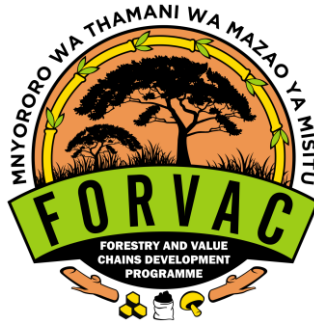




United Republic of Tanzania
MINISTRY OF NATURAL
RESOURCES AND TOURISM



Ulkoministeriö
Utrikesministeriet
Ministry for Foreign
Affairs of Finland

Forestry and Value Chain Development Programme (FORVAC)

2018 – 2022

Annual Report

July 2018 – June 2019

28 July 2019

PREFACE

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List of Acronyms

CA	Competent Authority
CC	Cluster Coordinator
CBFM	Community Based Forest Management
CTA	Chief Technical Advisor
FAM	Financial and Administration Manager
FBD	Forest and Beekeeping Division
FCG	Finnish Consulting Group (here Consortium FCG International & FCG Sweden)
FMVCE	Forest Management and Value Chain Development Expert
FORVAC	Forestry and Value Chains Development
GoF	Government of Finland
GoT	Government of Tanzania
JFM	Joint Forest Management
LIMAS	Lindi and Mtwara Agribusiness Support
MCDI	Mpingo Conservation Development Initiative
MFA	Ministry of Foreign Affairs
MJUMITA	Mtandao wa Jamii wa Usimamizi wa Misitu Tanzania (Community Forest Conservation Network of Tanzania)
MNRT	Ministry of Natural Resources and Tourism
NFBKP II	National Forest and Beekeeping Programme II
NPC	National Programme Coordinator
PD	Programme Document
PFM	Participatory Forest Management
PFP	Private Forestry Programme
PIM	Programme Implementation Manual
PMT	Programme Management Team
PMU	Programme Management Unit
PO-RALG	President's Office Regional Administration and Local Government
SB	Supervisory Board
SC	Steering Committee
TA	Technical Assistance
TFCG	Tanzania Forest Conservation Group
TFS	Tanzania Forest Service Agency
TFWG	Tanzania Forest Working Group
VLFR	Village Land Forest Reserve
VNRC	Village Natural Resources Committee
VCA	Value Chain Development Advisor

Programme Fact Sheet

Programme title:	Forestry and Value Chains Development Programme (FORVAC)
Sub-sectors:	Forestry Development; Private Sector Development
Geographical coverage:	Tanzania - Institutional development nationwide Tanga cluster: Handeni and Kilindi districts, and the district of Mpwapwa located in Dodoma region Lindi cluster: Liwale, Ruangwa and Nachingwea districts Ruvuma cluster: Namtumbo, Songea, Mbinga and Nyasa districts) and with travels to Dar es Salaam.
Duration:	Four years (7/2018–7/2022)
Programme financing:	Government of Finland € 9.95 million Government of Tanzania in kind contribution (salaries, operating expenses and office space) € 200,000 Programme Total Budget € 10,150,000 Additional potential funding: max € 10 million (to be agreed)
Competent authorities:	Ministry for Foreign Affairs, Finland Ministry of Natural Resources and Tourism, Tanzania
Impact:	Increased economic, social and environmental benefits from forests and woodlands
Results of the Programme	Expected outcome: Improved forest sector market / value chains contributing to sustainable forestry and forest-based livelihoods Output 1: Improved value chains and increased private sector involvement in the forest sector Output 2: Stakeholder capacity to implement and promote forestry value chain development enhanced Output 3: Functional extension, communication, monitoring systems and Management Information System in place Output 4: Supportive legal and policy frameworks to forest value chain and sustainable forest management developed

The Outcome and Outputs were adjusted and approved by Steering Committee in March 2019. Two Outputs from original Programme Document (May 2016) were disaggregated into four Outputs in the revised Programme Document (March 2019).

Summary

This report covers the period July 2018 – June 2019, divided into two periods, the Inception period (Jul 2018 to Feb 2019) and the bridging period (Mar - Jun 2019). The expected impact of FORVAC is: *Increased economic, social and environmental benefits from forests and woodlands*. The Outcome is: *Improved forest sector market / value chains contributing to sustainable forestry and forest-based livelihoods*. The outcome will be achieved through the following Outputs (Initially two Outputs, sub-divided into four in the revised Programme Document):

- OP 1: Improved Value Chains and increased private sector involvement in the forestry sector
- OP 2: Stakeholder capacity to implement and promote forestry value chain development enhanced
- OP 3: Functional extension, communication, M&E and Management Information System in place
- OP 4: Supportive legal and policy frameworks to forest value chain and SFM developed

The Inception Period followed the original Programme Document and the TOR for the Programme. The purpose of the period was to establish FORVAC's operational technical and administrative-financial structure. With the structure in place the next steps were: Getting a good understanding of the programme context; Review and adjust the ProgDoc; Prepare a work plan and budget for a bridging period (Mar-Jun); Recruitment of Clusters Coordinators; and Carry out initial procurements.

The period included the identification and implementation of support interventions, e.g.: Market System Analysis; Communication Strategy; Support to Charcoal Task Force and Review of Programme Document and Budget. An assessment of FLEGT in the context of FORVAC was also carried out in the period. Reports were included in the inception report presented in March 2019.

The Bridging Period focused on field work at District level including collection of information on core elements of the Programme. Three Cluster Coordinators (CC) were recruited to increasing the field presence aiming at elaborating district tailored objectives and work plans. The CCs are responsible for the facilitation of the Programme in close interaction with the district/regional stakeholders.

A Training Needs Assessment was carried out during the period. The process towards a Management Information System started and included discussions, group work and a workshop to find an appropriate framework considering the needs from various key stakeholders. A tailored support is scheduled in the beginning of the next annual plan (2019 2020). FORVAC support was requested by the PFP programme for a bridging period (May-June) and for a teak plantation in Ruvuma.

The Financial Management is divided into funds for Technical Assistance and Operational costs. In May 2019 the FORVAC management of funds was audited by KPMG for the period Jul-Dec 2018 without any remarks. The implementation until June 2019 has been about EUR 1.76 millions (18% of total budget of EUR 9.95 million).

The Challenges and Critical issues are summarised:

- Apply a realistic approach to results and targets considering the constraints in a complex programme environment involving different sectors and institutions with overlapping policies.
- Transparent and result-oriented dialogue is necessary to establish a common and proactive ground of understanding considering the different roles and responsibilities among key actors.
- The logistics is a main challenge for an efficient implementation of the Programme taking in consideration: geographical coverage, distances and infrastructure in rural areas.
- There is a need to apply flexibility for timely and proper interventions aiming emphasizing technical and financial efficiency in resource utilisation.

1 Introduction and Programme Description

This annual report covers the period July 2018 – June 2019. Considering the adjustments to the Programme Document suggested and approved by the second Steering Committee meeting (March 2019), this report is divided into two periods, the Inception period from July 2018 to February 2019 and the bridging period from March to June 2019.

FORVAC aims at strengthening community-based forest management towards sustainable utilisation of forest resources and development of forestry value chains. The programme also focuses on strengthening institutional framework and creating enabling environment for the private sector stakeholders to manage and utilise natural forest sustainably. Adoption of business and market-driven value chain approach is at the core of the Programme as is linking up with business development providers and private sector.

The FORVAC approach is to work with clusters of districts, building on the critical mass of successful value chains based in VLFRs and thus generating positive economic and social impacts in the surrounding communities and districts. The core of the programme will emphasise development of enabling environment for the private sector and communities, to invest more on the forest resource and to make better use of forests in a sustainable manner.

The Programme supports improvement of policy and regulatory frameworks for CBFM and facilitates revision of Forest Act and regulations. The Programme also supports the strengthening of institutional framework and forest governance capacity of various stakeholders involved in CBFM, most importantly FBD.

The Programme also intends to facilitate the development of equitable and transparent ways to share the generated cash benefits between the villagers who are the managers and users of VLFRs, and especially to consider the need to strengthen women participation in the forest management, value chain and benefit sharing.

The lessons learned in previous interventions are important inputs in FORVAC, as well as the search and development of synergies with other initiatives and projects related to the Programme context. The Programme integrates climate change adaptation and climate change mitigation in its activities.

The improvement of institutional framework and enabling environments will raise confidence of the management capacity of the institutions and facilitate other investors to finance sustainable management of the natural forests. Special emphasis is put on engaging more women and to shared benefits between men and women.

The Programme will take into account the following:

- Financially feasible businesses need to be generated from the declared Village Land Forest Reserves (VLFR) and strengthening market-driven value chains together with the private sector actors, NGOs and district teams;
- Relevant stakeholders and institutions need to be capacitated to plan, support, manage and monitor Community-based Forest Management and related value chains; and
- Illegal trades of timber and wood products need to be halted through improving good governance.

1.1 Programme Impact, Outcome and Outputs

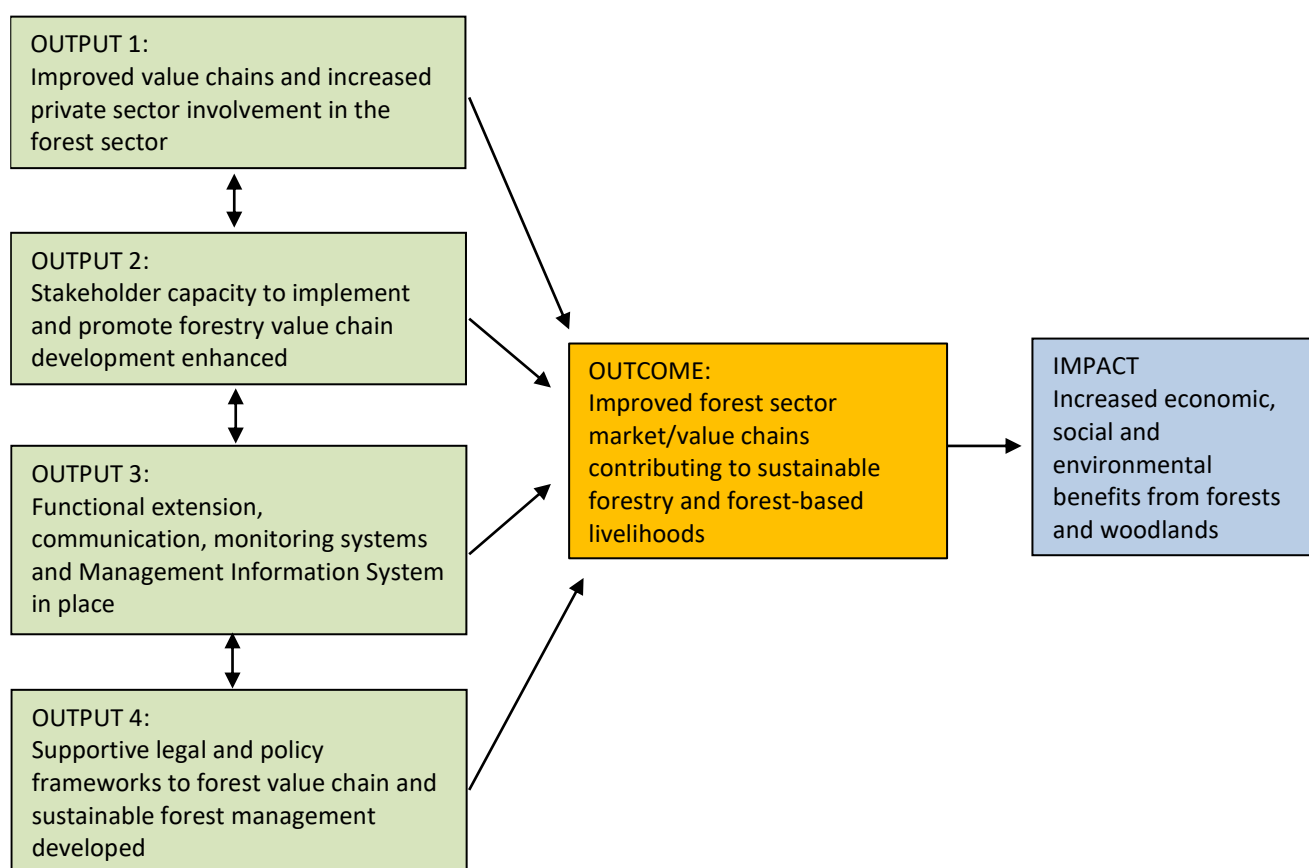
The expected impact of FORVAC is: *Increased economic, social and environmental benefits from forests and woodlands*

Programme Outcome: *Improved forest sector market / value chains contributing to sustainable forestry and forest-based livelihoods*

The outcome will be achieved through four interlinked **Outputs**¹. They are:

- **OP 1:** Improved Value Chains and increased private sector involvement in the forestry sector
- **OP 2:** Stakeholder capacity to implement and promote forestry value chain development enhanced
- **OP 3:** Functional extension, communication, monitoring systems and Management Information System in place
- **OP 4:** Supportive legal and policy frameworks to forest value chain and sustainable forest management developed

Figure 1 Results Chain



¹ The original Programme Document specified two outputs; in the revised PD they were disaggregated into four outputs. The revised Programme Document and Budget was preliminary approved in the SC meeting in March and final approved by the SB meeting in April.

