

Mount Elgon Regional Ecosystem Conservation Programme

End-Review Report

2 November 2011



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Acronyms

CBO	community based organisation
CFA	community forest association
CFM	collaborative forest management
CFR	Central Forest Reserve
CRF	Community Revolving Fund
DDO	District Development Officer
EAC	East African Community
ECCF	Elgon Community Conservation Fund
ERT	End Review Team
FR	Forest Reserve
HURINET	Human Rights Network
IGA	income generating activity
IUCN	International Union for Conservation of Nature
JTBMP	Joint trans-boundary management plan
JTCP	Joint trans-boundary collaboration plan
KFS	Kenya Forest Service
KWS	Kenya Wildlife Service
LVBC	Lake Victoria Basin Commission
MERECF	Mount Elgon Regional Ecosystem Conservation Programme
MFW	Ministry of Forestry and Wildlife
MoEMR	Ministry of Environment and Mineral Resources
MoU	memorandum of understanding
MoWE	Ministry of Water and Environment
MTR	Mid-term Review
NFA	National Forestry Authority
NORAD	Norwegian Agency for Development Cooperation
NP	National Park
NRM	natural resource management
PA	protected area
PAMI	protected area management institution

PBSA	participatory benefit sharing agreement
PELIS	Plantation Establishment for Livelihood Improvement Scheme
PFM	participatory forest management
PIP	Programme Implementation Plan
REDD+	reducing emissions from deforestation and forest degradation
SIDA	Swedish International Development Cooperation Agency
SUZ	sustainable utilisation zone
TB	trans-boundary
ToR	Terms of Reference
UGX	Uganda Shilling

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Executive Summary

The Mt Elgon Regional Ecosystem Conservation Programme (MERECP) is jointly funded by the Governments of Norway and Sweden. MERECP is supporting a trans-boundary ecosystem initiative under the auspices of the East African Community (EAC). MERECP started in 2006 with a total funding of NOK 34.2 million (approximately USD 6 million) initially for a period of 4 years and executed by the IUCN East Africa Regional Programme. The project had a number of problems with regards to institutional arrangements, planning and implementation. A Mid-Term Review, which took place in 2008, recommended a re-design of MERECP. Since July 2009 the MERECP *re-design phase* is being executed by the Lake Victoria Basin Commission (LVBC).

The main task of this End Review mission of MERECP was to measure outcome and impact; efficiency and effectiveness of this re-design phase which has been operational for more than 2 years. The End Review mission took place in the second half of September 2011 and reported back to a wrap-up meeting at the LVBC offices in Kisumu on the 3 October 2011.

The main problems identified by the Mid-Term Review included: (i) low ownership over the project with national governments and the EAC; (ii) a high level of administrative costs and a high percentage of project budget spent on coordination and meetings; (iii) a low percentage of project funds (less than 20%) reaching the main beneficiaries (local communities); and (iv) low level (50%) of work plan and budget execution.

The re-design phase put the ownership squarely with EAC by housing MERECP with LVBC. It also aimed at putting ownership with national governments and funds to protected area management institutions (PAMI) and Districts now passed through Treasury and thereafter disbursed and monitored by Focal Point Ministries. Also the re-design phase took an approach of direct funding to community based organisations for the establishment of Community Revolving Funds (CRFs) as well as directly involving them in natural resource co-management forestry activities such as establishment of livelihood plantations and enrichment planting. The PAMIs were put in the driving seat, managing MERECP work plans and budgets.

The End Review Team's (ERT) assessment concludes that the direct funding approach is very promising and has created positive dynamics of collaboration and conflict resolution between PAMIs and local communities. Local communities are experiencing the direct impact on their livelihoods of the CRFs and tree planting activities. These activities are instrumental in re-enforcing co-management models of the Mt Elgon Ecosystem. There seems to be a good gender balance and representation in the programme delivery.

Both the LVBC and the PAMIs rightfully claim ownership over MERECP. MERECP has inspired other such trans-boundary initiatives within the region such as Trans Boundary Water for Biodiversity and Human Health in the Mara River Basin Project and the Lake Chala-Jipe and Uмба River ecosystems of Kenya and Tanzania. Also under the re-design phase, despite less funds being channelled through Districts, the Districts on the Uganda side are actively involved and supportive of MERECP in its direct support to local community groups. However, work plan implementation and budget disbursement is still only 50% of what was planned.

The ERT finds that funds passing through government Treasury of Uganda and Kenya clearly pose a big challenge to effective project implementation. Also the Focal Point Ministries are not the line ministries of the PAMIs and this does not favourably enhance ownership and supervision in the right places. Communication lines for planning, funds requests, disbursement and reporting are unnecessarily long and complicated under the present institutional arrangement. The ERT concludes that the present institutional arrangement is not effective and more direct funding lines should be established with the otherwise semi-autonomous PAMIs. Also the ERT founds that under present arrangements

auditing and of use of MERECP funds is difficult and insufficient. LVBC should establish more effective financial monitoring systems.

The ERS clearly supports the general view of all project partners and stakeholders that there should be a second phase of MERECP. Noting what has been achieved over the past 20 years in improving ecosystem health and co-management on Mt Elgon, the ERT takes a long-term perspective and makes a number of concrete proposals for an exit of a project mode of funding.

The ERT proposes that the CRF model developed by MERECP can form the basis for the setting up of an Elgon Community Conservation Fund (ECCF). It is envisaged this fund will provide annual direct funding to the Mt Elgon management institutions and local communities to maintain collaborative management arrangements and for compensation of avoiding deforestation and forest degradation.

Furthermore, MERECP should be a catalyst to ensure that the Mt Elgon Ecosystem is a successful pilot able to demonstrate the delivery of sub-national reducing emissions from deforestation and forest degradation (REDD+) strategies in Uganda and Kenya. It could be also be pilot for testing monitoring, reporting and verification systems at the ecosystem level as well as act as an institutional and financial mechanisms (such as the proposed ECCF) for channelling carbon finance.

Finally, the ERT begins to present the case for setting up of an investment fund for a large-scale land husbandry initiative in the Mt Elgon Ecosystem as a means to conserve and protect this important water catchment and diverse agricultural landscape.

1. Background

Mount Elgon Regional Ecosystem Conservation Programme (MERECP) was designed in 2004/05 by IUCN and implementation started in September 2005 for a four year period with a committed budget of NOK 34.2 million shared in a ratio of 2:1 by the Governments of Norway and Sweden.

A mid-term review (MTR) of MERECP was carried out in April 2008, which recommended a re-design of the programme refocusing resources towards grass root level communities living adjacent to the National Parks (NPs) and Forest Reserves (FRs) in the Mt Elgon Trans-boundary (TB) Ecosystem focussing on developing models by end of 2010 in four key output areas:

- a) Benefit sharing and co-management models
- b) Equity and benefit sharing models such as Community Revolving Funds (CRFs)
- c) Institutional strengthened in support of TB ecosystem management
- d) Linking livelihood improvement to climate change to mitigation/adaptation

The MTR proposed shifting of the re-designed MERECP programme implementation from IUCN to the Lake Victoria Basin Commission (LVBC). The re-design phase worked effective from work plan period 2009/2010 to 2010/2011. At the time of this End-Review Mission activities are on-going and there is a budget balance of some USD 0.8 million that remains unspent.

2. Objectives and Methodology

Purpose of the End Review

To assess the outcomes and outputs, and if possible the impact of the MERECP redesigned project;

- a) To review if the shortcomings highlighted in the mid-term review has been dealt with effectively in the design and implementation of the redesigned project.
- b) To provide advice on the proposed phase 2 of the MERECP project based on the lessons learned during the first phase.

Methodology

The methods included document review, interviews with National Focal Points and key implementation institutions at national and field levels, focused group discussion with beneficiary community based organisations (CBOs) and field observations. Much information and insight was provided by the MERECP project team and the LVBC.

The review mission started on the 12 September 2011 with preparatory meetings in Kampala at the Royal Norwegian Embassy, followed by meetings and consultations with other stakeholders as indicated below:

- 13-14 September – Kampala meeting Ministry of Water and Environment (MOWE); National Forestry Authority (NFA); Uganda Wildlife Authority (UWA); Human Rights Network (HURINET); Ministry of Tourism, Wildlife and Heritage; Swedish International Development Cooperation Agency (SIDA), and LVBC Focal point
- 15-16 September – Nairobi meeting: Ministry of Environment and Mineral Resources (MEMR); Ministry of Forestry and Wildlife (MFW); Kenya Forest Service (KFS); Kenya Wildlife Service (KWS)
- 17-19 September – Kisumu with MERECP team and LVBC
- 20-22 September – Kitale; field visit of Kenya side of Mt Elgon

- 23-28 September – Mbale; field visit Uganda side of Mt Elgon
- 29 September – 2 October – Kisumu; compilation and preparation of wrap-up
- 3 October – Kisumu; presentation End-Review findings during wrap-up meeting at LVBC.

The full terms of reference (ToR) of the MERECP End Review is presented in Annex 1.

3. Programme Rationale

It will be instructive to re-read the overall objectives as they were formulated after the MTR in 2008 for the re-design phase of MERECP.

Vision:

A secure and productive ecosystem.

