approximately US\$2.5 million through 2015	<p>Existing activities</p> <ul style="list-style-type: none"> PFM in 16 woredas Agricultural intensification Fuel-efficient technology Alternative supply of wood for fuelwood and construction materials (A/R) 	<ul style="list-style-type: none"> PFM and A/R help protect forests, increase forest cover, reduce deforestation, degradation and emission, and enhance livelihoods Support to woredas in

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
				tCO ₂ e (<i>not yet independently verified</i>)	and woodlot development; improving energy efficiency through introduction, distribution, and popularization of improved stoves; strengthening enforcement of existing policies and law; and strengthening the young and weak local institutions and structures for managing forest lands. In Oromia, 16 woredas and 62 kebeles are under the Bale Mountains Eco-regional REDD+ Project.		<ul style="list-style-type: none"> • Provision of livelihoods alternatives <p>Potential activities</p> <ul style="list-style-type: none"> • ILUP • Watershed management, soil and water conservation, and small-scale irrigation • CSA 	<p>coordinating activities within the landscape to help manage trade-offs and optimize benefits</p> <ul style="list-style-type: none"> • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, and so on) • Safeguards training to woredas • Supporting woredas in marketing and distributing of ICS

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
7	ILUP Study Project - Oromia BoRLEP <i>(under implementation)</i>	Oromia BoRLEP	Government budget	To guide development decisions through sound land-use plan; support the agricultural and rural development program; optimize the actual landuse; avoid land-use conflicts; conserve and rehabilitate natural resources; formulate rational land management options based on an inventory of land resources	Among others, identifying, inventorying, and mapping the natural resource of the area which includes soils, temperature, rainfall, landuse land cover and hydrology, and so on; identifying, delineating, and mapping of the current landuse of the area; identifying, delineating, and mapping of the natural vegetation (land cover of the area); conducting land suitability classification; recommending management options for the improvement of landuse;	US\$8 million through 2020	Existing activities <ul style="list-style-type: none"> • Macro-level (sub-basin) ILUP development in 277 woredas including maps • Community-level participatory LUP development • Training to woreda sector experts in implementing/enforcing the ILUP • Community-level training in local-level LUP and implementation Potential activities <ul style="list-style-type: none"> • Legislating regional LUP for its effective enforcement across the region 	<ul style="list-style-type: none"> • Coordination of activities of all OFLP-implementing regional sector bureaus toward efficient land-use planning and application • Training for regional and woreda sector and LUP teams on how to coordinate development needs for better use of land resources, on developing the ILUP and local-level LUP, and enforcement • Safeguards training to woredas

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					undertaking Strategic Environmental Assessment; and evaluating existing infrastructure and service development status and indicating future development options. The ILUP Study Project covers all 277 rural and semi-rural woredas.			
8	IWSM (mass mobilization) <i>(under implementation)</i>	BoA	n.a.	To improve livelihoods of rural communities and enhance food security and their capacity of enduring climate shocks through the rehabilitation of degraded lands, improved agricultural	Implementation of physical and biological soil and water conservation measures, area closure, A/R, agroforestry, small-scale irrigation, improved livestock management (improved feed production and stall feeding),	US\$4.6 million through 2020	Existing activities <ul style="list-style-type: none"> • Watershed planning in 265 woredas • Degraded landscape restoration • Grazing land closures and ANR • Soil and water conservation, water abstraction, and small-scale irrigation • A/R • Community training in watershed 	<ul style="list-style-type: none"> • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM,

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
				practices, and proper utilization of water resources	rangeland management, and income-generation schemes for unemployed youth and women. The IWSM initiative in Oromia covers 265 woredas.		planning, soil and waterconservation, and small-scale irrigation	A/R, and so on) <ul style="list-style-type: none"> • Safeguards training to woredas
9	PFM REDD+ Project of Nono Sele Woreda (REDD+, PFM, OFWE, and Ethio Wetlands and Natural Resources Association) <i>(under implementation)</i>	<ul style="list-style-type: none"> • OFWE • Ethio Wetlands and Natural Resources Association 	Norwegian Agency for Development Cooperation	To increase carbon storage in forests of Nono Sele Woreda, Oromia Regional State by promoting PFM and livelihood support actions	Natural forest conservation and reducing deforestation and degradation through PFM, marketing of NTFP, and joint community-OFWE management and use of forest resources. The project covers 1 woreda and 19 kebeles in Oromia.	US\$1 million through 2015	<p>Existing activities</p> <ul style="list-style-type: none"> • PFM in one woreda • Fuel-efficient technology • Alternative supply of wood for fuelwood and construction materials (A/R) • Provision of livelihoods alternatives <p>Potential activities</p> <ul style="list-style-type: none"> • ILUP • CSA 	<ul style="list-style-type: none"> • PFM and A/R help protect forests; increase forest cover; reduced deforestation, degradation, and emission; and enhance livelihoods • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and the DAs on

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
								various issues (ILUP, PFM, A/R, and so on) <ul style="list-style-type: none"> • Safeguards training to woredas • Supporting woredas in marketing and distributing of ICS
10	Program-for-Results ESPES <i>(approved, not yet under implementation)</i>	MoFEC	<ul style="list-style-type: none"> • Bank • Other unspecified development partners provided resources 	To improve equitable access to basic services and strengthen accountability systems at the decentralized level	Enhancing equitable access to basic services, citizen engagement, and environmental and social management capacity development; strengthening fiduciary aspects of basic service delivery; and ensuring quality data management	US\$857 million through 2019 Budget estimate for Oromia: US\$300 million	Existing activities <ul style="list-style-type: none"> • Capacity development in environmental and social safeguards management at woreda's ESPES-supported sectors • Assigning of environmental and social safeguards specialists to woreda's ESPES-supported sectors • Monitoring of activities of environmental and social safeguards specialists assigned 	<ul style="list-style-type: none"> • Safeguards training to woredas • Support to woredas in coordinating activities across sectoral offices

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					and better access to data. The program covers all woredas in Oromia.		to woreda sector offices	
11	Support to coffee farmers in Oromia to adopt improved coffee production techniques that provide better income and reduced carbon emissions (Nespresso, IFC, and BioCF support) <i>(approved, not yet under implementation)</i>	TechnoServe	<ul style="list-style-type: none"> Nespresso IFC BioCF 	<p>Support 40,000 coffee farmers in Ethiopia to adopt improved management and agronomic techniques which contribute to reduced carbon emissions.</p> <p>In Oromia, 30,000 coffee farmers are targeted to be supported with TA of US\$3 million from BioCF while in the SNNP, 10,000 farmers will be targeted.</p>	Increasing coffee productivity and compliance to Nespresso's AAA standard; establishing coffee traceability that will reduce encroachment to forest land; agronomy training to improve farmers' skills and practices; strengthening of wet mill operations to enhance farm profitability; and providing credit to cooperatives for investment of wet mills. The project	US\$17.2 million through 2017 (of which US\$3 million is from BioCF, US\$10 million is from IFC's risk-sharing facility, and the remainder is from Nespresso)	<p>Potential activities</p> <ul style="list-style-type: none"> Improving coffee production techniques and farm management that support better shade coffee production, and increasing forest trees in coffee farms Improving coffee quality thus increasing farmers' income and livelihoods Training woreda experts and the DAs in improved coffee production and farm management Climate-smart coffee production system PFM Agroforestry 	<ul style="list-style-type: none"> PFM and A/R help protect forests; increase forest cover; reduced deforestation, degradation, and emission; and enhance livelihoods Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, and so on) Safeguards training to

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					will cover four woredas in Oromia.			woredas
12	Certified Forest Coffee Production and Promotion Project (<i>under implementation</i>)	Jointly OFWE and JICA	Government of Japan through JICA	To promote sustainable rural development and increasing farmers' income through forest conservation, expansion, and forest coffee certification in the Belete Gera Forest Area	Improve forest management and enhance sustainability in the target areas of BeleteGera, expand forest coffee certification, and provide capacity-building support to the OFWE and its Jimma Branch toward PFM and forest coffee certification operation. The project covers 2 woredas and 24 kebeles in Oromia.	Approximately US\$4 million through 2019	Existing activities <ul style="list-style-type: none"> Improving coffee farmers' income through certification of forest coffee production and quality enhancement Training of coffee farmers on protecting natural forest and coffee biodiversity as a condition for certification and better market Providing technical support to PFM cooperatives and forest user groups to sustain community institution and forest protection Providing TA and training on improved production 	<ul style="list-style-type: none"> PFM and A/R help protect forests; increase forest cover; reduced deforestation, degradation, and emission; and enhance livelihoods Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, and so on) Safeguards training to woredas

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
							Potential activities <ul style="list-style-type: none"> • A/R • CSA 	
13	Biodiversity Resources Conservation in National Protected Areas <i>(under preparation)</i>	<ul style="list-style-type: none"> • EWCA • Ethiopian Institute of Biodiversity Conservation • MEFCC 	<ul style="list-style-type: none"> • German source (Not Specified) • Other unspecified development partners to provide resources 	NS	NS	NS	Potential activities <ul style="list-style-type: none"> • Biodiversity conservation including forest • PFM • Promoting ecotourism and community livelihood support • Local employment 	<ul style="list-style-type: none"> • PFM and A/R help protect forests; increase forest cover; reduced deforestation and degradation; and enhance livelihoods • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, and so on) • Safeguards training to woredas

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
14	BBC Media Action's 'Air We Breathe' public campaign in Oromia <i>(under preparation)</i>	<ul style="list-style-type: none"> • Ministry of Water, Irrigation, and Electricity • MEFCC • OFWE • Ministry of Health • Oromia Radio and Television Organization 	<ul style="list-style-type: none"> • BBC Media Action • Norwegian Ministry of Foreign Affairs 	To conduct further research into the full spectrum of benefits—health, education, financial, temporal—that result from actions to reduce household air pollution as well as what influences family choices around domestic practices	Research, radio drama, public service announcements, school club activities targeting fuel consumption practices, and establishing partnerships and capacity-strengthening training in promoting healthy indoor environment and use of fuel-efficient technologies. The program covers all Oromia woredas where radio and TV broadcast reach.	Approximately US\$1.7 million through 2017	Potential activities <ul style="list-style-type: none"> • Educating communities on adoption of ICS and other energy-efficient technologies • Informing policy formulation and policy implementation on adoption of energy-efficient technologies through effective communication media 	<ul style="list-style-type: none"> • Support to woredas in coordinating activities, including in adoption of ICSs within the landscape to help manage trade-offs and optimize benefits • Technical support to stove producers and marketers • Training on marketing and dissemination of cookstoves

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
15	<p>National Biogas Program of Ethiopia (NBPE II and NBPE+)</p> <p>NBPE II (<i>under implementation</i>)</p> <p>NBPE+ (<i>Not officially approved, under preparation</i>)</p>	MoWIE	<ul style="list-style-type: none"> European Union The Netherland Ministry of Foreign Affairs Netherlands Development Organization Hivos International Organization-Netherlands Other development partners to provide more resources for NBPE+ 	To develop a commercially viable, market-oriented biogas sector in Ethiopia; strengthen the promotion of biogas technology for domestic energy and the use of bio-slurry as organic fertilizer; ensure effectiveness of installed digesters; and develop entrepreneurial skills in the biogas construction business and appliance manufacturing and supply	Facilitate private sector participation and sustained credit facilities; build private sector technical and business capacity; develop Biogas Construction Enterprise Associations in six regions; provide specialist technical support in demand creation, market promotion, and business linkages; develop standards for quality management of plant construction and bio-slurry management and utilization; and establish multistakehold	<p>US\$10.8 million for NBPE II through 2017 and US\$26 million for NBPE+ through 2020</p> <p>Total fund US\$37 million</p> <p>Budget estimate for Oromia: US\$11 million</p>	<p>Existing activities</p> <ul style="list-style-type: none"> Promotion of biogas as alternative to fuelwood and charcoal use in 102 woredas Bio-slurry use as byproduct of biogas for enhancing soil fertility and increasing in-crop yield Training to woredas in biogas construction and use and bio-slurry use Rural employment and involvement of the private sector during construction and maintenance of biogas plants <p>Potential activities</p> <ul style="list-style-type: none"> Establishing business incubation centers Scaling up biogas use in woredas in and around forests 	<ul style="list-style-type: none"> Support woredas in coordinating alternative energy technology promotion activities Training of zonal and woreda energy officers in alternative energy use

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					er platforms, networks, and knowledge centers and build linkages with the agricultural and health sectors. The program covers 102 woredas in Oromia.			
16	Forest Resources Development, Conservation, and Sustainable Utilization of the OFWE <i>(under implementation)</i>	OFWE	Government budget	To develop and protect forest resources in Oromia and ensure sustainable utilization of forest resources by the state, community, and private sector	Natural forest protection through PFM, developing plantation forests, management of forest resources (natural and planted forest), sustainable exploitation of timber and NTFP (timber largely from plantation forest, coffee, honey, and	Approximately US\$60 million through 2020	Existing activities <ul style="list-style-type: none"> • A/R of 61,480 ha of land • PFM in 900,000 ha of forest • Coffee and other NTFP development and marketing • Protection of natural forest and other protected areas • Sustainable exploitation of timber-creating employment and increase income at the local level 	<ul style="list-style-type: none"> • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, alternative energy use, and

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					spices), value addition to NTFP and marketing of forest coffee in high-value markets, and so on. The OFWE's operational area covers 130 woredas.		<ul style="list-style-type: none"> • Training to woredas in A/R, PFM, NTFP production and marketing, and other forest-management-related topics • Community organization and promotion of cooperatives <p>Potential activities</p> <ul style="list-style-type: none"> • Scaling up PFM to more forest areas currently under OFWE concessions and to potential forest areas to be demarcated and incorporated into OFWE concessions (as per the legal mandate given to the OFWE) • Increasing A/R coverage within its current concessions and potential areas to be part of the concessions 	<p>so on)</p> <ul style="list-style-type: none"> • Safeguards training to woredas • PFM and A/R help protect forests; increase forest cover; reducedeforestation and degradation; and enhance livelihoods
17	Pastoral Community Development Project III	Ministry of Federal Affairs and Pastoral Area Development	<ul style="list-style-type: none"> • World Bank • International Fund for Agriculture 	To contribute to improved livelihoods of pastoralists and agro-	Community Investment Funds for social and economic	US\$195 million through 2018	<p>Existing activities</p> <ul style="list-style-type: none"> • Investment in community-driven livelihood activities 	<ul style="list-style-type: none"> • Training and knowledge development for woreda experts

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
	<i>(under implementation)</i>			pastoralists with regard to growth and stability of incomes, improvements in their health, nutrition and education status, as well as greater empowerment and decision-making authority in local development initiatives	services, institutionalization of community-driven development, community self-monitoring and learning, promotion of pastoral saving and credit cooperatives, identification and development of livelihood opportunities, promotion of adaptive research and innovative practices, policy consultations and knowledge management, communication and internal learning, project management, and M&E. The project covers 26 woredas in	Budget estimate for Oromia: US\$50 million	<p>in dry lands (pastoral and agropastoral woredas)</p> <ul style="list-style-type: none"> • Improved dry land crop production through small-scale irrigation and water harvesting • Regreening of dry lands • Community organization and promotion of cooperatives • Training business skill development and fund provision <p>Potential activities</p> <ul style="list-style-type: none"> • A/R (shade for livestock) • Dry land restoration/rangeland restoration • CSA 	<p>and the DAs on various issues (ILUP, A/R, alternative energy use, and so on)</p> <ul style="list-style-type: none"> • Safeguards training to woredas

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					Oromia.			
18	Yayu Coffee Forest Biosphere Reserve Project <i>(under implementation)</i>	<ul style="list-style-type: none"> • OFWE • BoA • The Environment Coffee Forest Forum 	<ul style="list-style-type: none"> • Ecosystem Services for Poverty Alleviation (U.K.) • Austrian Development Agency 	To contribute to sustainable development through strengthening institutional capacities to implement Yayu Coffee Forest Biosphere Reserve management plans and support efforts to improve livelihoods of the local community	Support to development and implementation of coffee forest management plan, conducting research, institutional development and strengthening of coffee forest cooperatives, capacity development to local GoE officials and communities, training and awareness raising on biodiversity in general, and conservation of coffee genetic resources in particular. The project works	US\$0.76 million through 2016	Existing activities <ul style="list-style-type: none"> • Coffee forest and coffee biodiversity conservation • Development and support of forest coffee producers' cooperatives • Promoting PFM • Woreda and community training in forest coffee gene and forest resources preservation 	<ul style="list-style-type: none"> • PFM helps protect forests and biodiversity, increase forest cover, reduced deforestation and degradation, and enhance livelihoods • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, alternative energy use, and so on) • Safeguards training to

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					in 6 woredas and 30 kebeles.			woredas
19	PFM in or adjacent to areas of the SLMP in Ethiopia <i>(under implementation)</i>	<ul style="list-style-type: none"> • BoA • OFWE 	GIZ	To pilot the implementation of PFM in and adjacent to critical watersheds under the national SLMP	Area mapping; introduction of participatory inventory methods for biomass inventory and species distribution; advise on organizational structure and administration of CBOs; advise on structure and function of benefit-sharing systems; capacity development for the GoE's personnel on sustainable forest management; capacity development for communities in	Approximately US\$0.57 million through 2019 for Oromia	<p>Existing activities</p> <ul style="list-style-type: none"> • PFM • Promoting forest cooperatives establishment for NTFP marketing • Woreda and community training in sustainable forest management <p>Potential activities</p> <ul style="list-style-type: none"> • A/R 	<ul style="list-style-type: none"> • PFM and A/R help protect forests; increase forest cover; reduced deforestation and degradation; and enhance livelihoods • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, alternative energy use, and so on) • Safeguards training to