1.2 Programme Management

The competent authorities are the Ministry for Foreign Affairs of Finland (MFA) and the Ministry of Natural Resources and Tourism of Tanzania (MNRT). The implementing agency is the Forest and Beekeeping Division (FBD) in close collaboration with PO-RALG district authority, responsible for village land forest reserves, are service providers and the Tanzanian Forest Services Agency (TFS), which is responsible for state forests. In addition, communities have a main implementation responsibility, together with districts under the PO-RALG, private sector entities and NGOs as service providers. VLFRs are managed by VNRCs and are accountable to the Village Councils.

FCG supports the programme implementation. The role and responsibilities of FCG are defined in the bilateral agreement and the services in the contract between MFA and FCG.

The decision-making system of the Programme includes a Supervisory Board (SB), the Steering Committee (SC) and the Programme Management Team (PMT). At local level coordination arrangements are managed by the Cluster Coordinator in the respective regions/clusters in close collaboration with District Councils, through appointed officers, and Village Councils, through Village Natural Resources Committees (VNRC). The Programme field working area is divided into three regions with three clusters with a total of nine districts as follows:

- **Tanga region/cluster:** Handeni, Kilindi and Mpwapwa* districts
- **Lindi region/cluster:** Liwale, Ruangwa and Nachingwea districts
- **Ruvuma region/cluster:** Namtumbo, Nyasa, Songea and Mbinga districts

* Mpwapwa district was included with purpose of having a demonstration area near Dodoma.

1.2.1 Supervisory Board (SB)

The SB is the highest decision making body of the Programme. It is comprised of representatives of:

Voting members:

- Deputy Permanent Secretary, Ministry of Natural Resources and Tourism (MNRT)
- Charge d'Affairs, MFA of Finland/Embassy of Finland
- Ministry of Environment (MoE)
- Ministry of Finance and Planning (MoFP)
- President Office – Regional and Local Government (PO-RALG)
- Chief Executive, Tanzania Forest Services Agency (TFS)
- Ministry of Industry and Trade (MIT)
- Tanzanian Forestry Working Group (TFWG)

Non-Voting Members:

- Director FBD, MNRT
- Counsellor, Embassy of Finland (EoF)
- National Programme Coordinator (NPC) – FORVAC, FBD
- FORVAC Chief Technical Advisor (CTA), FCG
- TFS -DSM

SB's mandate is to agree upon decisions affecting the Programme at country agreement level, i.e. changes in FORVAC strategy/funding, including review/approval of Annual work plans, budgets, etc.

2 The Inception Phase (August 2018 – January 2019)

The annual report covers the inception period (Jul-18 to Feb-19) and the bridging period (Mar to Jun-19), with specific work plans and budgets. Below is a summary of the inception period.

2.1 Background

The inception period followed the specifications from the original Programme Document and the Terms of Reference for the Programme. The work plan and budget for the inception period is presented in Annex 6. The main purposes of the inception period were, among other: to establish the operational technical and administrative-financial structure of the programme.

With the basic programme structure in place the next steps focused on: Get a good understanding of the programme context at regional and district level; Review and adjust the programme document; Prepare a work plan and budget for a bridging period (March-June); Recruitment of Clusters Coordinators; and Carry out initial procurements.

An important complementary activity during the period was the identification and implementation of support interventions, such as consultancies regarding: Market System Analysis; Communication Strategy; and Review of Programme Document and Budget. Another specific assessment carried during the period was the Assessment of FLEGT in the context of FORVAC. All the reports were included as annexes to the Inception report presented in the 2nd SC meeting in March 2019.

2.2 Achievements

The table below presents a summary of the expected results/deliveries during the inception period, in a form of Inception Phase Checklist:

Task/ item According to work plan for inception period	Comment	Status
A) Operational facilities and human resources in place		
Project Long-Term TA staff fielded	1) PMT staff fielded in July 2018 2) Cluster Coordinators recruited in March 2019	Completed
Partner organization staff appointed and working; counterpart assigned to the TA	NPC appointed in August 2018	Completed
One staff member in place with knowledge on local regulations and conditions (local tax laws, banking arrangements, other relevant requirements)	Part of long-term TA-staff (Financial Manager)	Completed
Programme / project bank account opened, signatories agreed and professional accounting software in use (in line with local regulations)	TZS and EUR accounts opened (only after Work Permit approval process allowed) Accounting software in place (Navision); training and VPN link setup in October 2018	Completed
A local employer status organization identified (with respect to local staff), and necessary VAT codes and other formalities with relevant authorities in the Partner Country	SCAN Tanzania (FCG partner in Tanzania). Responsibly for local contracts of support staff	Completed

Task/ item According to work plan for inception period	Comment	Status
Recruitment strategy and process agreed; recruitment process for the Programme's support staff has been completed, contracts issued and insurances in place to all support staff members and all staff working.	Process discussed and agreed in Programme Implementation Manual (PIM) Drivers – contracts issued, including insurance cover	Completed
Recruitment process for the Programme's National TA staff has been completed, contracts issued and insurances in place to all staff members and all staff working.	National staff recruited. Additional staff (drivers) to be recruited after clearance of new purchased vehicles	Completed
One staff member has expertise and responsibility to monitor HRBA compliance and implementation of the cross-cutting objectives as a delegated responsibility from CTA	CTA & VCA with expertise in HRBA & Cross-cutting issues. Specific monitoring criteria and indicators will be included in the M&E system.	Expertise in place. M&E under preparation
Project Office established and connected with electricity, internet, phone connections secured, project web page open	Small temporary head-office provided in Dodoma in UDOM facilities. Support office available in TAFF facilities in DeS.	Permanent head-office not yet established
First outline of the procurement guide developed (final version be included in the PIM); agreement on which procurement methods to follow (Finnish or local)	Guide included in the Programme Implementation Manual (PIM)	Completed
Equipment and furniture for Project Office and Project Staff procured, delivered and installed (including computers)	Basic equipment and furniture in place.	Completed
Project Regional / District / Field Offices (where relevant) fully equipped and furnished	Most of equipment and furniture in place. Some office repairs might be needed.	Completed
Procurement of project vehicles completed, and vehicles delivered and registered	Procurement process completed; vehicles arrived in DeS in April; currently in a bonded warehouse waiting for tax exemption.	Pending tax exemption
Supervisory Board (SB) and Steering Committee members identified; schedule for initial meetings defined	SC members identified and ToR for SC agreed. First meeting scheduled in April.	Completed
B Project Management, Planning and Monitoring systems in place		
Home Office Coordinator support mission (1-2 weeks) in relation to support the establishment of the programme/ project administrative and management structures	HOC and Technical Backstopper coordinated International TA-Briefing July-August 2018. HO support in establishment of admin and financial structures (Oct 2018); Participation in 1st SC meeting (Nov) and Inception phase reporting (Feb-Mar 2019)	Support provided
Broad and equal participation opportunities are arranged particularly for women and vulnerable groups in all preparatory activities.	Planning ensures gender aspects are well covered.	Applied as much as possible
Staff provided with formal and informal discussions and meetings on project purpose, working environment and risks.	In several occasions, both as a whole Staff group and also in more specific working groups	Completed
An initial Kick-off Workshop has been organised and attended by the main stakeholders (for initial information sharing about the Project / Programme)	Jan 2019 a planning workshop was held for government representatives from district, regional and national levels. Ad-hoc field workshops/meetings at district.	Completed. Official launching to be held later
All levels of levels of project management and decision-making structures have been established (PMT, SC, SB) and are operational	PMT and SC established. First SB meeting to be held in April	Completed

Task/ item According to work plan for inception period	Comment	Status
All decisions necessary for starting activities for the first year prepared (e.g. field / district assessments, selection of target communities and other critical decisions) alongside the first year workplan and budget. These are presented and approved to the SC and/or SB as relevant.	Ongoing. Decision on potential inclusion of a district(s) from Dodoma Region in evaluation. Work plan and budget for the bridging period (March-June) presented and approved in 2 nd SC meeting.	Decision taken. Ongoing selection of communities
Terms of Reference prepared for the Baseline Data Report (minimum requirement: data for impact, outcome and output indicator data in actual Programme villages/units on a sample basis), Service Provider / External Consultant approved by SB; Baseline data collection underway; data disaggregated.	Baseline data collected from NFBKP II and LIMAS reports, as well as from district staff. Further data contained in reports: Market Systems Analysis, Communication Strategy and FLEGT approach. Continuous updating	First baseline collected. Ongoing data collection
M&E plan in place and M&E responsibilities further developed and agreed based on the Result Chain and Results Framework of the PD	Procedure elaborated in PIM. Implementation together with Cluster Coordinators establishment. System to be further elaborated along with MIS	Basic M&E established.
Procurement plan prepared and presented to the SB for approval	Submission to SC in April. Summary Plan presented in 2 nd SC meeting (March)	Completed
Project Implementation Manual (PIM) has been produced and presented to the SB for approval (in case of 2 nd and 3 rd phase projects: PIM reviewed and updated as necessary)	Submission to SC in April.	Completed
The annual work plan and budget for the 1 st operational year has been prepared and approved by the Supervisory Board (SB) (see Annex 5, revised Programme Document).	Work plan and budget for inception period followed original budget (from Programme Document). Specific WP and Budget for the period March – June presented to SC and approved	Completed
Inception Report has been prepared and approved by the SB.	Inception report prepared and submitted to 2 nd SC. Submission to SB in April	Completed
Workshop organised and attended by main stakeholders to disseminate information about PIM, Annual Work Plan and Budget, Baseline, planning, management and monitoring tools of the programme, and instructions for potential beneficiaries on support available.	Pending approval of Programme Document, PIM and AWP. Information dissemination to be facilitated by Cluster Coordinators at regional and cluster level.	Ongoing
C Project approach finalized		
Local ownership, wide partnerships and problem-oriented flexible operational modality designed.	Design in place following Programme Document. Further steps towards implementation in close contact with district officials and communities.	Ongoing
Results Chain reviewed and updated; Results Framework reviewed and finalized and submitted for the SC/SVB for approval. Programme document reviewed as necessary.	Submitted to 2 nd SC meeting (March). Submission to SB in April.	Completed
Baseline Report available; Based on the Baseline report, annual and end-of-project indicator targets for all results presented to the SC and SB	Data from previous projects and other reports reviewed. Missing data to be sought following approval of the PD. Priority activity at Cluster level supported by CCs.	Ongoing
Risk matrix and analyses and mitigation measures reviewed and finalized	Submitted to 2 nd SC meeting (March). Submission to SB in April	Completed

Task/ item According to work plan for inception period	Comment	Status
Gender and human rights analyses are revisited (based on initial analysis in the PD) and integrated in project logic, approach, activities and M&E is ensured; priority areas and crosscutting objectives have been taken into account in resourcing.	Included in planning of bridging period. Submitted to 2 nd SC meeting (March). Submission to SB in April. Further elaboration in planning of Year 2.	Ongoing
System for learning is established: Programme Document has milestones for learning like internal monitoring workshops and mid-term reviews.	Based on the PD submission to SC in April. Including option of Junior Professional Officers (International and National)	Completed

2.3 Relevant additional actions during the period

In addition to the results table above, number of relevant actions, initiatives and studies were supported or carried out during the inception period, for example:

2.3.1 Support to National Task Force on Charcoal and Biomass Energy Sector Assessment

The National Task Force on Charcoal sub-Sector was formed and assessed the existing limitations in policy, production models, value chain elements, and identified optimal strategies for producing an enabling environment that leads to beneficiation along the value chain and ultimately to forest conservation.