Goal:

By 2015, sustainable use of shared natural resources benefiting livelihoods and mitigating and adapting to anticipated climate change impacts in the Mt Elgon trans-boundary ecosystem of the East African Community (EAC).

Purpose:

In the medium term it is expected that by 2013, trans-boundary natural resource management and participatory benefit sharing models will have been up scaled in the Mt Elgon ecosystem (Kenya and Uganda) as a demonstration and replication model in EAC.

In the short term, it is expected that by 2010, effective trans-boundary natural resource management and participatory benefit sharing models will have been successfully demonstrated in the Mt Elgon ecosystem (Kenya and Uganda).

Understanding the re-design approach, it is about developing models, about up-scaling and about informing other such TB initiatives within the EAC countries. The models developed are primarily geared towards improving relationships between local communities and protected areas authorities as well as supporting “pro – poor” livelihood improvement activities targeting communities living adjacent to the four protected areas in the Mt Elgon ecosystem

It is important to note that MERECP on the Uganda side of Mt Elgon builds on previous participatory conservation and development projects, funded by The Norwegian Agency for Development Cooperation (NORAD) since 1988, whose implementation involved the Uganda Wildlife Authority (UWA, districts and local communities. It is also within this context that the ERT has carried the end-review and will make proposals for a possible continuation of MERECP. An important element of the review is whether indeed the approach and models proposed by MERECP will provide for a phasing out of the “project approach” to more sustainable funding mechanisms for community based conservation initiatives in the Mt Elgon Ecosystem.

4. Assessment of Outputs, Outcomes and Impact

The key outputs of the re-designed MERECP are:

- **Output 1:** Benefit sharing and co-management models of ecosystem and biodiversity conservation and management around Protected Areas (PAs) demonstrated successfully by end of 2010
- **Output 2:** Equity and benefit sharing models/revolving funds that create opportunities for payment of ecosystem goods and services for improved livelihoods are in place by 2010
- **Output 4:** Appropriate institutions strengthened in support of the transboundary ecosystem approach by end of 2010
- **Output 3:** Linking of livelihoods improvement to climate change mitigation/adaptation demonstrated successfully by end of 2010

Related main activities are: (i) establishment of CRFs that provide direct funding to local CBOs to be managed in a sustainable and revolving basis; (ii) natural resources, participatory benefit sharing and co-management models (livelihood plantations, enrichment planting and avoided deforestation developed); (iii) trans-boundary collaboration for Mt Elgon Ecosystem management enhanced; and (iv) studies to inform REDD+ and climate adaptation strategies for Mt Elgon Ecosystem and ecotourism development undertaken. Achievements, successes and impacts of each of these outputs are outlined below.

4.1 Assessment of Community Revolving Fund Models

The CRF was conceptualised as a livelihood improvement program that channels funds to CBOs located adjacent to NPs and FRs in the Mt Elgon ecosystem for purposes of establishing Income Generating Activities (IGAs). The funds were to be given to ten groups in Kenya and ten in Uganda as seed money to be managed by beneficiaries as a revolving fund. The CRF mechanism would be used for channelling funds from other livelihood activities being undertaken within the ecosystem.

Funding of USD 10,000 was disbursed to each of the twenty CBOs early 2010. Each of the CBOs has set their own criteria for lending to the CBO members as well as terms and conditions of repayment including interest rates. A diverse range of IGAs, both as individuals and groups are being undertaken. Annex 3 presents details of the MERECP funded CBOs including characteristics of the activities being implemented as well as repayments.

4.1.1 Achievements, Effects and Impacts of the CRFs

As per the Program Implementation Plan (PIP) for MERECP, most of the deliverables with regard to the establishment and support of CRFs (contributing to part of Output 2 on “**Equity and Benefit Sharing Models/Revolving funds that create opportunities for payment of ecosystem goods and services for improved livelihoods are in place by 2010**”) have been achieved as indicated in Table 1 below.

Technical support provided to the CBOs (initially only the Chair’s, Secretaries and Treasurers received training and they were supposed to impart the skills to the rest of the membership) on how to manage CRFs is slowly taking root and interviews with the groups showed indications that that they have internalized some of the skills gained, including:

- All the CRFs have loan application forms that are quite adequate for the purpose. The loan application forms also have a section for local administration to sign on which would be useful when dealing with loan defaulters.
- Most of the CRF membership is aware that the CRF is not a sinking fund but a revolving fund. The CBOs met during the field visits kept on alluding to the “**growing the pie**” phrase learned during their training course about how they need to increase the current CRFs from MERECP.
- Membership to the CRFs requires one to put in their own money (membership and savings) for most of the groups before a loan is approved.
- All CBOs have instituted a system of loans being guaranteed by other CRF members.

Table 1: Evaluation of equity and benefit sharing achievements against planned indicators

Output	Activity	Indicators	Achievements	Comments
Output 2: Equity and benefit sharing models/revolving funds that create opportunities for payment of ecosystem goods and services for improved livelihoods are in place by 2010.	a) Identification and registration/communication of CBOs that are “eligible and ready” and registered with accounts to receive seed capital for CRF;	Community revolving funds (CRFs) are set up in 20 CBOs (10 in Kenya and 10 in Uganda)	20 CRFs identified in consultation with the District administration in the participating districts	Undertaken with the support of the districts and verified by PMU using the Guidelines developed by PMU and other stakeholders.
	b) Provision of technical assistance to CBOs to build capacity on micro-credit operations and undertaking income generating activities	Good management of CRFs by CBOs is evidenced by clean and orderly books of accounts monitored by PMU and audited externally with support of districts	The 20 CRFs provided with technical training aimed at building their capacity in micro credit	CBOs funded with the CRFs show a level of financial awareness and are making use of the tools and guidelines prepared under MERECP. However, these being grassroots organizations, a lot more is needed to improve on book keeping and documentation, leadership and management of CBOs.
	c) Monitoring of CBO performance undertaken by the districts		Districts have undertaken monitoring activities, however, more engagement with CBOs was witnessed on the Ugandan side	
	d) Transfer of seed capital for establishing CRFs in 10 Parishes-Uganda and 10 Locations-Kenya	Additional income earned by CBOs is put into CRFs to top up seed capital of US\$10,000	Funds remitted to 20 CRFs (10 in Kenya & 10 in Uganda)	Most of the funds disbursed within the last half of 2009/2010 FY. Funds destined to Bunyafa CBO were sent to Mt Elgon Farmers Association erroneously while those to Cheptoror was returned as a result of providing the wrong bank account details.

Output	Activity	Indicators	Achievements	Comments
	e) Monitoring of CBO performance of CRF operations and livelihood improvements -cash and non-cash based monitoring of plantations and ecosystem health	<p>Micro-credit operations of CRFs managed by certified CBOs under MERECP shows a rate of repayment above 85% with interest earned accruing to the CRFs and is documented in the bank balance statements of the CRF</p> <p>On-farm and household based cash flow of CBO members participating in MERECP revolving fund activities increased</p>	<p>CRFs operations progressing well with a significant number of members benefitting</p> <p>Repayments are however low with none having an 85% repayment of CRFs</p> <p>Documentation of transactions in bank balances is poor</p> <p>Monitoring of CRFs activities by districts was undertaken although initially their role was not clear to the CRF benefitting CBOs</p> <p>Some of the beneficiaries of the CRF have improved their livelihoods from increased on and off farm household incomes</p>	<p>This is an aspect in which the CBOs need a lot of support before they can finally adopt a businesslike approach. Several CBOs such as the Saboti Sosio and Mt Elgon Development Network's poor performance is attributed to poor leadership. There is also the case of one member in Mt Elgon Development Network who was loaned 28% of the CRFs and has disappeared.</p> <p>Most of the enterprises initiated with CRFs are still in the incubation period, but there is evidence that generally, the CRF will succeed is raising the living standards of the beneficiaries.</p> <p>The DDOs in Kenya did not seem to be quite engaged in the activities of the CBOs, and if anything, their role was more superficial.</p>
	f) Auditing of CBO accounts externally and submission of such reports to National Focal Persons on an annual basis	External audit of the CRFs undertaken in August 2011	The MERECP/LVBC audit report documents the goings on with the CRF including the expected growth trajectory for each, however it insufficiently analyses the detail of loan disbursement and repayment with individual members.	<p>It would be beneficial in future audits to check and document the number of members who had benefited from the CRFs according to gender, and range of amounts borrowed. Such information will be important in ascertaining issues of equity.</p> <p>As a learning process for future CRFs, defining which enterprises do best in terms of generating returns should also be documented.</p>

- Technical support provided to the CRFs in terms of training and mentoring has been very empowering to the CBOs, especially with regard to micro credit management. Many of the CBOs talked to during the field visits alluded to the fact that they would in future like to transition to Credit and Cooperative Societies (SACCOs), which means they have to increase membership to required numbers for purposes of registration as well as improve on the management of CRFs.

Establishment of the CRFs has spurred the formation of other non MERECP funded CBOs that also have also adopted the CRF as one of their activities such as the Mount Elgon Self Help Group in Kenya and Mt Elgon Park Community Project both on the Kenya side of Mt Elgon. The CRFs were established using funds from payments for undertaking MERECP activities.

