



## Oromia National Regional State Forested Landscape Program (P156475)

AFRICA | Ethiopia | Environment & Natural Resources Global Practice |  
 Recipient Executed Activities | Investment Project Financing | FY 2017 | Seq No: 2 | ARCHIVED on 08-Dec-2017 | ISR30401 |

Implementing Agencies: Ministry of Environment, Forest and Climate Change, Federal Democratic Republic of Ethiopia

## Key Dates

## Key Project Dates

Bank Approval Date:17-Mar-2017

Effectiveness Date:28-Apr-2017

Planned Mid Term Review Date:30-Sep-2019

Actual Mid-Term Review Date:--

Original Closing Date:31-Dec-2022

Revised Closing Date:31-Dec-2022

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Development Objective is to improve the enabling environment for sustainable forest management and investment in Oromia.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

## Components

Name

Enabling investments:(Cost \$11.54 M)

Enabling environment:(Cost \$6.46 M)

## Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● High	● High

## Implementation Status and Key Decisions

Overall implementation progress is downgraded to **moderately satisfactory**. This ISR is informed by progress achieved from May 5, 2017, to



November 24, 2017; and findings of the OFLP Implementation Support Mission, conducted from November 27 to December 1, 2017. Overall the project implementation progress since launching is slow and remains behind the schedule although achievement of the goals for this fiscal year is still possible. The project implementing unit has made **good progress** particularly on:

(a) recruiting project staff to be based at each level (at region, zone and woreda level): 3 lead facilitators, 6 safeguards coordinators and 38 woreda coordinators.

(b) refilling staff positions at project management unit such as procurement specialist, Financial Management specialist and M & E specialists; However, still **delays** are observed on:

(i) the implementation of preparatory activities for physical investment such as selection of specific sites for investment in PFM and A/R activities, and sensitization and mobilization of communities for such identified activities;

(ii) identification and preparation of nursery sites appropriate for producing adequate seedlings for A/R activities and procurement of nursery equipment's/tools including seeds,

(iii) procurement of vehicles and motorbikes;

(v) procurement of seven consultancies: M&E specialist; ILUP specialist; Private sector specialist; Forest Tenure Assessment & Facilitation of dialogue; Communication Kit preparation; Emission Reduction Program Document Preparation; and communication need assessment consultant;

(vi) procurement of office equipment and furniture;

(vii) hiring of 3 accountants to be based at 3 Zones and 2 MRV specialists to be based at project management unit (ORCU).

**This has led to very low budget utilization status, only about 1% as compared to the annual work plan.** The main reasons for the delay were associated with: (i) lack of procurement specialist for the last five months since launching; (ii) resigning of the FM specialist who was in the project management unit for the last three years since the initiation of OFLP preparation, (iii) delay in recruitment of field level staff, only one month since they are on board; (iv) delay in opening of Bank accounts at respective project implementing regional bureaus, which has also affected timely fund flow from national to regional entities and accordingly budget utilization; and (v) the endorsing committee at project implementing institution, which was just established.

**Site selection for grant-financed investment activities:** The client has started identifying specific sites for PFM and AR activity implementation as agreed in the PIM. However, it is not yet finalized and more work is needed to identify (i) additional sites; (ii) vet the sites against the agreed criteria prepared by the client; (iii) send the georeferenced boundaries for the selected sites only based on the criteria to World Bank; (iv) prepare social and environmental management plan for each specific site and share before the actual ground investment commences.

**Preparation of Emission Reduction Program Document (ERPD):** The government sent the procurement notice to press to hire the individual consultant to prepare the document in accordance with the BioCF ISFL requirements and templates, and accordingly, it is receiving expression of interests. The ERPD is a pre-condition for negotiating the ERPA, as the information provided in it will serve for the ERPA preparation. It is expected to have this document prepared by June 2018.