The overall objective of the assignment is to assess options that address challenges in charcoal production, trade and use for the sustainable management of forest resources in Tanzania. The Specific Objectives are the following:

- To evaluate the sustainability of existing charcoal production and use models within Tanzania, and beyond, and their potential application along the value chain in the Country;
- To identify barriers and gaps that hinder the sustainability of the charcoal sub-sector in Tanzania;
- To identify and engage relevant stakeholders and draw lessons for the improved development of the charcoal sub-sector in the country; and
- Recommend policy applications towards improving the sustainability of the charcoal sub-sector in Tanzania.

The National Charcoal and Biomass Energy Assessment Team was supported by FORVAC to cover the remaining regions, enrich a literature review and produce a report ready for stakeholder validation. The assessment will contribute to design of interventions relevant to the charcoal sector. FORVAC's support resulted in the final draft report "Assessing Potential and Identifying Optimal Strategies for National Charcoal sub-Sector Development in Tanzania", submitted in January 2019.

2.3.2 Market Systems Analysis

The aim was to identify the root causes of market player under-performance and the functions/rules most in need of redress. The information gathered during this assignment was used to pinpoint what is responsible for maintaining the poor's disadvantage and where intervention is most needed.

The approach analysed the supply and demand of wood and non-wood forest products, rules and business environment and supporting functions within an HRBA context. By viewing a market in this holistic way, the linkages and inter-dependencies surrounding value chains are apparent and

programme design can be modelled on actual, identified issues that can help improve value chain functioning in a market environment.

The MSA results have been incorporated into programme design and heavily contributed to the formulation of outputs and activities in the Programme Document as well as in the work plan for the bridging period.

2.3.3 Communication Plan

The objectives resulted in a description of the communication structure and procedures. Next steps include engagement of service providers to implement and set up the communication framework. A communication plan was developed aiming at:

- acknowledge funding from the Governments of Finland and Tanzania (and potentially the EU)
- communicate with stakeholders on developments in forestry value chains in FORVAC context
- share information regarding rules and responsibilities with stakeholders
- communicate best practices and to communicate the program to the general public
- create programme visibility, credibility and transparency
- promote good planning and monitoring practices based on quality data for informed decisions
- enhance cohesion within FORVAC by using organisational structures for communication flow.
- ensure that programme implementers and parties have access to programme documentation including reports, plans, studies, manuals, guidelines, etc.

2.3.4 Assessment of FLEGT & Improved Trade Conditions of Legally Sourced Timber in FORVAC

The report defines FORVAC's general approach to FLEGT and improved conditions for the trade of legally sourced timber as part of the programme and gives a tentative plan for relevant actions to be included in the revised Programme Document and FORVAC's work plan. The report concluded that, taken into account the timeframe of FORVAC implementation and the available resources and the core of the programme (forest value chains development) the general approach to forest law enforcement, forest governance and the trade of legally sourced timber would be:

- focus on forest VAC development based on production of timber, NWFP and NTFP in the project area (CBFM within Village Land Forest Reserves, VLFR).
- support development of forest law enforcement relevant to CBFM and improvements of conditions for trade of legally sourced timber, NWFP and NTFP originated within the project.

2.3.5 Baseline data and incorporation of new districts

Baseline data contained in the programme document were re-confirmed wherever possible due to the long period since the initial Programme Document. The information is a preliminary current status to be further updated and complemented with Cluster Coordinators in place.

In the period between Programme Document development and FORVAC start, some Districts in Ruvuma Region have been split to form two districts. In addition, another district near Dodoma was identified and included in the Programme totalling 10 districts. The current regions and districts in FORVAC are:

Region / Cluster	Districts
Tanga	Kilindi, Handeni
Lindi	Liwale, Nachingwea, Ruangwua
Ruvuma	Nantumbo, Songea, Mbinga, Nyasa

Dodoma	Mpwapwa (to be coordinated under Tanga Cluster)
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2.3.6 Procurement of vehicles

The process with vehicle procurement started in November, procurement was published in December, Evaluation done in January and procurement order formalised in February. The vehicles arrived in Dar es Salaam in April. However, at the time of writing this report the vehicles are still kept in a bonded warehouse waiting either for a tax exemption certificate or a receipt for paid taxes. In spite of the agreement between the countries stating tax exemption of goods procured for the programme implementation, the process to obtain such a certificate has showed to be slow and cumbersome.

3 The Bridging Period (March – June 2019)

3.1 Background

Based on the revised Results Framework presented in Annex 1, the main objective of this period was to initiate concrete field actions in close interaction between TA-staff, especially Cluster Coordinators, district officers and other key local stakeholders such as service providers (see Annex 7, work plan and budget for Mar-Jun 2019). These actions provide valuable information and inputs for the preparation of the Annual Work Plan and Budget for the period July 2019 – June 2020.

The focus during this period was at Region and District level. During the inception period a number of preparatory work were carried out providing information on the core elements of the Programme, for example a comprehensive market diagnose with focus on market constraints and potential value chains, and a communication and extension plan.

A major factor for increasing the field presence aiming at elaborating district tailored objectives and work plans was the recruitment of the 3 Cluster Coordinators to be based in the FORVAC regions.

The Cluster Coordinators are responsible for the facilitation of the Programme in close interaction with the district/regional stakeholders, among other. Their recruitment took until the first half of March, followed by familiarizing with the FORVAC Programme Document and approach, results of ST consultancies and other studies conducted by the programme, administration and financial procedures and the programme management.

An introductory field trip to familiarize the Cluster Coordinators with their working areas and districts took place from 23 March to 16 April. The FORVAC team (FMVCE, VCA and CCs) used this field trip also to meet relevant regional and district authorities and update them on the programme approach and activities. The team also assessed office facilities available for the CCs and condition of vehicles remaining from previous Finnish funded programmes, NFBKP II and LIMAS.

In May CCs joined in their respective areas the TNA consultancy facilitating meetings with stakeholders at regional, district and in the villages. CCs also conducted awareness raising meetings to members of the District councils in Tanga Cluster (Kilindi and Handeni), Ruvuma Cluster (Songea and Nyasa districts), Lindi Cluster (Ruungwa and Nachingwea districts). The Tanga Cluster Coordinator and FMVAC introduced the program to Mpwapwa district officials and engaged them in the selection of 6 villages where the program will be working as from July 2019. Awareness raising meetings at the district level in Mbinga and Namtumbo districts (Ruvuma Custer) and Liwale district in Lindi Cluster conducted by the end of June.

The FMVCE, the VCA and the CCs prepared necessary planning and budgeting templates and outlines of the work plan and the budget for the period from July-19 to Jun-20. The district plans are incorporated in the cluster level plans and budgets and the programme level AWP and Budget document summarizes Cluster data and incorporate Technical Assistance, Support Staff, Programme Management and Short-term Consultancies in the complete Draft AWP and Budget.

The templates and preliminary outlines of the work plan of each district were discussed in the joint AWP workshop, held in Morogoro on 3 – 5 June, involving key stakeholders representatives from the Clusters and districts covered by the Programme as well as representatives of the FBD, PO-RALG and TFS. These Plans were further elaborated, identifying priority actions and more specific resource allocation in close interaction between CCs and District Officers, and other key local stakeholders, in line with the Results Framework.

Some of the key instruments for establishment of priorities at local level, to enhance the Programme orientation were the Market Systems Analysis, the Communication Plan and FLEGT report. The information gathered and/or produced during the inception phase were analysed in order to propose key actions and further steps as guiding priorities rather than results to be reached during the period. Two important additional activities were planned to take place during the period:

- i) A Training Needs Assessment, providing information to elaborate capacity building actions;
- ii) A Management Information System study, including Monitoring and Evaluation System.

3.1.1 Training Needs Assessment (TNA)

The objective of this special short term support in May-June was to assess the needs of relevant stakeholders engaged in the programme to strengthen their understanding and capacities regarding the concept of the value chain and its implications for sustainable forest management, inclusive socio-economic and environmental aspects and how communities and other value chain actors can benefit in terms of income and employment.

Main focus has been on an institutional capacity assessment at central level to identify the existing capacities and the competencies needed. This is to ensure that the capacity development actions address the true needs and capacity gaps in a sustainable manner.

In addition, the consultancy provides guidance to FORVAC TA staff, especially to the Cluster Coordinators, in the needs assessment to be carried out at Cluster, District and Village level, followed by a capacity building plan for key stakeholders at those levels, to be used as reference for engagement of service providers, when needed.

Capacity building suggestions will be based both on training individuals but equally important in building the institutional capacity which is more than a sum of the capacities of individuals. A comprehensive training/capacity development plan is being developed for the Programme and will be a key action to be included in the next year work plan and budget.

3.1.2 Management of Information System (MIS)

The MIS support, preliminary planned to take place during the period, has been delayed due to the need of a proper analysis of the current situation and needs specification in relation to key institutional stakeholders in FORVAC, to be reflected in the Terms of References for the support.

Currently, MNRT is developing Management Information System (MIS) for the Ministry, also including the MIS for the Forestry and Beekeeping Division (FBD). FBD organized a 5-day MIS

working session with stakeholders in Morogoro (13 to 17 May). The VCA, FMVCE and NPC representing FORVAC participated in the event.

The main objective of the working session/workshop was to establish and complete a list of requirements and indicators for the MIS and come to a proposal for improvements of the FBD-MIS to cater for the needs of all stakeholders. The working session involved government institutions/departments, relevant NGOs, bilateral programs under FBD and the Private Sector (companies) working in the forestry sector.

Different stakeholders, including FORVAC, made presentations with regards to data/information collection methods and their MIS (if set up). It was concluded that multi-stakeholder process, led by the FBD, has been ongoing since last year. Furthermore, it was agreed that all Management Information Systems (MIS) developed by stakeholders should be integrated with MNRT/FBD MIS to facilitate feeding relevant data/information to the FBD-MIS.

The FORVAC programme could support selected activities within this process, relevant to our assignment. However, the programme may focus to establish the specific FORVAC MIS and integrate it with the MNRT MIS to secure information/data exchange and transfer between the systems.

3.1.3 Fund support to PFP during May - June

In the 2nd Steering Committee (March 2019), the Competent Authorities (CA) presented a proposal regarding funds to PFP during May-June. The Co-Chair, Kari L., explained that the Finnish funded programme PFP may need fund support to fill the gap (May-June) between the finalisation of the Private Forestry Programme I (PFP I) and the expected start of PFP II. A work plan and budget were presented.

The SC members approved this possible support equivalent to EUR 212,000 and FORVAC will await further instructions from the Competent Authorities on this issue.

3.1.4 Teak Planting

Part of PFP's field work in Ruvuma is expected to be transferred to FORVAC. After discussions between the Embassy of Finland, PFP and MNRT, it was agreed that FORVAC would support to complete the establishment of Teak plantations commenced by PFP in Nyasa district. The support includes funds for 230,000 teak saplings (with cost of EUR 26,600) and to cover the salary of the Plantation Extension Officer for one month.

A FORVAC team (FMVACE, FVAC and CCs) conducted a field trip in the plantation area to discuss the proposed activity with relevant authorities. Some of the key findings are the following:

- Relevant authorities of the districts of Nyasa and Mbinga support the plantation initiative.
- Villagers are interested in teak plantation; a Tree Growers Association has been established.
- 700 ha have been allocated for tree planting of which about 300 ha to be covered in 2019.
- Access to the planting site is difficult, located in a remote and high elevation area.
- Plantation takes place in the newly established Nyasa district, bordering Mbinga district.
- Conflict between villages in Nyasa district and people from Mbinga district; conflict sources:
 - Land use: Plantation area allocated in the LUP of the villages of Liuli, Mkali A and Lipingo of Nyasa district. People from Mbinga district are looking for additional land for agriculture and try to encroach to the area.
 - Villages of Nyasa district commenced teak planting in 2017 – 2018, in the area of 235 ha. Around 50 ha of planted area were destroyed by people from Mbinga.

The conflicting parties and local authorities are working to resolve the problem; also legal processes against people damaging plantations have been taken into court.

Apparently, people from Mbinga do not have rights to take into their use areas in the allocated plantation. However, the people from Nyasa villages would be ready to accept people from Mbinga to join the plantation activities in a limited scale and even applying intercropping (agroforestry) in their woodlots, required that an official agreement is established.

The support from FORVAC on this initiative will be more specified in the plan for Year 2 (Jul-19 to Jun-20) including, preliminary:

- Capacity building (training, awareness raising, etc.) on plantation management.
- Support in conflict solution, facilitating negotiations between parties and local authorities.
- Training in conflict management involving key parties in Nyasa, Mbinga and local authorities.
- Document conflict resolution/management.
- Include training on conflict management in every cluster and district FORVAC is operating.
- Support development of forest based value chains involving potential forest plantations.
- Include the position Plantation Extension Officer in FORVAC for at least six (6) months. If involvement of FORVAC in plantation activities continues, consider a longer term recruitment.

