

# EVALUATION

## External Review and Evaluation Services of Forestry Programmes in Tanzania

**Report of Programmes Assessments 2023:  
Annual reviews of PFP2, FORVAC and TOSP**

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# Acronyms and Abbreviations

Acronym	Meaning
AAC	Allowable Annual Cut
AWP	Annual Work Plan
AWPB	Annual Work Plan and Budget
BOP	Best operating practices
CBFM	Community Based Forest Management
CCA	Copper Chrome Arsenic
CCO	Cross-Cutting Objectives
CCRO	Certificate of Customary Right of Occupancy
CDO	Community Development Officer
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women of 1980
CRC	Convention on the Rights of the Child
CTA	Chief Technical Advisor
DC	District Council
DFBD	Director of Forest and Beekeeping Division
DFO	District Forest Officer
DHC	District Harvesting Committee
DSA	Daily Subsistence Allowance
DTSP	Directorate of Tree Seed Production
EMS	Evaluation Management Services
EMSC	Evaluation Management Services Coordinator
EP	Extension Plan
EQ	Evaluation Question
ERET	External Review and Evaluation Team
EUR	Euro
EWP	Engineered Wood Products
FAO	Food and Agriculture Organization
FBD	Forest and Beekeeping Division
FDT	Forestry Development Trust
FFD	Food and Forest Development
FGD	Focus Group Discussions

<b>Acronym</b>	<b>Meaning</b>
FHP	Forest Harvesting Plans
FIC	Forest Industry Cluster
FITI	Forest Industries Training Institute
FLEGT	Forest Law Enforcement, Governance and Trade
FMP	Forest Management Plans
FORVAC	Forestry and Value Chain Development Programme
FPIS	Forest Policy Implementation Strategy
FREL	Forest Reference Emission Level
FSC	Forest Stewardship Council
FTI	Forest Training Institute
FWITC	Forest and Wood Industries Training Centre
GALS	Gender Action Learning System
GDI	Gender Development Index
GDP	Gross domestic product
GE	Gender Equality
GIS	Geographic Information System
GN	Government Notice
GNI	Gross national income
GPS	Global Positioning System
GRO	Granted Right of Occupancy
HAMK	Häme University of Applied Sciences
HDI	Human Development Index
HH	Household
HRBA	Human rights-based approach
IFM	Integrated fire management
IFPPE	International Forest Products and Processing Expert
IGAs	Income Generating Activities
ITC	International Trade Centre
KII	Key Informant Interviews
KVTC	Kilombero Valley Teak Company
LDC	Least Developed Countries
LGA	Local Government Authority
LIMAS	Lindi and Mtwara Agribusiness Support
LKTS	Lesser Known Timber Species

<b>Acronym</b>	<b>Meaning</b>
MAST	Mobile Application to Secure Tenure
MCDI	Mpingo Conservation and Development Initiative
MFA	Ministry for Foreign Affairs
MIS	Management Information System
MJUMITA	The Community Forest Conservation Network of Tanzania
MNRT	Ministry of Natural Resources and Tourism
MTE	Mid-term evaluation
NAFORMA	National Forest Resources and Monitoring Assessment
NCCRS	National Climate Change Response Strategy
NDC	Nationally Determined Contributions
NFBKPII	National Forest and Beekeeping Programme
NFC	New Forest Company
NFMP	National Forest Management Expert
NFP	National Forest Programme
NFYDP	National Five Years Development Plan
NGO	Non-governmental organisations
NLUPC	National Land Use Planning Commission
NSSP	National Strategy for Social Protection
NTFP	Non-Timber Forest Products
NWFP	Non-Wood Forest Products
ODK	Open Data Kit
OECD-DAC	Organisation for Economic Co-operation and Development's Development Assistance Committee
PD	Project Document
PFM	Participatory Forest Management
PPF2	Participatory Plantation Forestry Programme phase 2
PLUM	Participatory Land Use Planning, Administration, and Management
PLWD	People Living With Disabilities
PMT	Programme Management Team
PO-RALG	President's Office Regional Administration and Local Government
PPA	Public Procurement Act
PPP	Public-Private Partnership
PSB	Programme Supervisory Board
PSC	Project Steering Committee
QA	Quality assurance

<b>Acronym</b>	<b>Meaning</b>
RBMF	Results-based management framework
RC	Regional Commissioner
REDD	Reducing Emissions from Deforestation and Forest Degradation
RWE	Round wood equivalent
SADC	Southern African Development Community
SB	Supervisory Board
SC	Steering Committee
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goal
SEA	Socio-Economic Assessment
SHIVIMITA	Tanzania Forest Industries Federation
SHTGAU	Southern Highlands Tree Growers Association Union
SME	Small and medium-sized enterprise
SUA	Sokoine University of Agriculture
SVB	Supervisory board
TA	Technical assistance
TAFORI	Tanzania Forest Research Institute
TASAF	Tanzania's Social Action Fund
TC	Town Council
TF	Task Force
TFCG	Tanzania Forest Conservation Group
TFS	Tanzania Forest Service
TFWG	Tanzania Forest Working Group
TGA	Tree Growers' Association
TOR	Terms of Reference
TOSP	Tree Outgrowers Support Programme
TPSF	Tanzania Private Sector Foundation
TTGAU	Tanzania Tree Growers' Association Union
TVET	Technical, Vocational Education and Training
TZS	Tanzania Shilling
UN	United Nations
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
USD	US Dollar

Acronym	Meaning
VAT	Value Added Tax
VC	Value chain
VCD	Value Chain Development
VCDA	Value Chain Development Advisor
VETA	Vocational Education and Training
VICOBA	Village Community Banks
VLFR	Village Land Forest Reserves
VLUM	Village Land Use Management
VLUP	Village Land Use Plans
VNRC	Village Natural Resources Committees
VSLA	Village Savings And Lending Association
WWF	Worldwide Fund for Nature

## PFP2 – Key Findings and Recommendations

Findings	Recommendations
<b>Overall finding and recommendation</b>	
<p><b>Overall finding:</b></p> <p>The programme has made considerable progress since last year, showing positive results and adoption levels. It is encouraging that also non- Tree Growers’ Association (TGA) members are showing interest and have adopted some of the good silvicultural practices.</p> <p>More emphasis was put on result 2, but still relatively few processing enterprises have been strengthened. The focus on improving efficiency of existing practices and adapted innovative technologies is good but value chains, and especially market access development for SMEs require further development.</p> <p>The quality of implementation and technical support is good, but concerns remain with respect to the sustainability of some of the results. The expected one year extension with a limited budget will offer a good opportunity for consolidating some of the achievements.</p>	<p><b>Overall recommendation:</b></p> <p>Within the limitations of the remaining budget, continue providing support to result 1, contributing to wider adoption of best operating practices (BOP), but put major focus on result 2 with more emphasis on the market end of the value chain. Specific attention should be paid on understanding the needs and opportunities of value chain development and addressing those to improve SMEs’ access to markets.</p> <p>As a one year extension is likely, possibly followed by a next phase, the remaining months and next year could be considered a bridging period that would help with consolidating the achievements but can also be used for strategizing the next phase support, laying the foundation.</p>
<b>Specific findings and recommendations</b>	
<p><b>RELEVANCE</b></p> <p><b>Finding 1:</b> The programme remains well aligned with, and responsive to, the development objectives, policies, and priorities of the Government of Tanzania and the Government of Finland.</p>	<p><i>No action required</i></p>
<p><b>Finding 2:</b> The ERET 2022 review found that PFP2 had taken important steps to improve inclusion and non-discrimination but also noted that it proved difficult to involve persons in vulnerable positions (PiVP) and increase the involvement of women in decision-making. As a response to the review, the PFP2 AWPB 2022/23 states that the HRBA strategy would be strengthened but does not elaborate further on how this will be done. ERET 2023 found that</p>	<p><b>Recommendation 1:</b> Further develop and document the operationalisation of the HRBA strategy and follow up on the findings of the campaign for improved communication and mobilisation of women. If possible, given the budget limitations, continue regular training of programme and district staff in HRBA and gender issues. Develop targeted training to women and men to increase women’s</p>

<p>some activities were undertaken, including a special campaign in some villages, to increase the involvement of women. The actions have not been clearly documented and the campaign showed that there are still improvements to be made with respect to gender.</p>	<p>opportunities and skills in decision making processes. Improve the inclusion of PiVP through specific targeting and adaptive management (recommendation 1 ERET 2022).</p>
<p><b>Finding 3:</b> Through the support to various measures such as tree planting for a longer rotation cycle, improved silvicultural practices, integrated fire management, diversification of species of better provenance, land use planning and improved recovery of raw materials, PFP2 contributes to management of better tree stocks, building climate resilience among the tree growers and increased above ground carbon sequestration. However, biodiversity and conservation of water source concerns were not addressed, not even in the Village Land Use Plans (VLUPs) and these measures do not contribute to safeguarding biodiversity and environment. ERET found in several villages that land was being prepared and tree seedlings were planted right up to the river bank.</p>	<p><b>Recommendation 2:</b> (refer also to recommendation 11 ERET 2022): In collaboration with FORVAC, and in consultation with relevant stakeholders, liaise with the National Land Use Planning Commission (NLUPC) to support simplification and better integration of environmental and biodiversity concerns in the guidelines and implementation within the main designated land use areas, especially those allocated to agriculture and plantation development.</p> <p><i>This recommendation was also included in the appraisal report of the PFP2 extension plan. It could therefore be initiated during the extension phase. As both PFP2 and FORVAC have not planned further support to the development of new VLUPs, the rationale of this recommendation was questioned by programme management. But with the formulation of a new forestry programme in mind, the idea is not to develop a new VLUP system but to discuss the issues and options with the NLUPC so that already a foundation can be laid that can be further built on by the new programme. This is a serious issue that requires some action.</i></p>
<p><b>Finding 4:</b> The programme is responsive to the conditions and needs of the beneficiaries in the Southern Highlands as it builds on the existing practices of both tree growers and SMEs, whose businesses are based on sub-optimal production processes and practices. The support strategies to SMEs have started relatively late.</p>	<p><i>No action required</i></p>
<p><b>Finding 5 (related to design):</b> The overall design, based on the lessons learned from PFP1, remains logical with a focus on improvement of existing smallholder plantations and the involvement of local government in the implementation.</p>	<p><i>No action required</i></p>
<p><b>Finding 6 (related to design):</b> The relationship with the Tanzania Tree Growers' Association Union (TTGAU), combining the provision of technical support to TTGAU, using them as a service provider, collaborating on some activities and also evaluating their performance on outgrower woodlot establishment, is complex and the activities can create a conflict of interest.</p>	<p><b>Recommendation 3:</b> Organise a meeting with Tanzania Tree Growers' Association Union (TTGAU) to discuss and agree on the collaboration during the remaining period, and as part of the exit strategy. Suggested aspects could be harmonisation of integrated fire management, roles in the seed orchard management and seed distribution, TGA registration and PFP2 activities that can be assumed by TTGAU after the programme ends.</p>
<p><b>Finding 7 (related to design):</b> The results-based management framework (RBMF) still raises a few concerns, including a lack of outcome targets.</p>	<p><b>Recommendation 4</b> (refer to recommendation 3 ERET 2022): Address some of the gaps identified in the results-based management framework (RBMF), especially the setting of clear targets at outcome level. Targets could be proposed and presented at the Project Steering Committee (PSC) for approval.</p>

<p><b>COHERENCE</b></p> <p><b>Finding 8:</b> The programme is coherent and has complementary functions with the other programmes supported by the Ministry for Foreign Affairs (MFA) of Finland, which also look at value chain aspects and improved silvicultural practices. However, there is room for strengthening certain areas of common interest. Especially for PFP2 and FORVAC, the two programmes should complement each other and jointly contribute to their common objectives rather than conducting similar activities independently.</p>	<p><b>Recommendation 5</b> (refer to recommendation 5 ERET 2022): Improve collaboration with FORVAC, TTGAU and possibly NFC. Given the limited time remaining, the collaboration topics should be prioritised, also taking into consideration the extension phase.</p> <ul style="list-style-type: none"> <li>• FORVAC – discussion on VLUP (recommendation 2) – other aspects also with new programme in mind: value chain and private sector involvement, sawmilling, design and marketing furniture and other wood products, HRBA.</li> <li>• New Forest Company (NFC) on integrated fire management (IFM).</li> <li>• TTGAU – see recommendation 3.</li> </ul>
<p><b>EFFICIENCY</b></p> <p><b>Finding 9:</b> In 2022/23, the programme made overall good progress and is on track to reach most Annual Work Plan and Budget (AWPB) output and activity indicators. The support activities of result 2 have increased, but the number of SMEs trained is far below the annual (and programme) target. The reported reasons for underachievement are the approach applied for the gradual training of SMEs, starting with selected groups in each cluster and the priority put on IFM in the first two quarters of 2022/23. While the staff think the targets can still be met in the remaining period, they appear very ambitious.</p>	<p><b>Recommendation 6:</b> Within the remaining period put emphasis on the support and implementation of result 2. Instead of trying to reach as many SMEs as possible, it might be better to focus on a reduced number and consolidate the results with supported SMEs that would provide the most potential for impact and sustainability.</p>
<p><b>Finding 10:</b> The support to registration of additional TGAs with the Ministry of Home Affairs (MoHA) was not successful. As many TGAs had difficulties in complying with MoHA regulatory requirements and the process required substantial resources of PFP2, the Programme Management Team (PMT) took a decision to discontinue the active facilitation process and only train TGAs that were willing and ‘ready’ to be registered at MoHA, leaving it up to the TGA to process the application further. As MoHA registration is considered a precondition for TGAs to become TTGAU members, TTGAU is dissatisfied with the current arrangement.</p>	<p><b>Recommendation 7:</b> Get legal advice on the registration requirements of TGAs, including the requirement for TTGAU members to register with MoHA and analyse and discuss the implications with TTGAU and supported TGAs.</p>
<p><b>Finding 11:</b> As of December 2022, 55% of the AWPB 2022-2023 was spent. For a normal year this would be expected halfway implementation, but the last year is longer and goes up to October 2023 (although costs in the last months will be reduced). At 79% of the entire programme implementation period, 86% of the overall budget has been spent. The budget for output 1, as well as the operational vehicle costs have already been entirely used. Major risks for the remaining period are the increased daily subsistence allowance rates for government staff, and price inflation on fuel and living costs.</p>	<p><b>Recommendation 8:</b> Closely monitor the implementation costs and take strategic decisions on how to most efficiently use the resources for the remaining months.</p>

<p><b>Finding 12:</b> PFP2 has many human resources, including dedicated extension staff and also supports and collaborates with Local Government Authority (LGA) staff, which has worked out well. The programme appears well managed by the PMT. The PSC is active and has focused more on strategic aspects since the previous review.</p>	<p><b>Recommendation 9: (Project Steering Committee /PSC members):</b> The PSC should continue playing a strategic role, focusing on major issues in the programme design, implementation and enabling environment.</p>
<p><b>Finding 13:</b> The M&amp;E system is well developed, but monitoring of disaggregated data reflecting PiVP remains difficult. Following the ERET 2022 recommendation an outcome survey was conducted and another one is planned for 2023.</p>	<p><i>No action required</i></p>
<p></p>	<p></p>
<p><b>EFFECTIVENESS</b></p> <p><b>Finding 14:</b> The systematic strengthening approach appears to be contributing to stronger and more sustainable TGAs. Although they are still young and overall their capacity seems to vary, the impression of ERET is positive. TGA leaders and members show high commitment and a longer term vision. Some TGAs embarked on income generating projects, obtained loans and started offering plantation management services not only to their own members but also to other, non-TGA tree growers as well.</p>	<p><b>Recommendation 10:</b> Within the budget limitations continue TGA strengthening and extension approach focusing on good silvicultural practices and involvement of LGA extension staff.</p>
<p><b>Finding 15:</b> With respect to the strengthening of TTGAU, the objectives and intentions as stated in the PD appear far too ambitious for the resources and support allocated to this activity, and the effects remain limited. In addition, several challenges exist for the registration of TGAs with MoHA.</p>	<p>See recommendation 3</p>
<p><b>Finding 16:</b> PFP2 did not provide further support to Village Land Use Plans (VLUP) or issuance of Certificates of Customary Right of Occupancy (CCRO), aimed at providing greater land tenure security for tree growers. While the adapted methodologies of PFP2, making use of satellite images for VLUP and mobile applications for CCROs are more efficient and participatory than the traditional approaches, the processes are expensive and over-regulated. In addition, environmental and biodiversity concerns are not adequately integrated in the VLUPs and their implementation is usually not well monitored. Even if PFP2 will no longer support new VLUPs, there is need for coordinated national consultation on the effectiveness and sustainability of the VLUP approach in view of the future programmes.</p>	<p>See recommendation 2</p>
<p><b>Finding 17:</b> The ERET field visits indicate that the adoption of good silvicultural practices by supported tree growers is high, especially for woodlots with Forest Management Plans but thinning is challenging because of cost implication and labour requirements. On the other hand, thinning has been recently introduced and in the context of naturally regenerated and older woodlots tree growers showed interest in the model as thinnings were being sold for timber, poles and for fuelwood. Adoption of BOPs is also taking place by other tree growers</p>	<p><i>No action required</i></p>

<p>who are not TGA members or do not live in the same village. The demo plots play an important role in promoting BOP.</p>	
<p><b>Finding 18:</b> Many tree growers indicated that they understand the economic rationale for a long rotation cycle, but they want to harvest at 12-15 years instead of the recommended 18 years. There are some challenges. The local market prices do not always differentiate much on the quality of timber, there is also demand for small timber (2x2) and the growing veneer industry takes low quality logs (now also pine). An issue related to price is the fact that no formal grading system is applied. Although the MaIS has increased the awareness of tree growers, middlemen can still bypass the system and buy trees for lower prices from those individuals who are prepared to sell.</p>	<p><b>Recommendation 11:</b> Assess how (informal and more formal) quality assessments and grading, based on the requirements of the industry can be introduced to ensure that quality of timber is better reflected in the price.</p>
<p><b>Finding 19:</b> The institutionalisation of the IFM system was given major emphasis in 2022/23. Whereas in 2021 many woodlots were damaged by fire, in 2022 only a few incidences were reported and Iringa Region showed a reduction of 98.5%. Although this reduction cannot be entirely attributed to the introduced IFM approach, stakeholders consider that IFM played a major role in the PFP2 supported districts. Despite the success, there are still parallel systems in place that need to be harmonised.</p>	<p><b>Recommendation 12:</b> Continue providing support to IFM and facilitate the harmonisation of the different approaches.</p>
<p><b>Finding 20:</b> The seed orchards are in good condition, but management is entirely done by the programme while Tanzania Forest Service (TFS) only harvested a small portion of the seeds. There are many questions regarding the sustainability of the system.</p>	<p>See recommendation 17</p>
<p><b>Finding 21:</b> The SME capacity building shows positive results. The growth mindset training is based on a good philosophy but could be more efficient. The technical training of circular sawmillers (AMEC/ dingdong owners) is highly relevant and shows good adoption except for boron dip due to high costs and low demand, as the market expects Copper Chrome Arsenic (CCA). The SMEs trained on nursery management show high adoption on some aspects and low on others, related to constraints in accessing the materials (costs of improved seeds, and unavailability of trays and planting medium). The technical support to introducing technologies based on local materials and adapted to the skills and needs of SMEs is very good.</p>	<p><b>Recommendation 13:</b> Continue supporting/making use of the Forest and Wood Industries Training Centre (FWITC) to its full potential and facilitate the possible adoption and sustainability of the introduced technologies, including availability of materials for improved nursery development.</p>
<p><b>Finding 22:</b> The objectives of the Afrifurniture business development process were too ambitious. A market assessment was conducted, excellent furniture products were designed, and local carpenters were trained to manufacture the products. Challenges in marketing and production management (including required skills and commitment of involved SMEs) and the lack of a business owner halted the process, and its continuation is unclear.</p>	<p><b>Recommendation 14:</b> Identify potential local business owners that could take on the production of the Afrifurniture prototypes tapping the middle class markets.</p>
<p><b>Finding 23:</b> PFP2 has put much focus on primary and secondary production/processing but not so much on the marketing end of the value chain. This is an area that probably needs more</p>	<p><b>Recommendation 15:</b> Put increased emphasis on result area 2 with respect to value chain and enterprise development and especially the marketing end of the</p>

attention in the future (extension or next phase).	value chain. This is an area that needs more attention in the future (extension or next phase). Intensify relevant parts of the soft skill trainings on mind-set change and innovations for cultivating sustainability aspects beyond the project.
<b>Finding 24:</b> PFP2 has taken further steps towards improved integration of the HRBA, including assessment of the awareness of women on the programme and challenges for their participation. Although the HRBA strategy has contributed to increased women's involvement in TGAs and in leadership positions, they still play a limited role in decision-making and PiVP still face barriers to their participation and their inclusion.	<i>No action required</i>
IMPACT	
<b>Finding 25:</b> The measurement of impact indicators requires additional data, which are mostly not available yet. However, based on the ERET (qualitative) findings, PFP2 is on the right track to contribute to economic growth and poverty alleviation. The woodlot and SME support are already contributing to increased efficiencies, quality and income and improved livelihoods. The impact indicator on the area of plantation forests is not considered adequate as it does not reflect the quality aspects of BOP.	<b>Recommendation 16.</b> (MFA/MNRT) Commission an impact study towards the end of PFP2, that will comprehensively analyse the impact of the programme (PFP1 and PFP2).
SUSTAINABILITY	
<b>Finding 26:</b> Although measures for sustainability are embedded in the programme's support and extension approach, the sustainability of several established mechanisms is not secured yet. Many of the measures that PFP2 could take to enhance sustainability will be part of the extension phase and are included in the appraisal report's recommendations.	<b>Recommendation 17:</b> Put increased efforts on enhancing the sustainability of all interventions (IFM, TGAs, SMEs, extension support LGAs, VLUPs) – see also other recommendations.  The formulation report and the extension phase should identify how the PFP2 achievements will be sustained and what the role of TTGAU will be in this process. Take extra initiatives on biodiversity and watershed conservation considerations as a precursor for further expansion of woodlots by farmers and work with district environmental officers for provision of guidance. In-depth monitoring of biodiversity and watershed aspects should be part of the M&E systems for the next phase.
<b>Finding 27:</b> The sustainability of the seed orchards is in doubt with respect to the cost and benefit sharing arrangements, marketing opportunities/arrangements and cost recovery over time, capacity of TFS to support the process including detailed monitoring and recording, and capacity of TTGAU.	<b>Recommendation 18:</b> Put increased efforts on enhancing the sustainability of the seed orchards together with all main stakeholders, i.e. TFS, TTGAU, TGA and VCs. Assess the opportunities for involving the private sector in the management to absorb some of the costs.
<b>Finding 28:</b> For the next phase of MFA support a critical question will be how the PFP2	See recommendation 3.

achievements will be sustained and what the role of TTGAU will be in this process.	
<b>Finding 29:</b> Environmental and biodiversity concerns are not well integrated in the land use planning process and the further expansion of plantations might have a negative impact on these elements.	See recommendation 2.
<b>Finding 30:</b> For sustainability of BOP, a conducive environment and favourable market conditions are required but currently the local market is not very sensitive to quality (depending on the products and tree species). The changes in the market will have to be closely followed as new opportunities for value addition might arise. There is a great disparity between the income districts obtain from forestry activities and their reinvestment in the forestry sector, resulting in inadequate resources for forestry extension and support.	<b>Recommendation 19:</b> (PSC - President's Office Regional Administration and Local Government and MNRT): bring the disparity between LGA income and reinvestment in the forestry sector to the decision makers' agenda to ensure that adequate resources are ploughed back to the forestry sector to ensure sustainability.
<b>Finding 31:</b> Despite the success of IFM, the sustainability of some of the introduced mechanisms are in doubt.	See recommendation 12.
<b>Finding 32:</b> Sustainability of the SMEs vary. Many SMEs have benefitted from capacity building but still lack access to markets. Some SMEs have been able to expand their operations thanks to improved access to finance. Training of staff and managers of bigger SMEs, such as timber treatment companies, has allowed the companies to scale up and hire new staff.	See recommendation 6.
<b>Finding 33:</b> While the importance of FWITC has been well recognised, its continuation and sustainability of operations is not fully secure yet. The project staff mentioned that MNRT intends to purchase the land but the resources will have to come from TFS.	<b>Recommendation 20:</b> (MNRT): Ensure that after purchase of the land, the courses remain relevant and appropriate for the intended target group of SMEs.  See also recommendation 13.

# FORVAC – Key Findings and Recommendations

Findings	Recommendations
<b>Overall finding and recommendation</b>	
<p><b>Overall findings:</b></p> <p>FORVAC is most successful in supporting Community Based Forest Management (CBFM) governance and timber production, but much less on Non-Timber Forest Products (NTFP)/ Non-Wood Forest Products (NWFP) value chains and micro-businesses.</p> <p>The success of CBFM largely depends on the community’s perceived value of the VLFR and the tangible benefits generated. Visited communities in Liwale District managed to get substantial revenue from timber trade, which are used for community projects and payment of forest governance and management services. Sustainability is high. However, for communities that have fewer forest resources or options for timber trade, sustainable management is more complex.</p> <p>The support to NTFP value chains and micro-businesses is not very effective due to the approach, primarily focusing on the production side without considering the marketing aspects and linking up with business providers and provision of equipment without much training and coaching. The exception is the collaboration with Swahili Honey company which provides a good model. In addition, many enterprises are not linked to forest management, defeating the purpose of FORVAC incentivising communities to sustainably manage and use the forest by demonstrating its value.</p> <p>The burning rate of the operational budget has been very high, which limits the options for support activities in the last year.</p>	<p><b>Overall recommendations:</b></p> <p>Due to the limited budget prioritise the activities that are most strategic for enhancing the sustainability of the processes and especially addressing the issues and challenges of the timber value chain.</p> <p>Strengthen links between community enterprises and the private sector regarding Village Land Forest Reserves (VLFR) products/value addition. Support local government and service providers in developing exit strategies.</p> <p>In collaboration with other public and private sector stakeholders and partners, support the establishment of a national dialogue on CBFM.</p>
<b>Specific findings and recommendations</b>	
<p><b>RELEVANCE</b></p> <p><b>Finding 1:</b> The programme is well aligned with and responsive to the development objectives, policies, and priorities of the Government of Tanzania and the Government of Finland. Global experience with CBFM shows that FORVAC’s approach – linking forest management to livelihood improvement and income as a key incentive for sustainable use – is the best option for</p>	<p><i>No action required</i></p>

Findings	Recommendations
conservation.	
<p><b>Finding 2:</b> While the Forest Policy strongly supports CBFM, there is lack of consensus on the implementation. Consulted district and community representatives complained about TFS not supporting the CBFM process, especially the timber value chain. This undermines the enabling environment and could ultimately affect the impact of FORVAC and have implications for the decision on further support to CBFM by the MFA of Finland.</p>	<p><b>Recommendation 1:</b> If funds allow support MNRT and main stakeholders in the timber value chain in organising a national dialogue to discuss the challenges in the enabling environment hindering timber production and trade from VLFRs and the required steps to overcome them. Provide support to a study on the constraints to private sector involvement in natural forest management – possibly FORVAC could initiate the first steps for the preparation of the ToR and plan while implementation could be further funded by other stakeholders or future programme.</p>
<p><b>Finding 3:</b> Based on the findings of the ERET 2022 review and the SEA report, FORVAC decided to pilot a Gender Action Learning System (GALS) approach, aiming for empowerment of women and PiVPs. The programme relies on ‘champions’ to take the process further, but up-scaling of the approach is not expected in the remaining period.</p>	<p><b>Recommendation 2:</b> Identify if/how the GALS approach could be further scaled up or integrated into the trainings and services provided for the remaining time.</p>
<p><b>Finding 4:</b> The two-year extension of the programme has a relatively small budget, which will reduce the impact.</p>	See overall recommendation and recommendation 5
<p><b>COHERENCE</b></p> <p><b>Finding 5:</b> The programme has complementary functions with the other programmes supported by the MFA, especially PFP2, which also looks at value chain aspects. Despite common interests there has been little collaboration. There is room for strengthening some areas of common interest and ensure that the two forestry programmes complement each other, contributing to their common objectives rather than conducting similar activities independently. FORVAC is also coherent with other initiatives in the forestry sector and involves local institutions.</p>	<p><b>Recommendation 3:</b> Improve collaboration with PFP2 on common relevant aspects. Given the limited time remaining, the collaboration topics should be prioritised, also with the new programme in mind: VLUP (liaise with the NLUPC to support simplification and better integration of environmental and biodiversity concerns in the guidelines and implementation), value chain and private sector involvement, sawmilling, design and marketing furniture and other wood products, HRBA.</p> <p>See also comment on PFP2 recommendation 2 regarding VLUP.</p>
<p><b>EFFICIENCY</b></p> <p><b>Finding 6:</b> Despite a change of CTA, overall progress is satisfactory.</p> <p>Output 1: The reported progress on VLFR establishment and mobilisation is good, with most output indicators showing over 80% achievement against the programme targets. The planned value chain activities listed in the AWPB 2022/23 are also well on track although the number of forest-based</p>	<p><b>Recommendation 4:</b> Follow up on the AWPB 2022/23 activities that were not yet implemented.</p>

Findings	Recommendations
<p>businesses remain far below the targets.</p> <p>Outputs 2, 3, and 4 also show satisfactory progress, but some activities in the AWPB are not reported on and some have not yet started.</p>	
<p><b>Finding 7:</b> The programme shows rapid expenditure of the operational budget due to increased costs for DSA, deteriorated exchange rate and high inflation. At 75% of the programme period, over 89% of the operational budget on programme activities has been spent. The budget for the activities has almost been used, especially for outputs 1 (91%) and 2 (93%), which comprise the main part of the budget.</p>	<p><b>Recommendation 5:</b> Assess the budget and options for reallocation of operational funds and discuss with MFA the options to ensure that activities for outputs 1 and 2 can be continued.</p>
<p><b>Finding 8:</b> The current structure with two Cluster Coordinators who are supervised by a National Forest Management Expert (NFME) appears heavy and not very efficient for a small programme. While supervision could also be done by the Chief Technical Advisor (CTA) more resources are needed in Lindi Cluster, covering a huge area with many CBFM communities and timber harvesting taking place that need to be more intensively monitored.</p>	<p><b>Recommendation 6:</b> Consider changing the position of the National Forest Management Expert to include one more Coordinator in Lindi Cluster to be located in Liwale District. The Coordinators should all report to and be supervised by the CTA. If administratively not possible, consider the NFME taking over some coordination tasks in Lindi Cluster.</p>
<p><b>Finding 9:</b> The ERET 2021 and 2022 findings on need for increased value chain TA still apply. The part-time value chain advisor hired for the work is an expert in community development and mindset trainings, while the programme still lacks expertise in business development and market access</p>	<p><b>Recommendation 7:</b> For the remaining TA input on value chain support identify a value chain expert with relevant business experience to support the linkage to business partners and marketing.</p>
<p><b>Finding 10:</b> M&amp;E and data management remains an area that needs improvement. Despite recommendations made in all ERET reviews the programme does not have a geo-referenced database for each village that tracks the relevant information. Inconsistencies are found in provided data. In addition, monitoring of the work and results of Service Providers in the field remains limited (see also finding 8). Finally, no simple outcome data are available, such as amounts spent by communities on different community development activities and beneficiaries (for example number of PiVPs receiving health insurance).</p>	<p><b>Recommendation 8:</b> Assess the CBFM database developed by Mpingo Conservation and Development Initiative (MCDI) and identify options for adopting relevant parts of the system. If not possible, develop a simple georeferenced system for tracking CBFM progress in supported villages. See also recommendation 6 on more resources for monitoring in Lindi Cluster. While the programme plans to undertake an impact study at the end in 2024, in the meantime some simple outcome measurements could be undertaken by the M&amp;E Officer.</p>
<p><b>EFFECTIVENESS</b></p> <p><b>Finding 11:</b> The programme has been successful in promoting and supporting CBFM, especially in villages that have adequate forest resources. Good governance systems have been put in place and the visited VLFRs are well managed. The VNRCs are active, motivated and have a good gender</p>	<p><b>Recommendation 9:</b> While it is acknowledged that the programme does not have adequate resources to come up with proposals for improving the FMP process to make it more efficient and sustainable, through collaborative arrangements with other CBFM supporting organisations and through the</p>

Findings	Recommendations
<p>balance. The Forest Management Plans (FMPs)/ Forest Harvesting Plans (FHPs) are used to guide the harvesting process (but are also overly complicated and expensive). Very few incidents of illegal activities and conflicts have taken place, although migrating pastoralists are considered a threat in many villages.</p>	<p>identification of good practices in other countries, FORVAC could play a role in exploring options for improvement of FMP procedures, which could be further built on by the new forestry programme.</p>
<p><b>Finding 12:</b> The timber value chain is of main interest to villages. Although only a fraction of the AAC is being harvested, and the demand of lesser known timber species (LKTS) remains low, visited villages managed to generate substantial revenue from timber trade, with most obtaining between TZS 150 and 400 million. The revenue share of the Village Natural Resources Committees (VNRC) (30-35%) is used for payment of VNRC operation as well as purchase of equipment and motorcycles to facilitate their operations. The VC share (50-60%) is used for community development, such as the construction of community structures, including government offices, health centres, class rooms, water facilities, etc., but also provision of school meals or health insurance to VNRC members and PiVP. The decision-making process on the use of the revenue is transparent. The LGA get 5-10% of the revenue.</p>	<p><b>Recommendation 10:</b> Continue providing support to CBFM and focus on enhancing the sustainability of the processes and especially addressing the issues and challenges of the timber value chain, including enhancing improved linkages to private sector businesses.</p>
<p><b>Finding 13:</b> Districts are participating well in the programme and some of the District Forest Officer (DFOs) and Community Development Officer (CDOs) are well known in the visited villages. But FORVAC activities are not necessarily integrated into district plans and budgets.</p>	<p>For a follow-up programme the activities should be better integrated in the district plans and budgets.</p>
<p><b>Finding 14:</b> The support to other NTFP value chains and micro-businesses is not very effective: The programme primarily focuses on the production side without considering other important aspects of the value chain, including marketing, which is an issue. The exception is the collaboration with Swahili Honey, a private company, which is a good model, providing sustainable income opportunities for farmers.</p> <p>Some micro-enterprises are not linked to forest management, which defeats the purpose of FORVAC incentivising communities to sustainably manage and use the forest by demonstrating its value, and not take value chains out of the forest to integrate them in other land uses.</p> <p>SMEs were provided with equipment and machines without being properly trained or able to replace spare parts, etc.</p>	<p><b>Recommendation 11:</b> Strengthen the overall value chain approach, including links between community level enterprises and the private sector regarding VLFR products and value addition. Ensure that supported value chains and micro businesses are linked to the managed VLFRs and deprioritise support to NTFPs that are less effective.</p>
<p><b>Finding 15:</b> The HRBA section of the programme document (PD) has been improved, which provides better guidance on HRBA. It remains difficult to involve PiVPs due to a combination of socio-cultural stigmatisation, self-exclusion, and other constraints, but PiVPs benefit from the VC social funds projects directly and indirectly from improved service delivery and the provision of health insurance and free medication, or children benefitting from school meals. The programme</p>	<p>See recommendation 2 on GALS.</p>

Findings	Recommendations
has been successful in promoting gender equality with women being increasingly involved in decision-making processes.	
<b>Finding 16:</b> With respect to micro-financing, the support to the village loans and savings associations (VSLA) is appreciated and most of the groups consist predominantly of women. However, the linkage with CBFM is very weak and the loans are usually not used for forestry-based enterprises but to cover some expenses or implement short term income generating activities.	For a future programme it will be important to ensure that micro financing solutions are well linked to CBFM and use of the VLFR.
<b>SUSTAINABILITY</b> <b>Finding 17:</b> The CBFM process shows promising results. Especially in villages that are engaged in timber harvesting, sustainable forest management is likely to be continued. VNRCs are paid for their services and community members appreciate the village development projects and see the value of their forest.	<b>Recommendation 12:</b> Identify lessons learned from the FORVAC programme and priorities for the future programme, and start developing a robust exit strategy, in close collaboration with key stakeholders, including LGAs.
<b>Finding 18:</b> The sustainability of the mobile sawmills maintenance and continued services provision through the joint account of registered villages in an association is not clear yet. The implementation might be complex and there could be a risk of interference by the districts.	<b>Recommendation 13:</b> Closely follow up on the initiative regarding a joint account for an association of registered villages to ensure that the system is practical and sustainable.
<b>Finding 19:</b> Sustainability of the outputs will also depend on a stable enabling environment, including coherent policy interpretation and incentives for the beneficiaries, such as good pricing and markets for their products, an equal playing field and full support at the political level. Several challenges have been identified that need to be addressed.	See recommendation 1 on enabling environment (finding 18).
<b>Finding 20:</b> For communities that have few forest resources or options for timber trade, sustainable management is more complex. Opportunities for diversification on other emerging market niches are not easy but might exist, including ecosystems services, carbon financing / trade <sup>1</sup> , sustainable charcoal and value addition for LKTS (including offcuts for carvings, briquettes etc.), which have not yet been well explored.	<b>Recommendation 14:</b> Within the limitations of the budget, identify opportunities and risks/challenges for diversification for communities that have relatively few forest resources, which cannot generate high revenue from timber production (preferred species). The analysis could be valuable and built on further by future programmes.

<sup>1</sup> A cautious approach on carbon financing is needed as the carbon trade market is also a speculative and volatile sector, which incurs many risks and might be counterproductive to CBFM if requirements to forego timber harvesting are included. Future support could focus on helping relevant stakeholders in better understanding the carbon trade and advising communities that are the forest/plantation owners, rather than providing direct support to the establishment of carbon financing projects.

Findings	Recommendations
<p><b>IMPACT</b></p> <p><b><i>Finding 21:</i></b> It is expected that proper CBFM implementation will contribute to reduced deforestation and better forest cover. However, the impact for community members will be mostly related to improvement of their livelihoods from the community development projects ('social funds'), and not necessarily show an increase of their income. Although additional employment is created through CBFM, and some beekeeping enterprises (especially those linked to Swahili Honey) get a higher income, the impact from the micro-enterprise support will remain limited.</p>	<p><b><i>Recommendation 15.</i></b> (MFA/MNRT) Commission an impact study towards the end of FORVAC, that will comprehensively analyse the impact of the programme (and its predecessor programmes LIMAS and NFBKPII), including a geographic analysis of changes in forest cover and their relation with the different types of forest management implemented in those villages.</p> <p>See also various recommendations above.</p>

## TOSP– Key Findings, and Recommendations

The findings, and recommendations for TOSP are presented for each implementing institution: Tanzania Tree Growers’ Association Union (TTGAU), and New Forest Company (NFC).

Findings	Recommendations
<b>TTGAU</b>	
<p><b>RELEVANCE</b> (few changes from ERET 2022)</p> <p><b>Finding 1:</b> The programme is well aligned with the development objectives, policies, and priorities of the Government of Tanzania, by focusing on poverty reduction and job creation through the promotion of tree planting on private farmlands.</p>	<p><b>Recommendation 1:</b> Continue with the current programme design but focus on sustainability aspects.</p>
<p><b>Finding 2:</b> The programme is well aligned with the 2016 Finnish development policy and Finland’s Country Strategy and Country Programme for Tanzania 2021–2024. The HRBA strategy is not much pronounced, but the requirements are also not explicitly stipulated in the TOSP ToR. TTGAU is targeting women and youth and encourages village government and families to allocate land for women.</p>	<p><i>No action required</i></p>
<p><b>Finding 3:</b> Interviewed beneficiaries confirmed that the programme is responsive to their conditions and needs. Most tree growers have previous experience with planting trees but lack knowledge of good silvicultural practices and access to quality seedlings. The relevance of being organized in a TGA was also highlighted, although mostly in relation to its function of linking up with external support programmes, such as TOSP.</p>	<p><i>No action required</i></p>
<p><b>Finding 4:</b> The programme is logically set-up and builds on previous experiences. Further changes were made in the seedling supply approach. Management of the nurseries is done directly by TTGAU through the contracting and payment of either individuals or TGAs. This has improved production but might not be sustainable beyond TOSP.</p>	<p>(see recommendation 10 on nurseries)</p>
<p><b>Finding 5:</b> Income generating activities were not part of the programme design and budget. However, TTGAU considers this a highly relevant aspect, enabling beneficiaries to diversify their income streams, which is expected to contribute to a longer tree rotation cycle, even though this approach was tried in PFP1 and not considered successful nor sustainable.</p>	<p><i>No action required</i></p>
<p><b>Finding 6:</b> On the results framework, the question remains on how some indicators, such as good governance,</p>	<p><b>Recommendation 2:</b> Explain in the annual report how some</p>

Findings	Recommendations
<p>are assessed. In addition, output 1.2.1 Number of plantations established and outcome indicator 1.1, are identically reported - showing the hectares planted. Furthermore, it is not clear how some cumulative figures are calculated.</p>	<p>indicators, such as good governance are assessed, and how the cumulative figures are calculated. For output 1.2.1 report on the number of plantations instead of hectare (which is a duplication of outcome indicator 1.1)</p>
<p><b>COHERENCE</b></p> <p><b>Finding 7:</b> The programme is coherent and has complementary functions with the other programmes supported by MFA. Some collaboration has taken place with NFC on TGA registration, but little follow up was made. TTGAU also continued collaborating with PFP2 but the support to TGA registration at MoHA has stalled. Some differences in strategies are observed, including on fire management.</p> <p>TTGAU collaborates with various other institutions through different programmes and is also involved in policy platforms.</p>	<p><b>Recommendation 3:</b> Continue collaboration with key stakeholders and especially consult with NFC and PFP2 for strengthening and supporting their TGAs and harmonising strategies, including on fire management.</p>
<p><b>EFFICIENCY</b></p> <p><b>Finding 8:</b> Based on the revised and scaled down TOSP targets, progress is satisfactory.</p>	<p><i>No action required</i></p>
<p><b>Finding 9:</b> ERET did not undertake a financial analysis as the section in the annual report is not very clear. The self-financing capacity of TTGAU, based on management fees from other projects remains limited.</p>	<p><b>Recommendation 4:</b> Improve the financial section in the annual report, providing more details and clearly indicating what was planned, used and major changes in the budget.</p>
<p><b>Finding 10:</b> TTGAU has a few but dedicated extension staff, whose mobility is compromised. Given the limited capacity and resources, implementation is satisfactory. Activities from different projects seem to be concentrated in the same villages.</p>	<p>(Beyond TOSP: Collaborate with partners, combining resources, including transport for extension services and monitoring of TGAs).</p>
<p><b>Finding 11:</b> Monitoring is relatively weak. TTGAU keeps records of the TOSP beneficiaries, but as agreed with MFA pre- and post-planting mapping were not conducted due to a lack of funds.</p>	<p><b>Recommendation 5:</b> Within the limits of the resources, identify options for record-keeping (by TGA) and monitoring of the implementation of each beneficiary.</p>
<p><b>EFFECTIVENESS</b></p> <p><b>Finding 12:</b> Improved silvicultural practices were only partly adopted by the beneficiaries. The audit shows a slight improvement from last year's findings but the management and quality of the established woodlots remains at average level.</p>	<p>(see recommendation 6 – and continue capacity building of outgrowers through extension)</p>
<p><b>Finding 13:</b> Several reasons for low adoption of good silvicultural practices were identified in a study undertaken by TTGAU. However, it is not clear how the results have been used in TOSP and how tree growers can be incentivised to apply good silvicultural practices and a longer rotation cycle. TTGAU seems to consider</p>	<p><b>Recommendation 6:</b> If possible, adapt the implementation strategies based on the study findings on reasons for partial adoption of good silvicultural practices, and explain how the study</p>

Findings	Recommendations
<p>the TOSP approach inadequate if not combined with other incentives and support to IGAs. However, in PFP2 adoption also takes place without such incentives (although the effect on longer rotation cycle is not yet known).</p>	<p>is used.  <b>Recommendation 7: (MFA :)</b> Commission a comprehensive study on approaches applied by TTGAU, NFC and PFP2 to incentivise tree growers to apply good silvicultural practices and a longer rotation cycle.</p>
<p><b>Finding 14:</b> The capacity of TGAs varies. There is a wide range of TGAs of which some are very active, strong, viable and independent. While others are relatively weak and are basically perceived by the members as an instrument for receiving free seedlings and extension support. But TOSP had limited resources and did not put much weight on institutional strengthening of TGAs. Therefore, little can be said about the effectiveness of TOSP in this area.</p> <p>Similarly, although TTGAU institutional strengthening was part of the TOSP, very few activities and resources were allocated to this aspect. The output targets have been mostly met, but TTGAU's capacity and human and financial resources remain limited.</p>	<p><b>Recommendation 8:</b> Within the limitations of the budget, intensify TGA institutional strengthening as part of the TOSP activities, focusing on key areas that are not supported by other organisations.</p>
<p><b>Finding 15:</b> TTGAU's strategies to involve more women had contributed to a fairly good gender balance in 2021 with 46% of the TOSP beneficiaries comprising women, but this decreased in 2022 to 37%. Although challenges for women's involvement in tree growing are mentioned the decline is not explained.</p>	<p><b>Recommendation 9:</b> Analyse and explain the reasons on the decline of women's participation in the project since 2021.</p>
<p><b>SUSTAINABILITY</b></p> <p><b>Finding 16:</b> Consulted tree growers are likely to continue tree production and want to expand their woodlots. However, practicing good silvicultural management after TOSP is not guaranteed. In addition, TTGAU believes that without other IGAs, tree growers might not adopt a longer rotation cycle (although the findings from PFP2 indicated that for many tree growers this is not a precondition). If the performance of the woodlots is compromised, the quality of the end products will also be affected, providing less revenue.</p>	<p>(see recommendation 6)</p>
<p><b>Finding 17:</b> The revised seedling production strategy of contracting individuals to manage village nurseries instead of relying on voluntary TGA support resulted in a higher output, but without further business plans and clientele, the continuation of the nurseries beyond TOSP is doubtful.</p>	<p><b>Recommendation 10:</b> Support the development of a sustainable business model for decentralised seedling production that could be pilot tested in areas with good marketing potential, both as part of the TOSP and other TTGAU support.</p>
<p><b>Finding 18:</b> The sustainability of the TGAs beyond the programme depends on the perceived role of the organisation by their members and the status of the plantations. Some strong TGAs with motivated members and good leadership are likely to continue but for others, especially those that are mainly considered by the members as a means to get access to the TOSP or other project support, sustainability is doubtful.</p>	<p>(see recommendation 8)</p>
<p><b>Finding 19:</b> The future and sustainability of TTGAU will depend on the services they can deliver to their</p>	<p><b>Recommendation 11:</b> Collaborate with PFP2 in developing exit</p>

Findings	Recommendations
<p>member TGAs. The sustainability of TTGAU is uncertain as the union does not have a steady income flow and cannot sustain itself from the few member contributions. TTGAU has limited capacity and resources to play its intended role as an umbrella organisation. Currently TTGAU is dependent on donor funding, which is used for different types of specific support activities in selected villages. Although TTGAU management recognises that there is still a long way to go, it is also ambitious. With the current progress and growth of the organisation, this might take long and TTGAU members might get demotivated if no services are forthcoming, while they still have to pay or membership.</p>	<p>strategies for PFP2 and identify areas of interventions that could be supported by TTGAU after PFP2 comes to an end.</p>
<p><b>NFC</b></p>	
<p><b>Finding 1:</b> NFC's extension support in TOSP has contributed to above average performance of the woodlots and initial adoption of good silvicultural practices by many outgrowers. The tree growers will continue planting trees and managing their woodlots. Although they indicate that they will continue applying good silvicultural practices, the full adoption is not guaranteed. Some of the BOP, such as recommended planting distances will be sustained, but the continued implementation of other good silvicultural practices, including a longer rotation cycle will depend on many other factors. For TOSP outgrowers to adopt BOP and ensure that their product meets the required quality standards, the anticipated secure market and higher prices from NFC are a strong motivational factor.</p> <p><b>Finding 2:</b> NFC can be credited for organising the tree growers and providing training to TGAs, but the approach was less extensive as compared to the strategy followed by PFP2. The quality of the TGAs varies and part of the motivation of tree growers for joining a TGA was to get access to the TOSP extension support. The fact that NFC also provided support to non-TGA members, confused this role. The sustainability of the TGAs is not clear yet. It is expected that some will continue but others might become dormant or phase out. The future will also depend on the follow-up steps on the linkage with TTGAU and the support that will be provided. NFC supported TGAs to register with MoHA and encouraged them to join TTGAU. As no follow-up was provided TGAs might not be prepared to continue paying relatively high membership fees while not seeing any tangible benefits.</p>	<p><i>No action required</i></p>

# 1 Introduction

## 1.1 Rationale and objectives of the evaluation services

The External Review and Evaluation Team (ERET) is contracted for three years (2020-2023) to conduct annual reviews and Mid-Term Evaluations of three forestry programmes for accountability and learning purposes, and for supporting strategic and adaptive management of Ministry for Foreign Affairs (MFA) funds. The following three programmes will be assessed:

- Forestry and Value Chain Development Programme (FORVAC),
- Participatory Plantation Forestry Programme phase 2 (PPF2)<sup>2</sup>, and
- Tree Outgrowers Support Programme (TOSP).

ERET is expected to carry out annual reviews and strategic evaluations at mid-term to facilitate *constant learning and assessment* of Finland's forest programmes in Tanzania. ERET will support programme leadership and MFA with feed-back and analysis of different approaches. ERET will support strategic learning in the programmes and produce recommendations for strengthening sustainability. In that regard, ERET should provide programme leadership and MFA with long term strategic recommendations on how to best continue and direct support to the Tanzanian forestry sector in a sustainable, strategic and comprehensive way.

The overall ERET Terms of Reference (TOR) include the following objectives of the assignment:

- Support the Finnish and Tanzanian decision-makers by assessing the relevance, impact, effectiveness, efficiency and sustainability, coherence and strategic aspects of the programmes.
- Provide technical advice to the Programme Management Teams of PFP2 and FORVAC in the development and improvement of internal monitoring and evaluation systems for continuous learning and programme management, and for providing periodically important data on the results and outcomes for the external annual evaluations.
- Support the Programme Management Teams of PFP2 and FORVAC with feed-back and analysis that can be utilised in the annual planning.
- Analyse the programmes in terms of vocational education and skills development and provide recommendations for strengthening this area further.
- Assess the synergies, coherence and level of collaboration between the programmes and of the sector support in Tanzania.
- Provide support for successful implementation, including risk management, and recommendations for improvements.
- Provide analysis and insights for the Supervisory Boards of PFP 2 and FORVAC to support strategic dialogue about programme risks, synergies and directions forward.
- Ensure that the cross-cutting objectives of Finland's development policy are considered and applied.

For the 2023 review MFA prepared an additional specific ToR (see 1.2).

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<sup>2</sup> PFP2 comprises the second phase of a conceived sixteen-year intervention. The title was changed from the first phase, which was known as the Private Forestry Programme. In this report the first phase is referred to as PFP1.

The overall ToR further stipulates that the assessments will be based on selected and relevant OECD/DAC evaluation criteria. The reviews will preferably be conducted in the months of February-March to allow programmes to incorporate the recommendations from ERET in their annual planning. The reviews will comprise desk studies and field missions to verify and validate the reported achievements on a sample basis. The approach and methodology of the annual reviews and mid-term evaluation (MTE) will not significantly differ, except for the fact that the MTEs require a more strategic focus and in-depth analysis, that will also feed into the decision-making process of possible future forestry sector support by the MFA, taking into account Finland's role in the sector, Tanzanian needs, and Finnish expertise and resources. At the end of evaluation services assignment (2023) a synthesis report will be prepared that summarizes the analysis, recommendations and lessons learned throughout the ERET consultancy. Lessons learned will provide final information for the planning of possible next phases of or new Finland's forest sector support to Tanzania. Moreover, the result will inform the MFA regional departments and evaluation unit about the suitability and feasibility of this type of monitoring and evaluation system in other sectors and contexts as well.

ERET 2023 comprises a team leader and three experts covering the relevant expertise with respect to plantation forestry management, Community Based Forest Management (CBFM), value chain and marketing systems, and Human Rights Based Approach (HRBA) and Cross-Cutting Objectives (CCO).

## **1.2 ERET 2023 Assessment**

The first review implemented in 2021, included a Mid-term Evaluation (MTE) of FORVAC and annual reviews of PFP2 and TOSP. Because of the COVID-19 pandemic, no field visits could be undertaken and the reviews were conducted remotely, using video conferencing tools and phone calls. The second review, conducted in 2022, involved a MTE of PFP2 and annual reviews of FORVAC and TOSP (only NFC and TTGAU as KVTC did not make use of TOSP funds). In addition, prior to the ERET review, a socio-economic assessment (SEA) of FORVAC was undertaken in 2022. The findings of the SEA provided useful information for the FORVAC review with respect to aspects of inclusion and gender equality, and the success of the programme's HRBA strategy. Furthermore, in 2022 also a forestry identification mission was undertaken that among the different options looked at the possibility of continuing or further building on the results of the Finnish supported programmes, especially FORVAC and PFP2. Although this exercise was not an evaluation, further consultations were held with relevant stakeholders that were taken into consideration for the third round of reviews conducted in 2023.

This report presents the findings and recommendations of the third ERET review (2023), which includes annual reviews of PFP2, FORVAC, and TTGAU TOSP, and an ex-post evaluation of sustainability of the achieved outputs and outcomes of the NFC TOSP. In addition, the 2023 ERET ToR included also an appraisal of the PFP2 Extension Phase Plan to be conducted by the ERET team leader and the preparation of a Final synthesis report of the three ERET reviews (2021, 2022, and 2023). While the report of the appraisal of the PFP2 Extension Phase Plan has already been submitted, the synthesis report will be prepared after the finalisation of this ERET Annual Review report.

For the 2023 review, MFA prepared an additional specific ToR. Given the stage of implementation of the programmes and the fact that this is the last ERET review, main emphasis is put on assessing outcomes, indicative impact, and sustainability, especially with respect to PFP2 and FORVAC. In addition, the following aspects are mentioned in the TOR:

- Progress in developing the forestry, including timber and NTFP value chains. This includes support to micro and SMEs, including changes in their access to finance and markets.
- Results-Based management, how it has progressed, possible gaps or areas to address.
- M&E systems, quality, and their use for managing the programmes and learning.
- In relation to TTGAU and TGAs, their capacity, business plans, role/potential role and gaps.

- The support to skills development at different levels, including capacity building of educational institutions through co-operation with Häme University of Applied Sciences (HAMK) and VET courses and training at FWITC.
- The level to which ERET recommendations and KPMG audit recommendations have been taken on board (the latter esp. in PFP2).
- Assess how the risks and assumptions have been addressed and managed by the programmes, and identifying needs for possible adjustments.
- The annual review should also include an ex-post evaluation of sustainability of the achieved outputs and outcomes of the NFC TOSP project.

The 2023 ERET data collection process in Tanzania was conducted in the months of March – April 2023. The evaluation team had consultations with key stakeholders at national, regional, district and village levels. ERET conducted Key Informant Interviews (KII), Focus Group Discussions (FGD) with beneficiaries and observations in the field. The findings were presented to the Programme Management Teams (PMT) of PFP2, FORVAC, NFC and TTGAU, MFA and the Programme Steering Committees (PSC) and Programme Supervisory Board (PSB) of FORVAC and PFP2.

### **1.3 Structure of the report**

Following this introductory section, the report comprises the following main chapters:

- Chapter 2 provides an overview of the contextual factors for the evaluation, including a description of the forestry sector in Tanzania, Finland's overall development cooperation policies and its focus in Tanzania. This is followed by a description of each programme. As there are no major changes in the context, this section is largely the same as the one included in the ERET 2022 report with a few updates.
- Chapter 3 briefly discusses the approach and methodology.
- Chapter 4 provides the findings, and recommendations of the annual review of PFP2.
- Chapter 5 discusses the findings, and recommendations of the annual review of FORVAC.
- Chapters 6 and 7 present the findings, and recommendations of the assessment of TOSP for each implementing institution i.e., Tanzania Tree Growers' Association Union (TTGAU), and New Forest Company (NFC).

## 2 Context of the Evaluation

This chapter largely draws from the ERET 2022 report, with only a few contextual evolutions having taken place. The 2022 report already highlighted the situation in the Southern Highlands with the gradually changing market and value chain with increased demand for Eucalyptus for the growing veneer and plywood industry and relatively depressed market for pine trees and timber. Although this development has continued particularly with a further increase in the number of the veneer factories, representatives of the bigger timber producing companies believe that the market for pine will improve.

After a lobby by NGOs highlighting the negative effects of the Government Notice 417 (GN 417) at community level, the ordinance is now being reviewed by MNRT.

Other contextual factors that are relatively new and worth mentioning are the following:

- The National Forest Policy Implementation Strategy (NFP-IS) and National CBFM Action Plan were approved in 2021.
- In addition, Tanzania's Nationally Determined Contributions (NDC) of UNFCCC was approved in 2021 and Tanzania's Third National Five Years Development Plan (NFYDPIII) and National Climate Change Response Strategy (NCCRS) were also launched in the same year. The NFYDP is the supreme economic, industrial development and poverty reduction planning document in Tanzania whereas the NCCRS and NDC outline the country's climate mitigation and adaptation commitments under the Paris Agreement of the UNFCCC. All these strategies, NFYDP, NCCRS and NDC reiterate the country's allegiance to PFM and CBFM as the main strategies for sustainable forest management and emissions reductions through activities that benefit communities economically.
- In 2022, the government further promulgated the National Environmental Master Plan for Strategic Interventions and was a signatory to the SADC Declaration on the Integrated Management of the Miombo Woodlands of Maputo from August 2022. The Government of Tanzania not only reaffirmed its support of CBFM as a conservation and rural development approach but through the Maputo Declaration it has agreed to promote PFM across the southern Africa region.
- GoT collaborated with the private sector through the Tanzania National Business Council process to develop the National Engineered Wood Sector Development Framework in 2021 that is guiding the development of markets for veneer, plywood, medium density fibreboard (MDF), etc.

In addition, the section on Finland's country strategy and the country programme for Tanzania was updated<sup>3</sup>.

### 2.1 Forestry sector in Tanzania

#### 2.1.1 Country Economic Context

The economic situation in Tanzania has been largely stable since the FORVAC and PFP2 Programme Documents were finalized in 2018 and the context analysis in these reports generally still apply. However, Tanzania has experienced both achievements and shocks during the last two years. In 2022, Tanzania's

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<sup>3</sup> Country strategy: <https://um.fi/documents/35732/0/finlands-country-strategy-for-tanzania-2021-2024.pdf/ed608df4-421c-5926-8de3-8b1d7221f5db?t=1624283951266>

Country programme: <https://um.fi/documents/35732/0/country-programme-for-development-cooperation-tanzania-2021-2024.pdf/8beae465-9d09-a10e-eadb-56fa390bdbb4?t=1624283993759>

economy had been growing at an average annual gross domestic product (GDP) growth rate of 5.2%. The per capita GDP was USD 2581.70 in 2021. Nonetheless, Tanzania was labelled as a “low human development” country in terms of its Human Development Index (ranking 160 out of 191 countries) in 2021 (UNDP 2022) and is also in the category of Least Developed Countries (LDC) (UNCTAD 2021). According to the World Bank, Tanzania’s gross national income (GNI) per capita increased from USD 1,020 in 2018 to USD 1,080 in 2019, which exceeded the threshold for lower-middle income status. Thus, Tanzania is currently classified as a lower-middle income country. The upgrade for Tanzania is the product of the country’s strong economic performance of over 6% real Gross Domestic Product (GDP) growth on average for the past decade (World Bank, 2021a). The variations in these figures from the World Bank, UNDP and UNCTAD could possibly be explained because the data are based on different criteria.

Despite the achievement of attaining lower-middle income status, more recently, Tanzania’s economy has been significantly challenged by the ongoing COVID-19 pandemic, especially in sectors reliant on global demand. However, the pace of economic activity appears to have increased prompted by higher public investment, a rebound in exports, and an increase in credit to the private sector. GDP growth is expected to increase by +5.6%, and +6.2% in 2024, and 2025 respectively. Tanzania’s tourism sector is seeing a rebound after the COVID-19 pandemic - and the aspirations for its continued growth are high: by 2025, the country hopes to reach USD 6 billion in tourism revenue .

## 2.1.2 Land Tenure

In Tanzania, land can be held under Granted Rights of Occupancy (GRO) or Customary Rights of Occupancy (CRO) (URT, 1999a, 1999b), (Tenga, 2015). Village Land Act, Cap. 114 provides for the administration and governance of village land. The Village council is entrusted with the power to administer village land on behalf of all village members, who make decisions through the Village Assembly. Village land can be held customarily. A Certificate of Customary Right of Occupancy (CCRO) formalizes customary tenure. While recent data is hard to obtain, it is safe to assume that the majority of the owners of land parcels on village land are yet to be issued with CCROs (Massay, 2016).

Insecurity of land use and tenure is identified as one of the biggest hindrances in developing the rural areas of Tanzania and a constraint to progress in developing successful community-based forest enterprises in the country (Enabel, 2020a). Formal laws provide for equal rights of access to land for both women and men. However, certain customs and traditional practice have been determined to often be preventing women from exercising ownership over land.

The CCRO process is dependent on land use planning and/or spot adjudication, which are premised on a survey of village boundaries and the issuance of a certificate of village land (CVL). Land Use Planning has not happened in the majority of villages for various reasons and there is still a high degree of informality and a certain amount of risk to the security of tenure for many villagers. Adherence to the Participatory Land Use Planning, Administration, and Management (PLUM) guidelines<sup>4</sup> that are promulgated by the National Land Use Planning Commission (NLUPC) result in an expensive, overly technical, bureaucratic and complicated process, stemming mainly from the cost of enabling district PLUM Teams to facilitate the process at village level. Because of the process and the resultant high cost, about TZS 10 – 15 million/village, relatively few villages in Tanzania have prepared village land use plans (VLUPs). It is estimated that no more than 2,000 villages out of 12,000 registered villages in the country have prepared VLUPs (Enabel, 2020 b). Furthermore, even fewer villages reach stages 5 and 6 of the land use planning process i.e. implementation of village land administration (CCRO process) and village land management (monitoring of compliance etc.) (URT, 2011).

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<sup>4</sup> <https://www.nlupc.go.tz/uploads/publications/sw1574325071-Guidelines%20for%20Participatory%20Village%20Land%20Use%20Planning,%20Administration%20and%20Management%20In%20Tanzania.pdf>

However, NLUPC is currently revising the PLUM guidelines. Recently, NLUPC has been promoting the use of online mapping and data collection tools, mobile applications, and remotely sensed data in undertaking land use planning, titling through issuing CCROs, and monitoring the implementation of VLUPs (Enabel, 2020 b). One such useful tool is the Mobile Application to Secure Tenure (MAST), which has been piloted in Iringa and Njombe Regions in the Southern Highlands of Tanzania, to test participatory approaches to facilitate adjudication process, capturing land parcel information, and to lower costs for the issuance of CCROs. MAST tools are relatively low technology and lead to time and cost savings when compared to the traditional approach. The cost involved in producing and issuing CCROs is a major burden for many projects and thus the adoption of MAST across the country could prove monumental.

### 2.1.3 Human Rights and Social Protection

Human rights and good governance are embodied in the United Republic of Tanzania (URT) Constitution 1977. Article 25 to 28 of the Constitution imposes duties on every individual to respect the rights of others and society, while Article 29 covers the rights to enjoy fundamental human rights and to enjoy the benefit accruing from the fulfilment by every person of this duty to society, as stipulated under Article 12 to 28. Consequently, the government has ratified several international human rights treaties that safeguard the rights of all people including women, children, and people with disabilities. The signed treaties include the Convention on the Elimination of All Forms of Discrimination against Women of 1980 (CEDAW), the International Covenant on Economic, Social, and Cultural Rights of 1966, the Convention on the Rights of the Child of 1989 (CRC) and the International Covenant on Economic, Social, and Cultural Rights of 1966.

To exemplify its commitment to human rights and gender equality, the Government of Tanzania has enacted various laws, policies and procedures relating to their reinforcement and implementation. Such legislation includes the Tanzania Land Act and the Village Act 1999, the Child Act 2009, and the Persons with Disabilities Act of 2010.

Despite the ratifications and an enabling environment, research shows gaps in HR&GE compliance. The Tanzania score on the Human Development Index (HDI) is still low (UNDP, 2022):

- The HDI value for 2019 is 0.529— which puts the country on top of the low human development category—positioning it at 160 out of 191 countries and territories.
- Inequality Human –adjusted Index (IHD) is 0.549, an increase of 0.152 from the 2019 score.
- The 2019 Gender Development Index (GDI) is 0.943 with the HDI value for women being 0.532 in contrast with 0.565 for men, placing it into Group 3 (Medium Gender equality)
- The Gender Inequality Index (GII)<sup>5</sup> value is 0.560, with a rank of 146 out of 191.

The Tanzania Land Act and the Village Act 1999 provides the same land rights to women and men to own and control land, yet some customary procedures and practices can require women to access land through their fathers, brothers, husbands, or other men (Afrobarometer, 2021). The Tanzania Gender Inequality Index Rank is low but has a better performance on the Global Gender Gap Index ranking 53 (UN Women, 2021). Nonetheless, prevalence of different forms of violence against women exists in Tanzania with the following magnitude:

- Lifetime Physical and Sexual Intimate Partner Violence: 46.2 %
- Physical and Sexual Intimate Partner Violence in the last 12 months: 29.6 %

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<sup>5</sup> The GII reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity. Reproductive health is measured by maternal mortality and adolescent birth rates; empowerment is measured by the share of parliamentary seats held by women and attainment in secondary education by each gender; and economic activity is measured by the labour market participation rate for women and men.

- Child Marriage :30.5 %
- Female Genital Mutilation/Cutting:10 %

The awareness of national disability laws and policies is low, and most national and local plans and budgets do not cover disability issues, creating implementation challenges (IDS, 2020). As a result, most persons with disabilities in Tanzania live in extreme poverty, experiencing a high unemployment rate, inadequate education provisions, poor health services and lack of access to most structures and buildings.

The National Strategy for Social Protection (NSSP) (URT, 2010) guides social protection in Tanzania. NSSP targets the vulnerable poor, including older people, Most Vulnerable Children (MVC), disabled people, and elderly-headed households with young dependents. Tanzania's Social Action Fund (TASAF) was established in 2000 to operationalize NSSP. TASAF III's implementation provides an opportunity to bring together donor and government resources into an integrated program to avoid duplication and cover a much larger proportion of the poor. TASAF III (URT, 2016) aims are as in the Box below.

**Box 1: Aims of TASAF III**

- Establish a National Safety Net incorporating transfers linked to participation in public works and adherence to conditions.
- Support community-driven interventions that enhance livelihoods and increase incomes (through community savings and investments as well as specific livelihood-enhancing grants).
- Provide targeted infrastructure development (education, health, and water) to enable service-poor communities to realize the objectives of the safety net.
- Build capacity to ensure adequate program implementation by communities, local government authorities, and the national government.

Source: TASAF III (URT 2016).

The World Bank (2016) randomized study of the TASAF funds on the health situation found differences in impacts, including reduction of sick days.<sup>6</sup>

Despite the support provided through TASAF, Tanzania lags behind on social protection in terms of coverage, relevant policies and guidelines, and coordination of social protection-related interventions and systems. The lack of access to social security constitutes a significant obstacle to economic and social development (ILO, 2021). Social protection plays a critical role in realizing the human right to social security for all, reducing poverty and inequality, and supporting inclusive growth by boosting human capital and productivity, supporting domestic demand, and facilitating national economies' structural transformation.