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					sustainable forest management and advise on participatory forest utilization with focus on NTFP production and marketing. The project covers one woreda and five kebeles in Oromia.			woredas
20	Business Solution to Poverty Coffee Initiative Project II <i>(under implementation)</i>	<ul style="list-style-type: none"> • OFWE • Oromia BoA 	<ul style="list-style-type: none"> • Techno Serve • Bill and Melinda Gates Foundation • Other donors 	To improve farmers' knowledge on agronomy and business practices, enhance availability of right agro-inputs, promote coffee production to wet mills, increase efficiency of wet mills through improved business management, develop local	Establish a farmer training program, known as 'Farm College', that educates smallholder coffee farmers on sustainable agronomic practices to increase their yields; assist farmer cooperatives in establishing or upgrading low-cost rural coffee processing	US\$9 million (for two regions, Oromia and SNNPR) through 2015 Budget estimate for Oromia: US\$5 million	Existing activities <ul style="list-style-type: none"> • Improved and sustainable agronomic practices to increase yield of smallholder coffee farmers • Assist coffee producers' cooperatives to upgrade coffee processing to wet mills to enhance coffee quality and increase their income • Training to woreda and smallholder coffee producers to improve coffee production and 	<ul style="list-style-type: none"> • PFM and A/R help protect forests; increase forest cover; reduced deforestation and degradation; and enhance livelihoods • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
				banks' capacity to provide wet mill financing, and promote an enabling environment for the growth of Ethiopian specialty coffee sector	stations, known as wet mills, and provide them with business support to improve coffee quality; strengthen the overall value chain to enhance the global competitiveness of specialty coffee. The project works in 20 woredas and 80 kebeles in Oromia.		processing Potential activities <ul style="list-style-type: none"> • PFM • A/R • Low carbon, resilient coffee production 	woreda experts and the DAs on various issues (ILUP, PFM, A/R, alternative energy use, and so on) <ul style="list-style-type: none"> • Safeguards training to woredas
21	Sustainable Development of Protected Area System in Ethiopia <i>(under implementation)</i>	EWCA	<ul style="list-style-type: none"> • GEF/UNDP through GIZ • Parks Africa • Netherlands (Bilateral) • Frankfurt Zoological Society • Others 	To support the government in effectively safeguarding Ethiopia's biodiversity, ecosystems, and ecological processes from human-induced pressures	Review and update existing wildlife policy and strategy; develop wildlife marketing strategy; establish management effectiveness tracking tool for protected areas; legally	US\$26.7 million through 2016 Budget estimate for all protected areas in Oromia: US\$12 million	Existing activities <ul style="list-style-type: none"> • Biodiversity conservation including forest • PFM • Promoting ecotourism and community livelihood support • Local employment 	<ul style="list-style-type: none"> • PFM and A/R help protect forests, increase forest cover, reduced deforestation and degradation, and enhance livelihoods • Support to woredas in coordinating activities within the landscape to

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					gazetted protected areas prepare management plan for gazetted protected areas; develop knowledge products (Economic and Business Study, Gap Analysis, Carbon Study, Study on Abijata-Shalla Lakes National Park, Assessment of Factors Driving Environmental Change for Management Decision Making, and Analysis of Hunting Industry) and mapping of protected areas (Overview map of Ethiopia, maps of Gambella, Awash, and			help manage trade-offs and optimize benefits <ul style="list-style-type: none"> • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, and so on) • Safeguards training to woredas

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					NechSar). The project works in protected areas within Oromia.			
22	Initiative for Sustainable Landscapes (ISLA), Central Rift Valley, Ethiopia <i>(under implementation)</i>	<ul style="list-style-type: none"> • BoA • Oromia BoWME • Oromia BoRLEP • ISLA 	The Sustainable Trade Initiative of Netherlands	To establish public-private partnership for joint landscape investment plan for addressing water and land-use challenges in and around Lake Ziway	Land and water management at the landscape level by forming a stakeholders' coalition and also ISLA co-funding alongside the stakeholders, interventions that will have tangible impacts in the Central Rift Valley that can later become scalable in a wider landscape context. The project works in four woredas in Oromia.	Approximately US\$2.3 million through 2018	<p>Existing activities</p> <ul style="list-style-type: none"> • Sustainable land and water resource management at the landscape level • Leveraging the private sector (flower farms and fruit and vegetable producers in the Rift Valley) for landscape-level better land and water resource use • Community training in improved land use and land restoration <p>Potential activities</p> <ul style="list-style-type: none"> • A/R • CSA 	<ul style="list-style-type: none"> • PFM and A/R help protect forests, increase forest cover, reduced deforestation and degradation, and enhance livelihoods • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, and so on) • Safeguards training to woredas

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
23	<p>Conservation of Biodiversity and Ecosystems Functions and Improved Well-being of Highland and Lowland Communities within the Bale Mountains Eco-regional RED+ Project</p> <p><i>(under implementation)</i></p>	<ul style="list-style-type: none"> • Consortium of NGOs led by Farm Africa • OFWE • MEFCC • International Water Management Institute • EWCA 	<ul style="list-style-type: none"> • European Union • Norwegian government 	To conserve biodiversity in Bale Mountains Eco-Region and increase resilience and well-being of highland/lowland communities	Capacity building of communities and government institutions through training, exchange visit, material support, and mentoring; strengthening existing PFM; piloting participatory land-use planning and IWSM, introducing CSA; integration of community into ecotourism industry; introducing sustainable energy initiatives and creation of market linkage and business management. The project covers seven	Approximately US\$5.7 million through 2017	<p>Existing activities</p> <ul style="list-style-type: none"> • PFM • Participatory LUP • Ecotourism and livelihood activities • CSA • Alternative energy technology promotion • Training to woreda and community in sustainable forest management, participatory LUP, and CSA <p>Potential activities</p> <ul style="list-style-type: none"> • A/R • More PFM • Scale up IWSM as it is already being done all over Ethiopia and Oromia at a scale financed by the SLMP and PSNP, so proven models exist (also financed by Norway) 	<ul style="list-style-type: none"> • PFM and A/R help protect forests, increase forest cover, reduce deforestation and degradation, and enhance livelihoods • Support to woredas in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, and so on) • Safeguards training to woredas

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					woredas in Oromia (Bale).			
24	Market Development for Renewable Energy and Energy-efficient Products (Credit Line) <i>(under implementation)</i>	<ul style="list-style-type: none"> MoWIE The Development Bank of Ethiopia 	<ul style="list-style-type: none"> World Bank IFC 	To promote off-grid renewable energy including solar and biogas, and energy-efficient technologies (ICs and others) through policy support and credit facilities	Facilitate expansion of access to electricity in rural off-grid areas; provide TA for the private sector to involve in energy production and distribution; promote renewable and energy-efficient sources to potential customers; assist project promoters on energy policy issues; establish technical standard to be	US\$20 million through 2018 Approximately US\$2.9 million is available through Oromia-based microfinance institutions Additional fund of US\$20 million pledged by the Bank	Existing activities <ul style="list-style-type: none"> Promoting alternative energy sources to fuelwood and charcoal Private sector involvement in renewable energy and energy-efficient technology production and marketing Funding to private sectors supporting its involvement in production and marketing of alternative energy sources and energy-efficient technology Educating local communities in technology use Credit to microfinance institutions to support renewable 	<ul style="list-style-type: none"> Support woredas in coordinating alternative energy technology promotion activities Training of zonal and woreda energy officers in alternative energy use Safeguards training to woredas

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					<p>met for renewable energy and energy-efficient products; conduct periodic reviews of the technical performance of renewable energy and energy-efficient products; provide credit facility to microfinance institutions (Wholesale Part); provide credit facility to private sector enterprises (Retail Part); and conduct periodic reviews of the financial performances of renewable energy and energy-</p>		<p>energy and energy-efficient technology use</p>	

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
					efficient products.			
25	National REDD+ Readiness Project <i>(under implementation)</i>	Ministry of Environment, Forest and Climate Change (MEFCC)	<ul style="list-style-type: none"> World Bank (FCPF) Other multiple donors 	To ensure sustainable management of forests for reduced carbon emissions, carbon stock enhancement, and other co-benefits; effective legal and institutional setup for the implementation of REDD+ programs, projects, and activities; REDD+ projects deliver socioeconomic benefits and contribute to livelihood improvement; enhance the capability of forest managers and support groups to successfully and equitably	Establish REDD+ management arrangement (REDD+ Steering Committee, REDD Technical Working Group, and REDD regional institutions); conduct REDD consultation and participation and stakeholders engagement; develop National REDD+ Strategy; conduct the SESA; develop forest RL and MRV mechanism, and pilot test REDD+ systems on the ground.	US\$13.6 million through 2017 Oromia REDD+ pilot has been provided US\$1 million	Existing activities <ul style="list-style-type: none"> Development of national REL/MRV guiding instruments for national Oromia REDD+ Program Preparation of the SESA/ESMF, RPF, and PF as the right instruments focusing on the OFLP Development of National REDD+ Strategy as an umbrella guidance document for national-level forest investment and carbon finance operation Continued technical support and institutional strengthening to the regional REDD+ pilot including the Oromia REDD+ Program Design implementation arrangement and 	<ul style="list-style-type: none"> On-ground testing of the National REDD+ strategy and REDD+ systems (MRV/REL, safeguards, and so on) enhancing REDD+ development at the national level Establishing the first carbon finance transaction in the country, thus paving the way for further carbon financing Investment on the ground to enhance forest cover and carbon stock and to attain first verified ER from deforestation and forest degradation

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
				implement REDD+ strategies			institutional coordination for REDD+ in Ethiopia Potential activities <ul style="list-style-type: none"> • More forest investment on the ground and mobilization of more resources for forest investment through carbon finance • Involvement of the private sector in forest investment and carbon finance 	(REDD+) <ul style="list-style-type: none"> • Leveraging existing projects/initiatives for a coordinated on-ground investment and effective use of resources • Paving the way on policy and institutional coordination for REDD+ implementation in Ethiopia

No.	Initiative	Implementing Agency	Development Partners	Objective	Activities	Budget and Time Frame	Initiative Contribution to OFLP Objectives	OFLP Contribution to Initiative Objectives
26	Water stress reduction in the Dabena catchment area through a public-private partnership (Bedele Woreda, Oromia) <i>(Under preparation)</i>	<ul style="list-style-type: none"> • Bedele Woreda Administration • Bedele Brewery (Heineken) 	<ul style="list-style-type: none"> • Heineken Brewery • United Nations Industrial Development Organization 	To reduce water stress and avoid water shortages through participatory watershed management interventions in the Dabena watershed of Bedele Woreda	Sustainable forest management, A/R, local-level LUP, participatory IWSM, water conservation, ANR, livelihood support, awareness raising, and training; and reuse of the brewery's wastewater	n.a.	Potential activities <ul style="list-style-type: none"> • Sustainable forest management/PFM enhancing forest protection and forest area coverage • A/R increasing forest coverage and reducing pressure on natural forest resources • IWSM and local-level LUP contributing to more coordinated interventions at the watershed level • Enhancing public-private partnership in integrated natural resources management • Improving livelihoods and local income through employment generation 	<ul style="list-style-type: none"> • PFM and A/R help protect forests, increase forest cover, reduced deforestation and degradation, and enhance water availability • Supporting in coordinating activities within the landscape to help manage trade-offs and optimize benefits • Training and knowledge development for woreda experts and the DAs on various issues (ILUP, PFM, A/R, and so on) • Safeguards training to woredas

Annex 4: Deforestation Hotspot Woredas prioritized intervention

S/n	Name of Zone	S/n Name of Woreda s		
1	Guji	1	Bore	
		2	Ana sora	
		3	Uraga	
		4	Adola	
		5	Odo Shakiso	
		6	Dugda Dawa	
		7	Girja	
		8	Wadera	
2	Borena	1	Arero	
3	West-Guji	1	Ambala Wamana	
		2	Birbirsa kojowa	
		3	Karacha	
		4	Surro	
		5	Bule Hora	
*4	Iluababora	1	Bure	
		2	Ale	
		3	Halu	
		4	Becho	
		5	Didu	
		6	Metu	
		7	Darimu	
		8	Alge Sachi	
5	Bunno Bedele	1	Bedele Zuria	
		2	Gechi	
		3	Chewaka	

		4	Chora	
		5	Dedesa	
6	K/Wollega	1	Anfilo	
		2	Sayo	
		3	Yamalogi Welel	
		4	Gawo Kebe	
		5	Jimma Horo	
		6	Gidami	
		7	Lalo qele	
		8	Hawa Galan	
		9	Dale Wobera	
		10	Dalesadi	
7	West Wollega	1	Nejo	
		2	Nolekaba	
		3	Sayonole	
		4	Boji Dermejji	
		5	Manesibu	
		6	Guliso	
		7	Kiltu Kara	
		8	Lalo Asabe	
		9	Jarso	
		10	Boji Chekorsa	
		11	Yubdo	
		12	Ayira	
Total Woredas		49		

Annex 5: Program Management Unit Staff ToRS

I. ORCU Staff

1. Program Coordinator (PC)

Objective

The objective of the position is to ensure timely, effective and efficient program management. Under the supervision of the OEFCCA Director General, the Program Coordinator (PC) will be the key focal point for the program. The PC will liaise and coordinate with the SC and concerned Bureaus, partners, NGOs, etc. as needed for the successful implementation of the Program.

Specific responsibilities

The Program Manager will:

- Report to the Vice President of the Oromia Regional State;
- Be responsible for overall management, financial management, procurement, auditing and M&E of the program through regular communication with the executing entities and consultants through daily communication and field visits;
- Coordinates and manages OFLP across Oromia Region;
- Leads OFLP implementation through coordination of activities of relevant sector bureaus and initiatives/programs having objectives similar to OFLP by bringing them all into a common programmatic platform;
- Acts as secretariat for the REDD+ Steering Committee and chairs the Oromia REDD+ TWG and ensures representation of all relevant sectors and initiatives operating in the region;
- Supervises the development and implementation of the OFLP annual work plan and budget;
- Manages and coordinates OFLP implementation and team under direct supervision on a day-to-day basis and ensures that all safeguards, procurement, and financial management procedures are efficiently and effectively applied;
- Participates in regional level planning processes and ensures that OFLP objectives and activities are fully integrated;
- Liaises with key national decision-making bodies such as , National REDD+ Secretariat, MoFEC , National Planning Commission, and other relevant sector ministries, on forest and land-use issues for better coordination of activities, use of financial resources, and technical and policy support for scaling-up action to reduce deforestation and forest degradation thus improving overall use of land and natural resources;
- Leads the development and implementation of the enabling environment for ER payments including: Benefit Sharing Mechanism, MRV/REL (requiring liaison with national level MRV/REL Unit), safeguards (including grievance redress mechanism), and other requirements as appropriate; and
- Coordinates OFLP M&E, procurement and financial management.

Reporting Requirements

The Program Coordinator will report directly to the Director General of OEFCCA. The PC will also communicate with the SC and the World Bank Task Team Leader as and when needed to ensure timely project progress, smooth flow of funds, proper procurement and financial management of Mobilization grant, adequate safeguards implementation, collaboration with relevant ongoing projects in Oromia and elsewhere and more. Project progress will be reported in bi-annual reports, or as indicated in the mobilization grant agreement, as well as any reports requested by the Vice President of Oromia and the SC.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The PC will work on a full-time basis at the OEFCCA headquarters in Addis Ababa, and will be supported by key personnel of ORCU.

Qualifications

- Master's degree or equivalent in forestry, natural resources, Environmental economics, environmental science
- Experience in environmental policy, international development, organizational development;
- A minimum of ten years of professional or equivalent experience in development, and project/program management.
- Experience in policy support and/or project implementation in Ethiopia, particularly in Oromia.
- Proven ability to plan, organize and effectively implement activities.
- Experience in coordination and ability to work in teams, as well as in complex environments.
- Good communications skills, including fluency in English, Amharic and Oromifa.
- Understanding of government functioning.
- Experience in dialogue processes between Government and civil society, and on consensus building.
- Knowledge of REDD+ and climate change is an asset.

2. Forest Resource Specialist (FRS)

Objective

The objective of this position will be to plan and follow-up execution of OFLP activities related to forest development, conservation and sustainable forest management. Under the guidance and oversight of the Oromia REDD+ Coordinator, the FRS will coordinate forest sector investment activities in close coordination with OEFCCA's relevant regional, zonal and woreda level staffs.

Specific responsibilities

The Forest Resource Specialist will:

- Maintain close working relationships and help coordinate with GoE's sectors and other related initiatives/projects that affect or are affected by forest sector activities;
- Supervises and provides technical support to sectors and projects by ensuring that technically sound and harmonized on-the-ground forest investment activities are being applied across sectors and projects;
- Leads the preparation of technical manuals and guidelines for promoting forest investment activities (A/R, ANR, PFM, etc.); and provides training on their use;
- Supervises and provides technical support to OFLP Lead Facilitators and OFLP Woreda Coordinators regarding forest investments in their respective working areas;
- Participates in policy development and economic analyses activities; and Assists on forest resource monitoring, MRV, M&E, and other related OFLP activities, as needed

Reporting Requirements

The Forest Resource Specialist will report directly to the Oromia REDD+ Coordinator and will liaise and coordinate with ORCU staff and all OEFCCA zonal offices. The reports required/expected from the FRS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The FRS will work on a full-time basis at the OEFCCA headquarters in Addis Ababa, and will be supported by key personnel of ORCU.

Qualifications

- At least Bachelor degree in the fields of Forestry, Silviculture, Ecology, Environmental Sciences, or related fields;
- Experience of at least ten years in the field of forest development, forest conservation, forest utilization and Participatory Forest Management;
- Experience with communications in the development context;
- Experience in forestry project implementation is an important asset;
- Knowledge of national and regional forest policies, and REDD+ is an asset;
- Good communication skills, including fluency in English, Amharic and Afaan Oromoo (ability to write and speak in Afaan Oromoo will be mandatory)

3. Environmental Safeguards Specialist (ESS)

Objective

The Environmental Safeguards Specialist will ensure that the environment safeguards instruments prepared for OFLP are effectively and efficiently implemented and monitored across the Oromia Regional State. The ESS will work under the guidance of and over sight of Oromia REDD+

Coordinator and will closely work with the National REDD+ Environment Safeguards Specialist, ORCU's Social Safeguards Specialist, OFLP's Safeguards Coordinators, OFLP's Lead Facilitators and OFLP's Woreda Coordinators.

Specific responsibilities

The Environmental Safeguards Specialist will:

- Co-lead (with the Social Safeguards Specialist) the implementation of the safeguards sub-component activities financed by the OFLP grant;
- Follow up on and ensures the establishment/strengthening of functional OFLP environment safeguards systems across the State;
- Ensure the integration of Environmental issues into OFLP and other REDD+ relevant initiatives;
- Provides technical support on environmental safeguards capacity building, implementation, monitoring, communication and documentation;
- Monitors environmental safeguards compliance and outcomes during OFLP implementation; and;
- Prepares and submits regular reports on environmental safeguards to Oromia REDD+ Coordinator.