3.2 Achievements (summary of progress and deliveries during Year 1)

Programme Outputs / Main activity description	Target	Progress
OP 1. Improved VC and increased PS Involvement in the forest sector		
Establishment and mobilization of Village Land Forest Reserves (VLFR)	20 LUP developed & 20 VLFRs process initiated	<ul style="list-style-type: none"> Dialogue established with Villages to discuss, plan and initiate LUP processes. Process ongoing in 3 villages in Lindi District, 27 villages in Liwale district, 2 villages in Ruangwa district, 2 villages in Handeni/Kilindi , Baseline of the status of VLUP and establishment of VLFRs included in the LUP/VLFR database developed by FORVAC. Annual Work Plan & Budget Planning 2019–2020. Workshop involving key stakeholder representatives from FORVAC districts as well as representatives of FBD, PO-RALG, TFS and regional governments, held on 3–5 June. Agreements with districts on target villages for support to VLFR establishment and VLUP.
Support to value chain development	Forest value chain stakeholders supported	<ul style="list-style-type: none"> Ruvuma Landscape Investment Forum, 7–8 Nov 2018, organized by WWF & MCDI, presentations/discussions on development of forest based VC. Interventions of timber, charcoal and NWFP VC development applied by other actors in Tz reviewed to support FORVAC AWP 2019 – 2020 formulation. Capacity and training needs assessed (TNA consultancy) in May - June 2019. AWP 2019 – 2020 Planning Workshop, involving key stakeholders from the FORVAC districts as well as representatives of the FBD, PO-RALG, TFS and the regional governments, held on 3 – 5 June 2019 => common understanding of the AWP 2019 – 2020 support to value chain development. “Transforming Tanzania’s Charcoal Sector - initiatives in SFM”. Local government officers workshop to share updates, lessons and opportunities and enhancement support of the project, Morogoro 7 - 9 June. Networking, discussions. FORVAC represented by NPC and VCA. District workshops/meetings: 6 District Council awareness creation meetings, also to introduce FORVAC’s approach to value chain development, held in the districts of Handeni and Kilindi in Tanga cluster, Ruangwa and Nachingwea in Lindi cluster and Songea and Nyasa districts in Ruvuma cluster. Awareness raising workshops/meetings in remaining districts (Liwale, Namtumbo and Mbinga) to be conducted by end of June 2019. Ongoing process in 32 villages in Lindi Cluster, 5 in Tanga Cluster and 35 in Songea Cluster
OP 2. Stakeholder capacity to implement and promote forestry value chain development enhanced		
Improved institutional and management capacities of Village Councils and VNRC to implement CBFM and develop forest value chains.	FORVAC introduced in villages	<ul style="list-style-type: none"> Process ongoing in 6 villages in Lindi District, 27 villages in Liwale district, 8 villages in Ruangwa district, , FORVAC introduced in all districts, including a considerable number of Villages through: Village meetings: Consultations/appointments to conduct awareness raising meetings at village level with village leaders, to be held in June 2019. District workshops/meetings: 6 District Council awareness creation meetings held in the districts of Handeni and Kilindi in Tanga cluster, Ruangwa and Nachingwea in Lindi cluster and Songea and Nyasa districts in Ruvuma cluster. Awareness raising workshops/meeting in remaining districts (Liwale in Lindi cluster, Namtumbo and Mbinga Ruvuma cluster) to be held in June 2019. Reports of awareness raising events have been published on district websites for wider dissemination, e.g: www.nyasadc.go.tz and www.handenidc.go.tz/new/mafunzo-ya-kulinda-mazao-ya-misitu-yafanyika-handeni
Improved capacities to support and monitor CBFM/forest and related value chains and incorporating HRBA aspect	Training Needs Assessment and Plan developed.	<ul style="list-style-type: none"> TNA carried out in May-June. Findings and recommendations are important inputs in the Annual Plan for Year 2. Process ongoing in 5 villages in Songea district, 10 villages in Nyasa district, 10 villages in Namtumbo district, 10 villages in Mbinga district, 5 villages in Handeni/Kilindi,

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Programme Outputs / Main activity description	Target	Progress
Forest products VC/market systems and business development skills incorporated in relevant training institutes	Preliminary discussion made	<ul style="list-style-type: none"> Stakeholders and service providers contacted and discussions on specific collaboration modalities initiated. Reviewed as part of TNA, inputs to be included in the AWP 2019 – 2020. TNA also identified a need for incorporation training on “forest fruit trees” in the curricula of SUA.
OP 3. Functional extension, communication, monitoring systems and Management Information System in place		
Enhanced extension and communication services	Initiate action plan	<ul style="list-style-type: none"> Based on the communication strategy and action plan contacts with relevant stakeholders and service providers have been established. Specific ToRs are under preparation for implementation. Support to organizing the National Tree Planting Day, coordinated by FBD, in Same district in Kilimanjaro region in April. 30,200 seedlings planted. Kilindi district (Tanga cluster) supported in organizing a 1-week tree planting campaign: a total of 3000 tree seedlings of different species, also including fruit tree seedlings, were planted in schools and household areas. The District Commissioner officiated the campaign. The event was posted on district council website on 22 May 2019 (www.kilindic.go.tz).
Monitoring and Management Information System (MIS) established	Process initiated MIS and M&E	<ul style="list-style-type: none"> In dialogue with MNRT and PFP II, discussions held regarding current systems in use and adequate alternatives to address needs from key stakeholders. Workshop with representatives of the MNRT (FBD and Policy and Planning Division) on mainstreaming FORVAC objectives and targets to MNRT (strategic) plans and budgets in Morogoro, 28 – 30 March 2019. FORVAC represented by the FMVCE and VCA. FORVAC represented (NPC, FMCVE, VCA) in a 5-day MIS working session on Forestry and Beekeeping held by FBD in Morogoro on 13 - 17 May, with the main objective to establish and complete a list of requirements and indicators for the FBD MIS and come to a proposal for improvements of the Forestry and Beekeeping Management Information System (FB-MIS) to cater for the needs of all stakeholders. The working session involved government institutions/departments, relevant NGOs, bilateral programs under FBD and the Private Sector (companies) working in the forestry sector.
OP 4. Legal and policy frameworks in forestry supported		
Improved policy and regulatory framework for forest value chain development	Process initiated	<ul style="list-style-type: none"> Support to the revision of forest management and harvesting guidelines in CBFM has been provided involving key stakeholders and service providers. Workshop on review of CBFM handbooks (10), Morogoro 28–30 March, funded by FOVRAC, co-facilitated with FBD. FORVAC's NPC and VCA attended. Workshop 2 on review of CBFM handbooks (10) in Morogoro 6 – 7 May, facilitated by TFS and MCDI. FORVAC represented by the NPC. Workshop on “Transforming Tanzania’s Charcoal Sector - initiatives in SFM”. Local government officers sharing updates, lessons and opportunities and enhancement support of project, Morogoro 7-9 June. Networking, discussions. FORVAC represented by NPC and VCA.
Forest law enforcement, forest governance and trade of legally sources timber	Process initiated	<p>Based on the report Assessment of FLEGT in FORVAC context, contact with relevant stakeholders and service providers established. Working meetings on:</p> <ul style="list-style-type: none"> TFS – FORVAC cooperation on forest law enforcement and forest governance, 9 May. WWF – FORVAC cooperation on development of forest law enforcement and forest governance, 10 May 2019. TRAFFIC – FORVAC/TNA about cooperation on development of forest law enforcement, timber tracking systems and forest governance, 20 May 2019. => Inputs to AWP 2019 – 2020. Specific ToRs are under preparation for implementation.
Short term consultancy – TNA	TNA & CB Plan	Training Needs Assessment (TNA) carried out in May-June. Capacity building plan to be elaborated based on the TNA findings and recommendations and relevant inputs incorporated with the AWP 2019 – 2020.
Short term consultancy – MIS	MIS and M&E	MIS consultancy to be carried out as soon as possible having the inputs from the workshop on MIS held with main stakeholders in Morogoro on 13-17 May. Findings and recommendations will be important inputs in the Annual Plan for Year 2. Specific ToR to be fine-tuned.

Programme Outputs / Main activity description	Target	Progress
Contingency 1 - PFP budget support May – June	PFP bridging	FORVAC prepared to provide the requested support to PFP under instructions and guidance from the CA.
Contingency 2 - Support to teak plantation (PFP)	Seedlings secured	Part of PFP's field work in Ruvuma is expected to be transferred to FORVAC. After discussions between the Embassy of Finland, PFP and MNRT, it was agreed that FORVAC would support to complete the establishment of Teak plantations commenced by PFP in Nyasa district. The support includes funds for teak saplings (230,000 with cost of EUR 26,600) and to cover the salary of the Plantation Extension Officer for one month.

3.3 Summary of usage of short term support during Year 1

Short Term Technical Assistance inputs by outputs and required months	Total working months available		Working months used per category		Months remaining per category	
	National	Internat.	National	Internat.	National	Internat.
Review of the Progr. Document and Budgeted Work Plans		0,75		0,75	0	0
Output 1: Improved VC and increased Private Sector Involvement in the forest sector						
Market Systems Analysis: A Market Diagnosis for FORVAC	2	3,5	2	3,5	0	0
Value links training	1	0,5			1	0,5
Assessment of demand, supply and prices of Timber, NTFP and NWFP	1,5	1,5			1,5	1,5
Feasibility study of PPP and Joint Venture options for PSI in forest reserves (pilot model)	1	1			1	1
Output 2 Stakeholder capacity to implement & promote forestry VC development enhanced						
TNA, developing capacity building strategy and plan	1,5	1,5	1,5	1,5	0	0
Output 3. Functional extension, communication, monitoring systems and MIS in place						
Setting up required MIS and monitoring systems		2			0	2
Preparation of a communication plan	0,25	0,5	0,25	0,5	0	0
Developing extension strategy	1,5	1,5			1,5	1,5
Output 4. Legal and policy frameworks in forestry approved and harmonized						
Timber tracking system and timber legality assurance system	1	0,25			1	0,25
Unspecified input (months)	5,25	1			5,25	1
TOTAL MONTHS	15	14	3,75	6,25	11,25	7,75

4 Summary of significant milestones and deliveries during year 1

Month	Milestones / deliveries
July	<ul style="list-style-type: none"> Last week of July: Start-up of FORVAC; TA briefing week and introductory meetings of HOC and TA core team to Competent Authorities and selected key stakeholders.
August	<ul style="list-style-type: none"> Set up of programme administrative technical and administrative structure. Access to temporary office space at UDO/MNRT, Dodoma. Initiate procurement of office equipment. TA applying for working permit and searching for housing in Dodoma.
September	<ul style="list-style-type: none"> Introductory field trip to the clusters and districts covered by FORVAC, 28 Aug– 12 Sept 2019. Introduction of the FORVAC programme to relevant national, regional and district authorities. Collaboration meetings with the Forest and Wood Industry Training Center in Mafinga and PFP in Iringa.
October	<ul style="list-style-type: none"> Production of the draft Programme Implementation Manual. Start-up of short term support “Market System Analysis” (MSA)
November	<ul style="list-style-type: none"> Market System Analysis consultations and field visits to the three FORVAC regions. First SC meeting held in Dodoma in November. Approved ToRs for FORVAC management structure, including SC composition, Programme Implementation Manual and ToRs for Cluster Coordinators Start-up of vehicle procurement process.
December	<ul style="list-style-type: none"> Market System Analysis final consultations, report submitted on 21 December 2019. Assessment of FLEGT and Improved Conditions for Trade of Legally Sourced Timber (in FORVAC context), final report submitted on 17 December 2019. Implementation of Start-up of short term support “Elaboration of Communication Strategy”. Start-up of recruitment process of Cluster Coordinators (advertisement in local newspapers) Vehicle procurement process published in HILMA’s website
January	<ul style="list-style-type: none"> Formulation of the first drafts of Inception Report, Draft Programme Document and the Workplan and Budget for the period of March – June 2019. Planning workshop with key stakeholders for Elaboration of districts work plans and budgets. Cluster Coordinators candidates interviewed and evaluated. Vehicle procurement proposal evaluated and draft order prepared.
February	<ul style="list-style-type: none"> Recruitment of three Cluster Coordinators. Finalizing the Inception Report, final Draft Programme Document and the Workplan and Budget for the period of March – June 2019. Submission to the SC. Final vehicle procurement order sent in beginning of February. Delivery date in DeS 17th April.
March	<ul style="list-style-type: none"> Second SC meeting (12 March 2019) to discuss and agree on: Inception Report, adjusted Programme Document and Work plan and Budget for the period of March – June 2019. Introductory field trip to familiarize the Cluster Coordinators with their working areas and districts, 23 Mar– 6 Apr 2019; meetings with relevant regional and district authorities.
April	<ul style="list-style-type: none"> First SB meeting (25 April) to endorse the Inception Report, Programme Document and the Work plan and Budget for the period of March – June 2019. Vehicles arrived in DeS. Tax exemption process initiated.
May	<ul style="list-style-type: none"> Start-up of “Training Needs Assessment” support. Inception report and consultations, including field visits to Cluster areas Cluster Coordinators’ Offices established (Tanga cluse: Kilindi; Lindi cluster: Ruangwa; and Ruvuma cluster: Songea).
June	<ul style="list-style-type: none"> Final draft TNA report. Draft report for Year 1, covering inception period (Jul-2018 to Feb-2019) and bridging period (Mar-Jun 2019) Draft Annual Work Plan and Budget for Year 2 (Jul-2019 to June 2020) formulated and submitted to the SC on 11 June, SC meeting on 19 June.