## 2.1.4 The role of the Forestry Sector in Economic Development

Forestry activities in the national accounts are classified as including the production of round wood for forest-based manufacturing industries as well as the extraction and gathering of wild growing, non-wood forest products (NBS, 2019). Besides the production of timber, the national accounts include forestry activities to result in products that undergo little processing, such as firewood, charcoal, wood chips and round wood used in an unprocessed form (e.g. pit-props, pulpwood etc.), adding that forestry activities are carried out in natural or planted forests. The national accounts of 2010 determined that the value of forestry activities in Tanzania was greater than the combined value of all export crops (USD 751 million for forestry as compared to USD 730 million for all export crops combined). In addition to the relative size of the forestry sector, in comparison to export crops, prices of forest products had been more stable than export crops over the previous 9-year period (MoFP, 2012).

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<sup>6</sup> ERET did not find other studies on the impact of TASAF on the livelihood situation of beneficiaries.

In a 2012 study commissioned by the Tanzania Revenue Authority, forestry's contribution to GDP was estimated to be 4% (JUHUDI Development, 2012; TEITI, 2014). In 2018, the national accounts of Tanzania mainland found that the forestry sector contributed TZS 4.65 trillion to the national GDP of TZS 116.1 trillion, equivalent to 4% of total GDP (NBS, 2019). However, the economic contribution of forests to the welfare of Tanzanians goes well beyond the value of wood, charcoal, non-wood products and sequestered carbon. The indirect contribution of forests to Tanzania's tourist industry is vital and forests also provide important environmental services through the protection of water catchments and storage for hydropower. At present, the forest contribution to Tanzania's energy needs is perhaps the most important of all. All these forest inputs are basically provided as 'free goods' to the national economy and population (JUHUDI Development, 2012). As a result, there is a consensus in the sector on two things, (1) the current contribution of forestry to GDP is underestimated and thus needs to be re-calculated, and (2) there are opportunities for increasing the contribution. Recently, there have been multi-stakeholders' efforts coordinated by Tanzania National Business Council (TNBC) to develop a methodology to accurately estimate forestry contribution to the national economy.

The annual consumption of wood, not to be confused with the annual wood demand, is estimated to be around 62.3 million m<sup>3</sup> (MNRT, 2015). However, Allowable Annual Cut (AAC) from the productive forests is around 42.8 million m<sup>3</sup> hence creating an annual wood deficit of 19.5 million m<sup>3</sup>, which is obtained from illegal harvesting in reserved forests, over-harvesting, or clearing of land for conversion to other land uses leading to forest degradation and deforestation (MNRT, 2015). The per capita wood consumption has been declining, from an average of 2 m<sup>3</sup>/person/year in the 1960s to a range of 1.0–1.5 m<sup>3</sup>/person/year in the early 2000s, suggesting continued improvements in utilization efficiency. Despite this, it is estimated that the average annual per capita wood consumption in Tanzania remains above the annual allowable cut (sustainable supply) of around 0.95 m<sup>3</sup> per year per capita (Mnzava, 1983; Johansen 1999; Malimbwi and Zahabu, 2008; MNRT, 2015).

Wood product demand is driven largely by the construction, furniture and paper sectors. Other sectors using wood are power transmission, using eucalyptus poles and the transport sector consuming wood in the form of pallets and boxes. Wood product demand is expected to grow strongly, more than doubling in round wood equivalent (RWE) between 2013 (national consumption of 2.3 million m<sup>3</sup> RWE) and 2035 (5.2 million m<sup>3</sup> RWE), driven primarily by the construction sector and paper consumption as a result of economic and population growth (UNIQUE, 2017). Under the business-as-usual scenario, supply deficit is forecasted to increase greatly after 2025 to a gap of 3 million m<sup>3</sup> (RWE) in 2035. The forecasted growth in demand for wood presents a unique opportunity for the sector.

Transformational changes and investments are needed for the country to plug the projected supply deficit and for the sector to contribute more to economic growth through wood-based industries, job creation, and improved trade balance. Strategic projects such as Finnish-funded PFP1, PFP2, and FORVAC as well as Gatsby Africa's Forestry Development Trust are designed to facilitate these changes in the sector and address constraints across the value chains i.e., from farm to market. The comprehensive National Forest Resources and Monitoring Assessment (NAFORMA) exercise indicated a deforestation rate in mainland Tanzania of 372,816 ha per year between 1995 and 2010. Comparison of previous estimates from the SADC Survey of 1984 (Milington and Townsend, 1989) and HTSL mapping of 1995 (Hunting Technical Services Ltd, 1997) showed that NAFORMA statistics were aligned closely with estimates of declining deforestation rates for the period 1984 – 2010. The similarity of the deforestation rates was determined to be due to the fact that the SADC, HTSL and NAFORMA data were all based on the same interpretation of satellite images. However, annual deforestation rate for the period 2002 – 2013 was recently estimated by the National Carbon Monitoring Centre, as part of calculating Tanzania's Forest Reference Emission Level (FREL, 2016). The deforestation rate under FREL was estimated at 469,420 ha/year, a figure 25.9% higher than the NAFORMA deforestation estimation. The large difference in the FREL value is attributable to the fact that the forest definition was loosened considerably compared to other forest definitions, thereby

including a larger area into the calculations<sup>7</sup>. Because of the inconsistency in forest definition between the FREL, NAFORMA and historical FAO estimates, it has become common to not compare land cover changes across these data sets. In any event, all of these data sets include a significant level of uncertainty, which is calculated at 12.2% for the FREL data. This means that the FREL value for deforestation rate could be much closer to both the NAFORMA and historical FAO estimates. Considering the varying deforestation rates that have been estimated in Tanzania it was reasonable for the figure of 400,000 ha per annum (thus lying between the NAFORMA and FREL figures) to be referenced in the FORVAC programme document (FORVAC, 2019a). The deforestation rate figure means that while hardwood from sustainably managed natural forests and woodlands play a key role in plugging the supply gap, growth cannot be expected to come from that sub-sector since this will lead to further deforestation. The plugging of the forecasted supply gap will likely rely on plantations of fast-growing exotic species, primarily through the expanded coverage of well managed plantations from quality seedlings and improved recovery rates from using high efficiency processing technologies and diversified wood end products.

The coverage of plantation forests in Tanzania was estimated at 325,000 ha in 2016 (UNIQUE, 2016). These plantations are dominated by pine (65%) and eucalyptus (20%). The balance is largely made up by Teak and Black Wattle. Recently, more farmers have chosen to plant eucalyptus in response to the growing peeler logs and eucalyptus pole markets (Margules Groome, 2019). The Southern Highlands of Tanzania account for a lion share of plantation coverage in the country.

In 2016, the composition of the plantation coverage was estimated as follows: 174,000 hectares (54% of the total) were owned by small and medium scale tree growers, 100,000 hectares owned Tanzania Forest Service (TFS) (31%) and 51,000 hectares owned by ‘the Big Five’<sup>8</sup> (15%). The small-scale grower segment is the one segment with strong potential to make future gains in both productivity and area. This has major implications for the sector: small and medium scale tree growers typically use local low-quality seed, practice poor silviculture and practice short rotations.

Despite offering some of the most favourable growing conditions in Africa for diverse commercial forestry value chains, productivity (yield per hectare) and production is still sub-optimal, the situation that undermines the potential of the sector to create more jobs, reduce rural poverty, and contribute to the industrialization of the country. Thus, for the plantation forestry sector to realise its full potential, there have been efforts made by several stakeholders, including implementing partners of PFP1 and PFP2 to transform the sector by:

- Improving local capacities to produce and supply of improved planting materials.
- Increasing access to improved planting materials, especially by smallholders.
- Creating and improving an enabling policy and business environment to drive investments in plantations and modern processing technologies for diversified value chains.
- Increasing availability of service industry and skilled labour.

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<sup>7</sup> The forest definition used in the SADC Survey, HTSL mapping and FRA calculations, included a tree height minimum 5 meters. This was changed to 3 meters for the FREL interpretation, which necessarily resulted in an increased forest land area and increased gross deforestation rate estimation in the FREL data

<sup>8</sup> The big five refers to the industrial forest plantation companies that are located in the Southern Highlands of Tanzania. These five companies include Kilombero Valley Teak Company (KVTC), New Forest Company (NFC), Green Resources AS (GRAS), Tanzania Wattle Company (TANWAT) and Mufindi Paper Mill (MPM). Most of these companies, in addition to procuring raw material from the government’s Sao Hill Forest Reserve and private tree growers (including smallholders), have also established their own forest plantations in order to supplement raw material supplies.

## 2.1.5 Forestry Policy framework

### Forestry policies

The National Forest Policy of 1998, the Forest Act of 2002, as well as the National Forest and Beekeeping Programmes of 2001, are the key policy and legal frameworks, which guide the forest sector in Tanzania. Calls to review the Forest Policy, Forest Act and Forest Programme began in 2009 and have continued until recently when a process to review the policy took place during the period 2018 – 2019, culminating in a draft policy document in March 2019. The Director of Forestry and Beekeeping Division (DFBD) recently confirmed that the government, through the cabinet secretariat, had found that the current 1998 forest policy was still valid and continues to meet the objectives of the country. The DFBD was advised, that in order to be compliant with the government's protocols, it was now best to focus efforts on the development of a Forest Policy Implementation Strategy, which had previously not existed. The Forest Policy Implementation Strategy 2021 – 2031 (FPIS) for the next 10 years has been approved and launched. The FPIS has outlined major targets which support implementation of programmes and projects on indigenous forests and plantations.

Considering the potentially enormous environmental cost due to inefficient charcoal production, a national Task Force (TF) on charcoal was established by the Minister of Natural Resources and Tourism in 2018 to assess options for addressing the challenges of charcoal production, trade, and use in Tanzania. Specifically, the TF was tasked to evaluate the sustainability of existing charcoal production models within Tanzania, identify barriers that hinder sustainability of the charcoal sub-sector, engage relevant stakeholders and to recommend policy applications towards improving the sustainability of the sub-sector. The charcoal TF report was completed in early 2019 and after presenting to the minister, the decision was made to develop a national charcoal strategy under the existing forest policy. The DFBD confirmed that a charcoal strategy in addition to a CBFM strategy is being developed in order to guide the implementation of these specific elements of the forest policy. Interestingly, the draft Forest Policy Implementation Strategy makes no reference to the CBFM strategy and makes no reference to charcoal at all. Perhaps these omissions will be dealt with during stakeholder consultations to finalize the three strategies, otherwise there exists the risk that calls for reviewing the policy will continue.

### Guidelines and Regulations

The Forest Act of 2002, The CBFM Guidelines of 2007 and The Forest Harvesting Guidelines of 2007, when taken together, provide the regulatory framework for community-based forest management on village lands in Tanzania. The regulatory framework has traditionally been coherent and noteworthy because of the discretion that communities were provided in managing forest resources located on their lands. However, the enabling environment that had inspired several communities to adopt CBFM was changed when Government Notice (GN) 417 was issued in May 2019.

Under GN 417, for the first time, the Forest Management Plans of Village Land Forest Reserves were now subject to approval by the DFBD. This provision was made, although the DFBD has no mandate over village government planning, something which falls under the jurisdiction of the President's Office Regional Administration and Local Government (PO-RALG). Furthermore, considering that in any given year, as many as 100 Forest Management Plans (FMPs) could be developed, it is questionable whether the Forest and Beekeeping Division (FBD) have the manpower and the capacity to assess these plans in any meaningful way. Under GN 417 all harvesting in Village Land Forest Reserves (VLFR) would be subject to licensing by a District Harvesting Committee (DHC), which would meet only once a year. The composition of the DHC is heavily skewed towards government appointed officers, with only village chairmen being representatives of the villagers who own the forest. During the MTE communities raised concerns about the key role TFS plays in the DHC due to TFS' commercial interest in licensing of timber harvest in general land, which might contribute to prioritising those approvals by the DHC over the VLFR Forest Harvesting Plans (FHPs). GN 417 goes so far as to require any villager clearing land for cultivation to get approval from a forestry

officer, a requirement that is unworkable across the 12,000 villages in Tanzania. The GN 417 is currently under review.

### **REDD+**

Adoption of the Paris Agreement in December 2015 resulted in REDD+ (Reducing Emissions from Deforestation and Forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries) mechanisms based on result-based payment schemes being recognized under the United Nations Framework Convention on Climate Change (UNFCCC). Recognition in the Paris Agreement guaranteed that REDD+ implementation will continue beyond 2020, thereby signalling to Tanzania, which ratified the Paris Agreement in May 2018, the importance of continuing with REDD+ activities in the country.

In the lead up to the Paris Agreement, countries submitted their plans to address climate change, known as Nationally Determined Contributions (NDCs). According to the Tanzania’s NDC, the country will continue to undertake various efforts, which contribute to the global mitigation agenda, including by enhancing carbon sinks through forest conservation, afforestation and reforestation (URT, 2018).

**Table 1 Tanzania's NDC forestry adaptation and mitigation actions**

<b>Mitigation</b>	<b>Adaptation</b>
Enhancing implementation of Participatory Forest Management programmes;	Enhancing efficiency in wood fuel utilization,
Facilitating actions to enhance contribution of the entire forest sector including Forest policies, National Forest Programmes and REDD+ related activities;	Enhancing participatory fire management.
Strengthen nationwide tree planting programmes and initiatives;	Enhancing forest governance and protection of forest resources.
Strengthen protection and conservation of natural forests to maintain ecological integrity;	Enhancing Sustainable forest management.
Enhance and conserve forest carbon stocks.	

Source: URT. 2018. Nationally Determined Contributions

According to Tanzania’s Nationally Determined Contributions (NDC) the country will embark on a climate resilient development pathway, and in doing so, the adaptation contributions, such as enhancing wood fuel utilization efficiency and participatory fire management, will reduce climate related disasters from 70% to 50%, and significantly reduce the impacts of spatial and temporal variability of declining rainfall, frequent droughts and floods which have long term implications to all productive sectors and ecosystems, particularly the agricultural sector. There is a need to explore how Tanzania’s ratification of the Paris Agreement will allow the country to benefit from carbon markets associated with REDD+ mechanisms as a means of providing incentives for community based forest management.

### **Public-Private Partnership (PPP)**

PPP is one of the policy instruments for driving private investments in forestry. The national PPP Policy was issued in 2009, the PPP Act was enacted in 2010 and this was followed by the PPP Act Amendment 2014 and PPP Amendment Act 2018. The PPP Regulations were issued in 2011. The Public Procurement Act (PPA 2011, Amendment 2016) provided for PPP procurement for both solicited and unsolicited proposals, until this was consolidated in the PPP Amendment Act 2018. Such policy frameworks, as well as the Forest Act No. 14 of 2002 and the Land Act of 1999, provide mechanisms for both private investors and local communities to partner with public institutions in forestry development and management Guidelines for concessions were issued by MNRT in 2006 but they have never been applied. Despite the huge potential for PPP to transform the sector (PFP 2016a & PFP 2018a), the development of PPPs and related policies have

been discussed within the forestry sector in Tanzania for some time, the mechanism is yet to make inroads in the sector.

Increasingly, it is becoming clear that instead of inviting private sector actors to manage, co-manage, or lease degraded lands within existing public-owned forest reserves, new forest plantations are being established by the government in degraded areas of government natural forest reserves and in extension areas of existing government plantations. Six new plantations were established by TFS during the period of Strategic Plan II implementation from Fiscal Year 2014/15 to Fiscal Year 2017/18 in the following areas and regions (in brackets): Morogoro (Morogoro), North Ruvu (Pwani), Korogwe (Tanga), Chato-Biharamulo (Geita), Mpepo (Ruvuma), and Iyondo Msimwa (Mbeya). During this period, TFS demarcated a total area of 121,635 ha to be developed as plantations within 8 existing forest reserves. Despite the large areas demarcated, over a 3-year period, only 2,966 ha has been planted, representing just 2.4% of the entire plantation area<sup>9</sup>.

Based on the TFS strategy to develop their plantations on their own, without partnerships with private sector, private plantation companies may be required to enter into PPP arrangements with either local governments or village governments. PPP with local or village government will be more complex as the need for converting land classifications to obtain title deeds will result in complicated negotiations that may become politically challenging.

## **2.1.6 Challenges of the Forestry Sector Business Development**

Forestry enterprises continue to be confronted by several challenges, some of which are specific to forestry and others which are cross cutting to all sectors in the economy. The major challenges are listed below:

### **Forest financing and investment challenges**

Tree growers find that financial products available to them are not suitable for them for several reasons, including that interest rates are too high and payback periods are too short. Most loans are issued for short-term loans that cannot be serviced with income from young tree plantations alone (PFP, 2016a). On the other hand, large companies have difficulty getting financing from any source to establish greenfield plantations because the positive cash flows that could be used to serve the debt are foreseen only after a relatively long term, from 7 to 10 years (PFP, 2016a).

Financing constraints, coupled with a lack of access to new technologies and support services (e.g., spare parts, suitable financial products and lack of incentives) also negatively affect investments in developing the capacity to process forest products.

### **Unpredictable policy environment.**

Government policies are changing continuously, and these changes often have adverse implications for businesses. For example, the policy regarding land ownership by foreign investors is being reformed to include a new requirement that the government hold 25% equity in foreign companies which own land (PFP, 2016a). This new policy, which has not been well explained to stakeholders, is viewed as an attempt by the government to nationalise the assets of foreign investors and as contrary to the Tanzania Investment Council Act (PFP, 2016a). Furthermore, the annual rent for land held on a leasehold basis has been reviewed and increased by 200% without any discussion with stakeholders. The private sector needs to be involved in revising and shaping new policies and laws which affect their operations (PFP, 2016a).

### **Widespread and persistent irregularity and illegality.**

Tanzania faces major problems in forestry governance. Although laws and regulations are in place, their enforcement is inadequate due to the lack of resources and corruption. Forests also suffer from encroachment, theft of forest produce and fires. The government's capacity to cope with these problems is

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<sup>9</sup> The figures need to be confirmed by TFS from their latest data records.

limited (PFP, 2016a). The financial profitability of timber sold from VLFRs is poor because demand is low due to large quantities of illegal timber available. Almost all hardwood timber sold on the markets is illegal. As a result, timber sold from VLFRs becomes more expensive (FORVAC, 2019a). Moreover, administratively set royalty rates are very high to timber traders and encourage many actors in the value chain to illegal and non-transparent practices to gain profits. Based on the Forest Act (2002) villages are not obliged to use governmental royalty rates but in practice, this has become a norm (FORVAC, 2019a). The business environment that results from this situation is one which is challenging for actors that attempt to follow the law. This is because lawful actors incur costs that result in their prices being raised as compared to illegal actors who incur little additional costs but benefit from full market access.

### **Reluctance of public institutions to allow private investments on public lands.**

Proposals to allow more private sector participation in the management of state forests through long-term concessional arrangements, especially freeing up underdeveloped public lands for private investments through long-term lease have not been successful so far in Tanzania. Privatization and partnering with the private sector in managing government assets is a politically sensitive topic. The arguments for partnering with private sector to develop public lands is to harness the capital and technical capacity of the private sector to manage plantations in sustainable and profitable terms as well as market efficiency. The arguments against partnering with the private sector to develop public lands are related to potential loss of direct government revenues and reduction of employment among government employees (PFP, 2016).

### **Insufficient data and information**

Comprehensive data on hardwoods does not exist, including present and future market demand by tree species in domestic and export markets, and lesser-known species. In addition, there are no data on the status of Village Lands Forest Reserves (VLFRs), which complicates the assessment of impact of the CBFM. Also, capacity, machinery, recovery rates and production volumes of sawmilling are poorly known. The importance of financial feasibility and profitability is not understood as a basis of investment decisions or when carrying out forest management operations; although the situation is better than for natural woodlands, currently there is not much effort put into channelling money and resources back to plantation forests to sustain future revenue flow (FORVAC, 2019a). With regards to plantations, poor access to credible data and information on the extent of plantations and volumes of growing stock by species, age, ownership, and locations also affect policy and investment decisions.

### **Remoteness and poor infrastructure**

Infrastructure in remote areas is poorly developed and makes transportation expensive. As land continues to be scarce for forest plantation, new plantations are being established in remote areas with limited road access. Poor quality or non-existing roads and limited wet-season access is becoming a challenge in developing viable plantations (PFP2, 2018a). The remoteness of well stocked natural forests is an issue for CBFM as well. Most intact forest stands are located in inaccessible areas where harvesting has not been feasible. As a result, the resource is located in areas that are remote from markets where they are most required (FORVAC, 2019a).

### **Land Use Planning and Land Acquisition**

Land acquisition for plantation establishment has been slow and continues to be one of the main bottlenecks for the establishment of commercial plantations by companies and urban tree growers. Investments in forestry plantations require secure land ownership (PFP2, 2018a). VLFR establishment under CBFM also involves land use planning in order to secure ownership over forest products, such as timber, Non-Wood Forest Products (NWFP)/ Non-Timber Forest Products (NTFP) and charcoal, for local communities and it can be used to set the basis for CBFM (FORVAC, 2019a). However, Land Use Planning and titling is an expensive and time intensive process that requires a great deal of community consensus.

### **Inadequate support and extension services**

Another challenge is the availability of improved seed for decentralized commercial nurseries and improved seedlings for rural tree growers (PFP2, 2018a). Moreover, most sawmills have no support services and mechanics to maintain machines and saws. The technical training offered by FITI does not provide the hands-on skills for the sawing machine and equipment used by SMEs (PFP2, 2018a). Limited professional services are available to offer quality extension services and support establishment and management of quality plantations and woodlots. Inadequate skills are observed across plantations production and processing segments of the value chain. Neither are effective extension services available for decentralized natural forest management for the local governments, communities and the private sector (FORVAC, 2019a).

### **Limited availability of quality raw materials**

In order to invest in primary processing technology, the supply of raw materials must be secured. This is hard to achieve because (1) quality raw materials are in inadequate supply and (2) tree growers are less organized, which complicates aggregation.

### **Lack of consistent standards and quality**

The inconsistent standards and quality make it difficult to compete internationally in high value segments, reducing export potential for Tanzania. It also undermines investments in the production of quality wood products because the market does not reward quality sufficiently.

### **Absence of a stable market**

A stable local demand is needed to enable investment in production and processing. Targeted government policies favouring locally produced wood products are essential to encourage investments in the production and processing. The trade balance for wood products in 2013, the most recent year for which analysed data are available, shows a deficit of 370,000 m<sup>3</sup> (rwe), which is mainly caused by imports of paper products and wood furniture (UNIQUE, 2017). On the other hand, Tanzania is a net exporter of sawn wood (i.e., Teak) and exports respectable volumes of paper products (i.e. uncoated Kraft paper from Mufindi Paper Mill production). The share of imported wood products in domestic consumption in 2013 was considerable (UNIQUE, 2017). Tanzanian exports of wood products play only a minor role in trade. The volume of all exported wood products during 2011-2015 oscillated around 150,000 m<sup>3</sup> (rwe), with a significant peak in 2014. In general, Tanzania shows slightly increasing export figures since 2011. Hardwood sawn wood is the most important export product followed by treated poles and posts. In 2015, veneer sheets appeared on the list of export products. However, the volume of around 3,000 m<sup>3</sup> (rwe) is still comparatively low. Main export destinations in recent years were Kenya for poles, India and China for hardwood sawn wood, and China for veneer sheets (UNIQUE, 2017).

## **2.2 Finland's development cooperation policy analysis**

### **2.2.1 Government of Finland Development Policy**

According to the Finnish Government Report on Development Policy (2016) both the development policy and development cooperation are guided by the 2030 Agenda for Sustainable Development. Finland will pursue its development policy coherently to ensure that the individual policy goals listed in the Government Programme support the achievement of sustainable development. The core goal of the policy is to eradicate extreme poverty and to reduce poverty and inequality. The realisation of human rights is similarly a key goal in Finland's development policy. The aim is also to strengthen the capacity of individuals and authorities to promote human rights as well as to assure that development cooperation is not discriminatory, and people have an opportunity to participate in decision-making. This is known as the human rights-based approach (HRBA) (MFA 2016).

The values and principles of Finland and its international commitments influence the planning and implementation of all action and remain valid from one government term to the next, thus providing long-term guidelines for action. These include democracy and the rule of law; gender equality and human rights; freedom of speech; a sustainable market economy and sustainable use of natural resources; and the Nordic welfare state, including a high level of education (MFA, 2016).

The Development Policy also stipulates that the rights of children and the most vulnerable, notably persons with disabilities, are taken account of in all activities. Similarly, the policy takes account of climate change with all activities to be geared to climate change mitigation and giving support for climate change adaptation and preparedness (MFA, 2016).

The four priority areas that are mutually supportive are applied in governing the actions (MFA, 2016). They are:

- Enhancing the rights and status of women and girls,
- Improving the economies of developing countries to ensure more jobs, livelihood opportunities and well-being,
- Democratic and better-functioning societies; and
- Increased food security and better access to water and energy; and the sustainable use of natural resources.

## **Present Government Development Policy**

Prime Minister Marin's Government (Government of Finland 2019) decided to continue implementing the Development Policy Programme launched in 2016. Longer term principles that are applicable across parliamentary terms were published in 2021 under the Report on Development Policy Extending Across Parliamentary Terms (MFA Finland 2021). The recent report states that the objective of development cooperation is to strengthen developing countries' own carrying capacity. Finland's development policy priorities are based on its own strengths, which include the rights of women and girls; training and education; sustainable economy and decent work; peaceful, democratic societies; and climate change, biodiversity and sustainable management and use of natural resources.

## **Cross-cutting objectives**

The cross-cutting objectives that Finland promotes in its development policy are gender equality, non-discrimination, climate resilience and low emission development as well as protection of the environment, with an emphasis on safeguarding biodiversity. These objectives are based on the principles of sustainable development, human rights and climate and environmental agreements and are promoted in all development cooperation regardless of the sphere of activity (MFA, 2021).

In 2020 MFA came up with updated guidance on cross-cutting objectives (CCOs) to support effective implementation of the Finnish Development Policy and its cross-cutting objectives. The guideline aims to strengthen the quality and accountability of Finland's development policy by integrating human rights and the cross-cutting objectives to all relevant results management systems. The principle of "Leave No One Behind" demands that systemic discrimination and marginalization across all Sustainable Development Goals is addressed. It also calls for specific attention on discrimination based on, for example, gender, disability, age, and on increasing availability of quality disaggregated data and statistics. The principle is an integral part of the human rights-based approach adopted by Finland and its cross-cutting objectives. Finland's ultimate goal is to ensure that the human rights of all people are realized (MFA, 2020).

The rights-based approach and the CCOs form the structure that links the Finnish policy priorities to the overall objectives of reduction of poverty and inequality. They also carry a direct link to the Agenda 2030 and the Paris Agreement. These objectives are (MFA, 2020a):

- **Gender equality:** within a human rights framework, gender is one aspect of equality. The focus on particularly gender equality entails that specific attention needs to be paid to gendered impacts in all actions. The gendered impacts have to be looked at within the framework of human rights. The key source in the work toward gender equality is the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the country and sector specific normative guidance that the Committee supervising the implementation of the convention produces. The aim of gender equality as a cross-cutting objective is to ensure that all people, regardless of their gender, can equally contribute to and benefit from development. It does so by systematically assessing and addressing gender-based discrimination.
- **Non-discrimination:** the principle lies at the heart of the human rights-based approach and underlines the need to eradicate the root causes for non-realization of an individual's human rights. The aim of non-discrimination as a cross-cutting objective is to ensure that critical forms of discrimination are taken into account when interventions are planned, implemented and evaluated. Thus, in order to ensure the realization of the principle of non-discrimination, an assessment of the lack of equality in society is needed. Non-discrimination as a human rights principle that covers all forms of discrimination is an important element of Finland's human rights policy. In Development Policy the focus is on addressing the discrimination against persons with disabilities. The focus will be on mainstreaming disability inclusion specifically rather than non-discrimination broadly.
- **Climate resilience:** climate change is increasingly recognized as a human rights issue as it has huge implications for the realization of human rights. The aim of climate resilience as a cross-cutting objective is to enhance climate change adaptation, to reduce vulnerability and to strengthen the resilience of people, ecosystems and societies to climate risks and the impacts of climate change. Climate resilience is one aspect of overall resilience that is affected, besides climate change, by multiple other factors, e.g., environmental degradation, economic shocks, conflicts and pandemics.
- **Low emission development:** the aim of low emission development as a cross-cutting objective is to mitigate climate change and to facilitate the transition to low emission development, and soon after to climate neutrality, that minimizes greenhouse gas emissions and enhances sinks of greenhouse gases while taking into account wider development impacts.
- **Sustainable management, use and protection of renewable natural resources and ecosystems:** Natural resources and ecosystems are considered to include forests and water resources, and the halting of desertification and soil degradation. Finland also promotes afforestation measures to ensure the sustainable management of forest resources and aims for increased protection and sustainable management of forest and water areas. Climate change and biodiversity are considered as a whole. Diverse, well-functioning ecosystems store carbon and are vital for climate change mitigation as well as for ensuring food and nutrition security, clean air and water access. Safeguarding the environment, food production and health as part of the One Health approach is a way for Finland to reduce the risk of pandemics in the future.

In the implementation of projects, CCO mainstreaming (track one) is combined with targeted action (track two). Mainstreaming gender equality, non-discrimination and climate change means, among others, that these CCOs are systematically addressed at country and intervention levels. Targeted action means specific programmes that are aimed at, for example, advancing the empowerment of persons with disabilities, or women, or aimed at climate change mitigation or adaptation as the main objective. The minimum standard for mainstreaming the cross-cutting objectives is that no harm is done.

## **Other Guidelines**

MFA issued two important guidelines in 2015, namely the Guidelines on Human Rights Based Approach in Emphasis on Human Rights Based Approach (MFA, 2015a) and the Guidelines on Results Based Management (MFA, 2015b) which are reflected in the 2016 Development Policy and in the subsequent

guidelines and manuals. These guidelines reflect the importance that MFA places in the improvement of the effectiveness of development cooperation and in the application of human rights-based approach in Finnish development cooperation.

In 2020, MFA published Results Matrices for each of the four priority areas of the Development Policy. For each priority area expected impact, several outcomes and outputs are identified. This is followed up by a number of assumptions and aggregate indicators that are identified for each Theory of Change (from outcome to impact, from outputs to outcome and from inputs to outputs). Aggregate indicators were developed to support the theories of change and cover the various outcomes. Information about outcomes is collected through them from various programmes (MFA, 2020a).

The Theory of Change for Priority Area 4 Climate and natural resources is as follows (MFA, 2020a):

- Impact: Climate resilience and low greenhouse gas emissions development are promoted by sustainable use of natural resources (Sustainable Development Goals – SDGs 1, 2, 6, 7, 11, 12, 13 and 15)
- Five interlinked outcomes one of which is Outcome 1 Forests and biodiversity: All people benefit increasingly from clean environment and healthy ecosystems, conservation, sustainable management and use of renewable natural resources, such as forests and water bodies (SDG 12.2, 15.1, 15.2, 15.3, 15.5, supports also SDG 6.5, 13.1, 13.3, 15.9).

For Outcome 1 four outputs identified, as follows:

- Forests, watersheds and biodiversity increasingly under conservation and/or participatory, sustainable, and integrated management (SDG 15.1, 15.2, 15.3)
- Smallholder farmers' and Small and medium-sized enterprises' (SME) possibilities to participate in inclusive and gender-sensitive value chains have increased
- All stakeholders have access to improved forest and land resource data
- Promoting Integrated Water Resources Management, including in transboundary waters
- Policy Influencing: Enhanced global environmental governance, increased land tenure security, including through multilateral environmental agreement

Among the four outcomes of the Theory of Change for Priority Area 2. Sustainable economies and decent work are (MFA, 2020a):

- Outcome 1: Increased number of people, especially women, youth and those in vulnerable situations, have their right to decent work, livelihoods and income fulfilled (SDG1, T4). Among the outputs are: 1. All people, especially women and persons with disabilities, are aware of their rights to decent work, social protection and income, and these rights are realized, and 2. Improved livelihood opportunities created for rural and urban poor (SDG 10, T1)
- Outcome 2: The private sector grows, is responsible and supports sustainable development (SDG 8, T2). Among the outputs are: 2. Enterprises operating in developing countries create employment, livelihoods and income, and provide goods and services targeting poor people. (SDG 8, T2; SDG5, T5), 3. Micro, small and medium-sized enterprises, and especially women entrepreneurs, have improved access to support services and finance that enhance their business practices and innovations and help integrate into value chains (SDG8, T3; SDG9, T3), and 4. Education and research institutes and the private sector have better capabilities and know-how to advance sustainable development and to co-create innovations (incl. those enhance climate resilient and low emission development) (SDG 9, T5)

## 2.3 Finland’s development cooperation in Tanzania

Finland and Tanzania have a long history of cooperation in the forestry sector. The three programmes that were assessed by ERET build on lessons learnt from earlier support that was provided to the National Forest and Beekeeping Programme (NFBKP II, 2013–2016), Lindi and Mtwara Agribusiness Support (LIMAS, 2010–2016), and Private Forestry Programme (PFP, 2014–2018).

Finland’s Country Strategy for Tanzania (2016-19) had two impact areas: Improved performance of the public sector and Increased employment and livelihoods. An understanding that good governance and an efficient and accountable public sector are vital to the sustainable development of any nation provides the justification for impact area 1. The impact area 2 addressed the urgent need to create jobs and livelihoods for the growing population. The expected impacts, outcomes and outputs of the Country Strategy are presented in Table 2 (MFA, 2017).

**Table 2 Impact areas, outcomes and outputs Finland’s Country Strategy for Tanzania (MFA 2017)**

Impact	Outcome	Outputs
Impact 1. Improved performance of the public sector	Outcome 1.1. More efficient and accountable public financial management	Improved revenue management Strengthened capacity of oversight institutions
	Outcome 1.2. More accountable and inclusive public policy-making	Improved leadership Improved capacities of civil society to hold the government accountable
Impact 2. Increased employment and livelihoods	Outcome 2.1. Enabling environment for business and livelihoods enhanced	Increased access to innovation finance Increased access to skills development Strengthened forest management
	Outcome 2.2. Competitive and responsible businesses and value chains created	Innovative products and services contributing to Tanzanian society Forest resource base widened and inclusive products New Finnish-Tanzanian business/institutional partnerships facilitated

Source: MFA 2017

In May 2021, the MFA published “Finland’s country strategy for Tanzania 2021-2024” (MFA, 2021)<sup>10</sup>. According to the new strategy, “during the period of 2021-2024 Finland will work towards reaching the following strategic goals:

- 1. Finland promotes democracy, human rights and gender equality,
- 2. Finland advances stability and sustainable development by contributing, to poverty alleviation, promotion of livelihoods and climate resilience,
- 3. Finland aims to strengthen inclusive and sustainable growth and employment creation by engaging in trade promotion and supporting the business environment”.

Following the country strategy, “Cooperation in forestry will continue, but with a stronger attention to climate resilience.” More precisely the country strategy states that “Finland will continue bilateral development cooperation efforts to improve livelihoods and climate resilience in rural communities through

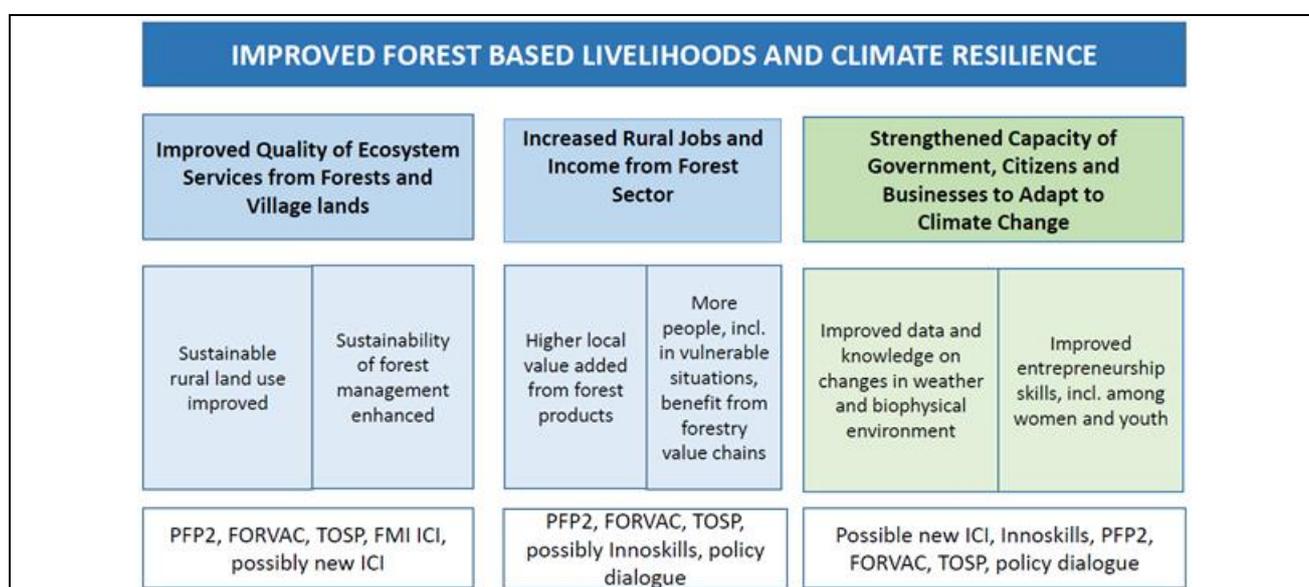
<sup>10</sup> Country strategy: <https://um.fi/documents/35732/0/finlands-country-strategy-for-tanzania-2021-2024.pdf/ed608df4-421c-5926-8de3-8b1d7221f5db?t=1624283951266>

sustainable management and efficient use of existing forest resources and establishing new forests where there are none. For ensuring environmental and social sustainability, Finland will support participatory land-use planning processes that secure a balanced allocation of land for different purposes. Finland will also support education in the forestry sector as well as grassroots innovation.”

Moreover, under the third strategic goal, forestry was identified as one potential area for trade. Recognizing that “synergies between development cooperation and trade promotion can be found especially in the forestry sector.”

The country programme was also published around the same time and replaced the previous country programme, guiding the development cooperation<sup>11</sup>. According to the programme, in 2021–2024, Finland’s bilateral cooperation in Tanzania will focus on promoting active citizenship as well as on supporting improved forest-based livelihoods and climate resilience (Figure 1). The financial frame for 2021–2024 is approximately EUR 56 million.

**Figure 1 Schematic overview of Impact area 2 of the Finland-Tanzania country programme**



Source: MFA (2022) Updated ToC of Tanzania country programme

## 2.4 Overview of programmes to be evaluated

### 2.4.1 FORVAC

The Forestry and Value Chain Development Programme (FORVAC) aims at contributing to increased economic, social and environmental benefits from forests and woodlands, and reduced deforestation. The Programme supports commercialization and improvement of the value chains together with the private sector, local communities and non-governmental organisations (NGOs) under a Community Based Forest Management (CBFM) regime. After the recommendation of ERET (2021) the four-year programme (7/2018 - 6/2022) was granted a two-year extension.

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 the institutional framework and enabling environment for the private sector stakeholders to manage and utilise

<sup>11</sup> Country programme: <https://um.fi/documents/35732/0/country-programme-for-development-cooperation-tanzania-2021-2024.pdf/8bae465-9d09-a10e-eadb-56fa390bdbb4?t=1624283993759>.

natural forest sustainably. Adoption of a market-driven value chain approach is at the core of the programme as is linking up with business development providers and private sector.

The implementing agency is the Forest and Beekeeping Division (FBD) of the Ministry for National Resources and Tourism (MNRT). The Programme works in close cooperation with Tanzania Forest Service (TFS) and the President’s Office Regional Administration and Local Government (PO-RALG). Technical assistance is provided by a consortium of Finnish Consulting Group (FCG) International and FCG Sweden.

The decision-making system of FORVAC 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).

In the first four years the Programme was implemented in three clusters in five regions:

- Tanga cluster, covering Handeni and Kilindi Districts in Tanga Region, the District of Mpwapwa located in Dodoma Region and Suledo Community Forest in Kiteto District of Manyara Region;
- Lindi cluster, covering Liwale, Ruangwa and Nachingwea Districts; and
- Ruvuma cluster: covering Namtumbo, Tunduru, Songea, Mbinga and Nyasa Districts).

But for the extension period the main focus is put on Lindi cluster and Ruvuma cluster. The programme is funded by the Government of Finland (9.95 million Euros) and the GoT (200,000 Euros).

**Table 3 Factsheet FORVAC**

Programme title:	Forestry and Value Chains Development (FORVAC)
Sub-sectors:	Forestry Development; Private Sector Development
Geographical coverage:	<p>Tanzania – Institutional development component nationwide</p> <p><u>Original coverage 2018</u>: 8 districts in 3 regions (Tanga cluster: Handeni and Kilindi; Lindi cluster: Liwale, Ruangwa and Nachingwea; Ruvuma cluster: Namtumbo, Mbinga and Songea Districts); Headquarters in Dar es Salaam</p> <p><u>Annual Workplan 7/2019-6/2020</u>: 10 districts in 4 regions (Tanga cluster: Handeni and Kilindi in Tanga region and Mpwapwa in Dodoma region; Lindi cluster: Liwale, Ruangwa and Nachingwea; Ruvuma cluster: Namtumbo, Mbinga, Songea and Nyasa Districts); Headquarters in Dodoma.</p> <p><u>Annual Workplans 7/2020-6/2021 and 7/2021-6/2022</u>: 12 districts in 5 regions (Tanga cluster: Handeni and Kilindi in Tanga region and Mpwapwa in Dodoma region and Suledo Community Forest in Kiteto District in Manyara region; Lindi cluster: Liwale, Ruangwa and Nachingwea; Ruvuma cluster: Namtumbo, Mbinga, Songea, Nyasa and Tunduru Districts); Headquarters in Dodoma</p> <p><u>Extension phase 7/2022-7/2024</u>: 8 districts in Lindi (Liwale, Ruangwa and Nachingwea) and Ruvuma (Namtumbo, Mbinga, Songea, Nyasa and Tunduru) clusters (regions); limited operations in Kilindi and Handeni Districts in Tanga region</p>
Duration:	Four years (7/2018–7/2022); Extension phase: (7/2022-7/2024)
Programme financing:	<p>Government of Finland € 9.95 million + € 4,200,000 (extension phase 2022-2024)</p> <p>Government of Tanzania in kind contribution (salaries, operating expenses and office space) € 200,000</p> <p>Programme Total Budget € 14,350,000</p>
Competent authorities:	Ministry for Foreign Affairs, Finland and Ministry of Natural Resources and Tourism, Tanzania

Impact:	Increased economic, social and environmental benefits from forests and woodlands, and reduced deforestation
Results of the Programme (revised for extension period)	<p>Expected outcome: Sustainably managed forests and forest-based enterprises generating income for community members and revenue for community social services.</p> <p>Output 1: Sustainable Forest Management mechanisms established, forest-based Value Chains developed and Private Sector Involvement in the forest sector increased.</p> <p>Output 2: Stakeholder capacity on CBFM and forestry value chain development enhanced.</p> <p>Output 3: Functional extension, communication, monitoring systems and Management Information System in place.</p> <p>Output 4: Legal and policy frameworks for CBFM and forest value chains strengthened</p>

Source: FORVAC April 2019, FORVAC November 2021

**Figure 2 Programme Area FORVAC**



Source: FORVAC April 2019

The FORVAC builds on the activities, experiences and lessons learned from three bilateral programmes in Tanzania financed by Finland: the National Forest and Beekeeping programme (NFBKP II, 2013–2016), the Lindi and Mtwara Agribusiness Support (LIMAS, 2010–2016), and the Private Forestry Programme (PFP, 2014–2019).

NFBKP II and LIMAS worked under the Community-Based Forest Management (CBFM) regime to advance sustainable forest management and generate income and employment to communities from declared Village Land Forest Reserves (VLFR). The Private Forestry Programme worked in plantation forests but created valuable experiences to share in value chain development, mobilization of rural communities for economic activities, and developing training and extension services for small-scale forest enterprises.

The Programme document (PD) mentions various reasons for the launching of the FORVAC programme. The NFBKP II and LIMAS projects showed that the basic opportunities for financially viable, as well as, socially and environmentally sustainable Community-Based Forest Management are well in place in Tanzania and the market demand for the most desired timber species is very high. However, communities face many obstacles, which hinder unlocking the business potential available from VLFRs. Financial feasibility and profitability of timber sold from VLFRs is generally low. Apart from the pricing system and competition from illegal logging, communities often lack adequate market/value chain knowledge and business strategies and skills for increasing local capture of forest value. Very little value addition is created at village level, mostly through pit-sawing with wasteful resource use and very meagre profits. Weaknesses of an enabling framework include non-harmonized legal and policy framework, weak governance and law enforcement on illegal logging, inadequate monitoring systems and poor data availability, and weak extension mechanisms, contributing to low private sector involvement (FORVAC 2019a, FORVAC 2021).

In order to address those challenges, the programme focuses on interventions that are expected to contribute to the achievement of the programme's outcome<sup>12</sup>: *Sustainably managed forests and forest-based enterprises generating income for community members and revenue for community social services*. The following four outputs and main interventions, modified for the extension phase are listed in the Programme document (PD):

**Output 1: Sustainable Forest Management mechanisms established, forest-based Value Chains developed and Private Sector Involvement in the forest sector increased.**

The interventions under this output focus on (i) the establishment and mobilization of Village Land Forest Reserves (VLFR), which also includes land use planning and development of forest management plans, and (ii) support to the development of forest value chains. FORVAC support is addressed to producer groups within target villages as well as responsible private sector involvement.

**Output 2: Stakeholder capacity on CBFM and forest value chain development enhanced .**

FORVAC aims at strengthening institutional and management capacities at all levels to plan, support, manage and monitor CBFM and forest value chains development, and especially of Village Councils and VNRCs. The programme also intends to incorporate forest products value chains/market system and business development skills in curricula of relevant training institutes.

**Output 3: Extension, communication, and monitoring systems developed.**

Under this output the programme aims at enhancing extension and communication services and supporting monitoring systems and Management Information Systems (MIS).

**Output 4: Legal and policy frameworks for CBFM and forest value chains strengthened.**

The programme provides support to improved policy and regulatory framework for forest value chain development, and for forest law enforcement, forest governance and trade of legally sourced timber.

The programme started with the Inception period from July 2018 to February 2019, had a bridging period from March to June 2019 when the team leader was replaced, and started full implementation from July 2019. From July 2022 an extension phase will start for a period of two years.

## **2.4.2 PFP2**

The Participatory Plantation Forestry Programme (PFP2) comprises the second phase of a conceived sixteen-year intervention to be delivered in four phases focusing primarily on the Southern Highlands – eight districts in three regions: Iringa (Mufindi and Kilolo), Njombe (Makete, Njombe TC, Njombe DC, Ludewa,

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<sup>12</sup> For the extension phase the Results Based Management Framework was revised and the original outcome and outputs formulations were modified. In this report we will refer to the modified version.

Wang'ing'ombe) and Ruvuma (Madaba). PFP2 is a four-year programme (11/2019-11/2023) that aims at promoting sustainable and inclusive private forestry that contributes to Tanzania's economic growth and alleviates poverty. PFP2 follows on the first phase, then called the Private Forestry Programme (PFP), which started in January 2014. It was eventually extended to 30 April 2019 that was followed by a two-month bridging phase and an additional four-month continuation that took it up to 31 October 2019. The PFP2 started with the inception phase on 1 November 2019 and actual implementation started from July 2020 (overlapping with inception phase activities).

The implementing agency is the Forest and Beekeeping Division (FBD) of the Ministry for National Resources and Tourism (MNRT). Technical assistance is provided by a consortium of Indufor and NIRAS.

The decision-making system includes a Supervisory Board (SB), the Programme Steering Committee (PSC) and the Programme Management Team (PMT). At local level coordination arrangements are managed by Forest Industry Cluster Development Coordinators in close collaboration with district councils in three territorial clusters in Njombe, Makete and Mafinga/Mufindi.

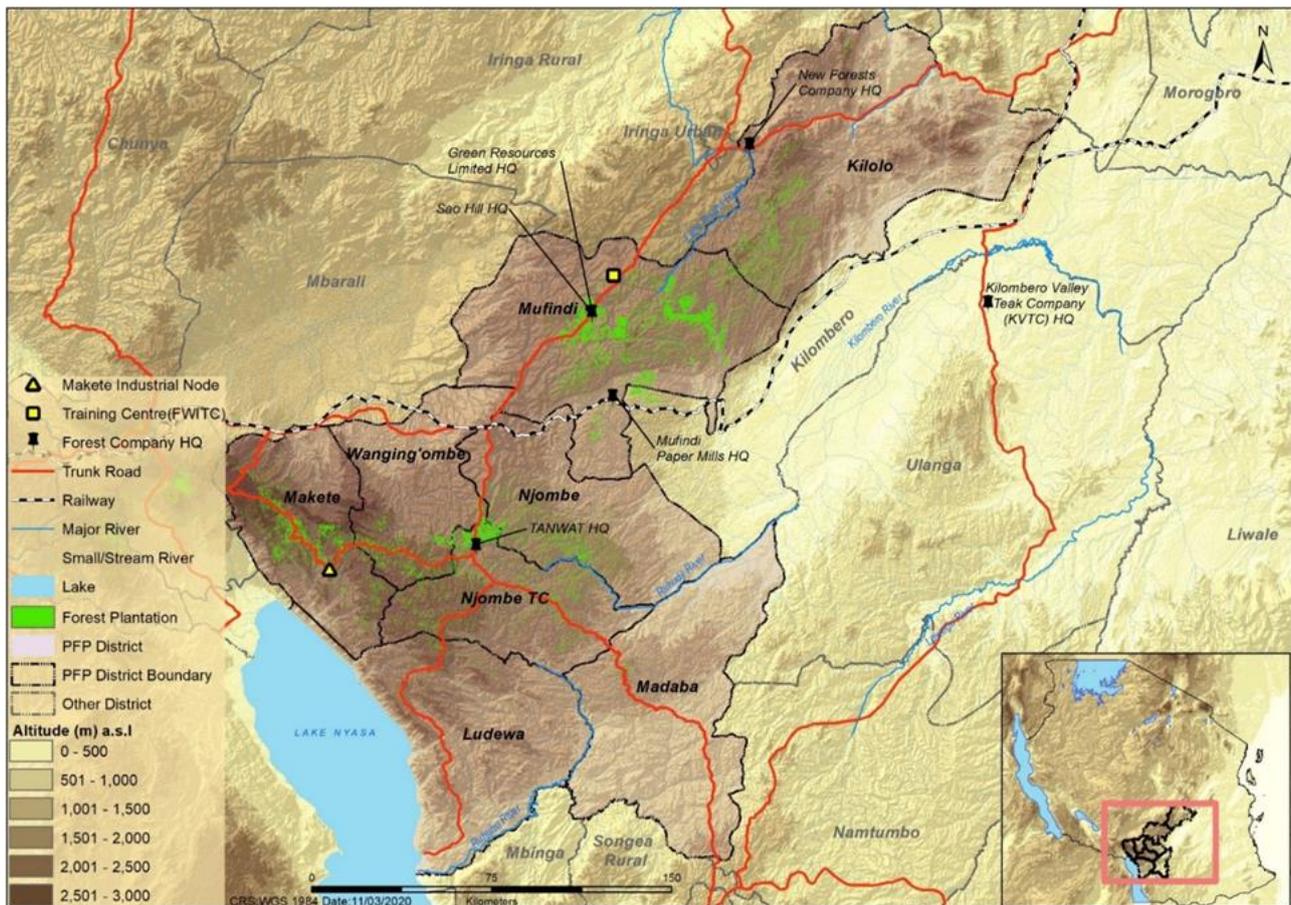
**Table 4 Factsheet PFP2**

<b>Programme title:</b>	Participatory Plantation Forestry Programme Phase 2 (PFP2)
<b>Sub-sectors:</b>	Forestry, private sector development, wood industries, SME development
<b>Expected impact:</b>	Sustainable and inclusive plantation forestry that contributes to Tanzania's economic growth and poverty alleviation
<b>Programme Outcome:</b>	A socially sensitive, environmentally sustainable, financially profitable private forestry sector, including tree growers, SMEs as well as their organisations and service providers, exists in the Southern Highlands of Tanzania
<b>Geographical coverage:</b>	8 districts in the Southern Highlands of Tanzania in three regions: Iringa (Mufindi and Kilolo), Njombe (Makete, Njombe TC, Njombe DC, Ludewa, Wang'ing'ombe) and Ruvuma (Madaba)
<b>Duration:</b>	Four years: From 1 <sup>st</sup> November 2019 to 31 <sup>st</sup> October 2023
<b>Programme financing:</b>	GoF: EUR 9,340,000 of which technical assistance (TA) fees EUR 2,338,500 and TA reimbursables EUR 1,358,800. GoT: EUR 470,000 (in kind)
<b>Competent authorities:</b>	<ul style="list-style-type: none"> <li>• Ministry of Natural Resources and Tourism, Tanzania</li> <li>• Ministry for Foreign Affairs of Finland</li> </ul>
<b>Right holders</b>	<ul style="list-style-type: none"> <li>• Private tree growers</li> <li>• Vulnerable people</li> <li>• Urban based tree growers</li> <li>• SMEs</li> <li>• Private forest companies</li> <li>• Nursery owners</li> </ul>
<b>Duty bearers</b>	<ul style="list-style-type: none"> <li>• Forest and Beekeeping Division (FBD)/MNRT</li> <li>• Tanzania Forest Service (TFS)/MNRT</li> <li>• Local government (Regional and district authorities)</li> <li>• Training institutions (FTI, FITI, FWITC)</li> </ul>
<b>Private sector organisations</b>	<ul style="list-style-type: none"> <li>• Tree Growers' Associations (TGAs)</li> <li>• Tanzania Tree Growers' Association Union (TTGAU)</li> <li>• SHIVIMITA (Local sawmillers association – SAFIA, – Northern Forestry Industries Association NOFIA and Urban Water and Sanitation Authority – UWASA)</li> <li>• Africa Forestry</li> </ul>
<b>Other stakeholders</b>	<ul style="list-style-type: none"> <li>• Forestry Development Trust (FDT)</li> <li>• Sokoine University of Agriculture (SUA)</li> <li>• Forestry Training Institute (FTI)</li> <li>• Forest Industries Training Institute (FITI)</li> <li>• Tanzania Forest Research Institute (TAFORI)</li> <li>• Worldwide Fund for nature (WWF)</li> <li>• We Effect</li> </ul>

- Tanzania Private Sector Foundation (TPSF)
- Southern Agricultural Growth Corridor of Tanzania (SAGCOT) and its partners
- Private secondary processing companies (e.g. sawmills, plywood industry, building and construction, carpentry)
- Service providers
- Tanzania Forest Fund (TaFF)
- Tanzania Forest Service (TFS)

Source: PFP2 April 2019

**Figure 3 Programme Area PFP2**



Source: PFP2 April 2019

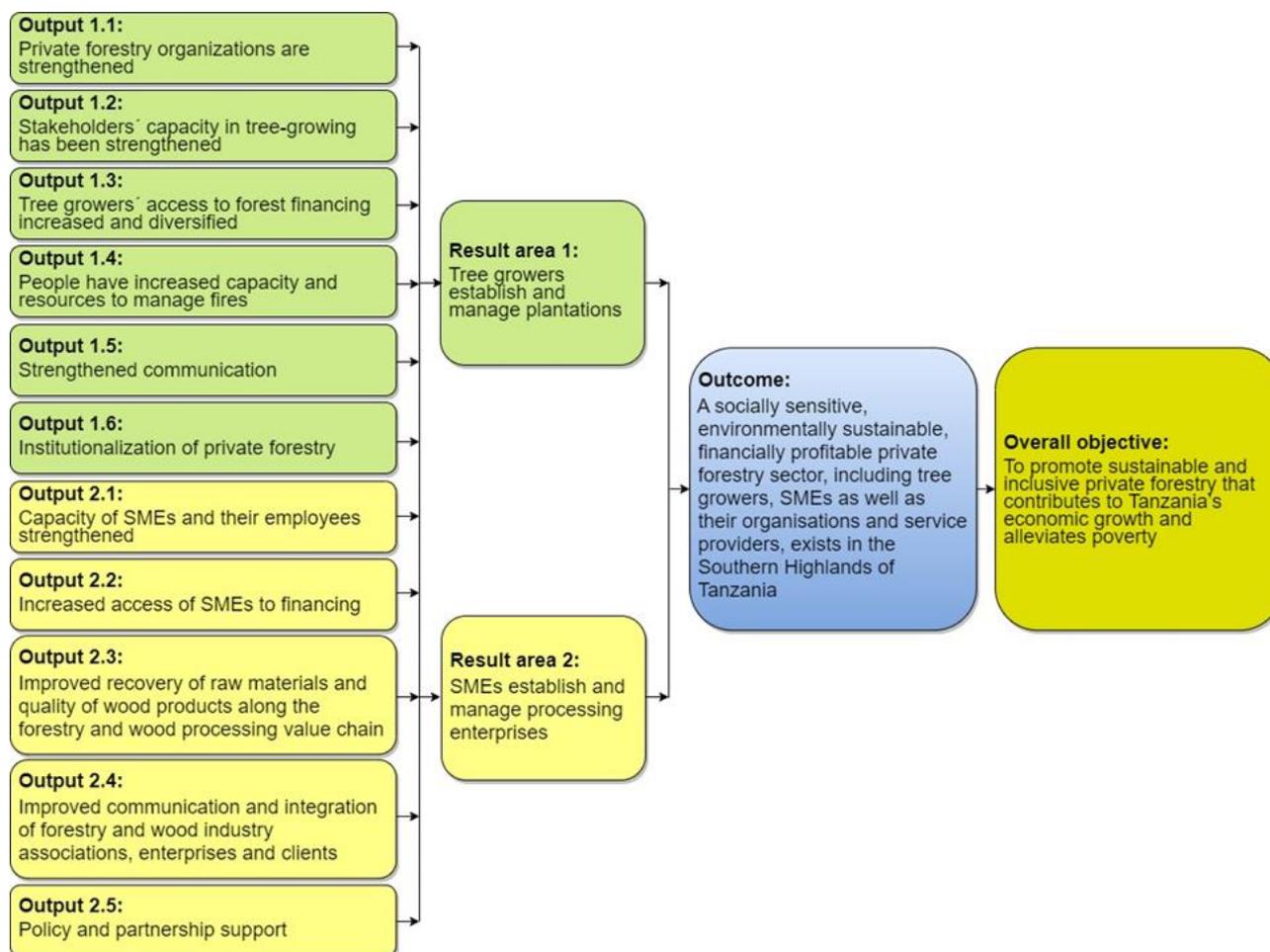
PFP2 focuses on the consolidation of the achievements of Phase 1 while taking a more people-centred approach through facilitation, communication and inclusiveness with the aim of building greater sustainability. Compared to first phase, the programme has shifted its approach from direct operations towards greater facilitation, involving and supporting existing institutions, including those that were established during PFP1, such as the Forestry and Wood Industries Training Centre (FWITC) and Tanzania Tree Growers' Association Union (TTGAU), to achieve sustainability.

PFP2 addresses the key challenges that were identified in Phase 1: security of land tenure, technical forestry and processing expertise, biodiversity, low income from timber sales to tree growers, access to improved seedlings, new technologies and finance, management of wildfires, support to vulnerable people, need for complete gender mainstreaming and meaningful participation, communication, coordination and decision-making with the participants in the forestry sector. PFP2 will focus on potential forest industry clusters and groups of forest-rich villages where improved forestry and wood processing can generate sustainable poverty reduction in the short and medium term for smallholders and SMEs.

The intended outcome of PFP2 is a socially sensitive, environmentally sustainable, financially profitable private forestry sector, including tree growers, SMEs as well as their organisations and service providers,

exists in the Southern Highlands of Tanzania. This is expected to be achieved through 11 outputs that are grouped into two result areas, one related to plantation development and management, and the other related to improved small and medium forest processing and business enterprises (Figure 4).

**Figure 4 Results chain PFP2**



Source: PFP2 April 2019

### 2.4.3 TOSP

TOSP is a continuation of outgrower activities carried out within PFP1. While supporting especially the income and employment of rural households in the Southern highlands area who have potential for plantation forestry, TOSP seeks also to safeguard the rights of people in vulnerable situations, primarily women and youth and support their participation in the value chain.

TOSP provides support to smallholder tree plantations via companies or other organisations in order to establish economically viable, sustainable and inclusive plantation forestry in Tanzania. Activities include all tree-growing activities, starting from site preparation and ending to thinning of the stands. The purpose is to help develop commercial tree growing and strengthen plantation forestry by smallholder tree growers as sustainable livelihoods, and hence increase wealth in the Southern Highlands of Tanzania.

TOSP funding has been granted to three companies/institutions:

- Kilombero Teak Valley Company (KVTC) – 164,351 Euros 2019–2020 (TOSP funding ended),
- New Forests Company (NFC) – 729,490 Euros 2019–2022, and
- Tanzania Tree Growers Associations Union (TTGAU) – 274,121 Euros 2019–2022).

The implementing institutions co-finance the project for at least 50%. The competent authority is MFA represented by the Embassy of Finland in Tanzania, which is responsible for guiding the project implementation based on the Act on Public Procurement and Concession Contracts, signed agreements, application documents, annual work plans and reports. MFA is a monitoring as well as an advisory and decision-making body of TOSP. At an organisation or company level, there is a dedicated focal person for practical management. The focal person works closely with the administration of that particular company or organisation. PFP2 was commissioned to audit the 2019/2020 and 2020/21 TOSP-supported woodlots of the implementing institutions. KVTC did not participate in the 2020/21 season and was not assessed in this report. A description of the KVTC TOSP is included in the 2021 ERET report.

## **TTGAU**

TTGAU is an umbrella organisation of TGAs with the objective to ‘promote socio-economic benefits of smallholder tree growers for increased net income at harvest of woodlots’ (TTGAU April 2019). It was set up with the support of PFP1 to provide services and represent the interests of TGAs. Membership to TTGAU is open to registered TGAs. In March 2021 TTGAU had 146 member TGAs with 9,554 tree growers (3,078 women and 6,326 men). Apart from MFA, the TTGAU also receives support from other partners for its activities, namely FAO, WeEffect, AgriCord, local government authorities and TFS. Recently, also a business initiative “One Million Trees” has started to co-operate with TTGAU in small holder tree planting (<https://www.miljoonapuuta.fi/>).

Establishment of new plantations (woodlots) will be undertaken in 52 villages that have land use plans of which some were operating under PFP1. The aim is to improve plantations’ productivity and quality before harvesting. The project covers Iringa, Njombe and Ruvuma regions in the following districts, Mufindi, Njombe, Ludewa, Makete and Madaba.

The project intends to enable tree growers to have access to improved planting materials, advisory and extension services by creating awareness and build a show case on the interdependence of improved seeds, management practices and extended rotation age on asset value of woodlots. It also supports the organisational development of TTGAU and TGAs. For sustainability of the results, the project supported TGAs members (women, young people and men) to formulate/strengthen village savings and lending associations (VSLAs) to enhance equitable access to finance for re-investing in forestry and other alternative sources of income which will provide for household when waiting for trees to mature. But this support was stopped in 2021/22.

## **NFC**

The company started establishing new plantations in Kilolo District in 2009 (5,000 ha) and has since 2012 supported over 1,000 outgrowers to plant over three million trees. NFC also took part in the outgrowers support programme of PFP1.

NFC targets 18 villages for the TOSP, with 800 outgrowers registered (women and young men were specifically targeted) with a total area of 1,800 ha ready for planting. The agreement included annual targets of 600 ha additional trees planted with supported trainings through Outgrowers Associations to address quality of trees, survival of trees and safety from fires and other risks. The members must have their own land, to be located close to each other to establish strategic firebreaks and ability to support each other, and not further than 10 km from the NFC plantation (to act as a buffer).

The NFC TOSP includes the following four outputs:

- Output 1: Outgrower associations established and well-functioning.
- Output 2: Outgrower associations have adopted responsible forestry management.
- Output 3: Increased afforestation through distribution of quality seedlings to outgrowers.
- Output 4: Extensive extension support provided to outgrowers.

NFC offers outgrowers a guaranteed market to buy back trees (if meeting NFC's quality criteria). Apart from pine and eucalyptus, the project also provides fruit trees, such as avocado. Livelihoods development for tree growers and sharing of timber market information are also key to sustainability of the Outgrower program (NFC June 2020).

## 3 Approach, Methodology and Limitations

### 3.1 Approach and Operating Principles

A detailed description of the methodology and evaluation framework is included in Annex 4.

The approach is guided by the objectives and expectations as stated in the overall ToR and the specific 2023 ToR topics. The external evaluation serves both planning and decision-making needs. Although the 2023 annual reviews are based on a similar approach as the exercises undertaken in 2022, major emphasis is put on the assessment of outcomes, indicative impact and sustainability, as well as key areas that are of specific strategic relevance for next programmatic phase.

The following operating principles were applied: (i) Utilisation-focused evaluation (practical but also strategic), (ii) Human rights and gender sensitive, (iii) Objective, impartial but also participatory, consultative and inclusive, (iv) Flexibility, (v) Context sensitive, (vi) Theory based evaluation, (vii) Triangulation and (viii) Taking advantage of existing data sets, evaluation reports<sup>13</sup> and M&E records.

### 3.2 Analytical framework

Consistent with the ToR, the analysis covered the OECD/DAC evaluation criteria:

- **Relevance** refers to the extent to which the objectives of the programme are consistent with the beneficiaries' needs, country priorities and Tanzania's and Finland's policies.
- **Coherence** refers to both internal and external coherence of the different programmes, their approaches, methods, goals and implementation.
- **Efficiency** describes how well the various activities have transformed the available resources into the intended results in terms of quality, quantity and timeliness. Furthermore, the management and administrative arrangements are analysed as well as the role of the Steering Committee and whether the committee is optimally being used for decision-making.
- **Effectiveness** comprises the analysis of whether and to what extent the programme outputs and direct effects have furthered the achievement of the programme purpose (outcome) or are expected to do so in the future.
- **Impact** focuses on the extent to which the programme has succeeded in contributing to its wider, overall objective, i.e. impact for its final beneficiaries, including human rights and gender equality, reduction of inequalities and promotion of climate resilience and low emission development<sup>14</sup>. The review of impact covers intended and unintended, positive and negative impacts.
- **Sustainability** refers to the likely continuation of the programme achievements. The sustainability of programme interventions in terms of their effect on environment will also be assessed. Other important aspects are ownership/commitment, institutional, socio-economic and technical aspects, financial considerations, and governance/enabling environment.

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<sup>13</sup> Including other MFA evaluations commissioned in the sector, including Talvela & Mikkolainen. (2019). Tanzania country case study. Evaluation of the Agriculture, Rural Development and Forest Sector (ARDF); Laaksonen et al. (2021). Tanzania country case study. Evaluation of Economic Development, Job Creation and Livelihoods

<sup>14</sup> This includes the conservation and enhancement of sinks and reservoirs of greenhouse gases.

The assessment of most criteria integrated aspects of HRBA and CCOs including gender equality, climate resilience and low emission development.

For the 2023 assessments it was agreed that ERET should prioritise the areas that are most pertinent as this stage of implementation, i.e. effectiveness, indicative impact and sustainability. Aspects of efficiency, relevance and coherence will be mostly addressed with respect to changes from last year's review. Table 5 summarises the key topics that guided the evaluation.