**Benefit Sharing Mechanism (BSM) for the ERPA:** The Benefit Sharing Mechanism of the OFLP is under preparation, however, significant work is still to be done for this document to be considered robust enough. Performance measurement by ORCU will be based on the MRV protocol, and will be conducted at the zonal level. Monetary benefits will be allocated based on performance at that level. Further distribution of benefits will be considered based on the eligible stakeholders and relying on certain proxies, such as the number of actors involved in participatory forest management. Distribution of benefits needs to be simple and needs to be communicated effectively, especially given the possibility of using this BSM model nationally. Most of the monetary benefits, amounting to 80%, will go to the communities involved in sustainable forest management and other activities, with such activities being implemented through a coordinated effort of the bureaus responsible for agriculture, energy and environment at the Woreda level. While it was also agreed that the intention of supporting Forest Management Cooperatives to undertake participatory forest management activities be maintained, it was recognized that given the limited number (only about 520 cooperatives covering just over a million hectares of forests out of about 9 million ha in Oromia) additional entry points for working with communities not organized as cooperatives will need to be explored. The questions of who owns the emission reductions and who is the competent authority to sign the ERPA on behalf of the Government of Ethiopia are still outstanding and the revised consultant's report will need to include a specific answer. A legal opinion from or endorsed by the Federal Attorney General, as the official legal adviser of the Government, is expected by April 2018.

## Risks

### Systematic Operations Risk-rating Tool



Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● High	● High	● High
Macroeconomic	● Moderate	● Moderate	● Moderate
Sector Strategies and Policies	● Substantial	● Substantial	● Substantial
Technical Design of Project or Program	● Substantial	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● High	● High	● High
Fiduciary	● Substantial	● Substantial	● Substantial
Environment and Social	● High	● High	● High
Stakeholders	● Substantial	● Substantial	● Substantial
Other	--	--	--
Overall	● High	● High	● High

## Results

### Project Development Objective Indicators

#### ► Score on composite index for tracking changes in the enabling environment for reducing deforestation and forest degradation (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.35	0.35	0.35	0.55
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

#### ▲ Incentives (policy, laws, regulations, markets) (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.37	0.37	0.37	0.57

#### ▲ Information (generation and dissemination of information) (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.35	0.35	0.35	0.55



▲ Institutions (capacity to implement & coordinate) (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.33	0.33	0.33	0.54

► Area reforested (Hectare(Ha), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	9,000.00
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Sep-2021

► Direct project beneficiaries (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	25,000.00
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

▲ Female beneficiaries (Percentage, Custom Supplement)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00

## Overall Comments

## Intermediate Results Indicators

▶ Forest area brought under management plans (Hectare(Ha), Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	120,000.00
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

▶ Forest users trained (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	25,000.00
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

▲ Forest users trained - Female (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	7,500.00
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022



► Land users adopting sustainable land mgt. practices as a result of the project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	18,000.00
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

▲ Land users adopting sustainable land management practices as a result of the project - Female (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00

► Beneficiaries that feel project investments reflected their needs (percentage) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	90.00
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

▲ Beneficiaries that feel project inv. reflected their needs - female (number) (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6,750.00


**▲ Total beneficiaries - female (number) (Number, Custom Supplement)**

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	7,500.00

**▲ Total beneficiaries - male (number) (Number, Custom Supplement)**

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	17,500.00

**▲ Beneficiaries that feel project inv. reflected their needs - male (number) (Number, Custom Supplement)**

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	14,000.00

**► Reforms in forest policy, legislation or other regulations supported (Yes/No, Custom)**

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022



► Grievances registered related to delivery of project benefits addressed (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

► MRV system established and maintained at national and Oromia levels (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

► Benefit Sharing Mechanism (BSM) established and maintained (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

► Safeguards system established and maintained (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	31-Mar-2017	29-May-2017	29-May-2017	30-Jun-2022