Reporting Requirements

The Environmental Safeguards Specialist (ESS) will report to the Oromia REDD+ Coordinator. The reports required/expected from the FRS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The ESS will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- At least Bachelor Degree in the fields of Forestry, Ecology, Environmental Sciences, or related fields
- Experience of at least ten years in the field of environmental impact assessment, forest conservation or other development projects
- Experience with communication in the development context;
- Experience in environmental impact evaluation is an important asset;
- Knowledge of safeguard policies, and REDD+ is an asset;
- Knowledge of English, Amharic and Afan Oromo

4. Social Safeguards Specialist (SSS)

Objective

The Social Safeguards Specialist (SSS) will ensure that the environment safeguards instruments prepared for OFLP are effectively and efficiently implemented and monitored across the Oromia

Regional State. The SSS will work under the guidance of and over sight of Oromia REDD+ Coordinator and will closely work with the National REDD+ Environment Safeguards Specialist, ORCU's Social Safeguards Specialist, OFLP Safeguards Coordinators, and OFLP Lead Facilitators.

Specific responsibilities

The Environmental Safeguards Specialist will:

- Co-lead (with the Environmental Safeguards Specialist) the implementation of the safeguards sub-component activities financed by the OFLP grant;
- Follow up on and ensures the establishment/strengthening of functional OFLP environment safeguards systems across the State;
- Ensure the integration of Social issues into OFLP and other REDD+ relevant initiatives;
- Provides technical support on environmental safeguards capacity building, implementation, monitoring, communication and documentation;
- Monitors social safeguards compliance and outcomes during OFLP implementation; and
- Prepares and submits regular reports on environmental safeguards to Oromia REDD+ Coordinator.

Reporting Requirements

The Social Safeguards Specialist (SSS) will report to the Oromia REDD+ Coordinator. The reports required/expected from the FRS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The ESS will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- At least Bachelor Degree in the fields of sociology, anthropology, economics, rural development, forests, communication, or related fields;
- Experience of at least ten years in the field of monitoring and evaluation of community development projects;
- Experience with communication in the development context;
- Experience in environmental and social impact evaluation is an important asset;
- Knowledge of safeguard policies, and REDD+ is an asset;
- Knowledge of English, Amharic and Oromifa.

5. Institutional and Policy Specialist (IPS)

Objective

The Policy and Institutional Specialist (IPS) will supervise and facilitate the development and implementation of activities in the OFLP annual work program and budget on policy analysis, development, and harmonization to advance successful forest investment in the Regional State of Oromia.

Specific responsibilities

The Institutional and Policy Specialist will:

- Advise on forest-related policy development activities outside the OFLP work program;
- Leads the institutional coordination tasks under OFLP operation by analyzing institutional mandates and linkages of implementing government bodies and proposes best options for institutional coordination for OFLP implementation at regional, zonal and woreda levels;
- Leads development and strengthening of new institutions, as required by OFLP, including community institutions, cooperatives, user groups, etc.; and
- Liaises with higher regional and national policy and decision making bodies as appropriate thus seeking strong political and administrative support towards smooth implementation of OFLP.

Reporting Requirements

The Institutional and Policy Specialist (IPS) will report to the Oromia REDD+ Coordinator. The reports required/expected from the FRS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The IPS will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- Masters Degree in Law, Environmental Law, Economics, Forest Policy, Forest Economics, Forestry, or other similar and relevant discipline;
- A minimum of ten years of work experience in the natural resource management sector;
- Knowledge of Ethiopian and Oromia regulation related to natural resources;
- Knowledge and experience on REDD+ topics, climate change mitigation and adaptation strategies, forest management and natural resource management/environmental sector policy;
- Excellent written and spoken communication skills in English and Amharic (ability to write and speak in Oromifa will be an advantage);

6. MRV Specialist (MRVS)

Objective

The MRV Specialist (MRVS) will supervise the development and implementation of activities in the OFLP annual work program and budget on forest MRV, and more generally on monitoring and information management for forest and land-use in the Regional State of Oromia.

Specific responsibilities

The MRV Specialist will:

- Advises on related monitoring activities outside the OFLP work plan;
- Leads forest resources inventory, monitoring and MRV activities across Oromia;
- Coordinates with other initiatives/projects operating in Oromia ensuring harmonized methodological framework of measurement is adopted across the board (carbon stock and emissions reduction);
- Leads the establishment of forest Management Information System (MIS) and development of associated soft and hardware capacities within ORCU;
- Establishes appropriate forest resource assessment, monitoring and MRV system within ORCU;
- Checks all data and results in order to confirm that these are in accordance to the standards defined in the MRV modalities, these requiring technical level reviews including checking geographical data or biometric data from biomass surveys;
- Reports all the data to the National MRV unit;
- Reviews Activity data (AD) and Emission factor (EM) data sets provided by the National MRV unit and calculates program GHG emissions and emissions reductions including associated uncertainties;
- Reports to the National MRV unit for quality check; and
- Provides technical support to Lead Facilitators and Woreda Coordinators particularly on forest resources assessment, monitoring and reporting requirements.

Reporting Requirements

The MRV Specialist will report to the Oromia REDD+ Coordinator. The reports required/expected from the MRVS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The MRVS will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- Minimum of Bachelor degree in the fields of Remote Sensing (RS) and GIS, Forest Resource Inventory, geography, environmental/natural sciences or related fields;
- Solid knowledge and experience on natural resource inventory theory and methodologies, forest monitoring;

- At least ten years work experience in the area of forest and resource inventories
- Familiar with GIS and Remote Sensing applications;
- Strong quantitative and qualitative analytical skills;
- Proficient computer skills, in particular MS Excel and Access;
- High attention to detail and timeliness, particularly in the collection, organisation and analysis of information;
- Resourceful, creative, and highly adaptive to new work environments;
- Knowledge REDD+ is an asset;
- Knowledge of English, Amharic and Oromifa.

7. Assistant to MRV Specialist (AMRVS)

Objective

The Assistant to the MRV Specialist (MRVS) will assist the development and implementation of activities in the OFLP annual work program and budget on forest MRV, and more generally on monitoring and information management for forest and land-use in the Regional State of Oromia.

Specific responsibilities

The Assistant to the MRV Specialist will:

- Support forest resources inventory, monitoring and MRV activities across Oromia;
- Help in coordinating OFLP activities with other initiatives/projects operating in Oromia by ensuring that a harmonized methodological framework of measurement is adopted across the board (carbon stock and emissions reduction);
- Assist in the establishment of a forest Management Information System (MIS) and development of associated soft and hard ware capacities within ORCU;
- Compile all primary and secondary data and results generated at project/intervention levels;
- Check all data and results in order to confirm that these are in accordance to the standards defined in the MRV modalities, these requiring technical level reviews including checking geographical data or biometric data from biomass surveys;
- Assist in reporting all the data to the National MRV unit;
- Help in reviewing Activity Data (AD) and Emission Factor (EM) data sets provided by the National MRV unit and assists in calculating program level GHG emissions and emissions reductions including associated uncertainties; and
Liaises with OFLP Lead Facilitators and OFLP Woreda Coordinators particularly on forest resources assessment, monitoring and reporting requirements.

Reporting Requirements

The Assistant to the MRV Specialist (AMRVS) will work under the guidance of the MRV Specialist. The reports required/expected from the AMRVS will be in both soft and hard copies and shall be submitted to the MRV Specialist.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The AMRVS will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- Minum of Bachelor Degree in the fields of Remote Sensing (RS) and GIS, Forest Resource Inventory, geography, environmental/natural sciences or related fields;
- Solid knowledge and experience on natural resource inventory theory and methodologies, forest monitoring;
- At least six years work experience in the area of forest and resource inventories
- Familiar with GPS, GIS and Remote Sensing applications;
- Strong quantitative and qualitative analytical skills;
- Proficient computer skills, in particular MS Excel and Access;
- Resourceful, creative, and highly adaptive to new work environments;
- Knowledge of REDD+ is an asset;
- Knowledge of English, Amharic and Oromifa.

8. Communication Specialist (CS)

Objective

The Communication Specialist (CS) will supervise the development and implementation of activities in the OFLP annual work program and budget on communication, and more generally on monitoring and information management for forest and land-use.

Specific responsibilities

The Communication Specialist will:

- Advise on related monitoring activities outside the OFLP work plan;
- Lead communication research work to help develop OFLP's communication strategy and needs;
- Coordinate development of communication strategy for OFLP;
- Develop and coordinate implementation of capacity building programs to equip ORCU technical staff including OFLP Lead Facilitators, OFLP Safeguards Coordinators and OFLP Woreda Coordinators on strategic communication methods and tools;
- Lead the development of outreach programs for OFLP by involving local media outlets, journalists and others means, as needed;
- Organize and conducts periodic advocacy activities for OFLP through community workshops and consultations;
- Lead the preparation and dissemination of OFLP newsletters; and

- Lead the development of behavioral change programs targeting deforestation hotspot areas and coordinate consultation programs on proper applications of safeguards, BSM and grievance redress mechanism in OFLP Woredas.

Reporting Requirements

The Communication Specialist (CS) will work under the guidance of the Oromia REDD+ Program Coordinator. The reports required/expected from the CS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The CS will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- Minimum of Bachelor degree in the field of communication, journalism, public relations, social sciences, or other similar and relevant discipline;
- A minimum of ten years of work experience in the planning and implementation of activities related to communication, public relations, social participation of grass roots organizations and non-governmental, and/or the process of dialogue between government and civil society;
- Excellent written and spoken communication skills in English and Amharic and Afan Oromo (ability to write and speak in Oromifa will be an advantage);
- Knowledge of tools and web services dedicated to collaborative editing, sharing and dissemination of information is an asset.

9. Monitoring and Evaluation (M&E) Specialist

Objective

The Monitoring and Evaluation (M&E) Specialist will compile OFLP progress report, and annual work plan and budget for review and approval by the Oromia REDD+ Steering Committee.

Specific responsibilities

The M&E Specialist will:

- Coordinate and supervise OFLP plans (technical and financial) at all levels of OFLP structures (regional, branch, zonal and woreda levels);
- Leads M&E by ensuring periodic and high-quality and consistent data compilation and consistent aggregation at all levels;
- Manage development of data collection methods and tools (survey tools);
- Prepare formats and enters monitoring data for eventual processing and tracking of OFLP progress;

- Facilitate capacity building trainings to OFLP staff on M&E, data collection and processing methods and use of monitoring tools;
- Liaise with sectors' M&E experts, officials of other initiatives/projects for adoption and use of unified M&E results framework (monitoring indicators, data collection and processing system);
- Compile and submit periodic M&E reports; and
- Assist in the preparation of periodic World Bank Group implementation support missions with M&E focus.

Reporting Requirements

The M&E Specialist will report to the Oromia REDD+ Program Coordinator. The reports required/expected from the FRS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The CS will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- A minimum of Bachelor degree in economics, agricultural economics, sociology or socio-economics & relevant fields from recognized university. Relevant MSc degree is an advantage.
- A minimum of ten years' experience of working in the field of M&E.
- Sound knowledge of participatory M&E approaches and techniques.
- Fluency in written and spoken English, Afan Oromo Excellent written and spoken communication skills in English and Amharic (ability to write and speak in Oromifa will be an advantage);
- Sound knowledge in the development of result/performance based indicators.
- Experience in developing and managing M&E systems.
- Good computer skills both for entering and analyzing the data in the standard M&E systems.
- Experience in projects financed by external donors is an advantage.
- Knowledge and experience on REDD+ topics, climate change mitigation and adaptation strategies, forest management and natural resource management

10. Private Sector Development Specialist

Objective

The Private Sector Development Specialist will lead public-private partnership discussions to promote private sector investments in the forest sector.

Specific responsibilities

The Private Sector Development Specialist will:

- Liaise with relevant national and regional bodies [MEF, Agricultural Investment Land Administration Agency (AILAA), Rural Land Administration and Use Directorate (RLAUD), Ethiopian Investment Commission, Oromia Bureau of Rural Land and Environmental Protection, Oromia Investment Agency, and others agencies as needed] to promote private forest investments;
- Coordinate preparation of policy documents, strategies and operational procedures for private sector engagement in the forest sector;
- Liaise regularly with domestic and international private sector and NGO actors to identify and capitalize on investment opportunities ensuring that these investment interests are in line with OFLP goals;
- Supervise private sector development activities in the OFLP annual work plan and budget; and
- Establish closer working relationship with zonal and woreda government relevant agencies and coordinates efforts of Lead Facilitators and Woreda Coordinators in promoting private sector investments in the forest sector.

Reporting Requirements

The Private Sector Development Specialist will report to the Oromia REDD+ Program Coordinator. The reports required/expected from the FRS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The Private Sector Development Specialist will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- A minimum of first degree in Business Administration, economics, Agricultural Economics, Finance, Cooperative Management & relevant fields from recognized university. Relevant MSc degree is an advantage.
- At least ten years of experience with private sector development and facilitation of public-private partnerships, preferably in the international development context;
- At least five years of experience in working as part of a donor-funded project to facilitate partnerships with the private and public sector stakeholders;
- Fluency in written and spoken English, Afan Oromo Excellent written and spoken communication skills in English and Amharic (ability to write and speak in Afan Oromo will be an advantage);
- Experience in projects financed by external donors is an advantage.
- Knowledge and experience on REDD+ topics, climate change mitigation and adaptation strategies, forest management and natural resource management is an advantage.

11. Procurement Specialist

Objective

The Procurement Specialist in consultation with respective specialists of ORCU and implementing sectors, identifies OFLP procurement needs and prepares a comprehensive procurement plan (PP) for OFLP.

Specific responsibilities

The Procurement Specialist will:

- Understand all program procurement documents including the guidelines, the program implementation manual (PIM), program appraisal document (PAD) and standard bidding documents (BDs), request for proposals (RFPs) and other relevant templates and applies it in processing procurements;
- Lead and implement all procurement activities for the OFLP grant following WB and GoE's procurement procedures;
- Track the implementation of the PP, updates program PP as needed, and prepares regular procurement activities progress report with recommendations for corrective action to keep implementation on track;
- Organize procurement management training programs in collaboration with WB Procurement Team;
- Make sure that procurement at all levels of the Program is consistent with the financial Agreement made between GoE and the WB; and
- Keep records of all procurement activities under the OFLP grant for post procurement review and audit.

Reporting Requirements

The Procurement Specialist will report to the Oromia REDD+ Program Coordinator. The reports required/expected from the PS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The Procurement Specialist will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- Minimum of Bachelor degree or equivalent of an advanced degree with a major in a relevant discipline (e.g. Engineering, Law, Procurement, Finance, Business or Commerce);
- A minimum of ten years of direct relevant experience in public procurement, including broad expertise in the management of procurement in the public and/or private sector;

- A minimum of 5 years of direct relevant experience in the procurement management of World Bank financed programs;
- State-of-the-art knowledge of the concepts, principles and practices which govern international procurement, the contracting of consultant services, the development of public procurement policies, among others;
- Seasoned knowledge of all major facets of Bank operations and procurement policies and practices as applied across a range of Bank lending operations at all phases of the program cycle, and ability to address broader issues at sector/country level;
- Proven analytical and evaluative skills, including the ability to independently provide well-researched analyses on key procurement issues and problems;
- Knowledge of country conditions generally and of procurement-related legislation, systems and practices;
- Good understanding of critical linkages and relationships among clients' business drivers, business operations and objectives and Procurement processes;
- Ability to promote client commitment to ensuring implementation and longer-term sustainability of programs/programs;
- General knowledge of training methods is an asset;
- Strong communication skills and persuasiveness in presenting, negotiating and resolving highly complex issues, both orally and in writing in English (ability to write and speak in Afaan Oromoo will be mandatory);
- Strong interpersonal skills and orientation as a team member.

12. Financial Management Specialist (FMS)

Objective

The Financial Management Specialist (FMS) will plan and execute all activities related to financial management of the OFLP as per the financial standards and procedures of the Government and the World Bank (WB)/International Development Association (IDA). The FMS will be responsible for the overall management financial transactions of OFLP.

Specific responsibilities

The Financial Management Specialist will:

- Lead proper management of accounting records and financial transactions in line with the standards and formats accepted by GoE and WB;
- Ensure that the financial resource allocated under the OFLP grant is used properly for planned activities;
- Prepare and submit financial monitoring reports to Oromia REDD+ Coordinator, Oromia VP and MEF, also provides financial data for the preparation of progress reports;
- Lead preparation and submission of documentation of expenditure, bank reconciliation statements and any other supporting documents to account for the amount advanced;
- Maintain close working relationship with the OFLP Procurement Specialist and follows up on contracts signed with suppliers and consultants regarding payments;

- Manage and controls all disbursements to ensure effective OFLP implementation;
- Lead and prepare monthly and annual cash flow projections and monitors effective disbursement of funds;
- Liaise with OFLP external auditors to be recruited by OFLP for effective and efficient auditing of the accounts;
- Ensure proper control over all program assets and maintenance of proper systems and procedures; and
- Liaise with the Finance Directorate of MEFCC and OEFCCA to coordinate financial activities of OFLP.

Reporting Requirements

The Financial Management Specialist (FMS) will report to the Oromia REDD+ Program Coordinator. The reports required/expected from the FMS will be in both soft and hard copies and shall be submitted to the Program coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The Financial Management Specialist will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- At least Bachelor degree in accounting or relevant fields obtained from recognized university;
- A minimum practical experience of ten in financial management;
- Experience of working for projects financed by external donors;
- Knowledge of financial policies and procedures of the World Bank is an important asset;
- Knowledge of computerized financial management system;
- Knowledge of English, Amharic and Afan Oromo.

13. Secretary Cashier

Objective

The Secretary Cashier will provide all the secretarial, office management, cash handling and other related services to the ORCU. The Secretary Cashier will work closely with relevant directorates of OEFCCA and ORCU Staff.

Specific responsibilities

The Financial Management Specialist will:

- Handle tasks related to typing, photocopying, fax and e-mail;

- Manage of incoming/outgoing letters, e-mails and faxes, and files properly;
- Provide assistance in flight bookings & hotel reservation for the project and OEFCCA staff, and visitors/guests;
- Assist in scheduling and coordinating meetings, appointments and travel arrangements for project staff;
- Type all outgoing letters and correspondences and keep a proper filing reference. Handle all incoming and outgoing correspondences, file in a chronological order;
- Monitor and follow-up receipt and answering of letters;
- Facilitate & establish a proper and modern filing system;
- Maintain office records and reference files on various subjects for easy access and reference;
- Use the office computer and be responsible for all data base reports, manuals and care for the up keep of the apparatus;
- Handle and manage project's petty cash and other payments in a generally accepted standard norm;
- Coordinate maintenance of office equipment;
- Assist in maintaining and updating projects fixed asset recording and conduct periodical inventory when required;
- Perform any other relevant duties assigned by the OFLP key technical staff.