**Table 5 Key topics and focus of the reviews**

<b>Evaluation criteria</b>	<b>Topics</b>	<b>Focus</b>
Relevance	1. Alignment- and responsiveness to development objectives/priorities of the Government of Tanzania (GoT)	Check if any major changes have occurred since last year and assess the implications for the relevance of the programmes.
	2. Alignment- and responsiveness to development policies of MFA Finland (including HRBA and CCOs).	Check if any major changes have occurred since last year and assess the implications for the relevance of the programmes
	3. Responsiveness to conditions and needs of the beneficiaries.	Put specific emphasis on analysis of situation of women and persons in vulnerable conditions and effectiveness of (updated) HRBA strategies.
	4. Adequacy of design, strategizing the objectives and issues logically in the intervention approach.	Check if any major changes have occurred since last year and assess the implications in terms of consistency and quality.
Coherence	5. Coherence with country programme (internal coherence)	Check if any major changes have occurred since last year and assess the implications
	6. Coherence with other initiatives/ policies (external coherence)	Check on new developments and initiatives in the sector and the relationships, synergies or overlaps with the programmes
Efficiency	7. Progress against work plan target and time schedule (implementation progress).	Review progress against the plan and assess quality of support and issues/changes.
	8. Cost-effectiveness	Assess how efficiently the programmes used the available resources and organized the work and if inputs have been used according to plan. Note: ERET will not focus on the financial aspects in detail.
	9. Management, including M&E	Check if any major changes have occurred since last year and review effectiveness of management and decision-making structures and processes and functionality of M&E system and data management (does it provide any data on beneficiaries and effects at local level)?
Effectiveness	10. Achievement of intermediate outcomes and adoption of good practices	Assess the current and expected effects of the programme on the target group and especially women and persons in vulnerable positions. Assess the adoption of good practices and functioning of established systems and supported groups (VLUPs, VNRCs, FMPs, TGAs, SMEs, value chain aspects, etc.)
	11. Achievement of outcomes	Assess the contribution to the achievement of the programme objectives with regards to the direct target groups, especially women and persons in vulnerable positions.

Evaluation criteria	Topics	Focus
Sustainability	12. Sustainability of results and approach	Assess whether the established systems and introduced approaches are (likely to be) sustainable. Have the capacities of key stakeholders in the forest sector been enhanced and have they taken up roles or functions to sustain their activities (management/extension, self-financing and/or investment)?
Impact	13. Impact (indicative)	Assess if the programmes are likely to contribute to the overall objectives, and achievement of the indicator targets based on the available information and ERET field visits. To what extent have tree-growers and communities benefited from the revenue from the sale of timber and have beneficiaries improved their livelihoods?

### 3.3 Methodology

#### 3.3.1 Data sources and data collection methods

An appropriate mix of qualitative and quantitative methods and tools was used to gather and analyse primary and secondary data. Most quantitative data derived from the programme records and M&E systems.

The following data collection methods/tools were used:



*Documentary review.* A desk study of main documents and other materials (such as relevant evaluation reports) was undertaken before the start of the annual review and MTE, but also during the actual data collection process.



*Key Informant Interviews (KII) and meetings with key stakeholders.* Semi-structured interviews were conducted with key respondents, including Steering Committee members, national, regional and district government officers, service providers, and representatives from relevant public and private institutions.



*Focus Group Discussions (FGD)* were conducted with local government officers and beneficiaries. In consultation with the programme management teams, a representative sample of beneficiary groups and areas were selected that provided the team with the most valuable and relevant information.



*Observations* were undertaken during field visits to assess the quality of nurseries, woodlots, forest management and value chain activities, but also to check interactions and group dynamics.



*Direct interviews with beneficiaries.* In addition to FGDs, especially during field visits discussions with individual beneficiaries were conducted to obtain further information or clarifications on the implementation process and outputs.

The ERET visited 26 communities in 10 districts during the review (Table 6).

**Table 6 Villages visited**

Programme	District	Villages
PFP2	Kilolo DC	Lyamko, Wangama, Mdeke

Programme	District	Villages
	Mafinga TC	Mafinga (SMEs, pole processors)
	Mufindi DC	Kidete, Ugesa, Vikula, Nundwe
	Wanging'ombe DC	Mafinga, Moronga
	Njombe TC	Madobole, Mtila
	Ludewa TC	Madope, Mangalenyene
NFC	Kilolo DC	Kiwalamo, Lusinga, Ndengisivili, Ng'ang'ange
TTGAU	Njombe TC	Ninga
FORVAC	Liwale	Kitogoro, Likombora, Mihumo, Luwele, Chigugu, Barikiwa, Nanjejeja, Mtawatawa
	Ruangwa	Nandenje, Mchichili

### 3.3.2 Data recording and analysis

The information provided through the consultations were recorded by the team members. Key questions/topics were prepared and a summary of the answers recorded while in the field. Field notes were prepared and put on a Google Drive that could be accessed by all team members.

For efficiency purposes, the team split up for some of the field visits and worked in pairs of two experts (one Tanzanian and the other international).

Based on M&E data provided by the programmes and the field observations further analysis was done to validate the reported achievements.

## 3.4 Limitations

Similar to last year, the evaluation team was able to travel in Tanzania and visit beneficiary groups in their villages. However, the following limitations are likely to have affected the quality of the evaluation:

- Limited available time for conducting the reviews of the three programmes, covering four implementing agencies:
  - The time for preparation and review of documents prior to the field visits was short. In addition, some documents were provided late, even when the team was already involved in the implementation of field visits.
  - The major challenge has been limited time for conducting the field work, covering a large geographic area of the three programmes that required substantial travel. Although the team split up whenever possible to cover more ground, there were still challenges in preparing field notes and findings due to long days in the field and time needed for travel.
- The implementation of the field work coincided with the start of the rainy season and some areas were not accessible due to heavy rains.
- As agreed with MFA, for the FORVAC field visits, ERET focused on Lindi cluster, and especially Liwale District, which represents the areas with most forest resources and opportunities for timber production. It is therefore not fully representative of the programme area covered by FORVAC.

## 4 Findings and recommendations of the annual review of PFP2

### 4.1 Findings

#### 4.1.1 Relevance

The findings of the ERET 2022 report on PFP2's relevance are still valid and are summarised hereafter. Specific reference is made to aspects that have changed, either in the context or policies, or in programme strategies.

***Finding 1:*** The programme remains well aligned with and responsive to the development objectives, policies, and priorities of the Government of Tanzania and the Government of Finland.

***Finding 2:*** The ERET 2022 review found that PFP2 had taken important steps to improve inclusion and non-discrimination but also noted that it proved difficult to involve PiVP and increase the involvement of women in decision-making. As a response to the review, the PFP2 AWPB 2022/23 states that the HRBA strategy would be strengthened but does not elaborate further on how this will be done. ERET 2023 found that some activities were undertaken, including a special campaign in some villages, to increase the involvement of women. The actions have not been clearly documented and the campaign showed that there are still improvements to be made with respect to gender.

***Finding 3:*** Through the support to various measures such as tree planting for a longer rotation cycle, improved silvicultural practices, integrated fire management, diversification of species of better provenance, land use planning and improved recovery of raw materials, PFP2 contributes to management of better tree stocks, building climate resilience among the tree growers and increased above ground carbon sequestration. However, biodiversity and conservation of water source concerns were not addressed, not even in the VLUPs and these measures do not contribute to safeguarding biodiversity and environment. ERET found in several villages that land was being prepared and tree seedlings were planted right up to the river bank.

***Finding 4:*** The programme is responsive to the conditions and needs of the beneficiaries in the Southern Highlands as it builds on the existing practices of both tree growers and SMEs, whose businesses are based on sub-optimal production processes and practices. The support strategies to SMEs have started relatively late.

***Finding 5:*** The overall design, based on the lessons learned from PFP1, remains logical with a focus on improvement of existing smallholder plantations and the involvement of local government in the implementation.

***Finding 6:*** The relationship with the Tanzania Tree Growers' Association Union (TTGAU), combining the provision of technical support to TTGAU, using them as a service provider, collaborating on some activities and also evaluating their performance on outgrower woodlot establishment, is complex and the activities can create a conflict of interest.

***Finding 7:*** The results-based management framework (RBMF) still raises a few concerns, including a lack of outcome targets.

## **Alignment and responsiveness to development objectives and priorities of the Government of Tanzania**

The programme remains well aligned with the Tanzanian national policies and priorities by focusing on poverty reduction and job creation through the development of the forestry sector. The FYDP III, which was recently approved in 2021, commits government to collaborate with private sector players in the major sectors of forestry, agriculture livestock, fisheries, and mining. These sectors historically led to employment creation and sources of raw exports, so the FYDP III aims at applying knowledge and technology to turn these ‘comparative advantages’ into ‘competitive advantages’ and thereby diversifying the economy. Through FYDP III, the government commits itself to investing TZS 83.1 billion at the local government level towards promoting small and medium scale industrialisation through improving value addition in local produces (i.e. forestry, agriculture, livestock, fisheries, etc.). Several targets with relevance to PFP2 are listed under FYD III, including targets for smallholder tree farmers and SMEs engaged in forestry value chain business in the Southern Highlands and area of land planted and managed by small holder free farmers in the Southern Highlands.

The focus on smallholder plantation forestry and small entrepreneurs is highly relevant as smallholders own the largest plantation area and small and medium-sized enterprises (SMEs) are the main producers of sawn wood in the Southern Highlands, though mostly through inefficient processes, resulting in low-quality products. The programme’s focus on improved silvicultural practices and wood processing technologies is therefore highly relevant.

In addition, forest value chains are based on few tree species of unknown provenance. It is in the government’s interest that the source base of plantation forestry is diversified and widened with different species and provenance to avoid a risk of losing large areas of plantations in case of disease. The support provided to the seed orchards is considered highly relevant by national stakeholders.

The programme’s approach, strengthening the capacity of local government and assisting them in providing extension, is also relevant. Challenges remain with respect to enabling conditions, such as low reinvestment of districts in forestry extension and the issue of taxes. Other challenges with respect to the context and enabling environment, include the following:

- The market of the timber business and industry is gradually changing with respect to products (vener), prices and preferred species (eucalypts). This might reduce the marketing opportunities and expected return on investment for many of the pine tree-growers.
- The district governments of Mufindi District Council (DC), Mafinga Town Council (TC), Kilolo DC, Makete DC, Njombe TC, Njombe DC, Ludewa DC, Wang’ing’ombe DC, Madaba DC and Makambako TC are largely financed by taxing forestry, yet their reinvestment in commercial forestry extension appears suboptimal. An analysis of forestry reinvestment in 10 district councils, showed that forestry accounts for almost 56 percent of product CESS tax revenue, while only 1% is reinvested (PFP2 Annual Work Plan and Budget 1 July 2022 to 30 June 2023). In addition, impromptu taxes are imposed. There has been some effort to harmonise the CESS taxes though in some areas.

## **Alignment and responsiveness to development objectives and priorities of the Government of Finland**

PFP2 is also well aligned with and responsive to the development objectives and priorities of the Government of Finland. The programme aims at applying a human rights progressive approach and is relevant to climate change mitigation and adaptation. However, in the 2021 evaluation, questions were raised on the HRBA strategy and definition and identification of PiVP, and on the implications of the programme on environmental concerns related to climate change adaptation and mitigation. These two aspects were specifically integrated in ERET 2022’s ToR and discussed in greater detail in the 2022 report. A summary and update is included in the following paragraphs.

## HRBA

PFP2's HRBA emphasises inclusive, participatory and non-discriminatory processes which are transparent and enhance accountability (revised Programme Document). The project strives to enhance the capacities of rights-holders, duty-bearers and, when relevant, other responsible actors.

PFP2 attempts to be human rights progressive, aiming to mainstream and contribute concretely and directly to the realization of human rights. According to the Programme Document, the implementation of HRBA into the day-to-day development work of PFP2 also complements the objective of Do-No-Harm. This means that the efforts to achieve the overall impact of the programme should not cause unacceptable harm and human rights violations.

The ERET 2022 report identified several issues but also found that PFP2 had taken important steps to improve inclusion and non-discrimination. The following is an excerpt of the main 2022 findings:

- PFP2 undertook a Human Rights and Gender Situation Assessment (HRGSA) in 45 project villages in Mafinga, Makete and Njombe clusters to complement earlier work which had been done in October 2020 solely in Makete District. The findings of the study are important, showing that there are specific areas where PFP2 should engage to improve the position of rights holders. These include access to land, involvement and participation in the forestry value chain and its governance structures by women and PiVP as well as improved occupational health and safety for forestry workers. Unfortunately, the steps suggested to be taken are still a bit vague and general, focusing on the continuous establishment and assistance to TGAs and there are very few concrete actions recommended.
- The HRBA strategy that guides the operationalisation of HRBA in PFP2 (November 2021) is based on the study and it goes further to suggest strategies to address rights issues. For each group of rights-holders, issues are presented and followed up with corresponding strategies. The operationalisation is mostly well thought out, but most strategies are very general, giving all-purpose guidelines. The HRBA assessment did not evaluate the issues related to the duty bearers, but the strategy gives some guidance and useful ideas, although, again with few concrete actions. The annual work plan 2021-22 (Table 3.2 Operationalisation of the human rights-based approach) provides more ideas for actions but does not indicate who is responsible for the operational arrangements.
- The employment of a socio-economist and engaging her effectively in the writing of the HRBA strategy, as well as training and coaching of the staff, has ensured better dissemination of HRBA principles to the project staff. HRBA and inclusion criteria and indicators have been developed for almost all project outputs, including VLUP VLUM team composition, and the CCRO pilot exercise in Ibagá Village where women's and vulnerable people's awareness of their land rights were purposely raised.
- The needs of PiVP have been recognized in the HRBA strategy in terms of addressing the situation, but the claiming of rights has received less attention in the programme design and activities, although links with the district authorities have been created by the programme. Local Government Authorities (LGAs) provide "10% loans". One of the challenges has been the definition and identification of PiVP. A definition was devised that is difficult to operationalise (PiVP are therefore often grouped under the label 'TASAF' persons) and there is not much consistency in the various documents.
- Gender disparities is one of the human rights issues that PFP is addressing, although reporting of gender disaggregated data is not completely mainstreamed in programme progress reports.

The ERET 2022 report concluded that 'The updated Human rights-based approach (HRBA) strategy is an improvement, which has contributed to increased women's involvement in TGAs and in leadership positions. Women, youth and disabled groups are assisted to apply for the LGA loans and women are represented to varying degrees in all trainings. However, despite their increased involvement, women still play a limited role in decision-making. It was evident that women can still vote for male-dominated proposition in various levels. The HRBA operationalization strategy, especially for rights claiming of People in Vulnerable Positions (PiVP) is still general and it proves difficult to involve them. The evaluation shows that PFP2 can

be human rights progressive, but it needs commitment by all implementors and continuous adaptive management' (ERET 2022).

As a response to the ERET findings and related recommendations, PFP2 AWPB 2022/23 states that 'The human rights-based approach (HRBA) strategy will be strengthened and operationalised to include suggestions from the ERET review mission in 2021/22 whilst taking cognizance of MFA manual for bilateral programmes'. However, the document does not further elaborate on how this will be done and neither does the semi-annual progress report make reference to changes made in the strategies. The programme's socio-economist informed ERET on the activities undertaken, which included a special campaign in some villages to increase the involvement of women and address gender issues. It was found that many women were not aware of the programme. In addition, women, youth and people living with disabilities were targeted for district loans. Finally specific activities, such as trainings on nurseries were provided to PiVP. The results and outcomes are further discussed in the section of effectiveness.

### **Climate resilience, carbon forestry and biodiversity**

The support to climate resilience is highly relevant for the Southern Highlands (see following box). The ERET 2022 review included various observations, which are summarised and further updated below.

#### **Box 2 Climate change projections for the Southern Highlands**

Climate change projections in Tanzania indicate a consistent change in key climate variables, including warming from 0.5°C in 2025 up to around 4°C in 2100, with more warming over the Southwestern part of the country. Mean seasonal rainfall is projected to decrease consistently and progressively for the most parts of the country, but more significantly over the North-eastern highlands, where rainfall is projected to decrease by up to 12% in 2100. Parts of the southern highlands may, however, face decreased rainfall and this, together with increased temperatures, will affect the harvests of most common crops. There is also high risk of pests and diseases in tree species: the outbreaks could be facilitated by prolonged drought reducing the resilience of trees.

Source: ERET 2022

The revised PFP2 programme document describes how the programme is intended to work towards climate change resilience, carbon forestry and biodiversity conservation. The approach and activities are in line with the nationally determined contributions (NDC) to the adaptation, in particular enhancing efficiency in wood fuel utilization, enhancing participatory fire management and enhancing sustainable forest management. They are also in line with the contributions to mitigation through the strengthening of nation-wide tree planting programmes and continued benefiting from service provisions of the sector and enhancement and conservation of forest carbon stocks. The following provides an overview of the aspects mentioned in the PD and the current status:

- Output 1.3. has an indicator of certifying a carbon forestry project in the programme area. In 2021-22 the programme planned to establish a carbon forestry project but last year the discussions were still on-going. Eventually, it was decided not to proceed and no target has been put in the AWPB of 2022/23. Given the short duration of the programme and the complexity and uncertainties of the carbon financing market it makes sense to take a cautious approach and in the future support relevant stakeholders in Tanzania to better understand the carbon trade and to advise communities that are the forest/plantation owners.
- The programme document suggests to update the biodiversity guidelines that were developed by the "Private forestry and carbon trading" project in 2010-11 and to train staff (including TTGAU, extension officers and village facilitators) to use them. The update was supposed to cover most recent scientific knowledge and understanding of the biodiversity issues in Southern Highlands, including different effects of climate change.
- It was also mentioned that besides woodlot specific-biodiversity aspects there is a need to promote biodiversity at the landscape level, to be covered through landscape planning. In general, land use planning at both village and landscape level is the primary means through which the issues of

environmental sustainability and climate change adaptation could be advanced. In PFP2 land use planning has only been supported with respect to integrated fire management. In addition, ERET found that village land use plans (VLUP) do not adequately cover all forest ecosystem services (including watershed management) that are essential for the resilience and adaptation. The ERET reviews found that their effectiveness is compromised and that watershed management and biodiversity concerns are not adequately addressed. ERET observed in several villages that land was prepared and seedlings planted in areas close to water courses, in breach of prevailing legislation. ERET further observed loss of natural forests and trees, even for the sake of planting exotic trees. In addition, the VLUPs have large areas reserved for agricultural production, and vast areas are cleared annually. This contributes to significant loss of carbon from the ecosystems.

- The programme document recognizes the susceptibility of the popular exotic, fast-growing species *Pinus patula* and *Eucalyptus grandis* to climate change and hypothesized that in several areas, species and provenance choice of seed material will have to be changed to sustain the productivity of planted forests. The programme, together with FDT, and the Directorate of Tree Seed Production (DTSP) of TFS has addressed the issue by introducing more species and provenances in different growing conditions. PFP2 supports the development of improved germplasm through seed orchards. According to programme estimates, improved seed should increase productivity and consequently also carbon sequestration by 10% - 20% above the current production levels.
- Studies in Makete District indicated that productivity (and atmospheric carbon sequestration) could be almost doubled by attention given to improved silviculture practices. The semi-annual progress report July-December 2021 compared the above-ground carbon stocks by site index and plantation age for *Pinus patula*. According to the estimates, based on the data collected for woodlot management plans, increasing rotation age from 9 to 18 years would increase mean above ground carbon by 121% from 26.3 tonnes per ha to 58.5 tonnes per ha.
- In addition to carbon sequestration through longer plantation cycle, fire management is the area where the programme could seriously impact carbon emissions positively. The year 2020-21 was particularly destructive for forest fire and the major emphasis put by PFP2 on integrated fire management (IFM) is therefore highly relevant.
- The programme has also supported charcoal and bio char production from plantation and industry waste but until now the scale is negligible.

In addition to these measures, PFP2 had taken some steps to facilitate TTGAU's participation in the proposed FFD-Hope pilot programme in Tanzania, which is an initiative by Finnish Agri-Agency for Food and Forest Development (FFD) to encourage or promote carbon sequestration as well as activities of smallholder tree growers to adapt, organise and support their livelihoods. TTGAU forest extension officers and two assistant field extension workers were trained by PFP2 on forest inventory and woodlot valuation, which would then be used to justify receiving funds from companies who offset their emissions through this FFD-Hope mechanism. From the review, there was no evidence that this has been further implemented.

It can be concluded that through the measures discussed above (tree planting for a longer rotation cycle, fire management, diversification of species of better provenance, and land use planning), PFP2 has tried to build climate resilience among the tree growers and communities. Until now there is no assessment on the extent of carbon sequestered by the better managed woodlots or avoided emissions from IFM. For impact assessment, it would be possible to come up with an estimate using methodologies already developed by other organisations.

While these measures are all expected to contribute to climate resilience, their effectiveness towards safeguarding biodiversity are less obvious. With the increasing pressure on the land in some areas, this is a major concern that needs to be addressed in the possible next phase of the programme.

## **Responsiveness to conditions and needs of the beneficiaries**

The relevance of the programme for the beneficiaries, which were described in ERET's 2021 and 2022 reports have been confirmed in this year's review. PFP2's emphasis on improved silvicultural management of existing plantations is logical, given that so many smallholders are already involved in tree growing as part of their livelihood activities, although using sub-optimal processes. Improved silvicultural practices that produce high quality timber with longer rotation periods would benefit the tree-growers provided the market conditions are such that indeed the price difference and marketing opportunities would make the effort worthwhile from their perspective. Although the local market is not yet very sensitive to quality, interviewed tree growers during ERET 2023 indicated that it is worthwhile to invest in improved silvicultural practices to get a better product. Although prices for pine have been depressed, marketing opportunities still exist. However, the timber business and industry are gradually changing, with a greater emphasis on veneer production and demand for Eucalyptus. The emergence of Engineered Wood Products (EWP) and processing and the demand for quality timber and other products by the national construction business would create new opportunities, which however cannot be addressed by PFP2 in the remaining period.

The more recent focus on IFM is also considered of high relevance as fires have destroyed many plantations, especially in 2021. For example, in Iringa Region it was reported that 15,953 ha of plantations have been destroyed by fire in 2021 with an estimated loss of TZS 491.82 billion.

The programme's focus on forming and strengthening associations of tree growers is also relevant as this is expected to help the members benefit from economies of scale and increased bargaining power. The more systematic TGA strengthening approach of PFP2 as compared to the previous phase, based on the TGA guideline and milestones is expected to contribute to stronger TGAs.

The focus on SMEs is also relevant as they face many challenges that contribute to poor quality products. Their level of capital investment is very low, most do not have bank accounts, their profitability is marginal, they are using low processing and inefficient technologies with low recovery rates, their working conditions are poor (no work safety, no social support system for employees) and they have difficulties in marketing their low quality products. They also have problems accessing services, equipment and capital to improve their business. The more recent focus of PFP2 to build on- and improve existing technologies and increase the efficiency of operations, such as bench alignments of dingdong/AMEC saw mills is considered highly relevant. The relevance of FWITC has also been recognised by various stakeholders in the forest industry.

The aimed focus on extension services responding to the actual needs of smallholders and SMEs, including association formation and development, and entrepreneurship is therefore considered highly relevant.

The actual outcomes and results of the approaches are further discussed under the chapter of effectiveness.

## **Adequacy of design, strategizing the objectives and issues logically in the intervention approach**

### **Overall design**

The overall logic of the programme's design was already discussed in ERET's 2021 report and is still valid. PFP2 focuses on the consolidation of the achievements of PFP1 but takes a more people-centred approach through facilitation, communication and inclusiveness with the aim of building greater sustainability. The focus on three forest industry clusters (Mafinga, Njombe and Makete) is logical as these represent areas where many forest plantations and timber processing activities are concentrated.

The 2022 review observed that from a design perspective PFP2's relationship with TTGAU was somewhat unclear with different roles being played by the programme, i.e. capacity building/mentoring, contracting TTGAU as a service provider, being a partner in the seed orchards/stands, and evaluator of the TTGAU TOSP performance. Although it can be argued that most of these different activities form part of PFP2's mentoring role, they can easily create a conflict of interest. It is important that the relationship is very clear and that the parties clearly agree on the roles that each organisation plays. The ERET 2023 review also found

that there have been some confusion and different expectations on some of the activities, including the registration of PFP2 supported TGAs at MoHA and IFM.

### **Results Based Management Framework**

The programme did not make further changes to their RBMF.

Some of the comments from ERET 2022 are still valid. Although the indicators are mostly disaggregated, with respect to PiVP, different definitions are used, including vulnerable people (or vulnerable households), female headed households and TASAF beneficiaries. Other indicators do not have specific targets for PiVP but are disaggregated by gender, age, elected/public official, disability, and vulnerability. The disaggregation would enable grouping the results for PiVP, but it would be essential to have a clear understanding of the categories that constitute PiVP.

Several indicators, especially at outcome level do not include programme targets or very general ones, such as “increased proportion of ...” without specifying the numbers or percentages needed to quantify the expected change. However, there has been an improvement in the sense that the 2022/23 annual targets are specified.

The 2022 comment on the first impact indicator not being relevant as it refers to the area of plantation forests in the Southern Highlands, without considering the quality of the plantations, still remains. It is understood that it is not within the mandate of the PFP2 PMT to make changes to the impact indicators, but for a possible next phase this should be addressed. The impact indicator should reflect the increased quantity of improved timber or wood products deriving from smallholder tree growers, i.e., the end product, not the means. The outcome should reflect the area of plantations of smallholder tree growers under good silvicultural management. This is something that could be measured at the end of the programme and reflect the level of adoption of good silvicultural practices.

### **4.1.2 Coherence**

**Finding 8:** The programme is coherent and has complementary functions with the other programmes supported by MFA, which also look at value chain aspects and improved silvicultural practices. However, there is room for strengthening certain areas of common interest. Especially for PFP2 and FORVAC, the two programmes should complement each other and jointly contribute to their common objectives rather than conducting similar activities independently.

#### **Coherence with the MFA Country Programme (internal coherence)**

The ERET findings of 2021 and 2022 still apply:

PFP2 has complementary functions to the other programmes supported by MFA. The thematic interlinkages with FORVAC can be summarised as follows:

- Focus on forestry value chain and private sector involvement/business development for SMEs.
- Emphasis on smallholder/community organisations and inclusiveness. Both programmes encounter challenges in reaching the most vulnerable households.
- Effective land management through participatory land use planning (VLUP) processes and ensuring land rights. This also includes safeguarding of environmental and biodiversity concerns.
- Capacity building, technology transfer and extension delivery.
- Institutionalisation of approaches and strengthening of an enabling environment: institutions, policies, education/curricula, and improved land use planning methodologies.

According to FORVAC some attempts have been made to improve collaboration with PFP2, for example, training and linking carpenters with buyers through the Afrifurniture project of PFP2. Due to challenges, the collaboration was never realized. FORVAC has also trained district officers and SEDIT on the ‘SME development manual’ that was prepared by PFP2. The principles of the manual have been applied in micro-business support activities. Finally, staff from FORVAC, including the new Chief Technical Advisor (CTA) have visited FWITC.

The issues regarding VLUPs apply to both programmes. Although FORVAC will no longer support the establishment of new VLUPs, they could team up with PFP2 and liaise with the NLUPC and other stakeholders in addressing the weaknesses of the current approach. In addition, both forestry programmes have challenges with value chain development and promoting market access for forestry products. There could be significant collaboration opportunities in this field, for example through shared value chain experts and market development efforts.

With regards to the linkage with TOSP, both programmes focus on improved plantation management, although in the case of PFP2, on existing plantations rather than new establishment. The programmes emphasise similar principles, such as the use of improved seeds and good silvicultural practices to enable smallholder tree-growers to produce high quality trees for timber and poles.

There are common interests that could be further strengthened. However, despite earlier ERET recommendations, there has been little collaboration between the programmes, particularly with NFC (mostly related to IFM). With respect to TTGAU, there has been some collaboration, which will be further discussed in the section on effectiveness. As mentioned under relevance, there is a risk of conflict of interest in the relationship with TTGAU.

## Coherence with other initiatives (external coherence)

PFP2 collaborates with many private and public sector institutions including government at regional, district and village levels<sup>15</sup>. The nature of collaboration varies. While some are direct stakeholders in implementation (or duty bearers), others are contracted as service providers. In addition, the programme participates in policy dialogue and networking platforms, for example having played a role in the Iringa Forest Investment Forum. Other development partners are not involved in supporting plantation forestry in a substantive manner. After the role of FDT had changed, there were no conflicts in development approaches<sup>16</sup>.

### 4.1.3 Efficiency

**Finding 9:** In 2022/23, the programme made overall good progress and is on track to reach most AWPB output and activity indicators. The support activities of result 2 have increased, but the number of SMEs trained is far below the annual (and programme) target. The reported reasons for underachievement are the approach applied for the gradual training of SMEs, starting with selected groups in each cluster and the priority put on IFM in the first two quarters of 2022/23. While the staff think the targets can still be met in the remaining period, they appear very ambitious.

**Finding 10:** The support to registration of additional TGAs with the MoHA was not successful. As many TGAs had difficulties in complying with MoHA regulatory requirements and the process required substantial resources of PFP2, the PMT took a decision to discontinue the active facilitation process and only train TGAs that were willing and ‘ready’ to be registered at MoHA, leaving it up to the TGA to process the application further. As MoHA registration is considered a

<sup>15</sup> Such as NLUPC, TFS/DSTP, FITI, FTI, TASAF, TTGAU, RLabs, SHIVIMITA, African Forestry, SUA, Mkaa Endelevu, SDHI, GRL, University of Finland, Finnpartnership (Leapfrog), FDT, TLTA, TAFORI, OSHA, VETA, SIDO, and others.

<sup>16</sup> FDT has now come to an end.

precondition for TGAs to become TTGAU members, TTGAU is dissatisfied with the current arrangement.

**Finding 11:** As of December 2022, 55% of the AWPB 2022-2023 was spent. For a normal year this would be expected halfway implementation, but the last year is longer and goes up to October 2023 (although costs in the last months will be reduced). At 79% of the entire programme implementation period, 86% of the overall budget has been spent. The budget for output 1, as well as the operational vehicle costs have already been entirely used. Major risks for the remaining period are the increased daily subsistence allowance rates for government staff, and price inflation on fuel and living costs.

**Finding 12:** PFP2 has many human resources, including dedicated extension staff and also supports and collaborates with LGA staff, which has worked out well. The programme appears well managed by the PMT. The PSC is active and has focused more on strategic aspects since the previous review.

**Finding 13:** The M&E system is well developed, but monitoring of disaggregated data reflecting PiVP remains difficult. Following the ERET 2022 recommendation an outcome survey was conducted and another one is planned for 2023.

## Implementation progress

The ERET 2021 review found that PFP2 experienced substantial delays in the start-up phase and the first year of implementation due to problems with recruitment of staff and the spread of the COVID-19 pandemic. In addition, the strategy to start in Makete forest industry cluster before extending to Mafinga and Njombe forest industry clusters contributed to a late start in the latter clusters. After a decision of the PSC in its third meeting (3 December 2020) to change the strategy, implementation in Mafinga and Njombe forest industry clusters was accelerated. However, the ERET 2021 report concluded that progress was still unsatisfactory. Some inception phase activities were still not finalised and at mid-way of the AWPB implementation period, few activities were completed, and many others had not yet started.

The 2022 MTE showed a quite different picture. Although Makete cluster still seemed advanced because of its earlier start, programme implementation had improved in all clusters. The semi-annual progress report (July-December 2021) and ERET's observations clearly indicated that the pace of implementation had picked up.

In 2022/23 further good progress has been made. The PFP2 semi-annual progress report July-December 2022 indicates that most planned activities are on track, with some indicators already surpassing the annual target halfway through the year. However, a few activities have been delayed and underachieved. Although result 2 received more emphasis, the number of trained SMEs is significantly lower than the annual targets that have been set. One of the reported reasons is the priority put on IFM in the first two quarters of 2022/23, which required major inputs from the PFP2 extension and training staff.

The semi-annual progress report July-December 2022 provides an adequate overview of progress. The main achievements are presented below (Box 3) followed by some comments on aspects that might need some further discussion. The figures are mostly based on the semi-annual progress report of July-December 2022, the PFP2 presentation to ERET and consultations with programme staff.

### Box 3 PFP2 overview of the main progress reported for the various outputs

#### Output 1.1 Private forestry organisations are strengthened

- 80 TGAs registered (with LGA) and started service delivery
- TGA leaders trained in leadership and plantation management skills. TGAs and 160 Master Tree Growers (MTG) began offering plantation management services to members and non-members.
- Female membership increased from 34% to 35% and remained at 36% in TGA management bodies. Vulnerable people share increased from 7% to 8%.

- 122 new members joined the TGAs, which is below annual target of 500.

**Output 1.2. Stakeholders' capacity in tree-growing has been strengthened**

- Pedagogy support contract with HAMK signed and training started
- Additional 14,000 tree growers participated in forestry extension services and training
- Best Operational Practices (BOP) extension services delivered at demo plots and being adopted widely
- 603 customised woodlot management plans developed (annual target 800) and over 1,800 TGA woodlots brought into commercial management (cumulative)
- Additional 22.5 kg of clean seed harvested and processed from seed orchards/stands

**Output 1.3. Tree growers' access to forest financing increased and diversified**

- TZS 9,700,000 (about EUR 4,200) secured by Mafinga TGA from Wanging'ombe District
- Additional TZS 169,000,000 (about EUR 73,000) loan approved by LGAs
- 11 TGAs in Mufindi and Kilolo districts supported with VSLA extension services

**Output 1.4. People have increased capacity and resources to manage fires**

- Fire management planning workshops undertaken
- District extension staff trained in IFM, and firefighting
- 80 Village fire management committees and 80 Village firefighting teams established
- Fire danger index introduced
- Village fire management plans being piloted - piloted community mapping in Kidete, Ludilo, and Ihefu
- Villages firefighting funds introduced
- Village forest fire bylaws template drafted
- IFM supported for 220 villages
- 290 village-level extension events on IFM delivered in which > 8,000 tree growers participated
- IFM booklet produced and limited firefighting tools procured and distributed

**Output 1.5 Strengthened communication**

- Communication materials developed; PFP website received additional 5,574 visitors and 1,051 downloads
- Market Information System (MaIS) and BOP signboards installed in some village centres
- Instructional videos (on BoPs and carpentry techniques) published on the website and social media

**Output 1.6. Institutionalisation of private forestry**

- Seed orchard/stand land tenure reassessed pursuant to CCRO issuance
- VLUP documents printed for LGA signing

**Output 2.1. The capacity of SMEs and their employees strengthened**

- 235 SMEs in 38 groups were trained in modules described in SME development manual.
- Additional 1,200 stakeholders participated in 92 village level wood industry extension events (target 6,000)
- Additional 322 entrepreneurs participated in wood industry trainings (target 4,000)
- 87 sawmillers trained on health and safety and circular saw alignment
- 17 women led SME groups supported with LGA registration and business development training

**Output 2.2. Increased access of SMEs to financing**

- Additional 39 SME groups facilitated in developing business proposals to secure TZS 726,335,500 (EUR 314,796) from LGAs. 15 of these secured TZS 197 million (85,000 euro). Others still in process.

**Output 2.3. Improved recovery of raw materials and quality of products along the value chain**

- FWITC support continued
- Afrifurniture service provision completed
- 20 extension staff were capacitated in sawmilling practices
- PFP 2 through FWITC engaged in Ministry of Energy poles task force
- Briquette production commercialized
- Cheaper and safer wood treatment research (improved kiln started)

**Output 2.4. Improved communication and integration of forestry and wood industry associations, enterprises, and clients**

- MaIS scaled up to additional 50 villages
- Offices and toilet block of a timber yard in Mang'oto village, Makete, nearly finalized
- Forestry and wood industries associations consultants mobilised, umbrella associations agreed to form Tanzania Private Forest Forum. Five umbrella associations supported in legal compliance

Source: PFP2 (2023), Semi-annual progress report July-December 2022, field observations.

### *Output 1.1 Private forestry organisations are strengthened*

All 80 TGAs have been registered with the district councils. A few (7) TGAs<sup>17</sup> were registered with the Ministry of Home Affairs (MoHA). The AWPB 2022/23 indicates that PFP2 planned to facilitate registration of additional TGAs with MoHA, which according to TTGAU would be a prerequisite for the TGAs to become a member of TTGAU. PFP2 and TTGAU entered into an agreement to support this procedure. However, the facilitation process has taken too long and to date no additional TGAs have been registered with MoHA (and become a member of TTGAU). According to TTGAU, PFP2 is responsible for the delay in the process and for not taking it further. On the other hand, PFP2 believes that they have provided enough support to the process and that using additional resources would not have been justified. PFP2's role was to support TGAs to prepare the documents<sup>18</sup>, ensure that they are in line with MoHA requirements and provide them to TTGAU for processing to MoHA. Mafinga and Njombe clusters shared documents with TTGAU for review. The documents were sent back and forth multiple times as several TGAs faced challenges in meeting MoHA regulatory requirements. As the process required a lot of resources and time, a decision was made by PFP2 PMT to continue providing capacity to interested TGAs in improving the document but leave it to the TGA to further process and submit the documents to MoHA/TTGAU 'when they are ready'. Other considerations seemed to have been the high costs of registration at MoHA, which reportedly is TZS 150,000 and annual subscription fees of TZS 60,000. TTGAU membership would add another TZS 60,000 annually to the overall costs. In addition, as PFP2 works closely with the districts, they supported TGAs to be registered at LGA level, so that they can easily apply for extension support, loans, etc.

This aspect is emphasized in the ERET report because it raises a fundamental question about the future and sustainability of the TGAs' organisation, networking, and connection to service and business providers. This is further discussed in the chapter on effectiveness.

### *Output 1.2. Stakeholders' capacity in tree-growing has been strengthened*

MFA decided to change the capacity building plan that was developed by PFP2 in 2021/22 into a service provision contract with HAMK to activate pedagogy and modernised professional skills in technical and vocational forestry education in Tanzania. The signing of the contract was delayed, and HAMK started training in January 2023 to teachers and trainers at FWITC, PFP2 extension staff and FTI. As the training is on-line, the main challenge has been the poor quality of internet connections. According to HAMK, staff and trainees at FWITC and PFP2 have been very motivated and interested but with FTI, there have been some problems with attendance and commitment.

Although TGA membership indicates the involvement of PiVP, the woodlot ownership figures (Table 2.5 of the semi-annual progress report July-December 2022) indicate that none of the assessed woodlots are owned by PiVP.

### *Output 1.3. Tree growers' access to forest financing increased and diversified*

Mafinga TGA was able to buy two chainsaws as well as a ding dong machine (AMEC). The TGA rents out these two chainsaws and the AMEC machine for sawmilling raw materials from their woodlots. PFP2 continued to support TGAs that received loans in earlier years with financial management training, mentoring, and supervisory visits. So far, no challenges have been reported on TGAs loan repayment.

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<sup>17</sup> Some of these TGAs registered under MOHA are also registered at the district.

<sup>18</sup> These include the constitution, bylaws, CVs of the leaders, meeting minutes that shows the members agreed to register at MoHA with all members signatures, and other MoHA forms.

#### *Output 1.4. People have increased capacity and resources to manage fires*

Support to IFM received major emphasis of the programme. PFP2 worked through the regional and district governments to ensure that the forest fire management (IFM) agenda is prioritised in all planning and reporting meetings. The Iringa and Njombe regional commissioners formally directed government officials from regional to village level to form committees for coordinating forest fire protection. Both Iringa and Njombe regional fire protection coordinating bodies were established and are operational. Whereas there is good support at the government level, some issues remain that are further discussed in the sections of effectiveness and sustainability.

#### *Output 2.1. The capacity of SMEs and their employees strengthened*

The support to SMEs has increased from previous years. However, the number of SMEs trained is far below the annual target. For example for wood industry extension, 1,217 entrepreneurs were reached, out of a target of 6,000 (20%), and for wood industry training only 322 SMEs participated against a target of 4,000 (8%). Even if the 87 trained sawmillers are included, only 10% of the target is achieved after the first two quarters.

The report of the International Forest Products and Processing Expert (IFPPE) showed that this was partly due to the applied strategy. The expert first capacitated the PFP2 extension staff before training primary processing SMEs, focusing on basic but critical skills to increase safety and efficiency. As it was not considered practical to engage all the SMEs, only a select group in each cluster was identified using the PFP2 SME database. A filtering criterion was established to target women, people in vulnerable position and disabled groups, as well as owners of workable equipment with longer-term contracts that also have received training previously from PFP2. The training was constructed as a one-day delivery course. SMEs do not have much time for training as “no work no pay” is their reality. At the start of ERET 2023 four of the courses have been delivered in the three PFP2 clusters, including (i) Sawmill safety: managing risks. (ii) Sawmill set-up and alignment. (iii) Sawn board preservation treatment: boron dip method, and (iv) Circular saw blade setting. A questionnaire was developed after the fourth training sessions to determine retention and implementation of the training on SME level. At all the three PFP2 clusters, extension staff that contributed to these training sessions were themselves trained to repeat these courses if needed. The IFPPE is confident that the knowledge transfer was sufficient for them to continue the training unaccompanied by the IFPPE.

However, very few further trainings seem to have been undertaken by the extension staff. A reason for that reported by the M&E expert is the priority that was put on IFM in the first two quarters of 2022/23.

On the other hand, the annual targets also seem very high, which were based on the balance of the overall programme targets that were not yet met in the previous years. The question is if these targets can be realistically achieved in the remaining period. The M&E expert suggests that by taking into account the employees and not just the owners of the businesses, it is still possible to achieve the remaining targets. Still, the targets appear very ambitious and were possibly based on unrealistic assumptions. PFP2 reported that SMEs are not as easily reached as tree growers due to various factors, including their mobility (AMEC operators), limited time to participate in trainings due to their need to attend to their businesses for income, reluctance to share details about their business and competition with other SMEs. Because of these characteristics, the programme tried to group them. However, that only worked for some SMEs. In addition, SMEs have different requirements depending on the type of business. It should also be noted that the different types of trainings did not necessarily target the same SMEs. The soft skills training based on a ‘growth mind-set’ philosophy was provided by PFP2 extension staff to SME groups, whereas the more technical trainings were mostly provided to individual SMEs. While most technical trainings were aimed at sawmillers, the boron treatment training aimed at timber yard owners. For the remaining period, the question is if the programme should try to reach as many SMEs as possible or rather focus on a reduced number and consolidate the results with supported SMEs that would provide the most potential for impact and sustainability. The latter could be a more feasible and sustainable approach.

### *Output 2.2. Increased access of SMEs to financing*

39 SME groups supported in developing business proposal to secure TZS 726,335,500 (about EUR 314,796). Of these 39 SME groups, 15 SME groups received LGA loans totalling TZS 197 million (equivalent to EUR 85,652 ). This represents a major increase in LGA loans to the forest sector which last year amounted to EUR 17,300 .

### *Output 2.3. Improved recovery of raw materials and quality of products along the value chain*

The Afrifurniture project's results are further discussed under the section of effectiveness. With respect to efficiency, it can be concluded that the project was over-ambitious and have used (too) many resources from the programme. Although most interviewed people do not consider it a failure as important lessons have been learned and prototypes are ready to be further adopted by interested entrepreneurs, the fact is that the project required substantial inputs and resources from PFP2 that possibly could have been better spent on other activities that are closer to the realities of most SMEs.

## **Cost effectiveness**

Table 7 presents the budget and expenditures for the AWPB 2022-2023, representing the costs until December 2022.

At 38% of the AWPB 2022-2023 implementation period (December 2022), 55% of the overall budget has been spent. The operational costs (activities only) stand at 51% with relatively more spent on result area 1. These figures are in accordance with the implementation progress reported. Some budget lines were overspent:

- Output 1.1 due to operational costs related to TGA strengthening, mainly daily subsistence allowance (DSA) and transportation.
- Output 1.4 due to district councils assigning more extension for IFM training that was not anticipated, and the costs of materials.
- Operational costs for vehicles due to increased fuel prices, maintenance required and unbudgeted insurance for the mobile training unit.

Although the expenses look high (the AWPB 2022/23 is actually 16 months) it should be noted that the programme will slow down towards the end to prepare for the exit with gradually staff being phased out.

At 79% of the entire programme implementation period (December 2022), 86% of the overall budget has been spent of which 91% of the (direct) implementation costs and 78% of the indirect costs (TA and admin). It is understood that some TA costs have not been reflected yet and will be included in the next quarter.

Overall, the utilisation rate of the funds appears more or less in line with the reported implementation progress, although slightly higher. It is a concern that the entire budget for output 1 and the operational vehicle budget was already utilized by December 2022, leaving 10 months until the end of the year (or at least six months until some staff contracts expire at the end of June).. Some major causes and actually risks for the remaining period are the increased (doubled) daily subsistence allowance rates for government staff, and price inflation on fuel and living costs.

**Table 7 Budget and expenses PFP2 in Euros**

Description	Programme Budget	Expend. 2019/20	Expend. 2020/21	Expend. 2021/22	AWPB 2022/23				Cum. Exp.		
					Budget	Exp Dec 22	% Used	Balance	Cum. Exp.	Balance	% Used
<b>Result 1: Tree growers establish and manage plantations</b>	<b>2,367,551</b>	<b>126,037</b>	<b>816,664</b>	<b>962,800</b>	<b>462,052</b>	<b>305,830</b>	<b>66%</b>	<b>156,222</b>	<b>2,211,331</b>	<b>156,220</b>	<b>93%</b>
Output 1.1 Private forestry organizations are strengthened	567,207	59,785	352,327	124,101	30,994	34,097	110%	-3,103	570,310	-3,103	101%
Output 1.2 Stakeholders capacity in tree growing has been strengthened	1,088,326	64,799	260,089	481,516	281,922	168,312	60%	113,610	974,716	113,610	90%
Output 1.3 Tree growers' access to forest finance increased and diversified	6,179	977	1,309	1,694	2,200	0	0%	2,200	3,980	2,199	64%
Output 1.4 People have increased capacity and resources to manage fires	107,081	0	6,978	33,869	66,235	72,393	109%	-6,158	113,240	-6,159	106%
Output 1.5 Strengthened communication	234,714	476	86,372	91,965	55,901	23,987	43%	31,914	202,800	31,914	86%
Output 1.6 Institutionalization of private forestry	364,044	0	109,589	229,655	24,800	7,041	28%	17,759	346,285	17,759	95%
<b>Result 2: SMEs establish and manage processing enterprises</b>	<b>1,651,808</b>	<b>52,303</b>	<b>258,361</b>	<b>682,248</b>	<b>658,897</b>	<b>269,705</b>	<b>41%</b>	<b>389,192</b>	<b>1,262,617</b>	<b>389,191</b>	<b>76%</b>
Output 2.1 Capacity of SMEs and their employees strengthened	869,906	36,601	194,661	310,997	327,647	77,789	24%	249,858	620,048	249,858	71%
Output 2.2 Increased access of SMEs to financing	39,797	0	12,175	15,023	12,600	2,674	21%	9,926	29,872	9,925	75%
Output 2.3 Improved quality of products along the processing value chain	660,774	6,087	30,636	330,901	293,150	173,633	59%	119,517	541,257	119,517	82%
Output 2.4 Improved communication SMEs, wood producers and clients	81,331	9,615	20,889	25,327	25,500	15,609	61%	9,891	71,440	9,891	88%
<b>Total operational</b>	<b>4,019,359</b>	<b>178,340</b>	<b>1,075,025</b>	<b>1,645,048</b>	<b>1,120,949</b>	<b>575,535</b>	<b>51%</b>	<b>545,414</b>	<b>3,473,948</b>	<b>545,411</b>	<b>86%</b>
Procurement costs +operational costs vehicles	1,648,341	153,293	642,112	554,075	295,940	321,969	109%	-26,029	1,671,449	-23,108	101%
External audit	10,000			2,575	10,000	0	0%	10,000	2,575	7,425	26%
Tree outgrower scheme project	30,000	0	5,692	9,713	14,595	6,459	44%	8,136	21,864	8,136	73%
<b>TOTAL IMPLEMENTATION</b>	<b>5,707,700</b>	<b>331,633</b>	<b>1,722,829</b>		<b>1,441,484</b>	<b>903,963</b>	<b>63%</b>	<b>537,521</b>	<b>5,169,836</b>	<b>537,864</b>	<b>91%</b>
Contingency	0									0	
<b>INDIRECT COSTS - TA all costs</b>	<b>3,692,300</b>	<b>470,442</b>	<b>869,025</b>	<b>895,661</b>	<b>1,398,474</b>	<b>655,847</b>	<b>47%</b>	<b>742,627</b>	<b>2,890,975</b>	<b>801,325</b>	<b>78%</b>
TA fees	2,338,500	283,773	567,247	453,857	974,924	449,593	46%	525,331	1,754,470	584,030	75%
TA admin costs	1,353,800	186,669	301,778	441,804	423,550	206,254	49%	217,296	1,136,505	217,295	84%
<b>TOTAL PROGRAMME COSTS</b>	<b>9,400,000</b>	<b>802,075</b>	<b>2,591,854</b>	<b>895,661</b>	<b>2,839,958</b>	<b>1,559,810</b>	<b>55%</b>	<b>1,280,148</b>	<b>8,060,811</b>	<b>1,339,189</b>	<b>86%</b>

Source: Adapted from PFP2 (2023) Semi-annual report July – December 2022.

Assessing value for money is challenging as it would require assessing the adoption rates and quality of plantations with regards to result 1 and the improved business ventures of SMEs for result 2, and valuing the outputs now and in the future. In addition, other factors related to climate change mitigation and carbon offset, as well as social/livelihood benefits would have to be taken into consideration. It might be a useful exercise to be conducted at the end of the programme.

## Follow up on KPMG performance audit recommendations

KPMG's Performance Audit report on the Participatory Plantation Forestry Programme dated 1 July, 2022 presented the main observations, risks and recommendations to improve the management procedures. The report also indicates that the financial management practices and structures within the programme have seen an overall improvement. The programme has clearly defined roles and detailed frameworks and guidance on the financial systems and procedures to follow for PFP2. The report identified 25 risks of which seven were considered significant and one critical. The risks and PFP2's responses are presented in Annex 2. Nearly all recommendations related to the risks were implemented. Recommendation 14 to make the compilation of the financial report clearer and reduce manual steps, was partially implemented. On recommendation 19 to do a cost/benefit analysis to determine whether to apply for a VAT refund from Tanzania Revenue Authority, the response indicates that no follow up was done, but actually the programme sought expert advice which concluded that it will be uneconomical as costs may outweigh the expected VAT refund. So the 'no follow-up' refers to the fact that based on the finding it was decided not to apply for refund. Recommendation 23 related to programme assets will be followed up and the list of fixed assets with their conditions will be submitted in the next PSC meeting. All other recommendations were followed. It can thus be concluded that according to the programme all listed risks were responded to.

## Management, including M&E

### Human resources

Compared to other projects, PFP2 has contracted a relatively large number of staff and also supports and collaborates with LGA staff to play a role in the implementation. This seems to work out reasonably well. Positive comments and observations were made during ERET field visits. Extension officers remain well appreciated by beneficiaries and appear quite effective. District extension staff are actively involved in various aspects of the programme, such as community mobilization, TGA formation and strengthening,

forestry extension and support to SMEs. The support to IFM by the Regional Commissioners,(RCs), DCs and TCs is particularly important to mention.

The programme activities are to some extent integrated into the district plans and some districts facilitate access to interest-free loans for TGAs and SMEs. The involvement of the LGAs increases the sustainability of the programme approach, although several challenges remain, regarding funding and human resources to continue adequate forestry extension. A substantial part of the districts' revenues derives from the forestry sector (40% to 80%) but a minimal proportion is reinvested (around 2%). Although some improvement was reported this year, in general districts have very few resources for forestry extension and support. Also the staff working with PFP2 such as District Forest Officers (DFOs) and Community Development Officers (CDOs) have limited mobility and are quite dependent on resources provided by the programme. Agricultural Extension Officers are involved in the programme. Some are provided with project resources such as motorbikes that have been useful. They are strongly supporting the TGAs, but also have to attend to their agricultural programme and workplans. Nonetheless, the integration of LGAs in the programme can be considered very important.

### **Management**

The ERET team considers that the programme implementation is well managed by the PMT. As also noted by KPMG audit report of 2022, in many respects, PFP2 follows sound financial management practices and adheres to the requirements of the Programme Implementation Manual (PIM), the PD, and the MFA manuals and agreement. Compared to previous years, which were affected by delays, quite some improvement can be observed. The programme is catching up and the last year's replacement of the International Forest Industries Development Expert has contributed to improved implementation of result 2, although the achievements are still below the targets.

The PSC is regularly convening to guide the programme implementation. The twelfth PSC meeting was conducted on 17 February 2023. Although important issues are discussed by the PSC, the ERET repeatedly found that there is a tendency of focusing too much on detailed aspects of the programme implementation instead of emphasizing strategic guidance and addressing key barriers at the higher policy level. According to the embassy, the PSC has lately started to play a more strategic role. The minutes of the 12<sup>th</sup> PSC meeting indicate that indeed detailed implementation issues were not part of the agenda. The issue of the UTII B sawmill was delegated to the regional forestry officer to resolve. In addition, the issue of FWITC, including land tenure and new intake of students in June, was directed to be discussed at the second PFP 2 supervisory board meeting. There are however many other key issues to be addressed at national level with respect to the sustainability of PFP2's results, which are not considered. These are the increasing complexity and costs for land use planning (of VLUPs that still have shortcomings on the integration of environmental and biodiversity concerns), the very low reinvestment of LGA revenues derived from forestry activities to the forestry sector and inadequate human resources, the issues related to the changes of the wood industry market and opportunities for EWP, and other factors related to creating a better enabling environment. There are many aspects that are beyond the mandate of the programme but that the PSC can support to help creating the conditions for lobbying at relevant government ministries and departments as well as improved effectiveness and sustainability.

### **M&E**

The programme's M&E system is guided by an M&E plan and includes various data collection forms and tools with respect to TGAs, FMPs, demo plots, SMEs, training-related events and other activities. The data are recorded through different platforms/tools, ranging from ODK (Open Data Kit - Android based mobile) applications to hard copy forms.

The data include spatial information and support reporting on RBMF indicators. The improved RBMF requires to report on indicators at various levels of disaggregation (i.e. by cluster, gender, age, elected/public official, disability, vulnerability, and other criteria depending on the type of indicator). While this is a very good approach, reporting and monitoring of disaggregated data reflecting PiVP appears sometimes difficult.

The ERET 2022 recommendation to implement outcome surveys as mentioned in the M&E plan have been followed. In order to understand the level of adoption and outcomes at beneficiary level, this is extremely important. It would also be needed to be able to differentiate the different adoption levels – including also adoption of BOP by the trained TGA members beyond his/her supported FMP plot and also adoption by other non-TGA members.

The M&E expert collaborates closely with the land use planning and IT experts, creating a competent team of experienced staff who have been engaged in the programme for a considerable duration.

#### 4.1.4 Effectiveness

**Finding 14:** The systematic strengthening approach appears to be contributing to stronger and more sustainable TGAs. Although they are still young and overall their capacity seems to vary, the impression of ERET is positive. TGA leaders and members show high commitment and a longer term vision. Some TGAs embarked on income generating projects, obtained loans and started offering plantation management services not only to their own members but also to other, non-TGA tree growers as well.

**Finding 15:** With respect to the strengthening of TTGAU, the objectives and intentions as stated in the PD appear far too ambitious for the resources and support allocated to this activity, and the effects remain limited. In addition, several challenges exist for the registration of TGAs with MoHA.

**Finding 16:** PFP2 did not provide further support to Village Land Use Plans (VLUP) or issuance of Certificates of Customary Right of Occupancy (CCRO), aimed at providing greater land tenure security for tree growers. While the adapted methodologies of PFP2, making use of satellite images for VLUP and mobile applications for CCROs are more efficient and participatory than the traditional approaches, the processes are expensive and over-regulated. In addition, environmental and biodiversity concerns are not adequately integrated in the VLUPs and their implementation is usually not well monitored. Even if PFP2 will no longer support new VLUPs, there is need for coordinated national consultation on the effectiveness and sustainability of the VLUP approach in view of the future programmes.

**Finding 17:** The ERET field visits indicate that the adoption of good silvicultural practices by supported tree growers is high, especially for woodlots with Forest Management Plans but thinning is challenging because of cost implication and labour requirements. On the other hand, thinning has been recently introduced and in the context of naturally regenerated and older woodlots tree growers showed interest in the model as thinnings were being sold for timber, poles and for fuelwood. Adoption of BOPs is also taking place by other tree growers who are not TGA members or do not live in the same village. The demo plots play an important role in promoting BOP.

**Finding 18:** Many tree growers indicated that they understand the economic rationale for a long rotation cycle, but they want to harvest at 12-15 years instead of the recommended 18 years. There are some challenges. The local market prices do not always differentiate much on the quality of timber, there is also demand for small timber (2x2) and the growing veneer industry takes low quality logs (now also pine). An issue related to price is the fact that no formal grading system is applied. Although the MaIS has increased the awareness of tree growers, middlemen can still bypass the system and buy trees for lower prices from those individuals who are prepared to sell.

**Finding 19:** The institutionalisation of the IFM system was given major emphasis in 2022/23. Whereas in 2021 many woodlots were damaged by fire, in 2022 only a few incidences were reported and Iringa Region showed a reduction of 98.5%. Although this reduction cannot be entirely attributed to the introduced IFM approach, stakeholders consider that IFM played a major role in

the PFP2 supported districts. Despite the success, there are still parallel systems in place that need to be harmonised.

**Finding 21:** The SME capacity building shows positive results. The growth mindset training is based on a good philosophy but could be more efficient. The technical training of circular sawmillers (AMEC/ dingdong owners) is highly relevant and shows good adoption except for boron dip due to high costs and low demand, as the market expects Copper Chrome Arsenic (CCA). The SMEs trained on nursery management show high adoption on some aspects and low on others, related to constraints in accessing the materials (costs of improved seeds, and unavailability of trays and planting medium). The technical support to introducing technologies based on local materials and adapted to the skills and needs of SMEs is very good.

**Finding 22:** The objectives of the Afrifurniture business development process were too ambitious. A market assessment was conducted, excellent furniture products were designed, and local carpenters were trained to manufacture the products. Challenges in marketing and production management (including required skills and commitment of involved SMEs) and the lack of a business owner halted the process, and its continuation is unclear.

**Finding 23:** PFP2 has put much focus on primary and secondary production/processing but not so much on the marketing end of the value chain. This is an area that probably needs more attention in the future (extension or next phase).

**Finding 24:** PFP2 has taken further steps towards improved integration of the HRBA, including assessment of the awareness of women on the programme and challenges for their participation. Although the HRBA strategy has contributed to increased women's involvement in TGAs and in leadership positions, they still play a limited role in decision-making and PiVP still face barriers to their participation and their inclusion.

## Achievement of intermediate outcomes and adoption of good practices.

### Result 1 - TGA strengthening

#### TGAs

As observed in the ERET 2022 report, the TGA strengthening process is consistently implemented and the approach reduces the risk of members considering the TGA primarily as a tool for receiving programme support. PFP2 follows a systematic institutional strengthening approach, based on the established TGA guideline and a list of over 20 milestones that is used for their support and monitoring of the TGA status. In addition, PFP2 basically provides technical support through its extension agents without offering free inputs. Therefore, the newly established and supported TGAs, although still relatively young, can be expected to be stronger and more sustainable.

In 2023, ERET visited TGAs that are supported by PFP2 and others which were already part of PFP1, such as in Madope village, which was earlier supported by PFP1 and is also part of PFP2. The TGA has more than 200 ha of land planted with trees, and still appeared to be active and continued to manage their plantation, with many members applying good silvicultural practices. However, not all members managed to adopt BOP as the plantation is located very far from the village and some TGA members could not afford to hire transport and organise labour. This has been a common issue found on the PFP1 TGA woodlots, which particularly for women and vulnerable/poor households posed some challenges. This TGA and other TGAs visited last year (ERET 2022) that are doing well, are characterised by strong TGA leadership and committed village governments, which appear to be important factors. Contrary to that, other TGAs became dormant after the support of PFP1 phased out. As part of the service provision contract with PFP2, TTGAU implemented a baseline assessment of organisational capacity and HRBA compliance of 12 existing TGAs, which indicated several weaknesses.

Although the capacity of the PFP2 supported TGAs seems to vary, overall, the impression of the TGAs visited by ERET in 2023 is quite good with some of the TGA leaders and members showing a longer term vision of their TGA, playing a role in joint selling/marketing (preferably by cubic metre, which fetches higher prices than the traditional methods of selling per piece of timber or whole tree). Some TGAs showed high commitment and embarked on various activities, including offering plantation management services not only to their members but also others (non-members, investors), charging them for services such as preparing and maintaining fire lines, thinning and pruning. Some TGAs started to provide low-interest loans to their members from the subscription fees. Other visited TGAs have sub-groups or members who are involved in various income generating activities, such as nursery management, sawmilling, beekeeping, etc. Five TGAs managed to obtain loans from LGAs, mostly for saw milling, timber business and nurseries.

As also observed last year, some TGAs appear more business minded, whereas others have a more social focus. There seems to be some tension between the business orientation and social functions. Some smaller TGAs have a strong focus on income generating activities. They charge relatively high entrance and subscription fees that automatically exclude many other tree growers to join. They want to keep their group small and coherent. Other larger TGAs, such as Uwamima in Malangalanyene Village apply a more 'social' approach, charging very low membership fees, which also enable more vulnerable members to join (although in this case they had only one TASAF member). The larger TGAs seem more closely integrated with the village government, which can be useful in facilitating training of BOP to a wider range of people in community.

Despite the fact that TGAs are open to any community member who is involved in tree growing, the participation of PiVPs remains relatively limited. The PFP2 semi-annual report July-December 2022 mentions that 8% of the TGA members are PiVP, but many visited TGAs did not include any. The TGA fees could constitute a barrier for many people and especially PiVPs to become a member. This is further discussed in the section on HRBA.

While women comprise 35% of the members, the composition of women in TGA management bodies is reportedly even a bit higher at 36%. While some women are outspoken, ERET found that even those in leadership positions were relatively shy in presenting their views, which might reflect a subdued role in the decision-making process.

## **TTGAU**

One of the strategies mentioned in the PD is to 'institutionalize and ensure sustainability and capacity of the Tanzania Tree Growers' Association Union (TTGAU) to provide services to clients'. The activities reported by PFP2 include service provision contracts with TTGAU for strengthening 12 TGAs and for work on the seed orchards, training on woodlot management for TTGAU members, support to their Annual General Meeting, paying for two members of each TGA to attend, collaboration on the TGA development manual, and involvement in the IFM process. As mentioned earlier, some collaboration took place on the facilitation of TGAs to register with the MoHA.

In the interview with ERET, TTGAU management showed dissatisfaction with some of the support activities, including PFP2's facilitation of TGA registration with MoHA, which in their view has not been concluded. On the other hand, PFP2 in the debriefing stated that TTGAU is a permanent member of the PFP2 PSC and has never complained to the planned or reported activities. In addition, they consider that TTGAU's capacity remains limited and that some of the service contracts have taken very long to be completed.

Irrespective of the (perception on the) support, a main finding of ERET is that TTGAU indeed still has limited capacity which hampers the implementation of their intended functions as an umbrella organisation, promoting and representing the interests of their members and playing a meaningful role in facilitating services to the TGA members (collective marketing, networking, technical support, input/seed delivery, etc.). With respect to PFP2 support, the question is not so much how effective it has been but if the PFP2 interventions to strengthen the institutional development of TTGAU were adequately designed. Building TTGAU into a strong and sustainable organisation could be a project on its own and the relatively few

support activities planned in PFP2 are not considered sufficient to create a substantial effect. Although TTGAU is gradually growing, for it to become a strong and self-sustaining institution will take quite some time and in ERET's view, the objectives and intentions as stated in the PD were far too ambitious for the resources and support allocated to this activity.

### *Result 1 - VLUP and CCROs*

No specific targets on VLUP support were included in the AWPB 2022/23. Only some activities were piloted in relation to IFM in neighbouring villages Kidete, Ludilo and Ihefu in Mufindi District (see section on IFM).

The main observations from ERET 2022 are still valid and should be taken into account for a next phase:

- The **VLUP methodology** supported by PFP2 making use of satellite imageries reduces time and promotes participation. However, sustainability remains an issue. The process is expensive and even more requirements have been included by the NLUPC. At the same time, the capacity of the districts remains limited.
- The **clustered landscape approach** is very useful and necessary, especially with respect to fire management, but PFP2 only supports few villages. Doing VLUPs in neighbouring villages would also be more efficient and reduce the costs of data collection.
- PFP2 found that that the **involvement of key people** such as the District Land and Natural Resource Management Head of Department in PLUM training helps smoothening land conflict resolutions and resurveying of new boundaries.
- The **involvement of PiVP in the VLUM team** is a good step but it is not clear what their influence is in the process and how they can bring qualitative changes to the VLUP.
- Ideally **VLUPs should cover all forest ecosystem services that are also essential for climate resilience and adaptation**. However, aspects of biodiversity and conservation of natural resources are not adequately included. The VLUPs mainly focus on the designation of large land use areas for settlements, agricultural production, tree plantations (often also mixed zones with crops), grazing areas and natural forests or protected areas. Natural vegetation is usually only covered in VLFRs, designated areas far from the village, mostly protected areas for water catchment. But the management of natural vegetation, and ecosystems and biodiversity concerns are not integrated within those large land use areas. There is a need for mosaic land use planning within the larger areas to ensure that ecosystem services and biodiversity are maintained. Issues of conservation should be better reflected in the overall guidelines and be applied in the actual planning process.

Also with respect to strengthening land tenure through the establishment of Certificates of Customary Right of Occupancy (CCRO), not much has been done since the programme supported a process in Ibagu village (reported last year). The CCRO process especially helped empowering women but was also considered expensive, even through the use of the Mobile Application to Secure Tenure (MAST). For 2023, PFP2 only plans to support the establishment of CCROs for some of the land of the seed orchards/stands for TGAs.

### *Result 1 - Woodlot management*

The focus on **plantation management** instead of supporting new plantations is good as many tree growers have already established plantations, which however, are not well managed and in many areas, especially in Makete District, regeneration has happened. Although regenerated species are usually not based on improved varieties, through silvicultural practices, especially thinning, the poor performing trees can be removed and the quality of the woodlot can be improved.

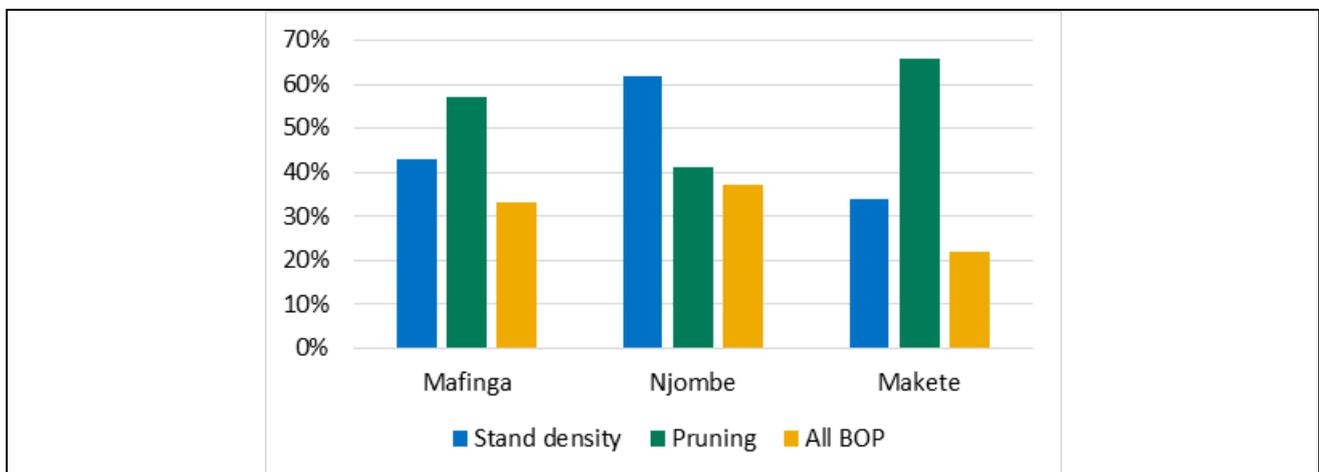
Also in the visited areas in 2023, TGA members were very positive about the support of the **programme extension staff** who were said to be well qualified and hardworking, visiting all the selected individual plots

of the TGA members. The integration of LGA staff is also good but the level of support varies. Agricultural extension officers integrate forestry extension in their workplans, and are supported with fuel and motorcycles. The quality of their implementation varies and there is a risk of conflicting requirements between agricultural and forestry extension during the cropping season. The support of the DFO also varies, and they have limited mobility to visit all areas. District Community Development Officers (DCDOs) play a role in training TGA governance activities and business development training. Finally, 160 master trainers were trained and are providing extension services to their fellow TGA members.