5 Overall analysis of the Year 1

The overall expected results from the period have been in line with the initial work plan. Core staff mobilisation and programme structure establishment phase followed the plan and time schedule. However, some constraints during this period have had some implications in the performance of the programme. The location of the head office in Dodoma in relation to the programme field operations has had implications when it comes to an efficient use of time, funds and logistics.

Field visits during the period and interaction with key stakeholders as well as with potential service providers have been time-consuming due to the distances from the head office in Dodoma to the Clusters' regions and to Dar es Salaam where most of key stakeholders are based. This challenge will be partially addressed with the permanent presence of the Cluster Coordinators in their respective regions. The Cluster Coordinators joined the programme in March 2019.

The vehicle procurement also started during the period and the vehicles arrived in Dar es Salaam in April. However, at the time of writing this report the vehicles are still kept in a bonded warehouse waiting either for a tax exemption certificate or a receipt for paid taxes. In spite of the agreement between the countries stating tax exemption of goods procured for the programme implementation, the process to obtain such a certificate has showed to be slow and cumbersome.

The short term support provided through the Market System Analysis, Communication Strategy, as well as the FLEGT assessment conducted by the Value Chain Development Advisor in cooperation with the other team members and revised Programme Document and Budget, have been important inputs in the elaboration of the work plan and budget of the bridging period (Mar to Jun-19).

Recruitment and mobilization of CCs after the inception was not the best option, although the original work plan and budget defined the procedure in that way. The CCs should have been in place not later than 2 months after the programme start in July 2018, for a more efficient field activities and interaction with key local stakeholders.

After a short introduction and a few weeks in their locations the CCs are collecting valuable initial data and conduct adequate communication with stakeholders to maximize their support for instance to the AWP process. They hardly have familiarized in the programme up to now.

At the end of the inception period (February) the decision to remove the CTA was taken by the Competent Authorities. From that moment the programme has been managed through an interim CTA modality in which the management responsibility is shared by the Home Office Coordinator and the Technical Back-Stopper, both are members of FCG's Quality Assurance Team in FORVAC.

6 Financial Management

The contract between MFA Finland and the FCG Consortium states that MFA shall, subject to annual parliamentary approval and within the limits of assignment budget, reimburse fees and the reimbursable costs accrued to FCG from the carrying out of the services up to maximum of EUR 9,950,000 during the period July 2018 – July 2022. The GoT (in kind) consists of salaries and all expenses of government staff at central, regional and district level and of provision of office space to the TA staff. This amounts to EUR 200,000.

The programme budget is divided between funds for Technical Assistance (TA) and Operational (OP) costs. The TA-budget is managed by the FCG and accrued costs invoiced to MFA Finland. Funds for OP are managed by the FCG who requests an advance from MFA Finland, transfers the funds to the FORVAC accounts (EUR and TZS).

The programme budget is managed by the FCG Consortium in Microsoft Dynamics NAV (Navision). The Financial Manager register transactions into Navision but the overall management of this system is carried out by FCG. Detailed chart of accounts including the Expenses Codes are presented in Annex 3 (Operations) and Annex 4 (Technical Assistance).

In May 2019 FORVAC management of funds was audited by KPMG for the period Jul-Dec 2018 without any remarks.

The table below show the figures for Year 1, based on implemented and reported funds during Q1 to Q4 (July 2018 to June 2019).

Description	Total Prog. Budget EUR	Total Usage EUR (Q1-Q4)	% of Budget	Outstanding Balance EUR
Implementation costs (Operations)				
Output 1 Improved value chains and increased private sector involvement in the forest sector	2 257 200,00	0,00	0,00%	2 257 200,00
Output 2 Stakeholder capacity to implement and promote forestry value chain development enhanced	2 010 000,00	61 115,96	3,04%	1 948 884,04
Output 3 Functional extension, communication, monitoring systems and MIS in place	890 000,00	0,00	0,00%	890 000,00
Output 4 Supportive legal and policy frameworks to forest VC and SFM developed	860 000,00	69 515,31	8,08%	790 484,69
Project Management	1 052 000,00	118 527,50	11,27%	933 472,50
Contingency (2,5%)	249 024		0,00%	249 024,00
TA-briefing	4 800	3 345,66	69,70%	1 454,34
Studies and short-term services	435 000,00	123 274,43	28,34%	311 725,57
Bridging period PFP May - June	0	214 977,80		-214 977,80
Teak plantation in Ruvuma	0	28 786,00		-28 786,00
Total Implementation costs (Operations)	7 758 024,00	619 542,66	7,99%	7 138 481,34
Technical Assistance				
Long-Term Experts Total	1 651 000,00	418 895,02	25,00%	1 232 104,98
Reimbursable costs, TA Team, Total	540 976,00	118 024,80	22,00%	453 738,66
TOTAL Technical Assistance	2 191 976,00	536 919,82	24,49%	1 685 843,64
TOTAL PROGRAMME	9 950 000	1 156 462	11,60%	8 824 325

7 Assumptions and risks

The timely and efficient implementation of FORVAC include the following new assumptions:

- Utilisation of procured vehicles that today are in a bonded warehouse awaiting tax exemption
- Enabling working environment for project staff including project office (central and clusters) and logistics
- Adequate facilitation of interaction with key authorities at central and local level (for example the role of the focal persons)
- Minimizing utilisation of funds in unexpected (non-planned) initiatives
- Political will and support in application of legal framework based on clear roles and mandates

8 Sustainability

Sustainability will be searched and developed based on the correct implementation of plans and initiatives aiming at strengthening capacities of beneficiaries at central, regional and local level in order to create a sufficient critical mass of key stakeholders working on development of value chains from natural forest products and services applying best practices including HRBA and relevant cross-cutting aspects.

9 Lessons learnt, conclusions and recommendations

It is important to apply a realistic approach to results and targets considering the constraints in a complex programme environment involving different sectors and institutions with overlapping policies and sometimes contradictory regulations.

A transparent and result-oriented dialogue is necessary to establish a common and proactive ground of understanding considering the different roles and responsibilities among the many involved actors.

The logistics is a main challenge for an efficient implementation of the Programme taking in consideration the geographical coverage, the distances and the poor infrastructure in most rural areas in the programme.

There is a need to apply sufficient flexibility for timely and proper interventions aiming emphasizing technical and financial efficiency in resource utilisation. This includes a good understanding and proactive addressing of constraints in the project implementation.

Some examples of current problems (causes and effects) are:

- Procured vehicles unable to be used due to unsolved tax issues; Measure: relevant authorities to prioritize this issue.
- Excessive expenditure in daily subsistence allowances due to most of activities are carried out in other places than in the duty station (head quarter) in Dodoma; Measure: Revise location of programme office based cost/benefit estimation, and/or revise use of DSA.
- Delays in reporting of advance funds to partner institutions prevent a smooth flow of funds for operations; Measure: Strict application of procedures in planning and budgeting activities in a timely and efficient manner.

10 Annexes

10.1 Annex 1. Updated Results Framework

Results	Indicators	Baseline	Target value	Means of verification	Assumptions
Impact					
Increased economic, social and environmental benefits from forests and woodlands	Increased household incomes derived from forests (Disaggregated by age, sex, disability)	Special study – baseline sample of HH incomes in Programme area	+15%	District and VNRC records, and PPI (Poverty Probability Index) survey or similar methods	GoT Land and other NR related policy improve or at least remain favourable for development of the forestry sector GoT allocates sufficient resources for forestry development
	Less deforestation in the area where FORVAC works	Deforestation rate in FORVAC regions	Deforestation significantly lower by the Programme end in VLFRs where FORVAC works compared to other VLFRs	National Carbon Monitoring Centre statistics	Political commitment for sustainable forest management and value chain development in CBFM NR and land related law enforcement is in place and is being enforced
	Improved services for villages, e.g. water services, health services, RE solutions improved services of the village office for villagers, e.g. regarding land registry,	Baseline defined in the assessment report by the CCs	Villager's opinions of the related services is improved during the project lifetime (disaggregated by sex, age and disability)	FORVAC reports	Policy harmonization contribute to sector development
	VLFRs increased contribution to national level sustainable woodland and forest management	247,789.2 ha (NFBK II & LIMAS)	2,4 million ha	NAFORMA MNRT statistics	

Results	Indicators	Baseline	Target value	Means of verification	Assumptions
	Improved institutional support for the forest sector through regulations and legislation in place	Existing regulations and legislation at baseline	Supportive regulations and legislation revised for sustainable forest management by Programme end	Forest related regulation	

Outcome	Indicators	Baseline	Target value	Means of verification	Assumptions
Improved forest sector value chains contributing to sustainable forestry and forest-based livelihoods	<p>Improved business environment in forestry sector related to</p> <ul style="list-style-type: none"> - taxes and royalties - standards - forest value chains 	<p>Poor transparency of taxes and royalties</p> <p>Non existing standards in place</p> <p>Poorly functioning forest value chains</p>	<p>Transparent and just system for levying taxes and royalties in place</p> <p>Construction/technical standard developed</p> <p>The number of forest value chains related regulations revised, benefit sharing modalities in use (the number to be defined during the course of FORVAC)</p>	<p>Programme reports</p> <p>Published Standard</p> <p>Revised Regulations published;</p> <p>Programme reports</p>	<p>Political commitment for sustainable forest management and value chain development in CBFM</p> <p>Favourable political, legal and policy framework for Public Private Partnerships (PPP) and towards private sector and civil society engagement in business development</p> <p>Institutional stability within MNRT</p>

Outcome	Indicators	Baseline	Target value	Means of verification	Assumptions
	Supporting functions/ Service provision for: <ul style="list-style-type: none"> - improved market information system - improved forest value chain financing - enhancing capacities in VC 	Non-existent market information system Low awareness on business financing options Low capacity in place in Tanzania for value chain development	Market information system in place Forest sector businesses linked with financing alternatives ; Better functioning FVCs in Tanzania benefitting forest sector and including participation of women and disadvantaged groups (data disaggregated by sex, age, disability) VC included in the curricula of forestry training institutions	Project reports Data collected from FTIs	<p>Good cooperation between MNRT / FBD, TFS and PO-RALG; all having clear roles on how to support communities and private sector</p> <p>Domestic market available for sustainably harvested timber, charcoal, honey and other NWFP products</p> <p>Increasing international market access for FSC certified timber</p> <p>Level of forest encroachment does not increase</p>
	Increased number of community producer groups and their members engaged in wood and NWFP harvesting, processing and marketing (per products/ district/ year, by sex, age and potential disability)	The exact Baseline and targets to be defined by the CCs	70 groups of 30 (women / men); totalling 2100 members (Figures to be revised on the basis of the baseline)	Survey on NWFPs, group records	
	Social fund distribution from forest produce sales (e.g. school uniforms, school desks, dispensary building, benefitting vulnerable; by gender, age and disability) and number of people benefiting	65 000 000 TSh / ~46 000 people	+75 %	VNRC book keeping, Village records	