The CRFs targeted CBOs located adjacent to the boundaries of the Mt. Elgon Protected Areas, whose membership is constituted largely by rural poor people who can be termed as the “*unbanked segment of society*” either due to lack of access to banking services and/or having little savings capacity which may not be attractive to mainstream banking institutions. Where a few of the Micro Finance Institutions (MFIs) have recently made headways in penetrating such areas, the local communities interviewed had negative experiences of people’s few assets being repossessed for recovery of loans, attributed to high interest rates charged. The CRFs are effectively filling this void, thus economically empowering these local communities by offering credit to their members at much lower interest rates. Members of the CRFs also expressed their feeling of security and confidence in getting loans from the CRF due to the fact that in times of challenges in repayment, the CRF management is more in tune with member’s problems and would be more lenient. They also noted as an advantage the short duration it takes to access credit from the CRF as compared to banks.

Most of the CBOs selected to receive the CRFs were implementing some environmental conservation activities before being identified as grantees. This has encouraged the formation of new CBOs primarily interested in replicating the CRF model or aspiring to become future recipients of such funds. These new CBOs have environmental and IGA aspects which have helped extend the geographical reach of environmental interventions.

Part of the funds received by the groups from the plantation establishment for livelihood activities, enrichment planting and deforestation avoidance and revenue sharing have been channelled to the CRFs thus enabling them to lend to more members including those not originally belonging to the CBOs that were recipient of the CRFs, which helps “grow the pie”. Groups that have done this include:

- Kapchebut Elgon Farmer’s Association – Collected \$7,000 received from Deforestation Avoidance into the CRF (from UWA)
- Tangwen Kwigite bee Keeping Association - Collected \$7,000 received from Deforestation Avoidance into the CRF (from UWA)
- Bushiuyo Dairy Farmers CBO, Mbale District – Collected UgSh 4.74 million (\$1,750) from UWA as Revenue Sharing
- Tingey Project – Deposited Ksh. 100,000 (\$1,050) into the Community Development Fund

There is a sign of maturity and willingness to work together as CBOs for the general welfare of the wider community. For example, the Cheptais Community Forest Association (recipient of CRF) loaned 99% of their funds to one of its constituent CBOs, the Chemtai Women’s Group, while the Kachebut Elgon Farmer’s Association is also providing loans to members of its constituent CBOs. In such circumstances, the responsibility for ensuring the funds are returned lies squarely with the management of the constituent CBOs.

4.1.2 Weaknesses, Constraints and Challenges to CRFs

Although the CRF as a model has led to the achievement of the impacts/effects enumerated above, weaknesses still do exist that may inhibit the realization of intended benefits/impacts. For the CRF to be effective the funds must be seen to revolve and grow and be accessible to a wide cross section of the CRF members.

The following are the shortcomings/weaknesses and challenges identified after a critical review of the CRF implementation as well as interviews with the beneficiaries. These have been categorised into two: (i) those pertaining to IGAs and (ii) those that pertain to organisation and management of CRFs.

4.1.2.1 Income Generating Activities

In some CRFs, significant funds have been tied up to assets thereby leaving little to revolve among members. Examples include:

- Kimothon CFA CRF – purchased land worth about 50% of the CRF funds and also constructed an office at about 10% of the CRFs
- Mt Elgon Porters and Tour Guides Association - purchased land, constructed an office and bought a digital camera with about 13% of the CRF
- Chepnyalil Youth Group – purchased land using 21% of the CRFs.

While these ventures in some cases were supposed to be income generating as in the case of the Kimothon CFA whose intention was to use the plot as a base for other businesses such as fire wood/maize trading, if such businesses collapsed, then the CRF would collapse too due to being starved of financial resources.

Most of the groups in Kenya have established tree nurseries as an IGA using the CRF. While tree nurseries can generate incomes, there is an oversupply of tree seedlings, partly attributed to the delayed funding for other MERECP activities such as Plantation for Livelihood Improvement Scheme, enrichment planting as well as limited market access for the seedlings. This may culminate in the loss of CRF funds. In Uganda, for example, the Kyesha CRF had 100,000 coffee seedlings which they may be unable to sell. It is possible that demand exists for the seedlings but the community may not be well linked to potential markets. The anticipated loss from such an undertaking could be monumental since the group had invested UGX 4.5 million in the enterprise. The quality of seedlings raised has also in some cases fallen short of the quality required for the tree planting activities by KFS, which to a large extent can be explained by the lack of skills to raise quality seedlings. KFS's presence on the ground to provide technical support to these groups in nursery establishment and tree planting was found to be lacking.

Significant funds from the CRF were invested in the purchase of dairy cows for example, the Kyesha Farmers Group invested UGX 7.9 million in the purchase of 8 dairy cows each at UGX 987,500. Dairy farming has the potential to improve livelihoods of rural poor communities from incomes derived from sale of milk. Besides this, milk helps improve the nutritional status of a household and a cow is also an asset which can be sold if need be, in order to address household financial problems. This is, however, only feasible if the quality of the animal is good, leading to high milk yields. In the case of the dairy animals purchased with the CRFs, there are doubts as to whether the farmers will be able service the loans borrowed and receive the intended benefits due to the following reasons:

- The quality / health of animals observed were unsatisfactory, which could be attributed to lack of adequate feed. It seems that the farmers are not adequately prepared to keep dairy cows in terms of rationalizing where the feed will come from and the quality of feed (many of the animals currently fed on banana stems on the

Uganda side). Inadequate feeding would make even a good breed of animal lose form and value).

- Animal husbandry practices seem to be poor and there is hardly any technical support services being provided on the ground to help improve on this.
- Both these two factors combined lead to poor milk production.

Technical support provided to the local communities in the implementation of IGAs is low or lacking. This applies to tree planting, nursery establishment and management, dairy farming and horticulture.

Selection of enterprises to be implemented (Individual and group) in terms of ability to generate financial returns was found to be weak generally. The mode of investing the CRF also needs to be clarified; do they invest in group or individual IGA?

The marketing aspect of products from IGAs was also found to be lacking, leading to the inability of the farmers to sell their produce.

4.1.2.2 Organisation and Management

From discussions with the CRF members and management, review of the CRFs audit report and other CRF documents, it can be concluded that once loans are made to members, the repayments are immediately given out as new loans and do not go through the banks. One challenge of this state of affairs is keeping proper and an adequate paper trail of the CRF transactions, including accountability on the part of management and loan repayments.

All the CRFs are exhibiting poor loan repayments. The following were some of the reasons advanced for this scenario:

- Most of the borrowers invested in agricultural activities/inputs such as growing of maize and horticulture. The produce/crop is not yet harvested and sold; therefore loan repayments are not possible until end of the season.
- Some of the farmers had invested in dairy farming activities and before a purchased heifer produces a calf and milk production starts can take one to two years. Furthermore milk production also is often low to allow for fast loan repayments.
- Whilst CBOs are enthusiastic, the CRF concept is still new to them, and especially when management responsibility for the CRF is placed on them. There is still a need to continue building their capacity in the various aspects of running such a fund, including leadership and management skills. Some of the CBOs also have a huge membership which increases the management burden on the officials, some of whom perhaps are managing such groups for the first time.
- Several of the CRFs have leadership problems, which have been attributed to low loan repayments and/or officials and members running away with funds loaned to them. The CBO membership needs to be also made aware about the qualities of a good leader. Further to this, elections of their official should be supervised by the respective authorities at the districts to ensure that the process is conducted in a transparent manner.

4.2 Assessment of Natural Resources Co-Management Models

The MERECEP Purpose is to demonstrate effective trans-boundary natural resource management and participatory benefit sharing models in the Mt Elgon ecosystem by end 2010. In line with **Output 1 Benefit sharing and co-management models of ecosystem and biodiversity conservation and management around PAs demonstrated successfully by end of 2010**. The models to be tested and established were:

- Community Revolving Funds (as presented under 4.1 above)
- Plantations for Livelihood Improvement
- Forest Restoration and Carbon Sequestration
- Deforestation Avoidance

4.2.1 Overall Achievements Against Targets

In general terms, the best achievement was in Forest Restoration and Carbon Sequestration where 83% of the planned 400ha were planted (Table 2).

Table 2: MERECEP progress in implementation against planned targets

Activity	Target (ha)	Achieved (ha)	Percent Achieved	Remarks
Plantation for Livelihood Improvement	1200	381	31.8	Delayed disbursements
Carbon Sequestration	400	331	82.8	Survival levels are in the region of 50 - 60%
Deforestation Avoidance	400	200	50	Done by UWA

Source: MERECEP Records

Indigenous species, including *Cordia africana*, *Maesopsis eminii*, *Prunus africanum*, *Olea welwitschii*, *Antiaris toxicaria*, *Markhamia lutea*, *Khaya anthotheca* & *Milicia excelsa*, *Dombeya goetzenii*, *Juniperus procera*, *Podocarpus spp*, and *Syzygium guinesse*, among others were planted. These species are those that grow naturally in the ecosystem and they are long rotation crops (40+ years). Thus they will serve the carbon sequestration function well. Since the trees are being planted to assist regeneration, even when survival level is average, natural processes will take over and more and more species will come in.

Plantations for Livelihood Improvement achieved a modest 32%. Poor performance in this area was attributed to late release of funds which made it difficult for PA managers to synchronise planting activities with the planting seasons.