Reporting Requirements

The Secretary Cashier will report to the Oromia REDD+ Program Coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The Secretary Cashier will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- College diploma in Secretarial Science and Office Management with at least four years of relevant experience;
- Sound knowledge of Accounting is advantageous;
- Good communication skills, including fluency in English, Amharic and Afaan Oromoo (ability to write and speak in Afaan Oromoo will be mandatory).

14. Office Assistant

Objective

The Office Assistant will be provide general administrative support services and office management errands for the Oromia REDD+ Coordination Unit. The O will work closely with relevant directorates of OEFCCA and ORCU Staff.

Specific responsibilities

The Office Assistant will:

- Provide assistance in the office regarding photocopier and binding documents by ensuring safe keeping of original documents;
- Carry out office errands such as delivering documents to and between offices when called upon to do so;
- Carry out regular office cleaning operations;
- Assist in following up and facilitate payments for utilities such as land line and mobile telephones, internet, and other related matters;
- Assist the Secretary Cashier when required;
- Handle other related activities as required and as assigned by the project staff.

Reporting Requirements

The Office Assistant will report to the Secretary Cashier.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The office assistant will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- Grade 10/12 completed having prior relevant experience of at least two years;
- Ability to work methodically, with above average attention to detail;
- Pleasant and polite attitude at all times; ability to reflect the professional standards; Interest in and commitment to assist project staff;
- Good communication skills, including fluency in Amharic and Afan Oromo (ability to write and speak in Afan Oromo will be mandatory);
- Other relevant duties assigned by the project staff.

15. Driver (s)

Objective

The driver (s) will drive motor cars (4 wheel vehicle) to transport the program staff and also carries out errands. The driver (s) will make sure that transport service rendered timely/properly.

Specific responsibilities

The Office Assistant will:

- Check the vehicle at the start of each working day for oil, fuel and water and drives vehicle according to traffic regulations;
- Give driving service as scheduled and requested by the appropriate project staff;
- Perform miscellaneous errands, such as carrying mail to and from post office/related offices, distributing newsletters and others to concerned organisations;
- Whenever required complete Job Order (maintenance/service request) form;
- Get mechanic investigation/ parts requirement form completed by the Senior Mechanic;
- Request and provide required spare parts/other machine adjustments; make sure for the proper service/maintenance of the vehicle by checking with the mechanic;
- Return all used spare parts to the Store keeper while taking new spare parts;
- Keep and properly fills log books and at the end of the month give the original copy to the store keeper for further analysis and private vehicle use calculation;
- Keep the vehicle clean and tools properly. Give immediate notice to the Administration/ Program office verbally or by other means (within 24 hours) upon the occurrence of any accident or damage/loss;
- Make sure that vehicles (assigned to himself) are inspected in due time;
- Carry out related functions which may be assigned by the immediate supervisor.

Reporting Requirements

The driver (s) will report to the Oromia REDD+ Program Coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The driver (s) will work on a full-time basis at the OEFCCA headquarters in Addis Ababa.

Qualifications

- Grade 12/10 completed and possess 3rd grade Driving License with a minimum of four years driving experience;
- Knowledge of diesel and regular engine of different models, the normal process of inspection and maintenance & service, etc;
- Good communication skills, including fluency in English, Amharic and Afaan Oromoo (ability to write and speak in Afan Oromo will be mandatory);
- Knowledge of vehicle daily checks, rules of the road, Knowledge of health and safety familiarisation course is an advantage.

II. Local Level OFLP Staff (Zonal and Woreda)

1. Lead Facilitator (s)

Objective

The OFLP Lead Facilitator (s) will closely work with and coordinate activities of zonal sector offices (up to 7 zones on average) on OFLP implementation.

Specific responsibilities

The Lead Facilitator (s) will:

- Establish synergies between relevant OFLP related initiatives in the assigned zones and woredas implemented by sector offices, NGOs, the private sector;
- Provide technical and operational support, and supervises implementation of program activities in the program area;
- Provide technical and operational support to OFLP Woreda Coordinators and to OFLP Safeguards Coordinators;
- Compile and send periodic reports to ORCU on progress of Program activities; and
- Ensure that required leadership support is being provided to OFLP Woreda Coordinators by the respective sector office heads and that resources/inputs for the implementation of OFLP are provided in a timely manner.

Reporting Requirements

The Lead Facilitator (s) (LFs) will report directly to the Oromia REDD+ Program Coordinator. The reports required/expected from the Woreda Coordinator (s) will be in both soft and hard copies and shall be submitted to the Program Coordinator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The LFs will work on a full-time basis at the OEFCCA headquarters in Addis Ababa, and will be supported by key personnel of ORCU.

Qualifications

- Master's degree or equivalent in forestry, natural resources, environmental economics, environmental science;
- Experience in environmental policy, international development, organizational development;
- A minimum of ten years of professional or equivalent experience in development, and project/program management, especially at program coordinator or manager level.
- Experience in policy support and/or project implementation in Ethiopia, particularly in Oromia.
- Proven ability to plan, organize and effectively implement activities.
- Proven experience in coordination and ability to work in teams, as well as in complex environments.
- Good communications skills, including fluency in English, Amharic and Oromifa.
- Understanding of government functioning.

- Experience in dialogue processes between Government and civil society, and on consensus building.
- Knowledge of REDD+ and climate change is an asset.

2. Safeguards Coordinator (s)

Objective

The OFLP Safeguard (s) will closely works with respective OFLP Lead Facilitators, OFLP Woreda Coordinators and respective Zonal EIA experts.

Specific responsibilities

The OFLP Safeguards Coordinator (s) will:

- Establish/strengthen OFLP safeguards system (such as grievance redress mechanism, benefit sharing mechanism, consultation, participation and civic engagement, disclosure of relevant program information to program affected individuals and concerned stakeholders);
- Provide safeguards capacity building, including training and awareness;
- Provide technical support on safeguards implementation, monitoring and documentation to ensure that environmental and social safeguards are implemented as per the OFLP environmental and social safeguards instruments; and
- Provide regular reports to ORCU and Safeguards Specialists.

Reporting Requirements

The Safeguards Coordinator (s) will be accountable (reporting) to ORCU's Safeguards Specialists. The reports required/expected from the Safeguards Coordinators (s) will be in both soft and hard copies and shall be submitted to OFLP Safeguard Specialists based at ORCU.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The Safeguards Coordinator (s) will work on a full-time basis at OEFCCA Zonal office.

Qualifications

- At least Bachelor Degree in the fields of sociology, anthropology, economics, rural development, forestry, natural resources mangement, environmental science; or related fields;
- Experience of at least ten years in the field of environmental and social impact assessment, forest conservation or other development projects
- Experience of community engagement, community consultation and communication in the development context;

- Experience on environmental and social impact assessment, evaluation and identification of mitigation actions and development of environmental and social management plan will be an important asset;
- Knowledge of safeguards policies particularly those of the World Bank and the Government of Ethiopia will be an advantage and
- Good communication skills, including fluency in English, Amharic and Afaan Oromo (ability to write and speak in Afaan Oromoo is mandatory).
- Knowledge of REDD+ and climate change is an asset.

3. Woreda Coordinator (s)

Objective

The OFLP Woreda Coordinator (s) will closely work with and coordinate activities of Woreda sector offices (each Coordinator covering on average 7 Woredas) on OFLP implementation

Specific responsibilities

The OFLP Woreda Coordinator (s) will:

- Coordinates and establishes synergies between sector offices on OFLP activities and other OFLP related initiatives/projects existing in the assigned woredas;
- Facilitates overall planning, implementation and monitoring of OFLP activities in the assigned woredas;
- Ensures coordination and integration of activities: (i) directly financed by OFLP grants or other financing, (ii) activities financed by related initiatives and projects in the woredas that affect or are affected by forest and land-use resources (examples include PSNP, AGP, SLMP, LIFT, household energy, water resources projects, private sector initiatives, CRGE Facility financed activities, the government's on-going mass mobilization campaign and land-use planning activities, etc.);
- Works closely with respective woreda administrators, woreda government (sector) officials, woreda councils, woreda land-use planning teams, and other project teams existing in the assigned woredas to achieve OFLP objectives;
- Maintains close working relationship with the respective OFLP Lead Facilitators and OFLP Safeguards Coordinators by ensuring OFLP operational procedures and rules are strictly followed within assigned woredas;
- Coordinates regular OFLP reporting, engaging with OFLP actors, government officials, other program staff, and the OFLP M&E Specialist as needed;
- Ensures accurate M&E reporting is fully functional, timely and consistent at woreda level;
- Implements M&E data collection methods and tools (survey tools); and
- Compiles OFLP related information, work accomplishment records and reports to the respective OFLP Lead Facilitators.

Reporting Requirements

The Woreda Coordinator (s) will be accountable (reporting) to respective OFLP Lead Facilitator. The reports required/expected from the Woreda Coordinator (s) will be in both soft and hard copies and shall be submitted to the respective OFLP Lead Facilitator.

Duration and Logistics

The contract will be signed for a period of one year, with the option of annual extensions upon satisfactory performance over a period of five years. The Safeguards Coordinator (s) will work on a full-time basis at OEFCCA Zonal Office.

Qualifications

- Minimum of Bachelor Degree in the fields of Forestry, Environmental Sciences, NATural Resource Mangement, rural development or related fields
- A minimum of eight years or equivalent of professional experience in development, and project/program management;
- Extensive experience in the management of complex projects at at Zonal and/or woreda levels levels;
- Strong management skills including ability to provide strategic guidance and technical oversight;
- Proven written, analytical, presentation and reporting skills and demonstrated computing skills;
- Proven ability to plan, organize and effectively implement activities;
- Ability to coordinate and work in teams, as well as in complex environments;
- Good communication skills, including fluency in English, Amharic and Afan Oromo (ability to write and speak in Afaan Oromoo will be mandatory).
- Understanding of government functioning.
- Experience in dialogue processes between Government and civil society, and on consensus building.
- Knowledge of REDD+ and climate change is an asset.

4. Driver (s)

Please see the ToRs for Driver (s) elaborated at ORCU level.

Annex 6: Summary of PFM Processes

PFM Steps	Inputs and tools required	Main sub-tasks	Outputs	Time frame
Phase I. Mobilization Phase				
Step 1: Getting started	<ul style="list-style-type: none"> - Desk study, planning, logistics and budget - Federal/regional forest related policy/strategy documents - PFM brochure, case studies describing impacts of PFM - Training on PFM to focal persons and DAs - Map of the area - Historical forest condition trend analysis - Preparation of checklists and tools 	<ul style="list-style-type: none"> - Choosing forest site - Establishing PFM implementation team - Orient stakeholders - Meet and brief the kebele leadership - Meet and brief the kebele assembly/community members 	<ul style="list-style-type: none"> - Forest site selected and agreed, - Local administration and community group agreeing to participate in PFM process, - woreda and kebele level PFM facilitation team established and - awareness creation of the community. 	One Month
Step 2: Familiarization of PFM purposes and processes	<ul style="list-style-type: none"> - PFM training manuals and facilities - Tools: Stakeholder analysis using influence and importance matrix; gender analysis, (gender based forest use, roles, power, access to forest resources, issues restricting women's participation) 	<ul style="list-style-type: none"> - Identifying primary and secondary stakeholders and defining community groups - Identify forest uses, users and gender issues - Introductory PFM training to woreda level PFM facilitation team - Introductory PFM training to community level planning team 	<ul style="list-style-type: none"> - Identification of stakeholder groups (forest users and uses), - Establishment of Community Planning Team (PT), - Understanding of gender roles, - PFM training for PFM facilitation team and Training of the PT on PFM ideals 	One Month

PFM Steps	Inputs and tools required	Main sub-tasks	Outputs	Time frame
PHASE II: PFM PLANNING PHASE				
Step 3: Participatory Forest resource assessment & management planning	<ul style="list-style-type: none"> - Forest map, flipcharts, markers - GPS, meter, relascope, compass - PFRA guideline, PFRA template - Forest management plan template, benefit and revenue sharing options, rights and responsibilities of actors. 	<ul style="list-style-type: none"> - Participatory forest boundary mapping with blocks and sub-blocks - Conducting Participatory Forest Resource Assessment (PFRA) - PFM plan development - 	<ul style="list-style-type: none"> - Forest map produced with blocks where necessary, - PFRA carried out and summary report developed, - PFM plan finalized and approval by general assembly obtained. 	Three Months
Step 4: Organizing and legalizing community institution(s) & signing FMA	<ul style="list-style-type: none"> - Existence FMG and represented by planning team - List of options and their legal frameworks of community institutions, example of community bylaws and template for the same, legal documents for the CBOs, examples of community rights - Draft FMA template, benefit and revenue sharing options/arrangements 	<ul style="list-style-type: none"> - Awareness raising to community groups on CBO and legal provisions - Awareness raising and establishing forest Cooperatives - PFM agreement development 	-	One Month
Phase III: PFM Implantation Phase				

PFM Steps	Inputs and tools required	Main sub-tasks	Outputs	Time frame
Step 5: Capacity building and skill development for PFM plan implementation	<ul style="list-style-type: none"> - Technical and skill development trainings, record keeping and institutional management trainings - Forest-based livelihood development options - PFM plan and agreement document - Copy of forest legislation, etc. 	<ul style="list-style-type: none"> - Institutional capacity development - Technical skill development - Provision of administrative support 	<ul style="list-style-type: none"> - Efficient implementation of PFM plan and agreement, - Livelihoods development enterprises initiated, - Community capacity building and skill development training offered. 	A Continues Process...
Step 6: Participatory Monitoring and Evaluation and Revision	<ul style="list-style-type: none"> - Monitoring and Evaluation templates - Training materials or manuals for participatory monitoring and evaluation (PM&E); and Training on PM&E 	<ul style="list-style-type: none"> - Participatory monitoring and evaluation 	<ul style="list-style-type: none"> - PM&E procedure and set of indicators to be used for following PM&E, PM&E report, - Actions from monitoring and List of identified issues for action, follow up report of actions 	One Month

Note: The whole PFM process could take between 6 to 9 months and this could be shortened to less than 6 months if all stakeholders are committed to establish the system.

Annex 7: PFRA Template

Forest/Compartment name:					
Plot No.:	Date:				
1. Basal area: (No. of trees through relascope)					
2. Fire evidence:	Yes: (comment)			No:	
3. Soil exposure: (High, Medium, Low)					
4. Felling intensity, and comments:					
5. Grazing intensity: Class as high, medium or low, based on evidence of grazing paths, tracks, browsing etc., and discussion with the PFRA community team.)					
6. Crown cover: (For both upper and lower canopy if appropriate)		Closed	Moderate(<70%)	Open (<30%)	
	Upper				
	Lower				
7. Natural regeneration: (Below 2m height)	Species:	Plentiful	Moderate	Scarce	None
8. Description of natural regeneration: (Taller than 2m) (Describe size/age and condition of natural regeneration).					
9. Main important species:(Commercial, community, fodder, NTFPs)					

10. Dominant species:(For both upper and lower canopy if appropriate)	
11. NTFP utilization patterns, who uses what?	
12. Development potential of important NTFPs	
13. Market opportunity of NTFPs	
14. Quality of the forest: (High, medium, low, with government and community perspectives)	
15. Forest/land class: (Description of forest and size class structure. Brief description of the plot, including any important features. A description of the size-class, including saplings, pole stage, mature and over-mature.Does the plot have young, mature or over-mature trees?)	
16. Main uses of the forest (mainly by the community, for the plot, not forest in general)	
17.Problems and issues with the resource: (mainly by the community, for the plot, not forest in general)	

Annex 8: Forest Management Plan Template

- i) Introduction
- ii) Description of the forest
- iii) Objectives of the forest management plan
- iv) Forest management actions
 - Forest development actions
 - Forest utilization actions
 - Forest protection actions
 - Forest monitoring actions
- v) Participatory monitoring and evaluation
- vi) Revision of the management plan
- vii) Approval of the management plan

Annex 9: OFLP Budget Preparation Steps

Step 1:The OEFCCA/ORCU zonal level will lead the preparation and compilation of budget at Branch/Zonal level. It covers budget needs for activities to be implemented by OEFCCA zonal Office and those activities to be implemented by other Zonal Sector Offices(Agriculture, Environment and Land-Use, Water and Energy). This budget also captures the budget of OEFCCA Woreda Office and those activities to be implemented by other Woreda Sector Offices. Then OEFCCA Zonal Office would make necessary analysis, discussions, compilation and approval. OEFCCA zonal office would communicate (travel to) and discuss with OEFCCA Woreda to clarify and agree on budget issues before approval. Finally, the approved compiled budget will be submitted to OEFCCA/ORCU Regional Office.

Step 2:The OEFCCA Regional Office/ORCU will lead the preparation and compilation of budget at Regional level. It covers budget needs for activities to be implemented by OFWE Regional Office and those activities to be implemented by other Regional Sector Bureaus (BoA, BoEL, BoWE,etc.). It also includes the consolidated budget received from OEFCCA/ORCU zonal Offices. Then OEFCCA/ORCU Office would make necessary analysis, discussions, consolidation and approval. If there is any concern, OEFCCA Regional Office/ORCU would communicate (travel to) and discuss with OEFCCA Zonal Office to clarify and agree on budget issues before approval.

Step 4:OEFCCA/ORCU Office would share the approved budget with the Vice President Office of Oromia. The latter makes necessary analysis, discussions, and endorses the budget, after necessary adjustment is done if any.

Step 5:The proposed and approved budget by Regional OEFCCA/ORCU Office and the Vice Presidency Office of Oromia National Regional State(VPONRS) will be submitted to MEFCC. MEFCC would make necessary analysis and discussions from the perspective of OFLP Grant Agreement, Disbursement Letter, PAD and other basic documents and reach at agreement on the proposed OFLP Annual Budget that accommodates amendment of MEFCC comments if any.

Step 6:The final approved budget by OEFCCA/ORCU, MEFCC and VPONRS would also be submitted to the WB through MEFCC for no-objection.

Step 7:Once WB-no-objection is provided, MEFCC will share it with OEFCCA/ORCU. MEFCC also submit OFLP Annual budget to MoFEC which will further be submitted to the Council of Ministers so that the OFLP budget would be proclaimed at the Federal level under MEFCC overall budget. MEFCC also shares the approved budget with other implementing agencies or Regional Sector Bureaus (BoA, BoEL, BoWE,etc.).