The field visits indicate that adoption of **improved silvicultural practices** is generally high, although less for thinning. Some tree growers are attached to their planted trees and consider it waste to remove them as they have little value. In addition, thinning requires labour and costs for renting chainsaws. On the other hand, thinning as applied to regenerated, mature woodlots appeared to stoke interest from tree growers who saw it as a means of generating some revenue through the sales of timber, poles and fuelwood.

The data that PFP2 collected last year on adoption and compliance to Best Operation Practices (BOP) depicted in MNRT technical order number 1, did not reflect this difference between pruning and thinning (Figure 5). Actually, in Njombe the adoption of the recommended stand density was high at 62%.

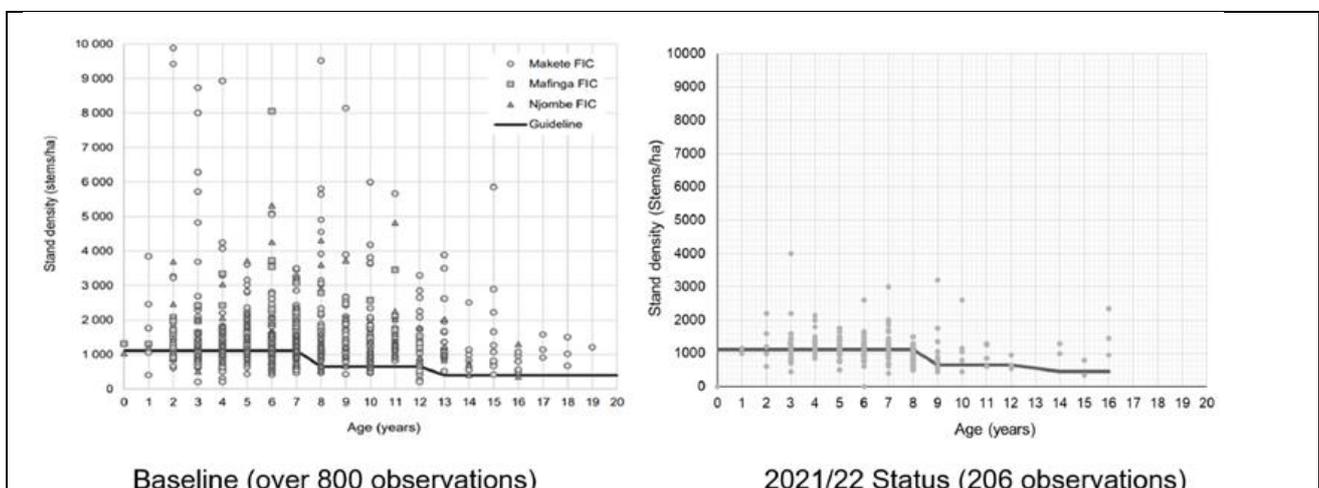
**Figure 5 Adoption of BOP by 200 sampled woodlot owners 2021/2022**



Source: adapted from ‘Outcome assessment data’ (PFP2)

The survey showed that compared to the baseline the stand density is much closer to the expected level (Figure 6), although it should be mentioned that the baseline is based on far more woodlots, which increases the chances of outliers.

**Figure 6 Comparison of stand density baseline and 2021/22 status**



Source: PFP2 presentation to ERET (2023)

The survey showed that the adoption of all BOP (i.e. pruning, thinning, and weeding - only if relevant considering the age of the plantation) by woodlot owners ranged from 22% in Makete to 37% in Njombe. This might not look very impressive yet but it should be noted that for pruning, the figures are higher than the target of 30%. In addition, this was after the first real year of extension support. Considering that these tree growers are not really professional forest practitioners, such adoption rates after only one year since these BOPs were introduced is quite good.

The field observations of ERET and feedback provided during consultations in 2023 indicate that the adoption rates appear quite high, especially for selected plots with Forest Management Plans (FMPs). Even more encouraging is the fact that also non-TGA members have adopted improved silvicultural practices, after having seen the practices in the demo plots or TGA member woodlots. Also in some of the supported PFP1 established TGA woodlots (those that are still supported but also some that are no longer supported that ERET visited last year), BOP are applied.

The **demo plots** play their intended functions and are used as a learning ground. ERET was informed that apart from non-TGA members visiting the demo plot, in some villages even people from other villages come to learn and see the silvicultural practices. The woodlot owner in Kidete village pictured below mentioned that people frequently come to visit his demo plot to learn and see what is done.

With respect to the **tree rotation cycle**, many beneficiaries indicated that they understand the economic rationale for leaving the trees grow longer, but they are not prepared to wait so long – with some exceptions, most mention 12-15 years instead of the recommended 18 years.

#### Box 4 Woodlot management



While many beneficiaries prefer shorter rotation cycles, there are some positive examples such as the man in the picture who did some thinning on his plot and plans to harvest the remaining trees at year 18. He could well explain the difference in revenue between leaving a high stand density and clear felling the woodlot at year 12 or doing thinning and harvesting at year 18.

Source: ERET Team – photo consent by Mr Emilo Filipatali of Kidete village

However, as mentioned earlier, there are some challenges/risks for longer rotation cycles. The local market prices do not always differentiate much on the quality of timber. There is also demand for small timber (2x2) and in addition the growing veneer industry takes immature/low quality logs (before only eucalypt but now also pine).

An issue related to price is the fact that no formal **grading** system is applied. Some **quality assessment** is done on the local market, such as checking the wood for notches, length, and weight (indication of moisture) but no grading or other requirements for the end market are looked at. This seems an area that needs more attention, especially for the furniture market, which would require dry timber.

On the other hand, through the adoption of BOP higher quality timber is already being produced. In one of the Districts ERET was informed that this is considered even a threat by TFS as smallholder tree growers are entering into competition on the higher end market.

The **Market Information System** (MaIS) has been introduced in many villages with signboards being established that show the different market prices in various towns in Tanzania. Although the MaIS has increased the awareness and negotiating power of tree growers, many middlemen can still bypass the system

and buy trees for lower prices from those sellers that are prepared to sell. The MaIS will only work well if all woodlot owners agree on a common bottom price. In addition, ERET observed some errors on the recorded figures on the boards in one village and the frequency of updating is low, which can be due to lack of mobile network connection or swift relay of information from the MaIS manager.

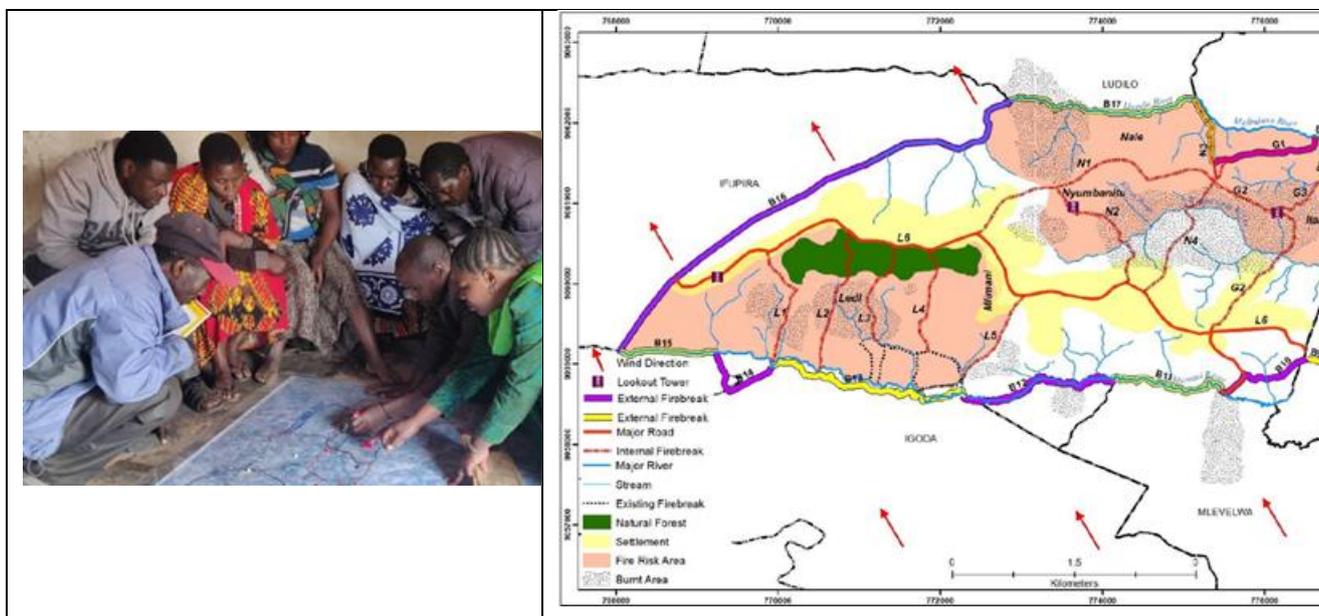
### Result 1 - Integrated Fire Management

The institutionalisation of the IFM system was given major emphasis in 2022/23. PFP2 worked through the regional and district governments to ensure that the IFM agenda is prioritised in all planning and reporting meetings. From regional to village level committees for coordinating forest fire protection were established and are operational. The ERET consultations in the visited villages show that IFM was not only considered highly relevant but also contributed to strongly reduced incidences of fire. Whereas in 2021 many woodlots were damaged by fire, in 2022 only few incidences were reported, usually in areas where no committee members are located.

The data from the regions also indicate that fire incidences were drastically reduced in 2022. In Iringa region, the burnt area changed from 15,953 ha in 2021 to only 237.5 ha in 2022, a reduction of 98.5%<sup>19</sup>! The estimated monetary loss in 2021 was TZS 491.82 billion in Iringa region and TZS 402.5 billion in Njombe region. Although it is not yet to know to what extent the reduction can be attributed to IFM, from the ERET interviews with the stakeholders in villages, districts and regions it is clear that they consider that the introduced IFM system has played a major role.

The programme also piloted an approach to participatory mapping of IFM in the villages Kidete, Ludilo and Ihefu in Mufindi District through the identification of fire problems, fire prone areas (incidences of past five years) and planning fire management infrastructures (Figure 7).

**Figure 7 Participatory mapping of fire risk areas and infrastructures in Kidete village**



Source: PFP2 presentation to ERET 2023.

Whereas the support to IFM seems to have been very effective, the question is also if some of the introduced mechanisms and procedures, such as the introduced Fire Management Plan, or Fire Danger Index (FDI) are not too complex. The basics of the IFM are well received and some aspects are well understood by the communities, such as the permits and visits to farmers applying to use fire, but other aspects might be less

<sup>19</sup> The data on area destroyed by fire for Njombe region were not yet provided.

sustainable, which includes financing of the activities through the fire fund by stakeholders. Also the GIS-supported participatory mapping for fire management is a bit complex as it would require the support of the District GIS expert, but a simpler approach based on sketch mapping could possibly be an alternative.

Despite the success of the introduced IFM, there are still parallel systems in place. TTGAU, NFC and TFS use different approaches and there is a need for harmonisation. One of the concerns is also if it is appropriate to introduce new structures in the village (fire management committee) instead of strengthening existing ones, such as the village environmental committees or village natural resource committees, which are supposed to play a role in managing and monitoring natural resources. Apparently, the reason for introducing separate fire management committees is that fire is a very serious issue that should be dealt with adequately and not just be another item on the agenda of the village environmental committees. However, options for integrating could be looked at.

### *Result 1 - Seed orchards*

Last year ERET found that the seed orchards are in good condition, well set-up and protected. Labelling of replications and plots is professionally done. Active technical support is provided by PFP2 guided by a committed TA. But activities almost entirely depended on PFP2 support and operational tasks are conducted by contracted people from the TGA or village who get paid for their inputs. This year 22.5 kg of clean seed was harvested and processed in addition to the 13.1 kg harvested last year. While TFS carried out the work, they only harvested a small quantity of the available stock.

The MoUs of the TGA owned orchards between TTGAU-TGAs-village government were signed by TTGAU. ERET did not see the signed MoUs but observed in 2022 that especially with respect to the roles and benefits of the TGA managed orchards, the process was not very transparent. Not all TGAs knew the benefit sharing arrangements (the percentage they will get once the seeds are harvested), nor the responsibilities and the roles of the various institutions. Hopefully, after the MoUs were signed, there is more clarity on these issues.

For the TGA-managed orchards, TTGAU gets 60% while 30% goes to TFS and 10% to FWITC. The 60% is supposed to be distributed as follows: 30% remains with TTGAU while 20% goes to the TGA and 10% to the village government. According to the MoUs, TTGAU will undertake various activities, including issuance of CCROs, coordinate recruitment of TGA labour and management activities (site preparation, fencing, labelling, fire breaks, etc.) and link them with supporting organisations such as TFS. Until now, all these activities were implemented by PFP2, which has even planned to support the CCROs this year. In addition, TTGAU is expected to play a facilitatory role in marketing, but this has not started yet.

Although the seed orchards/stands are generally in good condition and well managed, there are many question marks regarding the sustainability of the system that will be further discussed in the section on sustainability.

### *Result 2 - SMEs*

#### **SME capacity building**

In terms of capacity building of trainers, the service provision contract with HAMK to activate pedagogy and modernised professional skills started in January 2023 and the results are not yet known.

Apart from support to wood industries extension services, field days, demonstrations, and exchange visits, the programme has provided training to SMEs on different aspects that can be generally grouped into technical training and ‘soft skills/entrepreneurship’ training.

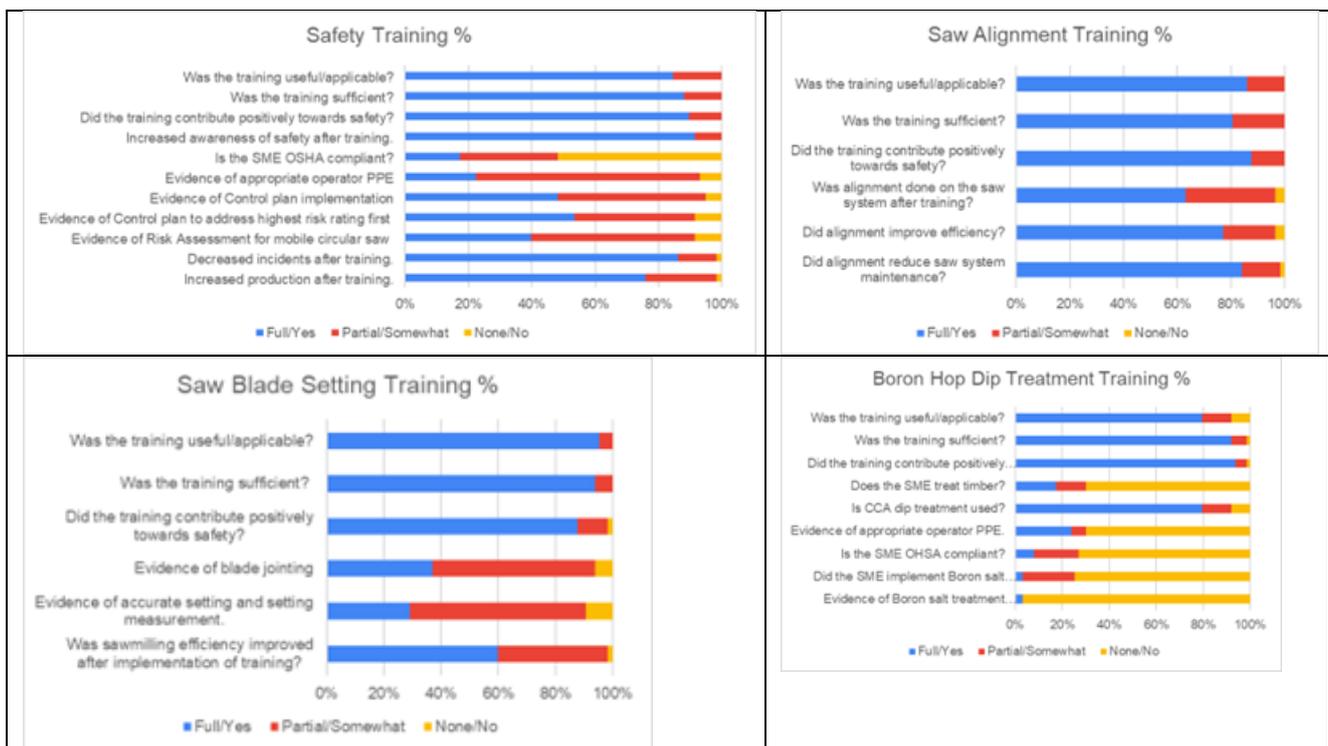
The ‘soft skills’ training is based on the growth mindset philosophy that encourages SMEs to become self-reliant and develop entrepreneurship skills. RLabs supported the SME development manual and trained PFP2 extension staff who then trained SME groups. ERET found that the approach is good but that there is

some repetition in the modules. This was also acknowledged by the PFP2 trainers who have adapted their training. The feedback of the visited SMEs was mixed. One carpenter said that the training helped him to get confidence and take some initiative. Others especially highlighted the record-keeping aspects, which they found most relevant.

The more technical trainings provided through the support of the IFPPE and extension officers at the clusters focused on sawmilling safety and efficiency operations, and timber treatment. The follow-up done after the training indicates the following (Figure 8):

- The trainings were well appreciated by the SMEs and considered useful.
- The trainings contributed positively to increased efficiency and safety.
- The adoption and evidence of improved implementation varied, but was still for most trainings above the 30% target (AWPB 2022/23). Only in the case of boron treatment the adoption remained low due to various reasons, including high costs and low demand of the market, which expects treated timber to be coloured. Other than CCA, boron does not give clear visual results of treatment. While this preserves the natural beauty of the wood, the market does not recognise it. However, boron is much safer to use and effective. With CCA there is also fake treatment and the IFPPE expects that in a few years the market will change when constructed buildings will collapse.

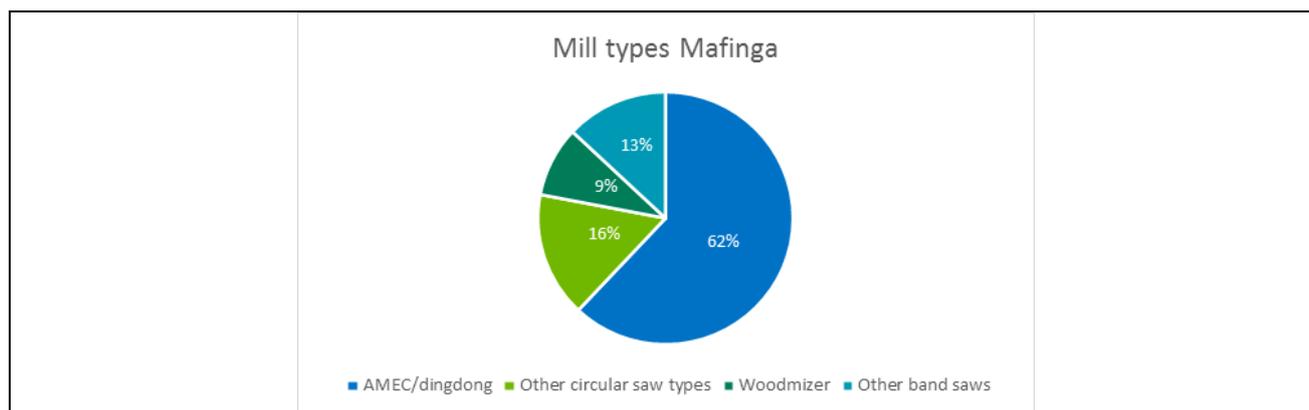
**Figure 8 Evaluation of trainings and adoption**



Source: Sawmiller impact training assessment (PFP2)

The focus on improving the efficiency of mobile circular saw benches (AMEC/Ding Dong) is very relevant as they comprise by far the majority of the saw mills in the area (Figure 9). Mafinga cluster alone has 452 different mill types of which 62% are dingdongs. The IFPPE disagrees with the general perception that they are wasteful and highly inefficient as workers are very skilled and paid by piece, which encourages them to use even the smallest parts. However, small adjustments to saw blade setting and alignment can make a big difference to make the operations more efficient.

**Figure 9 Sawmill types in Mafinga cluster**



Source: PFP2 – retrieved from Woodmizer data 2021

While the trainings are considered relevant and useful, they were also short (1 day) and in their comments some trained SMEs suggested that further training is needed. The number of SMEs trained also remains low, which reduces the impact of the training.

Other technical support and training was provided through FWITC, which also facilitated innovations and development projects in primary timber processing and further wood processing. FWITC plays an important role in PFP2 approach towards strengthening value addition and several innovations are being facilitated and piloted, including a shipping container kiln which will be more affordable and easier to maintain for SMEs than commercial kiln products, the use of wood tar, the sale of affordable digital moisture meters, and several simple carpentry techniques (finger jointing, moulding, edge profiling, etc.), based on available materials. However, the marketing and communication strategy of training and promotion materials could be improved. For example, videos on carpentry techniques are included on the PFP2 website but many people (and especially the intended target group) do not have easy access to those tutorials.

With respect to nursery training, a follow-up on the training indicates that for some management aspects, adoption is high, whereas for others it is low. The main reason for low adoption seems to be limited accessibility to materials, especially improved seeds and the soilless tray system. SMEs reported that seeds are expensive and that the ones provided by Tanganyika Wattle Company Limited (TANWAT) are more affordable but not of good quality. The adoption of the soilless tray system is constrained by unavailability of the trays and planting medium. PFP2 has identified a company in Dar but that has not yet resulted in the provision of trays to SMEs.

**Table 8 Adoption of nursery practices**

Practices	N Standard	N Improved	% Improved
Nursery management	38	95	71%
Seed source	131	2	2%
Seed treatment	53	80	60%
Planting medium	120	13	10%
Fertilization	92	41	31%
Soil treatment	36	97	73%
Transportation	128	5	4%
Root pruning	118	15	11%
<b>Total</b>	<b>716</b>	<b>348</b>	<b>33%</b>

Source: Tree nursery assessment working file (PFP2)

Some SME groups have been registered and were supplied with loans from the districts, which together with skills obtained from PFP2 have helped them to develop their businesses. Visited SME carpentry groups have bought some machines, and improved/build their workshops. In addition, as a result of practical training through relatively simple technological solutions and new techniques they managed to improve the design and quality of their products. They also mentioned other marketing strategies, including making use of social media to attract new customers. The result has been increased production and income. One group mentioned that because of the increased business some of their members could construct or buy their own houses or other assets.

However, for other SMEs the training has not resulted in increased business. For example, while saw doctoring is highly needed the marketing is not well developed and one SME who had been trained and bought expensive equipment did not find customers.

**Figure 10** SME timber yard (left ) and SME saw doctoring (right)



Source: ERET Team with photo consent of people involved.

### **Afrifurniture**

The Afrifurniture business development project had ambitious plans. A thorough market assessment was conducted in Dar es Salaam by Leapfrog that showed that a market for good quality modern furniture exists. A joint team of Leapfrog and PFP2 experts designed a modern furniture selection, based on eucalypt wood that could be produced by local carpenters and packed in flat packs for transportation. In practice, the design was possible, yet challenging to produce by local carpenters who were trained for it. Training took a lot of their time, yet the existence of the market was not tangible to the producers, so the carpenters were not motivated to commit to the process. For many of the trainees, motivation to participate in trainings may have been related to practical benefits rather than building professional capacity. A feasible plan for managing longer-term production, orders, marketing and sales was not there, when product development was already in full process. A start-up for overseeing the business was planned but not established due to lack of resources for developing its governance structures to ensure responsibility in the longer run. There were some communication challenges between the programme staff and the service provider, at least partly due to limited common understanding on the objectives of the efforts.

Afterwards those who were involved considered that the targets were too ambitious for the time and human resources available. In addition, the decision to make flat packs further complicated the design, especially considering the fact that everything was done manually. The process has still been a great learning experience, and the furniture design is there and ready to be taken back to production should new producers and better sales channels be available. Having a company acting as a business owner and overseeing production, marketing and sales would improve the chances for success. The results of the efforts could also be utilized in future business development and value chain programmes in Tanzanian forestry sector and even internationally.

### **Value addition**

One of the main strategies of the programme is to support tree growers and SMEs to improve the quality of their products to get higher profits. However, the focus on higher selling products is not easy if the market is not always very responsive. For example, while local carpenters understand the advantages of using dry wood, they also know that the local market is used to accepting products that are not perfect. Timber grading, seasoning and moisture control are not systematically done, which in the end affects the quality of the products. Possibly higher prices can be fetched if the quality of the products are improved and some value can be added but it also requires work at the demand and marketing side of the value chain. PFP2 has put much focus on primary and secondary production/processing but not so much on the marketing end of the value chain. This was attempted maybe through the Afrifurniture project, but at a too ambitious level and not well designed as there was no identified business owner. This is an area that probably needs more attention in the future (extension or next phase).

### **HRBA**

The reviews of ERET show a positive trend towards the successful integration of HRBA strategies in the programme. The first ERET review (early 2021) raised questions on the HRBA strategy and definition and identification of people in vulnerable positions, and on the implications of the programme on environmental concerns related to climate change adaptation and mitigation. The 2022 ERET MTE was more positive about the HRBA but still found some weaknesses regarding the operationalisation of the HRBA strategy. The MTE concluded that the programme needs commitment by all implementors, continuous adaptive management and a specific targeted approach for people in vulnerable positions.

The latest review (ERET 2023) found evidence that PFP2 has taken further steps towards improved integration of the HRBA, including studies that identified the awareness of especially women on the programme and challenges for their participation. The HRBA strategy has contributed to increased women's involvement in TGAs and in leadership positions.

PFP2's mobilisation, communication and awareness raising processes are in principle inclusive. Deliberate efforts are carried out to ensure the inclusion of PiVP and women. TGA mobilisation meetings are started at hamlet levels. The semi-annual report July-December 2022 indicates that 35% of the TGA members are women and 8% comprise PiVP (not further disaggregated). The participation of women in TGA management bodies increased from 29% in the baseline to 36%. Women, youth and disabled groups are assisted to apply for the LGA loans and women are represented to varying degrees in all trainings. However, despite their increased involvement, the PFP2 assessment in some villages showed that many women are not aware of the programme or the TGA. In addition, women still play a limited role in decision-making. People in vulnerable positions still face barriers to their participation and their inclusion.

In 2021/22 women and PiVP were also encouraged to obtain CCROs. In the piloted village 50% of the unique CCRO beneficiaries were women, while 51 CCROs were provided to PiVP. However, no further support was provided to CCROs.

Overall, it has been difficult to involve PiVP and identify activities that would benefit them. TGA membership is open to anyone but there are psychological and other barriers for PiVP to join. When asked, TGA members often repeated that PiVP can join the TGA, but plantation areas are sometimes far from the

villages and therefore disabled people are often not able to participate in tree planting. The membership fees of TGAs are also a barrier to poor people. Finally, TGAs do not necessarily see the need to include PiVP. Often reference is made to TASAF taking care of PiVP already. PiVP were also included in the VLUM team, but it not clear what their influence is in the process.

Field visits and discussions with TGAs and district staff show that HRBA is not yet fully embedded in the implementation. Unfortunately, no programme targets were set for the proportion of women and PiVP being involved. But although PFP is trying hard, it is believed that further improvements can be made.

### Achievement of outcome indicators

The programme outcome is ‘a socially sensitive, environmentally sustainable, financially profitable private forestry sector, including tree growers, SMEs as well as their organisations and service providers, exists in the Southern Highlands of Tanzania’.

Most of the indicators require surveys that will be done at the end of the programme. However, based on the ERET findings, some observations were included in the last column of the following table.

In terms of adoption rates, the programme seems reasonably on track. However, adoption only looks at the programme beneficiaries but maybe even more important is that also non-beneficiaries seem to adopt some of the BOPs at least with respect to plantation management. It is too early to measure income increase for tree growers as many have not yet sold their trees, but some interviewed SMEs (carpenters) indicated that their business and revenue had increased. Also trained sawmillers indicated a higher efficiency and safety of their operations, which contributes to increased income.

In terms of increased income from vulnerable households, no significant changes are expected as relatively few PiVPs are involved in the programme.

**Table 9 Observations ERET on outcome indicators**

Indicator	Baseline	Programme target	Cumulative progress by June 2022	2022/23 Annual target	Observations ERET
% of PFP2 supported woodlot owners that have at least one woodlot abiding to BOPs	<u>Makete Forest Industry Cluster (FIC):</u> 18% <u>Mafinga FIC:</u> 18% <u>Njombe FIC:</u> 25%	50%	<u>Makete FIC:</u> 22% <u>Mafinga FIC:</u> 33% <u>Njombe FIC:</u> 37%	50%	Field observations show high rate of adoption, especially pruning, but less on thinning. The results of the outcome survey expected be higher in the next assessment.
% of SMEs supported by PFP 2 adopting innovative processing technologies and/or practices reducing waste and improving profitability	<u>Makete FIC:</u> 8% <u>Mafinga FIC:</u> 21% <u>Njombe FIC:</u> 13%	30%	Data were not collected.	30%	The feedback on technical training to SMEs shows that for most trainings the target was met, especially saw alignment and blade setting. Also field visits show positive results (loans, equipment, design, marketing, record-keeping).
The probability	<u>Makete FIC:</u>	Reduced	This will be		This looks more like an

Indicator	Baseline	Programme target	Cumulative progress by June 2022	2022/23 Annual target	Observations ERET
of households in PFP 2 villages to fall under (i) food poverty line; (ii) national poverty line; and (iii) 2x national poverty line in target communities	(i) 4.3%; (ii) 16.6%; (iii) 65.9% <u>Njombe FIC:</u> (i) 3.1%; (ii) 13.3%; (iii) 61.1% <u>Mafinga FIC:</u> (i) 4.2%; (ii) 16.4; (iii) 65.2%	probability that households would fall under the poverty line.	assessed through endline assessments (PFP 2 endline surveys).		impact indicator (given the fact that forestry is long term and many HH might not have sold their trees yet at EOP). Some SMEs met in field visits indicate increased income.
Number of people benefiting practically from programme interventions  [Disaggregated by gender, age, elected/public official, disability, and vulnerability]	0	Increased number of people	Estimated 32,000 households in 80 villages and three towns, benefit either direct and/or indirect	At least 50,000	Seems more an output indicator. Semi-Annual report states that 15,182 tree growers and SMEs participated in forestry and wood industry training and extension events.
Number of full-time (equivalent) jobs supported or created in PFP 2 villages	0	Increased number of jobs	4,764 jobs (full-time equivalent)	4,000 jobs	No programme target. Last year already 4,764 achieved – so is the 2022/23 target additional?
Annual income to female-headed and vulnerable households from trading round wood, sawn wood, and charcoal	<u>Makete FIC:</u> (i) TZS 249,796 per female-headed HH (ii) TZS 127,869 vulnerable HH <u>Mafinga FIC:</u> (i) TZS 251,562 per female-headed HH; (ii) TZS 92,978 Vulnerable HH <u>Njombe FIC:</u> (i) TZS 174,933 per female-headed HH; (ii) TZS 39,402 vulnerable HH	Increased income to female-headed and vulnerable households from trading round wood, sawn wood, and charcoal	The indicator will be assessed during the end of the programme – Endline assessment/survey	Increased income	No observations from ERET. The effect is not expected to be great.
CESS collection from the forestry sector in Mafinga, Njombe and Makete forest industry	<u>Makete FIC:</u> TZS 750,000,000 <u>Mafinga FIC:</u> TZS 11,839,114,659 <u>Njombe FIC:</u>	Increased CESS collection	<u>Makete FIC:</u> TZS 2,357,336,631 <u>Mafinga FIC:</u> TZS 22,116,371,473 <u>Njombe FIC:</u> TZS 13,242,198,138	TZS 20 billion (EUR 9 million)	Substantial increase from baseline. But annual target seems low – already Mafinga FIC had reached TZS 22 billion last year. Consulted districts

Indicator	Baseline	Programme target	Cumulative progress by June 2022	2022/23 Annual target	Observations ERET
clusters TZS	TZS 5,623,363,900				recognize the need for increased reinvestment in forestry sector, but still slow.

#### 4.1.5 Impact

**Finding 25:** The measurement of impact indicators requires additional data, which are mostly not available yet. However, based on the ERET (qualitative) findings, PFP2 is on the right track to contribute to economic growth and poverty alleviation. The woodlot and SME support are already contributing to increased efficiencies, quality and income, and improved livelihoods. The impact indicator on the area of plantation forests is not considered adequate as it does not reflect the quality aspects of BOP.

The overall objective is 'to promote sustainable and inclusive private forestry that contributes to Tanzania's economic growth and alleviates poverty'. The indicators have not been measured yet by the programme, but are expected to show considerable increase from the baseline. The data available by the end of June 2022 indicate that the absolute value of the private forestry sector and the proportion of its contribution to the Tanzanian economy had increased from EUR 906.2 million (baseline) to EUR 2,492 million. For some indicators it might be difficult to obtain good data that differentiate between the Southern Highlands and the rest of Tanzania.

As mentioned earlier, ERET does not find the first impact indicator on the area of plantation forests in Southern Highlands very significant if the quality aspects are not considered. PFP2 is not so much about tree planting but promoting improved management of plantations to increase the quality of the products. The total area of plantations becomes meaningless if it would cover also poorly managed woodlots.

#### 4.1.6 Sustainability

**Finding 26:** Although measures for sustainability are embedded in the programme's support and extension approach, the sustainability of several established mechanisms is not secured yet. Many of the measures that PFP2 could take to enhance sustainability will be part of the extension phase and are included in the appraisal report's recommendations.

**Finding 27:** The sustainability of the seed orchards is in doubt with respect to the cost and benefit sharing arrangements, marketing opportunities/arrangements and cost recovery over time, capacity of TFS to support the process including detailed monitoring and recording, and capacity of TTGAU.

**Finding 28:** For the next phase of MFA support a critical question will be how the PFP2 achievements will be sustained and what the role of TTGAU will be in this process.

**Finding 29:** Environmental and biodiversity concerns are not well integrated in the land use planning process and the further expansion of plantations might have a negative impact on these elements.

**Finding 30:** For sustainability of BOP, a conducive environment and favourable market conditions are required but currently the local market is not very sensitive to quality (depending on the products and tree species). The changes in the market will have to be closely followed as new

opportunities for value addition might arise. There is a great disparity between the income districts obtain from forestry activities and their reinvestment in the forestry sector, resulting in inadequate resources for forestry extension and support.

**Finding 31:** Despite the success of IFM, the sustainability of some of the introduced mechanisms are in doubt

**Finding 32:** Sustainability of the SMEs vary. Many SMEs have benefitted from capacity building but still lack access to markets. Some SMEs have been able to expand their operations thanks to improved access to finance. Training of staff and managers of bigger SMEs, such as timber treatment companies, has allowed the companies to scale up and hire new staff.

**Finding 33:** While the importance of FWITC has been well recognised, its continuation and sustainability of operations is not fully secure yet. The PS mentioned that MNRT intends to purchase the land, but the resources will have to come from TFS.

## TGAs and TTGAU

TGAs vary in capacity and in their development process. The more thorough TGA strengthening approach by PFP2 (as compared to PFP1) could lead to higher sustainability. The fact that during ERET 2023 many consulted beneficiaries did not perceive their TGA primarily as a means to get extension and support from the programme but rather an organisation that represents their interests, is a good sign. Some of the stronger TGAs even started selling their services. But for many TGAs it is still early.

The support to TTGAU through PFP2 has been relatively limited. TTGAU has still low capacity and remains largely dependent on donor support, as their income stream from services or membership fees is limited. This forces them to undertake many different activities that do not directly contribute to- or support their overall role as an umbrella organisation<sup>20</sup>. Due to limited staff, activities and support from different donors seem to be concentrated in the same areas<sup>21</sup>. Although it is likely that PFP2 will get a year extension, for the next phase of MFA support a critical question will be how the PFP2 achievements will be sustained and what the role of TTGAU will be in this process.

## VLUP, CCROs

While the VLUPs contribute to improved land use, the process is expensive and over-regulated. Due to the high costs, it is unlikely that communities will be able to renew their VLUPs after they expire. In addition, the VLUPs do not adequately integrate ecosystems and biodiversity concerns which might affect environmental sustainability. The CCROs enhance sustainability by providing greater tenure security but again the process appears expensive and might be difficult to replicate without donor support. There is need for coordinated national consultation on the effectiveness and sustainability of the VLUP approach.

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<sup>20</sup> TTGAU was established to strengthen the collective voice of small scale tree growers with the main aim of increasing members' income at harvest of their woodlots through collective marketing and promotion and support for the use of improved tree seeds, alongside providing access to forestry technical advice so as to increase the asset value of the woodlots.

<sup>21</sup> The visited village for TOSP in Njombe Town Council, appeared to receive several activities from different donor organisations.

On the other hand, various visited TGAs in Kilolo District that paid membership fees have reportedly never seen a representative from TTGAU visiting their area.

## **Plantation management**

Improved silvicultural practices, leading to better quality products, and generating higher income provide good potential for sustained operations. However, the adoption of good silvicultural practices depends largely on the perceptions of the smallholder tree growers on the costs (labour requirements and competition with other productive and social tasks) and benefits of good woodlot management. For sustainability a conducive environment and favourable market conditions are required but currently the local market is not very sensitive to quality (depending on the products and tree species). The changes in the market will have to be closely followed.

## **Integrated Fire Management**

The system is being implemented in many villages. The LGAs are supportive but the fire index update depends on the programme. It is unlikely that the mapping will be adopted and continued by the LGAs. Parallel systems are in place and there is need for harmonisation. The sustainability of the newly introduced Village Fire Management Committee has been questioned by some respondents as there are already existing structures in the village that deal with environmental issues, including fire threats. Finally, the sustainability of the Fire Management Plan implementation is in doubt as it would require the financial support of investors. Although some villages have identified and approached outsiders who have plantations in the area, complete funding of the management activities has not been secured yet.

## **Seed orchards**

The TGA-managed orchards are overall in good condition, and some started producing already. The MoUs between TGAs, TTGAU and village councils are signed but there are still several risks for sustainability, which includes transparency of the cost and benefit sharing arrangements, unclear marketing opportunities/arrangements and cost recovery over time, capacity of TFS to support the process including detailed monitoring and recording, and limited capacity of TTGAU. The Director of Tree Seed Production (DTSP) under TFS last year showed concerns about the viability and sustainability of the TGA-managed seed orchards: “Markets will be a problem for remote seed orchards. After the costs of cleaning, processing and transportation the seeds might not be profitable”. In addition, he adds that greater benefits and better seeds are usually coming from the second generation seeds and he doubts if communities will wait and continue to properly manage the orchards, especially after PFP2 has finished and they are no longer paid or get any income. In addition, there is the question if TFS will support the process. This year they collected only a small part of the available seeds. Alternatively, the option of involvement of the private sector in forestry and seeds to be engaged in financing and managing the seed orchards could be further explored.

## **FWITC**

While the importance of FWITC has been well recognised, its continuation and sustainability of operations is not clear. Several discussions were held regarding the purchase of the site. In the last PSB meeting, the Permanent Secretary announced that MNRT will purchase the land. However, the ministry does not have the resources and relies on TFS to buy the land.

## **SME development**

While the programme has trained SMEs in several topics, it is unclear how many of the SMEs are able to continue and grow their operations in the future unless their access to markets improves. Some entrepreneurs have training and tools for operations but they lack access to markets and means to attract customers. On the other hand, many micro enterprises managed by youth or women have benefitted from improved access to finance and been able to upscale their operations through purchase of machinery and materials. Relatively

good results have been gained from supporting established companies that are ready to employ staff. For example timber treatment companies have received trainings and capacity development that have helped them to grow and employ new staff. Many SMEs suffer from limited availability of good quality tools, maintenance and spare parts for their machines.

## LGA service provision

PFP2 has worked closely with LGAs in the implementation of the programme. Extension officers have been trained and are involved in the programme implementation. However, the LGA resources and budgetary allocation to the forest sector are limited. In addition, high staff turnover affects the capacity in the districts.

## 4.2 Follow-up of ERET recommendations 2022

Most of the ERET 2022 recommendations have been partially followed up (see Table 10). Some of the recommendations are still considered valid, and could be further addressed, if not for the remaining period then at least for the extension phase or support phase.

**Table 10 PFP2 follow-up of ERET Recommendations 2022**

Recommendations 2022	Response/follow-up	Action required
<b>Overall recommendation:</b> Undertake a thorough assessment of the remaining budget against the estimated expenditure to identify the options and priorities for a no cost extension of some months under the current contract, including the options for continued Technical Assistance (TA) support as the current TA budget is likely to be used before the end of the programme period.	<i>The PMT has no mandate to explore other options unless instructed to do this by the competent authorities.</i>  ERET: An Extension Plan (EP) was prepared	No action required. EP is under appraisal.
<b>1:</b> Further operationalise the HRBA strategy. Increase commitment of stakeholders to support HRBA and increase the advocacy capacity of rights holders and the awareness of duty bearers. Continue regular training of programme and district staff in HRBA and gender issues. Develop targeted training to women and men to increase women’s opportunities and skills in decision making processes. Improve the inclusion of PiVP through specific targeting and adaptive management	<i>Refer section 3.1.3 of the AWPB.</i> ERET: the section only says: The human rights-based approach (HRBA) strategy will be strengthened and operationalised to include suggestions from the ERET review mission in 2021/22 whilst taking cognizance of MFA manual for bilateral programmes. It does not explain how this will be done. Some explanations provided by the Socio-economist.	Need for further clarification on how HRBA strategy is further strengthened and operationalised.
<b>2.</b> Strengthen the strategies that support climate resilience and carbon sequestration with increased emphasis on fire management and facilitate the improvement of the land use planning and implementation process to better address climate change concerns (see recommendation 11).	<i>Prefeasibility study for carbon forestry project included under Activity 1.3.2 (ERET: not implemented)</i>  Integrated fire management scale up under activity 1.4.1  No further action on VLUP	Refer to recommendation 11

Recommendations 2022	Response/follow-up	Action required
<p><b>3.</b> Address some of the gaps identified in the RBMF, including the setting of clear targets, reformulation of the main impact indicator on plantation area and ensuring coherence of disaggregated data on PIVP for the relevant indicators.</p>	<p><i>Our understanding it is not appropriate for the PMT to influence or change the overall objective indicator.</i> ERET: That might be correct but PFP2 could initiate some discussion. Besides, still no targets set for some indicators</p>	<p>Discuss with relevant decision-makers in PSC, PSB on issues, at least the ones that can be changed (targets).</p>
<p><b>4.</b> Ensure that there is no conflict of interest in the relationship with TTGAU and address the few concerns on the RBMF.</p>	<p><i>The programme collaborates with TTGAU on several issues. This will continue within budget constraints.</i></p> <p><i>The programme is sensitive to the issue of potential conflict of interest and will strive to avoid this situation.</i></p> <p>ERET 2023 showed that there are different perceptions on the collaboration</p>	<p>Initiate a discussion with TTGAU to agree clearly on the collaboration and expectations for the remaining period.</p>
<p><b>5.</b> Improve collaboration with:</p> <ul style="list-style-type: none"> <li>• FORVAC on value chain and private sector involvement, HRBA, land management and VLUP, capacity building and extension, institutionalisation of approaches and strengthening enabling environment (institutions, policies, education/curricula, and improved land use planning)</li> <li>• New Forest Company (NFC) on TGA development (using PFP2 approach).</li> <li>• TTGAU on institutional strengthening, TGA strengthening, improved seed production and supporting good silvicultural practices and value chain development.</li> </ul>	<p><i>The programme will investigate opportunities for collaborating with FORVAC and NFC.</i></p> <p>ERET: It seems that very little action was taken, although more recently FORVAC paid a visit to FWITC.</p>	<p>Discuss and agree especially with FORVAC on the opportunities and action plan for collaboration.</p> <p>For TTGAU refer to above.</p> <p>For NFC try to get them on board for IFM.</p>
<p><b>6.</b> Within the remaining period put emphasis on the support and implementation of result 2 to catch up with some of the delays encountered in the first years.</p>	<p><i>Increased human resources will continue to be focussed on result 2.</i></p> <p>ERET: True but SME capacity building requires more support.</p>	<p>Within budget limitations put emphasis on SME support</p>
<p><b>7.</b> Inform the UTII B sawmill group on the current situation and decisions taken, and share the consultancy report with the group. Conduct a review of the entire 'project' process with respect to UTII B sawmill since the start in 2016 to determine lessons learned for the management of similar projects in the future.</p>	<p><i>This will be attended to.</i></p> <p>ERET: It was discussed in the PSC and the Region was supposed to further coordinate and lead the negotiations</p>	
<p><b>8.</b> (Project Steering Committee /PSC members): The PSC should play a more strategic role, focusing more</p>	<p>ERET: The 12<sup>th</sup> PSC meetings indicates a more strategic agenda</p>	

Recommendations 2022	Response/follow-up	Action required
on major issues in the enabling environment and be less involved with the detailed programme implementation.	and focus.	
<p><b>9.</b> Make further improvements to the M&amp;E system:</p> <ul style="list-style-type: none"> <li>Identify how disaggregated data on PiVP can be realistically collected.</li> <li>Plan and undertake outcome surveys - including on major challenges for full adoption of silvicultural practices</li> <li>Integrate PFP1 data in the database.</li> </ul>	<p><i>This will be attended to.</i></p> <p>ERET: Outcome surveys were implemented. PiVP data still difficult to get and not sure if PFP1 data was included in the database.</p>	
<b>10.</b> Continue TGA strengthening and extension approach focusing on good silvicultural practices and involvement of LGA extension staff.	<i>Agreed but will be compromised by lack of finance.</i>	
<b>11.</b> In collaboration with FORVAC, and in consultation with relevant stakeholders, liaise with the National Land Use Planning Commission (NLUPC) and Participatory Land Use Planning, Administration, and Management (PLUMs) to support better integration of environmental and biodiversity concerns in the guidelines and implementation within the main designated land use areas, especially those allocated to agriculture and plantation development.	<p><i>Land use planning dependant on additional resources</i></p> <p>ERET: A discussion on VLUP methodology would not necessarily be costly. As PFP2 is no longer supporting VLUPs it is understandable that this is not considered a priority but for the sustainability reasons it is important.</p>	Liaise with FORVAC and other relevant stakeholders to identify options for a joint approach. If no resources are available at least a discussion with the NLUPC could be conducted.
<b>12.</b> Within the limitations of the budget, support land use planning at the more landscape level of neighbouring villages.	<i>Land use planning dependant on additional resources.</i> ERET: only undertaken for pilot IFM	
<b>13.</b> Put additional focus on fire management by districts and at village level.	<i>Fire management infrastructure will be planned at the landscape level but this will be compromised by funding.</i> ERET: the response is not very clear. The recommendation seemed to have been followed up	
<b>14.</b> Put increased emphasis on result area 2 with respect to value chain and enterprise development. Follow-up the market and wood industry developments and tailor the support to the changes and opportunities (supply side of tree growers and SMEs).	<i>Not possible due to budget restrictions.</i> ERET: PFP2 has put more focus on result 2 but not so much on the market end of the value chain. Why would this be costly if expertise is in house?	A least for the EP put increased emphasis on the market end of the value chain. During remaining period already some research can be done.
<p><b>14.</b> Regarding the support to training institutions (plan of EUR 700,000):</p> <ul style="list-style-type: none"> <li>Forest Industries Training Institute (FITI) and Forest Training Institute (FTI): develop a strategy with practical steps to show how the equipment and tutor support can achieve sustainability.</li> <li>Ministry of Natural Resources and Tourism</li> </ul>	<p><i>Agreed.</i></p> <p>The plan was changed and HAMK was contracted and started training in January 2023</p>	

Recommendations 2022	Response/follow-up	Action required
(MNRT): provide full support to FITI and FTI in implementing their strategic plans, including the review of scheme of services for the staff. <ul style="list-style-type: none"> <li>MFA: approve the funding only when the strategic plan is in place and . approved</li> <li>PFP2: show the credible plan and steps to achieve financial sustainability of the Forest and Wood Industries Training Centre (FWITC).</li> </ul>		
<b>16.</b> Put increased efforts on enhancing sustainability of the supported processes, including VLUPs, seed orchards, and TGAs/TTGAU.	<i>Agreed.</i> ERET: some discussions on seed orchards but not very clear on the other aspects	Especially during extension phase sustainability plans must be made and supported.
<b>17.</b> Continue supporting/making use of FWITC to its full potential and generate income during the remaining PFP2 period. In the meantime, identify options for continuation of FWITC (or part of it) at the current site through support or PPPs with institutions and VETA centres.	<i>Agreed but investigation of possible PPP arrangements would require specialist consultancy support which would require additional funding.</i> No longer applicable – MNRT agreed to purchase the land	
<b>18.</b> (President’s Office Regional Administration and Local Government / PO-RALG and MNRT): bring the disparity between LGA income and reinvestment in the forestry sector to the political agenda to ensure that adequate resources are ploughed back to the forestry sector to ensure sustainability.	ERET: not PFP2’s responsibility although they can play a role in bringing this issue to the table. PO-RALG is member on PSC. How do ERET reports reach other stakeholders?	MFA: ensure that ERET findings and recommendations reach relevant stakeholders.
<b>Legend:</b>		
<i>Recommendation well addressed</i>		
<i>Recommendation partly addressed</i>		
<i>Recommendation not addressed</i>		

### 4.3 Concluding findings and recommendations

Findings	Recommendations
<b>Overall finding and recommendation</b>	
<p><b>Overall finding:</b></p> <p>The programme has made considerable progress since last year, showing positive results and adoption levels. It is encouraging that also non- Tree Growers’ Association (TGA) members are showing interest and have adopted some of the good silvicultural practices.</p> <p>More emphasis was put on result 2, but still relatively few processing enterprises have been strengthened. The focus on improving efficiency of existing practices and adapted innovative technologies is good but value chains, and especially market access development for SMEs require further development.</p>	<p><b>Overall recommendation:</b></p> <p>Within the limitations of the remaining budget, continue providing support to result 1, contributing to wider adoption of best operating practices (BOP), but put major focus on result 2 with more emphasis on the market end of the value chain. Specific attention should be paid on understanding the needs and opportunities of value chain development and addressing those to improve SMEs’ access to markets.</p> <p>As a one year extension is likely, possibly</p>

<p>The quality of implementation and technical support is good, but concerns remain with respect to the sustainability of some of the results. The expected one year extension with a limited budget will offer a good opportunity for consolidating some of the achievements.</p>	<p>followed by a next phase, the remaining months and next year could be considered a bridging period that would help with consolidating the achievements but can also be used for strategizing the next phase support, laying the foundation.</p>
<p><b>Specific findings and recommendations</b></p>	
<p>RELEVANCE</p> <p><b>Finding 1:</b> The programme remains well aligned with, and responsive to, the development objectives, policies, and priorities of the Government of Tanzania and the Government of Finland.</p>	<p><b>No action required</b></p>
<p><b>Finding 2:</b> The ERET 2022 review found that PFP2 had taken important steps to improve inclusion and non-discrimination but also noted that it proved difficult to involve persons in vulnerable positions (PiVP) and increase the involvement of women in decision-making. As a response to the review, the PFP2 AWPB 2022/23 states that the HRBA strategy would be strengthened but does not elaborate further on how this will be done. ERET 2023 found that some activities were undertaken, including a special campaign in some villages, to increase the involvement of women. The actions have not been clearly documented and the campaign showed that there are still improvements to be made with respect to gender.</p>	<p><b>Recommendation 1:</b> Further develop and document the operationalisation of the HRBA strategy and follow up on the findings of the campaign for improved communication and mobilisation of women. If possible, given the budget limitations, continue regular training of programme and district staff in HRBA and gender issues. Develop targeted training to women and men to increase women’s opportunities and skills in decision making processes. Improve the inclusion of PiVP through specific targeting and adaptive management (recommendation 1 ERET 2022).</p>
<p><b>Finding 3:</b> Through the support to various measures such as tree planting for a longer rotation cycle, improved silvicultural practices, integrated fire management, diversification of species of better provenance, land use planning and improved recovery of raw materials, PFP2 contributes to management of better tree stocks, building climate resilience among the tree growers and increased above ground carbon sequestration. However, biodiversity and conservation of water source concerns were not addressed, not even in the Village Land Use Plans (VLUPs) and these measures do not contribute to safeguarding biodiversity and environment. ERET found in several villages that land was being prepared and tree seedlings were planted right up to the river bank.</p>	<p><b>Recommendation 2:</b> (refer also to recommendation 11 ERET 2022): In collaboration with FORVAC, and in consultation with relevant stakeholders, liaise with the National Land Use Planning Commission (NLUPC) to support simplification and better integration of environmental and biodiversity concerns in the guidelines and implementation within the main designated land use areas, especially those allocated to agriculture and plantation development.</p> <p><i>This recommendation was also included in the appraisal report of the PFP2 extension plan. It could therefore be initiated during the extension phase. As both PFP2 and FORVAC have not planned further support to the development of new VLUPs, the rationale of this recommendation was questioned by programme management. But with the formulation of a new forestry programme in mind, the idea is not to develop a new VLUP system but to discuss the issues and options with the NLUPC so that already a foundation can be laid that can be further built on by the new programme. This is a serious issue that requires some action.</i></p>

<p><b>Finding 4:</b> The programme is responsive to the conditions and needs of the beneficiaries in the Southern Highlands as it builds on the existing practices of both tree growers and SMEs, whose businesses are based on sub-optimal production processes and practices. The support strategies to SMEs have started relatively late.</p>	<p><b>No action required</b></p>
<p><b>Finding 5 (related to design):</b> The overall design, based on the lessons learned from PFP1, remains logical with a focus on improvement of existing smallholder plantations and the involvement of local government in the implementation.</p>	<p><b>No action required</b></p>
<p><b>Finding 6 (related to design):</b> The relationship with the Tanzania Tree Growers' Association Union (TTGAU), combining the provision of technical support to TTGAU, using them as a service provider, collaborating on some activities and also evaluating their performance on outgrower woodlot establishment, is complex and the activities can create a conflict of interest.</p>	<p><b>Recommendation 3:</b> Organise a meeting with Tanzania Tree Growers' Association Union (TTGAU) to discuss and agree on the collaboration during the remaining period, and as part of the exit strategy. Suggested aspects could be harmonisation of integrated fire management, roles in the seed orchard management and seed distribution, TGA registration and PFP2 activities that can be assumed by TTGAU after the programme ends.</p>
<p><b>Finding 7 (related to design):</b> The results-based management framework (RBMF) still raises a few concerns, including a lack of outcome targets.</p>	<p><b>Recommendation 4</b> (refer to recommendation 3 ERET 2022): Address some of the gaps identified in the results-based management framework (RBMF), especially the setting of clear targets at outcome level. Targets could be proposed and presented at the Project Steering Committee (PSC) for approval.</p>
<p>COHERENCE</p> <p><b>Finding 8:</b> The programme is coherent and has complementary functions with the other programmes supported by the Ministry for Foreign Affairs (MFA) of Finland, which also look at value chain aspects and improved silvicultural practices. However, there is room for strengthening certain areas of common interest. Especially for PFP2 and FORVAC, the two programmes should complement each other and jointly contribute to their common objectives rather than conducting similar activities independently.</p>	<p><b>Recommendation 5</b> (refer to recommendation 5 ERET 2022): Improve collaboration with FORVAC, TTGAU and possibly NFC. Given the limited time remaining, the collaboration topics should be prioritised, also taking into consideration the extension phase.</p> <ul style="list-style-type: none"> <li>• FORVAC – discussion on VLUP (recommendation 2) – other aspects also with new programme in mind: value chain and private sector involvement, sawmilling, design and marketing furniture and other wood products, HRBA.</li> <li>• New Forest Company (NFC) on integrated fire management (IFM).</li> <li>• TTGAU – see recommendation 3.</li> </ul>
<p>EFFICIENCY</p> <p><b>Finding 9:</b> In 2022/23, the programme made overall good progress and is on track to reach most Annual Work Plan and Budget (AWPB) output and activity indicators. The support activities of result 2 have increased, but the number of SMEs trained is far below the annual (and programme) target. The reported reasons for underachievement are the approach applied</p>	<p><b>Recommendation 6:</b> Within the remaining period put emphasis on the support and implementation of result 2. Instead of trying to reach as many SMEs as possible, it might be better to focus on a reduced number and consolidate the results with supported SMEs that would provide the most potential for impact and sustainability.</p>

<p>for the gradual training of SMEs, starting with selected groups in each cluster and the priority put on IFM in the first two quarters of 2022/23. While the staff think the targets can still be met in the remaining period, they appear very ambitious.</p>	
<p><b>Finding 10:</b> The support to registration of additional TGAs with the Ministry of Home Affairs (MoHA) was not successful. As many TGAs had difficulties in complying with MoHA regulatory requirements and the process required substantial resources of PFP2, the Programme Management Team (PMT) took a decision to discontinue the active facilitation process and only train TGAs that were willing and 'ready' to be registered at MoHA, leaving it up to the TGA to process the application further. As MoHA registration is considered a precondition for TGAs to become TTGAU members, TTGAU is dissatisfied with the current arrangement.</p>	<p><b>Recommendation 7:</b> Get legal advice on the registration requirements of TGAs, including the requirement for TTGAU members to register with MoHA and analyse and discuss the implications with TTGAU and supported TGAs.</p>
<p><b>Finding 11:</b> As of December 2022, 55% of the AWPB 2022-2023 was spent. For a normal year this would be expected halfway implementation, but the last year is longer and goes up to October 2023 (although costs in the last months will be reduced). At 79% of the entire programme implementation period, 86% of the overall budget has been spent. The budget for output 1, as well as the operational vehicle costs have already been entirely used. Major risks for the remaining period are the increased daily subsistence allowance rates for government staff, and price inflation on fuel and living costs.</p>	<p><b>Recommendation 8:</b> Closely monitor the implementation costs and take strategic decisions on how to most efficiently use the resources for the remaining months.</p>
<p><b>Finding 12:</b> PFP2 has many human resources, including dedicated extension staff and also supports and collaborates with Local Government Authority (LGA) staff, which has worked out well. The programme appears well managed by the PMT. The PSC is active and has focused more on strategic aspects since the previous review.</p>	<p><b>Recommendation 9: (Project Steering Committee /PSC members):</b> The PSC should continue playing a strategic role, focusing on major issues in the programme design, implementation and enabling environment.</p>
<p><b>Finding 13:</b> The M&amp;E system is well developed, but monitoring of disaggregated data reflecting PiVP remains difficult. Following the ERET 2022 recommendation an outcome survey was conducted and another one is planned for 2023.</p>	<p><b>No action required</b></p>
<p></p>	<p></p>
<p>EFFECTIVENESS</p> <p><b>Finding 14:</b> The systematic strengthening approach appears to be contributing to stronger and more sustainable TGAs. Although they are still young and overall their capacity seems to vary, the impression of ERET is positive. TGA leaders and members show high commitment and a longer term vision. Some TGAs embarked on income generating projects, obtained loans and started offering plantation management services not only to their own members but also to other, non-TGA tree growers as well.</p>	<p><b>Recommendation 10:</b> Within the budget limitations continue TGA strengthening and extension approach focusing on good silvicultural practices and involvement of LGA extension staff.</p>
<p><b>Finding 15:</b> With respect to the strengthening of TTGAU, the objectives and intentions as stated in the PD appear far too ambitious for the resources and support allocated to this activity, and the effects remain limited. In addition, several challenges exist for the registration of TGAs with MoHA.</p>	<p>See recommendation 3</p>
<p><b>Finding 16:</b> PFP2 did not provide further support to Village Land Use Plans (VLUP) or issuance of Certificates of Customary Right of</p>	<p>See recommendation 2</p>

<p>Occupancy (CCRO), aimed at providing greater land tenure security for tree growers. While the adapted methodologies of PFP2, making use of satellite images for VLUP and mobile applications for CCROs are more efficient and participatory than the traditional approaches, the processes are expensive and over-regulated. In addition, environmental and biodiversity concerns are not adequately integrated in the VLUPs and their implementation is usually not well monitored. Even if PFP2 will no longer support new VLUPs, there is need for coordinated national consultation on the effectiveness and sustainability of the VLUP approach in view of the future programmes.</p>	
<p><b>Finding 17:</b> The ERET field visits indicate that the adoption of good silvicultural practices by supported tree growers is high, especially for woodlots with Forest Management Plans but thinning is challenging because of cost implication and labour requirements. On the other hand, thinning has been recently introduced and in the context of naturally regenerated and older woodlots tree growers showed interest in the model as thinnings were being sold for timber, poles and for fuelwood. Adoption of BOPs is also taking place by other tree growers who are not TGA members or do not live in the same village. The demo plots play an important role in promoting BOP.</p>	<p><b>No action required</b></p>
<p><b>Finding 18:</b> Many tree growers indicated that they understand the economic rationale for a long rotation cycle, but they want to harvest at 12-15 years instead of the recommended 18 years. There are some challenges. The local market prices do not always differentiate much on the quality of timber, there is also demand for small timber (2x2) and the growing veneer industry takes low quality logs (now also pine). An issue related to price is the fact that no formal grading system is applied. Although the MaIS has increased the awareness of tree growers, middlemen can still bypass the system and buy trees for lower prices from those individuals who are prepared to sell.</p>	<p><b>Recommendation 11:</b> Assess how (informal and more formal) quality assessments and grading, based on the requirements of the industry can be introduced to ensure that quality of timber is better reflected in the price.</p>
<p><b>Finding 19:</b> The institutionalisation of the IFM system was given major emphasis in 2022/23. Whereas in 2021 many woodlots were damaged by fire, in 2022 only a few incidences were reported and Iringa Region showed a reduction of 98.5%. Although this reduction cannot be entirely attributed to the introduced IFM approach, stakeholders consider that IFM played a major role in the PFP2 supported districts. Despite the success, there are still parallel systems in place that need to be harmonised.</p>	<p><b>Recommendation 12:</b> Continue providing support to IFM and facilitate the harmonisation of the different approaches.</p>
<p><b>Finding 20:</b> The seed orchards are in good condition, but management is entirely done by the programme while Tanzania Forest Service (TFS) only harvested a small portion of the seeds. There are many questions regarding the sustainability of the system.</p>	<p>See recommendation 17</p>
<p><b>Finding 21:</b> The SME capacity building shows positive results. The growth mindset training is based on a good philosophy but could be more efficient. The technical training of circular sawmillers (AMEC/ dingdong owners) is highly relevant and shows good adoption except for boron dip due to high costs and low demand, as the market expects Copper Chrome Arsenic (CCA). The SMEs trained on nursery management show high adoption on some</p>	<p><b>Recommendation 13:</b> Continue supporting/making use of the Forest and Wood Industries Training Centre (FWITC) to its full potential and facilitate the possible adoption and sustainability of the introduced technologies, including availability of materials for improved nursery development.</p>

<p>aspects and low on others, related to constraints in accessing the materials (costs of improved seeds, and unavailability of trays and planting medium). The technical support to introducing technologies based on local materials and adapted to the skills and needs of SMEs is very good.</p>	
<p><b>Finding 22:</b> The objectives of the Afrifurniture business development process were too ambitious. A market assessment was conducted, excellent furniture products were designed, and local carpenters were trained to manufacture the products. Challenges in marketing and production management (including required skills and commitment of involved SMEs) and the lack of a business owner halted the process, and its continuation is unclear.</p>	<p><b>Recommendation 14:</b> Identify potential local business owners that could take on the production of the Afrifurniture prototypes tapping the middle class markets.</p>
<p><b>Finding 23:</b> PFP2 has put much focus on primary and secondary production/processing but not so much on the marketing end of the value chain. This is an area that probably needs more attention in the future (extension or next phase).</p>	<p><b>Recommendation 15:</b> Put increased emphasis on result area 2 with respect to value chain and enterprise development and especially the marketing end of the value chain. This is an area that needs more attention in the future (extension or next phase). Intensify relevant parts of the soft skill trainings on mind-set change and innovations for cultivating sustainability aspects beyond the project.</p>
<p><b>Finding 24:</b> PFP2 has taken further steps towards improved integration of the HRBA, including assessment of the awareness of women on the programme and challenges for their participation. Although the HRBA strategy has contributed to increased women’s involvement in TGAs and in leadership positions, they still play a limited role in decision-making and PiVP still face barriers to their participation and their inclusion.</p>	<p><b>No action required</b></p>
<p>IMPACT</p> <p><b>Finding 25:</b> The measurement of impact indicators requires additional data, which are mostly not available yet. However, based on the ERET (qualitative) findings, PFP2 is on the right track to contribute to economic growth and poverty alleviation. The woodlot and SME support are already contributing to increased efficiencies, quality and income and improved livelihoods. The impact indicator on the area of plantation forests is not considered adequate as it does not reflect the quality aspects of BOP.</p>	<p><b>Recommendation 16.</b> (MFA/MNRT) Commission an impact study towards the end of PFP2, that will comprehensively analyse the impact of the programme (PFP1 and PFP2).</p>
<p>SUSTAINABILITY</p> <p><b>Finding 26:</b> Although measures for sustainability are embedded in the programme’s support and extension approach, the sustainability of several established mechanisms is not secured yet. Many of the measures that PFP2 could take to enhance sustainability will be part of the extension phase and are included in the appraisal report’s recommendations.</p>	<p><b>Recommendation 17:</b> Put increased efforts on enhancing the sustainability of all interventions (IFM, TGAs, SMEs, extension support LGAs, VLUPs) – see also other recommendations.</p> <p><b>The formulation report and the extension phase should identify how the PFP2 achievements will be sustained and what the role of TTGAU will be in this process. Take extra initiatives on biodiversity and watershed conservation considerations as a precursor for further expansion of woodlots by farmers and work with</b></p>

	district environmental officers for provision of guidance. In-depth monitoring of biodiversity and watershed aspects should be part of the M&E systems for the next phase.
<b>Finding 27:</b> The sustainability of the seed orchards is in doubt with respect to the cost and benefit sharing arrangements, marketing opportunities/arrangements and cost recovery over time, capacity of TFS to support the process including detailed monitoring and recording, and capacity of TTGAU.	<b>Recommendation 18:</b> Put increased efforts on enhancing the sustainability of the seed orchards together with all main stakeholders, i.e. TFS, TTGAU, TGA and VCs. Assess the opportunities for involving the private sector in the management to absorb some of the costs.
<b>Finding 28:</b> For the next phase of MFA support a critical question will be how the PFP2 achievements will be sustained and what the role of TTGAU will be in this process.	See recommendation 3.
<b>Finding 29:</b> Environmental and biodiversity concerns are not well integrated in the land use planning process and the further expansion of plantations might have a negative impact on these elements.	See recommendation 2.
<b>Finding 30:</b> For sustainability of BOP, a conducive environment and favourable market conditions are required but currently the local market is not very sensitive to quality (depending on the products and tree species). The changes in the market will have to be closely followed as new opportunities for value addition might arise. There is a great disparity between the income districts obtain from forestry activities and their reinvestment in the forestry sector, resulting in inadequate resources for forestry extension and support.	<b>Recommendation 19:</b> (PSC - President's Office Regional Administration and Local Government and MNRT): bring the disparity between LGA income and reinvestment in the forestry sector to the decision makers' agenda to ensure that adequate resources are ploughed back to the forestry sector to ensure sustainability.
<b>Finding 31:</b> Despite the success of IFM, the sustainability of some of the introduced mechanisms are in doubt.	See recommendation 12.
<b>Finding 32:</b> Sustainability of the SMEs vary. Many SMEs have benefitted from capacity building but still lack access to markets. Some SMEs have been able to expand their operations thanks to improved access to finance. Training of staff and managers of bigger SMEs, such as timber treatment companies, has allowed the companies to scale up and hire new staff.	See recommendation 6.
<b>Finding 33:</b> While the importance of FWITC has been well recognised, its continuation and sustainability of operations is not fully secure yet. The project staff mentioned that MNRT intends to purchase the land but the resources will have to come from TFS.	<b>Recommendation 20:</b> (MNRT): Ensure that after purchase of the land the courses remain relevant and appropriate for the intended target group of SMEs.  See also recommendation 13.