Deforestation avoidance was done only by Uganda Wildlife Authority (UWA) and Kenya Wildlife Service (KWS) which is in the process of mapping areas for deforestation avoidance.

4.2.2 Plantations for Livelihood Improvement Model

Originally the plan was to identify and map out zones for this model to the extent of 1200ha in total (600ha in Uganda and 600ha in Kenya). However, a total of 7,882ha were mapped in total. This shows that there is room for scaling up the livelihood plantations.

In terms of establishment of the plantations, the planned targets were not achieved by all the PAMIs as shown in Table 3.

Table 3: Achievements in plantations for livelihood improvement by PAMI's

Institution	Target (ha)	Achieved (ha)	Percent Achieved
Kenya Wildlife Service	248	25	10.1
Kenya Forest Service	352	175	49.7
Uganda Wildlife Authority	463	104	22.5
National Forestry Authority (Uganda)	137	77	56.2
Average Achievement			34.63

Source: MERECP Records

Delays were attributed to failure in the disbursement system so that the money did not reach the PAMIs in time. Even at the time of this review, part of the money had not reached the PAMIs, although some of this money had already been released by LVBC to the Focal Point Government Ministries. The delays were caused by the bureaucratic government procedures.

In all cases, the people are not clear about the end product to be harvested and therefore, it is difficult for them to focus the tree management regimes (e.g. type of seedlings, espacement, pruning and thinning schedules, etc) from the start.

On the Uganda side, where the plantations are being grown in the sustainable utilisation zones (SUZs)¹, the approach has calmed down the boundary conflicts but no permanent solution has been agreed. *De facto*, land in the SUZ now belongs to the people who are cultivating the land, but *de jure* it is still PA land. It requires the due process of the law to deal with the issue conclusively, in the meantime long-term survival of the trees being planted in this zone cannot be guaranteed until land ownership is clarified.

In the FR, the households own the trees but in the NP, the trees are owned communally. Most likely, community ownership will result in problems of maintenance, and later benefit sharing, among the communities. Thus they will probably not continue maintaining these plantations when cash payments for their labour cease.

The forest in both the NP and the FR which had been seriously degraded is now showing signs of recovery. Pole stage trees are beginning to emerge from the climber tangles even where assisted regeneration had not been done earlier.

On the Kenya side, where piloting of livelihood plantations are being piloted under the PELIS, the system is dominated by maize rather than trees. With respect to quality, the trees will grossly under perform in terms of yield of timber or transmission poles, which people hope to sell at the end. Generally the PELIS approach, as it is being implemented now, will yield limited benefits in terms of improving forest cover and providing forestry products and services.

¹ The sustainable utilisation zone refers to the area which is between the real boundary of the PA and the boundary that was mistakenly put in place in 1993. The zone covers an area of 344ha in Mt. Elgon NP and 244ha in Namatale FR. The boundary had been contested by the local people and their political leaders, who accused the PAMIs of changing boundaries in a bid to take people's land. Finally it has been agreed that these areas will be used by the local people to grow their own trees and plant crops in between the rows but that no settlements will be allowed.

4.2.3 Forest Restoration and Carbon Sequestration Model

There was better achievement under this model than the livelihood plantations, most probably because the size of areas targeted was much smaller (400ha) than the livelihood plantations. According to the data available, KFS appears to have performed best with a return of 193.5% (Table 4). However, the ERT did not manage to visit any of the KFS sites because of difficult roads. If this KFS area is excluded, the average performance drops to 68%. This better achievement is attributed to the relatively small areas (a total of 400ha) involved and the wider spacing in planting.

Table 4: Performance for forest restoration planting by PAMI

Institution	Target (ha)	Achieved (ha)	Percent Achieved
Kenya Wildlife Service	138	37	26.8
Kenya Forestry Service	62	120	193.5 ²
Uganda Wildlife Authority	93	114	122.6
National Forestry Authority (Uganda)	107	60	56.1
Average Achievement			99.75
Average Achievement (excluding KFS)			68.5%

Source: MERECP Records

Forest restoration planting is being done in the degraded areas (esp. by encroachment and fire). KWS is also planting in natural grasslands, but it is unlikely that the trees will grow properly to make a significant difference in carbon sequestered or the biodiversity of the NP. This is because these grasslands are not forested in their natural state, because of shallow soils and hard rock underground which makes it impossible for tree roots to penetrate.

One of the benefits expected from this model is sharing of carbon revenues, but the sharing arrangements have not been specified, although there is an unwritten understanding that sharing will be done. The carbon revenues will begin to come through when the REDD+ systems have been fully developed under the national REDD strategies, currently being prepared.

4.2.4 Avoidance of Deforestation Model

A total of 400ha was targeted for payment under this model. Only UWA effected these payments, and two CBOs (Kapchebut Elgon Farmers Association and Tengwen Kwigate Bee Keeping Association) were each paid US\$ 7,000.

The basis for the payments was the long history of collaboration (goes back beyond the duration of MERECP) with these communities in the conservation of the NP. The communities had collaborated in the protection of the forest near them, as evidenced by good intact natural forest vegetation. However, this basis for payment is difficult to use again if payments are to be made regularly to ensure continuous protection of the PAs.

Payments were made on the basis of biodiversity preservation rather than the amount of carbon sequestered. A lot of work still needs to be done to establish methods for carbon payment as a result of avoided deforestation.

² The End Review Team could not visit the areas planted. Thus the reason for this “over achievement” could not be established, neither survival rates. The ERT proposes it would be useful to “audit” the KFS forest restoration planting before further investments are made.

On the Kenya side, arrangements for payments for deforestation avoidance have not yet been concluded and zoning of the forest for this purpose is still going on.

4.2.5 Benefit Sharing Arrangements

On the Ugandan side, application of the various models and the associated benefit sharing arrangements are within the PA management plans. In addition, they have been adapted to MERECP guidelines and benefit sharing agreements have been signed between UWA & selected CBOs.

In the case of Namatale FR, CFM partnerships are being developed by NFA following the NFA structured approach. The livelihood plantations are being grown even when the CFM agreements have not been completed and signed. In an environment of intense mistrust between the two parties, consolidating mutual trust is more important than hurriedly signing a piece of paper.

NFA and UWA stipulates that all the end products of the livelihood plantations on PA land will accrue to the local people, but sharing of carbon revenues is not yet specified. There is an issue of lack of capacity regarding carbon trade, marketing and stock taking within UWA, local communities and districts.

On the Kenya side, plans are under way to prepare forest management plans for FRs. CFAs were recently formed but it seems there were no adequate consultations between KFS and the communities, and so an air of mistrust still remains.

Mt. Elgon NP has a management plan, which is being reviewed. It is important that the review process takes into account the benefit sharing arrangements which have been tested under MERECP. One CBO (Mt. Elgon Self-help Group) has signed a participatory benefit sharing agreement (PBSA) with KWS. One for restoration planting is being prepared, and the other community groups are operating on mutual trust.

For KFS, sharing of end products from livelihood plantations remains unsettled, and for both KWS and KFS, sharing of carbon revenues is still not yet clear. This position will probably become clearer as and when policies presently discussed are adopted.

4.2.6 Skills Training

The trees are being planted with very little training. As a result mistakes were made in terms of establishment practices (site selection, nursery work and tree management, among others)

Annex 4 gives greater details of performance for each PAMI.

4.3 Assessment of Trans-boundary Collaboration

The MERECP re-design work plan (2009 – 2011) had the following deliverables related to trans-boundary collaboration.

Table 5: Assessment of Trans-boundary collaboration

Deliverables w/plan 2009 - 2011	Achievements Sept. 2011
1. Database show species and population of fauna and flora are stabilizing as compared to 2005	Database yet to be developed. No joint effort to conduct baseline surveys and monitoring undertaken yet
2. At least one Joint Trans-boundary Management Plan (JTMP) drawn-up	Draft JTMP prepared, but still under review. Need to refocus on collaboration aspects of trans-boundary ecosystem management
3. Management Plan of each PA component in Mt Elgon Ecosystem reviewed to embrace TB principles	UWA has a NP management plan. KWS under review. KFS under preparation and NFA has a draft forest management plan that needs updating.
4. Joint patrol plan designed and at least 4 joint patrols undertaken	5 joint patrols have been undertaken but, the arrangement still needs to be formalised. UWA and KWS are currently undertaking joint patrols using their own respective organisational budgets
5. Policy and laws harmonization initiated	Process yet to be initiated. This is difficult for MERECP to achieve within the time scale of the Programme because LVBC has to work through other arms of the EAC which are outside the thematic areas covered by LVBC. The role of MERECP is understood as providing information to policy processes that are to be piloted by LVBC

The practical aspects of TB collaboration, such as joint meetings and joint patrols between UWA and KWS have been internalised and bear fruits and the park managers clearly enjoy joining forces. Information exchange on illegal activities has given real-time result in terms of apprehending culprits. The fact that the other side of the border is no longer a safe-haven for smugglers and poachers is already discouraging such illegal actions. There is now a need to engage border security agents of both countries to formalise joint action to curb illegal TB activities and movements.

The issue of tourist visas for the EAC that would facilitate TB tourism is being dealt with by the EAC.

Conducting TB baseline surveys is a costly activity and yet to be undertaken.

4.4 Various Studies

The programme has prepared various and important studies. A brief assessment by the ERT has been made on them.