Step 8: OEFCCA/ORCU disseminates the approved budget to all program implementers in a timely manner. During implementation, OEFCCA/ORUC Offices operating at various level are responsible to compare actual expenditures with that of the approved budget to monitor progress and identify variations. OEFCCA/ORCU examines the significant variations and justify the rationale or the corrective action need to be taken. The approach would serve management for follow up and decision

making. For the sake of the analysis, OEFCCA/ORCU Office will use the Interim Financial Report (IFR) of the Program as well as the budget ledgers to be established for each expenditure as indicated in the Federal Government's finance manual.

Budget Ledger Cards

The purpose for the budget function of the Budget Ledger Card is to maintain a continuous and updated record for each budgeted item of expenditure by implementing agency and source of finance. Budget Ledger Card shall be maintained for each item of expenditure under each Programme Components with approved budget. The format of the budget ledger card for the Programme shall be the one that is given in the government accounting manual.

The Budget Ledger Card serves two purposes:

- Maintains the adjusted budget and commitments against the budget, and
- Maintains a record of total expenditure by item of expenditure for each implementing agency by source.

Budget ledger card Format Approved budget	Addition to budget	Reduction to budget	Revised budget	Payment received	Unpaid balance	Commitment	Balance not committed

Budget Calendar

The budget preparation at the implementing agency level starts before March of the year.

- Regions and Federal IA prepare Annual Action Plan based on ceiling for forthcoming fiscal year (**March 1**)
- MEFCC finalize consolidation of OFLP work plan and budget and approved for forthcoming fiscal year(**March 15**)
- MEFCC Submits OFLP budget to MOFED for forthcoming fiscal year, after obtaining approval from the Bank (**30th March**)
- Council of Ministers approves budget and recommends it to Parliament for forthcoming fiscal year (**May**)
- Parliament approves budget for forthcoming fiscal year(in late June/early July)
- Execution of the budgets starts at the beginning of the fiscal year on July 8.

Annex 10: IFR Formats

Oromia Forested Landscape Project

Interim Unaudited Financial Report

Content

Discussion of Financial performance, Notes & Explanations

Consolidated Statement of Sources and Uses of Fund

Statement of Uses of Funds by Sub programs

Statement of Designated accounts by account/donor

Supporting schedules

Ministry of Environment, Forest and Climate Change (MEFCC)
Oromia Forested Landscape Project
Consolidated Expenditures Summary (in Ethiopia Birr) and (in USD)
For The Quarter Ended

Particulars	Annual Budget (1)	1st Quarter Exp (2)	2nd quarter Exp (3)	3rd quarter Exp (4)	4th quarter Exp (5)	Total Exp for the year (6)	Variance /Remaining Budget/ (1-6)=7	% of utilization
Expenditures(Applications)								
<i>Component 1: Enabling Investments</i>								
1.1 Sub Basin Land-use planning support								
1.2 Investment and Extension Services								
1.3. Forest Management Investment in Deforestation Hotspots								
Sub Total Component 1								
<i>Component 2: . Enabling Environment</i>								
2.1 Institutions								
2.2 Incentives								
2.3 Information								
2.4. Safeguards Management								
2.5. Program Management								
Sub Total component 2								
Grand Total of the Project								

Prepared

Approved By _____

By _____

Signature _____

Date _____

Signature _____

Date _____

Ministry of Environment, Forest and Climate Change (MEFCC)
Oromia Forested LandScape Project
Consolidated Expenditures Summary (in Ethiopia Birr) by Category
For The Quarter Ended

Particulars	Annual Budget (1)	1st Quarter Exp (2)	2nd quarter expenditure (3)	3rd quarter expenditure (4)	4th quarter expenditure (5)	Total expenditure for the year (6)	Variance /Remaining Budget/ (1-6)=7	% of utilization
Expenditures(Applications)								
<i>Component 1: Enabling investments</i>								
Goods								
Non consulting services								
Consulting services								
Training and workshop								
Sub Total Component 1								
<i>Component 2: Enabling Environment</i>								
Goods								
Non consulting services								
Consulting services								
Training and workshop								

Sub Total component 2									
------------------------------	--	--	--	--	--	--	--	--	--

Ministry of Environment, Forest and Climate Change
Oromia forested landscape project
Fund flow statement Pooled Bank a/c ____ (Birr)
As of

	<u>Birr</u>	<u>Birr</u>
Balance brought forward		
Cash Transfer From IDA		
Fund available for use		
Fund transfer		
OEFCCA/ORCU		
BOA		
Bank service charge		
Incoming and Out going		-
Total Transfer & bank service Charge		
Cash at Bank		

Prepared By _____ Signature _____ Date _____	Approved By _____ Signature _____ Date _____
--	--

Ministry of Environment, forest and climate change
Oromia forested landscape project
STATEMENT OF FUND FLOW (TF1) and (TF 2)
DESIGNATED DOLLAR ACCOUNT NO.
THE PERIOD, FROM

	USD		BIRR
OPENING BALANCE			
Add :Receipt			
grant Fund Received	-	-	-
Fund Available for use			
Less :Transfer and Expenditure			
Transfer to pool birr account as at			
Expenditures			
Bank services Charges			
Total transfer & expenditure	-	-	-
closing balance			
Actual exchange rate of			
closing balance /Leger birr account/			
Add gain or (Loss) on Foreign exchange Gain			
Balance After Gain of foreign exchange			

Prepared By _____

Signature _____

Date _____

Approved By _____

Signature _____

Date _____

Ministry of Environment, forest and climate change
Oromia forested landscape project
STATEMENT OF CASH MOVMENT OEFCCA/BOA
THE PERIOD, FROM

	At Regional office
	<u>Birr</u>
Opening Balance	
Add :Cash transfers	
Transfers from MEFCC	
Fund Available for use	-
Less :Expenditure	
1. enabling investment	
1.1	
1.2	
1.3	
2. enabling environment	
2.1	
2.2	
2.3	
2.4	
2.5	
Total expenditure	-
Closing balance	-
Breakdown of closing balance	
Cash and Bank balances	
Receivables	
Payables	
Others	
Total Closing Balance Balances	-

Prepared By _____
 Signature _____
 Date _____

Annex 11: Simplified Statement of expenditures

Statement of Expenditures (SOE)

Payment made during the period from to

The following expenditures have incurred during the retroactive financing period (please tick)

Yes	No
-----	----

The following expenditures have incurred during before the closing date of the loan/credit/grant (please tick)

Yes	No
-----	----

Financier:
Loan/Credit/Grant #
Application #
Category #
Page #

											ONLY for the Designated Account		
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Item No	Supplier's Name	Brief Description of the expenditure	Prior Review Contract? (YES or NO)	Contract # (Client Connection # for Prior Review contracts)	Contract currency & amount (original + amendments)	Invoice number	Date of payment	Total amount of invoice covered by Application (net of retention)	% Financed by the Bank	Eligible Amount (Col 9 X 10)	Exchange rate	Date of Withdrawal from the Designated Account	Amount Withdrawn from the Designated Account (Col 11 / 112)
								0.00		0.00		TOTAL	0.00

Supporting documents for this SOE are retained at _____
(insert location)

A separate form should be used for retroactive financing
A separate form should be used for each category

Annex 12: Audit Terms of Reference

**TERMS OF REFERENCE FOR ETHIOPIA
Oromia Forested Landscape Project**

1. BACKGROUND

1. **Development objectives:** The overarching Program Development Objective is to reduce net greenhouse gas (GHG) emissions and improve sustainable forest management in Oromia.
2. The project has two main components namely Enabling Investments and enabling environments.
3. Accounting centers for program funds currently include: (i) MEFCC; (ii) OEFCCA; (iii) OEFCCA branches; (iv) BoA; and (v) BORLEP. All these institutions would maintain accounting books and records and prepare financial reports in line with the system outlined in the FM guideline. Detail arrangements for consolidation of the Program financial information are discussed under Financial Reporting below. Each implementing agency is responsible for maintaining the Program's records and documents for all financial transactions occurred in their offices.
4. The detail financial management arrangement for the project can be seen on the Project Appraisal Document (PAD)
5. **The accounting period to be covered by the audit:** The fiscal year of the Program is from 8 July to 7 July of the next year. The audit period requested for the first year implementation of the Program is from

2. OBJECTIVE OF THE PROJECT AUDIT

6. The objective of the audit of the Project Financial Statements (PFSs) is to enable the auditor to express a professional opinion(s) on the financial position of the project at the end of each fiscal year, and on funds received and expenditures incurred for the relevant accounting period.
7. The project books of accounts provide the basis for preparation of the PFSs by the project implementing agency and are established to reflect the financial transactions in respect of the project. The implementing agency maintains adequate internal controls and supporting documentation for transactions.

PREPARATION OF ANNUAL FINANCIAL STATEMENTS

8. The responsibility for the preparation of financial statements including adequate disclosure is that of the implementing agency. The agency is also responsible for the selection and application of accounting policies. The agency would prepare the PFSs in accordance with the Federal Government of Ethiopia's accounting policies and procedures.
9. The auditor is responsible for forming and expressing opinions on the financial statements. The auditor would carry out the audit of the project in accordance with the International Standards on Auditing (ISA), as promulgated by the International Federation of Accountants (IFAC). As part of the audit process, the auditor may request from the implementing agency written confirmation concerning representations made in connection with the audit.

3. SCOPE OF THE AUDIT

10. The auditor will prepare a work plan to ensure adequate coverage of the various institutions that receive project funds and cover all the major risk areas.
11. As stated above, the audit of the project will be carried out in accordance with International Standards on Auditing (ISA) promulgated by the International Federation of Accountants (IFAC), and will include such tests and auditing procedures as the auditor will consider necessary under the circumstances. Special attention should be paid by the auditor as to whether the:
 - (a) World Bank financing (and all external financing where the World Bank is not the only financier) has been used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided – please see *<state here clearly the relevant financing agreements>*;
 - (b) Counterpart funds have been provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;

- (c) Goods, works and services financed have been procured in accordance with the relevant financing agreements including specific provisions of the [World Bank Procurement Policies and Procedures](#)²⁷;
 - (d) All necessary supporting documents, records, and accounts have been maintained in respect of all project activities, including expenditures reported using Statements of Expenditure (SOE) or Interim Unaudited Financial Statements (IFS) methods of reporting. The auditor is expected to verify that respective reports issued during the period were in agreement with the underlying books of account;
 - (e) Designated Accounts (if used) have been maintained in accordance with the provisions of the relevant financing agreements and funds disbursed out of the Accounts were used only for the purpose intended in the financing agreement;
 - (f) National laws and regulations have been complied with, and that the financial and accounting procedures approved for the project (e.g. operational manual, financial procedures manual, etc.) were followed and used;
 - (g) Financial performance of the project is satisfactory.
 - (h) Assets procured from project funds exist and there is verifiable ownership by the implementing agency or beneficiaries in line with the financing agreement.
 - (i) Ineligible expenditures included in withdrawal applications are identified and reimbursed to the Designated Accounts. These should be separately noted in the audit report.
12. In complying with International Standards on Auditing, the auditor is expected to pay particular attention to the following matters:
- a) ***Fraud and Corruption:*** Consider the risks of material misstatements in the financial statements due to fraud as required by ISA 240: [The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements](#). The auditor is required to identify and assess these risks (of material misstatement of the financial statements) due to fraud, obtain sufficient appropriate audit evidence about the assessed risks; and respond appropriately to identified or suspected fraud;
 - b) ***Laws and Regulations:*** In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the implementing agency with laws and regulations may materially affect the financial statements as required by [ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements](#);
 - c) ***Governance:*** Communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of an entity as required by International Standards on Auditing 260: Communication of Audit Matters with those Charged with Governance.
 - d) ***Risks:*** In order to reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the financial statement level, and design and perform further audit procedures to respond to assessed risks at the assertion level as required by Internal Standard on Auditing 330: the Auditor's Procedures in Response to Assessed Risks.

4. PROJECT FINANCIAL STATEMENTS (PFSs)

13. The auditor should verify that the project PFSs have been prepared in accordance with the agreed accounting standards (see paragraph 3 above) and give a true and fair view of the financial position of the project at the relevant date and of resources and expenditures for the financial year ended on that date
The Project Financial Statements (PFSs) should include:
- (a) A statement of funds received, showing funds from the World Bank, project funds from other donors and counterpart funds separately, and of expenditures incurred;
 - (b) A summary of the activity in the Designated Account;

²⁷ Depending on the complexity of procurement activities, the auditor may consider involving technical experts during the audit engagement. In cases where such experts are involved, the auditor is expected to comply with provisions of [International Standard on Auditing 620: Using the Work of an Expert](#). Consideration to use of the work of experts should be brought to the early attention of the borrower and the World Bank for mutual agreement and appropriate guidance.

- (b) A Balance Sheet (if deemed necessary);
- (c) A Summary of the principal accounting policies that have been adopted, and other explanatory notes;
- (d) A list of material assets acquired or procured to date with project funds

As an Annex to the PFSs, the auditor should prepare a reconciliation of the amounts as “received by the Project from the World Bank”, with those shown as being disbursed by the Bank.

5. UNAUDITED INTERIM FINANCIAL REPORTS (IFRs)

- 14. In addition to the audit of the PFSs, the auditor is required to verify all IFRs used as a basis for the submission of loan withdrawal applications to the World Bank. The auditor will apply such tests and auditing procedures as considered necessary under the circumstances. Annexed to the PFSs should be a schedule listing individual IFR withdrawal applications by specific reference number and amount.
- 15. The total withdrawals under the IFR procedures should be part of the overall reconciliation of Bank disbursements described in paragraph 5 above.

6. DESIGNATED ACCOUNT

- 16. In conjunction with the audit of the Project PFSs, the auditor is also required to review the activities of the Designated Account associated with the project. The Designated Account usually comprises:
 - Advance deposits received from World Bank;
 - Replenishments substantiated by withdrawal applications;
 - Interest that may have been earned on the accounts, and which belong to the recipient; and
 - Withdrawals related to project expenditures
- 17. The auditor should pay particular attention as to the compliance with the Bank's procedures and the balances of the Designated Accounts at the end of the fiscal year (or period). The auditor should examine the eligibility of financial transactions during the period under examination and fund balances at the end of such a period, the operation and use of the DAs in accordance with the relevant general conditions, relevant financing agreements and disbursement letter, and the adequacy of internal controls for this type of disbursement mechanism.
- 18. For this Project, the Designated Accounts are referred to in the general conditions, the Financing Agreement (subsection 5.3) and Disbursement Letter (para. I).
- 19. The auditor should also examine eligibility and correctness of:
 - Financial transactions during the period under review;
 - Account balances at the end of such a period;
 - The operation and use of the Designated Account in accordance with the financing agreement; and
 - The adequacy of internal controls for the type of disbursement mechanism.

7. AUDIT REPORT

- 20. The auditor will issue an opinion on the project financial statements (PFSs). The annual audit report of the project accounts should include a separate paragraph highlighting key internal control weaknesses and non-compliance with the financing agreement terms.

8. MANAGEMENT LETTER

21. In addition to the audit report, the auditor will prepare a management letter, in which the auditor will:
- (a) Give comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
 - (b) Identify specific deficiencies or areas of weakness in systems and controls, and make recommendations for their improvement;
 - (c) Report on the degree of compliance of each of the financial covenants in the financing agreement and give comments, if any, on internal and external matters affecting such compliance;
 - (e) Communicate matters that have come to his/her attention during the audit which might have a significant impact on the implementation of the project;
 - (f) Give comments on the extent to which outstanding issues/qualifications issues have been addressed;
 - (g) Give comments on previous audits' recommendations that have not been satisfactorily implemented; and
 - (e) Bring to the recipient's attention any other matters that the auditor considers pertinent, including ineligible expenditures.

Ideally, the management letter should also include responses from the implementing agency to the issues highlighted by the auditor.

9. AVAILABLE INFORMATION

22. The auditor should have access to all legal documents, correspondences, and any other information associated with the project and deemed necessary by the auditor. The auditor will also obtain confirmation of amounts disbursed and outstanding at the Bank. Available information should include copies of the relevant: project appraisal document; financing agreement; financial management assessment reports; supervision mission reports and implementation status reports.

10. GENERAL

23. The financial statements, including the audit report, management letter and management response should be received by the Bank no later than six months after the end of the accounting year to which the audit relates.
24. The auditor should submit the report to the recipient's designated agent rather than to any staff member of the project entity. The agent should then promptly forward two copies of the audit report and accompanying statements to the Bank together with the management letter and management response.
25. It is highly desirable that the auditor becomes familiar with the Bank's Guidelines on Annual Financial Reporting for World Bank-Financed Activities, June 30, 2003, which summarizes the Bank's financial reporting and auditing requirements. The auditor should be familiar with World Bank Procurement Guidelines, which can be obtained from the project implementing agency. The auditor should also be familiar with the Bank's Disbursement Handbook for World Bank Clients, Disbursement Guidelines for Projects: May 2006. These documents are available on the Bank's website and could be obtained from the Task Team Leader.