Outcome	Indicators	Baseline	Target value	Means of verification	Assumptions
	AAC - Annual Allowable Cut defined in harvesting plans, and logging done according to plans	To be established	xx % increase	VNRC records, District records	
	Increased areas under sustainable forest management (CBFM)	247,789 ha	+ 60 % (additional 151,149 ha)	Management plans; District and VNRC records, and survey	
	Improved Forest Law enforcement and Governance system to replace trade of illegal timber with legally produced timber	To be established	Key Forest Law enforcement and Governance system components in place	Project and FBD/TFS/district records	

Results	Indicators	Baseline	Target value (end of Programme)	Means of verification	Assumptions
Output 1. Improved Value Chains and increased Private Sector Involvement in the forest sector	Number of VLFRs declared and operational, including village land use plans and forest management plans	57 VLFRs (NFBKP II 20 + LIMAS 24) 24 LUP	85 VLFR functional (number of new VLFRs to be established 28) 52 LUP	District register (DFO) VLFR Mgt Plans Programme reports VNRC reports	Law enforcement is sufficiently efficient to make legally harvested timber viable Management plans fulfilled and are implemented according to sustainability criteria

Results	Indicators	Baseline	Target value (end of Programme)	Means of verification	Assumptions
	Number of forest harvesting contracts contributing to the timber value chain managed in VLFRs (species, volume sold and unit prices) villages/district / year	to be established Income level 150 000 000 TSh/a	At least for 25 % of the VLFRs established during FORVAC +200%	VNRC records, district records, Programme report	Strong leadership and equitable participation of villagers in CBFM is maintained FBD and PO-RALG take active stance in solving the coordination and monitoring issues PO-RALG allocates sufficient resources to districts
	Lesser known species with market potential identified and researched	process (0)	at least 10 with potential for market/business dev.	Assessment Report on Lesser Known Species, Programme reporting	Villages, private sector and civil society are committed to interact with GoT institutions Political will to support CBFM exists at District level
	Advocacy on lesser known species	process (0)	x species of lesser known species disseminated	TFS/districts records, market study on species and their market potential assessed and promoted, Programme reporting	A sufficient number of qualified Service providers available Domestic market demand increases for lesser-known timber species; for quality honey and other honey products produced in Tanzania
	Honey producer or other NWFP/NTFP producer groups linked with traders and other value chain actors (by sex) and their income increased	70 groups Kg 21 000 / a honey Kg 5250 / a bees wax NTFP: to be established % women producers	+ 30% + 100% + 100% + 100 %	District statistics/records, Programme reporting survey on honey sales and / or NWFP sales	Other NWFPs (other than honey products) with commercialization potential are available Private sector, villagers and VNRC exist in the districts and are interested to participate in value chain development
	Increased efficiency of timber processing (e.g. use of efficient sawmills contra pit sawing)	Current recovery rate 25 -30 % (to be confirmed)	5 – 10 % increase	survey on recovery rates	

Results	Indicators	Baseline	Target value (end of Programme)	Means of verification	Assumptions
	Number of new institutional arrangements/ business models with market linkages (e.g. MoUs, joint ventures, PPP & other partnerships)	process (0)	10-15	TFS, District and Programme records	
	Number of private business actors engaged in legal timber processing (per district/year) increased	to be established	+150%	VNRC (VLFR), TFS, District and Programme records	
	Increased employment (# of persons getting income) in harvesting and transportation, processing, pit sawing and saw milling; by gender.	to be established	+1000 people (at least 20 % women)	VNRC records, employment study, processing and transportation firm records, district records	
	Total income from charcoal sales within FORVAC VLFR's	to be established	+200%	District forestry offices	
	Reduction in annual illegal forest harvesting cases in FORVAC supported forests	120 cases (check)	<25 cases	Forest threat (illegal tree cutting) assessment, VNRC, District and TFS records	

Results	Indicators	Baseline	Target value (end of Programme)	Means of verification	Assumptions
Output 2. Stakeholder capacity to implement and promote forestry value chain development enhanced	Number of government staff trained in forest management and value addition techniques, disaggregated by sex (inclusive VETA training programme)	To be defined in TNA	To be defined in TNA	FBD/NFBKP II/LIMAS records from previous phase and service provider records	Government organisations willing to implement capacity development results Villages, districts, private sector, civil society actors and other organizations willing and able to implement capacity development and are committed to interact with GoT institutions Equitable participation of villagers in CBFM related capacity development
	Number of individuals trained in forest management and value addition techniques, disaggregated by sex, age and disability/ by category (village level, SMEs, service providers)	To be defined in TNA	To be defined in TNA	Records kept by the project and service providers	FBD/TFS and PO-RALG take active stance in promoting capacity building at all levels Willingness and ability of relevant educational institutes to include forest value chain development in their curricula
	Value chain related efficiency in decision making and in administrative procedures increased	To be established	Average time for getting permits reduced Procedures simplified	Procedures defined and used as a reference for assessing the performance	
	Forest value chain development incorporated in University and FTI/FITI curricula	No existing VC related education	Curricula developed and in use Issues of gender, age and disability considered in learning materials	Programme reports; existing curricula	

Results	Indicators	Baseline	Target value (end of Programme)	Means of verification	Assumptions
Output 3. Functional extension, communication, monitoring systems and Management Information System in place	Communication strategy mobilized	established	FORVAC communication according to strategy	Programme reports	<p>MNRT and PO-RALG take active stance in extension and communication services along the VC at all levels</p> <p>Villages, districts, private sector, civil society actors and other organizations willing to develop extension and communication</p> <p>TFS and FBD and other concerned governmental parties including research institutions, as well private sector and NGOs are committed to set up functional monitoring and MIS systems and provide inputs on regular basis</p> <p>Districts, villagers and VNRCs cooperate in collecting data for village monitoring system</p>
	Extension strategy developed, aiming for synergies with FBD, on the principles of HRBA, incorporating value chain development	non existent	Strategy developed and put in use	Programme reports	
	Programme MIS unit established contributing to FBD MIS development	non existent	Functional MIS Unit	Programme reports	
	Functional Timber tracking contributing to check point management and monitoring of timber flows	system piloted	system improved and functional and scaled up	TFS reports, FORVAC reports	
Output 4. Supportive legal and policy frameworks to forest value chain and sustainable forest management developed	FORVAC development support for Guidelines: CBFM books	version outdated	Books updated and distributed to CBFM actors Issues of gender, age and disability considered in visual materials	Programme reports	<p>Political will exist for updating and endorsing the sector level policy and legal documents</p> <p>GoT committed to support Forest Law and Governance enforcement, as well as implementation of Charcoal strategy</p>
	Updated forest legislation (Forest Act and regulations) approved	Updated Forest act needed for Forest policy	Forest Act approved; related information disseminated in project area (with consideration to accessibility for all potential users)	MNRT reports and records	Private sector and civil society are committed to interact with GoT institutions in legal and policy revision processes, and GoT takes due recognition

Results	Indicators	Baseline	Target value (end of Programme)	Means of verification	Assumptions
	Updated Forest Policy disseminated	final draft exist	Forest Policy approved; related information disseminated in project area (with consideration to accessibility for all potential users)	Programme reports	
	National Assessment on the Charcoal sector results supported by FORVAC Timber legality assurance system (TLAS) established	Draft in progress Initiated, with development of timber tracking sub-component of TLAS, electronic device piloted in selected checkpoints	strategy in use TLAS developed and in use, efficient country-wide timber tracking system piloted and taken into use	MNRT records on National Charcoal Strategy TFS reports, MNRT report, Programme reporting	

10.2 Annex 2. Original Work Plan and Budget 2018 – 2020 (applied from July 2018 – March 2019, revised budget from March 2019)

	Unit	Unit cost (EUR)	Year 1 (EUR)	Year 2 (EUR)	Year 3 (EUR)	Year 4 (EUR)	Total (EUR)
1. Technical Assistance, fees							
1.1. International LT							
Chief Technical Adviser (CTA)	42	15 000	157 500	157 500	157 500	157 500	630 000
Value Chain Development Expert	14	15 000	60 000	90 000	60 000	0	210 000
Home office coordination	48	1 000	12 000	12 000	12 000	12 000	48 000
TA International LT fees			229 500	259 500	229 500	169 500	888 000
1.2. National LT							
Forest Management Expert	42	5 000	60 000	60 000	60 000	30 000	210 000
Financial manager	42	5 000	60 000	60 000	60 000	30 000	210 000
National cluster coordinators (3)	108	4 000	96 000	144 000	144 000	48 000	432 000
TA National, Fees			216 000	264 000	264 000	108 000	852 000
Sub-total TA fees (1.1 & 1.2)			445 500	523 500	493 500	277 500	1 740 000
2. Technical Assistance, reimbursable costs							
2.1. International LT advisers							
Relocation costs			15 000			30 000	45 000
Housing cost for CTA	42	2 000	21 000	21 000	21 000	21 000	84 000
Local travel			10 000	10 000	10 000	10 000	40 000
Estimation of family costs:							
Travel to/from duty station			7 000			7 000	14 000
Home leave travel				6 000	6 000		12 000
Education of children			12 000	12 000	12 000	12 000	48 000
Home Office Coordination visits (1+4)			3 000	2 000	2 000	4 000	11 000
Subtotal International TA reimbursable costs			68 000	51 000	51 000	84 000	254 000
2.3. National LT advisers							
Relocation costs			30 000				30 000
Housing for forest expert and finance manager	84	300	7 200	7 200	7 200	3 600	25 200
Housing costs cluster coordinators	108	150	3 600	5 400	5 400	1 800	16 200
Local travel			30 000	30 000	30 000	30 000	120 000

	Unit	Unit cost (EUR)	Year 1 (EUR)	Year 2 (EUR)	Year 3 (EUR)	Year 4 (EUR)	Total (EUR)
Repatriation costs						10 000	10 000
3. Support staff, reimbursable costs							
Drivers (5)	180	400	12 000	24 000	24 000	12 000	72 000
Repatriation costs						5 000	5 000
Subtotal National TA reimbursable costs			82 800	66 600	66 600	62 400	278 400
SUBTOTAL (International + National) TA reimbursable costs (2)			150 800	117 600	117 600	146 400	532 400
Total TA costs			596 300	641 100	611 100	423 900	2 272 400
4. Implementation costs (Outcome and Outputs)							
4.1. Output 1 Improved national framework for sustainable forest management and forest value chain development							
1.1 New VLFRs established			274 200	280 000	300 000	180 000	1 034 200
1.2 Improved institutional and management of Village Councils and VNRC to implement CBFM, JFM and forest value chains.			150 000	200 000	230 000	200 000	780 000
1.3 Improved district capacities to support and monitor CBFM and value chains			200 000	230 000	200 000	150 000	780 000
1.4 Improved community, private and public sector to engage and access to economic and social benefits through enabling timber, charcoal, and non-wood forest products value chains (including tuungane)			330 000	230 000	250 000	180 000	990 000
1.5 TFS support and PSI involvement in GoT forest reserves			100 000	50 000	50 000	50 000	250 000
1.6 Support to value chain developments	14	2 000	8 000	12 000	8 000	0	28 000
Subtotal Output 1			1 062 200	1 002 000	1 038 000	760 000	3 862 200
4.2. Output 2 Improved livelihoods and income from sustainably managed forests and value chains							
2.1 Improved policy and regulatory framework for Participatory Forest Management			120 000	150 000	130 000	80 000	480 000
2.2 Improved capacities of forest national level institutional and stakeholders			300 000	150 000	0	80 000	530 000
2.3 Functional forest information and management systems			250 000	200 000	150 000	80 000	680 000
2.4 Studies and short-term services	34	15 000	127 500	127 500	107 500	127 500	490 000
2.5 Enhanced forest extension and communication services			100 000	200 000	80 000	30 000	410 000
Subtotal Output 2			897 500	827 500	467 500	397 500	2 590 000
Total Outputs 1 & 2			1 959 700	1 829 500	1 505 500	1 157 500	6 452 200

	Unit	Unit cost (EUR)	Year 1 (EUR)	Year 2 (EUR)	Year 3 (EUR)	Year 4 (EUR)	Total (EUR)
4.3 Programme Management							
Investments (8 vehicles and 16 motorbikes)			430 000				430 000
Vehicle fuel and maintenance costs (all vehicles)			50 000	50 000	50 000	50 000	200 000
Communication			8 000	8 000	8 000	8 000	32 000
Media & publishing			4 000	4 000	4 000	4 000	16 000
Translations			10 000	10 000	10 000	10 000	40 000
Banking & financial management			1 000	1 000	1 000	1 000	4 000
Books, periodicals & stationery			2 000	2 000	2 000	1 000	7 000
Maintenance of devices & equipment			2 000	2 000	2 034	3 000	9 034
Monitoring and auditing			60 000	60 000	60 000	60 000	240 000
Total Programme Management			567 000	137 000	137 034	137 000	978 034
TOTAL PROGRAMME IMPLEMENTATION COSTS			3 123 000	2 607 600	2 253 634	1 718 400	9 702 634
TOTAL without CONTINGENCY			3 123 000	2 607 600	2 253 634	1 718 400	9 702 634
Contingency (2.5%)			78 075	65 190	56 341	42 960	242 566
International TA-briefing			4 800				4 800
Total contingency and international TA-briefing			82 875	65 190	56 341	42 960	247 366
TOTAL BUDGET			3 205 875	2 672 790	2 309 975	1 761 360	9 950 000