4.4.1 Joint Trans-boundary Management Plan

A final draft report dated December 2010 was developed by a consultant to the project through a process involving the MERECP team, lead ministries, management institutions, and district authorities covering the ecosystem.

The stated purpose of the JTMP is to: “facilitate processes and actions leading to establishment of a formal regional collaboration and cooperation for the management of the

Mt Elgon Ecosystem”. In addition, the JTMP proposes that it will also: (i) provide a framework for guiding long term sustainable development actions; and (ii) promote conservation of ecological functions. By adding these two sup-purposes the JTMP runs the risk of losing focus of the main purpose which is on collaboration for TB Ecosystem Management.

Whilst the report is well presented and presents a wealth of information and ideas, there is too much on the management of the ecosystem itself and too little on collaboration for TB management. At the same time the draft JTMP falls short in providing a comprehensive analysis of the ecosystem management issues and it does not sufficiently build on and incorporate existing management plans for the NPs and FRs in the Mt Elgon Ecosystem.

In general, the JTMP in its present form has not been effective in formalising TB management between the two countries. Already the Mid-Term Review Team found that full understanding of what TB ecosystem management really entails is lacking. The ERT believes that what is required is a simple and informed process for the elaboration of the memorandum of understanding (MoU) for Mt Elgon TB Collaboration between Uganda and Kenya.

The ERT therefore proposes to rename it “Joint Transboundary **Collaboration** Plan” (JTCP). The ERT proposes that the present JTMP should not be presented for approval but rather to use some of the information relevant to collaboration in the draft report to inform the process of developing the MoU and a JTCP. The principle of “subsidiary” of national management institutions should also prevail.

4.4.2 Climate Change Adaptation and Disaster Management

The value of carrying out such a study under MERECP was not well understood by the ERT. Many studies have been done on Mt Elgon in the recent past and the study insufficiently draws on these. The ERT’s quick assessment of the study results found statistics to be poor, incomplete and often incorrect. The present draft doesn’t provide a basis for further work and the ERT proposes rather to focus on the Strategy for REDD+ for Mt Elgon Ecosystem.

4.4.3 Preparation of a REDD+ Strategy for the Mt Elgon Ecosystem

A ToR is available and MERECP PMU is in the process of finalizing a contract with the consortium that will undertake the study. Developing the ToR was done in close consultation with the REDD+ Focal Points of both Uganda and Kenya.

The ERT believes this to be a key study for MERECP. The ERT has made some suggestions so as to focus the ToR and work to be done so that the study will make concrete proposals on technical processes and institutional arrangements for Mt Elgon to be a REDD+ Pilot Project informing both Uganda and Kenya REDD+ strategies which are currently under development.

Generally, much of the information requested in the ToR is available and may only need to be brought together and compiled. Key areas covered by the ToR should be: (i) technical considerations related to baseline and monitoring, reporting and verification (MRV); (ii) simulation of baseline values related to deforestation and forest degradation (1990 – 2000 – 2010) and proposal of “Scenarios’ and carbon values; (iii) land, forest and carbon tenure issues; (iv) Benefit sharing – how and with whom.

4.4.4 Ecotourism Master Plan

ToRs have been developed and MERECP PMU is in the process of identifying a suitable consultant. This study is not a key activity for the project, but KWS is especially interested in having it done for purposes of promoting TB tourism.

The ERT is concerned with the methodology due to the fact that many such studies have been done elsewhere, with reports often not being used to guide planning and programme delivering. To enhance the utilitarian value of the proposed masterplan, there is need to use a participatory and consultative process that engages not only the respective national tour operator associations but also those that operate in Western Kenya and Eastern Uganda.

4.5 Gender Issues

To a large extent, programme implementation has taken into consideration gender issues incorporating males, females and the youth. The only exception to this is in the Mt. Elgon Guides and Porter Youth Group, which is comprised of only men. Gender parity has not been achieved in most of the CBOs that are recipient of the CRFs; however, women outnumber men in the following; Saboti Sosio CFA, Kapchebut Farmers' Association and Bunyafa CFA. In most of the other CBOs, women were found to be about a third of the membership. It is, however worth noting that the CRF for the Cheptais CFA was given to the Chemutai Womens' group, which is quite encouraging.

With regard to access to loans, women are able to get the funds and also undertake IGAs to improve their welfare, and some of them reported a positive multiplier effect of the CRFs. During the meetings with the CRF beneficiaries, women were present in all the groups interviewed; and they gave their own personal testimonies of what they had achieved with the funds.

Another important issue pertaining to gender issues discussed during the interviews was what would happen in the incidence that a spouse takes a loan and fails to repay, especially if it is the female gender. The ERT was informed that the normal practice for spouses was that they guaranteed each other for information purposes, but the sole responsibility lay with the loan applicant, unless it was for a joint project.

Most of the CRFs also have women in positions of leadership; however it is difficult to tell how the positions are distributed due to the fact that data/reporting on CRF and other MERECP activities has not been disaggregated according to gender.

The youth are also represented in the CBO who are recipients of the CRFs, and more specifically; two youth groups, the Chenyalil and the Mt Elgon Guides and Porters groups who were recipients of the CRFs.

The Participatory Benefit Sharing Agreements (PBSAs) are also sensitive to gender issues. To start with, they are/or will be drawn between the implementing institutions (KWS, UWA, KFS, NFA) and households, which means in the absence of one gender, the other takes responsibility for ensuring stipulations in those agreements are met, and likewise, the same happens with the benefits.

4.6 Minority Groups and Human Rights Issues

It has not been a specific focus of this End-Review mission to address minority and/or human right issues related to conservation efforts of the Mt Elgon Ecosystem. The issues are well known and the ERT would only like to note the following.

Generally, communities of the Mt Elgon Ecosystem have strong historical and cultural linkages to the mountain. Minority groups and human rights issues are not a specific focus of

MERECIP. Mt Elgon has a number of minority groups claiming ancestral linkages to the higher reaches of Mt Elgon. On the Kenya and Northern Uganda slopes of Mt Elgon they are groups of Sabot origin, such as Benett and Ndorobo. No mutually acceptable solution has been found to resolve, often occasionally, arising claims of these groups to land inside the Mt Elgon NPs. During joint TB patrol missions the KWS found Ndorobo cultivating numerous plots with Irish Potatoes deep inside the NP. After a failed resettlement programme by the Uganda Government, the Mt Elgon NP of Uganda still has a growing group of Benett people living inside the NP.

On the Western slopes of Mt Elgon land inside the Mt Elgon NP is still regularly being disputed by the local Bagisu (or Bamasaba). However most of these claims are no longer historical, but are related more to land-pressure and political promises made to local people during the time of election.

All of these unsettled issues sometimes lead to violent small-scale conflict that lead to claims of abusive force. The ERT has found that the MERECIP multi-pronged approach, through a combination of CRF and livelihoods and enrichment planting in and around contested areas, is showing promise of success.

The ERT engage with the Human Rights Network (HURINET) who is involved in facilitating conflict resolution in conservation and land-dispute related issues between local people and PA management institutions. The facilitation of conflict resolution in an open, transparent and law-abiding manner will during the near and medium-term future continue to be a necessary element for the management of the Mt Elgon Ecosystem.

5. Relevance to national and Regional Agenda's

MERECIP is a pilot for TB collaboration initiatives within the EAC and the LVBC. The Mt Elgon experience has already inspired other TB initiatives undertaken by the LVBC such as Mara River Basin and Lake Jipe Project. The LVBC is the only executing arm of the EAC in the area of natural resource management. The EAC is presently debating whether to extend the mandate of the LVBC beyond the strict boundaries of the Lake Victoria basin so that it can act as its executing arm on the wider natural resources management (NRM) initiatives within the entire EAC area.

For the purpose of policy harmonisation and TB collaboration, the LVBC is clearly the right institution for hosting MERECIP. MERECIP falls well within the Shared Vision and Strategic Framework of the LVBC. In the implementation of programmes and projects, the LVBC operates on the principle of “subsidiarity” (that things be implemented at the most appropriate level, building on national strategies and complementing them as necessary). The LVBC presently has the mandate to work in five policy areas of: (i) ecosystem NR management; (ii) production and income generation; (ii) quality of life; (iv) population and demography; and (v) governance, policy and institutional development. As agriculture and land husbandry are key in ecosystem and water catchment management, including the conservation of water-tower functions and minimizing siltation, it would be relevant to enlarge the LVBC's mandate with a sixth policy area on “sustainable agriculture and land husbandry”.

It is clearly the LVBC's mandate to take up issues of policy development and harmonisation with national governments. There is an opportunity for the LVBC to pro-actively use MERECIP to develop a model for TB collaboration that can inspire other such initiatives in the EAC. However, the ERT found that little has as yet been achieved in formalising TB Collaboration for Mt Elgon. As already noted in this report, the JTMP did not provide the foundation for doing so. As the TB collaboration also involves dealing with security and legal issues and as it engages two sovereign states, it may be necessary to involve other institutions, such as local security agencies and Ministries of Foreign Affairs, for delivering TB collaboration.

The MERECIP exchange visit to the Limpopo trans-frontier initiative found that the three countries collaborating here started with exchange of memos, which was followed by the setting-up of formal collaborative institutional arrangements. Once this was in place, they did proceed with the elaboration of joint plans.