# 5 Findings and recommendations of the annual review of FORVAC

## 5.1 Findings

### 5.1.1 Relevance

No major changes in the context or environment have taken place since last year. The findings of the ERET 2022 report on FORVAC's relevance are still valid and are presented and slightly adapted hereafter with respect to some more recent developments.

**Finding 1:** The programme is well aligned with and responsive to the development objectives, policies, and priorities of the Government of Tanzania and the Government of Finland. Global experience with CBFM shows that FORVAC's approach – linking forest management to livelihood improvement and income as a key incentive for sustainable use – is the best option for conservation.

**Finding 2:** While the Forest Policy strongly supports CBFM, there is lack of consensus on the implementation. Consulted district and community representatives complained about TFS not supporting the CBFM process, especially the timber value chain. This undermines the enabling environment and could ultimately affect the impact of FORVAC and have implications for the decision on further support to CBFM by the MFA of Finland.

**Finding 3:** Based on the findings of the ERET 2022 review and the SEA report, FORVAC decided to pilot a Gender Action Learning System (GALS) approach, aiming for empowerment of women and persons in vulnerable positions (PiVPs). The programme relies on 'champions' to take the process further, but up-scaling of the approach is not expected in the remaining period.

**Finding 4:** The two-year extension of the programme has a relatively small budget, which will reduce the impact.

### Alignment and responsiveness to development objectives and priorities of the Government of Tanzania (GoT)

The programme remains well aligned with the Tanzanian national policies and actually puts into practice the Forest Policy, the recently enacted National Forest Policy Implementation Strategy (2022-2036), and the National CBFM Action Plan, which promote participation of local communities in forest management. In addition to these forest policy related strategies that were approved in 2021, the country also launched the Third National Five Years Development Plan (NFYDPIII), National Climate Change Response Strategy (NCCRS) and the Nationally Determined Contributions (NDC) in the same year. The NFYDP is the supreme economic, industrial development and poverty reduction planning document in Tanzania whereas the NCCRS and NDC outline the country's climate mitigation and adaptation commitments under the Paris Agreement of the UNFCCC. All these strategies NFYDP, NCCRS and NDC reiterate the country's allegiance to PFM and CBFM as the main strategies for sustainable forest management and emissions reductions through activities that benefit communities economically. Further in the year 2022, the government further promulgated the National Environmental Master Plan for Strategic Interventions and was a signatory to the SADC Declaration on the Integrated Management of the Miombo Woodlands of Maputo from August 2022. The Government of Tanzania not only reaffirmed its support of CBFM as a conservation

and rural development approach but through the Maputo Declaration, it has agreed to promote PFM across the southern Africa region.

Consultations of ERET with MNRT and other public and private institutions at national, regional and district level confirmed that the main added value of FORVAC is its focus on the value chain development. FORVAC builds on the lessons learned from other programmes with respect to CBFM, including the focus on land use planning, establishment of VLFRs and FMPs, and the support to local institutions on governance of village forests. Although elements of this were included in previous/other CBFM programmes, such as the NFBKPII and LIMAS, FORVAC puts a major emphasis on sustainable utilisation of forest products and development of the forestry value chain (and not just conservation). In the ERET 2023, through consultations with villages that were previously supported by LIMAS, this was confirmed by some village leaders who said that it was much more complicated to do timber harvesting under LIMAS.

The success and sustainability of CBFM largely depends on the tangible benefits it provides to its implementers and villagers for improvement of their livelihoods. Currently, very little value addition is created at village level and communities face many obstacles that hinder unlocking the business potential available from VLFRs, apart from raw timber and log sales, which account to less than 1% of the available stock. The focus of FORVAC on the development of the value chain is therefore considered highly relevant and will not only support the communities in improving their livelihoods but also contribute to the sustainable management of the VLFRs. Global experience with CBFM shows that FORVAC's approach to CBFM is highly relevant – linking forest management to livelihood improvement and income as a key incentive for sustainable use – is the best option for conservation.

The programme's strategies build on the lessons learnt from previous programmes, especially NFBKPII and LIMAS and also fit well with other initiatives in the sector, related to CBFM and value chain addition. The programme integrates other stakeholders and service providers that have expertise in the area, such as the Mpingo Conservation and Development Initiative (MCDI), which has substantial experience in facilitating CBFM, the development of FMPs, and the Forest Stewardship Council (FSC) group certification. The programme has also collaborated with the MJUMITA<sup>22</sup> network of CBFM villages to monitor and strengthen governance among the village level institutions.

Nonetheless, some challenges for CBFM and value chains development that were identified during previous ERET reviews are still valid, especially related to different interpretations of the legal framework and the assigned roles of national institutions on regulatory aspects, as well as changes in the enabling environment.

During ERET 2023, many stakeholders referred again to the Government Notice (GN) 417 and the regulations governing the private sector as key obstacles for the implementation of the FMPs and FHPs<sup>23</sup>. However, after lobbying by various NGOs and Community Based Organisations (CBOs), GN 417 is now being reviewed by MNRT. While this is very positive, it is noted that FORVAC management was not involved in the dialogue/stakeholder workshop organised by WWF that provided recommendations to MNRT.

In addition, many challenges related to the CBFM timber value chain have been brought up during the review, related to taxation by LGAs (and how the generated revenue is used for improving services to the

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<sup>22</sup> Mtandao wa Jamii wa Usimamizi wa Mimitu Tanzania, which translates to Tanzanian network of community forest managers.

<sup>23</sup> GN 417 makes the VLFR FMPs subject to approval by the DfOB, which can take a long time and in addition, they fear that the approval of the harvesting permits by the DHC further delays the process and is skewed towards favouring and prioritising TFS' interests in timber licensing on general lands above the VLFR FHPs. In addition, the requirement to set the timber (or charcoal) fees to be equal with government royalty rates makes CBFM produce no longer economically viable. Figures from TFCG indicate that since the introduction of GN 417 the sustainable charcoal pilot project of 30 villages in Morogoro Region collapsed with the communities losing revenues of more than TZS 2.3 billion (EUR 1 million) that could no longer be invested in social services and forest management, and reducing employment by 70%.

sector), authorisation processes, price setting and influence of the district, unclear mandate issues (MNRT-FBD, PO-RALG, TFS), several government notices/regulations and other aspects.

A major issue that has been repeatedly brought up by district officers and villages in ERET 2023 is the lack of support by TFS to CBFM, especially for timber and charcoal production. Interviews with TFS representatives at national level in previous ERET reviews also confirmed their perception that ‘timber and charcoal production by communities will encourage destruction of the VLFRs’. ERET has never seen any evidence of that and international experience indicates that the opposite is true. If CBFM is only based on conservation and minor value chains such as mushroom and forest fruits, the chances of conversion of the forest into agricultural land are much higher than in a situation where communities understand the value of the forest through the generation of substantial revenue. Most community members are small farmers. Land is the biggest asset and forest land is often considered most fertile, so as competition for land increases, the risk for conversion of VLFR to agriculture becomes higher, especially if the forest does not have major value in the eyes of the community. This might have happened in some of the earlier supported villages under NFBKPII, where timber harvesting did not take place and the governance structures were not yet well set up. However, timber generates substantial income and through the set-up of good governance systems with highly regulated timber production, based on sustainable harvesting and rotation systems, the changes of sustainable use and conservation are much higher. The ERET 2023 findings in Liwale District clearly show this. All visited VLFRs are well managed. On the other hand, the concessions on the general village land and National Forest Reserves are not as strongly monitored, which contributes to higher levels of degradation. The District Executive Director (DED) and DFO in Liwale District mentioned that the preferred timber species on the general village land and National Forest Reserves have been depleted.

Although the debate on these issues is not new, they affect the perceived relevance and effectiveness of FORVAC’s approach. It is important that the government speaks with one voice. On the one hand, a policy is implemented and international treaties are signed; yet, on the other hand, representatives of the same government are failing to support or even obstruct its implementation.<sup>24</sup> This might also become a very important issue for the continued support to CBFM by the Finnish government. The persistent inconsistency between declared, written policies and actual implementation is considered by several forestry stakeholders to be the major reason for the weak private sector participation and investments in natural forest management. Actors involved in private forest extraction have expressed that the unpredictable and ambivalent application of forest policy has made them reluctant to partner with communities in support of CBFM and has prevented them from investing in natural forest management. The result is that all 48 million ha of natural forest in the country are managed through public sector finances and institutions, thereby keeping the burden of conservation on government and the tax paying public. Consequently, the development of a vigorous and dynamic private sector led forestry value chain from natural forests continues to be elusive.

The MTE of ERET in 2021 identified a need for increased consultation at national level, possibly through the organisation of a national forum or platform where all relevant stakeholders can exchange their views and agree on the approaches and their respective roles with respect to CBFM. This observation is still valid, although this should not necessarily be the role of FORVAC to facilitate.

## **Alignment and responsiveness to development objectives and priorities of the Government of Finland**

FORVAC is well aligned with and responsive to the development objectives and priorities of the Government of Finland and to the new country strategy and country programme, which support efforts to improve livelihoods and climate resilience in rural communities through sustainable management and

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<sup>24</sup> In addition, ERET feels that there is a conflict of interest in TFS’ mandate, combining regulatory and extension functions with commercial interests.

efficient use of existing forest resources. The FORVAC programme aims explicitly at increasing livelihood and employment opportunities and is built around the principles of the sustainable use of natural resources. The programme aims at promoting good forest governance and transparency of decision-making and financial management.

Although the original project document (PD) included references to the HRBA, the ERET MTE of 2021 found that the strategies for its operationalisation could have been more clearly defined and that the RBMF did not adequately include disaggregated indicators with respect to gender and PiVP. In addition, the MTE of 2021 found that the baseline analysis is not gender-disaggregated and does not include an analysis of HRBA, gender equality and cross-cutting objectives. Hence it does not provide clear guidance on the specific constraints and needs of women, youth, or PiVP including disabled people, and on how best the programme could support gender equality and human rights through its interventions.

However, since the ERET review in 2021 several improvements have been made. The HRBA section of the PD, Annex 6, has been improved. It considers FORVAC by its nature to be at least a human rights sensitive programme but there might still be some challenges in the implementation. In 2022, ERET found that it might be useful to prepare an implementation guide on how to conduct HRBA aspects in the planning and implementation of specific activities.

The risk analysis has also been updated, integrating HRBA concerns. An assessment had been included in the independent socio-economic assessment (SEA) of FORVAC undertaken in 2022. The SEA report provides further information on the status of PiVP and women and barriers for their participation and meaningful involvement in the programme activities. Based on the findings of the ERET 2022 review and the SEA report, FORVAC decided to pilot a Gender Action Learning System (GALS) approach in FORVAC, aiming for empowerment of women and persons in vulnerable positions (PiVPs) and strengthened integration in FORVAC activities in three selected communities. The programme relies on 'champions' of service providers and villages to take the process further, but as this is only a pilot in few villages, up-scaling of the approach is not expected in the remaining period.

## **Responsiveness to conditions and needs of the beneficiaries**

Interviews conducted with beneficiaries at community level confirmed the relevance of the programme. Reference was made to the importance of land use planning, VLFR establishment and governance aspects. However, major feedback was provided on the value chain aspects especially on timber harvesting, providing substantial revenue for the village government, contributing to improved social services in the villages. The relevance of the approach is clear in Liwale District where there is great demand of other villages to start CBFM. According to the district officers, after seeing the benefits of other communities involved in CBFM, many villages have asked the district to support them in establishing a VLFR and set-up CBFM systems. Reportedly, some tried to resist concessions on their general village land issued by TFS to ensure that the resources remain intact for establishing VLFR and start CBFM.

The support to micro-enterprise groups, especially beekeeping groups is also considered relevant by the beneficiaries although results at the outcome and impact level are still mostly pending. Although the programme is highly relevant for communities that have adequate forest resources, especially for timber production, this is less the case for villages that have less resources and fewer options for income generation. This is the case in some districts, especially in Ruvuma region, but also in Lindi region. For example, although not visited by ERET, some villages, especially in Ruangwa and Nachingwea Districts do not have much forests left and hence FORVAC provides very few support activities, mostly VSLA (not related to CBFM). Areas with degraded or less commercially attractive forest resources lend themselves to the development of sustainable charcoal compartments that then allow revenues to be generated even while forest vegetation is regenerated over time. However, the negative prevailing attitude among some authorities has meant that this avenue has not been available to the FORVAC programme. The rationale for including villages with limited forest resources can be questioned. Although it could be good to pilot test interventions for conservation of VLFRs that have less resources, there does not seem to be a clear strategy.

Interviews conducted at ministry, regional and district levels attest to the relevance of the programme in adding value to forest products and providing tangible benefits to communities. The focus on VLUP and sustainable forest management contribute to the conservation of forests in the face of continuing threats of shifting cultivation, uncontrolled logging and encroachment. VLUP helps in addressing the concerns of the influx of pastoralists and mining in some districts. In addition, the importance of the programme involving the districts directly in the planning and implementation of the programme activities and building their capacity in terms of knowledge and resources was also highlighted.

Although the programme is considered responsive to the needs of the direct beneficiaries and the village government, the SEA clearly showed that there are still barriers for the PiVP and to a lesser extent women to fully participate and benefit. Possibly more PiVP can be reached but there is also a limitation to the extent to which the programme can involve PiVP. The relevance of the programme for those PiVP lies mostly in the benefits from community development projects and social services such as health facilities and insurance. The section on effectiveness provides further findings on the degree this has been achieved already.

### Adequacy of design, strategizing the objectives and issues logically in the intervention approach

The 2021 ERET MTE concluded that the programme is based on a solid analysis of the sector and constraints, supported by several studies, but the strategies on some aspects are not clearly explained or detailed in the PD and also found several weaknesses on the RBMF. In 2022, ERET found that some of the aspects have been addressed since the ERET MTE 2021, whereas others remained:

1. The **HRBA strategy** was updated and is expected to contribute to improved implementation. But there might be a need for further operationalisation of the HRBA strategy for guiding the staff and service providers in their support to the specific programme activities.
2. A more **clustered approach** is somehow attempted in some areas but also difficult to implement for the extension phase as the villages have already been selected.
3. The PSC agreed to continue supporting the **teak plantations** in Nyasa District that were inherited from PFP1 as it was felt that the support is valuable, even though it is a bit different from FORVAC's focus.
4. The **Results Based Management Framework** had been updated for the extension period<sup>25</sup>. Although it was decided not to change the outputs as such, several improvements were made to make the RBMF more realistic, concise, and logical (vertical cause-effect relationships).

The (simplified) theory of change suggested in the 2021 ERET report was also adapted and included in the revised PD.

With respect to the programme design in terms of resources to reach the objectives, the findings of the ERET MTE are still valid. Considering the programme objectives and set targets, and additional areas that were included in the programme over time, the human resources allocated to the programme appear relatively small, with some key positions such as the Value Chain Development Advisor (VCDA) only to be contracted part time. The programme has relatively few technical and administrative/support staff, especially in comparison to other programmes. Although the programme works extensively through service providers, there is obviously a need for quality assurance, technical support and coordination. These issues are further explained in the chapter on efficiency.

## 5.1.2 Coherence

**Finding 5:** The programme has complementary functions with the other programmes supported by the MFA, especially PFP2, which also looks at value chain aspects. Despite common

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<sup>25</sup> The ERET Team Leader provided some support to this process.

interests there has been little collaboration. There is room for strengthening some areas of common interest and to ensure that the two forestry programmes complement each other and jointly contribute to their common objectives rather than overlap each other and conduct similar activities independently. FORVAC is also coherent with other initiatives in the forestry sector and involves local institutions.

### **Coherence with the MFA Country Programme (internal coherence)**

The findings of ERET review of 2022 still apply and reference can also be made to the coherence section of PFP2 as the observations are largely the same for the two programmes:

FORVAC has complementary functions to the other programmes supported by MFA, which focus more on the plantation forestry. There are especially thematic interlinkages with PFP2 with regards to the following:

- Focus on forestry value chain and private sector involvement/business development.
- Emphasis on smallholder/community organisations and inclusiveness. Although both programmes integrate HRBA aspects in their planning and approach, they also encounter similar challenges in reaching the PiVP and enhancing meaningful participation of women in decision-making processes.
- Effective land management through participatory land use planning (VLUP) processes and ensuring land rights.
- Capacity building, technology transfer and extension delivery.
- Institutionalisation of approaches and strengthening of an enabling environment: institutions, policies, education/curricula, and improved land use planning methodologies.
- Sawmilling and timber and wood value chain. Both programmes independently implemented furniture market studies. The sources of materials are very different (PFP2 focusing on ‘soft woods’- pine and eucalypts, and FORVAC on natural ‘hard woods’), but there are also common aspects.

Although the focus areas of the two programmes are different, with FORVAC focusing predominantly on natural forest management through CBFM and PFP2 on plantation development, there could be stronger collaboration in some areas such as on policy aspects, vocational training, saw milling technologies, and others. Both forestry programmes have challenges with value chain development and promoting market access for forestry products. There could be significant collaboration opportunities in this field through e.g. shared value chain expertise and market development efforts.

### **Coherence with other initiatives (external coherence)**

Various other donors provide support to the natural resources sector, although Finland has been the major donor on forestry for many years.

Many development partners have been working in the environmental sector in Tanzania, but the Development Partners Group on Environment’s updated list of projects indicates that not many CBFM-related programmes are on-going, only the EU funded Beekeeping Value Chain Support Project (BEVAC) managed by the Belgian Development Agency (Enabel) and possibly others such as Landscape Restoration in Western Tanzania.

The Swiss Agency for Development and Cooperation (SDC) has supported various programmes, including Transforming Tanzania Charcoal Sector (TTCS) – 2012-2019, and Conserving forests through sustainable forest-based Enterprise Support in Tanzania (CoForEST) – 2019-2022, implemented by TFCG in collaboration with MJUMITA and Tanzania Traditional Energy Development Organization (TaTEDO). The project aimed at establishing a commercially viable value chain for legally and sustainably produced charcoal and timber and to strengthen mechanisms to sustain the model. The programme showed good results with regards to sustainable charcoal production, but the system collapsed after the introduction of GN

417. Due to these and other governance issues related to CBFM, SDC decided to pull out and not to extend the CoForEST project.

The European Union (EU) and Enabel signed a partnership with MNRT for the production of sustainable honey and to improve the beekeeping value chain. Within this framework, Enabel collaborates with the International Trade Centre (ITC) for the implementation of the component “Market access and trade of beekeeping products”. Specifically, this involves institutional capacity building for the establishment of an enabling environment for actors in the beekeeping value chain. These actors will be trained to improve the management of bee reserves and apiaries. ITC will also be responsible for enhancing market access and trade in bee products. Although FORVAC works in other districts, as honey production is one of the key value chains being supported by the programme, collaboration with Enabel and ITC could be beneficial. However, to the knowledge of ERET no linkages have been established yet.

In addition, FORVAC collaborates with many other institutions through the organisation or participation in fora such as the Liwale Investment Forum, or MJUMITA’s annual forum, but also through contracting organisations as service providers. MCDI, one of the prominent service providers on CBFM for FORVAC and implementing a group certification under FSC for many years in Kilwa District, Lindi Region. MCDI is also one of the implementing partners for other donor organisations, including WWF Tanzania. By engaging with MCDI, FORVAC has supported the expansion of the MCDI protocols to a larger area in Tanzania. Forestry Industries Training Institute (FITI), provided training on sawmilling, saw doctoring and health and safety issues.

However, there might be other initiatives and programmes that FORVAC, or a follow-up programme could collaborate with. For example CARE/WWF alliance implemented a landscape approach with focus on ecosystem connectivity, focusing on high impacts on crop adaptations, ecosystems services, natural resources management and social inclusions.

### 5.1.3 Efficiency

**Finding 6:** Despite a change of CTA, overall progress is satisfactory.

Output 1: The reported progress on VLFR establishment and mobilisation is good, with most output indicators showing over 80% achievement against the programme targets. The planned value chain activities listed in the AWPB 2022/23 are also well on track although the number of forest-based businesses remain far below the targets.

Outputs 2, 3, and 4 also show satisfactory progress, but some activities in the AWPB are not reported on and some have not yet started.

**Finding 7:** The programme shows rapid expenditure of the operational budget due to increased costs for DSA, deteriorated exchange rate and high inflation. At 75% of the programme period, over 89% of the operational budget on programme activities has been spent. The budget for the activities has almost been used, especially for outputs 1 (91%) and 2 (93%), which comprise the main part of the budget.

**Finding 8:** The current structure with two Cluster Coordinators who are supervised by a National Forest Management Expert (NFMP) appears heavy and not very efficient for a small programme. While supervision could also be done by the CTA, more resources are needed in Lindi Cluster, covering a huge area with many CBFM communities and timber harvesting taking place that need to be more intensively monitored.

**Finding 9:** The ERET 2021 and 2022 findings on need for increased value chain TA still apply. The part-time value chain advisor hired for the work is an expert in community development and mindset trainings, while the programme still lacks expertise in business development and market access.

**Finding 10:** M&E and data management remain areas that need improvement. Despite recommendations made in all ERET reviews the programme does not have a geo-referenced database for each village that tracks the relevant information. Inconsistencies are found in provided data. In addition, monitoring of the work and results of Service Providers in the field remains limited (see also finding 8). Finally, no simple outcome data are available, such as amounts spent by communities on different community development activities and beneficiaries (for example number of PiVPs receiving health insurance).

## Implementation progress

The following section discusses the implementation progress against the workplan. The results of the interventions are discussed in the section of effectiveness.

The Semi-annual Report July-December 2022 provides an overview of the programme's progress with respect to the four outputs. The FORVAC PMT also prepared a PowerPoint presentation for ERET. Based on these documents and consultations, a summary of progress can be made. However, the progress report does not exactly report on all listed activities of the AWPB, which complicates the assessment of progress on those activities. In addition, some of the figures in the semi-annual progress report do not seem to match and there are some inconsistencies in the provided tables<sup>26</sup>.

### *Output 1 – Improved value chains and increased private sector involvement in the forest sector*

#### *VLFR establishment and mobilisation*

Table 11 below presents a summary of main achievements against annual and programme targets related to VLFR establishment and mobilisation.

From the AWPB 2020-2021 FORVAC started to shift the focus of its operations from supporting the establishment and mobilization of VLFRs to the development of timber, charcoal, and non-wood forest products value chains. This process was continued in the AWPB 2022-2023, which did not include the production of new Village Land Use Plans (VLUPs). Despite the change of focus, as the table shows, progress is quite good for most indicators showing achievement of over 80% of the programme targets.

It is assumed by some forestry stakeholders that forest gazettement enhances a strong tenure but is not necessary for a VLFR to be legally recognized<sup>27</sup>. In 2022, only boundary consolidation work was carried out in four VLFRs at Liwale District.

SUA collected field data for the 14 selected lesser-known timber species (LKTS), concluded laboratory testing for those species, and created a catalogue for newly studied and already known LKTS. The website collapsed and will be relaunched soon<sup>28</sup>.

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<sup>26</sup> For example, Table 4 shows that the FORVAC-supported 58 Forest Management Plans (approved by relevant District Council and/or MNRT) have produced a total annual allowable cut (AAC) volume of 135,982 m<sup>3</sup> in the Programme area, whereas Table 7 reports a figure of 126,787 m<sup>3</sup>.

<sup>27</sup> The enhanced tenure of gazettement is an assumption, which is not always borne out in reality. There are several gazetted areas in Tanzania that have recently been degazetted after being encroached by farmers and pastoralists. About 1 million ha of gazetted areas at both national and village level have been degazetted since 2012.

<sup>28</sup> LKTS are reported twice, i.e. under VLFR establishment and mobilisation and also under value chain activities.

**Table 11** Reported achievements for VLFR establishment and mobilisation

Indicator	Annual target	Achieved (July-Dec 22)	Programme target	Cumul. achieved	% cumul. achieved
VLFRs no / ha	31 / 93,000	12 / 49,835	69 / 450,000	58 / 373,820	84 %
Gazettement VLFRs	4	4	-	?	
VLUPs no / ha	-	-	41 / 620,000	34 / 550,664 (7 / 69,423 wait approval)	83 %
FMPs no / ha	31 / 93,000	12 / 49,835 3 in progress	69 / 470,000	58 / 373,820 (15 / 81,911 wait approval)	84 %
VNRCs no.	31	8 (on going)	69	76	110 %
% fem. memb.	>30 %		30 %	35 %	
AAC m3	120,000	41,849	175,000	135,982 or 126,787*	78 % 72 %
Protected ha	9,300	-	10 %	43,767 (12 %)	120 %
Bee reserves no/ha	5 / 5,059	5 / 5,059	5 / 5,059	5 / 5,059	100 %
LKTS identified	14	14	14	14	100 %
Dashboard for reporting illegalities	2 clusters	?			?

Source: adapted from the FORVAC AWPB 2022/23 and Semi-annual Report July-December 2022.

\* Tables provide different figures

#### *Value Chain Development*

Regarding the support to the value chain development, it is difficult to use the RBMF as a reference for tracking implementation progress as there is only one indicator, which does not capture all aspects or even all micro-enterprises (Table 12).

**Table 12** Reported achievements for value chain indicator

Indicator	Annual target	Achieved (July-Dec 22)	Programme target	Cumul. achieved	% achieved
Number of forest-based businesses supported and linked with traders		Beekeeping:		Charcoal, beek., pottery (stoves)	
- no.	85	13	200	65	33%
- members	600	97	1,000	390	39%
- % women	60	76	40	50	125%
- % PiVP/People Living with Disabilities (PLWD)	10	2	10	6	60%

Source: Semi-annual Report July-December 2022.

Timber production comprises the main value chain. Although no targets were set in the AWPB (as this is more considered a result/outcome of the CBFM support activities), in the period July-December 2022

FORVAC managed to facilitate the production and sales of 5,074 m<sup>3</sup> of timber to the value of TZS 1,404,987,336 (EUR 561,995) in supported villages. Nearly all (99.5%) came from the Lindi Cluster. According to FORVAC, in Ruvuma Cluster, Limamu Village harvested 25 m<sup>3</sup> (standing tree volume) and processed it with the FORVAC supported portable sawmill. Sales will be done in 2023. In Tanga Cluster, harvesting continued only in Mkonde Village in Kilindi District (24 m<sup>3</sup>). In Handeni District, harvesting has not progressed due to political resistance.

Most of the planned value chain activities listed in the AWPB 2022/23 seem to be well on track (Table 13). For some activities (or strategies) no feedback was provided in the progress report.

The piloting of the sustainable charcoal model in Handeni District only proceeded in Kwedikabu Village as a conflict of land-use interests in Mazingara Village took place.

Beekeeping is a major supported value chain in the Tanga Cluster. FORVAC continued collaboration with Swahili Honey, supporting beekeepers from Handeni, Kilindi and Mpwapwa Districts. With respect to micro-business support, beekeeping is also the main enterprise, comprising 62% of all supported groups, and 60% of all individual/shared enterprises. This is followed by carpentry and bamboo production.

**Table 13 Progress listed on planned value chain activities**

Planned activity	Progress
Piloting Intensified VLFR Charcoal Production Model – Handeni + demo Nachingwea	Model was only piloted in Kwedikabu (Handeni), 2 groups established of which one produced a kiln.
Facilitate NTFP marketing and timber trade events	Progress not reported
Involve district media/website/social media to market timber/NTFP	Progress not reported
Support beekeepers' groups/associations in business agreements with potential buyers.	The programme continued collaboration with Swahili Honey, involving beekeepers from Handeni, Kilindi and Mpwapwa Districts. FORVAC facilitated the Districts of Tunduru, Namtumbo, Songea, Mbinga, and Nyasa to formulate District Beekeepers Associations in Ruvuma Cluster.
Establishment of community owned portable sawmills	The two sawmills, operating in Songea and Ruangwa Districts, were used in 4 villages between July and December 2022. The value of sawn timber reached TZS 264,250,000 (approximately EUR 106,000). 2 additional portable sawmills delivered and installed
Establishment of two community owned solar timber drying kilns in Lindi Cluster	2 units of solar timber drying kilns were delivered and installed
Promotion of LKTS	Website collapsed – will be relaunched and more efforts in LKTS promotion to be undertaken
Management of teak plantations & intercropping.	Extension provided – good progress. 64 TGA members planted soya beans for an area of 27.2 ha in 4 villages and harvested 6,642 tons of soybeans worth TZS 7,638,300
FORVAC microbusiness support: - Phase II: mentoring and investment support. - Technical & bus dev support (Phase I and II, 145 micro-businesses in total).	Between January- December 2022, SEDIT provided the second phase of training and investment support to 74 businesses (39 groups, 35 individuals) involving 557 (273M/284F) beneficiaries in 6 Districts (Nyasa, Songea, Namtumbo, Tunduru, Nachingwea, and Ruangwa).  41 businesses reported different new business agreements within July-December 2022

Planned activity	Progress
	with 17 already realized the agreements, worth TZS 48,205,200  12 businesses secured an interest-free loan of almost TZS 72 million (around EUR 29,000) from the LGA, and 3 businesses a loan of around TZS 6 million (EUR 2,500) from the respective village
Support inclusion of PLWD/PiVP in the promoted micro-businesses	Progress not reported
Develop private sector inclusion in processing, marketing and trade of products sourced from VLFRs in the FORVAC operational area	Progress not reported
Finalizing and introducing of a CBFM Market Information System	System is in its final stages, and will be launched soon
ST consultancy: Analysis of existing wood demand of buyers for miombo timber and production capacity of local industries i	In December 2022, FORVAC hired consultants. The report will be ready soon.

Source: adapted from the FORVAC AWPB 2022/23 and Semi-annual Report July-December 2022.

### *Output 2 – Stakeholder capacity to implement and promote forestry value chain development enhanced*

The AWPB 2022/23 lists many training activities. The capacity building progress seems generally well on track (Table 14). Only for some trainings, the achievements seem to be far from reaching the annual targets (community members and government staff) but on the other hand the programme achievements on those aspects are already high. Although programme training targets of community members was already achieved, continued training is important to ensure that other members in the community who are not directly involved in the VNRC or CBFM processes are kept informed. The Socio-Economic Assessment in 2022 showed that not all people in the village, and especially PiVP are not fully aware of the systems.

**Table 14 Training achievements against planned targets**

Indicator	Annual target	Achieved (July-Dec 22)	Programme target	Cumul. achieved	% achieved
Benefit sharing guideline for HRBA	Established, disseminated and in use	(Planned for last half of the year)	Established, disseminated and in use	-	0 %
CBFM/VLFR members trained:					
VC/VNRC: no. / % F	2,000 / 35%	1,189 / 28%	15,000 / 35%	13,152 / 34%	88 %
Comm members no. / % F	600 / >40%	6 / 50%	2,000 / 40%	2,244 / 40%	112 %
VSLAs/VICOBA's					
Number	20	5	80	62	78 %
% F	60 %	57 %	50 %	68 %	136 %
% PLWD	2 %	5 %	2 %	3 %	150 %

Indicator	Annual target	Achieved (July-Dec 22)	Programme target	Cumul. achieved	% achieved
Government staff trained	200 / 22%	55 / 15%	1,300 / 22%	1,058 / 23%	81 %

Source: Adapted from the FORVAC AWPB 2022/23 and Semi-annual Report July-December 2022.

Capacity building and mentoring on CBFM related governance and management processes is mainly carried out by MCDI, which implemented many trainings and supervised harvesting in Lindi and Ruvuma Clusters. Training of trainers on business mentoring skills/mindset was provided to 17 government representatives from eight districts, 12 SEDIT staff members, and two representatives from two local NGOs.

FORVAC supported the MJUMITA Annual Forum held in Morogoro in November 2022. During the reporting period, FORVAC supported the establishment of five VSLAs in Ruangwa District in Lindi Cluster.

MSc and BSc curricula for Forest Value Chain and Business Development were formulated at SUA with FORVAC support in 2019-2020. The MSc curriculum approval process is ongoing and is expected to be presented to the SUA Senate in March 2023. The BSc curriculum was eventually not approved.

### *Output 3 – Functional extension, communication, monitoring systems and Management Information System in place*

Most planned activities for 2022/23 were achieved. FBD/MNRT upgraded the Grassroots Level Manual for Forest Based Value Chains (developed under FORVAC support in 2020) to be official government manuals.

PFM Facts and Figures were printed (1,300 pcs). FORVAC will still support data collection to update the established VLFR/CBFM database covering FORVAC operational area in Lindi, Ruvuma, and Tanga Clusters, and bring together stakeholders to discuss who will host and update the VLFR database.

FORVAC supported community members and district staff from Ruvuma and Lindi Clusters to attend in Nane Nane farmer day exhibitions. Moreover, FORVAC facilitated joint monitoring field visits, in which the Ambassador of Finland and her delegation participated.

However, the AWPB 2022/23 includes other activities regarding short term consultancies on GIS which have not yet been implemented:

- Develop and pilot a satellite image -based monitoring of forest cover (3 months).
- Develop a GIS based tool for to support monitoring of the Programme activities and results and demonstration of the activities on the map, including data input (1 1/2 months).

### *Output 4 – Supportive legal and policy frameworks to forest value chain and sustainable forest management developed*

The reported progress basically refers to the indicators listed in the RBMF in terms of support to methodologies, guidelines and regulations being updated and approved, which shows good progress.

The National Charcoal Strategy and Action Plan was finalized by the Task Force and submitted to MNRT for final approval in September 2022. However, it is not clear what the status is.

“Guidelines for the Preparation of Management Plan for National, Local Government Authority and Private Natural Forest Reserves in Tanzania” were printed and dissemination started in September 2022.

FBD/MNRT reviewed and approved the Timber Legality Framework Handbook (developed under FORVAC support in 2022) to be part of the government documents. Conducting the field assessment of the framework is planned to be implemented at the end of AWP 2022-2023.

However, the AWPB 2022/23 refers to important activities (partly deriving from ERET recommendations) that are not referenced in the Semi-annual Report July-December 2022. Their status is unclear. The activities include the following:

- Organizing a national forum for relevant discussion on CBFM and VCD.
- Short term consultancy: Development of a simplified methodology and guidelines for Participatory Forest Resources Assessment (PFRA) (a group of consultants, 2 1/2 months in total).
- Support to TFS/TFWG/TRAFFIC to organize a national seminar on movement of illegal timber and Tanzania Timber Legality Framework.
- Short term consultancy: Field assessment (2 districts/4 villages) of Tanzanian Timber Legality Framework (a group of consultants, 1 ½ months in total).

## Cost-effectiveness

By the end of December 2022, 62% of the 2022/23 annual budget for operation and management was used, which shows a slight over-expenditure at 50% of the implementation of the AWPB. It is a bit concerning that the budget for output 2 has already been completely used (113% of the annual budget spent).

However, for TA and project expenses/reimbursable costs, the expenditure was only 28% of the annual budget. The main reason seems to be under-expenditure on short term experts of which only 1.6% of the annual budget was spent (18 short term expert days out of 384). Also for the international Value Chain Development Advisor only 25% was used. Other TA fees are more in line with expected use, mostly between 40-50% of the annual budget.

However, more important is the overall financial situation of the programme, considering the entire budget and expenditures over the years.

Table 15 presents an overview of the financial performance until December 2022<sup>29</sup>. The following conclusions can be drawn:

- At 75% of the programme period, over 89% of the operational budget on programme activities has been spent, and 70% of the programme management and other costs (of which management alone is at 81%). While the latter is in accordance with the expected expenditure level, the budget for the activities has almost been spent, especially for outputs 1 (91%) and 2 (93%), which comprise the bulk of the budget. The high expenditure rate is caused by several factors, of which some are similar to the ones mentioned for PFP2: e.g. (i) changes in the exchange rate change between Euro and Tanzanian shillings, (ii) increased inflation, and (iii) substantial increase in government DSA rates. In addition, capacitating villages to run a sustainable timber business required more resources than anticipated. Finally, some payments were carried forward from the previous year.
- Finally, the TA expenditure is at 71% of the budget and only 28% of the AWPB 2022/23. The main cited reason is that the programme had put emphasis on working through service providers whilst TA support was earmarked for later in the year. According to the programme, ‘the service provision contracts required significant managerial and administrative input from the small FORVAC team’. However, it is questionable if the TA will be (efficiently) used. While the operational budget is being spent rapidly, the TA budget might not be fully used before the end of the programme. Creative solutions should be sought to make effective use of the TA component.

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<sup>29</sup> The table is based on Annex 5 of the Semi-annual report July-December 2022, which seems to have an error in the total calculations.

**Table 15 Financial performance until December 2022**

Description	Budget	Used Years 1-4	Budget Year 5	Used Year 5	% used Year 5	Balance Year 5	Cumul. used	Cumul. % used	Cumul. Balance
<b>CONTRACT</b>									
<i>Programme activities</i>									
<b>1. Improved VC and increased private sector involvement</b>									
<i>1.1 VLFR establishment and mobilisation</i>	2,018,992	1,714,546	314,400	169,277	54%	145,123	1,883,823	93%	135,170
<i>1.2 Value Chain Development</i>	2,061,774	1,542,034	365,480	288,537	79%	76,943	1,830,571	89%	231,203
	<b>4,080,767</b>	<b>3,256,580</b>	<b>679,880</b>	<b>457,814</b>	<b>67%</b>	<b>222,066</b>	<b>3,714,394</b>	<b>91%</b>	<b>366,373</b>
<b>2. Stakeholder capacity forestry VCD enhanced</b>									
<i>2.1 Capacities of VCs and VNRC to implement CBFM and VCD</i>	1,212,578	936,342	190,800	278,455	146%	-87,655	1,214,797	100%	-2,219
<i>2.2 Capacities to support and monitor CBFM/forest and VC</i>	511,098	361,458	78,400	24,549	31%	53,851	386,007	76%	125,091
<i>2.3 Forest VC/market systems and business in training institutes</i>	241,146	214,032	13,600	16,823	124%	-3,223	230,856	96%	10,291
	<b>1,964,823</b>	<b>1,511,833</b>	<b>282,800</b>	<b>319,828</b>	<b>113%</b>	<b>-37,028</b>	<b>1,831,660</b>	<b>93%</b>	<b>133,163</b>
<b>3. Functional extension, communication, monitoring &amp; MIS</b>									
<i>3.1 Extension and communication</i>	313,874	220,199	36,840	17,489	47%	19,351	237,688	76%	76,186
<i>3.2 Monitoring and MIS</i>	261,132	168,448	72,800	27,310	38%	45,490	195,757	75%	65,375
	<b>575,006</b>	<b>388,647</b>	<b>109,640</b>	<b>44,798</b>	<b>41%</b>	<b>64,842</b>	<b>433,445</b>	<b>75%</b>	<b>141,561</b>
<b>4. Supportive legal and policy frameworks forest VC and SFM</b>									
<i>4.1 Improved policy and regulatory framework for forest VCD</i>	538,784	423,872	79,300	23,012	29%	56,288	446,883	83%	91,901
<i>4.2 Forest law enforcement, and trade legally sourced timber</i>	98,168	12,807	24,000	29,003	121%	-5,003	41,810	43%	56,358
	<b>636,952</b>	<b>436,679</b>	<b>103,300</b>	<b>52,015</b>	<b>50%</b>	<b>51,285</b>	<b>488,694</b>	<b>77%</b>	<b>148,259</b>
<b>Subtotal Programme activities</b>	<b>7,257,548</b>	<b>5,593,738</b>	<b>1,175,620</b>	<b>874,455</b>	<b>74%</b>	<b>301,165</b>	<b>6,468,193</b>	<b>89%</b>	<b>789,355</b>
<b>Management and other costs</b>									
Programme management	1,956,654	1,451,920	291,960	125,926	43%	166,034	1,577,846	81%	378,808
Contingency and TA briefing	173,980	21,742	39,525	0	0%	39,525	21,742	12%	152,238
Support staff	578,813	259,562	160,000	39,047	24%		298,609	52%	280,204
<b>Subtotal Management and other costs</b>	<b>2,709,446</b>	<b>1,733,224</b>	<b>491,485</b>	<b>164,972</b>	<b>34%</b>	<b>205,559</b>	<b>1,898,196</b>	<b>70%</b>	<b>811,250</b>
<b>GRAND TOTAL CONTRACT</b>	<b>9,966,994</b>	<b>7,326,962</b>	<b>1,667,105</b>	<b>1,039,427</b>	<b>62%</b>	<b>506,724</b>	<b>8,366,389</b>	<b>84%</b>	<b>1,600,605</b>
<b>TA &amp; REIMBURSABLE COSTS</b>									
TA	3,184,929	2,105,977	645,005	166,810	26%	478,195	2,272,786	71%	912,143
Project expenses, reimbursable costs	998,077	568,538	142,400	50,885	36%	91,515	619,424	62%	378,653
<b>TOTAL TA &amp; REIMBURSABLE COSTS</b>	<b>4,183,006</b>	<b>2,674,515</b>	<b>787,405</b>	<b>217,695</b>	<b>28%</b>	<b>569,710</b>	<b>2,892,209</b>	<b>69%</b>	<b>1,290,797</b>

Source: adapted from FORVAC Semi-annual report July – December 2022

## Management, including M&E

Interviews with key stakeholders indicate that the PMT, despite the change of CTA has been quite functional and many of the practical issues that hampered programme implementation have been adequately addressed. A review of the steering committee meetings minutes suggest that generally adequate follow-up was provided and action taken by the programme on the resolutions. However, the ERET review found that a number of the ERET recommendations were not followed up.

The programme design poses some challenges for the efficiency of operations due to the huge geographic area, the relatively limited human resources, and the participatory approach, involving all districts in the planning aspects. Within the limitations of the design, the FORVAC PMT has used its resources and organised the work reasonably efficiently. The Cluster Coordinators play a key role in coordinating and facilitating the implementation in their areas. The use of Service Providers for the implementation of the CBFM related activities can also be considered efficient. The efficacy of the approach is further discussed in the chapter of effectiveness. However, regarding the current set-up in the extension phase the following observations are made.

In the extension phase only two Cluster Coordinator positions were maintained. They are directly supervised by the National Forest Management Expert. However, the question is whether for such a small programme this set up is efficient. Especially Lindi Cluster covers a huge area with many communities being supported on CBFM and where most timber harvesting activities are taking place. It is very difficult for the Cluster Coordinator who is based in Ruangwa District to coordinate and monitor all activities<sup>30</sup>. Reportedly, he spends on average four days in Liwale District every month. Considering that many activities are happening in that district, covering 52 supported villages with the last half year already 25 villages having been involved in timber production and sales, the adequacy of the set-up can be questioned. The rationale for

<sup>30</sup> While during ERET field visits, the Cluster Coordinator was well known in most villages, in some areas, or for some SMEs this was less the case.

maintaining the National Forest Management Expert position while there is such a need for more staff in the field, is not clear. With such a small team, instead of continuing with the National Forest Management Expert position, it might be more efficient to have one more Cluster Coordinator in Lindi Region instead, with one coordinator being based in Liwale District. The Cluster Coordinators could directly be supervised and report to the CTA. The current structure seems overly bureaucratic.

The ERET MTE findings on human resources also still apply. As the value chain development is still behind schedule, there is a need for a more permanent TA to support this area. The part-time Value Chain Advisor hired for the work is an expert in community development and mindset trainings, while the programme still lacks expertise in business development and market access.

According to the data provided, nine steering committee meetings were conducted since the start of the programme. As mentioned in earlier ERET reviews, the steering committee meetings are more technical and detailed with respect to the programme strategies and implementation. The ninth steering committee shows representatives of value chain actors, including Tanzania Honey Council -THC, Tanzania Wood Working Federation – TAWOFE, Tanzania Forest Industries Federation – SHIVIMITA, and Tanzania Apiculture Development Support Organization and also Tanzania Forest Working Group - TFWG. These stakeholders are important but there are many issues to be debated of a more policy/regulatory nature. As also commented for the PSC of PFP2, there seems a tendency of the PSC to focus on detailed programme implementation issues at the expense of more structural aspects related to the enabling environment of CBFM, including the feasibility and sustainability of some processes like VLUP, FMP, or VLFR gazettelement, implications of policies and regulatory functions regarding timber harvesting and trade (GN 417, role of districts, pricing), and other aspects related to the value chain development.

In terms of M&E, the comments and observations made in the MTE and last year's review still apply. The programme has established a MIS system that covers monthly activity progress reporting by cluster and contributes to the quarterly reports. Although the system is useful in keeping track of the activities, it is also very descriptive.

Data management remains an area that needs improvement. Despite recommendations made in the MTE and in 2022 review, the programme does not have a geo-referenced database for each village that exactly tracks the relevant information regarding the village (population, geographic info, some basic data), VLFRs, VLUPs, FMPs, FHPs, VNRCs, VSLA's, VCs, status before the programme, support provided by FORVAC, etc. While it is appreciated that the programme has few resources, the excel files and tables presented in the progress reports and data provided by Cluster Coordinators or the villages themselves show several inconsistencies. Most of the monitoring data in the field are provided through progress reports by the service providers, which are also not linked to a database. Even simple maps with the names of the supported villages are not available. However, according to MCDI, they have a georeferenced management information system, which could be filtered by donor funded programme. While ERET did not have an opportunity to review their system, according to MCDI the system could be used by FORVAC.

Regarding monitoring activities in the field, Cluster Coordinators conduct some monitoring and occasional joint monitoring exercises are undertaken, but overall, programme monitoring remains rather weak. The service providers work relatively independently, and there is limited information on their operations outside their progress reports. Cluster Coordinators have limited resources for monitoring in the field.

It is acknowledged that the programme resources are limited but this area needs improvement and for a next phase more resources are required.

#### 5.1.4 Effectiveness

***Finding 11:*** The programme has been successful in promoting and supporting CBFM, especially in villages that have adequate forest resources. Good governance systems have been put in place and the visited VLFRs are well managed. The VNRCs are active, motivated and have a good gender

balance. The Forest Management Plans (FMPs)/ Forest Harvesting Plans (FHPs) are used to guide the harvesting process (but are also overly complicated and expensive). Very few incidents of illegal activities and conflicts have taken place, although migrating pastoralists are considered a threat in many villages.

**Finding 12:** The timber value chain is of main interest to villages. Although only a fraction of the AAC is being harvested, and the demand of LKTS remains low, visited villages managed to generate substantial revenue from timber trade, with most obtaining between TZS 150 and 400 million. The revenue share of the VNRC (30-35%) is used for payment of VNRC operation as well as purchase of equipment and motorcycles to facilitate their operations. The VC share (50-60%) is used for community development, such as the construction of community structures, including government offices, health centres, class rooms, water facilities, etc., but also provision of school meals or health insurance to VNRC members and PiVP. The decision-making process on the use of the revenue is transparent. The LGA get 5-10% of the revenue.

**Finding 13:** Districts are participating well in the programme and some of the DFOs and CDOs are well known in the visited villages. But FORVAC activities are not necessarily integrated into district plans and budgets.

**Finding 14:** The support to other NTFP value chains and micro-businesses is not very effective: The programme primarily focuses on the production side without considering other important aspects of the value chain, including marketing, which is an issue. The exception is the collaboration with Swahili Honey, a private company, which is a good model, providing sustainable income opportunities for farmers.

Some micro-enterprises are not linked to forest management, which defeats the purpose of FORVAC incentivising communities to sustainably manage and use the forest by demonstrating its value, and not take value chains out of the forest to integrate them in other land uses.

SMEs were provided with equipment and machines without being properly trained or able to replace spare parts, etc.

**Finding 15:** The HRBA section of the PD has been improved, which provides better guidance on HRBA. It remains difficult to involve PiVPs due to a combination of socio-cultural stigmatisation, self-exclusion, and other constraints, but PiVPs benefit from the VC social funds projects directly and indirectly from improved service delivery and the provision of health insurance and free medication, or children benefitting from school meals. The programme has been successful in promoting gender equality with women being increasingly involved in decision-making processes. Achievement of intermediate outcomes and adoption of good practices.

**Finding 16:** With respect to micro-financing, the support to the village loans and savings associations (VSLA) is appreciated and most of the groups consist predominantly of women. However, the linkage with CBFM is very weak and the loans are usually not used for forestry-based enterprises but to cover some expenses or implement short term income generating activities.

## Achievement of intermediary outcomes

### VLUP

The programme did not support the establishment of new VLUPs this year. With regards to effectiveness of the existing VLUPs, the comments made by ERET in 2022 and the ones made for PFP2 still apply and can be summarised as follows:

- The methodology used and especially the use of satellite imageries is good, reducing time and promoting participation. Communities established Village Land Use Management Committees

(VLUMC) with consideration of gender balance and including participation of PiVP, as according to government regulations and guidelines.

- Feedback from the visited villages are mostly positive. In some cases the VLUPs contributed to reducing conflicts over boundaries or helped to resolve land use conflicts, including with pastoralists. However, there is no guarantee that the VLUPs will solve all land use conflicts and in some districts the conflicts reportedly continue. There is a significant amount of anecdotal evidence in Tanzania that shows that VLUPs, without the implementation of proper monitoring and enforcement mechanisms, are insufficient to reduce land use conflicts.
- At a general level, villagers are aware of the VLUP, but many, especially PiVP, do not know the exact contents. After the VLUP preparation land use in some communities is not properly supervised and monitored as prescribed in the VLUPs.
- As was mentioned for PFP2, also in the case of FORVAC, there is need for integration of environmental concerns in the VLUP. Central and local governments are not integrating land use planning and conservation education into agricultural development plans. There is also a tendency of wall-to-wall planning, designating large areas for certain land uses without considering environmental and biodiversity concerns within those areas.
- The VLUP process is expensive, complex and not sustainable without external funding.

In addition, during the ERET 2023 review, the question of ‘importance’ of VLUPs as a precondition for the CBFM process was raised, considering the extensive resources required. In most villages VLUP basically differentiates between the VLFR and other land uses (agriculture often mixed with settlement), so if the VLFR is already demarcated there does not seem to be much added value of the VLUP. Equally importantly, the CBFM guidelines and the Forest Act do not require that a VLUP exist before a VLFR can be declared or even gazetted.

### *VLFR establishment and governance*

The VLFRs vary in size and composition, ranging from few hundred hectares to over 20,000 ha, with the largest forests being located in Liwale District. Depending on the size, composition and quality of the forests, the VLFRs provide different options for use, including timber harvesting and trade, NTFPs, and other functions and services. For the villages that have relatively few forest resources the options remain limited.

For the 2023 review, ERET only visited communities in Lindi Cluster, eight in Liwale District and two in Ruangwa District. Several of these villages, especially in Liwale District had also participated in the LIMAS programme and a few, such as Barikiwa in NFBKPII. When LIMAS started, some villages around Angai forest split and had boundary conflicts (Lilombe, Chigugu, and Luwele) which prevented them from joining LIMAS. FORVAC helped them to resolve the conflicts and get support for establishing CBFM. Interviewed people in these villages commented that they regretted that they did not resolve their conflicts earlier as they now experience the benefits of CBFM.

The visited **VLFRs** appear adequately managed and are well stocked. Most VLFRs still include preferred timber species, such as Mninga (*Pterocarpus angolensis*) and Mkongo (*Azelia quanzensis*). For example, in Barikiwa Village ERET visited a saw milling operation of huge Mninga logs. But especially LKTS are abundant and in some VLFRs the volume of commercial timber species is limited. Especially in Ruvuma Cluster this is the case. LKTS are an important alternative, but the demand remains low. Some LKTS (volume of 984 m<sup>3</sup>) were sold through the support of the programme for a value of TZS 216,675,435 (approximately EUR 90,000). For some LKTS such as Mpangapanga (*Millettia stuhlmannii*) the demand increased after successful promotion, which prompted the government to change its price classification from TZS 260,000/standing tree m<sup>3</sup> to the highest category (TZS 290,000/standing tree m<sup>3</sup>).

All visited villages had **FMPs** (and **FHPs**) and some had their FMPs renewed. According to district officers, some villages stopped harvesting when their FMP expired and apparently two villages even paid for the FMP

revision themselves (TZS 12-15 million). Villages have by-laws that stipulate the use of products from the VLFR.

The FMPs (and FHPs) are important in guiding the management of the VLFRs. The FMPs are supervised by the VNRCs. The ERET review, and also the SEA (2022), showed that VNRC members are well informed and able to indicate and allocate harvestable volumes in the FHPs and the different uses and procedures stipulated in the FMPs. However, in some VNRCs newly elected members do not have adequate knowledge of the FMPs and rely on the longer serving members for guidance. When VNRC election takes place, usually some longer serving members are retained to maintain the institutional capacity. While the FMP is useful in guiding the management of the VLFR, the design process is very complex, technocratic, and expensive, requiring forestry expertise that is beyond the capacity of the villages and mostly unsustainable for villages with VLFRs that do not generate much revenue. Experiences in other countries show that a simpler and participatory approach can be effective and increase ownership of the communities involved. The question is also who monitors the FMP as MNRT does not have the capacity. Districts check the harvested timber but do not monitor the implementation of the FMP.

As noted in the SEA, some people in the community, and especially PiVP, might not be aware of the contents of the FMPs and their rights with respect to the VLFRs, including the possibility of free use of NTFPs for domestic use. The majority of interviewed PiVP in the SEA thought that the VLFR is owned by the VNRC and that entry is forbidden. Although in the ERET 2023 review, most people in the meetings seemed to be well informed, the regulation on access to forest products (NTFPs) of the VLFRs could be clearer communicated.

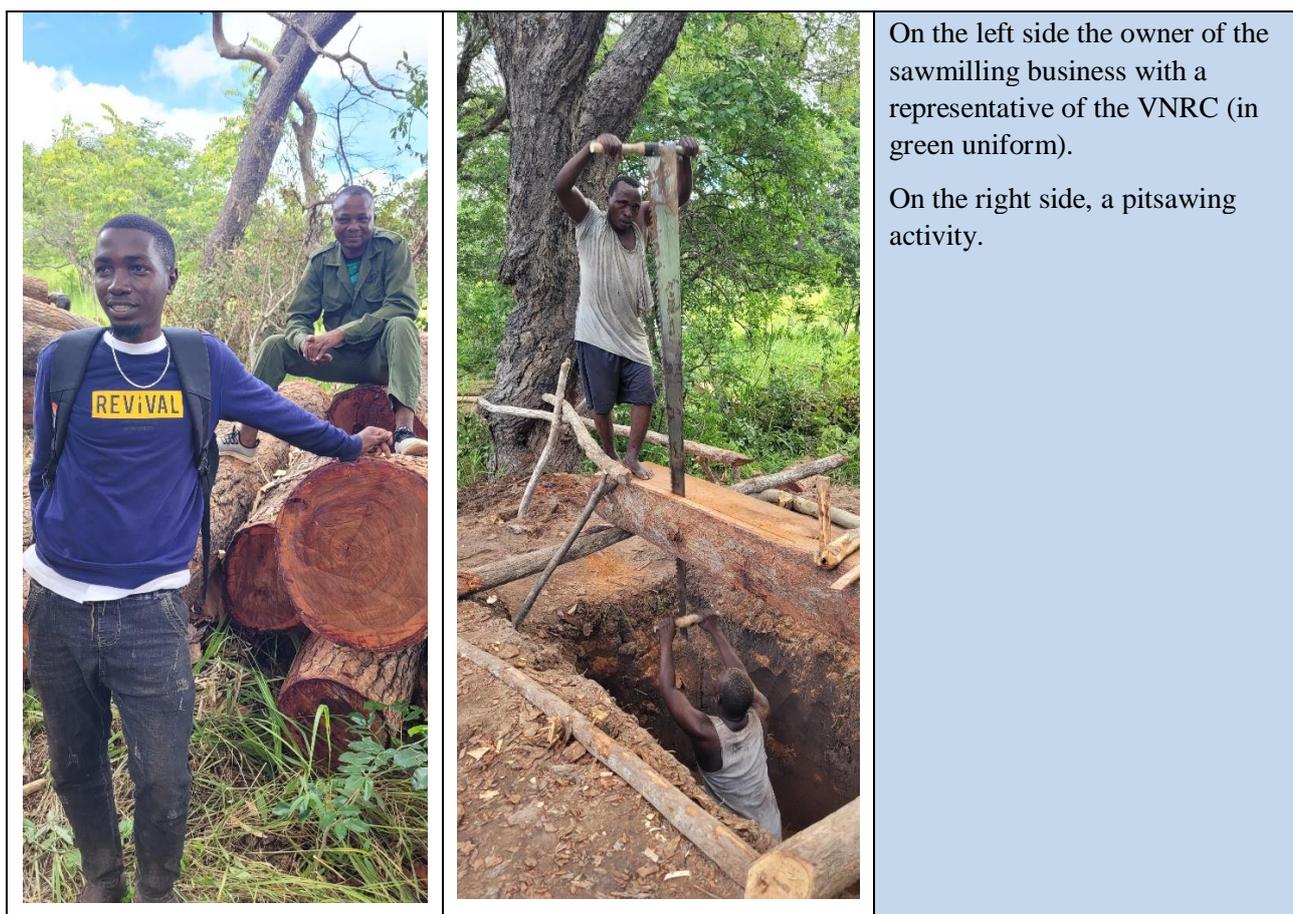
Interviewed VNRCs appear active and motivated. They are involved in patrolling the forest, supporting early burning and supervising and monitoring harvesting procedures. The patrols involve women and men, and other community members from different hamlets. As VLFRs are often far from the village and large in area, the provision of motorbikes by FORVAC has helped their mobility. Through the revenue from timber sales of which the VNRCs get a share of 30-40%, many VNRCs were able to procure additional motorcycles. Many VNRCs do the patrolling twice per month and spend several days in the VLFR. The ERET observed the monitoring of harvests in Barikiwa, where VNRC members were permanently present at the milling site.

Women are well represented in the VNRCs and participate in patrolling, and other activities, including sawmilling (50% of the trained operators for the mobile sawmills are women). Although in some cases their role in governance structures and decision-making processes might still be limited, compared to previous years, female VNRC members were found to be less shy and fully participate in the discussions with ERET.

Many VNRCs reported no- or very few incidents of illegal activities. In some villages the migrating pastoralists were considered a major threat. In Mchichili Village, pastoralists were refused land by the VC and left. In Chigugu Village, the VC requested support from the district and police, which resulted in the temporary expulsion of the pastoralists, but after some time they returned. The challenges with respect to agricultural expansion, poaching, illegal logging and fire were said to be very low or absent as the community sees the benefits from CBFM, in the form of community development.

Villages outside the programme focus have expressed their interest to the local government authorities to start CBFM. However, the process requires capital that most of the villages don't have. Some villages are reported to have borrowed money from neighbouring villages, but not all villages have access to these types of loans. Funding mechanisms, such as revolving funds for VLFR establishment could be developed to allow also other villages outside the programme reach to benefit from CBFM.

**Box 5 Saw milling enterprise in Barikiwa, using traditional pit sawing technology**



On the left side the owner of the sawmilling business with a representative of the VNRC (in green uniform).

On the right side, a pitsawing activity.

Source: ERET 2023 – photos with consent of the people involved.

*Timber value chain*

The timber value chain is of main interest to the villages, generating substantial revenue. According to FORVAC up till December 2022, a total of 42 FORVAC-supported villages have started timber sales. The cumulative volumes and revenue are as follows:

- Standing timber: 15,488 m<sup>3</sup> / TZS 4,302,512,864
- LKTS: 2,859 m<sup>3</sup> / TZS 568,693,830
- Sawn timber: 12,214 planks / TZS 479,790,250.

The visited villages confirmed the sales, with some of them obtaining TZS 200-400 million, approximately EUR 80,000-160,000 (see Table 16).

**Table 16 Reported timber sales of visited villages ERET 2023**

District	Village	Households	Population		Area VLFR ha	Volume Harvested m <sup>3</sup>	Revenue TZS
			M	F			
Liwale	Likombora	342	975	950	11,006	1,091	311,376,500
	Kitogoro	274	675	598	8,275	475	142,438,000
	Nanjengeja	376	1,006	996	2,646	372	107,920,000
	Luwele	291	580	579	16,261	884	256,360,000

	Mihumo	320	749	787	8,709	1,201	292,340,000
	Chigugu	366	696	772	10,288	360	104,400,000
	Barikiwa	1,254	2,130	2,230	19,268	898	265,085,000
	Mtawatawa	518	998	1,020	12,391	1,536	393,626,280
	<i>Sub-total:</i>	<i>3,741</i>	<i>7,809</i>	<i>7,932</i>	<i>88,844</i>	<i>6,817</i>	<i>1,873,545,780</i>
Ruangwa	Nandenje	665	970	1,230	5,084	142*	772,732,000
	Mchichili	902	1,855	1,396	4,914	84*	135,519,000
Total		5,308	10,634	10,558	98,842	7,043	2,781,796,780

Source: Summaries of progress, presented by villages visited during ERET 2023 review.

\*The volume harvested and obtained revenue do not correspond well.

The data provided by Mchichili and Nandenje Villages do not seem correct as the volume harvested and obtained revenue do not correspond. The data of the villages in Liwale District appear to be better. Overall, the figures show that substantial revenue was obtained from timber trade.

At the same time it is important to emphasise that only a fraction of the available stock has been harvested. Of the almost 99,000 ha of VLFR, only 7,043 m<sup>3</sup> was harvested. Using the more correct figures of villages in Liwale only, of a total of 88,844 ha of VLFR, only 6,817 m<sup>3</sup> was harvested. Assuming a stocking rate of 120 m<sup>3</sup> per ha this would mean only 0.06% of the stocking volume. The total harvested volume reported by the visited villages in Liwale District over several years since they started, only represent 30% of their annual allowable cut with some of the villages with bigger VLFRs, like Barikiwa after several harvests not even reaching 10% of one year's allowable cut. This shows that the fear of CBFM contributing to overharvesting is unfounded and that actually the opposite is true with the VLFRs being under-harvested.

Nonetheless, the obtained revenue is still considerable. The data from the visited villages indicate that the revenue is usually split as follows. The VNRC gets 30-35% (34% average), the VC receives 50-60% (57% average) and the LGA obtains 6-10% (average 9%).

The VNRC funds are used for payment of conducting regular patrols, purchase of equipment and materials (including GPS, solar lanterns, chain saw, stationery and first aid kits), review of FMP/FHP and supervision of timber harvesting, trainings and meetings, purchase and maintenance of motorcycles, and transport and travel costs.

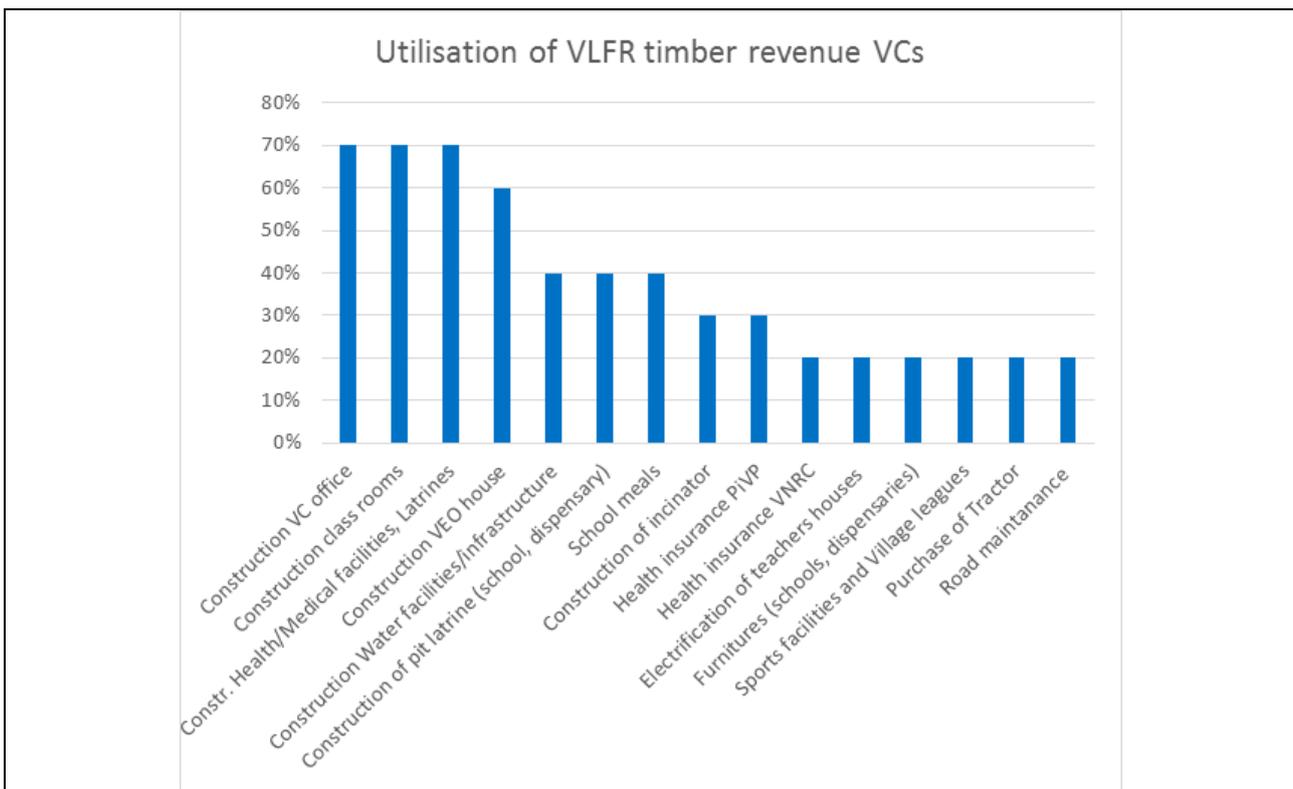
The VC funds are used for community development activities. The decision making process on the use of the revenue is transparent with the village assembly having the final say. ERET was assured that the proposed activities were not rubber stamped and sometimes debated in the village assemblies. Most villages spent money on the construction or refurbishment of community structures, including government offices, health centres, class rooms, water facilities, etc., but also services are provided such as provision of school meals or health insurance to VNRC members and PiVP.