10.3 Annex 3. Operations (OP) Budget follow-up. Jul 2018 to June 2019

Project Task No.	Description	Total Project Budget EUR	Total Usage Price EUR	Percentage of Budget	Outstanding Balance
5001	Output 1 Improved value chains and increased private sector involvement in the forest sector				
5010	1.1 Establishment and mobilization of VLFRs	1 034 200	0,00	0,00%	
5012	1.2 Support to value chains	1 223 000	0,00	0,00%	
	Subtotal Output 1	2 257 200,00	0,00	0,00%	2 257 200,00
5100	Output 2 Stakeholder capacity to implement and promote forestry value chain development enhanced				
5105	2.1 Improved institutional and management capacities of Village Councils and VNRC to implement CBFM and develop forest value chains.	770 000	20 550,84	2,67%	749 449,16
5115	2.2 Improved capacities to support and monitor CBFM/forest and related value chains and incorporating HRBA aspect	750 000	40 565,12	5,41%	709 434,88
5135	2.3 Forest products VC/market systems & BD skills incorporated in relevant training institutes	490 000		0,00%	490 000,00
	Subtotal output 2	2 010 000,00	61 115,96	3,04%	1 948 884,04
5160	Output 3 Functional extension, communication, monitoring systems and Management Information System in place				
5165	3.1 Enhanced extension and communication services	410 000		0,00%	410 000,00
5170	3.2 Monitoring and Management Information System established	480 000		0,00%	480 000,00
	Subtotal output 3	890 000,00	0,00	0,00%	890 000,00
5180	Output 4 Supportive legal and policy frameworks to forest value chain and sustainable forest management developed				
5185	4.1 Improved policy and regulatory framework for forest value chain development	480 000	69 515,31	14,48%	410 484,69
5190	4.2 Forest law enforcement, forest governance and trade of legally sources timber	380 000		0,00%	380 000,00
	Subtotal output 4	860 000,00	69 515,31	8,08%	790 484,69
5200	Programme Management				
5210	Investments	430 000	48 675,59	11,32%	381 324,41
5215	Vehicle fuel and maintenance costs (all vehicles)	200 000	14 166,92	7,08%	185 833,08
5216	Drivers	72 000	21 265,00	29,53%	50 735,00

5220	Communication	32 000	9 447,07	29,52%	22 552,93
5225	Media & publishing	16 000	0,00	0,00%	16 000,00
5230	Translations	40 000	0,00	0,00%	40 000,00
5235	Banking & financial management	8 000	551,08	6,89%	7 448,92
5238	Running office costs	0	6 096,65		-6 096,65
5240	Books, periodicals & stationary	7 000	2 069,28	29,56%	4 930,72
5245	Maintenance of devices & equipment	18 000	399,62	2,22%	17 600,38
5250	Monitoring and auditing	229 000	6 651,31	2,90%	222 348,69
5251	Facilitation by NPC and Stakeholders	0	7 965,03		-7 965,03
5255	Steering Committee and Supervisory Board Meetings	0	1 239,95		-1 239,95
	Programme Management, Total	1 052 000,00	118 527,50	11,27%	933 472,50
	Contingency and TA-briefing				
5310	Contingency (2%)	249 024		0,00%	249 024,00
5320	International TA-briefing	4 800	3 345,66	69,70%	1 454,34
5330	Total contingency and international TA-briefing	253 824,00	3 345,66	1,32%	250 478,34
	Studies and short-term services	435 000	123 274,43	28,34%	311 725,57
	Bridging period PFP May - June	0	214 977,80		-214 977,80
	Teak plantation in Ruvuma	0	28 786,00		-28 786,00
	Total	435 000,00	367 038,23	84,38%	67 961,77
	TOTAL CONTRACT	7 758 024,00	619 542,66	7,99%	7 138 481,34

10.4 Annex 4. Technical Assistance Budget follow-up. Jul 2018 - June 2019

Project Task No.	Description	Total Budget EUR	Accumulated Usage EUR	Usage in percentage	Outstanding Balance EUR
	TECHNICAL ASSISTANCE EXPENSES				
2010	Chief Technical Advisor (Int)	609 000,00	152 252,44	25,00%	456 747,56
2020	Value Chain Development Advisor (Int)	196 000,00	90 000,35	45,92%	105 999,65
2030	National Forest Management Expert	210 000,00	57 024,57	27,15%	152 975,43
2040	Financial Manager	210 000,00	54 048,36	25,74%	155 951,64
2041	Financial Accountant		10 571,60		-10 571,60
2050	Cluster Coordinator Tanga	126 000,00	13 500,23	10,71%	112 499,77
2060	Cluster Coordinator Ruvuma	126 000,00	15 666,91	12,43%	110 333,09
2070	Cluster Coordinator Lindi	126 000,00	14 830,56	11,77%	111 169,44
2080	Home Office Coordination Fee	48 000,00	11 000,00	22,92%	37 000,00
	Long-Term Experts Total	1 651 000,00	418 895,02	25,00%	1 232 104,98
3000	PROJECT EXPENSES				
3001	Reimbursable costs, TEAM				
3010	Home office visits	50 000,00	4 528,76	9,06%	45 471,24
3015	Relocation costs (long term personnel)	14 100,00	14 643,18	103,85%	-543,18
3020	Housing costs (CTA)	98 400,00	604,87	0,61%	97 795,13
3025	Housing costs (Forest/Financial experts)	48 000,00	15 002,15	31,25%	32 997,85
3030	Housing costs (Cluster Coordinators)	32 400,00	0,00	0,00%	32 400,00
3035	Local travel transport	36 000,00	3 679,57	10,22%	32 320,43
3040	Daily allowance local travel	35 136,00	6 318,47	17,98%	28 817,53
3045	Hotel costs (long term TA)	58 800,00	44 432,47	75,57%	14 367,53
3050	International Travel	20 000,00	5 585,54	27,93%	14 414,46
3055	Daily allowance international	18 480,00	7 027,00	38,02%	11 453,00
3056	Daily allowance national	0,00	11 603,00		-11 603,00
3060	Hotel cost Value Chain Advisor	24 360,00	4 599,79	18,88%	19 760,21
3065	Education of children	24 000,00	0,00	0,00%	24 000,00
3070	Repatriation costs (long term personnel)	14 100,00	0,00	0,00%	14 100,00
3075	Support staff	67 200,00	0,00	0,00%	67 200,00
	Reimbursable costs, TA Team, Total	540 976,00	118 024,80	22,00%	453 738,66
	Grand Total TA Team	2 191 976,00	536 919,82	24,49%	1 685 843,64

10.5 Annex 5. Revised Work Plan and Budget 2018 – 2020 (revised budget from March 2019)

1. TECHNICAL ASSISTANCE	Unit	Unit cost, EUR	Year 1, EUR	Year 2, EUR	Year 3, EUR	Year 4, EUR	Total, EUR
1.1. International LT							
Chief Technical Adviser (CTA)	42	14 500	152 250	152 250	152 250	152 250	609 000
Value Development Chain Expert	14	14 000	56 000	84 000	56 000	0	196 000
Home office coordination	48	1 000	12 000	12 000	12 000	12 000	48 000
TA International LT fees, total			220 250	248 250	220 250	164 250	853 000
1.2. National LT							
Forest Management Expert	42	5 000	52 500	52 500	52 500	52 500	210 000
Financial manager	42	5 000	52 500	52 500	52 500	52 500	210 000
National cluster coordinators (3)	108	3 500	42 000	115 500	110 250	110 250	378 000
TA National, Fees. Total			147 000	220 500	215 250	215 250	798 000
Sub-total TA fees (1.1 & 1.2)			367 250	468 750	435 500	379 500	1 651 000
2. TECHNICAL ASSISTANCE, REIMBURSABLE COSTS							
2.1. International LT advisers							
Relocation/repatriation costs			7 500			7 500	15 000
Housing cost for CTA	48	2 100	25 200	25 200	25 200	25 200	100 800
Local and international travel (transport, DSA, accommodation)			13 200	13 200	13 200	10 285	49 885
International travel, tickets, CTA & VCA	20	1400	8 400	8 400	8 400	2 800	28 000
Estimation of family costs:							
Travel to/from duty station			7 928			7 500	15 428
Education of children				12 000	12 000		24 000
Home Office Coordination visits (10)		4300	12 900	8 600	8 600	12 900	43 000
Subtotal International TA reimbursable costs			75 128	67 400	67 400	66 185	276 113
2.2. National LT advisers							
Relocation / repatriation costs			3 000			3000	6 000
Housing for forest management expert and finance manager	96	500	12 000	12 000	12 000	12 000	48 000
Housing costs cluster coordinators	108	300	5 400	10 800	10 800	5 400	32 400
Local travel			28 200	28 260	28 200	25 861	110 521

Subtotal National TA reimbursable costs			48 600	51 060	51 000	46 261	196 921
3. SUPPORT STAFF, REIMBURSABLE COSTS							
Drivers (5)	180	400	12 000	24 000	24 000	12 000	72 000
Other support staff	67	1000	3 200	24 000	24 000	16 000	67 200
Relocation / repatriation costs			3600			3 600	7 200
Subtotal Support staff reimbursable costs			18 800	48 000	48 000	31 600	146 400
<i>SUBTOTAL (International + National) TA reimbursable costs (2)</i>			142 528	166 460	166 400	144 046	619 434
Total TA costs			509 778	635 210	601 900	523 546	2 270 434
4. IMPLEMENTATION COSTS (OUTPUTS)							
4.1. Output 1 Improved value chains and increased private sector involvement in the forest sector							
1.1 Establishment and mobilization of Village Land Forest Reserves (VLFR)			260 000	314 200	280 000	180 000	1 034 200
1.2 Support to value chain development	14		60 000	425 000	408 000	330 000	1 223 000
Subtotal Output 1			320 000	739 200	688 000	510 000	2 257 200
4.2. Output 2 Stakeholder capacity to implement and promote forestry value chain development enhanced							
2.1 Improved institutional and management capacities of Village Councils and VNRC to implement CBFM and develop forest value chains.			60 000	290 000	220 000	200 000	770 000
2.2 Improved capacities to support and monitor CBFM/forest and related value chains and incorporating HRBA aspect			50 000	280 000	270 000	150 000	750 000
2.3 Forest products value chain/market systems and business development skills incorporated in relevant training institutes			27 500	227 500	107 500	127 500	490 000
Subtotal Output 2			137 500	797 500	597 500	477 500	2 010 000
4.3 Output 3 Functional extension, communication, monitoring systems and Management Information System in place							
3.1 Enhanced extension and communication services			60 000	200 000	80 000	70 000	410 000
3.2 Monitoring and Management Information System (MIS) established			70 000	150 000	150 000	110 000	480 000
Subtotal Output 3			130 000	350 000	230 000	180 000	890 000
4.4 Output 4 Supportive legal and policy frameworks to forest value chain and sustainable forest management developed							
4.1 Improved policy and regulatory framework for forest value chain development			45 000	200 000	130 000	105 000	480 000
4.2 Forest law enforcement, forest governance and trade of legally sources timber			20 000	100 000	180 000	80 000	380 000
Subtotal Output 4			65 000	300 000	310 000	185 000	860 000
Total Outputs 1 – 4			652 500	2 186 700	1 825 500	1 352 500	6 017 200
Studies and Short term Consultants	29		168 750	131 250	75 000	60 000	435 000