The challenge is not to overburden the process of formalising collaboration either with issues of day-to-day management or with national policy issues that cannot be addressed at the individual site level. A MoU between Uganda and Kenya which simply states principles and proposing practical articles of TB collaboration (not management) would be sufficient. This could then be followed by elaborating a plan of implementation for areas of collaboration.

6. Organisation and Management

6.1 Institutional Arrangements

During the re-design of MERECP, the programme was housed at the LVBC as one of the implementing arms of the E.A.C. The LVBC is the project's budget holder and clearly feels strong ownership with the project and has a keen interest for it to become a **model** for TB collaboration in ecosystem and watershed management.

The present institutional arrangement has strengthened in a general way Government ownership over the project. The Ministry of Environment and Mineral Resources of Kenya (MEMR) and the Ministry of Water and Environment (MOWE) of Uganda are the national focal points. Their role is to facilitate work plans, fund requests and disbursement, and monitoring and reporting.

Of the 4 implementing institutions (UWA, KWS, NFA and KFS) only one falls directly under the focal point ministries (NFA under MOWE). The Ministry of Tourism, Wildlife and Heritage of Uganda under which UWA falls, clearly felt excluded from the present institutional arrangement. Also the Ministry of Forestry and Wildlife in Kenya, under which KWS and KFS fall, finds the present choice of focal point ministries unsatisfactory and not empowering. A number of government representatives met during the End-Review mission queried the rationale of National Focal point being MOWE and MEMR. The ERT however notes that the responsible line ministry of KFS and KWS – the Ministry of Forestry and Wildlife - will merge with MEMR in August 2012 as part of the constitutional reforms and this will be less an issue as there is a forest policy unit that can act as the technical focal point.

One key aspect of the present institutional arrangement for MERECP is the embedding of project budgets within national annual budgets and Treasury. This presents, under any circumstances, a big challenge for efficient programme delivery. On the other hand, all 4 implementing institutions are semi-autonomous organisations with autonomy and flexibility in the mobilisation and management of funds. They have performance agreements with their line-ministries who have a role of oversight and monitoring.

The present channels of communications, fund mobilisation and disbursement for MERECP funds are long. Funds are requested by National Focal Points based on work plans of institutions that do not directly fall under them. Then funds are transferred from LVBC through Treasury to National Focal Point Ministries who will then transfer funds to the implementing institutions. Technical and financial reporting has to come all the way up through the same system.

As shown in Annex 5, for the 2 work plan periods of the re-design phase 2009/10 and 2010/11 less than half the funds planned and approved for implementing institutions were transferred to them. Funds reached their destinations only towards the end of the work plan periods. This has clearly affected project implementation and frustrated both implementing institutions and local communities.

The impact of the long and complicated lines of communication on quality and level of field activities has been considerable. It has significantly frustrated implementing institutions, districts and local communities. And, even if there are positive results to show for, it has led to haphazard and hasty implementation of tree planting activities, a major component of the MERECP which is dictated by seasonal variations.

Notwithstanding slowness in reporting, the ERT found the monitoring reports by the Focal Point Ministries to be informative and to-the-point and clearly showing genuine interest by governments in the project through its present institutional arrangement. However, follow-up on conclusions and recommendations from these monitoring visits proves difficult because of the many lines of responsibilities.

6.2 Planning and Coordination

Work plans from implementing institutions are generally satisfactory. Coordination between implementing institutions including districts varies. Coordination between UWA and District NRM Officers in Uganda appeared quite regular and operational, but far less on the Kenya side. MERECP has promoted regular coordination meetings through District Implementation Teams (DIT), these have however only met on project's insistence and initiative.

Even if the implementing institutions are entirely in the driving seat when it comes to planning and implementation (the project is not doing-it-for-them), the MERECP w/plans are not yet fully integrated into their "own" annual work planning processes, therefore, the project is an "add-on" to their regular activities. The activities MERECP supports are integral to the mandates and management responsibilities of the PA institutions, and as such should be fully integrated into their annual performance contracts and work plans. As all of the PA institutions are presently reviewing management plans of their NPs and FRs, there is a significant opportunity for PAMIs to fully integrate and *take full ownership* over the MERECP supported activities.

6.3 Role of Local Government

The actual real-time involvement of Districts was found to be quite different from Kenya to Uganda.

On the Kenya side the District Development Officers (DDOs) were found not to be closely involved with the CBOs whom they were responsible for monitoring and supporting. It is the impression of the ERT that the DDOs perceived their role to be: registering the CBOs; monitoring from a distance; and only stepping-in when conflicts and problems arise.

On the Uganda side, the ERT found the District Natural Resource Officers to be highly involved and having developed close relationships with the CBOs supported by MERECP. It could clearly be seen that district involvement is a means of legitimizing and communicating the programme. Especially the support UWA and NFA now receive from the Mbale District Local Council Five Chairman is commendable and the "MERECP approach" to resolving long outstanding conflicts on PA boundaries has made the difference in this.

Clear communication of roles and responsibilities of districts has proved to be important. On the Uganda side some of the CRF – CBOs felt at first that District officers were interfering with their activities as the monitoring and support roles of the District NRM Officers was not well explained at the onset. This has now been resolved and there is mutual appreciation.

In the re-design phase Districts only received small funds from MERECP. Districts have separate bank accounts for MERECP funds and the District NRM Officers make requests for withdrawal based on planned activities. It should be noted that due to the generally slow and late disbursements of funds, districts only received 33% of funds budgeted for during the two work plan periods 2009/10 and 2010/11. Notwithstanding this low level of incentives to district officers, some of them have been active, taken a keen interest and added real value to the programme interventions.

On the Kenya side there is need to review the present arrangement (also in the light of Kenya's new constitution and the decentralised governance system to the new Counties).

6.4 Financial Management and Fund Disbursement

Annex 5 presents the actual flow of fund requests, disbursements and reporting for the two work plan period 2009/10 and 2010/11. Fund requests only take place when the work plan year is already progress 4-6 months. And funds for the first 6 months of the work plan period have reached the implementing institutions, including districts, only just before the end of the work plan year. This is clearly unsatisfactory for timely implementation of mostly seasonal activities and has led to low levels of achievement.

Funds for the establishment of the CRFs with the 20 CBOs were transferred directly from LVBC to the CBO's bank accounts. These were more timely disbursements, even if in a number of instances, funds bounced and had to be transferred a second time.

The ERT did not have a very close look at the financial reporting systems. However, it feels that present systems leave much to be desired and does not allow for strict monitoring of fund management and utilisation due to the following reasons: (i) the long communication and reporting channels, with funds going through central Treasury, makes monitoring and reporting very cumbersome for everyone; (ii) each implementing institution (UWA, KWS, NFA, KFS) has its own method and internal procedure of financial reporting and LVBC has not imposed standard requirements of reporting; (iii) when finally financial reports come to MERECP and LVBC through the national focal points, MERECP is more concerned with keeping the process going rather than with controlling quality; and (iv) auditing and quality control by MERECP and LVBC is highly constrained because of late, non-uniform and haphazard reporting.

At the time of the End-Review the MERECP team did not have a complete picture of information of actual fund disbursements to the devolved implementing institutions in the Mt Elgon Ecosystem, including actual payments from the implementing institutions to the local communities and CBOs for the labour provided by them in nursery management, tree planting and maintenance activities. Because of lack of standardised financial reporting procedures, implementing institutions and focal point ministries do not submit reports at the same time and in different formats. As a result MERECP PMU and LVBC have found it difficult to reconcile disbursements and expenditures in a timely manner.

It should be stressed here that the administrative fees of the different institutions – be it the LVBC or the National Focal Points – are not found to be excessive at all. The re-design phase had clearly led to much more direct funding to local PA institutions and to local communities.

6.5 Monitoring, Evaluation and Reporting

The MERECP team elaborated a document “*Monitoring and Evaluation System: period 2009 – 2010*”. The effort was commendable, but reporting has not followed. Again, it is clear that the present long line of communication does not help, but also the implementing institutions, by nature, take little pleasure in preparing good quality reports. The M&E system could improve if more direct planning, funding and reporting contracts are established with the implementing institutions, and also if the MERECP activities become integral to the institution's own planning and monitoring work processes.

This End-Review Report contains some useful monitoring tools. The annex 3 information on the CRF visited provides a beginning of a CRF register. Annex 4 provides structure for M&E tools for NRM joint management models. Annex 6 presents in one table an overview on what the different groups, supported by MERECP and the implementing institutions, are doing. These annexes provide elements for a simplified and easy to update register of community groups involved and directly engaged in the management of the Mt Elgon Ecosystem. This can add value for future sustainable funding arrangements. It will be important to develop *M&E Tools* that help deliver the *M&E System*.

6.6 Project Team

The ERT will not give a personalised assessment of the MERECP Team. It suffices to say that there is general appreciation of and respect for the teams work and its technical capacity. The team is well embedded within the LVBC, but also functions as an independent project unit, which is good and should be maintained. The ERT has noted some shortcomings especially with regard to M&E and finance control. It should be noted that the teams' capacity in terms of numbers (only two senior technical staff), is limited and occasionally it is stretched beyond its limits.