Annex 13: Floating Period of Bids Table

SN	Procurement Types	Mode of Procurement		
		ICB	NCB	Shopping
1	Works	45	30	5
2	Goods	45	30	5
3	Other Service	45	30	5
4	Consultancy Service			
	EOI	15	15	
	Request for proposal	30	15	

Annex 14: Important records to be kept for procurement of Goods and Works for different method

SN	Description	ICB	NCB	Local Shopping
1	Copy of the GPN with publication date	√	√	
2	Copy of the Specific Procurement Notice with publication date	√	√	
3	No-objection from World Bank to draft Bidding document	√		
4	Modifications/addenda to bidding documents (if any)	√	√	√
5	Final bidding documents/RFQ issued to bidders	√	√	√
6	Bid-opening report	√	√	
7	Government notice on composition and start of evaluation committee	√	√	
8	Clarifications requested from bidders and written replies	√	√	√
9	Bid Evaluation Report /quotation comparison report	√	√	√
10	Analysis of Bid Evaluation Report and recommendation	√	√	
11	Comments by theWorld Bank and/or no-objection on award of contract	√		
12	Copy of Letter of Acceptance	√	√	√
13	Copy of signed contract	√	√	√
14	Copy of letter to the World Bank transmitting signed contract for disbursement	√		
15	Publication of Award in UNDB online and dg-Market or national press	√	√	
16	Contract amendments	√	√	√
17	Inspection certificates	√	√	√
18	Payment Certificates	√	√	√
19	Completion certificates	√	√	√
20	Copies of guarantees	√	√	
21	Claims and Disputes	√	√	√

Annex 15: Important records to be kept for selection of consultancy services

SN	Description	Selection of consulting firm	Selection of Individual consultant
1	Copy of the general Procurement Notice	√	
2	Advert for Request for Expression of Interest and publication date	√	
3	List of Consulting firms having expressed their interest	√	
4	Documentation provided by Consultants	√	
5	Report for the evaluation of EoIs (short listing report)	√	
6	Comments/no-objection from the World Bank to proposed short list	√	
7	Request for Proposal (RFP) and Terms of Reference	√	
8	No-objection/Comments by the World Bank to draft RFP	√	
9	Notice by Borrower of RFP sent to short listed firms	√	
10	Notice by Borrower of proposals received and opening of technical Proposals	√	
11	Notice by Borrower of appointment of evaluation committee	√	
12	Technical Evaluation Report	√	
13	Analysis/comments by the Bank of Technical Evaluation Report.	√	
14	Minutes of Opening of Financial Proposals.	√	
15	Financial Evaluation Report.	√	
16	Combined Technical and Financial Evaluation Report	√	
17	No-objection by the World Bank to recommendation for selected consultant and authorization to negotiate	√	
18	No-objection by the World Bank to negotiated initialed draft contract)	√	
19	No-objection from the World Bank to initialled draft contract	√	
20	Copy of signed contract	√	
21	Letter to the World Bank transmitting copy of signed contract for disbursement	√	
22	Publication of Award	√	
23	Contract Amendments	√	
24	Consultant Reports	√	
25	Technical Assistance Reports	√	
26	Claims and Disputes	√	

SN	Description	Selection of consulting firm	Selection of Individual consultant
27	Folders for Contracts with Individual consultants for technical assistance and training: Name on a folder for each individual consultants, terms of reference, request for EoI, short list, CVs and evaluation report		√

Annex 16: Basic Steps of processing procurements at various levels

I. At OEFCCA/ORCU zonal Office level

Steps	Activity	Responsibility
1	Identification of procured items	OFLP Lead Facilitator in consultation with Sector Offices
2	Preparation of Procurement Plan	Procurement Officers
3	Approval of Procurement Plan	OEFCCA zonal head
4	Preparation of bidding documents/RFPs	Procurement Officers
5	Approval of bidding documents/RFPs	Tender Committee
6	Communication or advertisement of the bid	Procurement Specialist
7	Bid/proposal opening & Evaluation	Tender Committee
8	Approval of evaluation reports	OFWE zonal head
9	Preparation of contract document	Procurement Officers
10	Contract award/signature	OEFCCA zonal head
11	Contract monitoring/follow-up	Procurement Officers

II. At OEFCCA/ORCU Regional Office level

Steps	Activity	Responsibility
1	Identification of procured items	OFLP Coordinator in consultation with Sector Offices
2	Preparation of Procurement Plan	Procurement Specialist
3	Approval of Procurement Plan	Director, OEFCCA/ORCU, MEF, WB
4	Preparation of bidding documents/RFPs	Procurement Specialist
5	Approval of bidding documents/RFPs	Tender Committee/WB
6	Advertisement of the bid	Procurement Specialist
7	Bid/proposal opening	Tender Committee
8	Bid/proposal evaluation	Technical/Tender Committee
9	Approval of evaluation reports	Director, OEFCCA/ORCU/WB
10	Preparation of contract document	Procurement Specialist
11	Approval of contract document	Director, OEFCCA/ORCU/WB
12	Contract award/signature	Director, OEFCCA/ORCU
13	Contract monitoring/follow-up	Procurement Specialist

Annex 17: Steps for Procurement of Goods, Works and Consultancy Services

Goods and Works

Shopping

Steps

1. Procurement Specialist initiates procurement action to the PC for approval.
2. Procurement Specialist sends quotation/solicitation letters to vendors.
3. PC sets up evaluation committee with PS as secretary/member.
4. Bids received and evaluated.
5. Bid Evaluation Report (BER) prepared by the PS and sent to PC for approval.
6. Notification of Award sent to the successful bidder.
7. Contract signing.

NCB (Post Review)

Steps

1. Procurement Specialist prepares specification, BOQ and Drawings in liaison with user department and submits to PC for approval.
2. Submits to FPMU / Procurement Consultant for review.
3. Advertisement.
4. Public Bid Opening.
5. PC constitutes Evaluation Committee.
6. Committee carries out the evaluation.
7. Bid Evaluation Report submitted to PC for approval.
8. Bid Evaluation Report sent to FPMU consultant for review.
9. Award notification sent to the Bidder.
10. Signing of contract.

ICB (Prior Review)

Steps

1. Procurement Specialist prepares specifications and BOQs in liaison with Technical/user departments.
2. Submits to Project Coordinator for approval.
3. Sends to FPMU /Procurement Consultants for review.
4. Reviewed documents are sent to the Bank for 'No Objection'.
5. Advertisement carried in at least 2 (two) National dailies and in the Federal or State Tenders Journal.
6. Public Bid Opening.
7. Project Coordinator constitutes Evaluation Committee.
8. Procurement Specialist prepares Evaluation report.
9. Submits Bid Evaluation Report to Project Coordinator for approval.
10. Bid Evaluation Report submitted to FPMU for review.
11. Bid Evaluation Report submitted to the Bank for 'No Objection'.
12. Notification to successful bidders/Award of contract.
- 13.** Signing of contract.

Annex 18: Procedures for Selection of Consultants

QCBS procedures

When the QCBS is used, the RFP shall include a Letter of Invitation, Information to Consultants, the TOR, and the proposed contract. The steps to be followed for QCBA are:

1. Preparation of EOI, TOR.
2. Submission for Bank's review.
3. No objection received.
4. Advertise EOI.
5. Submission of EOI by consultant.
6. Set up Evaluation Committee conduct evaluation
7. Submission of short list and RFP to WB.
8. Receive No Objection notification from WB.
9. Receive proposals from consultants.
10. Opening and evaluation of Technical proposals.
11. Submission of technical evaluation report to the Bank through
12. No objection received on technical report.
13. Opening of Financial Proposal.
14. Prepare and Submit Combined Technical and Financial Evaluation Report
15. Receive No objection on Combined Technical and Financial Evaluation Report from the WB.
16. Negotiation of contract.
17. Submit Minutes of Negotiation and Draft contract and receive No objection.
18. Notification of award.
19. Contract signature.
20. Send signed contract to WB for documentation.

Consultant Qualification Selection (CQS)

The steps to be followed in the CQB are:

1. Preparation of TOR.
2. Advertisement.
3. Evaluation.
4. Negotiation.
5. Notification of award.
6. Contract signing.
7. Acceptance of first draft or interim report.
8. Acceptance of first report.

Individual Consultant (IC)

The steps to be followed in the section of IC are:

1. Preparation of TOR.
2. Short listing.
3. Evaluation.
4. Notification of award.
5. Receipt of interim report.

6. Receipt of final report.

Annex 19: Environmental and Social Risks and Mitigation Measures

Strategic options	Proposed interventions	Environmental		Social	
		Risks	Mitigation measures	Risks	Mitigation measures
SO1: Enhance cross-sectoral synergies and stakeholder participation-	<ul style="list-style-type: none"> Enhance cross-sectoral synergies and stakeholder participation- 	<ul style="list-style-type: none"> Increased deforestation and forest degradation due to absence of full collaboration of sectoral institutes with MEF(e.g. law enforcement weakness) Less likely collaboration of sectoral institutes for joint planning on forest issues 	<ul style="list-style-type: none"> Coordination unit to be assigned at higher level(Oromia Vice PresidentOffice) that check synergy of the sectoral institutes Assign counterpart (focal person) in each sectoral office that links MEFCC with them 	<ul style="list-style-type: none"> Inefficient social service (education, health, water, market information, etc)from the sectoral office due to absence or little synergy 	<ul style="list-style-type: none"> Enhance synergy Develop customer reporting system for the inefficient service from each sectoral services
SO2: Forest governance and law enforcement-	<ul style="list-style-type: none"> Forest governance and law enforcement 	<ul style="list-style-type: none"> May bring increased forest degradation from organized illegal cuttings May call for total environmental destruction from mass mobilized cuttings and setting of forest fire 	<ul style="list-style-type: none"> Avail forest products and non-timber forest products which the community depends on the forest from other sources Share benefit to the community from the income accrued due to the protection of forest Increase the awareness of the community through training and education Law enforcement should be in place Allow community use the resource without cutting the trees e.g. for ritual, cultural practices, Educate and train the community on the value of the forest Prepare enough through capacity building (human & material) to suppress fire incase fire is set Empower indigenous grievance redress mechanisms 	<ul style="list-style-type: none"> Restriction over livestock pasture resource Restriction over expansion of farmlands Restriction over fuel, construction and farm implement forest resources Conflict between local communities and protecting agents Restriction over member of communities that traditionally use the forest for religious rituals Obstruction of routes that connect communities living on either sides of the forest Hosts wild animals that may frequently attack livestock of surrounding communities <p>Strong institutions may override communitybased institutes that protected forest for centuries</p>	<ul style="list-style-type: none"> Let the community use grass in cut and carry system Intensify productivity per unit area through improved input use so that areal expansion of agriculture land halt Supply improved cooking and baking stoves to the community which depends on forest for energy source Materialize the second phase growth and transformation plan (GTP) of Ethiopia that gives due emphasize to renewable energy sources Shift from wood to metal and/or blocks for construction Ploughing system shift from traditional tolow-tillage so as to be more sustainable, more resilient, more low carbon, and get higher productivity Use customary conflict redress mechanism Enhance the benefit of the community from the enclosed area Provide adequate compensation by government

Strategic options	Proposed interventions	Environmental		Social	
		Risks	Mitigation measures	Risks	Mitigation measures
					<ul style="list-style-type: none"> • Allow communities to practice the ritual and religious practices in the forest as far as these do not affect the forest • Area enclosure should leave access routes for communities to move freely • If obstruction of access route is must, another “reasonably convenient”route must be arranged • Maintain wildlife to the ecological threshold level • Compensate the individual whose livestock eaten by the wildlife • StrengthenCBOs
SO3:Forest tenure and property right	•	<ul style="list-style-type: none"> • Attractive forest tenure and property right may increase land grabbing opportunity • May increase the value of forest land over agriculture land • Disrupts traditional tenure and forest management systems • Change in land use type may be induced (e.g. from agriculture to forest or vice versa) 	<ul style="list-style-type: none"> • Implement effective law enforcement to deter land grabbing • Government should implement land use planning • Synchronize traditional and modern land use system get the best out of the combination • Compensation planting required if change is from forest to agricultural lands 	<ul style="list-style-type: none"> • Small holder farmers may be evicted from their holdings for forest investment • Loss in land ownership may be induced (e.g. from private to government or vice versa) • Coffee forest farmers may be affected by the change of the forested coffee to pure stand of forest 	<ul style="list-style-type: none"> • Organize community in CBO/PFM and let them have their own forest • Provide adequate compensationby government both in kind and other means •
SO4: Land use planning	• Land use planning	<ul style="list-style-type: none"> • Change in land use type may be induced (e.g. from agriculture to forest or vice versa) 	<ul style="list-style-type: none"> • Compensation planting required if change is from forest to agricultural lands 	<ul style="list-style-type: none"> • Loss in land ownership may be induced (e.g. from private to government or vice versa) • Coffee forest farmers may be affected by the change of the forested coffee to pure stand of forest 	<ul style="list-style-type: none"> • Provide adequate compensation by government both in kind and other means
SO5:Ensure Sustainable Forest	• Participatory forest Management	<ul style="list-style-type: none"> • Create economically driven forest mismanagement that maylead to forest degradation 	<ul style="list-style-type: none"> • Hybrid of PFM and Traditional forest management with scientific management so that forests utilized 	<ul style="list-style-type: none"> • Interventions of PFM are prone forany physical damage since it does not 	<ul style="list-style-type: none"> • PFM need to be supported by legal framework by promulgating new policy

<i>Strategic options</i>	<i>Proposed interventions</i>	<i>Environmental</i>		<i>Social</i>	
		<i>Risks</i>	<i>Mitigation measures</i>	<i>Risks</i>	<i>Mitigation measures</i>
Management		<ul style="list-style-type: none"> • May instigate deforestation from marginalized local communities and/or little benefiting PFM members • Low economic value forests in lowland areas may not attract PFM organization • Coffee farming in the forest has already degraded biodiversity and further permit of coffee farming in the forest may worsen the condition • Stakeholder and community may not be mobilized as required • Tragedy of the commons 	<ul style="list-style-type: none"> • based on forest management plan • PFM should encompass all community members with equal benefit sharing • Enhance the economic value of the lowland forests through forest industry installation • Strict control over the expansion of coffee planting in the forest • Put in place where the undergrowth and natural regeneration of tree species allowed to grow • Put in place the urges maintenance of minimum number of indigenous tree species where coffee is farmed • Build own capacity of fire prevention system • Educate people • Select appropriate species for the purpose 	<ul style="list-style-type: none"> • have legal support under Ethiopian law • PFM experiences in Ethiopia is mainly in a high forests this may have negative impact to adapt in low land woodland areas where there is different socio-economic and ecological conditions • Creates dependency syndrome on local communities because of long term incentivization by implementing projects to protect the resource • Conflict over benefit sharing and marginalization of certain segments of local community • Conflict over skewed power relationship • PFM may involve the exclusion of previous forest users from accessing forest resources 	<ul style="list-style-type: none"> • Educate and train communities in the lowland areas about PFM • Assist communities in the low land areas to carry-out experience sharing visit in high land areas • Encourage self dependency of the PFM groups through enabling them generate their own income from the forest management activities • All the communities members should become PFM members • The PFM bylaw and the legal framework should define the power of the PFM leaders • The leader should be sued in case of default • Equal access rights to all members of the community need to be granted • The PFM bylaw should ensure access to all community members
SO6: Enhancement of forest carbon stock	<ul style="list-style-type: none"> • Afforestation /reafforestation • Area enclosure • Assisted natural regeneration 	<ul style="list-style-type: none"> • Quarantined agroforestry species may become invasive and damage the natural environment • May be less effective in cases where mono culture practice more benefits the environment (e.g. in dissected landscapes) • Where the tree and crop or livestock components overlap in their use of resources, 	<ul style="list-style-type: none"> • Establish strong quarantine centers at national and all regional government levels • Integrate several crops and tree species in the agroforestry practices • Integrate in the agroforestry system crops with low moisture demand • Harvest water during the rainy water for dearth period use • Firebreak structure and equipment 	<ul style="list-style-type: none"> • Highly fragment land use types of an individual household and may end up in highly reduced products • Difficult to introduce due to long gestation period of the trees • Traditional monoculture farming system • Intensive care for the 	<ul style="list-style-type: none"> • Increase productivity per unit area through improved input use (seed, fertilizer, etc.). • Integrate several types of agroforestry crops and trees to get increased products from diversified crops and trees • Opt for fast growing tree species • Research centers should work on improving (shortening) of the long

Strategic options	Proposed interventions	Environmental		Social	
		Risks	Mitigation measures	Risks	Mitigation measures
		<p>competition may lead to reduced productivity(e.g. Competition for water between tree and crop components is likely to limit productivity)</p> <ul style="list-style-type: none"> • Aggravate environmental degradation from setting of fires • Aggravate illegal cuttings and destruction of regenerating biodiversity • Increase conflict between wildlife & humans & increase crop pests (birds, mammals) • Risk of monoculture plantation • Compromise to local biodiversity • Risk of harbor of crop pests in reforested area • Some soil impacts can be expected as a result of plantation forests operations,including erosion, decreasing surface runoff and the development of a protective forest floor • Poorly designed and mass mobilized conservation measures aggravate soil erosion 	<p>should be in place</p> <ul style="list-style-type: none"> • Educate and enhance the awareness of community • Fence to exclude encroachment • Do not come close to the habitat/breeding place of wildlife • Share benefit from the wildlife hunting/ ecotourism so that community feels ownership over the resource • Use integrated crop pest management practice • Plant mixed species • Allow natural regeneration under the monoculture species so that the regenerated species overtake the planation • Plant local/indigenous tree species • Allow natural regeneration under the monoculture species so that the regenerated species overtake the planation • Use integrated crop pest management practice • Allow undergrowth through wider space planting • Install soil and water conservation practice (physical & biological) to harness erosion • Implement conservation measures using experts/well trained person only • Enforce landuse plan to come into force 	<p>various agroforestry practices consumes the time and energy of household members</p> <ul style="list-style-type: none"> • Physical relocation of local communities • Restriction over livestock pasture resource • Restriction over expansion of farmlands • Conflict between local communities and protecting agents • Obstruction of routes that use toconnect communities living on either sides of area closure • High costs of seedling production to carry out plantation relative to enrichment plantings • Brings loss of economic benefits • Create access restriction for resource utilizations • Create land computation with local community • Can prevent human and livestock mobility • From previous experience of large scale plantation people feel fearof loss of land ownership • Fire is a concerns that fire will increase and could affect neighboring properties • Some soil impacts can be 	<p>gestation period of local tree species</p> <ul style="list-style-type: none"> • The agroforestry system should integrate at least 2 and above 2 tree species with other crops • The household should manage the size of the land that can be managed by the family members • Use mechanized/ improved technology for time and energy efficiency reason • Compensate in kind or other means • Use cut and carry system • Proportionate the number of livestock with the available resource amount • Intensify productivity per unit area through improved input use so that areal expansion of agriculture land halt • Use customary conflict redress mechanism • Enhance the benefit of the community from the enclosed area • Compensate them enough • Area enclosure should leave access routes for communities to move freely • If obstruction of access route is must, transport facility to use the other route must be arranged • Subsidize the seedling production cost through support by NGOs operating in the area • collect seed from local sources and raise them in community owned nursery • Compensate for what the community will lose from the land that is to be

<i>Strategic options</i>	<i>Proposed interventions</i>	<i>Environmental</i>		<i>Social</i>	
		<i>Risks</i>	<i>Mitigation measures</i>	<i>Risks</i>	<i>Mitigation measures</i>
				<p>expected as a result of plantation forests operations, including erosion, decreasing surface runoff and the development of a protective forest floor.</p>	<p>devoted to reforestation/ afforestation</p> <ul style="list-style-type: none"> • Ensure benefit sharing from the reforestation/ afforestation through their active involvement in the activities • Allow cut and carry practice for the grass use • Allow the utilization of NTFP • Implement reforestation/ afforestation on land with no competing interest (e.g. previously forested land or marginalized land) with the community • reforestation/ afforestation should leave access routes for communities to move freely • If obstruction of access route is must, another “reasonably convenient” route must be arranged • Legal confirm them the forest to be developed on their own land finally belongs to them • Do not plant fire prone tree species • Plant mixed species to minimize the risk of fire setting naturally or deliberately • Train the community on forest fire risk and forest fire management • Construction fire break line between the forest and the properties of the community • Get prepared suppressing the fires though availing fires suppressing tools and equipment • Plant with wider spacing to allow undergrowth so that erosion will be prevented or minimal