**Figure 11** Newly constructed VC office and VEO house in Chigugu Village



Source: ERET team

**Figure 12** Utilisation of the VC share of the timber revenue



Source: Village summaries provided to ERET 2023

Villages get higher revenues from selling sawn timber as compared to standing tree sales. Estimates from villages in Ruangwa that made use of the mobile sawmill are ranging from 26% to 41% increase. The visited villages in Liwale District did not yet benefit from the mobile sawmill but they have high expectations of the one that will be distributed. The two remaining mobile sawmills and drying kilns have now been provided by FORVAC and are based at the District Council offices. However, given the number of villages involved in CBFM in Liwale District, the demand for the mobile sawmill by far exceeds its capacity. Many villages will

not be able to access it when they need it. The use of the sawmill and drying kiln requires close supervision from the district and the service provider. Concerns raised by ERET in 2022 about the maintenance and sustainability of the sawmills are being addressed and are further discussed in the section on sustainability.

The ERET 2023 also visited a pit sawing site. Although pit sawing is legal, it is understood that it is being discouraged by the government, possibly because of concerns about safety and low recovery rate. However, it might continue to be a good alternative for selling standing trees and provide some labour opportunities to local people.

Sustainable charcoal could be an additional product and value chain, but the policy environment is not supportive.

The visited villages confirmed that LKTS are abundantly available in their forests but the demand remains low. Only few LKTS were sold. The fact that the government does not include LKTS in its tenders does not help to increase the demand. Stakeholders led by MCDI, has provided a recommendation to government to review the procurement process and it is understood that MNRT has prepared a technical order and shared it with the Public Procurement Regulatory Authority (PPRA).

The programme is supporting various initiatives to enhance the marketing of LKTS and other species from the VLFRs, but most of the activities are still on-going. This includes the CBFM MAiS, the Miombo timber species website, a study on the demand for Miombo timber which is mapping the production capacity of the local wood industry and preparing a marketing strategy for Miombo timber, and other marketing support activities. These activities include demonstrations of furniture made of LKTS during fairs and exhibitions, or bringing buyers together. It is still too early to measure any impact from these activities. MCDI also promotes FSC, basically for export. An important principle that has been denied communities is the freedom to set the prices of trees as agreed with a customer. This principle would allow villages to lower the price of LKTS so as to attract buyers for these species that are not well known in the market. Indeed, the government royalty rate is not set according to market principles and does not serve any purpose when it comes to allocating a value to resources.

Districts are participating well in the programme and some of the DFOs and CDOs were well known in the visited villages in 2023. However, a few issues remain. FORVAC activities are not necessarily integrated into district plans and budgets. Second, there is a high staff turnover and incoming officers need to be capacitated on CBFM again. Districts generate high revenue from forestry but do not allocate significant resources back to provide extension support to CBFM villages. The plan of establishing a timber yard in Ruangwa District on which ERET commented and expressed some doubts in 2022, has not proceeded.

Various challenges on the timber value chain still exist of which some have already been mentioned in the relevance section. They can be summarised as follows:

1. GN 417 is trying to align pricing of village timber with government royalty rates, in contrast with Forest Act Part X, Section 78, Sub Section 3, further distorting the function of the market and constraining village pricing strategy. GN 417 is now under review but some villages lost their customer as they awaited for the outcome of the review. In the ERET 2023 review, it was found that all interviewed carpenters sourced their timber from other sources than the VLFR due to high costs within the village.
2. TFS (and reportedly some politicians/MPs) are not supportive of CBFM, especially the timber value chain (see section on relevance), providing misleading comments that affect the credibility and smooth operation of CBFM processes. This inconsistency has also contributed to undermining private sector confidence in natural forest management, leading to a continued burden on public resources to manage these types of forests and stunting the associated value chain development throughout Tanzania.
3. Low demand of LKTS. Timber and furniture procurements through government tenders stipulate the use of Mninga and Mkongo (and not LKTS). This is being reviewed.

4. Villages pay 10% to the district for services, which is meant for service delivery by the DC to the village ‘on a voluntary basis’.<sup>31</sup> However, there is no regulation guiding the 10%, which is collected as produce CESS. These “forced” payments by villagers to LGA have been challenged as there is no legal basis of the payments. Furthermore, it is questionable to what extent services are reinvested by the districts.
5. There is a risk of interference or conflicting roles of districts (regulatory versus commercial) in the marketing of timber. In 2022, ERET found issues of the LGA buying timber from a VLFR against a low price. This year, the ERET team was informed about the use of a mobile sawmill (not FORVAC provided) by one of the districts that did not follow the agreed rules for management and did not even purchase the timber from the VLFR.
6. As mentioned in the ERET 2022 report, the village is required to pay for the wood from their own forest (VNRC account to VC account) in order to get the permit for harvest, process the logs and sell processed goods (e.g. sawn timber). This makes processing very difficult at the village level, especially for those that start up the business, as communities rarely have investment capacity for this. This issue was already raised in the FORVAC Annual Report 2020-2021, but has not been resolved yet.

There are several other challenges related to the VLFR timber trade, which have been known and reported since 2014 by LIMAS and NFBKPII and more recently by FORVAC. The bottlenecks are related to higher pricing for timber from VLFRs as compared to timber from National Forest Reserves and general land, and different levels of monitoring<sup>32</sup>.

Despite these challenges, it can be concluded that FORVAC has been successful in promoting and supporting CBFM, generating substantial revenue to the villages that is used for sustainable forest management and community development purposes.

#### *NTFP/NWFP Value Chain, micro-businesses and VSLA*

In the few villages visited during the ERET 2023 review, the micro-enterprise activities were mostly related to honey production and carpentry. The ERET 2022 and SEA 2022 also came across mushroom and handicraft activities, but the scale is quite low with few beneficiaries.

**Honey.** Collaboration with private companies, such as Swahili Honey, demonstrates well-established and sustainable income opportunities for farmers within existing value chains. Through FORVAC, four districts were engaged. For example, in July-October 2022, beekeepers in Kilindi District sold 2.6 tons of comb honey to Swahili Honey, and were paid TZS 2,800 per 1 kg. -Kilindi DC generated revenue from honey production when Swahili Honey paid Kilindi DC TZS 450,000.

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<sup>31</sup> This seems different from the Local Government Finances Act 1982, Part II, Section 7, and its regulations, which stipulates a maximum of 5% fees which is the produce CESS that the buyer pays to the DC.

<sup>32</sup> 1. Higher pricing for timber from VLFRs as compared to timber from general land: Although CBFM and TFS follow the same minimum pricing and both in theory charge for (calculative) whole tree volume, due to differences in volume calculation methods price per piece of timber is lower when buying from TFS.

2. Different levels of monitoring: communities push each felled tree to be used efficiently, as it reduces their annual allowable cut and hence possibility to earn. Therefore, each available log is charged from the buyer (after first having converted the log volume to whole tree volume). Communities do not have the right to go under the minimum price (which has become the fixed price) for this smaller less wanted log. In general land, where there is less monitoring, a buyer can fell as many trees as he/she feels like to get the same amount of timber pieces - many prefer processing and, hence, paying for only the best lowest log. (FORVAC Annual Report 2020).

**Figure 13 Swahili Honey factory in Dodoma**



Source: ERET team

FORVAC has managed to connect farmers to a trusted buyer and facilitated both the farmers and the buyer to collaborate. Thanks to the founding work done by the programme, Swahili Honey has invested its own resources in expanding the collaboration, and aims to continue and expand the activities also beyond the programme period. Through the facilitation of FORVAC, Swahili Honey has managed to connect honey producers to international markets, contributed to volume increase and quality improvements among producers, and enhanced valuable sales channels for beeswax, a high profitable product of the beekeeping value chain<sup>33</sup>. However, it compels beekeepers to produce high quality of honey as required for the export market. Apparently, Swahili Honey stopped buying honey from producers in Handeni District as the honey had a high moisture content and (according to the previous Cluster Coordinator) was polluted and mixed with sub-quality honey from other sources.

In Ruvuma and Lindi Clusters, there is no involvement of Swahili Honey. Songea District has high potential due to miombo vegetation and would be ideal for Swahili Honey to serve as it is close to Njombe, where they have core operations as well. According to Swahili Honey, FORVAC did not want them to expand to Songea. Instead, technical training/mentoring was provided by Tabora Beekeeping Centre and by the District Beekeeping officer.

FORVAC facilitated the Districts of Tunduru, Namtumbo, Songea, Mbinga, and Nyasa to formulate District Beekeepers Associations in Ruvuma Cluster and to prepare a beekeeping calendar and associated implementation strategies to guide beekeepers in the management of their apiaries. Synchronized or coordinated harvesting period of bee products, such as honey in a given district or area with similar seasons, helps to attract big buyers.

Through the micro businesses support, FORVAC trained 76 beekeeping businesses. Groups were provided with hives but at least some the groups visited, were apparently not well trained and they were asking for more capacity building. Last year, ERET found several problems in their production, including disappearing colonies, insect attacks, hives put at the wrong locations, poorly constructed hives, etc. with resulting in low

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<sup>33</sup> Industrial honey players buy comb honey, so that they can process the wax and honey and sell them separately at a good profit.

honey yields. According to FORVAC, the situation has improved as colonization rates increased from 15% in March 2022, to 52% in December 2022, and 3,543 kg of honey was produced.

However, in the consultations with ERET in 2023, marketing was reported a major problem. While some of the honey is absorbed in the local market, the price remains low. The local market does not differentiate much on the quality but rather on the price. In Barikiwa Village, they aim to establish a bee reserve. While colonization appears to be relatively good, marketing was identified to be the main obstacle.

**Carpentry.** The carpentry groups and individuals visited by ERET in 2023, were all provided with new tools and machines, but some had very limited capacity to operate them. The equipment was not well adapted to the use of hard wood and quickly wears out, while spare parts are not readily available. Some business-related support has been provided but the technical support has been minimal. According to FORVAC, too much time was spent on procurement with too little time left for adequate training and coaching.

Some supported carpenters have very limited capacity to operate the tools they have received from the programme. One carpentry group reported that they were required to build a shed for their shop in order to access the tools provided by the programme. They also mentioned in an interview that they had not received any training to use the supplied tools. After about one year of operations, they were unable to pay for their operating licence and repay a loan they had taken to build a shed for their carpentry shop, thus they had to shut down the shop. Currently, the tools are unused, shop keepers are in debt and business was shut down. While another individual carpenter confirmed he got some basic training on the use of the tools, technical support has been minimal and some of his tools have broken down. He was trained in record-keeping and maintained a number of administrative books but the business has not improved.

**Mushrooms.** ERET did not visit any mushroom group, but was informed that the identified business partner (Mamaland, based in Zanzibar) had disappeared and did not provide the intended support on the production and marketing. The rationale for supporting mushroom groups to grow exotic mushrooms outside the VLFRs is not so clear.

**Micro business capacity building.** SEDIT trained the groups in business management. In the 2021 review, ERET found that SEDIT did not have adequate time for mentoring and validation. Moreover, monitoring remained weak. Although ERET was informed that in the current contract this would be addressed, still it was found that most visited groups were not performing very well. Despite the change of strategy in the second phase of microbusiness support, focusing on existing groups or individuals who are already involved in the supported enterprise, many gaps are found. Although ERET acknowledges that the micro-business support is not an easy component and it might not be simple to find business partners in the value chain, the review did not see very positive results. This remains a weak area.

The value chain approach still does not seem to be clear, strategic and effective. Equipping groups in villages with gear and materials has been repeated in rural development since long time, without much success if the marketing aspects are not adequately considered. The approach to ‘first start production and improve the quality before looking at marketing’ is not a valid value chain development approach.

The main issue seems that technical support, mentoring and monitoring are inadequate, and many ‘micro-enterprises’ are not linked to partners in the value chain. The scale is also very small. The model created in Handeni by engaging a company to support beekeeping groups, seems valid and according to Swahili Honey they are prepared and willing to provide services also in Songea District as well. More companies should be engaged to link groups or individuals to markets.

It is understood that FORVAC made some changes in the micro-enterprise tendering process, based on lessons learned from the first round. On the one hand, the selection criteria were adjusted to support people with disabilities. Two individual businesses of entrepreneurs with disabilities, and three groups, with a total of seven members of PLWD were selected to receive the business support (FORVAC Semi-annual Report July-December 2021). However, at the same time, more weight was given to the field assessment of businesses to ensure they are operational and applicants have sufficient capacity and expertise.

An aspect that should also be looked at is the ‘group’ approach. The SEA 2022 found that the cohesion of the groups is sometimes weak and also Swahili Honey commented that a weakness of the FORVAC approach is the fact that the hives are owned collectively by the group, whereas normally the production is done on an individual basis. The group might easily get demotivated by less active members. While training can be done as a group, the company recommends that the hives should be owned and managed by individuals.

**VSLA.** With respect to VSLA, the support is appreciated but the scale appears very low and there is a weak (or mostly no) link with CBFM. Most of the groups consist predominantly of women. The loans are usually not used for forestry-based enterprises but to cover some expenses or implement short term income generating activities.

### **Growth mindset training**

Training of trainers was also provided by the contracted short term VC advisor on growth mindset, based on the approach that was also used for PFP2. Training was provided to 17 government representatives from eight districts, 12 SEDIT staff members, and two representatives from two local NGOs. No feedback was provided by the consulted groups or facilitators on this training. It is not clear if these trainings have already been incorporated in the provided services. As acknowledged by the CTA, the training philosophy is useful but further strengthening on the value chain and business approach is necessary.

Considering the objectives of the programme and relatively good results of CBFM, it could be questioned if support to micro-enterprises is effective in the form it has been done. The project is primarily focusing on the production side without considering other important aspects of the value chain, including marketing. Second, some micro-enterprises are not linked to forest management. FORVAC should support forest-based enterprises that contribute to the value of the VLFR. Mushroom collection is limited to certain periods in the year, but the rationale for substituting it by promoting exotic mushroom production outside the forest is not so clear. Similarly one would expect honey production not to be moved from the forest to other places. The whole point of FORVAC is to ensure that the forest maintains its perceived high value through its use (i.e. timber, sustainable charcoal, NTFP, and ecological services), and not take value chains out of the forest to integrate them in other land uses (unless there are clear economic or other reasons). Third, the scale of the ‘enterprises’ remains very small. The question is whether FORVAC or at least a successor programme should spend much resources and time on trying to support activities that have minor impact. Beekeeping could be the only major NTFP that has some potential, if properly linked to the market.

## **HRBA**

The HRBA section of the PD has been improved, which provides some better guidance on HRBA.

PiVPs benefit from the community development projects, which the VC implements from the generated timber sales revenue. Most of the benefits are indirect, aimed at improving overall service delivery by the village government and relevant institutions (construction or rehabilitation of village government offices, schools, health centres, teacher’s houses, roads, etc.). Others are more direct, such as the provision of health insurance and free medication, or children benefitting from school meals. Very few PiVP are involved in supported micro-businesses or VSLAs. In addition, ERET interviews in 2023 also showed that direct access to the VLFRs and their benefits are in some villages restricted, which makes it even for PiVP difficult to get for example firewood or mushrooms from the forest. Besides, many VLFRs are located far from the village and PiVP usually rely on the general village lands for forest products such as firewood, fruits, medicine, and mushrooms. In addition, as the SEA also indicated, PiVP are usually not much informed or involved in the communication processes. Many do not attend the village assemblies where main decision are taken on the use of the VLFR and spending of the generated revenue.

In terms of gender equality, the programme has been reasonably successful. Gender equality aspects are purposively integrated in the CBFM processes. Women appear well represented in most CBFM activities, including membership of VNRCs (35%), in which they participate in all activities, including patrolling. Although some aspects, especially those related to timber production are still considered the men’s domain,

women are increasingly being involved. Their participation in micro enterprise activities is also high (50% in phase II) and members of VSLAs are also predominantly women. Although in terms of leadership and decision-making, women usually play a minor role. During the consultations in 2023, ERET found that women in the meetings had become increasingly vocal, showing more confidence in sharing their views. ERET was also informed that women are increasingly involved in the decision-making processes and FORVAC was credited for that. The consultants who were involved in the GALS training also observed the same.

The GALS pilot training has been well received by the participating service providers and FORVAC Cluster Coordinators. However, although the training has been an eyeopener to them, they could not well explain how the programme will make use of the training and upscale the approach. A relatively limited number of participants (husbands and wives) were involved in the pilot and the exercise is very intensive, which makes it difficult to expand or replicate. According to FCG the idea was also to create ‘champions’ at village level who would then take the concept further. Participating service providers were also expected to try the approach in other villages, but a discussion with SEDIT did not indicate that they have any plans for that. They would require additional funding. The GALS facilitator will do a follow-up in June 2023. For now the effect seems very local and limited.

### Contribution to achievement of outcome indicators

The programme outcome is ‘sustainably managed forests and forest-based enterprises generating income for community members and revenue for community social services’.

Some outcome indicators require surveys that will be done at the end of the programme. However, based on the ERET findings, some observations were included in the last column of Table 17.

The main findings on the achievement of the outcome can be summarised as follows:

1. The programme has been most successful in promoting and supporting CBFM, especially in villages that have adequate forest resources. Good governance systems have been put in place and the VLFRs are well managed. Although the CBFM support process has taken longer and required more resources than anticipated (as wrong assumptions were made on villages with existing CBFM systems), the results are good and the target of the area under CBFM is likely to be met.
2. Despite the difficulties in marketing LKTS and the fact that the harvested timber volumes represent only a fraction of the AAC, the revenue obtained and invested in community social services is much higher than anticipated, providing direct and indirect benefits to community members, including PiVPs. The timber production, and especially sawmilling provides additional employment to community members.
3. The achievements on the results and income generated from the support to NTFP and micro-enterprise development fall far below the targets, confirming the observations made by ERET that no clear, strategic and effective value chain approach has been followed as the focus was primarily put on the production side without considering marketing aspects and linking up with business partners.
4. The support provided on the policy documents does not have a major effect on improving the enabling environment, addressing some of the key challenges that undermine CBFM, especially with respect to the timber and sustainable charcoal value chains.

**Table 17 Observations ERET on achievement of outcome indicators FORVAC**

Indicator	Baseline	Programme target	Cumulative progress by June 2022	Observations ERET
Area in hectares under Sustainable Forest	0	450,000 ha (based on 69 FMPs)	58 villages supported with	If SULEDO FMPs are approved the area under CBFM will be reached, but

Indicator	Baseline	Programme target	Cumulative progress by June 2022	Observations ERET
Management regime			FMPs have approved plans at the District and/or Ministry level, covering a VLFR area of 373,820 ha - 15 villages (including SULEDO) are waiting for District level approval for the 3 FMPs (81,911 ha) - 27 VLFRs gazetted, 185,911 ha in total	not the number of FMPs. However, the target was based on wrong assumptions that many villages had already established CBFM in place.  More importantly, ERET 2023 found that good SFM systems are established and functioning in visited villages. The VLFRs are well managed and governed.
Percentage of total income increase from households involved in forest-based businesses sourced legally from VLFRs	0	10%	No data - progress will be measured in the End Impact Study in 2024	The number of households supported through micro-businesses are relatively few and the generated revenue is not expected to be high, except maybe for beekeeping supported by Swahili Honey. Carpenters do not source their materials legally from VLFRs. The main income from CBFM is revenue from timber used for community development.
Percentage of adult community members employed in VLFR management and forest based enterprises (disaggregated by sex, age categories and disability; and differentiated for timber and other VCs)	9% of adult community members	Timber VC: 15%: 20% M / 10% F NTFP VCs: 15%: 15% M / 15% F  To be disaggregated by age categories and disabilities	Will be measured in the End Impact Study in 2024.  July-December 2022:	In the period July-December 2022, FORVAC reports that through sustainable timber harvesting, villages have offered employment opportunities for a total of 1,586 (1,370M/216F) villagers.
Volume (m3) and value (income, TZS) of legal timber sold from VLFRs: i) total; ii) lesser-known species; and iii) primarily processed (e.g. for	0	(i) 20,000 m3 / TZS 4,000,000,000 (ii) 2,000 m3 / TZS 400,000,000 (iii) 2,000 m3 / TZS 800,000,000	i) Standing timber: 15,488 m3 / TZS 4,302,512,864 ii) LKTS: 2,859 m3 / TZS 568,693,830 iii) sawn timber: 12,214 planks / TZS 479,790,250	The targets might be met before the end of the programme but the volume of processed timber is not given. With the sawmills now in place, especially in Liwale, production is expected to increase. Much depends also on the success of the

Indicator	Baseline	Programme target	Cumulative progress by June 2022	Observations ERET
sawmilling)				LKTS promotion and the extent to which challenges listed in the ERET report are addressed.
Value of (income derived from) NTFP, total/per household involved in the Programme supported producers' groups and/or microbusiness support, disaggregated by gender and disability	0	TZS 125,000,000 / TZS 625,000 per HH Women 40%, PLWD 5%	Total approximate income through beekeeping (539M/434F, 3 PLWD), mushroom (2M/9F, 1 PLWD), bamboo (22M/38F, 1 PLWD) & pottery (18F): TZS 41,179,596 Women 47%, PLWD: 0.5%	The total income is TZS 41,179,596 - 33% of the target. The income per HH (derived from total supported 1,061 beneficiaries) is TZS 38,776 – only 6% of the target. These figures illustrate the difficulties of the value chain support to micro-businesses.
Amount (TZS/EUR) of social funds from forest produce sales used/ distributed from FORVAC supported VLFRs (specified for types of support, including to vulnerable people)	0	EUR 470,000 / TZS 1,175,000,000	In average, 60% of the income of standing timber sales and 35% of the income of sawn timber sales (the whole profit) is used for social development, totalling TZS 2,749,434,306 / EUR 1,099,774. Used for development purposes, e.g., health care, education, etc.	The targets have been achieved (more than doubled). Although no exact figures have been provided on how much was spent on each community development project, the ERET report lists how the timber revenue was utilised in the visited villages, supporting health, education and other development facilities and services. PiVP benefit additionally from health insurance, free medication and school meals.
Number of students that are and have been enrolled in FORVAC supported curricula/ training contents	0	100	0	The MSc curriculum review is still in process while the BSc was not approved.
Enabling policy environment and forestry extension services available supporting establishment and management of sustainable CBFM and related VCD	Limited support to CBFM and VCD in the communities covered by FORVAC	Enabling policy environment available supporting establishment and management of sustainable CBFM and related VCD: 69 VLFRs established and operational; 200	Several key policy documents developed which directly contributed to the outcome related to establishment and management of sustainable CBFM and micro-enterprise support notably the Charcoal	The main question is how these documents are or will be used? Several challenges still exist for CBFM compromising the enabling environment and undermining sustainable CBFM, especially related to the timber and charcoal value chain. Although the

Indicator	Baseline	Programme target	Cumulative progress by June 2022	Observations ERET
		new microenterprises/ businesses operational	Strategy and Action Plan finalized by the Task Force, and supporting the review and approval of the Timber Legality Framework Handbook.	room to manoeuvre at the political level is limited for FORVAC, for a next phase these issues should be discussed to ensure that the relevant institutions (especially TFS) follow the CBFM principles as stipulated in the forest policy and treaties signed by the GoT.

### 5.1.5 Sustainability

**Finding 17:** The CBFM process shows promising results. Especially in villages that are engaged in timber harvesting, sustainable forest management is likely to be continued. VNRCs are paid for their services and community members appreciate the village development projects and see the value of their forest.

**Finding 18:** The sustainability of the mobile sawmills maintenance and continued services provision through the joint account of registered villages in an association is not clear yet. The implementation might be complex and there could be a risk of interference by the districts.

**Finding 19:** Sustainability of the outputs will also depend on a stable enabling environment, including coherent policy interpretation and incentives for the beneficiaries, such as good pricing and markets for their products, an equal playing field and full support at the political level. Several challenges have been identified that need to be addressed.

**Finding 20:** For communities that have few forest resources or options for timber trade, sustainable management is more complex. Opportunities for diversification on other emerging market niches are not easy but might exist, including ecosystems services, carbon financing / trade<sup>34</sup>, sustainable charcoal and value addition for LKTS (including offcuts for carvings, briquettes etc.), which have not yet been well explored.

#### Sustainability of results and approach

The support to the CBFM process shows promising results. Especially in villages that are engaged in timber harvesting, sustainable forest management is likely to be continued. VNRCs are paid for their services and managed to purchase motorcycles and equipment that makes it easier for them to continue their services. Community members appreciate the village development projects and see the value of their forest. This reduces the risk of conversion of the VLFR for other land use purposes, especially agriculture. Some villages agreed to renew their FMP from their own resources. But there is still need for continued capacity building and monitoring.

<sup>34</sup> A cautious approach on carbon financing is needed as the carbon trade market is also a speculative and volatile sector, which incurs many risks and might be counterproductive to CBFM if requirements to forego timber harvesting are included. Future support could focus on helping relevant stakeholders in better understanding the carbon trade and advising communities that are the forest/plantation owners, rather than providing direct support to the establishment of carbon financing projects.

To facilitate sustainable management, villages in collaboration with MCDI and districts are in the process of establishing a joint account of registered villages in an association. The account will cover maintenance costs of the jointly owned mobile sawmill and extension costs for villages to contract a service provider (MCDI, district, other) for example to support the renewal of the FMP or other requirements. The funds for those two purposes will be separately administered. The process is still premature. Although the idea is good, the implementation might be complex and possibly there could even be a risk of interference from the district.

Sustainability of the outputs will also depend on the enabling environment from policy and incentives for the beneficiaries, such as good pricing and markets for their products and an equal playing field. In the end, timber produced through CBFM should be awarded and not have to compete with timber obtained through unsustainable and less regulated practices. Several comments were made by communities on how GN 417 negatively affected their pricing of village timber. As LKTS dominate many VLFRs, their sustainability will depend on favourable policy/regulations and the opening up of markets for LKTS.

Finally, some concerns are raised regarding the sustainability of some CBFM-related processes and approaches:

- CBFM is sustainable for communities that have abundant forest resources. However, for those that have few resources, sustainable management is more complex. Although not easy, opportunities for diversification on other emerging market niche than timber exist, including ecosystems services, carbon financing / trade, sustainable charcoal and value addition for LKTS (including offcuts for carvings, briquettes etc.), which have not yet been well explored.
- As discussed earlier, a common voice of the government, politicians and agencies (TFS) is required on CBFM, including the support to the timber and sustainable charcoal value chain.
- There is a high turnover of government officials (RCs, DCs, and even PS and Minister), which requires continuous awareness raising and lobbying on CBFM.
- The preparation of FMPs (and also VLUPs) is a complex, technocratic and time-consuming activity which many villages with less resources cannot do on their own or pay for without further financial support. There is need for simplification, following the examples of other countries. In addition, VLUPs do not adequately integrate ecosystems and biodiversity concerns which might affect environmental sustainability and are not always well monitored and enforced.
- The ‘voluntary’ levy paid by villages to the district is not considered necessary – it is the government’s mandate to provide services and not to impose another tax. It is actually inappropriate for one level of government to tax another, lower level of government. In addition, districts get high income from forestry but reinvest only a fraction to the management of forest resources and the support of CBFM.

With regards to the NTFP and micro-business value chain activities, apart from producers that have secured markets through linkages with companies such as Swahili Honey, the sustainability of the groups and individual enterprises is uncertain. The support to carpentry, mushroom and other minor businesses is not very effective and not likely to contribute to sustainable results.

### 5.1.6 Impact

***Finding 21:*** It is expected that proper CBFM implementation will contribute to reduced deforestation and better forest cover. However, the impact for community members will be mostly related to improvement of their livelihoods from the community development projects (‘social funds’), and not necessarily show an increase of their income. Although additional employment is created through CBFM, and some beekeeping enterprises (especially those linked to Swahili Honey) get a higher income, the impact from the micro-enterprise support will remain limited.

The overall objective is 'reduced deforestation and increased economic, social and environmental benefits from forests and woodlands'. The indicators have not been assessed yet by the programme and will be measured in the end impact study in 2024.

It is expected that through proper CBFM implementation the forest cover area of the supported villages by FORVAC (especially in well forested villages involved in timber production) will be better than in areas that do not have any sustainable management regimes. However, the impact for community members will be mostly related to improvement of their livelihoods from the community development projects ('social funds'), and not necessarily to an increase of their income. The assumption that substantial revenue will be generated by individuals through forest-based enterprises is not valid. Although additional employment is created through CBFM, and some beekeeping enterprises (especially those linked to Swahili honey) got a higher income, the impact from the micro-enterprise support will remain limited.

## 5.2 Follow-up of ERET recommendations 2022

After the ERET field visits in Tanzania were finalised, a detailed response from FORVAC was provided on the follow up of the ERET recommendations of 2022. Table 18 lists the FORVAC response on the recommendations and ERET's assessment if the recommendations were addressed or adequate reasons were provided for not adopting them. Most of the recommendations were partly followed up. The main reasons for not fully adopting some of the recommendations are limited resources and no further action planned to some activities (such as VLUP). While it is appreciated that the programme, given its limited remaining resources must prioritise its activities and focus on exit strategies in the last year of implementation, it is felt that some efforts could still be provided for some recommendations.

**Table 18 FORVAC follow-up of ERET Recommendations 2022**

Recommendations 2022	Response/follow-up	Action required
<p><b>Overall recommendation:</b> Improve the micro-enterprise strategy by adopting a more strategic value chain approach, linking the beneficiaries to existing partners for marketing and services. For the extension (provided it will be approved by the GoT), undertake an analysis of the options for support and focus on the most strategic aspects, given the allocated funds. Put specific emphasis on enhancing the sustainability of the processes and especially addressing the issues in the timber value chain.</p>	<p>FORVAC will prioritize a strategic review of the micro-enterprises it currently supports to examine efficiency/cost effectiveness, viability and sustainability – enhancement strategies but also enhance enterprise links with the Village Land Forest Reserves (VLFRs).</p> <p>This later point is essential to align micro-enterprise support with the overall approach of the programme to incentivize CBFM maintenance and management by increasing the value of the forest resources. The value chain consultant has currently had a TOR developed for this work.</p> <p>TORs for service providers are also currently being revised to focus more on sustainability –exit strategy.</p> <p>Workshops and meetings have been planned to bring producers and buyers together as well as exploring ways to link buyers and producers through apps and online.</p> <p>A key priority in the final stages of FORVAC will be to strengthen links between communities and the private sector regarding VLFR products/value addition and make those links resilient and not reliant in subsidy.</p>	<p>ERET 2023 did not see significant changes on the value chain approach. With the arrival of the new CTA, some of the concerns and recommendations are in the process of being addressed. More efforts are needed.</p>

Recommendations 2022	Response/follow-up	Action required
<p><b>1:</b> Further operationalise the HRBA strategy and take note of the SEA findings. Increase commitment of stakeholders to support HRBA and increase the advocacy capacity of rights holders and the awareness of duty bearers. Improve the inclusion of PiVP through specific targeting and adaptive management.</p>	<p>Done – HRBA strategy was updated in 02.2022 and 10.2022 (see Project Document). GALS consultancy was designed with this in mind also. Social Funds are used to benefit vulnerable groups as well as village community in general. It is the duty of the VCs and VNRCs to ensure that they consult beneficiaries on use of the funds, share information on decisions and manage funds transparently. FORVAC works with VC and VNRCs to strengthen communication of decision-making opportunities. However, it is recognised that not all villagers are willing participants, and FORVAC does not have the staff available to work in an intensive fashion with all potential participants. This is in the hands of the VC and VNRC. The development of the Benefit Sharing Guideline has been included in the AWP 2022-23 (Output 2.1), with 2 short term consultancies - to assess opportunities for increased inclusion of women, PLWD and PiVP in activities and benefit sharing; and for development the VLFR benefit sharing guidelines</p>	<p>No further action required, although the replication or upscaling of GALS is not expected.</p>
<p><b>2.</b> Include an explanation in the heading of the original RBMF in the PD (Annex 1) that it refers to the 'old' framework, or put the modified RBMF first to avoid confusion.</p>	<p>Addressed during PD updating</p>	<p>No action required.</p>
<p><b>3.</b> Prepare a strategic workplan for the extension phase in line with the available budget. MNRT: approve the extension phase</p>	<p>AWP 2022-2023 prepared</p>	<p>No action required.</p>
<p><b>4.</b> Improve collaboration with PFP2. Note that some recommendations are similar to both programmes and could be jointly undertaken, such as improvements of VLUPS</p>	<p>Some attempts have been made, for example, training and linking carpenters with buyers together with PFP2 through Afrifurniture project. Unfortunately, the project has faced challenges and collaboration between FORVAC and Afrifurniture was never realized. FORVAC has trained district officers and SEDIT on 'SME development manual' developed by PFP. The principles of the manual have been applied in micro-business support activities.</p> <p>There are no more VLUPS planned as no more resources are available.</p>	<p>There are still options for collaboration and common interests (SME development, sawmilling, drying kilns, timber value addition, policy environment).</p>
<p><b>5.</b> MFA/GoT reassess the option for refunding FORVAC on the amount paid for the PFP1 bridging period.</p>	<p>Extension budget prepared and accepted (without refund)</p>	<p>No action required.</p>
<p><b>6.</b> Identify the options for providing substantial more TA</p>	<p>FORVAC agrees, however budget not available. We are completing ongoing activities. For the extension</p>	<p>According to semi-annual report at Dec.</p>

Recommendations 2022	Response/follow-up	Action required
input for the value chain and microenterprise component	phase, FORVAC received more TA input for the value chain and microenterprise component.	2022 EUR71,334 of the international VCDA budget was not used. However, there might be further options such as linking Songea beekeepers to Swahili Honey.
<b>7.</b> Adopt the recommendations made in the MTE 2021 for improving the M&E system, especially with respect to data management and the establishment of a proper database that systematically covers data of each supported village and plan and undertake outcome surveys. Also ensure that the disaggregated data on PiVP is covered in the monitoring system.	ST consultancy planned to integrate GIS to M&E system. The Ministries have their own comprehensive M&E systems. FORVAC has an Excel platform based on the indicators in the result framework. Service providers have TOR with indicators. Question of what is 'need to know' versus 'good to know'	True but ERET found still issues with data management – check with MCDI database and MIS if it is useful and can be adopted or linked to. M&E is important, especially if dependent on Service Providers (SP). Simple outcome assessments can be done on benefits of social funds.
<b>8.</b> PSC members): The PSC should play a more strategic role, focusing more on major issues in the enabling environment and be less involved with the detailed programme implementation.	Not up to the FORVAC team to decide	PSC to respond.
<b>9:</b> Liaise with NLUPC and PLUMS to support better integration of environmental and biodiversity concerns, within the main designated land use areas.	VLUPS are prepared already. FORVAC doesn't relate to NLUPC.	Last statement not clear. FORVAC could still meet with NLUPC jointly with PFP2 and discuss issues that could benefit CBFM in the future.
<b>10.</b> Liaise with LGAs and other relevant stakeholders to address major issues in the timber value chain. Follow-up on the MTE 2021 recommendation to gather information on the implications of GN 417 at village level and support MNRT to organise a national dialogue to discuss major issues affecting CBFM.	Government stakeholders have reviewed GN417, in order to not interfere with community rights - review meeting held in Morogoro and proposal for changes sent to the Attorney General. Hence less of an issue now.	No action required but it would be good to follow up on the revision.
<b>11.</b> Put increased emphasis on the value chain and micro-	Already working on this. Limited number of investors in the Programme area, but the increased availability	Good with regards to timber value chain

Recommendations 2022	Response/follow-up	Action required
enterprise development. Improve the strategy by linking up to partners in the value chain, such as Swahili Honey and support beneficiaries that have already experience.	of legal timber is assumed to increase the investments. FORVAC is supporting private sector actors to come to the village areas to improve NTFP and timber value chains in a sustainable manner. Short term consultancies planned under Output 1.2 - Analysis of existing wood demand of buyers for miombo timber and production capacity of local industries in southern/central Regions of Tanzania, identification of market for VLFR timber and establishment of a marketing strategy for this timber	but inadequate with respect to micro-enterprises/NTFP support.
<b>12.</b> Adopt, operationalise and implement the updated HRBA strategy.	Aiming to improve HRBA implementation (see AWP) – for instance via GALS study - pilot of the GALS methodology at household level to empower women and PiVPs, and build on gender equality and social inclusion. Targeted awareness-raising activities with youth on sustainable forestry and environmental issues. It is recognised that social norms may limit the active participation of all community members. It is very problematic to lead significant cultural/social norm changes from a small project team, yet a vast, widely spread number of beneficiaries. Even if PiVPs are less involved in some locations, they benefit from the work of the VCs – via construction of health centres, school classrooms, etc.	No further action required, although the use and upscaling of GALS is dubious.
<b>13.</b> Liaise with LGAs, PO-RALG, MNRT and other relevant stakeholders to strengthen the enabling environment for CBFM.	FORVAC has made the MNRT/FBD aware of the high expenses of establishment and management of VLFRs. See also AWP	Ok but the recommendation also referred to other challenges listed in this report as well. For a next phase these should be discussed prior to implementation.
<b>14.</b> Put increased efforts on enhancing sustainability of the supported processes, including VLUPs, FMPs, and mobile sawmills.	Agreed that sustainability is problematic – with many communities relying on continuing project support. Given that the CBFM process needed to be established prior to the FORVAC value chain activities starting, more time was needed to put the value chain activities on a sustainable basis. FORVAC is supporting 4 portable sawmills and their economic viability is under continuous monitoring. Currently they have significant sales and should be sustainable. Market and price interference by Districts may impact on the profitability of the sawmills, but to date, they have been profitable. FORVAC is aiming to improve sustainability. MCDI will continue working with businesses after FORVAC and the ‘exit strategy’ commitments are being factored into revised Concept Notes/TORs particularly regarding mobile sawmill	Agreed that FORVAC on its own cannot lobby for simplifying the FMP. The suggestion that FORVAC works in consortium with other CBFM supporters/actors at a national level is good. Even if resources and time are limited, a future programme can build on that.

Recommendations 2022	Response/follow-up	Action required
	<p>maintenance. Other options for wood harvesting are also being explored however note that government has either banned or discouraged other wood use alternatives lit pit sawing.</p> <p>Although FORVAC was designed to support 'secondary' CBFM issues, it is clear that there are many problematic 'primary' CBFM issues. Also FORVAC sites included many where CBFM has to be established. As a result FORVAC spent a disproportionate amount of funds on CBFM activities and is 'playing catch-up' on value chain work. Although it is recognised that many primary CBFM aspects are problematic, such as the complex and costly FMP/gazettelement and VLUP, it extremely challenging to simplify these processes at a national level, and if FORVAC was to prioritise these simplifications it might detract even more from its primary goal of value addition and sustainable CBFM enterprises especially at this stage in the programme.</p> <p>It would seem that either FORVAC works in consortium with other CBFM supporters/actors at a national level in simplifying these processes or there is an entire future programme or strand of a future programme to address this simplification specifically.</p> <p>Although the simplification is needed, the danger is that if FORVAC now tries to address this it might spread itself too thin.</p>	
<b>Legend:</b>		
<b>Recommendation well addressed</b>		
<b>Recommendation partly addressed</b>		
<b>Recommendation not addressed</b>		

### 5.3 Concluding findings and recommendations

Findings	Recommendations
<b>Overall finding and recommendation</b>	
<p><b>Overall findings:</b></p> <p>FORVAC is most successful in supporting Community Based Forest Management (CBFM) governance and timber production, but much less on Non-Timber Forest Products (NTFP)/ Non-Wood Forest Products (NWFP) value chains and micro-businesses.</p> <p>The success of CBFM largely depends on the community's</p>	<p><b>Overall recommendations:</b></p> <p>Due to the limited budget prioritise the activities that are most strategic for enhancing the sustainability of the processes and especially addressing the issues and challenges of the timber value chain.</p> <p>Strengthen links between community</p>

Findings	Recommendations
<p>perceived value of the VLFR and the tangible benefits generated. Visited communities in Liwale District managed to get substantial revenue from timber trade, which are used for community projects and payment of forest governance and management services. Sustainability is high. However, for communities that have fewer forest resources or options for timber trade, sustainable management is more complex.</p> <p>The support to NTFP value chains and micro-businesses is not very effective due to the approach, primarily focusing on the production side without considering the marketing aspects and linking up with business providers and provision of equipment without much training and coaching. The exception is the collaboration with Swahili Honey company which provides a good model. In addition, many enterprises are not linked to forest management, defeating the purpose of FORVAC incentivising communities to sustainably manage and use the forest by demonstrating its value.</p> <p>The burning rate of the operational budget has been very high, which limits the options for support activities in the last year.</p>	<p>enterprises and the private sector regarding Village Land Forest Reserves (VLFR) products/value addition. Support local government and service providers in developing exit strategies.</p> <p>In collaboration with other public and private sector stakeholders and partners, support the establishment of a national dialogue on CBFM.</p>
Specific findings and recommendations	
<p><b>RELEVANCE</b></p> <p><b>Finding 1:</b> The programme is well aligned with and responsive to the development objectives, policies, and priorities of the Government of Tanzania and the Government of Finland. Global experience with CBFM shows that FORVAC’s approach – linking forest management to livelihood improvement and income as a key incentive for sustainable use – is the best option for conservation.</p>	<p><b>No action required.</b></p>
<p><b>Finding 2:</b> While the Forest Policy strongly supports CBFM, there is lack of consensus on the implementation. Consulted district and community representatives complained about TFS not supporting the CBFM process, especially the timber value chain. This undermines the enabling environment and could ultimately affect the impact of FORVAC and have implications for the decision on further support to CBFM by the MFA of Finland.</p>	<p><b>Recommendation 1:</b> If funds allow support MNRT and main stakeholders in the timber value chain in organising a national dialogue to discuss the challenges in the enabling environment hindering timber production and trade from VLFRs and the required steps to overcome them. Provide support to a study on the constraints to private sector involvement in natural forest management – possibly FORVAC could initiate the first steps for the preparation of the ToR and plan while implementation could be further funded by other stakeholders or future programme.</p>
<p><b>Finding 3:</b> Based on the findings of the ERET 2022 review and the SEA report, FORVAC decided to pilot a Gender Action Learning System (GALS) approach, aiming for empowerment of women and PiVPs. The programme relies on ‘champions’ to take the process further, but up-scaling of the approach is not expected in the remaining period.</p>	<p><b>Recommendation 2:</b> Identify if/how the GALS approach could be further scaled up or integrated into the trainings and services provided for the remaining time.</p>
<p><b>Finding 4:</b> The two-year extension of the programme has a</p>	<p>See overall recommendation and</p>

Findings	Recommendations
relatively small budget, which will reduce the impact.	recommendation 5
<p><b>COHERENCE</b></p> <p><b>Finding 5:</b> The programme has complementary functions with the other programmes supported by the MFA, especially PFP2, which also looks at value chain aspects. Despite common interests there has been little collaboration. There is room for strengthening some areas of common interest and ensure that the two forestry programmes complement each other, contributing to their common objectives rather than conducting similar activities independently. FORVAC is also coherent with other initiatives in the forestry sector and involves local institutions.</p>	<p><b>Recommendation 3:</b> Improve collaboration with PFP2 on common relevant aspects. Given the limited time remaining, the collaboration topics should be prioritised, also with the new programme in mind: VLUP (liaise with the NLUPC to support simplification and better integration of environmental and biodiversity concerns in the guidelines and implementation), value chain and private sector involvement, sawmilling, design and marketing furniture and other wood products, HRBA.</p> <p>See also comment on PFP2 recommendation 2 regarding VLUP.</p>
<p><b>EFFICIENCY</b></p> <p><b>Finding 6:</b> Despite a change of CTA, overall progress is satisfactory.</p> <p>Output 1: The reported progress on VLFR establishment and mobilisation is good, with most output indicators showing over 80% achievement against the programme targets. The planned value chain activities listed in the AWPB 2022/23 are also well on track although the number of forest-based businesses remain far below the targets.</p> <p>Outputs 2, 3, and 4 also show satisfactory progress, but some activities in the AWPB are not reported on and some have not yet started.</p>	<p><b>Recommendation 4:</b> Follow up on the AWPB 2022/23 activities that were not yet implemented.</p>
<p><b>Finding 7:</b> The programme shows rapid expenditure of the operational budget due to increased costs for DSA, deteriorated exchange rate and high inflation. At 75% of the programme period, over 89% of the operational budget on programme activities has been spent. The budget for the activities has almost been used, especially for outputs 1 (91%) and 2 (93%), which comprise the main part of the budget.</p>	<p><b>Recommendation 5:</b> Assess the budget and options for reallocation of operational funds and discuss with MFA the options to ensure that activities for outputs 1 and 2 can be continued.</p>
<p><b>Finding 8:</b> The current structure with two Cluster Coordinators who are supervised by a National Forest Management Expert (NFME) appears heavy and not very efficient for a small programme. While supervision could also be done by the Chief Technical Advisor (CTA) more resources are needed in Lindi Cluster, covering a huge area with many CBFM communities and timber harvesting taking place that need to be more intensively monitored.</p>	<p><b>Recommendation 6:</b> Consider changing the position of the National Forest Management Expert to include one more Coordinator in Lindi Cluster to be located in Liwale District. The Coordinators should all report to and be supervised by the CTA. If administratively not possible, consider the NFME taking over some coordination tasks in Lindi Cluster.</p>
<p><b>Finding 9:</b> The ERET 2021 and 2022 findings on need for increased value chain TA still apply. The part-time value chain advisor hired for the work is an expert in community development and mindset trainings, while the programme still</p>	<p><b>Recommendation 7:</b> For the remaining TA input on value chain support identify a value chain expert with relevant business experience to support the linkage to business partners and</p>

Findings	Recommendations
lacks expertise in business development and market access.	marketing.
<p><b>Finding 10:</b> M&amp;E and data management remain areas that need improvement. Despite recommendations made in all ERET reviews the programme does not have a geo-referenced database for each village that tracks the relevant information. Inconsistencies are found in provided data. In addition, monitoring of the work and results of Service Providers in the field remains limited (see also finding 8). Finally, no simple outcome data are available, such as amounts spent by communities on different community development activities and beneficiaries (for example number of PiVPs receiving health insurance).</p>	<p><b>Recommendation 8:</b> Assess the CBFM database developed by Mpingo Conservation and Development Initiative (MCDI) and identify options for adopting relevant parts of the system. If not possible, develop a simple georeferenced system for tracking CBFM progress in supported villages. See also recommendation 6 on more resources for monitoring in Lindi Cluster. While the programme plans to undertake an impact study at the end in 2024, in the meantime some simple outcome measurements could be undertaken by the M&amp;E Officer.</p>
<p><b>EFFECTIVENESS</b></p> <p><b>Finding 11:</b> The programme has been successful in promoting and supporting CBFM, especially in villages that have adequate forest resources. Good governance systems have been put in place and the visited VLFRs are well managed. The VNRCs are active, motivated and have a good gender balance. The Forest Management Plans (FMPs)/ Forest Harvesting Plans (FHPs) are used to guide the harvesting process (but are also overly complicated and expensive). Very few incidents of illegal activities and conflicts have taken place, although migrating pastoralists are considered a threat in many villages.</p>	<p><b>Recommendation 9:</b> While it is acknowledged that the programme does not have adequate resources to come up with proposals for improving the FMP process to make it more efficient and sustainable, through collaborative arrangements with other CBFM supporting organisations and through the identification of good practices in other countries, FORVAC could play a role in exploring options for improvement of FMP procedures, which could be further built on by the new forestry programme.</p>
<p><b>Finding 12:</b> The timber value chain is of main interest to villages. Although only a fraction of the AAC is being harvested, and the demand of lesser known timber species (LKTS) remains low, visited villages managed to generate substantial revenue from timber trade, with most obtaining between TZS 150 and 400 million. The revenue share of the Village Natural Resources Committees (VNRC) (30-35%) is used for payment of VNRC operation as well as purchase of equipment and motorcycles to facilitate their operations. The VC share (50-60%) is used for community development, such as the construction of community structures, including government offices, health centres, class rooms, water facilities, etc., but also provision of school meals or health insurance to VNRC members and PiVP. The decision-making process on the use of the revenue is transparent. The LGA get 5-10% of the revenue.</p>	<p><b>Recommendation 10:</b> Continue providing support to CBFM and focus on enhancing the sustainability of the processes and especially addressing the issues and challenges of the timber value chain, including enhancing improved linkages to private sector businesses.</p>
<p><b>Finding 13:</b> Districts are participating well in the programme and some of the District Forest Officer (DFOs) and Community Development Officer (CDOs) are well known in the visited villages. But FORVAC activities are not necessarily integrated into district plans and budgets.</p>	<p>For a follow-up programme the activities should be better integrated in the district plans and budgets.</p>
<p><b>Finding 14:</b> The support to other NTFP value chains and micro-businesses is not very effective: The programme primarily focuses on the production side without considering other important aspects of the value chain, including marketing,</p>	<p><b>Recommendation 11:</b> Strengthen the overall value chain approach, including links between community level enterprises and the private sector regarding VLFR products and value</p>

Findings	Recommendations
<p>which is an issue. The exception is the collaboration with Swahili Honey, a private company, which is a good model, providing sustainable income opportunities for farmers.</p> <p>Some micro-enterprises are not linked to forest management, which defeats the purpose of FORVAC incentivising communities to sustainably manage and use the forest by demonstrating its value, and not take value chains out of the forest to integrate them in other land uses.</p> <p>SMEs were provided with equipment and machines without being properly trained or able to replace spare parts, etc.</p>	<p>addition. Ensure that supported value chains and micro businesses are linked to the managed VLFRs and deprioritise support to NTFPs that are less effective.</p>
<p><b>Finding 15:</b> The HRBA section of the programme document (PD) has been improved, which provides better guidance on HRBA. It remains difficult to involve PiVPs due to a combination of socio-cultural stigmatisation, self-exclusion, and other constraints, but PiVPs benefit from the VC social funds projects directly and indirectly from improved service delivery and the provision of health insurance and free medication, or children benefitting from school meals. The programme has been successful in promoting gender equality with women being increasingly involved in decision-making processes.</p>	<p>See recommendation 2 on GALS.</p>
<p><b>Finding 16:</b> With respect to micro-financing, the support to the village loans and savings associations (VSLA) is appreciated and most of the groups consist predominantly of women. However, the linkage with CBFM is very weak and the loans are usually not used for forestry-based enterprises but to cover some expenses or implement short term income generating activities.</p>	<p>For a future programme it will be important to ensure that micro financing solutions are well linked to CBFM and use of the VLFR.</p>
<p><b>SUSTAINABILITY</b></p> <p><b>Finding 17:</b> The CBFM process shows promising results. Especially in villages that are engaged in timber harvesting, sustainable forest management is likely to be continued. VNRCs are paid for their services and community members appreciate the village development projects and see the value of their forest.</p>	<p><b>Recommendation 12:</b> Identify lessons learned from the FORVAC programme and priorities for the future programme, and start developing a robust exit strategy, in close collaboration with key stakeholders, including LGAs.</p>
<p><b>Finding 18:</b> The sustainability of the mobile sawmills maintenance and continued services provision through the joint account of registered villages in an association is not clear yet. The implementation might be complex and there could be a risk of interference by the districts.</p>	<p><b>Recommendation 13:</b> Closely follow up on the initiative regarding a joint account for an association of registered villages to ensure that the system is practical and sustainable.</p>
<p><b>Finding 19:</b> Sustainability of the outputs will also depend on a stable enabling environment, including coherent policy interpretation and incentives for the beneficiaries, such as good pricing and markets for their products, an equal playing field and full support at the political level. Several challenges have been identified that need to be addressed.</p>	<p>See recommendation 1 on enabling environment (finding 18).</p>
<p><b>Finding 20:</b> For communities that have few forest resources or options for timber trade, sustainable management is more complex. Opportunities for diversification on other emerging</p>	<p><b>Recommendation 14:</b> Within the limitations of the budget, identify opportunities and risks/challenges for diversification for</p>

Findings	Recommendations
<p>market niches are not easy but might exist, including ecosystems services, carbon financing / trade<sup>35</sup>, sustainable charcoal and value addition for LKTS (including offcuts for carvings, briquettes etc.), which have not yet been well explored.</p>	<p>communities that have relatively few forest resources, which cannot generate high revenue from timber production (preferred species). The analysis could be valuable and built on further by future programmes.</p>
<p><b>IMPACT</b></p> <p><b>Finding 21:</b> It is expected that proper CBFM implementation will contribute to reduced deforestation and better forest cover. However, the impact for community members will be mostly related to improvement of their livelihoods from the community development projects ('social funds'), and not necessarily show an increase of their income. Although additional employment is created through CBFM, and some beekeeping enterprises (especially those linked to Swahili Honey) get a higher income, the impact from the micro-enterprise support will remain limited.</p>	<p><b>Recommendation 15.</b> (MFA/MNRT) Commission an impact study towards the end of FORVAC, that will comprehensively analyse the impact of the programme (and its predecessor programmes LIMAS and NFBKPII), including a geographic analysis of changes in forest cover and their relation with the different types of forest management implemented in those villages.</p> <p>See also various recommendations above.</p>

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<sup>35</sup> A cautious approach on carbon financing is needed as the carbon trade market is also a speculative and volatile sector, which incurs many risks and might be counterproductive to CBFM if requirements to forego timber harvesting are included. Future support could focus on helping relevant stakeholders in better understanding the carbon trade and advising communities that are the forest/plantation owners, rather than providing direct support to the establishment of carbon financing projects.

## 6 Findings, and recommendations of the annual review of TOSP - TTGAU

Although the TOSP is referred to as a single programme, in fact it comprises different projects, initially carried out by NFC, KVTC and TTGAU<sup>36</sup>. The TOSP is different from the other programmes (FORVAC and PFP2) and does not have an overarching Programme Document (PD) that describes the rationale, design and implementation strategies. Instead, the implementing institutions applied through a bidding process and upon being awarded signed an agreement with MFA. Although the proposals followed a fixed format that included information on the results chain, beneficiaries, aspects of sustainability, a risk analysis and other data, the documents are obviously much more condensed and less detailed than the PDs of the bigger programmes.

The findings, and recommendations for TTGAU and the sustainability analysis of NFC are discussed separately. Some common aspects (such as relevance and coherence) are discussed at the overall TOSP level.

### 6.1 Overall findings at programme level

The relevance in terms of coherence with and responsiveness to development objectives and priorities of the Governments of Tanzania and Finland, as described in the 2022 review report still apply. The programme is well aligned with Tanzanian national policies and priorities by focusing on the poverty reduction and job creation potential of developing the country's forestry sector. The National Forest Policy contains statements that respond to the combined challenges of a shortage of land and unclear land and tree tenure, particularly for women, and inadequate awareness of tree growing, as well as a lack of financial incentives, which have all been obstacles for private and community forestry development. The policy calls for private and community forestry activities to be supported through a harmonized extension service and financial incentives. The policy further demands that extension packages and incentives must be designed in a gender sensitive manner. Finally, the policy states that gender-specific and farmer-to-farmer extension advice as well as financial incentives must be provided for the establishment of forest plantations on farmlands and the promotion of plantations on community lands of multipurpose trees with good growth.

The TOSP is also well aligned with the 2016 Finnish development policy and Finland's Country Strategy for Tanzania 2021–2024 and Finland's Country Programme for Development Cooperation in Tanzania 2021 - 2024. However, aspects of HRBA are less pronounced, and the proposals ('project documents') do not clearly indicate how the TOSP interventions will benefit people in vulnerable positions. On the other hand, criteria for social inclusion, especially related to people in vulnerable positions, were not clearly stipulated in the MFA TOSP requirements.

In terms of design, all TOSP projects provide free seedlings to the beneficiaries. There is a risk that such approach does not contribute to increased sense of ownership and responsibility at the part of the beneficiaries and that the trees will ultimately not be well managed.

As the ERET review shows, both NFC and TTGAU aim at targeting women and youth, and in discussions, reference is made to those living in vulnerable positions or below the poverty line, but it does not seem to be accompanied by a clear poverty or vulnerability assessment or disaggregated monitoring data on beneficiaries (other than gender and age).

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<sup>36</sup> For ERET 2023, only TTGAU was reviewed. For NFC, only an assessment of sustainability was included.

## 6.2 Findings - Tanzania Tree Growers' Association Union

### 6.2.1 Relevance - responsiveness to conditions and needs of the beneficiaries

**Finding 1:** The programme is well aligned with the development objectives, policies, and priorities of the Government of Tanzania, by focusing on poverty reduction and job creation through the promotion of tree planting on private farmlands.

**Finding 2:** The programme is well aligned with the 2016 Finnish development policy and Finland's Country Strategy and Country Programme for Tanzania 2021–2024. The HRBA strategy is not much pronounced, but the requirements are also not explicitly stipulated in the TOSP ToR. TTGAU is targeting women and youth and encourages village government and families to allocate land for women.

**Finding 3:** Interviewed beneficiaries confirmed that the programme is responsive to their conditions and needs. Most tree growers have previous experience with planting trees but lack knowledge of good silvicultural practices and access to quality seedlings. The relevance of being organized in a TGA was also highlighted, although mostly in relation to its function of linking up with external support programmes, such as TOSP.

**Finding 4:** The programme is logically set-up and builds on previous experiences. Further changes were made in the seedling supply approach. Management of the nurseries is done directly by TTGAU through the contracting and payment of either individuals or TGAs. This has improved the production but might not be sustainable beyond TOSP.

**Finding 5:** Income generating activities were not part of the programme design and budget. However, TTGAU considers this a highly relevant aspect, enabling beneficiaries to diversify their income streams, which is expected to contribute to a longer tree rotation cycle, even though this approach was tried in PFP1 and not considered successful nor sustainable.

**Finding 6:** On the results framework, the question remains on how some indicators, such as good governance are assessed. In addition, output 1.2.1 Number of plantations established and outcome indicator 1.1, are identically reported - showing the hectares planted. Furthermore, it is not clear how some cumulative figures are calculated.

#### Responsiveness to conditions of beneficiaries

The findings of ERET 2022 still apply:

‘The programme continues to be relevant and is responsive to the beneficiaries’ conditions and needs. Most outgrowers have previous experience with planting trees but lack knowledge of good silvicultural practices and access to quality seedlings, although some were trained and supported by PFP1. Through their organisation in TGAs and representation in an umbrella organisation, members are expected to become more self-reliant and achieve multiple benefits, including the following:

- Access to improved forestry inputs and extension services;
- Access to better markets and integration in the value chain, better prices due to negotiation power;
- Access to financial services;
- Strengthened networking and peer learning;
- Enhanced participation of women and young people in tree growing.

The aim of TTGAU is to build the capacities of the TGA members to be able to plan, organize and implement activities on their own. Through TOSP, member TGAs are supported by TTGAU with the

provision of improved tree seeds/seedlings and through capacity building on how to establish and manage plantations. TTGAU established and managed tree nurseries according to TGAs' demand. The training of TGA members is conducted in collaboration with TFS forest managers and staff from the forest departments of district councils.

In general, the TTGAU TOSP is trying to address the major challenges facing smallholder tree growers, 'namely inclusive access to improved planting materials as well as access to technical forest advisory services to improve the asset value of woodlots at harvest. In addition, the TOSP also supports capacity building of TTGAU to provide meaningful services to member TGAs.' (ERET 2022).

During ERET 2023 review, interviewed beneficiaries confirmed that tree growing is commonly practiced in the areas but often without good knowledge of silvicultural practices and access to quality planting materials. The relevance of being organized in a TGA was also highlighted. The mentioned benefits of the TGA were mostly related to getting access to extension support, free seedlings and income generating activities. The latter was highlighted as the main motivational factor for new members to join.

According to TTGAU, the quality and strength of the TGAs still vary. This is confirmed from experiences of ERET over the past years. Although some more advanced TGAs can play a role in providing service to their members, for many TGAs the main motivational factor for tree growers to join, is the link with support programmes like TOSP, getting access to extension, seedlings and possibly other income generating activities.

#### **Box 6 Example of relevance of TGA at community level**

**Ninga Village:** Ukombozi TGA members highlighted that there is good potential for tree growing but many villagers did not have knowledge on good silvicultural practices and did not know the benefits of applying those techniques.

The TGA was established in 2014, supported by Southern Highlands Tree Growers Association Union (SHTGAU) from 2015 and later through TOSP further supported by TTGAU.

Through the support of TTGAU (not only TOSP), TGA members got access to free seedlings, training on BOP and access to income generating activities (beekeeping, potato production and avocado trees). According to the TGA the supported nursery produced 400,000 seedlings in 2022/23, of which the TGA members received 54,000 seedlings, while the remaining ones were provided to other villages<sup>37</sup>. The TGA manages a very good demo plot (planted with Pines and Eucalyptus) which is managed according to BOPs. Other demo plots were established for potatoes and avocado production. TTGAU also collaborates with schools to train children on tree planting and woodlot management.

Since the start of TOSP TGA membership has increased to 73 members of whom 56 are women. It was mentioned that "the new members saw the benefits, especially access to free high quality seedlings".

Source: Interviews for ERET 2023

The role of TTGAU is also mostly viewed in this light, having facilitated the provision of further technical support and access to improved seedlings. For TTGAU, the TOSP is also important, amongst other programmes, as it strengthens not only their capacity but also visibility and concrete support and service provision to the TGAs.

Similar to other TOSP projects, the HRBA strategy is not much pronounced<sup>38</sup> and not much analysis is done on poverty and vulnerability aspects. TTGAU is targeting women and young people and not necessarily (other) persons in vulnerable positions. This was confirmed in the Ninga village. Over 76% of the TGA members were women while youth constituted 21%. However, no PiVP were said to be included – only after some discussion it was decided that maybe one member could be categorised as PiVP.

<sup>37</sup> The Annual report January-December 2022 indicates that only 276,750 seedlings were produced.

<sup>38</sup> But again it should be noted that specific HRBA requirements were not explicitly stipulated in the signed TOSP contracts by MFA

## Adequacy of design

The findings of ERET 2022 are still relevant: “The programme is logically set up and builds on earlier support provided to TTGAU by MFA through PFP1, contributing to strengthening the union’s capacity and sustainability. However, some changes were made in the approach related to seedling production. During the formulation of the project, it was thought that in the first year, TTGAU would supply ready-made seedlings to TGAs. During implementation, the strategy was changed to strengthen TGAs’ capacity and support them to establish and manage their own nurseries for sustainability and meeting future growers’ demand of tree seedlings. The nursery management by TGAs was considered their in-kind contribution to the programme that would give them an increased sense of ownership. However, due to poor performance, the approach was changed again. Management of the nurseries is done directly by TTGAU through the contracting of either individuals or TGAs to undertake the daily management of the operations who are paid for the services rendered” (ERET 2022).

As mentioned in previous ERET reports, the support to decentralised nurseries could be considered very useful, provided that an adequate business model is put in place. Sustainability will be compromised if the nursery only depends on the programme, which is the case now. As suggested by ERET 2022, for sustainability of seedling production beyond TOSP and other programmes, it would be good to come up with a sustainable business model that could be piloted in areas with good potential. However, this does not seem to have been taken up.

The decision not to include support to income generating activities remains justified from a programme design perspective. However, TTGAU considers the support to income generating activities a highly relevant aspect, enabling beneficiaries to diversify their income streams, which is expected to contribute to a longer tree rotation cycle. While TOSP does not provide such inputs, in the same villages TTGAU, through other projects, continues to provide support to income generating activities. The underlying idea is that it will help tree growers to maintain a longer rotation period for their woodlots. ERET is not convinced about the need for this as the support from PFP2 shows that without such incentives, tree growers are willing to adopt a longer rotation cycle (although mostly not the recommended 18 years). Providing incentives like crop production or beekeeping was tried in PFP1 and did not lead to sustainable results.

While the provision of free seedlings is appreciated by supported TGA members, it could easily become the main motivational factor to join the TGA. But as experiences in PFP1 and other projects show, such approach could compromise sustainability and quality of the established plantations.

With respect to the project design in the agreement with MFA, some weaknesses in the results framework were listed in the ERET 2021 report that were mostly addressed. The question remains on how some indicators are assessed, for example outcome indicator 1.2 *percentage of TGA members practicing good silvicultural practices*, and output indicator 1.1.4 *TGAs practice good governance*. In addition, output 1.2.1 *Number of plantations established* is reported in the same manner as outcome indicator 1.1, showing the hectares planted (instead of number of woodlots). Finally, it is not clear how some of the cumulative figures are calculated.

### 6.2.2 Coherence

**Finding 7:** The programme is coherent and has complementary functions with the other programmes supported by MFA. Some collaboration has taken place with NFC on TGA registration but little follow up was made. TTGAU also continued collaborating with PFP2 but the support to TGA registration at MoHA has stalled. Some differences in strategies are observed, including on fire management.

TTGAU collaborates with various other institutions through different programmes and is also involved in policy platforms.

The programme is coherent and has complementary functions with the other programmes supported by MFA. In addition, some collaboration with other institutions and donor organisations has taken place.

In the previous year, TTGAU has supported NFC to facilitate the registration of TGAs at the Ministry of Home Affairs (MoHA) but otherwise the collaboration has been limited. NFC mentioned that TTGAU did not follow up on the activities and further collaboration but according to TTGAU, NFC decided to support the MoHA registration themselves. After they did not get feedback from MoHA for 6 months, TTGAU facilitated the process with MoHA. There has also been contact between the organisations to meet but that has not happened yet. Consulted TGAs supported by NFC confirmed that they registered with the MoHA and paid subscription fees to TTGAU but have not seen any representative of TTGAU yet<sup>39</sup>.

TTGAU has a service contract with PFP2 and contributed to the development of the TGA manual. PFP2 also provided training to TTGAU and supported the Annual Assembly of 2021. However, while PFP2 is supporting the formation of new TGAs and strengthening some existing ones, these TGAs are not further linked to TTGAU. As reported in the review section on PFP2, the programme with support from TTGAU planned to facilitate registration of additional TGAs with MoHA. However, the facilitation process has taken long and to date no additional TGAs have been registered with MoHA (and become a member of TTGAU). As many TGAs had difficulties in complying with MoHA regulatory requirements and the process required substantial resources of PFP2, the PFP2 PMT took a decision to discontinue the active facilitation process and only train TGAs that were willing and 'ready' to be registered at MoHA, leaving it up to the willing TGAs to process the application further. TTGAU blames PFP2 for stalling the process and not pursuing it further.

Although there is coherence in some of the strategies implemented by PFP2 and TTGAU, there are also differences in others, including fire management (see also section of effectiveness). TTGAU has not been much involved in the IFM process initiated and supported by PFP2 and supports another approach at village level. They consider the PFP2 approach too much top down and the establishment of a separate Fire Management Committee at village level not necessary in addition to existing environmental committees.

TTGAU works further with the districts and TFS and collaborates with various other institutions through different programmes. In addition, TTGAU is involved in various policy platforms.

### 6.2.3 Efficiency

**Finding 8:** Based on the revised and scaled down TOSP targets, progress is satisfactory.

**Finding 9:** ERET did not undertake a financial analysis as the section in the annual report is not very clear. The self-financing capacity of TTGAU, based on management fees from other projects remains limited.

**Finding 10:** TTGAU has a few but dedicated extension staff whose mobility is compromised. Given the limited capacity and resources, implementation is satisfactory. Activities from different projects seem to be concentrated in the same villages.

**Finding 11:** Monitoring is relatively weak. TTGAU keeps records of the TOSP beneficiaries, but as agreed with MFA pre- and post-planting mapping were not conducted due to a lack of funds.

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<sup>39</sup> Apparently, TGAs were misinformed by some NFC staff that registration at MoHA and membership of TTGAU is mandatory, and gave the impression that TTGAU is a government institution.

## Implementation progress

The annual progress report provides an overview of implementation progress description that is not repeated here. A summary is listed in Table 19 for the output indicators<sup>40</sup>.

Due to delays and issues experienced in the first two years of implementation, most of the TOSP targets were revised and substantially reduced last year and apparently even further reduced after ERET 2022. For example, the expected area planted was reduced from 5,000 ha to 3,000 ha. But also indicator targets related to output 1 (institutional strengthening) were significantly lowered. The change to the nursery approach increased the costs of implementation that might have affected other planned activities. Apart from the issues encountered, planning at the design stage might have been over-optimistic too, not adequately taking into account the resource requirements for implementation.