6.7 Management of Risks and Assumptions

The PIP of the re-design phase recognises a number of general and specific assumptions to be monitored during programme implementation. However, the M&E framework for 2009/10 does not seem to clearly provide for monitoring of these risks and assumptions. Table 6 shows the ERT's assessment of the extent to which the risks/assumptions affected implementation of the programme.

Table 6: Assessment of the extent of risks/assumptions affecting programme delivery

Assumption	Effect on Programme Implementation
General Assumptions (<i>must remain favourable if programme as a whole was to succeed</i>)	
(a) Local level socio-economic / political conditions in border areas of Kenya and Uganda remain stable and secure	The administrative leaders in Kenya said that insecurity in the border areas had been contained and therefore the project was not adversely affected by this assumption/risk.
(b) Commitment by all implementing institutions	PAMIs demonstrated commitment to the programme. Interviews of various stakeholders showed that the field staff was upbeat about MERECP. However, the interest was not that high within the focal point ministries, possibly because they were handling finances for institutions that were out of their administrative mandates. This could also have contributed to the considerable delays in transmitting funds to the PAMIs.
(c) Local communities willing to participate in MERECP activities	Interviews with the CBOs showed that the communities were keenly interested in the Programme, largely because the programme was putting cash into their pockets. Actually this should not have been a risk/assumption because the possibility of this assumption adversely affecting the programme was almost non-existent.
(d) Effect of incidences of freak weather incidents remains marginal	Field staff reported a long dry season which resulted in low survival rates of the planted trees in some cases. The low survival rates were exacerbated by the funds arriving in the field at the tail end of the planting seasons.
(e) Project resources from development partners will be made available in a timely and appropriate manner	While LVBC disbursed the funds in a timely manner to the focal point ministries, this did not happen from the focal point ministries to the PAMIs. As a result some 50% of the budget for the two years remains unspent, and thus most of the field targets (save for the CRFs) were not achieved.

Assumption	Effect on Programme Implementation
Specific assumptions (<i>specific to achieving certain programme outputs/results</i>)	
Active cooperation among and between implementing institutions in Kenya and Uganda	There was willingness to cooperate between KWS and UWA, and between PAMIs & the district local governments. KWS and UWA facilitated a few cross-border tourist expeditions even in the absence of a formal arrangement. Collaboration between PAMIs and local governments was demonstrated in Mbale District (Uganda) where relationship between the two, which had badly soured, was restored. Therefore, this risk was managed effectively by NFA, UWA and the district local governments.
Both countries will continue to work together to bring about the necessary policy harmonization which might be required for the effective management of the ecosystem	This was not addressed but LVBC remains hopeful that what they are doing through MERECP will eventually motivate the relevant organs in the EAC to act in harmonising the policies and laws.
Functional mechanisms for cross border integration and coordination developed through the programme will be accepted and acted on by Member States of the EAC	Tentative steps taken to develop the cross-border coordination mechanisms involved preparation of JTBMP but this has not yet been submitted to the relevant EAC Sectoral Committee for approval. Therefore this assumption was not tested.
Implementing partners willing to provide land for planting and undertake zoning	Instead of the 1,200ha planned for identification and zoning, the PAMIs identified 7,882ha (more than six times the targeted area). Again, this should not have been included among the assumptions because it is difficult to see how the PAMIs could not have cooperated because they needed the funds to restore the PAs under their charge.
Sufficient rainfall supporting plantation activities	See “general assumption” (d) above.
Carbon stocks can be sold at attractive prices on the market	This assumption was also not tested. The programme provided for carbon payments in the absence of established monitoring, reporting and verification procedures. Instead, UWA used the money to pay for “conservation of biodiversity” through avoided deforestation.

7. Lessons and Recommendations for the Current Phase

7.1 Community Revolving Funds

Lessons learnt

- With direct funding to local communities, even relatively small benefits have the potential to establish positive relationships between them and the Forest/national Park authorities. CBOs that were recipient of the CRFs have also been actively engaged in various conservation activities such as policing and security patrols, informers to the PA authorities; enrichment planting and plantation for livelihood activities (see also Annex 6). They have also on their own mobilised members and others to control fires (reported in Mt Elgon National Park in Kenya).
- IGAs such as bee keeping are also being undertaken in the PAs, which makes the communities experience the PA resources are their own and therefore help thwart any adverse impacts on the ecosystem. Some of these groups are the Kapchebut Mt Elgon Farmers Association, the Budwale Honey Enhancement project, among others.
- Communities have a real and genuine desire to change their circumstances, but they need support in terms of financial and technical inputs in order to achieve better results.
- Channelling funds through CRFs for IGAs can have a significant multiplier effect in getting rural communities out of poverty.
- The choice of IGAs eligible for loans from the CRFs is key in ensuring that funds will indeed revolve and IGAs that require a high level of technical support to be successfully implemented should be avoided when such support cannot be guaranteed.
- CRFs have a great potential of empowering local communities and were in all cases found to be gender sensitive.
- Managing group IGAs and sharing of the resultant benefits, especially where the CBOs are large presents another management challenge for groups that are relatively young and still grappling with some of these problems.

Recommendations

- MERECP should continue to strengthen the capacity of CBOs that are recipients of the CRF in financial and organisational management. It should establish a permanent monitoring, support and training capacity to accompany the young CRFs.
- CBOs that are recipients of CRFs should be supported more in terms of IGA selection and provided with technical support during activity implementation.
- Operations and accounts of all 20 CRFs should be reviewed again in the next 3 months (latest January 2012) on progress made in terms of loan recoveries and extent to which the funds are revolving to determine success of the CRFs in meeting its objectives
- Although the CRFs are promising to deliver benefits to PA adjacent communities, the impacts of these interventions in terms of numbers affected are likely to be low relative to the population. There is therefore need to scale up the CRFs so as to extend the geographical spread of the CRFs for greater impact within the ecosystem

- The benefits of the CRFs are intended to improve livelihoods at the household level thus minimizing dependence on natural resources. It is also at the household level that decisions to exploit or not to exploit natural resources are made. Significant CRFs should therefore be used to support IGAs at the household rather than at the CBO level.
- In about three of the groups, the non repayment of loans is explained as having resulted from member's perception that the CRFs were grants. In future when other CRFs are given to new CBOs, it should be explicitly explained to them that funds are given as loans to members and not grants.
- Interest rates charged on CRF loans should be rationalized and possibly standardized for all of them to cater adequately for the target group.
- Getting the right leadership in the CRF management in place should become a concern of the project so as to ensure smooth management and loan repayments.

7.2 Natural Resources Co-Management Models

Lessons Learnt

- Confidence building is a pre-requisite in implementation of the partnerships between PA institutions and the local communities. It is a process that must be accompanied by real actions on both sides of the partnership to prove commitment.
- Previous experience on Mt Elgon with activities similar to those of MERECP shows that once there is no more direct cash incomes to local communities from casual labour, community relationships can deteriorate again. Therefore sustaining the relationship developed *requires a multi-pronged approach*, such as has been demonstrated by MERECP.
- As Mayenze CBO (Namatale CFR) has shown, consolidating mutual trust is more important than hurriedly signing a legally binding agreement. Even if there was an agreement, the communities would not be able to take on the NFA in a legal due process.
- Leadership is crucial for the success of collaborative partnerships. Kapchebut CBO has shown that leadership will be crucial in preventing the growing CBOs from hijack by external private interests when operations are scaled up. Similarly boundary negotiations in Mbale District have shown that mobilisation of people, especially in conflict situations, can best be done together with their leaders. The local people listen more to what their leaders are saying than the cold technical facts on environmental degradation. In Namatale CFR, progress in partnership was made only when, a new NFA team led by a particular individual was put in at field level.
- The project has successfully demonstrated that the models can be employed to resolve the conflicts that had perpetuated the deterioration of the forest ecosystems. To this end, the local communities and the PAMIs are engaged in joint protection of the forests and local communities are getting (or will get) income that is additional to normal agricultural farming. However, it is still necessary that the concept of the Sustainable Use Zones and livelihood plantations (SUZ) in Uganda be settled formally in terms of official policy, and provided for legally.

Recommendations

- Management of the plantations to yield a specified product in economic terms must start at the establishment stage. This is important if the people are expected to get good returns in their investment.

- Institutions should actively learn from each other. e.g. KFS could learn from the Namatale model (planting of individually owned woodlots inside the FR land thru' CFM).
- PELIS in practice must be revisited to provide for low crops and strict control to ensure that good quality trees are grown in a system of optimum space utilisation.
- Sharing of revenues from carbon will have to be included in the PBSAs and in the revised FMPs when methods have been developed and baseline carbon levels established.
- To avoid mistakes in future, skills training should be done well before an expanded tree growing programme is undertaken.
- Clear guidelines (e.g. Threat Reduction Assessment methods) should be developed to guide PA institutions in determining payment for avoided deforestation at regular times.
- There are various initiatives piloting voluntary carbon trade at small scale level, and others are large scale plantation enterprises. Mt. Elgon would provide a useful input into the Uganda REDD+ Strategy preparation process because it is ecosystem-based, involves forest restoration activities, sustainable management of natural forests (avoided deforestation), and community tree growing.