Overall Comments





### Data on Financial Performance

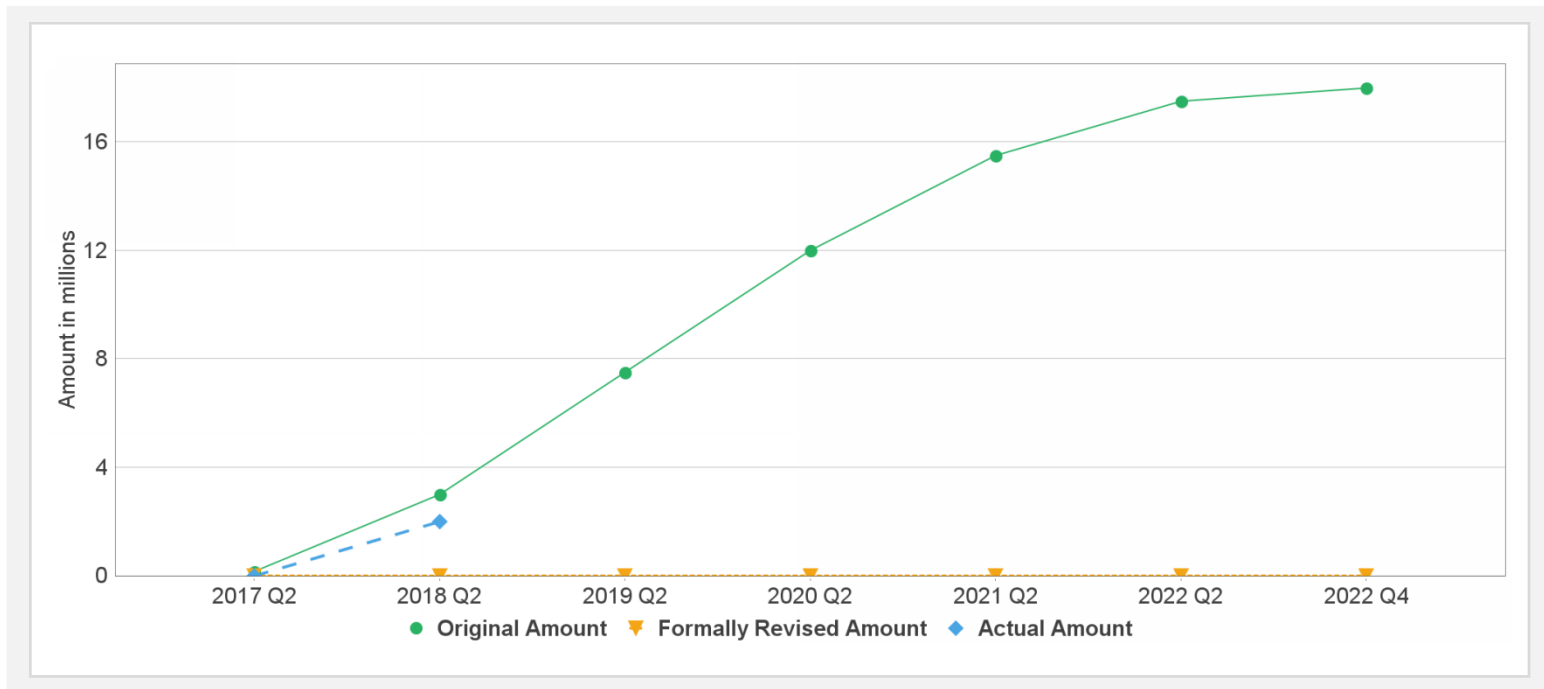
#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P156475	TF-A4442	Effective	USD	8.55	8.55	0.00	0.95	7.60	11%
P156475	TF-A4467	Effective	USD	9.45	9.45	0.00	1.05	8.40	11%

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P156475	TF-A4442	Effective	23-Mar-2017	23-Mar-2017	28-Apr-2017	31-Dec-2022	31-Dec-2022
P156475	TF-A4467	Effective	23-Mar-2017	23-Mar-2017	28-Apr-2017	31-Dec-2022	31-Dec-2022

#### Cumulative Disbursements



#### Restructuring History

There has been no restructuring to date.



### **Related Project(s)**

There are no related projects.

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