Strategic options	Proposed interventions	Environmental		Social	
		Risks	Mitigation measures	Risks	Mitigation measures
					<ul style="list-style-type: none"> Empower women and youth to play the role in enhancing forest carbon stock through afforestation/reforestation, forest management/rehabilitation, etc.
SO7: Agricultural intensification-	<ul style="list-style-type: none"> Intensification through inputs(seeds and fertilizer) distribution and extension services, organizing local coops livestock value chain improvement meat and diary Crop value chain improvement 	<ul style="list-style-type: none"> Siltation of reservoirs Fertilizer runoff and leaching; eutrophication and effect on human health Runoff of pesticides and similar agricultural chemicals Eroded agricultural genetic resources essential for food security in the future. Increased pesticides harms animal and human health by accumulating in soils and leaching into water bodies Stalinization and regimes of underground water Inadequate drainage and over-irrigation causes water logging Lowering of water tables Water diversions for agriculture are a major problem for many aquatic species. 	<ul style="list-style-type: none"> Implement watershed management practice to protect reservoirs Protect the farmlands with integrated soil & water conservation(biological &physical) measures Use of inputs (fertilizers and other chemicals) based on soil and plant tissue analysis for nutrient Treat water before using Protect the farmlands with integrated soil & water conservation(biological &physical) measures Never erode the local genetic resource; work side by side on both local and improved crop varieties to enhance food security Use personal protective equipment whenever applying chemicals Protect animal from entry into the farm area until the chemicals dilute and assimilated by the crops Continuous leaching of the farms with water Irrigate the farms based on the soil water requirement analysis Use drip irrigation to avoid both under and over irrigating Implement practices that recharge ground water(watershed management, soil & water conservation structure) 	<ul style="list-style-type: none"> Create farmers to depend on agricultural inputs like fertilizer Reduces farmers' ability to use natural pest cycles, leading to increased need for pesticides affects human health due to agricultural chemicals Lack of awareness about appropriate use of chemical fertilizers/pesticides due to lack of education and knowledge of community, especially women Limited purchasing capacity of inputs(improved seeds, fertilizers seedlings) can limit potential gains CSA sometimes need adopting new farming system and technology which may not be both accepted earlier and afforded financially respectively Only rich farmers may benefit from CSA Prevalence of water-borne diseases (giardia, schistosomiasis, etc.) may 	<ul style="list-style-type: none"> Encourage agriculture intensification by the use of compostthan fertilizer especially for smallholder farmers Use integrated pest management system which proved best than single types of pest management practice Give awareness creation on health and safety of agro-chemicals Use of PersonalProtectiveEquipment(PPE) whenever applying agro-chemicals Offer continuous and sustained education & awareness creation on the appropriate use of chemicals Government needs to subsidize any cost related to agricultural intensification to encourage the use of the same by community, especially small holder farmers Educate and train community on the benefit of CSA Assist poor farmers technically and materially Educate and give sustainable training to the community on water and sanitation including water borne diseases Enhance health facility for the treatment of water borne diseases if these are inevitably occurring Avoid water logging through adequately draining Disturb stagnant water continuously

Strategic options	Proposed interventions	Environmental		Social	
		Risks	Mitigation measures	Risks	Mitigation measures
			<ul style="list-style-type: none"> • Diversion of water to only the threshold level beyond which aquatic life do not affected 	<p>increase</p> <ul style="list-style-type: none"> • Increased exposure to malaria • Shortage or lack of water resource to downstream users • Conflicts between neighboring communities over water resource utilization 	<p>to break the breeding/life cycle of the insect</p> <ul style="list-style-type: none"> • Cater mosquito net to the community • Implement wise and fair use of water • Water use to be implemented based on the schedule to be fixed by the consent of the upper and lower community • Harvest excessive water during the high moisture seasons for the later dearth period use • Water use to be implemented based on the schedule to be fixed by the consent of the upper and lower community
SO8: Reduce demand for fuel wood and charcoal-	<ul style="list-style-type: none"> • improved cook stoves • Formalized charcoal supplychains and certify sustainable charcoal • 	<ul style="list-style-type: none"> • Increased use of energy efficient stove may indirectly lead to high biomass energy demand and consumption which in turn cause deforestation 	<ul style="list-style-type: none"> • Go for alternate energy sources (such as solar, wind, hydropower, geothermal) 	<ul style="list-style-type: none"> • Incur cost to poor local communities • Difficult to adopt the technology due to cultural barriers (e.g. Preference of open over closed stoves for fumigation reasons) • Difficult to adopt the technology in abundant forest resource areas • May be difficult to supply energy efficient cooking stoves, biogas and electricity over short period of time • May be difficult to supply the stoves in high demand areas due to long production-marketing chain • Stoves in high demand areas due to long production-marketing 	<ul style="list-style-type: none"> • Supply of energy efficient cooking and baking gadgets at subsidized price • Avail electricity at affordable price by the community • Encourage farmers build corrugated/bricks roof house over hatch house so that there will be no fumigation • Educate and enhance the awareness of the community on modern style of living • Educate and give sustained training on the relative advantage of electricity/fuel efficient stove over the traditional stove • Avail electricity and cooking/baking stoves at very attractive price • Solicit fund for the soonest project implementation e.g. fuel efficient cooking/baking stoves catering • Begin with the few number of farmers and gradually increase it

Strategic options	Proposed interventions	Environmental		Social	
		Risks	Mitigation measures	Risks	Mitigation measures
				<ul style="list-style-type: none"> chain • Exploitation by middle men in the market chain • Time taking: long awareness creation and technology adoption process 	<ul style="list-style-type: none"> • Build the capacity of community members for own community demand making of the stoves • Build the capacity of community members for own community demand making of the stoves • Build the capacity of community members for own community demand making of the stoves • Begin with few number of farmers and gradually increase it
SO9: Increase wood and charcoal supply	<ul style="list-style-type: none"> • woodlot • 	<ul style="list-style-type: none"> • Exotic species may dominate as these are fast growing than the indigenous • Environmental degradation during harvesting and transporting time • Adverse micro-climate modification after harvesting • The act induce more numbers of charcoal users which means more carbon emission • Environmental pollution by particulate matters from the use of charcoal • High calorific value wood plantation leads to monoculture that brings about loss in biodiversity • Fire risks from the tree species planted for charcoal production as they are susceptible to ignition 	<ul style="list-style-type: none"> • Researching on fast growing indigenous tree species • Employ semi-mechanized system during harvesting • Harvest based on the rotation period (do not harvest all at a time) • Sequester the emitted carbon by planting trees of environmental value (e.g. for carbon financing, ecosystem protection) • Use charcoal gadgets with chimney and lid that prevent entry of particulate into the environment • Allow natural regeneration under the plantation • Have different plantation sites for biodiversity and environmental protection • Construct fire breaks between blocks of forest • Build capacity (human and material) to suppress fire in case it sets 	<ul style="list-style-type: none"> • Market problem may be a challenge • high transport, operation and maintenance costs and the length of time it takes to reach commercial centers • May brings food insecurity as farm lands devoted to plantation • Labor may be a problem for the family to harvest the forestproducts • Transporting to the market center may be a problem due to farmers financial capacity • Loss of livestock due to communal land (such as grazing lands) allocation for tree planting • Animal protein malnutrition (meat & milk) due to loss of livestock s grazing lands go for tree plantings • Charcoal market problem 	<ul style="list-style-type: none"> • Look potential local and oversea forest products • improve road network in the coming GTP2 years • create wood market centers at optimum distance from the plantation area • Transport food from surplus production area • Incorporate NTFP (such as honey) in the system • Hand operated simple machine catering to tree farmers at subsidized price • Organize in CBO and pull the resource together to solve financial problem • Encourage tree plantings on marginal lands and own plot • Transport from met and milk surplus areas • Assess the feasibility of charcoal market before embarking on it • Educate on the health impacts of indoor charcoal pollution • Ventilate rooms whenever using charcoal

Strategic options	Proposed interventions	Environmental		Social	
		Risks	Mitigation measures	Risks	Mitigation measures
				<p>may be encountered</p> <ul style="list-style-type: none"> Indoor air pollution that may cause acute and chronic respiratory diseases, malignancies of the aero-digestive tract and lungs, burns, eye diseases 	
SO10:Improved livestock management-	•	<ul style="list-style-type: none"> Solid wastes expected from poultry farm Nuisance odor expected from poultry farm Mechanization leads to intensive use of agricultural inputs that results in pollution 	<ul style="list-style-type: none"> Use the waste for fertilizing soil in farm land Poultry farm to be performed far from the residential areas Implement the EMP recommended in the ESIA of the project whenever available Test for soil and water samples regularly to check the environmental pollution standards of Ethiopia not breached and also rectify problems earlier if any 	<ul style="list-style-type: none"> Market problem of the products of livestock may be a challenge Milkmalnutrition especially to the kids Bird diseases that is communicable to human may be a problem Loss of assets (livestock) to be used for emergency case by selling 	<p>Identify local and oversea markets for the products</p> <ul style="list-style-type: none"> Maintain milk cows Purchase and transport milk from surplus area Sanitation to be maintained 24 hours a day, 7 days a week Bio-safety measures to be taken Educate farmers on saving of what is earned (from the main income generating or alternative income sources activities) Maintain few livestock to be used as an asset
SO11: Capacity building	•	<ul style="list-style-type: none"> Capacity building may only focus on entities that have direct linkage to REDD+ Soft capacity may not reduce deforestation unless financial and material support is provided 	<ul style="list-style-type: none"> Inclusion of all relevant experts in the forestry sector at different levels Capacity support should include facilities and financial support to forest sector offices 	<ul style="list-style-type: none"> Participation of women and wider stakeholder groups may be neglected Support may be shared by those who already have the needed capacity 	<ul style="list-style-type: none"> Ensure the participation of women is prioritized and all stakeholders are have to the opportunity to participate Support should prioritize those with serious capacity problem
SO12: Inter-sectoral coordination on planning and implementation-	•	<ul style="list-style-type: none"> Lingering decision making process may result in further destruction of forest resources Inaction may weaken law enforcement and cause lose control over uncontrolled extraction 	<ul style="list-style-type: none"> Put in place a workable mechanism that facilitates with checks and balance in making timely decisions Increased accountability and transparency in the decision making process 	<ul style="list-style-type: none"> Stakeholders may not collaborate as desired 	<ul style="list-style-type: none"> Establish stakeholder coordination and mobilization unit for the daily follow up
SO13:Ensure full participation	•	<ul style="list-style-type: none"> Loss of cultural, medicinal, etc. value species may occur while disregarding others than women 	<ul style="list-style-type: none"> Allow all community segment (men & women, youth & elders, etc..) contribute available knowledge for 	<ul style="list-style-type: none"> Weak collaboration of sectoral institutes in mainstreaming gender 	<ul style="list-style-type: none"> Build and strengthen institutional capacities of implementing partner organizations (IPOs) in gender and

<i>Strategic options</i>	<i>Proposed interventions</i>	<i>Environmental</i>		<i>Social</i>	
		<i>Risks</i>	<i>Mitigation measures</i>	<i>Risks</i>	<i>Mitigation measures</i>
and equitable benefit for women			the management of the natural resource	<ul style="list-style-type: none"> Disregard/ marginalize knowledge and expertise of others (other area skill & knowledge will be eroded overtime) 	REDD+ issues <ul style="list-style-type: none"> Allow all community segment (men & women, youth & elders, etc..) contribute available knowledge for the management of the natural resource
SO14: Emission Reduction Payment	<ul style="list-style-type: none"> Benefit sharing 	<ul style="list-style-type: none"> REDD+ implementation may results in more deforestation and forest degradation if it carries cost to the community Late recognizer of the benefit of the REDD+ project may adversely affected the REDD+ project forest 	<ul style="list-style-type: none"> Devise mechanism where the REDD+ project absorbs its costs associated with its implementation Give opportunity for the late adopters to become the member and enjoy the benefit 	<ul style="list-style-type: none"> Community may refuse to accept costs that REDD+ project brings to them Lack clear mechanisms for sharing benefits may result in grievances Overridden stakeholders adversely affect the implementation of REDD+ project Income difference may be created between the REDD+ project members and non-members Unequal participation in the development of bylaw may bring disparities in implementing the bylaw 	<ul style="list-style-type: none"> Devise mechanism where the REDD+ project absorbs its costs associated with its implementation There should be policy, strategy and bylaw that define clear benefit sharing mechanism Implement indigenous grievance redress mechanism Exhaustively involve stakeholders based on their degree of contribution Create alternate income generating opportunities for the non-members of the REDD+ projects Bring the non-members to members of the REDD+ project Let all community members participate in the development of the bylaw
SO15: Promote supplementary income generation	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Large number and frequent entry into the forest for NTFP collection affects soil seed bank, regeneration and biodiversity Fuel wood collection as NTFP affects the carbon stock of the forest Some NTFP expand at the clearance of forest (e.g. coffee forest of the country) More number of forest enterprises put the forest under pressure May aggravate deforestation and 	<ul style="list-style-type: none"> Provide increased access to collect NTFP from the forest Opt for/expand other sources of energy Distribute fuel efficient cooking/baking stoves Utilize the forest resource based on the management plan of the source annual increase in volume of the forest must matches with the harvest Marginal profit of the participants of the value chain involver to be determined 	<ul style="list-style-type: none"> Conflict arise if unfair access or use right onNTFP prevail within the community 	<ul style="list-style-type: none"> Provide fair access to community members, especially the underserved and women

<i>Strategic options</i>	<i>Proposed interventions</i>	<i>Environmental</i>		<i>Social</i>	
		<i>Risks</i>	<i>Mitigation measures</i>	<i>Risks</i>	<i>Mitigation measures</i>
		forest degradation with the increase of the prices of forest products and NTFP parallel to increase in value chain			

Annex 20: OFLP Program Activities eligibility checklist

A. Program activity eligibility checklist by DAs at the Kebele level

Program activity: _____ Zone: _____		
Woreda: _____ Kebele: _____		
Persons/DAs who did the eligibility check:		
Names	Date:	Signature:
_____	_____	_____
_____	_____	_____

Answer the following questions to determine if the program activity is eligible or not*		
Will the program activity:---	Yes	No
cause large-scale physical disturbance of the site or the surroundings		
cause involuntary displacement of people or social disturbances, involuntary loss of assets		
have risk on vulnerable group / forest dependent people		
involve removal or conversion of substantial amounts of forests and other natural resources		
affect the quality or quantity of water or a waterway shared with other nations		
cause degradation of critical natural habitats		
affect physical cultural resources (historical, religious, archaeological, sites and monuments)		
involve construction of dams more than 4.5 meters or rely on such dams		
Create significant adverse impacts on harvesting of natural resources (animals, plants, timber and/or NTFPs) or the establishment of forest plantations in natural critical habitats		
contravene international and regional conventions on environmental issues		

* Please see Annexes 3B and 3C in the stand alone ESMF document to avoid any subjective impact analysis.

Eligibility Recommendations:

(It should be noted that if you answer is “YES” to any of the questions above, your program activity is not eligible and has to be rejected unless the features can be avoided by change of design or location.)

Program activity is not eligible and rejected:

Program activity is eligible and approved:

Screening supervised and approved by:

Name..... Position:Signature: Date:

B. Screening checklist for program activities needing special attention -Guidance for WoRLEP focal person

Program activity: _____ Woreda: _____
WoRLEP focal person/person who did the screening: _____
Date: _____ Signature: _____

	Yes	No
Will the program activity:		
involve use of agro-chemicals		
involve land acquisition, loss of assets or access to assets on the land		
cause physical displacement of people or loss of assets or loss of income/livelihood		
incorporates construction of or reliance on dams		

Recommendations:

Program activity needs special attention:

Program activity does not need special attention:

Screening supervised and approved by:

Name..... Position:Signature: Date:

C. Screening checklist for program activities of environmental concern by Guidance for WoRLEP focal person

Program activity: _____ Woreda: _____
 WoRLEP focal person/person who did the screening: _____
 Date: _____ Signature: _____

	Yes	No
I. Will the program activity:		
Will the program activity:		
be located in forest priority areas and cause destruction of habitats		
instigate soil erosion and flooding		
cause disturbance to ecologically sensitive areas		
be located close to national parks and protected areas		
cause pollution of surface and ground water		
cause breeding of disease vectors (malaria)		
cause soil pollution		
involve area enclosures and loss of access		
be located close to cultural heritage, historical and religious sites		
cause erosion and sedimentation into international waterways		
involve draining of and/or disturbance to wetlands		

II. Program activities of environmental concern

Program activity types	Adversity of Impacts*				
	None	Low	Med	High	Unknown
Ensuring Sustainable Forest Management (in high forest as well as woodlands)(PFM/Restoration)					
economically driven forest mismanagement that maylead to forest degradation					
instigate deforestation from marginalized local communities and/or little benefiting PFM members					

Creation of dependency syndrome on local communities					
Creation of Conflict over benefit sharing and marginalization of certain segments of local community					
Creation of conflict over skewed power relationship					
Reducing Demand for fuel wood and charcoal through increased efficiency and providing alternatives (Efficient cook stove)					
Increased use of energy efficient stove may indirectly lead to high biomass energy demand and consumption high in turn cause deforestation					
Incur cost to poor local communities					
Difficult to adopt the technology due to cultural barriers					
Difficulty to supply energy efficient cooking stoves, biogas and electricity over short period of time					
Exploitation by middlemen in the market chain					
Long awareness creation and technology adoption process					
Community access roads will cause:					
soil erosion and initiation of flooding, gully erosion					
loss of biodiversity through cut and fill activities					
cross and cause destruction of natural habitats					
sedimentation to water sources and reservoirs					
wet season excavation and erosion					
disturbance to ecologically sensitive habitats					
damage to cultural, religious and historical sites					
creation of quarry/borrow pits and water pollution					
Increase wood and charcoal					