With respect to output 1.1, institutional strengthening, TTGAU established collaborations with various stakeholders, and participated in various fora.

**Table 19 TOSP TTGAU indicator targets and achievements**

Outcome / Output	Indicator	Baseline	Year 4 target	Year 4 achievement	Cumulative achievement	End of project target (revised)
<b>Outcome</b> Enhanced asset value of smallholders' woodlots in five districts with at least 40% of TGA members adopting good plantation management	1.1. Area of pine and eucalyptus woodlots planted (ha)	No data	850 ha season 22/23?	1,195 ha (543 eucalyptus, 661 pine) season 21/22	1,900.5 ha (996 ha eucalyptus and 904.5 pine) – season 21/22	3,000 ha of eucalyptus and pine (was 5,000)
	1.2. % of TGA members practice good silvicultural practices	No data	25%	5%	29%	40% (was 60%)
<b>Output 1.1.</b> Strengthened and efficient TTGAU organizational capacity.	1.1.1. TTGAU visibility and autonomy increased	Represented in 7 fora	Represented in 5 fora One dev. partner	Represented in 5 stakeholders fora. Signed agreement with <u>AgriCord/FFD (FORI)</u>	Represented in 9 stakeholders fora.	Participate in 10 new platforms. One more partner identified
	1.1.2. Operational policies in place	5	1 developed	3	3	2 (was 7)
	1.1.3. TGAs paying membership subscription fees	0	20 TGAs	29 TGAs	51 TGAs	40 TGAs (was 70)
	1.1.4. TGAs practice good governance	No data	21	27	13 (?)	15 (was 151 TGAs exist)
<b>Output 1.2.</b> Tree growers establish and manage plantations	1.2.1. Number of plantations established	Reported data is same as outcome 1 data – hectares are reported, not number of plantations				
	1.2.2. Number of seedlings produced	-	1,000,000 seedlings to be produced.	1,283,100 (856,050 Eucalyptus and 427,050 Pine)	3,818,110 (Pine 1,584,662 Eucalyptus 2,233,448)	3,500,000
	1.2.3. Number of beneficiaries	5,793 members (3830 men and 1,963 women)	987 members (347 women 640 men)	1,160 members (730 men 430 women)	3,551 members	3,216 Members (1,896 Men 1,320 women)
	1.2.4. Employment created (number)	0	Create 40 local employment	74 (56 women 18 men)	207 (87 men, 102 women), 1 PLWD	Create 450 employment

Source: TTGAU, Annual report January-December 2022

Regarding output 1.2, plantation development, good progress was made with respect to seedling production. A total of four nurseries were established in four villages, e.g., Ninga (Njombe DC), Uliwa (Njombe TC), Maweso (Madaba DC) and Makungu (Mufindi DC), which produced 1,283,150 seedlings (427,050 *Pinus patula* and 856,050 *Eucalyptus grandis*). The seedlings will be distributed to 28 TGAs and according to TTGAU about 913 ha is expected to be planted (apparently calculated on basis of 80% survival rate)<sup>41</sup>. In addition to the cumulative area planted in the previous years this would bring the total to about 2,813 ha, just short of the project target of 3,000. However, at this point of time, no final figures are known on the actual area planted in 2023, so it is difficult to assess progress. Interestingly, the number of seedlings produced

<sup>40</sup> Some of the reported figures do not add up. For example, the disaggregated data on employment created do not add up to the reported 207 people.

<sup>41</sup> At the time of writing this report the seedlings might already have been distributed

(indicator 1.1.2) has already surpassed the project target. However, the produced seedlings are not all planted. TTGAU mentions some challenges that led to mortality of seedlings. A delay in the onset of rains led to shorter planting time and most of tree seedlings were overgrown due to prolonged time at the nursery. This led to loss of quality and mortality of seedlings. Transportation of seedlings contributed to further mortality.

With respect to the other output indicators, the project seems to be well on track, although it is not clear for some indicators how the cumulative achievements are calculated. For example, on indicator 1.1.3, 29 TGAs paid membership in 2022 but the cumulative figure is 51 TGAs. This could mean that some TGAs have been double counted over some years or that some TGAs paid last year but not this year and vice versa. The meaningful indicator should be the total TGAs that paid their annual subscription fees to TTGAU in the reporting year. For the indicator on TGAs practicing good governance (1.1.4) the opposite is happening, with the 2022 achievement being higher than the cumulative one.

Despite some of these issues, overall progress is satisfactory. Most planned activities have been conducted. There is some deviation on the planned monitoring of the project activities, which did not take place. The reported reason was limited resources. The activity is now planned to be undertaken after completion of tree planting of the period of 2022/2023.

## Cost effectiveness

ERET could not undertake a detailed analysis as the annual report is not very clear with respect to the financial aspects<sup>42</sup>. The information provided in the budget and resources section is limited in the sense that it does not give an explanation of what was planned and used. The report only states that 74% of the Office and Personnel budget was utilised and 84% of the operational budget, but no further details are provided in the main text. It is also not clear how this summary relates to the annual financial report on page 24.

According to TTGAU the implementation was affected by increased costs of fuel and the changed exchange rate between the Euro and Tanzanian shilling. The change of nursery support - from TGA members voluntary contributions to contracting people to manage nurseries – has increased the costs but also resulted in improved seedling production.

One of the issues that is also mentioned in the KPMG audit reports is that TTGAU for its self-financing part of the TOSP project depends on the revenue generated from other projects. TTGAU has agreements with other donors to implement projects and charges a management fee for the work undertaken with the other donors, ranging from 15-30%. The funds generated based on this management fee are in turn used to finance the co-contribution of the TOSP project. The following agreements were signed with other donors:

- Wildlife Conservation Society to act as a service provider and support the tree growing in the Kalambo and the Rukwa Region.
- The Food and Agricultural Organisation of the United Nations to work as the services provider to support markets, institutional strengthening, policy issues and income generating activities in Njombe.
- WeEffect to support various forestry activities in selected communities.
- Meeple Oy to support planting of trees.

However, the self-financing capacity of TTGAU remains limited and the income received from other donors might not be sufficient to entirely cover the 50% co-contribution requirement. The 2020 review indicated that TTGAU's self-contribution was 27%. For 2021, the actual self-contribution percentage was 47%.

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<sup>42</sup> It should be noted that ERET has very limited time for reviewing TOSP and could not go into detailed analysis of some financial or management aspects, which are audited by KPMG.

## Management

The set-up of the TTGAU management structure has been explained in the previous ERET reports. Although ERET was not able to assess the actual functioning of the Board and Annual General Meeting, the KPMG audit report of 2021 listed a number of risks that needed to be addressed.

The KPMG report of 2022 indicates that TTGAU has improved its capacity and processes since the prior KPMG review. This includes improved financial management routines. However, the report also indicates that TTGAU has not followed up on some of the 2021 recommendations. According to TTGAU they have taken action on the latest recommendations. It was not possible for ERET to verify the extent to which the identified risks and recommendations have been addressed.

TTGAU collaborates with different stakeholders, such as local governments and TFS. TTGAU has extension staff only in certain areas. ERET found that TTGAU has dedicated but few extension staff and their mobility is somewhat compromised. TTGAU in general has limited capacity and resources to provide quality services to all TGAs and respond to all demands. ERET has the impression that some activities are concentrated, combining support from different programmes in the same villages. For example, in Ninga, several activities are implemented, including TOSP nursery, seedlings provision, tree planting, training on silvicultural practices, but also income generating activities, such as beekeeping, avocado production, and potato production and demo plots, supported by other donor organisations. The same was observed last year in Iboya, where TTGAU apart from TOSP also supported projects funded by FAO and WeEffect. Given the limited human and financial resources such approach of combining support from different donor organisations might be efficient, but there is a risk of concentrating the support too much on a few communities. Other TGAs, especially those that are located furthest from TTGAU headquarters might get less support.

Although TTGAU receives support from various donor organisations, its capacity remains relatively limited. As compared to other TOSP programmes, TTGAU's area of operation is much larger while their resources are relatively small. Given the limited resources, implementation of TOSP has been satisfactory.

Monitoring is relatively weak due to limited human resources. TTGAU keeps records of the TOSP beneficiaries, but pre- and post-planting mapping/verifications were not conducted. TTGAU discussed the issue with MFA, and it was agreed that due to the limited budget, the activity could not be undertaken. Extension staff follow-up tree growers after training is provided, but they cannot visit all beneficiaries. Last year, TTGAU also said that they planned to hire a consultant to assess the situation in some sampled TGAs and do post-planting verification for a sample of 100 ha. This was not undertaken. Given the limited resources, a regular follow-up of all tree growers does not seem feasible but probably a more systematic database of each beneficiary can be maintained and updated after each monitoring visit. In addition, TGAs can be supported with systematic record keeping of silvicultural activities implemented by their members.

### 6.2.4 Effectiveness

**Finding 12:** Improved silvicultural practices were only partly adopted by the beneficiaries. The woodlot audit shows a slight improvement from last year's findings, but the management and quality of the established woodlots remains at average level.

**Finding 13:** Several reasons for low adoption of good silvicultural practices were identified in a study undertaken by TTGAU. However, it is not clear how the results have been used in TOSP and how tree growers can be incentivised to apply good silvicultural practices and a longer rotation cycle. TTGAU seems to consider the TOSP approach inadequate if not combined with other incentives and support to IGAs. However, in PFP2 adoption also takes place without such incentives (although the effect on longer rotation cycle is not yet known).

**Finding 14:** The capacity of TGAs varies. There is a wide range of TGAs of which some are very active, strong, viable and independent. While others are relatively weak and are basically perceived

by the members as an instrument for receiving free seedlings and extension support. But TOSP had limited resources and did not put much weight on institutional strengthening of TGAs. Therefore, little can be said about the effectiveness of TOSP in this area.

Similarly, although TTGAU institutional strengthening was part of the TOSP, very few activities and resources were allocated to this aspect. The output targets have been mostly met, but TTGAU's capacity and human and financial resources remain limited.

**Finding 15:** TTGAU's strategies to involve more women had contributed to a fairly good gender balance in 2021 with 46% of the TOSP beneficiaries comprising women but this decreased in 2022 to 37%. Although challenges for women's involvement in tree growing are mentioned the decline is not explained.

## Adoption of good silvicultural practices and contribution to the outcome

Consulted TOSP beneficiaries commented that they partly adopted the implementation of improved silvicultural practices. The tree growers had plots ranging from 5 to 28 acres with most having around 10 acres. While recommended plant spacing was adopted, and some circle weeding done for new established plantations, and some pruning for existing woodlots, thinning is very challenging. Tree growers consider it a waste of resources. At the same it was mentioned that the market might influence thinning if the demand for small timber (2x2) increases.

The results of the woodlot audit performed by PFP2 on 88 surveyed woodlots of 82 beneficiaries are slightly better than last year's findings, but still confirm that the silvicultural management practices are only partly adopted, and that the performance of the established woodlots is at average level:

- Substantial deviation was found in the reported area by TTGAU and the audit measurements (13.4 ha), which is largely because of poor estimation by outgrowers of their area. As no pre-planting verification was done, the area was estimated on the basis of reported area by beneficiaries and delivered seedlings.
- An average stand density of 990 trees/ha is slightly below the standard of 1,111 trees/ha with 71% of the sampled woodlots being understocked which call for blanking.
- A survival rate of 92% can also be considered quite good. Mortality was largely attributable to drought stress, followed by inability to suppress weeds.
- Most woodlots were in good health, with 10% in poor health and 36% in mediocre health.
- 53% of the woodlots did not have any fire breaks.
- The weeding score was 0.8 out of a range of 0-3. A proportion of 20% of the outgrowers did weeding according to standard, 44% did partial weeding, 36% did not do any weeding at all. This shows an improvement from last year's findings.
- No major deviation in terms of land uses against planted woodlots were observed. But out of the 89 woodlots surveyed, 11 were planted within 60 meters of a river or water stream.

TTGAU acknowledges that the low adoption of good silvicultural practices is a concern, which is said to be partly due to constraints embedded in the socio-economic conditions of the smallholder tree growers. The annual report of 2022 indicates that only 5% of TGA members applied good silvicultural practices. TTGAU feels that the adoption of good silvicultural practices is a process that requires time and adequate resources. As a follow-up on a recommendation of ERET's 2021 review, TTGAU conducted an assessment of TGA members to understand the reasons of low adoption of good silvicultural practices. The results are summarised in Box 7.

Although most cited reasons confirmed what was already known, the discouragement by forest fire was not earlier highlighted. TTGAU reported that in 2022, 1,500 ha of members were reported to be burnt.

Obviously, fire is a great threat, which might discourage tree growers to put a lot of effort in managing their plantations. This also shows the importance of an effective fire management approach.

#### **Box 7            Reasons for low adoption of good silvicultural practices**

TTGAU conducted assessment in Ludewa and Mufindi districts to assess the reason of low adoption of good silvicultural practices. Members mentioned the following reasons.

- Poor economic status of most of tree growers,
- Discouragement by forest fire and lack of firefighting equipment,
- Competition for time between forestry activities and other livelihood responsibilities (agriculture),
- Unattractive prices of trees/timber,
- Distance to woodlots (this was specific for TGAs with woodlots on common land).

Similar to previous years, TTGAU management disputes the woodlot audit findings on the low weeding score, as the verification exercise was undertaken in the dry season, which makes it difficult to assess the level of weeding done some months earlier.

Furthermore, due to the limited resources, TTGAU cannot support all tree growers with the quantity of seedlings they require and apparently some resorted to mixing improved seedlings with other ones, which affect the quality and consistency of the woodlot.

According to TTGAU, the differences in adoption of good practices also depend on the type of TGA. Some TGAs are strong but for other weaker TGAs, members expect free services and incentives for carrying out silvicultural practices. According to TTGAU management, the absence of the incentives scheme in TOSP has contributed to lower adoption of good practices, especially for those TGAs that were used to such systems<sup>43</sup>. At the same time, TTGAU (through other projects) supports TGAs with income generating activities, such as beekeeping, and the production of avocados and potatoes. The assumption is that through the provision of other income streams, tree growers are more inclined to maintain a longer rotation period of their plantations. While the consulted tree growers are obviously happy with the income generating projects, the question is whether the approach is effective. Apparently, it has not helped much in improving the quality of the woodlots and adoption of the recommended silvicultural practices. The strategy is essentially not very different from the approach applied by PFP1, which also provided incentives in the form of crops at some point, and which did not contribute to sustainable results.

The question is how tree growers can be incentivised to apply good silvicultural practices, including a longer rotation cycle to get a high-quality product. As argued in other parts of the report, much depends on the tree grower's perception on the costs and benefits, which partly relates to the price setting, marketing conditions and perspectives on the longer term, but also on his/her other intermediate considerations and needs. For some tree growers the woodlots are a major enterprise whereas for others it might be an additional source of income or even a safety net. However, this discussion goes a bit beyond TOSP, but the conclusion is that TTGAU basically considers the TOSP approach inadequate for the adoption of good silvicultural practices if not combined with other incentives.

#### **Capacity and functioning of TGAs and TTGAU**

The 2021 ERET report already explained the TTGAU's manager's views on the different categories of TGAs that exist and that have different expectations and levels of growth, depending on the project and type of support they received. It is clear that there is a wide range of TGAs of which some are very active, strong, viable and independent, while others are relatively weak and are basically perceived by the members as an

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<sup>43</sup> The PFP1 approach is always quoted by TTGAU as a bad example in that respect.

instrument for receiving free seedlings and extension support. Some of this might have to do with the background of the TGAs, how they were set up and supported but obviously there are many other reasons. Strong TGA leadership and support by the village government appear key factors. The visited TGA in Iboya Village in 2022 was clearly a good example of a strong TGA with an active and dynamic chairman. The visited TGA in Ninga Village appears also active. The TGA has been established already in 2014, has grown in membership with a high percentage of women and is involved in many income generating activities. However, when asked about the role and vision of the TGA, it appeared that they still relied much on support from TTGAU. Without it, some activities, such as the nursery will not be continued. As they pay their subscription fees to TTGAU, they expect the extension and other support to continue. Besides the support from TTGAU, the TGA does not yet provide services or facilitate its members getting inputs and linking up with markets.

For other TGAs the situation is expected to vary. TTGAU conducted a TGA governance assessment, identifying areas that need improvement with respect to TGA organisation, HRBA (mostly referring to women and youth), and forestry in 2021 of which the results were reported in the ERET 2022 review. Within TOSP, TGA institutional strengthening is only supported through TTGAU's funding, which is limited and cannot address all the identified issues. Feedback from consulted TGA members indicate that the capacity building on TGA governance and institutional development has been limited and most training emphasis was put on the tree planning and woodlot management.

With respect to TTGAU strengthening, the TOSP support is considered useful but also limited. The institution also receives support from various other organisations than MFA (TOSP and PFP2) but still has limited capacity and human and financial resources. The visits to other TGAs supported by PFP2 and NFC clearly indicate that TTGAU's presence varies.

While for Ninga Village the benefit of joining TTGAU is clear because of the support provided through TOSP and other projects, for other TGAs this might be less obvious. In 2022, only 29 TGAs, a fraction of the total members, paid their annual subscription fees to TTGAU, which is an indication of their expectations. Apparently, the far majority of the TTGAU members do not expect clear benefits yet in terms of service provision or facilitation of the value chain from TTGAU. In addition, many TGAs in the Southern Highlands are only registered at district level and are not yet a member of TTGAU (see also discussion in coherence section and in PFP2 review chapter).

Although the organisation has an ambitious vision, they also have limited resources and cannot yet provide the intended expected services as a national umbrella organisation, i.e., facilitating supply of seeds and inputs, marketing and representing interests of TGAs at political level. TTGAU largely depends on donor funded projects, including TOSP that are implemented in specific areas, using a variety of approaches. In addition, as the activities are implemented in the Southern Highlands, the linkage and role of SHTGAU (which has basically the same management as TTGAU) is not clear. One would expect SHTGAU to focus specifically on the needs and service provision to the TGAs in the Southern Highlands with TTGAU acting at the national level, focusing more on higher level policy and marketing issues. However, SHTGAU is not very functional whereas TTGAU provides direct extension services and support to selected TGAs in the Southern Highlands. Due to TTGAU's limited resources, many TGAs, including TTGAU members, do not benefit from such direct services and support. If TTGAU in the near future can play a role in the seed supply from the TGA managed seed orchards, its position could become stronger.

Again, this discussion is a bit beyond the TOSP, which had limited resources for institutional strengthening. With regards to TOSP, it can be concluded that the output targets related to institutional capacity have been mostly met, but the expected effect remains limited.

## **HRBA - women and youth involvement**

The HRBA is not much pronounced and very few PiVP are involved or benefit from TOSP.

TTGAU's strategies contributed to a fairly good representation of women in TOSP in 2021 (46%) but in 2022 this dropped to 37% according to TTGAU (35% if calculated on reported male and female beneficiaries in the annual report). This is in contrast with the visited village by ERET during this review, which showed a high percentage of female TGA members. In Ninga Village, women were said to be more active than men. In terms of created employment also a slightly higher number of women than men are benefiting.

TTGAU recognises that there is low participation of women in tree planting activities, which is attributed to limited ownership of land by women from inheriting or buying. The majority of rural women are culturally not entitled to inherit land and are economically weak to buy land. For women, who have to attend to many household chores, the land should also be easily accessible. Tree growing on common TGA land provided by village governments is often a constraint for women as the land provided for plantations are often located very far from village settlements.

TTGAU management considers the role of LGAs in the project very important and likes to strengthen its collaboration with LGAs, cultural and religious leaders to support more women and young people to participate in tree growing and avocado farming.

TTGAU also mainstreams gender equality in the implementation of project activities but does not have data on representation of women in TGA leadership positions.

### Beneficiaries' perceptions on benefits

Feedback from beneficiaries confirms that they are satisfied with the support provided by TTGAU through TOSP, especially the provision of free seedlings, which was also mentioned as the main motivational factor for other community members wanting to join the TGA. However, they also mentioned that the provided seedlings were inadequate.

As mentioned before, some villages, including the one visited, get support from different programmes, including TOSP. As beneficiaries cannot easily distinguish between the different sources, in their feedback they also refer to other activities supported by TTGAU, such as the beekeeping or the production of avocado and potatoes.

With respect to longer rotation cycles, many tree growers understand that they should not harvest trees before reaching maturity, but some say that they have no choice as long as they do not have sufficient alternative income. Others also feel that the market is not adequately differentiating on the quality of the trees and that there is not much added value in longer rotation. As the good silvicultural practices are only partly adopted, the TOSP cannot be expected to make a major impact.

## 6.2.5 Sustainability

**Finding 16:** Consulted tree growers are likely to continue tree production and want to expand their woodlots. However, practicing good silvicultural management after TOSP is not guaranteed. In addition, TTGAU believes that without other IGAs, tree growers might not adopt a longer rotation cycle. If the performance of the woodlots is compromised, the quality of the end products will also be affected, providing less revenue.

**Finding 17:** The revised seedling production strategy of contracting individuals to manage village nurseries instead of relying on voluntary TGA support resulted in a higher output, but without further business plans and clientele, the continuation of the nurseries beyond TOSP is doubtful.

**Finding 18:** The sustainability of the TGAs beyond the programme depends on the perceived role of the organisation by their members and the status of the plantations. Some strong TGAs with motivated members and good leadership are likely to continue but for others, especially those that

are mainly considered by the members as a means to get access to the TOSP or other project support, sustainability is doubtful.

**Finding 19:** The future and sustainability of TTGAU will depend on the services they can deliver to their member TGAs. The sustainability of TTGAU is uncertain as the union does not have a steady income flow and cannot sustain itself from the few member contributions. TTGAU has limited capacity and resources to play its intended role as an umbrella organisation. Currently TTGAU is dependent on donor funding, which is used for different types of specific support activities in selected villages. Although TTGAU management recognises that there is still a long way to go, it is also ambitious. With the current progress and growth of the organisation, this might take long and TTGAU members might get demotivated if no services are forthcoming, while they still have to pay for membership.

Regarding sustainability, the findings from ERET 2022 remain valid. Consulted tree growers are likely to continue tree production as they showed great interest in expanding their woodlots. However, practicing good silvicultural management after TOSP is not guaranteed and if the performance of the woodlots is compromised, the quality of the end products will also be affected. The changed strategy on seedling production from TGA's own contribution to TTGAU paying for all nursery costs and distributing free seedlings to TGA members does not contribute to increased sustainability. Even though most beneficiaries are not new to tree growing and access to improved seedlings is a constraint, providing free inputs is usually not the best extension approach as it does not enhance responsibility and ownership. The experience of PFP1 shows some mixed results in that respect.

Feedback from TTGAU, beneficiaries and the woodlot audit indicate that many tree growers do not manage their woodlot properly. Some practices, especially thinning will not be implemented by the majority of them. This might indicate that they do not consider the benefits of higher quality products outweighing the costs of additional labour. This might be also linked to the reasons for following a shorter-or longer rotation cycle. It can be assumed that tree growers who apply good silvicultural practices are more commercially driven and inclined to maintain a longer rotation cycle which will give them a premium price for their high-quality products. However, as the assessment of TTGAU showed, there could be many other reasons why tree growers compromise on good silvicultural management, including poor financial status, competition with crop production during the critical periods, fire hazards, unattractive prices, distance of the plantation, and other. It is difficult to generalise, as still many tree growers have well established plantations.

The sustainability of the established nurseries for TOSP can be considered low as the operators are paid by TTGAU and the production is linked to TOSP. While this strategy resulted in higher output, the continuation of the nurseries beyond TOSP is doubtful. Although there is high demand for improved seedlings, consulted beneficiaries in Ninga confirmed that without further support their nursery will be discontinued. The price of improved seeds is very high, which makes it difficult for the nursery to become profitable as tree growers are not prepared to pay a higher price for the improved seedlings. However, the question is, if this argument is valid as the beneficiaries are now used to getting free seedlings and the nursery management is entirely paid for by TOSP, which obviously does not make a good business case. In the case of PFP2, some TGA members have set up nurseries that are commercially run. Although these nursery owners also run into issues, including sourcing poor quality seeds, their business apparently continues. It might be good to conduct a survey and do a proper cost/benefit and marketing analysis to identify the feasibility of community based/TGA nurseries, as was recommended by ERET in 2022.

Regarding the sustainability of the TGAs, this depends on the perceived role of the organisation by its members and the status of the plantations. Many TGAs have been established through programmes such as PFP1 and do not have marketable timber yet. These TGAs are still relatively weak and do not play a role in facilitating economies of scale. For those TGAs where the members see the association as a vehicle to attract extension support, the sustainability could be bleak but other TGAs that have motivated members and good leadership are likely to continue. TGA strengthening does not seem to play a major role in the TOSP support, which focuses mostly on supporting TGA members with tree planting.

Regarding TTGAU, concerns about the sustainability have been raised even since the very first ERET reviews were conducted for PFP1. The same concerns are still there. While in principle the idea of the umbrella organisation is good, the timing is still early with most TGAs being relatively young, not generating much income and not providing many services to their members. At the same time TTGAU also has limited capacity and cannot provide the intended services. TTGAU is not a company that has a steady income flow from its commercial activities. TTGAU has increased its efforts in convincing the members to pay their annual subscription fees. But even if all TGAs would pay, the amount will not be sufficient without further donor support. In this report and previous ERET reports, while recognizing the quality and dedication of staff, several references were made to TTGAU's limited capacity and resources even for TOSP alone.

TTGAU management also recognises that there is still a long way to go, and that the organisation is still in its infancy stage, which will require substantial support for the coming years. TTGAU management sees a lot of potential for the organisation to play a role at national level whereby it can influence the policy makers on the needs, interests and benefits of the small tree growers of the country.

On the one hand, TTGAU appears very ambitious, aiming at providing services to many TGAs nation-wide and playing a role at policy level, but on the other hand it has limited capacity and is dependent on donor funding, which for now is used for different types of specific support activities in selected villages. Most of the TTGAU members do not have access to those services and some have not yet even seen a TTGAU representative (such as the visited TGAs in Kilolo district). This is not a criticism on TTGAU as such, but a realistic finding of the current state of affairs.

The future and sustainability of TTGAU will depend on the services they can deliver to their member TGAs. Only after TGAs will see the benefits from services provided by TTGAU will they be inclined to pay their contributions. With the current progress and growth of the organisation this might take a very long.

### 6.3 Follow-up of ERET Recommendations 2022 - TTGAU

Table 20 provides a summary of the 2022 recommendations and assessment of response by TTGAU.

**Table 20 TTGAU follow-up of ERET Recommendations 2022**

Recommendations 2022	Response/follow-up	Action required
1. Continue with the current programme design but focus on sustainability aspects. (see recommendation 10 on nurseries)	Continued with design but options for nursery model not followed up	See comment on recommendation 10.
2. Continue collaboration with key stakeholders and especially consult with NFC and PFP2 for strengthening and supporting their TGAs and setting up linkages between the PFP2 and NFC supported TGAs with TTGAU.	Some activities with PFP2 were initiated on the registration of TGAs at MoHA.  The collaboration with NFC has not yet resulted in linkages or collaboration with NFC supported TGA's. Apparently, a meeting was supposed to be conducted between NFC and TTGAU after ERET's visit.	Collaborate with NFC on linking to their TGAs. Request PFP2 to identify TGAs that are interested to be registered at MoHA and link up with them.
3. MFA should ensure that disbursements are made on time and as per required implementation of key field activities. In addition, TTGAU should provide their reports on time and ensure that they are of the expected quality.	This seems to have been done	

Recommendations 2022	Response/follow-up	Action required
4. Within the limits of the budget identify options for doing pre-planting mapping to ensure that the distributed seedlings match the area planted and monitor the implementation of each beneficiary.	According to TTGAU this was discussed with MFA and agreed that their budget would not allow for doing this	Within resource limitations monitor woodlot implementation and ensure that they are not within 60 m of water streams.
5. Include the TTGAU-financed TOSP activities in the progress reports but clearly distinguish the sources of funds (MFA and TTGAU).	The financial part is shallow and not clear.	Recommendation stands
6. Adapt the implementation strategies to the study findings on reasons for partial adoption of good silvicultural practices.	The study was undertaken but not clear how they influenced the strategies	Clarify how the study results are used for implementation.
7. Facilitating and monitoring the implementation of VLUPs is a fundamental and legal role of LGAs. However, TTGAU can monitor how well LGAs are doing this activity and should raise awareness about these issues with their TGA members. TTGAU, in collaboration with the respective LGAs should ensure that VLUPs are properly used to guide tree planting and check that within the designated zones existing natural vegetation and bio-diversity aspects are adequately considered. Raise awareness of environmental aspects at district and village level.	It is not clear to what extent this has been adopted. No reference was made and still in the woodlot audit report some issues were found	
8. Intensify TGA institutional strengthening as part of the TOSP activities, focusing on key areas that are not supported by other organisations.	Partly addressed? TGA institutional strengthening does not get main emphasis in TOSP	Recommendation stands.
9. Continue the strategies for providing land to women and involving them in tree growing.	Specific focus provided to women but not clear is this was pursued.	Clarification needed.
10. Support the development of a sustainable business model for decentralised seedling production that could be pilot tested in areas with good marketing potential, both as part of the TOSP and other TTGAU support.	Seems not to have taken place.	Recommendation stands.
11. TTGAU should take a phased approach, consolidating efforts and systems in accordance with the available resources.	Actually, it is doing this because of limited resources provided by donors.	

Source: ERET 2022

## 6.4 Concluding findings and recommendations – TTGAU

Findings	Recommendations
<p><b>RELEVANCE</b> (few changes from ERET 2022)</p> <p><b>Finding 1:</b> The programme is well aligned with the development objectives, policies, and priorities of the Government of Tanzania, by focusing on poverty reduction and job creation through the promotion of tree planting on private farmlands.</p>	<p><b>Recommendation 1:</b> Continue with the current programme design but focus on sustainability aspects.</p>
<p><b>Finding 2:</b> The programme is well aligned with the 2016 Finnish development policy and Finland’s Country Strategy and Country Programme for Tanzania 2021–2024. The HRBA strategy is not much pronounced, but the requirements are also not explicitly stipulated in the TOSP ToR. TTGAU is targeting women and youth and encourages village government and families to allocate land for women.</p>	<p><i>No action required</i></p>
<p><b>Finding 3:</b> Interviewed beneficiaries confirmed that the programme is responsive to their conditions and needs. Most tree growers have previous experience with planting trees but lack knowledge of good silvicultural practices and access to quality seedlings. The relevance of being organized in a TGA was also highlighted, although mostly in relation to its function of linking up with external support programmes, such as TOSP.</p>	<p><i>No action required</i></p>
<p><b>Finding 4:</b> The programme is logically set-up and builds on previous experiences. Further changes were made in the seedling supply approach. Management of the nurseries is done directly by TTGAU through the contracting and payment of either individuals or TGAs. This has improved production but might not be sustainable beyond TOSP.</p>	<p>(see recommendation 10 on nurseries)</p>
<p><b>Finding 5:</b> Income generating activities were not part of the programme design and budget. However, TTGAU considers this a highly relevant aspect, enabling beneficiaries to diversify their income streams, which is expected to contribute to a longer tree rotation cycle, even though this approach was tried in PFP1 and not considered successful nor sustainable.</p>	<p><i>No action required</i></p>
<p><b>Finding 6:</b> On the results framework, the question remains on how some indicators, such as good governance, are assessed. In addition, output 1.2.1 Number of plantations established and outcome indicator 1.1, are identically reported - showing the hectares planted. Furthermore, it is not clear how some cumulative figures are calculated.</p>	<p><b>Recommendation 2:</b> Explain in the annual report how some indicators, such as good governance are assessed, and how the cumulative figures are calculated. For output 1.2.1 report on the number of plantations instead of hectare (which is a duplication of outcome indicator 1.1)</p>
<p><b>COHERENCE</b></p> <p><b>Finding 7:</b> The programme is coherent and has complementary functions with the other programmes supported by MFA. Some collaboration has taken place with NFC on TGA registration, but little follow up was made. TTGAU also continued collaborating with PFP2 but the support to TGA registration at MoHA has stalled. Some differences in strategies are observed, including on fire management. TTGAU collaborates with various other institutions through different programmes and is also involved in policy platforms.</p>	<p><b>Recommendation 3:</b> Continue collaboration with key stakeholders and especially consult with NFC and PFP2 for strengthening and supporting their TGAs and harmonising strategies, including on fire management.</p>

<b>Findings</b>	<b>Recommendations</b>
<p><b>EFFICIENCY</b></p> <p><b>Finding 8:</b> Based on the revised and scaled down TOSP targets, progress is satisfactory.</p>	<p><i>No action required</i></p>
<p><b>Finding 9:</b> ERET did not undertake a financial analysis as the section in the annual report is not very clear. The self-financing capacity of TTGAU, based on management fees from other projects remains limited.</p>	<p><b>Recommendation 4:</b> Improve the financial section in the annual report, providing more details and clearly indicating what was planned, used and major changes in the budget.</p>
<p><b>Finding 10:</b> TTGAU has a few but dedicated extension staff, whose mobility is compromised. Given the limited capacity and resources, implementation is satisfactory. Activities from different projects seem to be concentrated in the same villages.</p>	<p>(Beyond TOSP: Collaborate with partners, combining resources, including transport for extension services and monitoring of TGAs).</p>
<p><b>Finding 11:</b> Monitoring is relatively weak. TTGAU keeps records of the TOSP beneficiaries, but as agreed with MFA pre- and post-planting mapping were not conducted due to a lack of funds.</p>	<p><b>Recommendation 5:</b> Within the limits of the resources, identify options for record-keeping (by TGA) and monitoring of the implementation of each beneficiary.</p>
<p><b>EFFECTIVENESS</b></p> <p><b>Finding 12:</b> Improved silvicultural practices were only partly adopted by the beneficiaries. The audit shows a slight improvement from last year's findings but the management and quality of the established woodlots remains at average level.</p>	<p>(see recommendation 6 – and continue capacity building of outgrowers though extension)</p>
<p><b>Finding 13:</b> Several reasons for low adoption of good silvicultural practices were identified in a study undertaken by TTGAU. However, it is not clear how the results have been used in TOSP and how tree growers can be incentivised to apply good silvicultural practices and a longer rotation cycle. TTGAU seems to consider the TOSP approach inadequate if not combined with other incentives and support to IGAs. However, in PFP2 adoption also takes place without such incentives (although the effect on longer rotation cycle is not yet known).</p>	<p><b>Recommendation 6:</b> If possible, adapt the implementation strategies based on the study findings on reasons for partial adoption of good silvicultural practices, and explain how the study is used.</p> <p><b>Recommendation 7: (MFA :)</b> Commission a comprehensive study on approaches applied by TTGAU, NFC and PFP2 to incentivise tree growers to apply good silvicultural practices and a longer rotation cycle.</p>
<p><b>Finding 14:</b> The capacity of TGAs varies. There is a wide range of TGAs of which some are very active, strong, viable and independent. While others are relatively weak and are basically perceived by the members as an instrument for receiving free seedlings and extension support. But TOSP had limited resources and did not put much weight on institutional strengthening of TGAs. Therefore, little can be said about the effectiveness of TOSP in this area.</p> <p>Similarly, although TTGAU institutional strengthening was part of the TOSP, very few activities and resources were allocated to this aspect. The output targets have been mostly met, but TTGAU's capacity and human and financial resources remain limited.</p>	<p><b>Recommendation 8:</b> Within the limitations of the budget, intensify TGA institutional strengthening as part of the TOSP activities, focusing on key areas that are not supported by other organisations.</p>
<p><b>Finding 15:</b> TTGAU's strategies to involve more women had contributed to a fairly good gender balance in 2021 with 46% of the TOSP beneficiaries comprising women, but this decreased in 2022 to 37%. Although challenges for women's involvement in tree growing are mentioned the decline is not explained.</p>	<p><b>Recommendation 9:</b> Analyse and explain the reasons on the decline of women's participation in the project since 2021.</p>
<p><b>SUSTAINABILITY</b></p>	<p>(see recommendation 6)</p>

Findings	Recommendations
<p><b>Finding 16:</b> Consulted tree growers are likely to continue tree production and want to expand their woodlots. However, practicing good silvicultural management after TOSP is not guaranteed. In addition, TTGAU believes that without other IGAs, tree growers might not adopt a longer rotation cycle (although the findings from PFP2 indicated that for many tree growers this is not a precondition). If the performance of the woodlots is compromised, the quality of the end products will also be affected, providing less revenue.</p>	
<p><b>Finding 17:</b> The revised seedling production strategy of contracting individuals to manage village nurseries instead of relying on voluntary TGA support resulted in a higher output, but without further business plans and clientele, the continuation of the nurseries beyond TOSP is doubtful.</p>	<p><b>Recommendation 10:</b> Support the development of a sustainable business model for decentralised seedling production that could be pilot tested in areas with good marketing potential, both as part of the TOSP and other TTGAU support.</p>
<p><b>Finding 18:</b> The sustainability of the TGAs beyond the programme depends on the perceived role of the organisation by their members and the status of the plantations. Some strong TGAs with motivated members and good leadership are likely to continue but for others, especially those that are mainly considered by the members as a means to get access to the TOSP or other project support, sustainability is doubtful.</p>	<p>(see recommendation 8)</p>
<p><b>Finding 19:</b> The future and sustainability of TTGAU will depend on the services they can deliver to their member TGAs. The sustainability of TTGAU is uncertain as the union does not have a steady income flow and cannot sustain itself from the few member contributions. TTGAU has limited capacity and resources to play its intended role as an umbrella organisation. Currently TTGAU is dependent on donor funding, which is used for different types of specific support activities in selected villages. Although TTGAU management recognises that there is still a long way to go, it is also ambitious. With the current progress and growth of the organisation, this might take long and TTGAU members might get demotivated if no services are forthcoming, while they still have to pay or membership.</p>	<p><b>Recommendation 11:</b> Collaborate with PFP2 in developing exit strategies for PFP2 and identify areas of interventions that could be supported by TTGAU after PFP2 comes to an end.</p>

## 7 Findings – Sustainability of TOSP New Forest Company

As the NFC TOSP has come to an end the review was only related to the assessment of sustainability<sup>44</sup>.

**Finding 1:** NFC's extension support in TOSP has contributed to above average performance of the woodlots and initial adoption of good silvicultural practices by many outgrowers. The tree growers will continue planting trees and managing their woodlots. Although they indicate that they will continue applying good silvicultural practices, the full adoption is not guaranteed. Some of the BOP, such as recommended planting distances will be sustained, but the continued implementation of other good silvicultural practices, including a longer rotation cycle will depend on many other factors. For TOSP outgrowers to adopt BOP and ensure that their product meets the required quality standards, the anticipated secure market and higher prices from NFC are a strong motivational factor.

**Finding 2:** NFC can be credited for organising the tree growers and providing training to TGAs, but the approach was less extensive as compared to the strategy followed by PFP2. The quality of the TGAs varies and part of the motivation of tree growers for joining a TGA was to get access to the TOSP extension support. The fact that NFC also provided support to non-TGA members, confused this role. The sustainability of the TGAs is not clear yet. It is expected that some will continue but others might become dormant or phase out. The future will also depend on the follow-up steps on the linkage with TTGAU and the support that will be provided. NFC supported TGAs to register with MoHA and encouraged them to join TTGAU. As no follow-up was provided TGAs might not be prepared to continue paying relatively high membership fees while not seeing any tangible benefits.

The NFC TOSP aims at contributing to poverty reduction, by increasing rural income through intensified private plantation forestry and related value chains. Before analysing sustainability, the effectiveness of the TOSP support has to be known as sustainability will largely depend on the quality of the outputs and the level of adoption of the promoted improved practices. Unfortunately, no outcome indicators were included in the NFC TOSP results framework. However, four outputs were established that were related to providing extension services and the strengthening of TGAs.

The NFC project completion report shows that all output indicators were achieved or exceeded, except for the establishment of TGAs (nine against targeted 20). This was basically due to unrealistic planning, as 18 TGAs existed already in the 18 supported villages and there was no scope for creating additional ones.

The NFC-TOSP project assisted tree out-growers in establishing plantations on their farmland while also implementing best silvicultural practices. The planting targets were exceeded. Over 1,849.32 ha of plantations were established, and 3,038,537 seedlings were provided (of which 1,480,600 were *Eucalyptus grandis* and 1,557,937 were *Pinus patula*) against a target of 2,400,000. In total, the project trained 2,715 community members and supported 915 outgrowers (against a target of 800), comprising 694 men and 221 women.

In terms of implementation of good silvicultural practices and quality of woodlots, the woodlot audit exercise that was undertaken by PFP2 in 2022 demonstrated an improvement from the previous years' findings in all aspects except for fire breaks, which saw a slight decline (Box 8).

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<sup>44</sup> The ToR aspects of TOSP all relate to TTGAU. With respect to NFC the ToR indicate that: 'an ex-post sustainability analysis of NFC TOSP would be part of the assignment.'

## Box 8 Summary of findings from woodlot audit performed by PFP2

Overall, the established woodlots performed better than average:

- Adequate estimate of planted area based on pre-planting mapping. No major deviation in reported area by NFC was found from the sample measured in the audit.
- Average stand density of 1,065 trees/ha is good, just slightly below the standard of 1,111 trees/ha. However, still half of the woodlots are on the low side which require blanking and a few others are overstocked.
- A survival rate of 92% (eucalypt 89%, pine 94%) can be considered quite good. According to the audit the mortality is mainly due to drought stress (74%), followed by suppression of weeds (10%) and various minor causes such as pest & diseases, destruction by cattle, and fire damage.
- Average weeding score of 1.3 out of a scale of 0-2. A proportion of 44% of the outgrowers conducted weeding of expected standard, 40% did partial weeding, and 16% did not do any weeding.
- Most of the woodlot were in good health, while 23% were in medium health and 9% in poor health.
- Fire breaks were established in 45% of the woodlots.
- No woodlot boundary conflicts were observed, but 0.8% of the woodlots were located within 60 meters from a river or water stream. No surveyed woodlots had been established on cleared natural forest.

Source: PFP2 - Verification of the Woodlots Established through NFC's Tree Out-Grower Support Programme in 2021/2022 – September 2022.

Although ERET could only verify a few sampled woodlots, the observations were mixed. Not all woodlots showed good performance. One woodlot in Ndengisivili Village was located within 5 meters of a stream, had not been weeded and fire lines were not made. According to beneficiaries, making firebreaks is a major challenge as their woodlots are small and scattered and labour is expensive. Intercropping with crops reportedly helps to reduce the risk of wildfires. In Ng'ang'ange Village the trees in a woodlot that were planted two years ago looked a bit stunted. The woodlot visited in Kiwalamo Village on the other hand looked better with pruning and weeding undertaken. The owner also mentioned that he plans to undertake thinning. Interestingly, other TGA members told ERET that the visited plot was only average and not as good as many others. In Lusinga Village, the woodlots also appeared in relatively good shape.

The few observations of ERET are not expected to be representative but they indicate some of the challenges encountered by the tree growers. Labour requirements are listed as a major constraint. In some villages land is becoming scarce and there is a risk of planting trees in areas that are not suitable. Although the woodlot audit shows that the VLUP is respected, still some woodlots are closely located to streams. The preferred location also depends on the species. The criteria are the distance to the road, farmgate price and allelopathy of eucalyptus as agricultural crops will not grow on a harvested eucalyptus woodlot. Eucalypts are typically planted close to roads because transportation of poles is more challenging than for pine.

While the woodlot audit shows above average performance, the question is to what extent this can be attributed to the (effective) extension support provided by NFC, or to the woodlot owners' perceptions on the added value of implementing BOP. The latter would be a prerequisite for sustainability.

When asked about the benefits of the BOP, tree growers mention that the planting space of three-by-three meters contributes to faster and better growth. In the visited villages people used to plant 600-1,000 trees per acre. Now, everyone has adopted 450 seedlings per acre as they have seen the advantages. The benefits of weeding and pruning are also understood but weeding is sometimes compromised due to the labour requirements. Some NFC supported woodlots are still too young for pruning and certainly for thinning. The importance of firebreaks is also acknowledged as wildfires form a major threat. But again, labour is a main constraint, especially as most woodlots are small and scattered and in many cases, youths are not participating in woodlot management, leaving the work to older community members.

With respect to the expected rotation period, consulted beneficiaries indicate that they are prepared to increase the cycle from the current 7-8 years to 12 years, which however is still below the NFC recommended age of 15 years.

Feedback from beneficiaries indicated that they understand the benefits of producing high quality products. Some participated in study tours to the NFC plantation, sawmill, and treatment plant, which showed them the requirements and benefits of better-quality materials. Tree growers also indicated that the current price of low-quality trees is not good whereas improved trees attract a better market. With NFC next door they hope to have a secure market that will provide a better price for their products.

While the demand and price of pine has been depressed over the past few years, according to NFC, the construction business, which is the primary consumer of Tanzania plantation wood materials, is expanding and increasing the demand for wooden materials. NFC has a greater demand for raw materials than it can supply from its own plantations. Currently, it uses only 40% of its raw materials from its own plantation, with the remaining 60% coming from suppliers. As a result, it is assumed that the established woodlots in the outgrowers' fields can help meet the forecasted demand.

Obviously, a secure market with expected higher price is a strong motivational factor for TOSP supported outgrowers to adopt BOP and ensure that their product meets the quality standards required by NFC or other buyers. Although TOSP beneficiaries see the benefits, this is not a guarantee that they will fully adopt the implementation of BOP and the recommended rotation age. As the study of TTGAU confirmed, there are many other factors that might affect the adoption of good silvicultural practices and a longer rotation cycle. Not all tree growers might run the woodlots as a purely commercial enterprise but consider it as just one of their multiple income generating activities, compromising on the outputs - quality and price -, depending on their other needs, available resources, and priorities. The provision of free seedlings might not have helped induce a sense of responsibility and value of the resources.

Beneficiaries also refer to the support to IGAs and VSLAs, which contribute to improving their livelihoods. Many of the provided avocado trees do not produce yet. While highly appreciated they also indicate that the additional income might not be enough to ensure a longer rotation cycle.

With regards to seedling production, NFC sourced all tree seedlings locally, from existing nurseries. Due to high seedling demand, NFC also provided support to the local communities on the management of tree nurseries. This has provided short-term employment. The already existing nurseries are likely to continue. But it might be difficult for them to sell improved seedlings as TOSP beneficiaries received free seedlings from the programme and might not be prepared to pay a higher price.

It can be concluded that NFC's extension support has contributed to above average performance of the woodlots and initial adoption of good silvicultural practices by many outgrowers. The tree growers will continue planting trees and managing their woodlots. Although they indicate that they will continue applying good silvicultural practices, the full adoption is not guaranteed. Some of the BOP, such as recommended planting distances will be sustained, but the continued implementation of other good silvicultural practices, including a longer rotation cycle will depend on many other factors. The anticipated secure market and higher price from NFC is a strong motivational factor for TOSP outgrowers to adopt BOP and ensure that their product meets the required quality standards.

While the outlook for sustainability of well managed plantations looks relatively good, this is not necessarily the case for the supported TGAs. The quality of the TGAs varies. According to NFC, about 50% of the TGAs are active but governance is a major issue in some TGAs. As most of the member's trees are not yet mature, the TGAs cannot yet play a role in marketing. Part of the motivation of tree growers for joining a TGA appears to be to get access to the TOSP extension support. However, as NFC also provided free seedlings to anybody who requested them regardless of being a TGA member, the rationale for joining the TGA became less clear. For example, in Lusinga Village ERET was told that 450 tree growers received seedlings from NFC. When asked about the role of the TGA and member benefits, no clear answers could be provided. In Kiwalamo village, the role of the TGA was better explained. Members indicated that the TGA

would look for improved seeds and seedlings and help the tree growers to have a common voice, basically increasing their bargaining power.

As mentioned in the report for TTGAU, all TGAs were encouraged to register at MoHA and become a member of TTGAU. Unfortunately, NFC staff had given the wrong impression that TTGAU was a government organisation, and that membership was mandatory, which prompted many TGAs to follow the advice, even when they did not understand the implications. As they paid for MoHA registration and some for TTGAU membership (for which they had to raise additional money from their members), they expected to get support services. But until now they have not seen a representative of TGAU. During consultations with ERET they showed their disappointment regarding the lack of support and communication.

While some TGAs existed already before TOSP, others have been formed with the help of NFC. Although NFC could be credited for trying to organise the tree growers and providing training to TGAs, the approach was less extensive as the one followed by PFP2. Also, from ERET consultations in previous years, it seems that many TGAs see their role basically as a link to TOSP to canalise and coordinate the extension support. The fact that NFC also provides support to non-TGA members, confuses this role. In any case, the sustainability of the TGAs is not so clear. It is expected that some will continue but others might get dormant or phase out, similarly with what happened to some of the PFP1 supported TGAs.

The future will also depend on the follow-up steps on the linkage with TTGAU and the support that will be provided. The TGAs might not be prepared to continue paying large sums of money if they do not see any tangible benefits in terms of service provision.

In addition to TOSP, NFC also initiated other projects, such as Forest for Prosperity (FP) with communities located next to the NFC plantations. In addition, NFC has designed a business model for its corporate social responsibility support, through the Cooperative and Rural Development Bank (CRDB) where funds that are channelled through the bank are matched with equal amount to be accessed/loaned out to communities.

NFC believes that through its consistent support to tree planting and woodlot management in 18 villages, the support to establishment of nurseries, facilitating linkages of TGAs to TTGAU, and the provision of other facilities, sustainability will be largely achieved.

While it is too early to determine impact, the ERET review confirms that the outgrowers are likely to continue tree growing, applying improved silvicultural practices, which in the end is expected to provide a higher revenue. A higher income depends on the market developments and the ability of the tree growers to organise themselves and bargain for better prices. The TGAs should play a role in this but the sustainability of many of the supported TGAs remains doubtful.

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# Annex 1: Terms of Reference and ERET mission 2023

## TERMS OF REFERENCE

### EXTERNAL REVIEW AND EVALUATION SERVICES of forest programmes in Tanzania

Draft 13.11.2020

The Ministry for Foreign Affairs of Finland (MFA) is contracting consultancy services to conduct reviews and evaluations alongside the implementation of three different Forestry Programmes in Tanzania. These are a) the Participatory Plantation Forestry Programme phase 2 (PPF2), b) the Forestry and Value Chain Development Programme (FORVAC) and c) the Tree Outgrowers Support Programme (TOSP). The reviews and evaluations will be conducted for accountability and learning purposes as well as for supporting strategic and adaptive management of MFA funds.

### I BACKGROUND OF FINNISH SUPPORTED FORESTRY PROGRAMMES

One of the main goals of Finland's upcoming country strategy for development cooperation in Tanzania will be to improve livelihoods and climate resilience for the rural population in Tanzania through sustainable management and use of existing forests and establishing forests where there is none. This is a response to the widespread poverty in the country and the increasingly more urgent need to adapt to challenges caused by climate change. There is a long history of cooperation in the forestry sector between Tanzania and Finland, and the cooperation benefits from solid Finnish expertise and know-how.

The Finnish support to the Participatory Plantation Forestry Programme (PPF2), Forest and Value Chain Development (FORVAC) and Tree Outgrowers Support Programme (TOSP) aims at increasing rural income, social and environmental benefits in Tanzania thereby reducing poverty and inequality. This will be achieved through developing sustainable plantation forestry, sustainable management and utilization of natural forests, and value addition including employment creation in the entire forest production value chain. The interventions will support sustainable land-use planning, plantation development (including facilitation of smallholder out-growers), community-based forest management, facilitation of local organisations, including Tree Growers Associations (TGAs), and capacity building of tree growers, small and medium sized enterprises (SMEs), service providers (extension and business services) and other stakeholders involved in the forest value chain.

The key beneficiaries are private tree growers, village land forest reserve owners, and wood processing micro, small and medium sized enterprises (MSMEs). Beneficiaries include members of already existing and new Tree Growers Associations (TGAs), and villages with forest reserves. Inclusive and equal participation in TGAs and management of village land forest reserves will be promoted. The rights of people in vulnerable situations will be strengthened through their involvement in the land use planning processes, by supporting their employment in value chains and promoting income generation. To ensure environmental sustainability, the programmes integrate biodiversity conservation in land-use planning and improved biodiversity management in plantation development and village land forest management.

The rationale to support private plantation forestry and natural forest and value chain development in Tanzania is based on the following:

- 1) A significant supply-demand deficit of round wood is anticipated in Tanzania shortly with severe long-term implications if plantation development is not accelerated.
- 2) Higher deforestation of natural forests is occurring as a result of increased population and poor agricultural practices.

- 3) Right now, there is a great momentum to accelerate expansion of forest plantations among small-, medium and large-scale tree growers in Southern Highlands area as plantation development is already strongly emerging.
- 4) Availability of village land use plans has potential to secure forest resources and biodiversity whilst addressing land use conflicts and ensuring equality in resource ownership and management.
- 5) Plantation forestry, sustainable utilization of natural forests, and wood-based processing are financially sustainable if done in a proper way.
- 6) Private plantations, sustainable natural forest management and value-added production can have positive economic, social and environmental impacts at local and national levels.
- 7) Private plantation forestry and sustainable management of village land forest reserves can generate economic growth and employment in rural areas and have major potential for reducing poverty.
- 8) Climate change mitigation and adaptation are also objectives in forest projects. In FORVAC OECD/DAC markers and estimated shares are for climate change mitigation 30% and for adaptation 10%, and in TOSP mitigation 30%.

## II PRESENTATION OF THE CURRENT FORESTRY PROGRAMMES

Finland supports the Tanzanian forestry sector through three different interventions presented below. The MFA recognizes the importance to integrate evaluation and its results into the management and decision-making bodies of the three different programmes and to promote synergies between them.

### PFP2

The overall objective of the Participatory Plantation Forestry Program phase II is to promote sustainable and inclusive plantation forestry that contributes to Tanzania's economy and alleviates poverty through increased rural income by intensified private plantation forestry and related value chains from seeds to market, based on sustainable land use. While supporting especially the income and employment of those rural households in the Southern highlands area that have potential for plantation forestry, PFP2 will also safeguard the rights of vulnerable groups and support their participation in the value chain. PFP phase II will focus on the consolidation of the achievements of phase I while taking a people centred approach through facilitation, communication and inclusiveness with the aim of building greater sustainability.

To respond to the needs, the project will accelerate plantation development and benefit local economies through two main result areas:

- 1) Tree growers support in establishment of higher quality plantation.
- 2) Support to small and medium sized enterprises in efficient wood processing and wood based business administrations.

PFP2 is a four-year project that commenced in November 2019 and is expected to end in 2023. Finland's funding is 9.4 million euros, and Tanzania's contribution is 470,000 euros. PFP is implemented by the Government of Tanzania through the Ministry of Natural Resources and Tourism. Indufor Oy has been contracted to provide technical assistance.

The Supervisory Board is the highest decision-making body meeting annually. Its members include the competent authorities (representatives from Finland and Tanzania with whom the agreement is done). The Supervisory Board agrees and approves the strategic and policy issues of the Project and all changes in the Project Document. The Steering Committee is the body responsible for guiding project implementation on the basis of the contract, project document and annual work plans. It is a monitoring as well as an advisory and decision-making body meeting quarterly. The Steering Committee is comprised of representatives of the competent authorities, the implementation agency, key beneficiaries and other stakeholders. The Programme Management Unit is responsible for practical management and consists of the international and national technical assistance team. It works closely with the Forestry and Beekeeping Division of the Ministry of Natural Resources and Tourism.

## FORVAC

The overall objective of the Forestry and Value Chain Development Programme (FORVAC) is to increase economic, social and environmental benefits from forests and woodlands through improved forest sector market / value chains contributing to sustainable forestry and forest-based livelihoods. The programme works in three regions: Tanga, Lindi and Ruwuma. FORVAC has four result areas in order to attain this objective:

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

FORVAC is implemented in 2018–2022. Funding contribution from Finland is 9.95 million euros and 200,000 euros from Tanzania. The Government of Tanzania is represented by the Ministry of Natural Resources and Tourism. Technical assistance is provided by a consortium of FCG International and FCG Sweden.

As described above about PFP II, the Supervisory Board is the highest, strategic decision-making body and the Steering Committee responsible for guiding implementation. These bodies are working separately for PFP II and FORVAC, even though their participants are almost the same and the meetings may be organised in coordination. Possibilities for further integration and synergies may be further explored. As in PFP II, the FORVAC Program Management Unit is responsible for practical management and consists of the international and national technical assistance team. It works closely with the Forestry and Beekeeping Division of the Ministry of Natural Resources and Tourism.

## TOSP

TOSP builds on the overall objective of the Private Forestry Programme (PFP1, 2014–2019) which was to contribute to poverty reduction by increasing rural income through intensified private plantation forestry and related value chains from seeds to market, based on sustainable land use. TOSP is a continuation of outgrower activities carried out within PFP1. While supporting especially the income and employment of those rural households in the Southern highlands area who have potential for plantation forestry, TOSP seeks also to safeguard the rights of people in vulnerable situations and support their participation in the value chain.

TOSP provides support to smallholder tree plantations via companies or other organisations in order to establish economically viable, sustainable and inclusive plantation forestry in Tanzania. Activities include all tree-growing activities, starting from site preparation and ending to thinning of the stands. The purpose is to

help develop commercial tree growing and strengthen plantation forestry by smallholder tree growers as sustainable livelihoods, and hence increase wealth in the Southern Highlands of Tanzania.

TOSP funding has been granted to three companies: Kilombero Teak Valley Company (164 351 euros 2019–2020), New Forests Company (729 490 euros 2019–2022) and Tanzania Tree Growers Associations Union (274 121 euros 2019–2022). The competent authority is MFA represented by the Embassy of Finland in Tanzania, which is responsible for guiding the project implementation based on the Act on Public Procurement and Concession Contracts, signed agreements, application documents, annual work plans and reports. MFA is a monitoring as well as an advisory and decision-making body of TOSP. At an organisation or company level, there is a dedicated focal person for practical management. The focal person works closely with the administration of that particular company or organisation

### III PREVIOUS EVALUATIONS

Private Forestry Programme (PFP1, 2014–2019), to which PFP2 is continuation, had an External Review and Evaluation service. Two annual reviews (2015 and 2016) were implemented, and a mid-term evaluation (in May 2017) was conducted, of which the findings and recommendations were integrated in the design of PFP2. Tree outgrower activities were reviewed as part of PFP1.

FORVAC is a continuation to the Extension of Support to National Forest and Beekeeping Programme implementation (NFBKP II), which was implemented in 2013–2016. However, no evaluation of NFBKP was carried out.

### IV RATIONALE, PURPOSE AND OBJECTIVES OF THE SERVICES

The External Review and Evaluation Team (ERET) is contracted both for accountability and learning purposes. The team is expected to carry out annual reviews to facilitate constant learning and assessment of Finland's forest programmes in Tanzania. ERET will support programme leadership and MFA with feedback and analysis of different approaches. ERET will support strategic learning in the programmes and produce recommendations for strengthening sustainability. ERET should also provide programme leadership and MFA with long term strategic recommendations on how to best continue and direct support to the Tanzanian forestry sector in a sustainable, strategic and comprehensive way.

The consultancy will assess programme progress based on programme indicators but also assess the programmes using standard evaluation criteria, including relevance, impact (positive and negative changes produced by the interventions, directly or indirectly, intended or unintended), effectiveness, efficiency, sustainability, coherence and aid effectiveness. The consultancy should define a number of common indicators for the TOSP implementers.

The objectives of this assignment are to:

- support the Finnish and Tanzanian decision-makers by assessing the relevance, impact, effectiveness, efficiency and sustainability, coherence and strategic aspects of the programmes;
- provide technical advice to the Programme Management Teams of PFP2 and FORVAC in the development and improvement of internal monitoring and evaluation systems for continuous learning and programme management, and for providing periodically important data on the results and outcomes for the external annual evaluations;
- support the Programme Management Teams of PFP 2 and FORVAC with feed-back and analysis that can be utilised in the annual planning;
- analyse the programmes in terms of vocational education and skills development and provide recommendations for strengthening this area further;

- assess the synergies, coherence and level of collaboration between the programmes and of the sector support in Tanzania;
- provide support for successful implementation, including risk management, and recommendations for improvements;
- provide analysis and insights for the Supervisory Boards of PFP 2 and FORVAC to support strategic dialogue about programme risks, synergies and directions forward; and
- ensure that the cross-cutting objectives of Finland’s development policy are considered and applied.

Special attention needs to be paid to systematic monitoring and evaluation of the impacts and results of the programmes:

- Firstly, even though the programmes will be implemented in close coordination with the Tanzanian Authorities – the Ministry for Natural Resources and Tourism (MNRT) and the Tanzanian Forest Service (TFS) – most of the activities will be implemented by private sector and third sector organizations and institutions, such as CSOs.
- Secondly, especially in the case of FORVAC, different kind of approaches and methods are piloted and tested.
- Thirdly, a systematic risk monitoring and assessment is required to monitor the socio-economic impacts, especially on stakeholders in vulnerable positions. Socio-economic impact assessment relates especially to how the Village Land Use Planning (VLUP) processes are carried out and land use rights are ensured, how employment opportunities or other benefits are extended also to people in vulnerable situations, and how the tree-growers associations and community-based organisations are developed.
- Fourthly, monitoring short- and long-term climate and environmental risks is part of the assignment.

In terms of monitoring and evaluating especially socio-economic impacts and risks, the key questions include the following:

- What positive impacts/results are achieved and who benefits from them? How?
- How to reach the easily marginalized beneficiaries?
- Who does not benefit and/or are in risk to face negative impacts? What kind of negative impacts?
- How does the management systems in programmes provide feedback and corrective measures to planning, implementation and monitoring?
- Which of the developed approaches could function as best practices for wider application? What is required for replication?

## V SCOPE OF THE EXTERNAL REVIEW AND EVALUATION SERVICES

The services will be carried out in 2020–2023. They will include the following:

1. Annual reviews of the three programmes
2. ‘Strategic evaluations at mid-term’, in-depth studies
3. Final synthesis report

The evaluation team will make an annual field mission in the beginning of the calendar year. The following analysis will feed into the preparation of the programme annual plans that are presented to the steering committee and supervisory board. PFP II and FORVAC will each have a supervisory board, of which the members are mostly the same and the meetings would be arranged one after another. In connection with the meetings, there would be a session covering both programmes, in which the evaluation team would present

insights and recommendations and where strategic issues, risks and possibilities, and synergies would be discussed between the programmes. The evaluation team would attend either in person or virtually.

#### 1. Annual Review

PFP2, FORVAC and TOSP implementing companies and organizations are responsible for the operational planning. This means setting annual targets and results with measurable indicators, activities and resource allocations. They prepare annual plans consisting of work plans and required resources. They are themselves responsible for monitoring the results by collecting data on specific indicators and reporting on the results and progress to the decision makers. They provide reports for the Steering Committee of PFP2 and FORVAC, while TOSP reports directly to the Ministry for Foreign Affairs of Finland. To conclude, the programmes are responsible for monitoring whereas the role of the ERET consultancy is to bring additional value and promote the idea of constant learning in the programmes.

The ERET will conduct reviews annually to assess the progress of the programmes against the set objectives and suggest corrective and improving measures when necessary. The annual reviews will look at the following evaluation aspects:

- Relevance of the programmes. This refers to the extent to which the objectives of the program are consistent with the beneficiaries' needs, country priorities and the partner's and Finland's policies. The consultancy has also to assess the relevance and effect of technical assistance given to the programme as well as to the beneficiaries.
- Impact which describes to what extent each programme has succeeded in contributing to its wider, overall objective, i.e. impact for its final beneficiaries, including promotion of human rights and gender equality, reduction of inequalities and promotion of climate resilience and low emission development . The review of impact covers intended and unintended, short-term and long-term, positive and negative impacts.
- Effectiveness describes if the results have furthered the achievement of the programme purpose or are expected to do so in the future. Evaluation of promotion of human rights and gender equality, reduction of inequalities and promotion of climate resilience and low emission development shall be integrated in the analysis.
- Efficiency, which describes how well the various activities have transformed the available resources into the intended results in terms of quality, quantity and timeliness. Use of resources to promote human rights and gender equality, reduction of inequalities and promotion of climate resilience and low emission development shall be integrated in the analysis. Annual reviews will also help accountability function and to that extent comparison should be made against what was planned and whether the programmes have utilised funds as per approved work plans. Furthermore, the management and administrative arrangements are analysed as well as the role of the Steering Committee and whether the committee is optimally being used for decision-making.
- Sustainability refers to the likely continuation of the programme achievements. The sustainability of programme interventions in terms of their effect on environment will also be assessed. Other important aspects are ownership/commitment, institutional, socio-economic and technical aspects, financial considerations, and governance/enabling environment.
- Coherence, both internal and external, of the different programmes, their approaches, methods, goals and implementation. Efficiency and effectiveness in networking with local and national stakeholders, service providers and NGOs will also be analysed.

The relative focus on these evaluation criteria in each review will depend on their relevance for the specific programme phase of implementation. An assessment of relevance, effectiveness and efficiency of approaches is more appropriate at the early stage while the analysis of the actual outcomes, impact and sustainability should be emphasised at the later stages.

The reviews will preferably be conducted in the month of February to allow programme incorporation of the recommendation from ERET in annual planning. This will be done by:

- review of the consecutive progress reports of the programmes; and
- a field mission to verify and validate the results and progress of the field activities on a sample basis.

In between annual review missions, the evaluation team will also be regularly in contact with the Management of the programmes to provide advice on M&E systems, follow-up provided progress reports, review M&E data and other documents, and be informed on important activities, issues and changes.

The desk review, prior to the field work will include a preliminary analysis on the relevant evaluation criteria and will propose more detailed review questions for the annual review mission. For the first annual review in 2021, the preliminary analysis is included as part of the inception report.

Each annual review mission will focus on specific issues, problems and selected evaluation criteria. It will provide in-depth analysis of monitoring information as well as complementary information to monitoring. It will address acute problems and provide recommendations to solve them. Implementation challenges may relate, for example, to the piloting of new approaches, special studies, participation of easily marginalized groups, implementation of training component, role of tree-growing incentive scheme or income generating activities.

A detailed work plan for each annual review mission will be agreed upon in consultation with the Program Management Units as well as competent Finnish and Tanzanian authorities. The work plan for each mission, study and evaluation, including allocated days for the task, will be separately approved by the MFA.

The information of the annual reviews will be used by the Program Management Units, the Steering Committee(s), Companies and NGOs engaged through TOSP as well as the Supervisory Board(s) to improve the performance of the programmes. The ERET Consultancy will report to the Steering Committee(s) and Supervisory Board(s).

The timing of the annual review mission will ideally be in February, to be agreed so that it will best serve annual work planning and that its recommendations can be integrated to annual work plans before their approval. The programmes and ERET follow the Tanzanian fiscal year beginning 1st July.

As a deliverable the mission will produce a report with clear analysis on the following:

- Findings – data, facts, evidence relevant to the indicators of the evaluation progress
- Conclusions – assessment of the progress or lack of it based on the findings
- Recommendations – proposed changes to the next year work plan and/or to the result-based logical framework, improvements, action to remedy problems in performance or to capitalize in strengths.
- Programme specific and sector-wide risks – how have they been identified and responded to, recommendations for further action
- The flow from findings to conclusions and from conclusions to recommendations must be clear and logical
- Strategic recommendations for the programmes as well as for MFA forestry sector support more generally.

## 2. 'Strategic evaluations at mid-term', in-depth studies

Given the fact that most projects are already mid-way of their implementation period and considering the continuous learning objective of the evaluation services, the mid-term evaluations could be integrated in the annual reviews, focusing on key areas that are of specific strategic relevance for the respective programmes. If needed, additional studies on specific topics could be conducted, providing input on key questions that are integrated in the annual review reports.