Total Implementation costs			821 250	2 317 950	1 900 500	1 412 500	6 452 200
4.5 Programme Management							
Procurements			430 000				430 000
Vehicle fuel and maintenance costs			50 000	50 000	50 000	50 000	200 000
Communication			8 000	8 000	8 000	8 000	32 000
Media & publishing			4 000	4 000	4 000	4 000	16 000
Translations			10 000	10 000	10 000	10 000	40 000
Banking & financial management			2 000	2 000	2 000	2 000	8 000
Books, periodicals & stationery			2 000	2 000	2 000	1 000	7 000
Maintenance of devices & equipment			4 000	4 000	5 000	5 000	18 000
Monitoring and auditing			57 000	57 000	57 000	58 000	229 000
Total Programme Management			567 000	137 000	138 000	138 000	980 000
TOTAL PROGRAMME IMPLEMENTATION COSTS			1 898 028	3 090 160	2 640 400	2 074 046	9 702 634
TOTAL without CONTINGENCY			1 898 028	3 090 160	2 640 400	2 074 046	9 702 634
Contingency (2.5%)			47 451	77 254	66 010	51 851	242 566
International TA-briefing			4 800				4 800
Total contingency and international TA-briefing			52 251	77 254	66 010	51 851	247 366
TOTAL BUDGET			1 950 279	3 167 414	2 706 410	2 125 897	9 950 000
Reservation for Junior experts							
Junior Expert, International (EU funds, reservation)	21	5800			60 900	60 900	121 800
Junior Expert, National (EU funds, reservation)	21	1500			18 000	18 000	36 000
JE housing expences (EU funds, reservation)	48	600			14 400	14 400	28 800
JE related travel costs (EU funds, reservation)	1	10000			5 000	5 000	10 000
TOTAL BUDGET					98 300	98 300	196 600
TOTAL BUDGET (with Junior experts)			1 950 279	3 167 414	2 804 710	2 224 197	10 146 600

10.6 Annex 6. Inception Phase Work plan

Activities Responsibility:	NPC	CTA	VAC	NFM	FM	CC	STE	HOC	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Results / deliverables
Inception Period		6	4	6	6	9	11	2												
Time allocation:																				
Installing in office, means of communication and logistics	□	●	□	●	●	□	□	❖												Office facilities, means and communication up and running
Team introduction to stakeholders incl. District visits	●	❖	●	●	□	□	□	□												Familiarisation, contacts, networking
Design programme implementation, administration & financial management system (HO Coordination & QA plan)	□	●	□	□	●	□	□	❖												Administration and financial management system elaborated, and manual produced; Detailed QA Plan
Review existing tools, mechanisms & systems (e.g. monitoring, accounting)	□	❖	□	□	●	□	□	●												Tools, mechanisms and systems assessed for further modification / use
Carry out situational analysis to plan HRBA inclusion and operationalization	□	❖	□	□	□	□	□	●												Plan for adequate HRBA inclusion based on the context and needs at local level. HRBA training for FORVAC team
Identify needs for system improvements to apply in the FORVAC context	□	❖	□	□	●	□	□	●												Systems design for efficient FORVAC implementation
Preparation of Programme Implement. Manual incl. procurement	□	❖	□	●	●	□	□	●												PIM approved by the SC
Conducting a desk study of key value chains as specified in the PD	●	□	❖	●	□	□	□	□												Report on present status of key value chains
Conduct a Capacity and Training Needs Assessment for relevant stakeholders (e.g. Institutions, NGOs, service providers, districts)	□	□	●	●	□	□	❖	□												A stakeholder tailored and inclusive training and capacity building plan
Prepare staff development plan incl. training plan for junior experts (Junior: one Tanzanian; one Finnish)	□	●	□	□	□	□	□	❖												Agreed and communicated development plan for TA staff
Study for Market Systems Analysis including timber pricing in relation to TFS, mapping of market constraints	□	□	●	●	□	□	❖	□												The findings will lead the way to identify specific actions to be included in the overall work plan and the programme
Identify site-specific constraints to achievement of results considering existing best practices on PFM & VAC	□	❖	□	●	□	□	□	□												Strategy to address and solve problems that constrains achievement of results
Mapping of frameworks on local develop. essential for private sector involvement, economic growth and entrepreneurship incl. policies & acts	●	●	●	●	□	□	❖	□												Identified and internalized relevant frameworks aiming for enabling environment for private sector actors
Identify private service providers in VAC development	●	□	●	❖	□	□	●	□												List of services providers categorised based on business area
Conduct complementary baseline studies and surveys e.g. Women Economic Empowerment, etc.	□	●	□	●	●	□	❖	□												Established complementary baselines to the Results Framework (RF) including integration of cross-cutting issues
Selection of villages for progr. support	□	❖	●	●	□	□	□	□												Villages selected for progr. support to be approved by SB/SC
Analysis of Kilosa Model as basis for development of work plan for EU funding	●	❖	●	●	□	□	□	□												Inputs to draft work plan for the EU-funded bioenergy contribution to FORVAC
Pre-selection of villages in FORVAC districts for programme support applying the Kilosa Model	●	❖	●	●	□	□	□	□												Selection of potential villages for programme support

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Activities Responsibility:	NPC	CTA	VAC	NFM	FM	CC	STE	HOC	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Results / deliverables	
Identify & recruit 3 Cluster Coord. and 5 drivers according to ToR	●	✦	□	●	●	□	□	●												Contract signed with new staff members	
Initiate procurement of vehicles and equipment for programme operations	□	●	□	□	✦	□	□	●												Procured programme vehicles and equipment installed and in use	
Identify and contract service providers	●	✦	□	●	●	□	□	□												Service providers for FORVAC activities contracted	
Identify a VLFR area close to Dodoma for piloting and demonstration	●	✦	□	●	□	□	□	□												VLFR area identified aiming at enabling piloting activities for best practices	
Exchange visits for district staff and villagers in collaboration with MCDI	●	✦	□	●	□	□	□	□												Participants to see successful CBFM and value addition processes	
Preparing a long-term financing strategy for extension services	●	✦	□	●	●	□	□	□												HRBA inclusive strategy developed for extension services	
Develop a communication and extension strategy for the programme	□	●	□	●	●	□	✦	□												HRBA inclusive communication and extension strategy	
Assessment of indicators and results from previous phase in HRBA and collection of gender-disaggregated data and youth involvement	□	✦	●	●	□	□	□	●												Identified actions towards gender equality, climate issues, vulnerable groups and governance to be embraced into the WP and PD	
Review of critical issues and risk assessment	●	✦	●	●	●	□	□	●												Response plan to address CI and prevent or mitigate risk impact	
Revise, update and improve current Results Framework, baselines and indicators in the PD	□	●	□	□	●	□	□	●												Updated and finalised RF with updated baselines and indicators	
Initiate set-up of MIS & Monitoring System for FORVAC and FBD	□	□	□	□	●	□	✦	□												Initial system design incorporating lessons learnt from existing systems in MNRT	
Analyse status of FLEGT applicability in FORVAC districts & assess FSC/PEFC forest certification potential	□	●	✦	●	□	□		□												FLEGT system designed and forest certification potential assessed	
Establish work relations with partners: authorities, villages, private sector	●	✦	●	●	●	●	□	●												MoUs and agreements signed for smooth and efficient interaction and collaboration with relevant stakeholders	
Networking for synergies and harmonization with other Programmes	□	✦	●	●	●	●	□	●												Inter-programme synergies and harmonisation ensured	
Prepare overall work plan with key milestones and deliverables	●	✦	□	●	●	□	□	●												Final overall work plan approved by SB/SC	
Prepare WPs with financial inputs for all the districts with PFM teams	●	□	●	✦	□	□	●	□												Work plans and budgets elaborated and agreed with the districts	
Definition of programme approach & changes in PD including overall budget	●	✦	●	●	●	●	□	●												Updated approach and PD approved by SB/SC	
Prepare annual operational work plans & budgets for the inception period and TZ financial year 2019/2020	●	✦	●	●	●	●	□	●												Operational WP & budget approved and in accordance to Tanz budget year	
Elaborate draft exit strategy linked to the financing strategy for extension services	□	✦	□	●	●	□	□	●												Exit strategy drafted (to be updated before the last year of implementation)	
Prepare and submit inception report	□	✦	●	●	●	●	□	●												Approved inception report incl. outputs from inception period	
Staffing Schedule Name	TA Time Allocation (months overall)								✦ Responsible ● Participating											Notes:	
NPC - National Programme Coordinator	42	Part time as also PFM Coordinator for FBD							* We acknowledge that the TFCG model is applicable however we have experience from other models implemented in Tanzania that could be an option to be considered aiming at finding local context specific solutions.												
CTA - Chief Technical Advisor		42																			
VAC - Value Chain Dev. Adviser			14																		

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Activities Responsibility:	NPC	CTA	VAC	NFM	FM	CC	STE	HOC	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Results / deliverables
NFM - National Forest Mgmt & Value				42																
FM - Financial Manager					42															
CC - Cluster Coordinators						108														
STE - Short-term Experts							29													
HOC - Home office Coordinator								6												

10.7 Annex 7. Work plan and Budget, bridging period March - June, 2019

Code (#)	Project output/main Activity description	Target	Programme Coordination	Districts										Exch. rate 0.00038
				Handeni	Kilindi	Ruangwa	Nachingwea	Liwale	Namtumbo	Songea	Mbinga	Nyasa	Total TZS	Total EUR
1.0	Improved Value Chains and increased Private Sector Involvement in the forest sector													
1.1	Establishment and mobilization of Village Land Forest Reserves (VLFR)	20LUP developed & 20 VLFRs process initiated	10 750 000	66 275 000	47 880 000	76 755 000	43 302 000	118 430 000	69 830 000	81 795 000	68 875 000	86 780 000	670 672 000	254 855
1.2	Support to value chain development	Forest value chain stakeholders supported	21 750 000	0	0	23 425 000	7 880 000	12 680 000	16 170 000	5 360 000	23 170 000	3 500 000	113 935 000	43 295
	Subtotal Output 1		32 500 000	66 275 000	47 880 000	100 180 000	51 182 000	131 110 000	86 000 000	87 155 000	92 045 000	90 280 000	784 607 000	298 151
2.0	Stakeholder capacity to implement and promote forestry value chain development enhanced													
2.1	Improved institutional and management capacities of Village Councils and VNRC to implement CBFM and develop forest value chains.	FORVA introduced in villages	13 750 000	22 400 000	26 700 000	20 775 000	38 920 000	15 485 000	18 025 000	17 850 000	18 570 000	13 815 000	206 290 000	78 390
2.2	Improved capacities to support and monitor CBFM/forest and related value chains and incorporating HRBA aspect	TNP developed & FORVA introduced in Full ccouncils	15 000 000	7 790 000	7 750 000	7 940 000	7 940 000	9 570 000	8 200 000	5 470 000	10 265 000	6 665 000	86 590 000	32 904
2.3	Forest products value chain/market systems and business development skills incorporated in relevant training institutes	Preliminary discussion made	15 000 000	0	0	0	0	0	0	0	0	0	15 000 000	5 700
	Subtotal Output 2		43 750 000	30 190 000	34 450 000	28 715 000	46 860 000	25 055 000	26 225 000	23 320 000	28 835 000	20 480 000	307 880 000	116 994
3.0	Functional extension, communication, monitoring systems and Management Information System in place													
3.1	Enhanced extension and communication services		104 400 000	6 000 000	6 000 000	6 000 000	6 000 000	6 250 000	5 175 000	5 175 000	5 175 000	4 755 000	154 930 000	58 873
3.2	Monitoring and Management Information System (MIS) established	Process for MIS initiated & monitoring done	46 750 000	10 800 000	10 800 000	10 800 000	10 800 000	9 270 000	7 840 000	7 590 000	8 875 000	6 070 000	129 595 000	49 246
	Subtotal Output 3		151 150 000	16 800 000	16 800 000	16 800 000	16 800 000	15 520 000	13 015 000	12 765 000	14 050 000	10 825 000	284 525 000	108 120
4.0	Legal and policy frameworks in forestry supported													
4.1	Improved policy and regulatory framework for forest value chain development	Process initiated	122 356 500	0	0	0	0	0	0	0	0	0	122 356 500	46 495
4.2	Forest law enforcement, forest governance and trade of legally sources timber	Process initiated	50 000 000										50 000 000	19 000
	Subtotal Output 4		172 356 500	0	0	0	0	0	0	0	0	0	172 356 500	65 495
	Total outputs 1- 4		399 756 500	113 265 000	99 130 000	145 695 000	114 842 000	171 685 000	125 240 000	123 240 000	134 930 000	121 585 000	1 549 368 500	588 760
	Studies and Short Term Consultancies	TNA developed and MIS initiated												195 000
	Contingency 1	Support to PFP for the period May-June												212 000
	Contingency 2	Support to PFP teak plantation in Ruvuma												26 000
	Grand total for the period												Total EUR	1 021 760