Program activity types	Adversity of Impacts*				
	None	Low	Med	High	Unknown
Exotic species may dominate as these are fast growing than the indigenous					
Environmental degradation during harvesting and transporting time					
Adverse micro-climate modification after harvesting					
Market problem for sealing of product					
Pollution of particulate matters					
May brings food insecurity as farm lands devoted to plantation					
Agricultural Intensification					
Fertilizer runoff and leaching, eutrophication and effect on human health					
Runoff of pesticides and similar agricultural chemicals					
Increased pesticides harms animal and human health by accumulating in soils and leaching into water bodies					
Stalinization and regimes of underground water					
Inadequate drainage and over-irrigation causes water logging					
Create farmers dependency on agricultural inputs					
Reduces farmers' ability to use natural pest cycles					
Affect human health due to agricultural chemicals					
Prevalence of water borne diseases					
Afforestation/Reforestation					
Compromise to local biodiversity -Introduction of exotic tree specieswhich result loss of biodiversityand damage the natural environment					
Presence of frequent forest fire					
Increased illegal cuttings and destruction					

Program activity types	Adversity of Impacts*				
	None	Low	Med	High	Unknown
Increased conflict between wildlife & humans & increased crop pest					
Physical & economic relocation of local communities					
Restriction over livestock pasture					
Restriction of expansion of household farmland					
Create access restriction for resource utilizations					
Create land computation with local community					
Prevent human and livestock mobility					
Risk of mono-cropping(resorting to exotics)					
voluntary land acquisition					
Promote supplementary Income generation from the forest					
Frequent entry into the forest for NTFP collection affects regeneration					
Frequent Collection of Leave, twigs and fallen branches result in reduction of carbon stock					
Conflict arise due to unfair access or use right on NTFP					
Increase price of NTFP led to create over utilization					
Improving Livestock Management					
Solid and liquid wastes expected from poultry farm					
Nuisance odor expected from poultry frame					
Mechanization leads to intensive use of agricultural inputs that results in pollution					
Market problem of the products of livestock may be a challenge					
Small scale irrigation- cause:					
significant deforestation					
competing claims for water and social tension					

Program activity types	Adversity of Impacts*				
	None	Low	Med	High	Unknown
disturbance to wildlife habitats or populations					
disrupt ecologically sensitive areas					
land clearing and biodiversity loss					
disturbance to cultural or religious sites					
new settlement pressures					
increased soil salinity					
risk of vector born diseases					
Gully and degraded land rehabilitation- cause:					
restriction of human and livestock mobility					
restriction of access to communal lands					
risk of rodents and other pests					
risk of introduction of invasive exotic species					
Water harvesting structures-cause:					
risk of disease causing vectors breeding					
voluntary loss of land					

**To avoid subjective analysis of impact significance (low, medium or high), please use the criteria given below on “Summary of site sensitivity” and the guidance given in Annex 3C as well.*

Annex 21: Template for reporting OFLP physical and financial performance

Description of OFLP Component, Subcomponent and Activity sets	Unit	Annual Plan	Physical Performance						Financial Accomplishment	
			Reporting Quarter Period			Up to this Quarter			Budget	Expenditure
			Plan	Actual	% Accom	Plan	Actual	% Accom		
Component 1: Enabling Investment										
1.1 Land use planning support at woreda and community levels										
1.1.1 Simplified Integrated Land Use Plan (ILUP) manual and technical training syllabus preparation(Lump sum)										
1.1.2 Hiring an international ILUP Specialist (to be attached to Oromia BoLEP)										
1.1.3 Regional level technical TOT training										
1.1.4 Technical training on integrated master land-use preparation (sub-basin level ILUP) for Woreda Land Use Planning Team and woreda sector experts										
1.1.5 Purchase of Training material printing and stationery (Lump Sum)										
1.2 Investment and extension services										
1.2.1 OFLP Lead Facilitators(3)										
1.2.1.1 OFLP Lead Facilitators salary										
1.2.1.2 Office equipment & furniture										
1.2.1.3 Purchase Cost of a Double Cabin Pick-up truck(6)										
1.2.1.4 Operating Cost for truck and/Car rental or transport fees										
1.2.1.4.1 Fuel & lubricants(Lump-sum/year)										
1.2.1.4.2 Maintenance & tire replacement(Lump-sum/year)										
1.2.1.4.3 Insurance(Lump-sum/year)										
1.2.1.4.4 Driver Salary (Lump-sum/year)										
1.2.1.4.5 Operating Cost for Car rental and transport fees										
1.2.2 OFLP Woreda Coordinators(38)										
1.2.2.1 Woreda Coordinators Salary										
1.2.2.2 Purchase Cost of a Double Cabin Pick-up trucks(20)										
1.2.2.3 Purchase Cost of Motor Cycles(18)										
1.2.2.4 Office Equipment & Furniture										
1.2.3 Training for Woreda Experts(Agriculture ,Water & Energy, Land-use, Forest Extension)										
1.2.3.1 DSA for Woreda Experts										
1.2.3.2 Lunch and two coffee breaks										
1.2.3.3 Hall rent										
1.2.4 Operating costs										

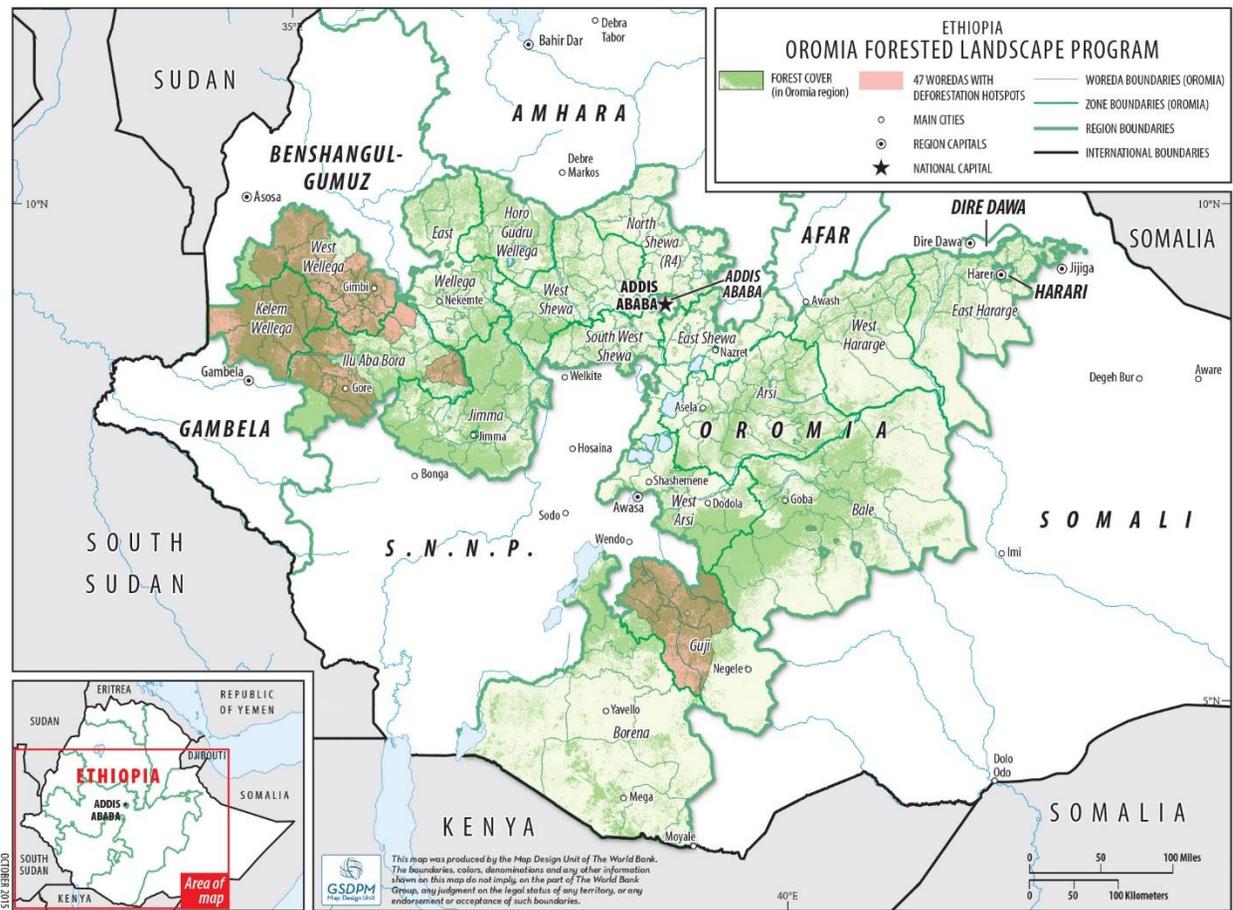
Description of OFLP Component, Subcomponent and Activity sets	Unit	Annual Plan	Physical Performance						Financial Accomplishment	
			Reporting Quarter Period			Up to this Quarter			Budget	Expenditure
			Plan	Actual	% Accom	Plan	Actual	% Accom		
1.2.4.1 DSA for field works, supervision Mission & Stationery for OFLP Lead Facilitators										
1.2.4.1.1 DSA for Lead Facilitators field works										
1.2.4.1.2 DSA for Lead Facilitators Supervision mission										
1.2.4.1.3 Stationery(Lump-sum)										
1.2.4.2 DSA for field works, supervision Mission & Stationery for OFLP Woreda Coordinators										
1.2.4.2.1 DSA for Coordinators field works										
1.2.4.2.2 DSA for Coordinators Supervision mission										
1.2.4.2.3 Stationery(Lump-sum)										
1.2.4.3 Operating Cost for truck and/Car rental and transport fees										
1.2.4.3.1 Fuel & lubricants(Lump-sum/year)										
1.2.4.3.2 Maintenance & tire replacement(Lump-sum/year)										
1.2.4.3.3 Insurance(Lump-sum/year)										
1.2.4.3.4 Driver Salary (Lump-sum/year)										
1.2.4.3.5 Operating Cost for Car rental and transport fees										
1.2.4.4 Operating Cost for motos and/Car rental or transport fees										
1.2.4.4.1 Fuel & lubricants(Lump-sum/year)										
1.2.4.4.2 Maintenance & tire replacement(Lump-sum/year)										
1.2.4.4.3 Insurance(Lump-sum/year)										
1.2.4.4.4 Operating Cost for Car rental and transport fees										
1.3 Forest Management Investment in Deforestation Hotspots (47 woredas)										
1.3.1 PFM										
1.3.1.1 Familiarization / Consultations on PFM in 47 woreda										
1.3.1.2 Forest resources assessment in 47 Woredas (76,363ha PFM) including forest block dividing, demarketing and inventory .Unit cost for 1PFM (8000ha) is 22,800 US\$ or unit cost for 1 Woreda is 4560 US\$ (22,800/5)										
1.3.1.3 Forest management plan (forest block) and agreement for 76,363ha PFM										
1.3.1.4 Cooperatives establishment and legalization (10cooperatives)										
1.3.1.5 capacity building and skill deveelopment for nearly 10PFM cooperatives										
1.3.1.6 Patrolling of 76363ha										
1.3.1.7 seedlings for enrichment planting of 76,363ha										
1.3.1.8 Labor cost for planting of 76,363ha										
1.3.1.9 Forest-based business development(seed money) to be tested in										

Description of OFLP Component, Subcomponent and Activity sets	Unit	Annual Plan	Physical Performance						Financial Accomplishment	
			Reporting Quarter Period			Up to this Quarter			Budget	Expenditure
			Plan	Actual	% Accom	Plan	Actual	% Accom		
model PFM site										
1.3.2 Af- and Re-forestation										
1.3.2.1 ToT training community on (plantation, nursery management, pruning) per years (14100 in 3 years)										
1.3.2.2 DSA										
1.3.2.3 Seedling production (material purchase, seeds, labor cost) of 600 trees per ha (21*6)										
1.3.2.4 Pitting cost per ha (6*6)										
1.3.2.5 Planting cost 600 trees/ha (6*6)										
1.3.2.6 Weeding and tending operation (6*6)										
1.3.2.7 Pruning, thinning operation per ha										
Component 2: Enabling Environment										
2.1 Institutions										
2.1.1 Maintenance of the Oromia REDD+Coordination Unit(ORCU), Steering Committees & Technical Committees										
2.1.1.1 Salaries(ORCU)										
2.1.1.1.1 Program Coordinator										
2.1.1.1.2 Forest Resource Specialist										
2.1.1.1.3 Environment Safeguards Specialist										
2.1.1.1.4 Social Safeguards Specialist										
2.1.1.1.5 Institutions and Policy Specialist										
2.1.1.1.6 MRV Specialist										
2.1.1.1.7 MRV Assistant										
2.1.1.1.8 Communication Specialist										
2.1.1.1.9 Monitoring & Evaluation Specialist										
2.1.1.1.10 Private Sector Development specialist										
2.1.1.1.11 Procurement Specialist										
2.1.1.1.12 Financial Management Specialist										
2.1.1.1.13 Administrative Officer										
2.1.1.1.14 Cashier Secretary										
2.1.1.1.15 Office Assistant										
2.1.1.1.16 Driver										
2.1.1.2 Operating costs										
2.1.1.3 Office equipment & furniture										
2.1.1.4 Purchase Cost of a Double Cabin Pick-up truck										
2.1.1.5 Operating Cost for truck and/Car rental or transport fees										

Description of OFLP Component, Subcomponent and Activity sets	Unit	Annual Plan	Physical Performance						Financial Accomplishment	
			Reporting Quarter Period			Up to this Quarter			Budget	Expenditure
			Plan	Actual	% Accom	Plan	Actual	% Accom		
2.1.1.5.1 Fuel & lubricants(Lump-sum/year)										
2.1.1.5.2 Maintenance & tire replacement(Lump-sum/year)										
2.1.1.5.3 Insurance(Lump-sum/year)										
2.1.1.5.5 Operating Cost for Car rental and transport fees										
2.1.2 Operationalizing M&E System										
2.1.2.1 International M&E consultant										
2.1.2.2 Baseline										
2.1.2.3 M&E Training										
2.1.3 Development of Extension Guidelines and Manuals										
2.1.3.1 Translation costs										
2.1.3.2 Consultancy costs										
2.2 Incentives										
2.2.1 Resource Mobilization and leveraging										
2.2.1.1 Fundraising for OFLP										
2.2.1.2 Preparation of a strategic action plan for private sector investment										
2.2.1.3 Proposal development, as well as investment planning and preparation as opportunities emerge										
2.2.2 Economic, markets, and policy to improve and attract investment										
2.2.2.1 Organizing policy dialogue fora and business investment roundtables										
2.2.2.2 Assessments of regulations, policies and laws to improve and attract investment										
2.2.2.3 Support for enhancing forest governance through training of enforcement stakeholders (justices, lawyers, courts, rangers)										
2.2.2.4 Feasibility assessment of options for introducing payments for ecosystem services (PES) for non-carbon markets										
2.2.3 Preparation and supervision of BSM										
2.2.4 Cook stoves and biogas marketing and demonstration										
Regional inventory of active ICS producers in 277 Woredas										
2.2.4.1 Zonal level training for Zonal Energy Officers and stove producers in marketing and customer relations at each Zonal level (1.5 days for each training which means 18 training sessions or 27 days)										
2.2.4.2 Coordinating and delivering market day promotion and stove exhibition, collecting and compiling data of trained stove producers location and contact details, distribute information to Woreda officials, design and dissemination of local marketing material										

Description of OFLP Component, Subcomponent and Activity sets	Unit	Annual Plan	Physical Performance						Financial Accomplishment	
			Reporting Quarter Period			Up to this Quarter			Budget	Expenditure
			Plan	Actual	% Accom	Plan	actual	% Accom		
2.2.4.3 Per diem for field visits to market days, remote towns, 1 time a year per town (100 towns) (\$25 per day x 3 days per town visit, including transport)										
2.2.4.4 Printing of training material and marketing material, weather proof banners, radio production and broadcasting										
2.3 Information										
2.3.1 Forest Management Information system										
2.3.2 MRV										
2.3.2.1 Office establishment										
2.3.2.1.1 Equipment										
2.3.2.1.2 Training of staff										
2.3.2.1.3 Software and Licenses										
2.3.2.2 Activity Data										
2.3.2.2.1 Review of primary and secondary data										
2.3.2.3 Emission Factor										
2.3.2.3.1 Review of primary and secondary data										
2.3.2.4 Verification										
2.3.3 ICT(at ORCU, Branch and District Level for Laptops, CDMA,connection through SIM card and Ethiocom service)										
2.3.4 Strategic Communication										
2.3.4.1. Priority Setting & Planning										
2.3.4.2 Training										
2.3.4.3 Outreach, Advocacy & Behavioral change										
2.4 Safeguards Management										
2.4.1 Safeguard Coordinators										
2.4.1.1 Safeguard Coordinators Salary										
2.4.1.2 Office furniture & equipment										
2.4.2 Capacity Building: Trainings and Awareness										
2.4.2.1 DSA for Safeguard Coordinators & Woreda Coordinators capacity building who will cascade to Woredas										
2.4.2.2 DSA for OFLP Woreda Coordinators for safeguards implementation and follow up										
2.4.2.3 DSA for regional stakeholders training (BoA, BoEL, BoWE, OEFCCA zonal offices, etc.)										
2.4.2.4 DSA for Woreda experts Safeguard capacity building of who will cascade to Kebele										
2.4.2.4.1 DSA for Woreda Experts										

Description of OFLP Component, Subcomponent and Activity sets	Unit	Annual Plan	Physical Performance						Financial Accomplishment	
			Reporting Quarter Period			Up to this Quarter			Budget	Expenditure
			Plan	Actual	% Accom	Plan	actual	% Accom		
2.4.2.4.2 Refreshment(a lunch and two coffee breaks)										
2.4.2.4.3 Hall rent										
2.4.2.4.4 Round Trip Transport fee										
2.4.2.4.5 Stationeries										
2.4.2.4.6 DSA for field works of Safeguard from Woreda (WoEFCCA, WoA, WoWE, WoLE, OFWE training) including consultation, participation, civic engagement and awareness to kebele level engaging one Development Agents per kebele										
2.4.3 Safeguards Implementation Support, monitoring and documentation(Operating Costs)										
2.4.3.1 Stationery										
2.4.3.2 DSA for Supervision mission Safeguard Coordinators from Branch										
2.5. Program Management										
3.1 Financial Audit Service(Firm)										
3.2 Procurement Audit Service(IC)										
3.3 Project Mid-Term Evaluation Report and Project Completion Report(IC)										
Total OFLP Costs excluding contingencies										
Physical & Price Contingencies(5%)										
Total OFLP Costs including contingencies										



Annex 22: Other important Documents

- Chart of Accounts
- Ministry of Finance and Economic Cooperation Circular regarding per diem rates of projects financed by development partners multilateral projects