Considering that FORVAC and TOSP end in 2022, the first annual review should already integrate a first discussion of the future/next phase of these programmes. A more in-depth exercise can be undertaken as soon as the COVID-19 pandemic enables the full ERET team (including international consultants) to participate in the field work (probably late 2021 or early 2022), looking at strategic questions of future sector support in Tanzania, and if/how a possible next phase of the programmes could look like, drawing on the findings of the annual reviews and other policy evaluation reports. Such analysis should already be started at a relative early stage to feed into the planning process of the next phase support by the MFA and avoid a large gap in implementation.

The strategic analysis of the 2022 annual review will feed into the final synthesis report but a preliminary report could already be prepared for the planning of the possible continuation of programmes.

In case FORVAC and TOSP are not extended after 2022, the 2023 annual review should also include an ex-post evaluation of sustainability of the achieved outputs and outcomes of these two programmes.

### 3. Synthesis report

The synthesis report will summarize the analysis, recommendations and lessons learned throughout the ERET consultancy. Lessons learned will provide final information for the planning of possible next phases. It should follow the evaluation criteria described above (in the context of the annual review) but also include:

- Aid effectiveness (effectiveness of aid management and delivery) which refers to how the programme has implemented the commitments to promote ownership, alignment, harmonization, management for development results and mutual accountability.
- Coherence referring to issues beyond development cooperation focusing on contradictions or mutual reinforcement with other policies to achieve the development objectives.

The synthesis report will be prepared using the MFA Evaluation Manual directions, including the reporting outline (Annexes 2 and 3). The synthesis report will include a concept note for the planning of the possible continuation of programmes. MFA will prepare separate terms of reference for the synthesis report to clarify focus and exact tasks.

## VI APPROACH AND METHODOLOGY

The approach and working modality will be participatory, consultative and inclusive, and concentrate on the idea of constant learning. The external evaluation will serve both planning and decision-making needs.

The main method used will be document review combined with field visits to the programme areas and interviews of different stakeholders in Tanzania and Finland. Multiple methods (both quantitative and qualitative) should be used. Particular attention is paid to the adequate length of the field visit to enable sufficient collection of information.

A theory-based evaluation approach will be used, building on the Theories of Change (ToC) of the programmes. The reviews will be conducted in an objective, impartial, open and participatory manner and in close consultation with key stakeholders. In as far possible triangulation of findings and substantiation of outcomes (and contribution analysis) will be undertaken through the verification by independent sources and field observations.

ERET will provide some technical advice to the programmes in setting up/improving their internal M&E systems, and relevant data should be periodically made available by the programmes that could serve as an input to the ERET reviews. Due to the limited time ERET can spend in the field, relevant surveys must be undertaken by the programmes with respect to measuring results and outcomes. For accountability purposes the quantitative achievements and attainment of the indicators will be measured, but a major focus of ERET

will be to assess the qualitative aspects, outcomes and lessons learnt of the approaches through discussions with beneficiaries and stakeholders (including private sector and CSOs) and through field observations on the status of plantations/forests, processing/value chain aspects and business instruments.

The main instruments will be reviews of materials (including internal M&E data), meetings and key informant interviews (KII) with main stakeholders, Focus Group Discussions (FGD) with beneficiaries, and field observations. Adequate survey instruments will be prepared with key questions.

Evaluation criteria will be sequenced according to their relevance with focus on the relevance, effectiveness and efficiency of approaches at the early stage and the analysis of the actual outcomes, effects and sustainability more at the later stages. In addition, within the framework of the evaluation criteria, specific issues and evaluation topics will be determined at the start of each annual review, based on the relevant developments and issues.

A practical but also strategic approach will be followed. The key focus is on enhancing ‘constant’ learning (providing practical advice on approaches to make them more effective), but with the overall strategic goal in mind that the programmes should contribute to sustainable mechanisms and practices that will be continued after the programmes have come to an end.

A specific issue that could affect the methodology is the COVID-19 pandemic, which might restrict the possibilities for international experts to travel or even Tanzanian members to do field work. The implications will be further discussed during the inception phase. The detailed methodology and workplan will be included in the Inception report.

## VII SERVICE DELIVERY PROCESS AND DELIVERABLES

The service delivery will take place during 2020/2023. It began in September 2020 by launching the process for identifying Team Leader candidates. The evaluation will be carried out within the Evaluation Management Services (EMS) framework implemented by Particip-Niras consortium. Each deliverable is subjected to specific approval. The ERET team can only move to the next phase after receiving a written statement of acceptance by the MFA.

As preparatory phases for actual implementation, the service delivery process comprises of the start-up phase and inception phase. The implementation comprises of annual reviews and strategic evaluations at mid-term’, in-depth studies, leading to synthesis report at the end of service delivery.

### 1. Start-up phase

A start-up video conference meeting was held on 2 November 2020. The purpose of the start-up meeting is to have initial discussions on the background and objective of the programmes, monitoring and evaluation process including practical issues related to the field visits, reporting and administrative matters. Discussions were held based on the draft terms of reference prepared by the MFA, and will continue more in detail during the inception phase.

Based on the discussions, the Team leader finalized the ToR for the approval of the MFA. This is followed by the recruitment of the other evaluation team members.

### 2. Inception phase

#### 2.1 Inception Report (Draft and final)

The inception report consists of the desk study and overall work plan for the service delivery. It includes the following: Context analysis; Initial findings of the desk study consisting of a preliminary analysis of the documents, such as progress reports and guidelines; Review of the programmes’ theories of change; Finalization of the methodology, evaluation questions, methods for data collection and analysis; Final overall work plan and division of work between team members; Data gaps; Implementation plan for stakeholder

consultations (for the first annual review); interview questions/guides/notes, preliminary list of stakeholders and organizations to be contacted; and Budget.

Defining of the specific focus, evaluation questions, a specific work plan and a timetable for the first field mission will be done in consultation and cooperation with the programmes and is part of the inception report. The draft inception report will be discussed in the inception meeting. The structure of the annual review reports shall also be agreed upon in the inception meeting. The inception report has to be approved by the MFA prior to the field mission.

### 3. Annual Reviews

#### 3.1 Field missions

The field mission is expected to take place annually and serve programmes' work planning processes. At the beginning of the field mission, the ERET team will meet the relevant Tanzanian and Finnish decision makers. The purpose of the field visit is to reflect and validate the results of the desk study phase, assess the situation on the ground in the light of policy and programming analysis and gather evidence for hypothesis. The purpose of the field visit is to make further assessments and fill any gaps in the information. The field visit will contain gathering local information as a key element.

The results of the annual mission will be reported to the Steering Committees and Supervisory Boards. However, the ERET team will work with the programme management units and TOSP contact persons in order to integrate the recommendations already to the annual plans.

## VII WORK PLAN AND RESOURCING

A tentative overall work plan will be included in the inception report. It is expected that apart from the start/up and inception phases in 2020 and early 2021, altogether three annual reviews (including strategic evaluations at mid-term', in-depth studies; and an extended annual review of 2023 in order to allow for preparation of the final synthesis of the consultancy) will be carried out as part of the service delivery process (2021, 2022, 2023). The plan is subject to change depending on the implementation of the programmes.

ERET will comprise four core consultants, two international and two Tanzanian experts. The team will comprise of a mix of expertise, including M&E, forestry, value chain, socio-economic aspects/gender, etc. as stated in the Chapter X.

Because of the COVID-19 pandemic, it is assumed that for the first annual review scheduled for February 2021 international experts will not be able to travel to Tanzania and will only conduct interviews with key informants through virtual means while field work will be undertaken by Tanzanian consultants. For that reason, another Tanzanian evaluator is added for the first review.

It is also assumed that the international consultants will be able to travel and take part in field work of the second annual review in 2022 and therefore the involvement of a third Tanzanian evaluator is not considered necessary. This review will be a key one, already looking at the future of the programmes and sector support. It will comprise a more in-depth exercise that could feed into a discussion on the planning of the next phase.

During the third review 2023, only PFP2 will be in operation (unless there is some extension without costs for FORVAC/TOSP) but the ERET can still do an 'ex-post' evaluation of FORVAC and TOSP and especially analyse aspects of sustainability (and 'impact' on beneficiaries) of the project interventions. The third mission will further contribute to the final planning of the next phase and the preparation of the synthesis report.

Apart from the annual reviews, 4 days per year are reserved for the Team leader to provide some technical advice on internal M&E systems, review reports and data and consult programme management and key stakeholders on emerging issues and developments.

A detailed cost-calculator will be submitted separately to MFA for approval. It includes the overall budget, task division of team members and maximum amount of days required to carry out the tasks. Exact days required for each mission will be decided before each mission according to the scope of evaluation questions and work plan. Both are subject to the MFA approval.

## VIII MANAGEMENT OF THE EVALUATION

The Department of the Africa and Middle East/Unit for the Horn of Africa and Eastern Africa will be responsible for the overall management of the service delivery process from the MFA's side.

There will be one Management Team responsible for the overall coordination of ERET. This consists of the Evaluation Manager/Unit for the Horn of Africa and Eastern Africa, ERET Team Leader and the EMS Coordinator. A reference group will be established and chaired by the responsible Unit. The mandate of the reference group is to provide quality assurance, advisory support and inputs to the evaluation, e.g. through participating in the planning of the evaluation and commenting deliverables. .

The ERET team will be managed from distance by the Team Leader. This requires careful planning to ensure that a common, consistent approach is used, in order to achieve comparability of the data gathered and the approach used in analysis. The Team Leader will develop a set of clear protocols for the team to use and will convene regular online team meetings to discuss the approach. During the process particular attention should be paid to strong inter-team coordination and information sharing within the team.

The evaluation team is responsible for identifying relevant stakeholders to be interviewed and organizing the interviews. The Ministry and embassies will not organize these interviews or meetings on behalf of the evaluation team, but will assist in identification of people and organizations to be included in the evaluation.

## IX QUALITY ASSURANCE

The consortium will put in place a three-layer system of quality assurance for all products/reports: at the level of the Team Leader, through the EMSC and through in-house senior QA advisors.

Layer 1. The Team Leader will be the main (if not sole) author of the individual reports and intermediary products, building on the team's input to produce deliverables. This ensures a harmonised writing style with clear and coherent structures from the very beginning of the drafting process. At the same time, the Team Leader is responsible for supervising and controlling outputs delivered to him/her by the team, paying particular attention to the consistency and coherence of individual members' contributions and ensuring that findings reported are substantiated by supporting evidence before proceeding with the formulation of more generalised conclusions.

Layer 2. The EMSC will work with the Team Leader during the entire drafting stage to identify potential challenges early in the process. They will provide guidance on MFA's principles, standards and practices to ensure that the products fulfil the expectations of the MFA. They will also ensure accumulated learning. They will conduct a first review of the completed draft reports.

Layer 3. If the deliverable is deemed of sufficient quality by the EMSC, she will pass it on to the in-house QA advisor(s), who will be assigned by the individual evaluation manager. Particip, as Consortium Lead, assumes responsibility for a final QA of all deliverables before submission to the Client.

The consortium Particip-Niras is in charge of the impeccable quality of English texts of the reports and related proofreading.

The tentative structure of the annual reports and synthesis report shall be agreed upon jointly with the Client. The Synthesis report shall be of publishable quality. The evaluation team should make their best efforts not to exceed the total length of 80 pages for the main evaluation report.

## X EXPERTISE REQUIRED

The proposed evaluation team members should be independent, they should not have been involved in the planning or implementation of the projects that will be monitored, nor should they be contracted by Niras Oy due to the company's role in one of the projects.

The experts shall have solid experience and knowledge in the following fields:

- Evaluations of development cooperation projects or programs; expertise and experience in developmental evaluation is considered a strong asset.
- Sustainable plantation and natural forest management
- Private and third sector cooperation and value chain development in forest sector
- Result-based management of development cooperation projects or programmes
- Human rights-based approach
- Climate and environmental risks in forest sector
- Integration of cross cutting objectives of Finland's development policy in development cooperation projects or programmes and evaluations
- Socio-economic impact and risks in forest sector programmes or in other development cooperation programmes

## XI BUDGET

The final budget will be attached to the Inception Report. It should not exceed 513 000€.

## XII MANDATE

The evaluation team is entitled and expected to discuss matters relevant to this evaluation with pertinent persons and organisations. However, it is not authorized to make any commitments on behalf of the Government of Finland. The evaluation team does not represent the Ministry for Foreign Affairs of Finland in any capacity.

The evaluation team has no immaterial rights to any of the material collected in the course of the evaluation or to any draft or final reports produced as a result of this assignment.

## ANNEXES:

1. Country strategy for development cooperation Tanzania 2016–2019:

<https://um.fi/development-cooperation-tanzania>

2. MFA evaluation manual:

<https://um.fi/development-cooperation-evaluation-manual>

3. Outline of the Evaluation Report

[https://um.fi/documents/384998/0/Template\\_Outline\\_Evaluation\\_report\\_2020.docx/0e6fc25d-8941-7b9d-4401-4c569d6eb248?t=1592335667928](https://um.fi/documents/384998/0/Template_Outline_Evaluation_report_2020.docx/0e6fc25d-8941-7b9d-4401-4c569d6eb248?t=1592335667928)

4. Evaluation report quality checklist (OECD/DAC and EU standards)

[https://um.fi/documents/384998/0/Checklist\\_Quality\\_Evaluation\\_Report\\_2018.docx/dbc2768f-bb8c-5b49-f242-7b0f5733dc0a](https://um.fi/documents/384998/0/Checklist_Quality_Evaluation_Report_2018.docx/dbc2768f-bb8c-5b49-f242-7b0f5733dc0a)

## TERMS OF REFERENCE

### EXTERNAL REVIEW AND EVALUATION SERVICES of forest programmes in Tanzania (ERET): ANNUAL REVIEW 2023, SYNTHESIS and ASSESSMENT OF PFP2 EXTENSION

## I INTRODUCTION

The Ministry for Foreign Affairs of Finland (MFA) has contracted consultancy services to conduct reviews and evaluations alongside the implementation of three Forestry Programmes in Tanzania since 2021. The services have been contracted within the MFA framework agreement for evaluation management services 2020-2024. The reviews and evaluations are conducted for accountability and learning purposes as well as for supporting strategic and adaptive management of MFA funds.

ERET supports the forestry programmes' leadership and MFA with feed-back and analysis of different approaches. ERET also supports strategic learning in the programmes and produces recommendations for strengthening sustainability. ERET should also provide programme leadership and MFA (and the stakeholders) with *long term strategic recommendations* on how to best continue and direct support to the Tanzanian forestry sector in a sustainable, strategic and comprehensive way. This final task will be an important element of the synthesis of the reviews.

This ToR sets the frame for the final annual review (2023), the synthesis, and assessment of the Participatory Plantation Forestry Programme phase 2 (PFP2) extension phase plan. General instructions regarding the assignment and background information of the three Forestry Programmes have been outlined in the Terms of Reference of the External Review and Evaluation Services of forest programmes in Tanzania (November 2020).

## II SCOPE OF THE EXTERNAL REVIEW AND EVALUATION SERVICES in 2023

The services will be carried out in early 2023. They will include the following:

1. Annual review of the three programmes, PFP2, FORVAC and Tree Outgrowers Support Programme (TOSP), focusing on PFP2 and Forestry and Value Chain Development Programme (FORVAC)
2. Final synthesis report of three ERET reviews (2021, 2022, 2023)
3. Appraisal of PFP2 Extension Phase Plan<sup>45</sup>.

## III ANNUAL REVIEW

The evaluation team will make an annual review mission in March 2022, focusing on PFP2 and FORVAC. An assessment of the actual outcomes, impact and sustainability, and how to strengthen them in the current and future interventions, should be emphasised during this last round of ERET. It is however understood that the review will have its limitations and can only capture indicative/potential impacts.

The findings and recommendations of the evaluation will feed into the preparation of the programme annual plans that are presented to the steering committee and/or to the supervisory board (SVB) of PFP2 and FORVAC.

The ERET mission will **assess the progress of the programmes (PFP2 and FORVAC) and TOSP project by TTGAU (<https://www.ttgau.or.tz>) against the set objectives and indicators**. It will suggest corrective and improving measures when necessary. With focus on effectiveness, indicative impact and sustainability, aspects and questions that were already extensively covered in the previous reports, related to relevance but also other aspects with regards to efficiency, will only be covered with regards to major issues if any.

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<sup>45</sup> This would be the first task due to the time frame as the plan is expected to be ready by mid Jan 2023.

The ERET 2023 will also assess the level to which the previous recommendations and guidance of ERET and the relevant key findings of KPMG audit of PFP2 and TOSP (especially TTGAU) have been taken on board, in the management of the programmes, as well as functioning of the steering mechanisms, including quality control by Home Offices and the PSC.

Apart from relevance and most aspects of efficiency, the annual review 2023 will address the evaluation aspects that have also been addressed (at varying depths) in most of the earlier ERET rounds and that are outlined in the general ToR of ERET in 2020.

Following considerations will be taken on board and addressed in the annual review of 2023:

- While cognisant of the review limitations, assessing *indicative impact* will be important in PFP2 – PFP through its different phases will have been in operation for 9 years partly in the same landscapes (Southern Highlands), including PFP1 and PFP2. While in the context of FORVAC, it is understood that most operations are in sites not covered by the predecessors such as LIMAS and NFBKP II, some continuity can be identified, and focus of assessing indicative impact should be on those sites where both the predecessor programmes have made efforts and taken steps towards CBFM. The review should also aim at identifying reasons for positive and negative impacts (or lack of them) to help in addressing these in the possible next intervention.
- Assessing indicative impact is linked to assessing *sustainability*, and it will be important to study the extent to which the capacities of Tanzanian government agencies, business actors, associations of tree growers or businesses, and other key stakeholders in the forest sector have been enhanced and these entities have taken up roles or functions that have been supported or made possible by the programmes (especially PFP1, PFP2 and FORVAC) and their level of buy in and self-financing and/or investment in the activities. An ex-post sustainability analysis of NFC TOSP would be part of the assignment.
- Other issues to be analysed and addressed within the review limitations include:
  1. Progress in developing the forestry, including timber and NTFP value chains. This includes support to micro and SMEs, incl. changes in their access to finance and markets (especially in FORVAC & PFP2);
  2. Results-Based management of the programmes/projects, how it has progressed, possible gaps or areas to address;
  3. M&E systems, quality and their use for managing the programmes and learning;
  4. In relation to FORVAC, as part of the impact analysis, the level to which the communities have benefited from the revenue from the sale of timber in their areas (VLFRs), focus in Lindi cluster
  5. In relation to TTGAU and TGAs, their capacity, business plans, role/potential role and gaps
  6. The support to skills development at different levels, incl. capacity building of educational institutions (co-operation with HAMK) and VET courses and training at FWITC,
  7. The level to which ERET recommendations and KPMG audit recommendations have been taken on board (the latter esp. in PFP2)
  8. Assessing how the risks and assumptions have been addressed and managed by the programmes, and identifying needs for possible adjustments.

#### IV APPROACH AND METHODOLOGY

**The approach and working modality will be participatory, consultative and inclusive, and concentrate on the idea of constant learning. The work in Tanzania would start on the second week of March and the report would be available by the end of April so that the programmes can make use of it effectively in their planning.**

**The annual review will include at least the following:**

- **review of the consecutive progress reports of the programmes; and**

- **a review mission to verify and validate the results and progress of the activities of the programmes and projects on a sample basis.**
- **consultation of the competent authorities (MFA & MNRT). Ideally, at the beginning of the review mission in Tanzania, the ERET team will meet the relevant Tanzanian and Finnish decision makers.**
- the team should also have an exit meeting with the programme teams when they are done with the data collection before leaving the sites, to settle any unclear issues

The desk review, prior to the work in Tanzania will include a preliminary analysis on the relevant evaluation criteria and will propose more detailed set of questions for the 2023 review and evaluation mission. In support of the desk review, the programmes should gather relevant information on outcomes and indicative impact as much as possible as an input to ERET. For example, FORVAC should prepare an updated list of villages that have sold timber with all detailed figures on the sales and use of revenue, and probably also figures on micro-enterprises. The M&E Officer and Cluster Coordinators should prepare such and other information that can be used by ERET and also help the team in identifying villages to go to for validation and further analysis. Similarly, PFP2 could provide relevant data on the supported communities, quality and performance of TGAs and SMEs. The review would have to be in a position, more than during the previous years, to rely more on data to be provided by the programmes with respect to physical and financial progress and reduce the sections (details) in the report by focusing on the main findings. This would require the programmes to have their draft progress reports ready before the field work of ERET commences.

A detailed work plan for the review mission will be agreed upon in consultation with the Program Management Units as well as competent Finnish and Tanzanian authorities. The work plan for the mission, study and evaluation, including allocated days for the task, will be separately approved by the MFA ahead of the mission. The deliverables of the annual review are the same as for previous ERET rounds (see ToR).

The annual review should also include an ex-post evaluation of sustainability of the achieved outputs and outcomes of the NFC TOSP project.

The team leader (and possibly other team members) of the evaluation team are expected to attend at least the Steering Committee meeting, and ideally also the SVB meeting, either in person or virtually, to share the report, receive feedback and respond questions. The results of the annual review will be reported to the Steering Committees and Supervisory Boards. ERET team will work with the programme management units and TOSP contact persons in order to integrate the recommendations already to the annual plans.

## **V SYNTHESIS REPORT**

The synthesis report will summarize the analysis, recommendations and lessons learned throughout the three years of ERET consultancy. The synthesis will assess the trends in the progress and level of achievements in the programmes and projects during the three years of ERE reviews. It should also provide strategic recommendations and priority list of issues to be addressed during the remaining time of the ongoing programmes. It should also provide recommendations that can be used in the planning of a new intervention or phase, as well development of systems to review and evaluate development co-operation programmes.

It should follow the evaluation criteria described in the general ToR for ERET (Nov 2020) but also include the following:

- *Aid effectiveness* (effectiveness of aid management and delivery) which refers to how the programme has implemented the commitments to promote ownership, alignment, harmonization, management for development results and mutual accountability.

- *Coherence* referring to issues beyond development cooperation focusing on contradictions or mutual reinforcement with other policies and key factors, such as institutions and markets, influencing the sector to achieve the development objectives.

The synthesis report will be prepared using the MFA Evaluation Manual directions, including the reporting outline (Annexes 2 and 3).

**In the synthesis, the focus should be on the strategic questions of forest sector support in Tanzania, identifying possible gaps as well as thematic areas, actors and processes where MFA support would be most needed and would bring most added value in the future.**

The synthesis of the evaluations is expected to feed information into the planning of a new forest sector intervention by MFA, to take place in the first half of 2023. It is to identify the critical activities or processes within the PFP2 and FORVAC that would need to be addressed in the new programme, possible risks that have to be considered, and best practices to continue applying and/or scaling up in the future as well as areas to improve. This is based on the assumption that elements of both PFP2 and FORVAC can be embedded in the new programme.

**In addition, it should identify where and how possible future Finnish support to Tanzanian forest sector (e.g. next programme or phase) could better strengthen synergies with and advance the growth of trade between Finland and Tanzania, including local and international companies operating in Tanzania and in the region.**

**In addition, it should provide recommendations and identify best practices, lessons learnt, and areas to focus on in the future forestry sector support in Tanzania. A list of recommendations** should be produced that will then feed into the planning of the possible continuation of some elements / processes / approaches of the programmes. **The synthesis may also provide suggestions or recommendations of how such long term evaluation and review assignments can be best designed and made use of in contexts where Finland has several bilateral or multi-bilateral programmes in a given sector.**

The synthesis report should be ready by mid-June.

#### **VI Extension Plan of PFP2**

This assignment will include conducting an assessment of the quality, including feasibility, focus areas and resource efficiency of the Extension Plan of PFP2 for 2023-2024. It will also provide feedback (if relevant) on the Extension Plan, and how it can make (better) use of the findings of the ERET.

The Extension Plan document and tentative budget will be produced by a short term consultant in collaboration with the programme team during November 2022-January 2023. The plan is expected to be available by mid January 2023 (see ToR, annex 5).

#### **VII WORK PLAN AND RESOURCING**

ERET annual evaluation will comprise four core consultants, two international and two Tanzanian experts. The team will comprise of a mix of expertise, including M&E, forestry, value chain, socio-economic aspects/gender.

During the third review 2023, PFP2 and FORVAC as well as TTGAU TOSP will be in operation. In addition, the ERET team is to conduct an 'ex-post' evaluation of NFC TOSP and especially analyse aspects of sustainability, 'indicative impact' on beneficiaries of the project. The mission will further contribute to the preparation of the synthesis report.

The team leader of ERET will produce the synthesis report and conduct an appraisal of the extension phase plan of PFP2 (appr. 3-4 days).

A detailed cost-calculator will be submitted separately to MFA for approval. It includes the overall budget, task division of team members and maximum amount of days required to carry out the tasks. Exact days required for the mission will be decided before each mission according to the scope of evaluation questions and work plan. Both are subject to the MFA approval.

## **VIII MANAGEMENT OF THE EVALUATION AND QUALITY ASSURANCE (QA)**

The Department of the Africa and Middle East/Unit for the Horn of Africa and Eastern Africa will be responsible for the overall management of the service delivery process from the MFA's side. The roles and responsibilities, including QA, are detailed in the ToR on ERET of November 2020.

The evaluation team is responsible for identifying relevant stakeholders to be interviewed and organizing the interviews. The Ministry and embassies will not organize these interviews or meetings on behalf of the evaluation team, but will assist in identification of people and organizations to be included in the evaluation.

The consortium Particip-Niras is in charge of the impeccable quality of English texts of the reports and related proofreading. The Synthesis report shall be of publishable quality. The evaluation team should make their best efforts not to exceed the total length of 80 pages for the main evaluation report.

## **IX EXPERTISE REQUIRED**

The expertise required has been outlined in the ToR on ERET of November 2020.

## **X BUDGET**

The final budget will be attached to the Inception Report. It should not exceed 176 612 €.

## **XI MANDATE**

The evaluation team is entitled and expected to discuss matters relevant to this evaluation with pertinent persons and organisations. However, it is not authorized to make any commitments on behalf of the Government of Finland. The evaluation team does not represent the Ministry for Foreign Affairs of Finland in any capacity.

The evaluation team has no immaterial rights to any of the material collected in the course of the evaluation or to any draft or final reports produced as a result of this assignment.

## **ANNEXES:**

1. Country programme for development cooperation Tanzania 2021-2024:  
<https://um.fi/documents/35732/0/country-programme-for-development-cooperation-tanzania-2021-2024.pdf/8beae465-9d09-a10e-eadb-56fa390bdbb4?t=1624283993759>
2. MFA evaluation manual:  
<https://um.fi/development-cooperation-evaluation-manual>
3. Outline of the Evaluation Report:  
<https://um.fi/documents/384998/0/Template Outline Evaluation report 2020.docx/0e6fc25d-8941-7b9d-4401-4c569d6eb248?t=1592335667928>
4. Evaluation report quality checklist (OECD/DAC and EU standards):  
<https://um.fi/documents/384998/0/Checklist Quality Evaluation Report 2018.docx/dbc2768f-bb8c-5b49-f242-7b0f5733dc0a>
5. TOR of PFP2 Extension Planning
6. Terms of Reference of ERET (2020)

7. Guideline for the Cross-cutting Objectives in the Finnish Development Policy and Cooperation:  
<https://um.fi/documents/35732/0/Guideline+for+the+Cross-cutting+Objectives+in+the+Finnish+Development+Policy+and+Cooperation.pdf/e9e8a940-a382-c3d5-3c5f-dc8e7455576b?t=1618230452564>
8. Practical tips for addressing cross-cutting objectives in evaluations:  
<https://um.fi/documents/384998/0/Practical+tips+Cross-cutting+objectives+Climate+change+environment.pdf/169bbeb0-47f0-59a0-1c90-0bd7cb3752a0?t=1648783016982>
9. The Implementation of the Human Rights–Based Approach; and Gender Equality and Non-Discrimination - including Persons with Disabilities:  
<https://um.fi/documents/384998/0/Practical+tips+Cross-cutting+objectives+Human+rights.pdf/a6e64d70-30ef-282d-0d87-42e4ee1941a3?t=1648782885207>

## Annex 2: Performance Audit of The Participatory Plantation Forestry Programme 2 Report

### Annex 2 to 'Performance Audit of The Participatory Plantation Forestry Programme 2 Report' dated on 1 July, 2022

Action Plan and Management Response to Recommendations Given to PFP2 in 2022.

The Performance Audit report on the Participatory Plantation Forestry Programme dated on 1 July, 2022 presented the main observations (Column A), risks (Column B) and recommendations (Column C) to improve the management procedures. Risks were classified into four categories:

Critical Risk	Corrective actions are required immediately.
Significant Risk	Corrective actions are required as soon as possible.
Moderate Risk	Correcting actions are to be carried out within a reasonable time.
Minor Risk	Corrective actions are to be taken simultaneously with other relevant measures.

The following table below also outlines PFP2's management response and action plan towards the recommendations (Column D & E). The timeline for when the recommendations have been responded to (Column F) and the staff member responsible for implementing the required remedial actions (Column G) is also presented below.

No.	A Observation	B Risk & Category	C Recommendation	D Programme Management Team Response	E Action Plan	F Timetable	G Responsible Staff Member/ Status April 2023
4.1 Functionality of Programme Management							
1	The SvB minutes were signed by the Co-chairperson on 10 March, 2022, which was four months after the meeting. The	Unsigned minutes do not serve as a proof regarding decisions made in the meeting. Delays in recording and	The meeting minutes should be distributed and signed as soon after the meeting as possible.	The Minutes was sent to the Former Ministry of Natural Resources and Tourism (MNRT) Permanent Secretary for endorsement.	The Programme will follow up with MNRT Programme Coordinator, In the SvB-meeting there should be agreed the action plan how the minutes will be signed and the process.	Q1 2022/23	Programme CTA/NFPE  Both the Ambassador and PS were changed. The minutes were

	minutes were lacking the signature of the Chairperson.	signing may result in inaccuracies in the minutes or delays in actions to be taken.					presented at 2 <sup>nd</sup> SvB meeting as the matters arising were dealt with.
2	The meeting invitations were sent less than 14 days before the meeting for three of the PSC meetings. The timeliness of the meeting invitations as per the PD was not appropriately adhered to.	All meeting participants may not be able to participate or have insufficient time to prepare for the meeting.	The meeting invitations should be distributed in accordance with the schedule stipulated in the PD.	Thank you and noted	For those who don't have access the internet or cannot open mails for technical reasons hard copies should be sent in due time.	With effect from the next AWP 2022/23	CTA Implemented
4.3 Manuals and Guidelines							
3	PIM is not endorsed by the SvB and is considered as a draft.	Non-compliance with the PD requirements.	The SvB should endorse the PIM.	The AWP 2022/23 and APR are ready for presenting to PSC and when they are approved, they will be present together with PIM to the SvB for endorsement. Regarding the PIM the PSC should suggest to the SvB that the PIM should be endorsed as it is.	PMT recommends for SvB meeting when AWP 2022/23 and APR can also be endorsed.	Next SvB Meeting will be due in August/September 2022	CTA It was endorsed on 2 <sup>nd</sup> SvB meeting on 18 <sup>th</sup> April 2023
4	The Code of Conduct is not described or annexed to the	There is a risk that ethical practices are not known, understood, or	PMT/NIRAS should annex the Code of Conduct to the employment contracts as well as to service	Thank you and noted	NIRAS Tanzania has been informed on annexing the Code of Conduct to the new contract. Regarding	With effect from the AWP 2022/23	CTA Implemented

	employment contracts or service provider contracts.	adhered to by staff or service providers.	provider contracts.		the old contracts training will organised and brought up when arranging yearly staff performance evaluations.		
5.1 Performance and Use of Funds							
5	PPF2 has procured a mobile training unit to support training activities in the villages. The machinery is not in hand and use due to incomplete import clearance process.	The Programme is at risk of failing to produce the training activities and deliverables expected.	Competent authorities and the PMT need to continue to seek a favourable solution to the situation.	Thank you and noted. The mobile Training units was cleared in early July 2022 and delivered to FWITC. This issue should be discussed also at the GoT and GoF-levels, though.	Tractor, Trailers, and Crane to be cleared from the Port as soon as possible	Partially completed. Target is August 2022	NFPE Equipment were delivered in October 2022
6	Land tenure status of the Forestry and Wood Industries Training Centre (FWITC) has not materialised as planned at the design stage of PFP2. The land is owned by a private landowner and PFP2 is paying the land rent which was not initially budgeted.	Sustainability of the FWITC is uncertain. Reallocation / overrun of the Programme budget.	Key intentions and commitments of the competent authorities need to be in writing at the contractual stage.	Iringa Regional Commissioner and Mufindi District Commissioner visited FWITC on 25 <sup>th</sup> July 2022 to discuss the Land Tenure issue and the RC committed to follow up. One problem regarding this is the continueosly changing admin staff with the players dealing with the issue.	The Programme will ensure the Land Tenure issue remains part of the Agenda in meetings with MNRT and President Office, Regional Administration and Local Government (TAMISEMI)	Continuous	CTA MNRT PS committed to procure the site before October 2023
7	Use of the TA workdays for the positions of the	The worktime provision of the Standard Terms is	The situation needs to be noticed and addressed.	Thank you and noted	PMT is aware on the issue and will manage it.	Continuous up to October 2023	NFPE The TA Days were revised and

	Chief Technical Advisor, Forest Products Senior Expert and National Finance and Procurement Expert are likely to exceed the budget.	not adhered to.					approved by MFA (AWP 2022/23)
5.2 Procurements							
8	The storing of procurement documentation was fragmented.	Fragmentation may cause inconvenience and complication in document retrieval. There is a risk of losing or misplacing the documents.	The PMT should consider the benefits of centralised archiving of procurement documents.	Thank you and noted	The Programme will consolidate its filing of the Procurement notes	Continuous	NFPE Implemented
6.1 Planning and Budgeting							
9	The PIM stipulates that the AWP and budget should include monthly totals to approximate the monthly requests of funds from Finland and the MFA. KPMG noted that the AWP and budget breaks down the expenditure by quarter and not by months as per the	This reduces the ability for the MFA to plan for future disbursements.	PFP2 should consider dividing the annual budget into months to improve the planning of future disbursements for the MFA.	The funds requests to Indufor Oy are tabulated on monthly basis and the monthly total are provided. Para 8.2. (Cash flow estimate) applies for project funding and for asking three months advances from the MFA	PIM should be corrected as follows: Para 5.1.1. (The Annual Budget) remove sentence "The budget should include monthly totals so as to indicate the approximate value of the monthly requests for funds that will be made to MFA Finland."	For next PIM revision	PMT Implemented and the revised PIM was approved by SvB meeting on 18 <sup>th</sup> April 2023

	PIM.						
10	Key issues and actions to take in the coming quarter are discussed and documented in the PSC meetings. However, KPMG observed that there is no action plan consolidating the action points to address the key issues in the coming quarter.	This creates the risks that key issues are not timely addressed and that there is ambiguity of who is responsible for implementing the actions.	The PMT should create an action plan based on the PSC meetings including the actions to be taken in the coming quarter to address key issues and the person responsible for their implementation.	The upcoming events are presented as PowerPoint Gantt charts to PSC. PMT will prepare action plan for the activities as discussed and agreed in PSC meetings.	. Action plan outcomes will be reported to the PSC	With effect from the next PSC meeting on 11 <sup>th</sup> August 2022	CTA Quarterly meetings scheduling and compositions were changed hence make the query irrelevant
11	KPMG noted that the report covering the days worked for TA staff includes a utilisation percentage but not a comparison of the actual utilisation percentage with the expected one.	This creates the risk that the utilisation percentage of the days worked are not properly monitored or followed-up against the budget.	PFP2 should add a column for expected utilisation percentage in the budget monitoring report of TA days' work.	The Programme Document does not specify when TA will be deployed just gives total figures for the Programme duration.	This will be implemented.	For the next quarterly report	Home office finance manager with NFPE Implemented
6.2 Fund Management							
12	The monthly cash requests sent to the HO by the PMT includes the bank balances at the date of the requests. However, the PMT does not provide	There is a risk that the HO is unable to verify the correctness of the cash requests.	The PMT should attach the bank statements when sending the cash requests to the HO.	Thank you and noted	We are implementing	With effect from the 2022/23 AWP	NFPE Implemented

	the bank statements to evidence the balances.						
13	The HO prepares fund balance reconciliations monthly. However, bank account transactions (deposits and withdrawals) are not reconciled to revenues and expenses recorded in the bookkeeping.	Erroneously posted transactions may not be identified and corrected in a timely manner.	The NFPE should reconcile the bank account transactions (deposits and withdrawals) to revenues and expenses recorded in the bookkeeping. The reconciliation should include income generating activities (revenues and expenses) as reconciling items.	Thank you and noted.	We have opened the separate bank account for FWITC and so they will be no more revenues to be credited to PFP 2 accounts. We will be preparing more detailed analysis of FWITC by cost centres. The HO will do the final reconciliation on monthly basis.	With effect from Q1, 2022/23 AWP	NFPE Implemented
6.3 Accounting							
14	KPMG noted that the compilation of the financial report has required manual steps and reconciliations.	Manual steps create a risk that the expenditure incurred in the bookkeeping may be wrongly allocated or omitted in the financial report.	PFP2 should take steps to make the compilation of the financial report clearer.	Thank and noted. The exercise of manual adjusting expenditure within the budget lines are based on QPR meetings with stakeholders as well as correcting accounting mis-posting that were made during the period	The PMT will review its expenditure review exercise and incorporates on expenditure initiation stage. The HO will assist on this when needed.	With effect July 2022	NFPE Partially implemented
15	PFP2 does not follow the practices of systematically documenting the bank reconciliation monthly. Additionally, the	There is a risk that errors may be undetected.	PFP2 should document the bank reconciliations monthly. The bank statements should be attached to the reconciliations.	The comment is correct,	It will be implemented. In addition to this it should be noted that the Home Office is doing this on monthly basis based on the bookkeeping material and bank statements	With effect July 2022	NFPE Implemented

	bank reconciliation provided did not include the actual bank statement as an attachment.				received from the project		
16	PFP2 did not record two direct payments made by the MFA in December 2021 in the financial report for the period ending December 2021. The payments amounted to EUR 65,829.	There is a risk of inaccurate financial reporting.	PFP2 should record transactions of expenditure in the period for which they are incurred.	These two direct payments in case by the MFA arrived at the project via the Home Office so late that they missed Oct-Dec 21 period reporting. They appear in the books in Jan 2022 so on annual level the data is correct.	Timely reconciliation between MFA and Indufor Oy will eliminate the interparty indifferences	With effect July 2022	NFPE/HO  PFP 2 liaises with MFA regarding the status of payments before closing the books on monthly basis.
6.4 Financial Review on Incurred Costs							
17	KPMG noted that the exchange rate basis was not systematically documented for all DSA payments as required by the PIM.	There is a risk that the DSA amounts paid to staff are incorrectly computed.	PFP2 should ensure to attach the exchange rate basis to the payment voucher and advance/reimbursement request for the payment of DSA.	Thank you and noted	This will be implemented	With effect from June 2022	NFPE  Implemented
18	Salaries for July 2020 (payment voucher #494) was not duly approved by the CTA.	There is a risk of non-compliance with the PIM.	PFP2 should ensure that all payment vouchers are signed and approved by the CTA.	CTA was on leave and NFPE was signing on behalf. During CTA-leaves there should be a deputy nominated for certain activities	- This will be done and added in the PIM.	Immediately.	NFPE  Implemented and the revised PIM was approved by SvB meeting on 18 <sup>th</sup> April 2023
19	PFP2 has paid VAT for the salaries and	There is uncertainty on	PFP2 should conduct a cost-benefit analysis to	Expert Opinion has been sought and we were	N/A		NFPE

	statutory payments for the period March to October 2020 amounting to approximately EUR 14,000.	whether the VAT liability should have been computed and paid for salaries and statutory payments for the period March to October 2020.	determine whether to apply for a VAT refund from Tanzania Revenue Authority.	advised that will be an uneconomical pursue for the VAT refund as we need to engage the tax assessor to file two certificates of genuineness (from March 2020 to August 2020 and September 2020 to October 2020). Each certificate should have 6 months so in this case two audits should be carried out which its costs may outweigh the expected VAT refund.			No follow up on this
6.5 Financial Reporting							
20	A lack of comprehensive reporting on income generating activities.	Stakeholders are unaware of the information on the volume and profitability of income generating activities of PFP2.	Legal and administrative set-up and reporting practices of income generating activities of PFP2 needs to be clarified.	Thank you and noted.	The same as note 13	The same as note 13	NFPE Implemented
21	The review indicates that Indufor Oy has over-invoiced EUR 18,755.02 from the MFA.	The Programme submits invoices including non-incurred expenses and the MFA pays the incorrect amount.	Indufor Oy needs to issue a credit invoice equal to the amount of error to the MFA.  In the future, Indufor Oy should quality review the correctness and accuracy	These were home office errors in invoicing. The project bookkeeping and reporting are correct, though.	In the future special attention will be paid on correctness of the MFA invoicing and comparison to various reports as indicated in Recommendation section.	Continuous	Home office financial manager  Implemented

			of the invoices before they are submitted to the MFA. Additionally, Indufor Oy should reconcile the expense amounts between the Audit Reports, the Financial Report, and the invoicing to the MFA annually.		The credit invoice will be submitted with July 2022 invoices (submitted already)		
<b>6.6 Advance Payments</b>							
22	PFP2 has not followed the PIM guidance to settle the advances within 14 days after the expenditure has occurred and to settle the outstanding advance/s before a new advance is issued. The total amount of advances is high and includes advances granted in 2020 and 2021.	There is a risk that staff advances will not be settled or that the advance holder does not agree with PFP2 on the advance balance as the balance has been accumulated for a long time.	PFP2 should adhere to the PIM and require that staff settle advances older than 14 days before new ones can be issued or revise the PIM guidelines to be aligned with the current practice.  PFP2 should confirm the correctness of the advance balances with the advance holders.	Thank you. This has been dealt with.	The advances were cleared in June 2022 and new advances are based on PIM guidance	June 2022 onwards	NFPE  Implemented
<b>6.7 Programme Assets</b>							
23	PFP2's physical verification of fixed assets disclosed deviations (assets with the remarks: not working, need repair, stolen or	Failure to properly monitoring the condition of the assets and take remedial actions in the case of a	Deviations disclosed in the physical verification of the fixed assets should be concluded or necessary further measures need to be taken. The losses should be separately	Thank you. The PMT will review and submit the list of assets that are obsolete, stolen, and damaged for removal from the Fixed Assets Register	The ongoing physical assets count will identify the list and submit to PSC for reviews and recommendations	With effect from 2022/23 AWP	CTA/NFPE  The list of Fixed Assets with their conditions will be submitted in the next PSC meeting -May

	written off). PFP2 has not concluded on the deviations or taken a decision on the necessary further measures regarding the assets that are not working, are needing a repair or are stolen.	breakdown or theft of the assets.	recognised and approved.				2023
24	According to the PIM, the Accountant should check and sign the vehicle logbooks at least once a month. There were no entries in the logbooks that the reviews have been performed.	Errors or irregularities in logbooks may be ignored.	The Accountant should check and sign the vehicle logbooks at least once a month as stipulated in the PIM.	Thank you and noted. This will be attended to as a priority	The six months report with effective from January 2022 is now being compiled to identify personal usage and billed accordingly	With effect from 2022/23 AWP	CTA/NFPE Implemented and monitored on monthly basis
25	The logbook for vehicle DFPA 2967 indicates a private use of approximately 500 kilometres by the CTA in January 2022. A mileage compensation has not been paid to PFP2 by May 2022.	Failure to comply with the instructions.	The CTA needs to calculate the amount of mileage compensation and make the payment to PFP2.	Thank you and noted. This will be attended to as a priority	The six months report with effective from January 2022 is now being compiled to identify personal usage and billed accordingly	With effect from 2022/23 AWP	CTA/NFPE Implemented

## Annex 3: The Evaluation Team

### Core team members

**Henk Remme** is the Team Leader of this assignment. He is an M&E specialist and trained Rural Sociologist having over 34 years of experience in rural development, mostly related to natural resources management. He has worked extensively in forestry, including in the South-East African region. During his career, he has gained extensive experience in participatory/community-based forest management, including agroforestry and NTFP.

**Kahana Lukumbuzya** is part of the core team. Mr. Lukumbuzya has more than twenty five years of experience in Tanzania's forestry sector. During the period 1996 – 2000, he worked for the Forest Research Institute (TAFORI). He went on to work for the Danish Embassy as programme officer where he supported a large bilateral programme working on environment and natural resource management. In 2007, he began working as director of a consultancy company, undertaking assignments for a range of clients. Since 2010, Kahana has participated in several assignments, assessing different aspects of Community Based Natural Resources Management (CBNRM); Forest Law Enforcement, Governance and Trade (FLEGT); Independent Forest Monitoring (IFM); and Adaptation and Mitigation of Climate Change Impacts.

Additionally, the team was supported by:

**Isaac Malugu** supported the team during the data collection process. He is a senior expert in natural resource management, has got twenty-five years of forestry and wildlife management experience. He has in-depth knowledge in strategic project and program planning, implementation, and monitoring, and evaluations. He is knowledgeable on global policies and certification standards, based on the FSC system that promotes sustainable forest management. He has extensive knowledge of linking social development with conservation, as well as gender and indigenous people's aspects. Isaac has worked extensively in Tanzania, in the East Africa region as well as in Europe.

**Paula Tommila** supported the team during the data collection process through her methodological and thematic expertise. She is a senior expert with vast experience in sustainable business development, private sector financing instruments in development context and climate change mitigation and adaptation.

**Evaluation Management Services (EMS).** Beyond the core team, the EMS Coordinator Sari Laaksonen supports evaluation quality and liaises between the team, the EMS consortium, and the MFA.

All contracts arrangements for the evaluation team are managed by the EMS consortium company **Particip GmbH** which also provide additional quality assurance.



## Annex 4: Approach and methodology

The following section presents the approach, methodology and analytical framework, which have been elaborated on the basis of the outline included in the ToR.

### Approach and Operating Principles

The approach is guided by the objectives and expectations as stated in the ToR. The external evaluation serves both planning and decision-making needs. ERET concentrates on the idea of constant learning, focus on strategic aspects in the programmes and produce recommendations for strengthening sustainability. ERET should also provide MFA with formative long term strategic recommendations for the next programmatic phase, on how to best continue and direct support to the Tanzanian forestry sector in a sustainable, strategic and comprehensive way.

Although ERET conducts annual reviews as well as strategic evaluations at mid-term, there are no significant differences in the approach of these assessments. The MTE focuses more on key areas that are of specific strategic relevance and provide recommendations for the next programmatic phase. At mid-term it is expected that more reliable information on the results, expected outcomes and sustainability can be obtained. In practical terms, the evaluation team will spend more time and efforts on the programmes that will be evaluated at mid-term to obtain more detailed information and do a more in-depth analysis. However, the approach will not differ substantially from the annual reviews and the same operating principles apply:

- **Utilisation-focused evaluation building on a practical but also strategic approach.** The evaluation is planned and conducted in a way that enhances the likely utilization of both the findings and of the process itself to inform decisions and improve performance. The key focus is on enhancing ‘constant’ learning (providing practical advice on approaches to make them more effective), but with the overall strategic goal in mind that the programmes should contribute to sustainable mechanisms and practices that will be continued after the programmes have come to an end.
- **Human rights and gender sensitive approach.** The evaluation adopts a gender-sensitive framework to ensure that the analytical design, the process of data collection and analysis, and the synthesis of findings, are effective in capturing and understanding HRBA and gender-sensitive data<sup>46</sup>.
- **Objective, impartial but also participatory, consultative and inclusive approach.** The evaluation aims at interviewing the full range of stakeholder groups to avoid biases including gender bias, distance bias (favouring the more accessible), and power bias, and the perceptions and feedback provided by the various stakeholders will be adequately reflected in the findings. The evaluation team presents and discusses their preliminary findings with the programme teams, MFA/embassy and MNRT and integrate the feedback in the final reports. The validation of findings with different groups will increase their accuracy and reliability. While not compromising the external and independent role of the evaluation team, ERET also works closely with the programmes on improving their M&E systems and follows up on adoption of ERET recommendations. This requires a participatory approach, good interpersonal communication skills of the consultants and acceptance of the team by the programme management and staff to be effective.

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<sup>46</sup> In evaluating HRBA and gender issues ERET follows the MFA Evaluation Manual and the United Nations Evaluation Group (UNEG) guidance with respect to the evaluation criteria. However, we adapt the UNEG framework as further explained.

- **Flexibility.** The focus on constant learning and changes in the implementation of the programmes, as well as in the contextual aspects require some flexibility. Before each annual review, the topics and workplan will be further defined depending on the actual requirements and conditions. The COVID-19 pandemic already required some adaptations of the first review, with remote field work instead of travelling in the field.
- **Context sensitive approach.** The evaluations are undertaken in a context-sensitive manner, taking into consideration the local cultural and socio-economic conditions. This is especially important with respect to the HRBA and gender equality aspects<sup>47</sup>.
- **Theory based evaluation.** The approach is built on a structured analytical model. ERET does not only consider (and review) the logical frameworks but also analyses the Theories of Change by looking at explanatory assumptions, factors and causal relationships that underlie the conceptual framework and the actual implementation.
- **Triangulation.** A mix of methods is used that will contribute to the verification of findings from different sources. Although a detailed contribution analysis might be difficult within the scope of this assignment the assessments of the programmes' outputs and outcomes is undertaken through the verification by independent sources and field observations.
- **Taking advantage of existing data sets and M&E records.** ERET supports the programmes in designing and improving their internal M&E systems, and relevant data should be periodically available that could serve as an input to the ERET reviews. Due to the limited time the consultants can spend in the field, relevant surveys must be undertaken by the programmes with respect to measuring results. Some advice will be provided by ERET on these M&E aspects. For accountability purposes the quantitative achievements and attainment of the indicators should be provided by the programmes. ERET could validate some of these data and assess the qualitative aspects, outcomes and lessons learnt of the approaches through discussions with beneficiaries and stakeholders and field observations.

The focus of the annual reviews depends on the implementation phase of the programme to be reviewed. For the programmes that are at the early stage, the emphasis lies on the design aspects and relevance, and effectiveness and efficiency of approaches, while for programmes that are more at the later stages the analysis focuses more on the actual outcomes and sustainability. In addition, within the framework of the evaluation criteria, specific topics of attention are determined at the start of each annual review, based on the latest developments and issues that require specific attention.

## Analytical framework

Consistent with the TOR, the analysis covers the OECD/DAC evaluation criteria:

- **Relevance** refers to the extent to which the objectives of the programme are consistent with the beneficiaries' needs, country priorities and Tanzania's and Finland's policies. In addition, the TOR has added the relevance of technical assistance.
- **Coherence** refers to both internal and external coherence of the different programmes, their approaches, methods, goals and implementation. Linkages with local and national stakeholders, service providers and NGOs will also be analysed. The review supports the analysis of overall coherence of MFA's sector support in Tanzania and contribute to a discussion on the future direction of the sector strategy.
- **Efficiency** describes how well the various activities have transformed the available resources into the intended results in terms of quality, quantity and timeliness. Annual reviews also help

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<sup>47</sup> It should be noted that the ERET is gender balanced to enhance the process and especially included a female Tanzanian HRBA/gender expert for this purpose.

accountability function and to that extent comparison should be made against what was planned and whether the programmes have utilised funds as per approved work plans. Furthermore, the management and administrative arrangements are analysed as well as the role of the Steering Committee and whether the committee is optimally being used for decision-making.

- **Effectiveness** comprises the analysis of whether and to what extent the programme outputs and direct effects have furthered the achievement of the programme purpose (outcome) or are expected to do so in the future. The outcome(s) should be achieved before the end of the programme. We also consider the effectiveness of the approaches in this analysis especially in the first years of implementation.
- **Impact** focuses on the extent to which the programme has succeeded in contributing to its wider, overall objective, i.e. impact for its final beneficiaries, including human rights and gender equality, reduction of inequalities and promotion of climate resilience and low emission development<sup>48</sup>. The review of impact covers intended and unintended, positive and negative impacts.
- **Sustainability** refers to the likely continuation of the programme achievements. The sustainability of programme interventions in terms of their effect on environment are also assessed. Other important aspects are ownership/commitment, institutional, socio-economic and technical aspects, financial considerations, and governance/enabling environment.

For the 2023 assessments it was agreed that ERET should prioritise the areas that are most pertinent as this stage of implementation, i.e. effectiveness, indicative impact and sustainability. Aspects of efficiency, relevance and coherence will be mostly addressed with respect to changes from last year’s review.

The assessment of most criteria integrates aspects of HRBA and CCOs including gender equality, climate resilience and low emission development. In evaluating HRBA and gender equality ERET builds on the MFA Evaluation Manual and the United Nations Evaluation Group (UNEG) guidance.

Table 21 summarises the key questions that guide the evaluation.

Table 21 Key questions of the evaluation

Evaluation criteria	Topics	Focus
Relevance	15. Alignment- and responsiveness to development objectives/priorities of the Government of Tanzania (GoT)	Check if any major changes have occurred since last year and assess the implications for the relevance of the programmes.
	16. Alignment- and responsiveness to development policies of MFA Finland (including HRBA and CCOs).	Check if any major changes have occurred since last year and assess the implications for the relevance of the programmes
	17. Responsiveness to conditions and needs of the beneficiaries.	Put specific emphasis on analysis of situation of women and persons in vulnerable conditions and effectiveness of (updated) HRBA strategies.
	18. Adequacy of design, strategizing the objectives and issues logically in the intervention approach.	Check if any major changes have occurred since last year and assess the implications in terms of consistency and quality.
Coherence	19. Coherence with country programme (internal coherence)	Check if any major changes have occurred since last year and assess the implications
	20. Coherence with other initiatives/policies (external coherence)	Check on new developments and initiatives in the sector and the relationships, synergies or overlaps with the programmes

<sup>48</sup> This includes the conservation and enhancement of sinks and reservoirs of greenhouse gases.

Evaluation criteria	Topics	Focus
Efficiency	21. Progress against work plan target and time schedule (implementation progress).	Review progress against the plan and assess quality of support and issues/changes.
	22. Cost-effectiveness	Assess how efficiently the programmes used the available resources and organized the work and if inputs have been used according to plan. Note: ERET will not focus on the financial aspects in detail.
	23. Management, including M&E	Check if any major changes have occurred since last year and review effectiveness of management and decision-making structures and processes and functionality of M&E system and data management (does it provide any data on beneficiaries and effects at local level)?
Effectiveness	24. Achievement of intermediate outcomes and adoption of good practices	Assess the current and expected effects of the programme on the target group and especially women and persons in vulnerable positions. Assess the adoption of good practices and functioning of established systems and supported groups (VLUPs, VNRCs, FMPs, TGAs, SMEs, value chain aspects, etc.)
	25. Achievement of outcomes	Assess the contribution to the achievement of the programme objectives with regards to the direct target groups, especially women and persons in vulnerable positions.
Sustainability	26. Sustainability of results and approach	Assess whether the established systems and introduced approaches are (likely to be) sustainable. Have the capacities of key stakeholders in the forest sector been enhanced and have they taken up roles or functions to sustain their activities (management/extension, self-financing and/or investment)?
Impact	27. Impact (indicative)	Assess if the programmes are likely to contribute to the overall objectives, and achievement of the indicator targets based on the available information and ERET field visits. To what extent have tree-growers and communities benefited from the revenue from the sale of timber and have beneficiaries improved their livelihoods?

## Methodology

### *Data sources and data collection methods*

An appropriate mix of qualitative and quantitative methods and tools is used to gather and analyse primary and secondary data. Most quantitative data derives from the programme records and M&E systems. ERET is not in the position to carry out detailed surveys but verifies and triangulates findings through field visits and interviews. The review/evaluation approach adopts appropriate measures to ensure an ethical conduct of the studies, with particular attention given to coverage of sensitive subject matter, and the anonymisation of respondents. The following data collection methods/tools are used for the different reviews:

- *Documentary review.* A desk study of main documents and other materials was undertaken before the start of each annual review and MTE, but also during the actual field work in Tanzania as the team came across new relevant documents and records. The documents comprised policy documents

(GoF, and GoT), reports of each programme, including the PDs and agreements, Results frameworks, baseline reports, Annual Work Plans and Budgets, progress reports, M&E data, technical reports, supported tools such as VLUPs and FMPs, minutes of meetings, accounts reports, Service Provider contracts and reports, minutes of the Steering Committees and Supervisory Boards, and other relevant sector information, including reports from other key stakeholders.

- *Key Informant Interviews (KII)*. Semi-structured interviews were conducted with key respondents, including District government officers, extension staff, service providers, and representatives from relevant institutions, amongst others. KIIs examined the effects of the programme on beneficiaries and partners and get the perception of key respondents on the relevance, effectiveness, efficiency and sustainability of the project approach and implementation arrangements. Although guided by the question guides, the interviewers used probing question techniques to obtain all the relevant information they can get and increase their understanding.
- *Consultations and meetings with key stakeholders*. These included consultations/meetings with MFA, Embassy of Finland in Tanzania, Tanzanian authorities, the programme teams and other relevant stakeholders
- *Focus Group Discussions (FGD)* were conducted at beneficiary level and formed an important part of the methodology, providing key information on the beneficiaries' perceptions on the programme, their capacity and level of adoption/institutionalisation of introduced mechanisms and procedures. They also provided a good opportunity to assess HRBA and gender equality related aspects. FGDs were conducted with specifically targeted sub-groups for that purpose. FGDs required good facilitating and interview skills of the evaluation team. A review of the VLUP was also important to understand the level of ownership and actual implementation and enforcement.
- *Direct interviews with beneficiaries through phone calls*. In addition to FGDs, especially during field visits discussions with individual beneficiaries were conducted to obtain further information or clarifications on the implementation process and outputs.
- *Observations*. Field observations are crucial for understanding the level and quality of implementation of silvicultural practices, the status of nurseries, plantations and community forests and also on value addition exercises, and business and organisational aspects/skills. Through observations beneficiaries' interactions and group dynamics can be checked. With regards to training institutes, observations were made on the conditions of the equipment and infrastructure.

### *Sampling*

Before the start of the first review, the team has elaborated a sampling strategy that should apply for the different reviews. Considering the data collection methods described above, sampling would only apply to the selection of beneficiary groups and key respondents for KII. Within the timeframe for doing the reviews/evaluations, and especially the travel requirements, only a limited number of beneficiary groups could be interviewed during the third review.

As much as possible the principle of data saturation was applied by which sample size is determined by a level whereby it can be reasonably assured that further data collection would yield similar results. The sample was not entirely randomly selected but based on a number of criteria, to ensure that the variety of groups and conditions for each programme are covered, and the team got a representative view of the programme beneficiaries. Criteria for purposive sampling were developed, including the following:

- Geographic coverage to ensure that the main agro-ecological zones, socio-economic conditions and clusters are covered.
- Conditions – accessibility to markets/forest industries, other.
- Levels of performance – to cover the range of beneficiary groups in terms of skills and attitude.

- Size of VLFRs.
- Focus areas/value chains.
- Newer and older groups.
- Villages with new VLUPs and without (or FORVAC new and expired FMPs).
- Areas to be included because of specific interest.

The selection of villages was decided in consultation with the PMTs of the different programmes. Within those villages a wide range of beneficiaries were consulted and the programme facilitators and village/beneficiary group representatives were requested to ensure a fair gender balance and representative sample of the beneficiary groups to participate in the reviews.

### *Data recording and analysis*

The information provided through the consultations were recorded by the team members. Key questions/topics were prepared and a summary of the answers recorded while in the field. Field notes were prepared and put on a Google Drive that could be accessed by all team members.

For efficiency purposes, the team split up for some of the field visits and worked in pairs of two experts (one Tanzanian and the other international).

Based on M&E data provided by the programmes and the field observations further analysis was done to validate the reported achievements.

### *Limitations*

Similar to last year, the evaluation team was able to travel in Tanzania and visit beneficiary groups in their villages. However, the following limitations are likely to have affected the quality of the review:

- Limited available time for conducting the reviews of the three programmes, covering four implementing agencies:
  - The time for preparation and review of documents prior to the field visits was short. In addition, some documents were provided late, even when the team was already involved in the implementation of field visits.
  - The major challenge has been limited time for conducting the field work, covering a large geographic area of the three programmes that required substantial travel. Although the team split up whenever possible to cover more ground, there were still challenges in preparing field notes and findings due to long days in the field and time needed for travel.
- The implementation of the field work coincided with the start of the rainy season and some areas were not accessible due to heavy rains.
- As agreed with MFA, for the FORVAC field visits, ERET focused on Lindi cluster, and especially Liwale District, which represents the areas with most forest resources and opportunities for timber production. It is therefore not fully representative of the programme area covered by FORVAC.

## **Organization of the Evaluation and Workplan**

### *Organization of the evaluation services (2021-23)*

#### *Overall Plan and Tentative Schedule*

The review and evaluation services were carried out in the period 2021 – 2023. They included the following:

1. Annual reviews of the three programmes.
2. ‘Strategic evaluations at mid-term’.
3. Final synthesis report (2023).

The first review scheduled for March 2021 comprised a mid-term evaluation (MTE) of FORVAC and annual reviews of PFP2 and TOSP (which could be also considered a mid-term review but with less emphasis as the MTE for FORVAC).

The second review implemented in February 2022 included a MTE of PFP2 and annual reviews of FORVAC and TOSP. As both FORVAC and TOSP (NFC, TTGAU components) finished in 2022, the annual reviews could also be considered final reviews (unless the programmes are extended).

The third review scheduled for 2023 comprised the last annual review of PFP2, FORVAC, TOSP TTGAU and to some extent TOSP NFC (ex-post sustainability assessment).

In addition, in 2023 the synthesis report will be prepared, which will summarize the analysis, recommendations and lessons learned throughout the ERET consultancy. Lessons learned will provide final information for the planning of possible next phases. The analysis will be based on the evaluation criteria described in the methodology but also include Aid effectiveness (effectiveness of aid management and delivery) which refers to how the programme has implemented the commitments to promote ownership, alignment, harmonization, management for development results and mutual accountability.

As mentioned in the TOR, the overall plan is subject to change depending on the implementation of the programmes and emergent issues to be followed up.

Apart from the annual reviews and MTEs, ERET also provided some technical advice on internal M&E systems, reviews reports and data and consults programme management and key stakeholders on emerging issues and developments.

#### *Organisation and management*

The Department of the Africa and Middle East/Unit for the Horn of Africa and Eastern Africa is responsible for the overall management of the service delivery process from the MFA’s side.

A Management Team, consisting of the Evaluation Manager/Unit for the Horn of Africa and Eastern Africa, ERET Team Leader and the Evaluation Management Services Coordinator (EMSC), is responsible for the overall coordination. A reference group has been established and chaired by the responsible Unit to provide quality assurance, advisory support and inputs to the evaluation.

ERET is managed by the Team Leader, Mr. Henk Remme, who is responsible for organizing and coordinating the reviews, supervising the team, and preparing the reports.

A three-layer system of quality assurance (QA) has been put in place for all products/reports: at the level of the Team Leader, through the EMSC and through the consortium’s in-house senior QA advisors.

An overall budget has been prepared for the entire services, which is broken down for the three years and included in a Cost-calculator. The annual allocations are based on the estimated work that will be required for undertaking the assignment. However, within the overall budget there is some flexibility, as the specific

allocations depend on the actual needs and methodology that will be identified at the start of each annual review/MTE.

Considering the fact that ERET reviewed three programmes, covering a huge geographic area and many beneficiary groups that are quite dispersed, an average of 22 days are allocated to each consultant annually for doing field work in Tanzania. Although the team could split up at some point to cover more areas and increase the number of respondents and interviewed beneficiaries, initially ERET travelled together as one group. Considering the different areas of expertise of the members, and also to ensure consistency of the approach and methodology, this was considered the best approach. However, while visiting the same community individual team members also had their specific tasks or focus based on their expertise.

The ERET visited 26 communities in 10 districts during the review (Table 22).

Table 22 Villages visited

Programme	District	Villages
PFP2	Kilolo DC	Lyamko, Wangama, Mdeke
	Mafinga TC	Mafinga (SMEs, pole processors)
	Mufindi DC	Kidete, Ugesa, Vikula, Nundwe
	Wanging'ombe DC	Mafinga, Moronga
	Njombe TC	Madobole, Mtila
	Ludewa TC	Madope, Mangalenyene
NFC	Kilolo DC	Kiwalamo, Lusinga, Ndengisivili, Ng'ang'ange
TTGAU	Njombe TC	Ninga
FORVAC	Liwale	Kitogoro, Likombora, Mihumo, Luwele, Chigugu, Barikiwa, Nanjegeja, Mtawatawa
	Ruangwa	Nandenje, Mchichili

### Work programme of the third review 2023

Table 23 provides an overview of the activities undertaken in Tanzania in the period 6 March - 03April 2023.

Table 23 Programme undertaken in Tanzania in March – April 2023

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
6. Desk work, remote interviews	7. Desk work	8. Desk work	9. Desk work, remote interviews	10. Briefing/kick off (virtual meeting MFA)	11.	12. Henk, Paula travel to TZ
13. Team travels to Dodoma. Meeting with Swahili honey & visit factory, meeting MNRT (afternoon).	14. Meeting FORVAC PMT	15. Travel to Iringa. Visit NFC PMT	16. Field visits NFC Kilolo (team split): 4 communities: Kiwalamo, Lusinga, Ndengisivili, Ng'ang'ange; debriefing NFC afternoon	17. PMT meeting PFP2 (Mafinga), visit FWITC and discussions PFP2 staff	18. Field visit to PFP2 TGAs in Kilolo DC: Lyamko, Wangama, Mdeke Villages	19. Prepare notes

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
20. Courtesy visit to RC Iringa. Field visit to PFP2 TGAs in Mufindi DC: Kidete, Vikula, Nundwe, Ugesa Villages	21. Mafinga TD. Ngema Holdings LTD (Wema Fanuel), Pelano Resources LTD. Travel to Njombe.	22 Team split. T1 consultation TTGAU and field visit Ninga Village. T2 field visits PFP2: Wanging'ombe District- Mafinga and Moronga Villages	23. Field visits PFP2 (team split). Njombe and Ludewa Districts Madobole timber yard, Mtila (adoption) Madope, Mangalanyene Villages	24. Debriefing of main findings to PFP2 PMT; travel to Songea (afternoon). Meeting CC Ruvuma.	25. Team travels to Masasi	26. Team travels to Liwale
27. Meeting District (DED, DFO, CDO). Field visits Liwale district (team split) Mihumo, Mtawatawa Villages	28. Meeting DC. Field visits Liwale district (team split): Luwele, Chigugu, Kitogoro, Nanjejeja Villages	29. Field visits Liwale district (team split): Barikiwa, Likombora Villages	30. Travel to Ruangwa. Meeting DED. Field visits Ruangwa (team split): Mchicili, Nandenje Villages	31. Field visits Ruangwa (team split); team meeting discuss findings	1. Drive back to Dar	2. Prepare debriefing
3. Debriefing at embassy; international consultants travel back	Virtual interviews conducted before and after field work in Tanzania: <ul style="list-style-type: none"> <li>- Programme Directors Indufor and FCG (Finland)</li> <li>- International Forest Products and Processing Expert PFP2 (South Africa)</li> <li>- Representatives of Leapfrog (Finland)</li> <li>- Representative HAMK (Finland)</li> </ul> In addition, many stakeholders were already consulted during the forestry identification mission (contributing to the ERET 2023 findings)					