7.3 Gender and Minority Issues

Recommendations

- Data/information on all MERECP activities should be disaggregated according to gender for ease of tracking down issues of parity and equity between the two genders.
- CRFs information on such factors as membership, number of members who have accessed loans, loan amounts, repayments/defaulters and success stories should always be disaggregated based on gender.
- Some of the minority issues in the Mt Elgon Ecosystem are there to stay for the foreseeable future. These will require constant attention and management and sensitivity of the PAMIs and local politicians and occasional outside and independent support to PAMIs and local communities in conflict resolution, such as from HURINET, should be considered.

7.4 Models under development for PES

MERECAP is about developing models and this is useful and important in the context of developing methodology for REDD+ and for more permanent forms of Payment for Environment Services (PES). There is a need for a conscious and sustained effort by the project to reviewing the models under development against international standards and experiences. The findings of this End-Review will support the MERECAP and LVBC Team in doing so.

Some key points for consideration would be:

- Successful PES-based REDD+ schemes will need to take into account a number of factors, including primarily equity, exclusivity, and conditionality, all of which must be balanced to achieve successful outcomes.
- Equity may be defined in various ways, but generally will include fair benefit sharing with and within the poorest communities to avoid monopolization by the wealthiest and/or most powerful members of society.
- The wide variety of land tenure rights in the Mt Elgon Ecosystem and amongst communities makes exclusivity a difficult goal to attain and requires flexible and integrated conversations between REDD+ and national land governance regimes.
- Conditionality, while essential for fair implementation and ensuring benefits match performance, may require tailoring to meet local realities, possibly including structuring payments periodically and/or as a conservation easement. Considering balance between performance-based versus effort-based rewards.
- The challenge to move beyond the phase of working with a small number of *pilot* communities, to scaling-up and to include the entire community in a given ecosystem.

Participatory Forest Management (PFM) originated generally in government led initiatives to increase efficiency of forest management by increasing local community control and to reduce the poverty of those living in and around forests. PFM is not incompatible with PES approaches, and indeed many PFM proponents and programmes are turning their attention to including PES in their portfolio of work. This can now also be seen with MERECAP and as we have suggested continuing the development of a **Multi-Pronged Approach combining PFM, PES (CRF) and local forestation activities for livelihood and conservation** should be pursued.

PFM offers strong promise as a decentralized management strategy to include small landholders in a future REDD+ delivery system. However, institutional barriers and transaction costs of PFM present challenges that still need to be addressed both by NFA and KFS. During the past 15 years, UWA has already successfully invested in developing Joint Forest Management with local communities. The CFM approaches by NFA in Namatale FR are also bearing fruit.

Numerous studies on PFM and forest management in recent years recommend that decisions on structuring benefits be devolved to local governance levels to include community actors – as is already being done by MERECAP.

7.5 Studies and Transboundary Collaboration

Lessons learnt

- Joined patrols and improved cross border communication between UWA and KWS greatly enhances TB law enforcement, but need to formalise issues concerning jurisdiction of those whom break the law.

- Trans-boundary collaboration in NRM must necessarily involve parties that do not traditionally hold a NRM mandate. Such parties include in this case Ministries of EAC Cooperation, Security Agencies, and EAC Diplomatic Missions, because ultimately, these institutions dictate the inter-governmental relationships between the partner states.
- The relevance for regional TB collaboration in the case of Mt Elgon has been proven and with the project under LVBC it has inspired other similar TB initiatives.

Recommendations

- MERECP under LVBC has limited capacity (in terms of staff numbers) to follow up studies and it should limit the number of studies and rather concentrate its effort on the one or two key-studies. It is important to realize that during the past 20 years many studies have been conducted on the Mt Elgon Ecosystem and only few have been put into practice.
- In executing the studies it is important to focus equally on the process as well as the on product for purposes of getting stakeholder buy in and implementation of the proposed recommendations in such studies. Studies should focus on preparing the tools necessary for follow-up action (such as a model for a TB Collaboration MoU, or methods of MRV for REDD+, tools for defining PES level and processes etc.
- For any subsequent NRM TB collaboration initiatives to have impact in the real areas of collaboration, it is important that the MoUs for collaboration and the accompanying tools are developed at the start of the initiative. As MERECP has shown, this was not done early enough and thus most of the achievements are more national than TB collaboration.

7.6 Institutional Arrangements

Lessons learnt

- Districts can be important and effective vehicles for communication, political and technical support as shown by a number of Uganda Districts.
- The right choice of whom to involve and how they should be involved at the District or County Administration is key as shown by the Kenya experience of involving DDOs.
- Ensuring that implementing institutions are in the driving seat is effective where internal and technical procedures have firmly been established for the activities to be executed with project finance. In the case of KFS, which has only just been established, depending for 100% on the implementing institution for project execution has not been satisfactory. Also for KWS and UWA to carry out community extension and training still is a challenge.
- Having project funds pass through central government Treasury is an unnecessarily complication to programme implementation, making communication and reporting lines very long. The present institutional and funding arrangement does not facilitate efficient programme delivery.
- Placing MERECP under LVBC has clearly strengthened ownership and links to the EAC.

Recommendations

- Government Focal Points should be with the line ministries of the implementing institutions of UWA, KWS, NFA and KFS. This would enhance government ownership where it is most needed.

- Funds should pass directly from LVBC to the implementing institutions who are all semi-autonomous and who work through annual performance contracts with their line ministries who ensure oversight. The project funds to districts can still pass through the line ministries of the implementing institutions. This would greatly improve planning, fund transfers, project implementation, monitoring and control.
- LVBC should establish clear mechanisms and directives for the management and accounting of the funds it provides to the implementing institutions. It is only then that it can implement anti-corruption measures.
- The MERECP project team itself may need to be enhanced in number to provide effective support and monitoring to CRFs as this is the project's key activity and the project team is stretched beyond its limits.

8. Recommendations for a Second Phase

The ERT strongly recommends that there be a follow-up on MERECP. Taking stock of what has been achieved through NORAD's support to the Ugandan side of the Mt Elgon ecosystem, over the past 20 years, it is time to reflect on a different form of funding and support mechanism for the collaborative and joint conservation of the Mt Elgon Ecosystem. MERECP, with its present approach of direct funding to local communities and of providing seed-money to park neighbouring CBOs for setting up the CRFs, provides a model for setting-up of a low-key sustainable funding mechanism for the maintenance of productive working relationships and collaboration with local communities for the long-term conservation of the Mt Elgon Ecosystem. The current development with the REDD+ agenda's of both Uganda and Kenya, also provide for opportunities to link into long-term institutional and finance mechanism that can support conservation, livelihoods and sustainable development of the Mt Elgon Ecosystem.

MERECP should be seen as a preparation for this and should prepare for a phasing-out of the project-mode-of-operation. The thrust of MERECP should be on strengthening and developing the institutional mechanisms for sustaining CRFs for conservation and for delivering successful methodologies for rewarding communities and stimulating community action for conservation and livelihood development. Whilst tree-planting would be an integral part of the proposed *multi-pronged CRFs* it should not be the main focus of MERECP, rather this should in the future be avoidance of deforestation and forest degradation.

A proposal for a large investment in land-husbandry and the development of an agro-forestry Mt Elgon landscape is included for consideration. Such an approach, if considered, is way beyond MERECP and a different type of initiative.

8.1 Mt Elgon Conservation Status

The history of Mt Elgon conservation efforts is well known. On both sides of the border, the area was gazetted as FRs by the colonial administrations in the 1950s. Boundaries were mapped and demarcated and part of the natural forest was replaced by forest plantation with exotic fast growing trees. At the time of first gazettement in the 1950s a number of small traditional groups (Benett, Ndorobo, Bamasaba) lived high on the slopes in the forested areas inside the gazetted reserves.

On the Kenya side a central strip of the reserved area was gazetted a NP in 1968 and on both sides FRs were maintained. On the Uganda side the entire FR was gazetted a NP in 1993.

On the Uganda side of Mt Elgon, large tracts (up to 25,000ha) of the lower natural forests inside the then FR were occupied for agriculture during the 1970s and 1980s. Since that time a number of initiatives have restored the original boundaries and enhanced the integrity of the forests through enhancing law-enforcement, conflict resolution and community conservation participation and livelihood development and forest restoration activities.

The Norwegian Government has supported integrated conservation and development projects in Mt Elgon since 1988, with the Swedish Government joining in more recently. From 1988 to 2008 IUCN East-Africa Regional Programme implemented the NORAD funded Mt Elgon project with an emphasis on building capacity for developing and implementing participatory joint forest management, including support to district authorities and local communities for promoting sustainable agriculture and livelihood development.

The FACE Foundation, with finance from the Dutch Electricity companies, supported from 1993 to 2006 the Uganda Wildlife Authority with re-establishing natural forest growth through enrichment planting with indigenous trees in some 8,500 ha of the encroached forest inside the NP.

Project support on the Kenya side of Mt Elgon dates from 2004 and has been limited (before MERECP) mainly to parks management and boundary establishment and maintenance.

Today, taking a bird's-eye view of the conservation status of the Mt Elgon Ecosystem, the following observations can be made:

- The original boundary of the PA system is largely re-established and mostly respected with a number of disputes still unresolved (mainly the Benett-issue, some small boundary disputes un Bududa District and some smaller Ndorobo and Sabot communities still claiming access to the land inside the NP).
- The regeneration, both through enrichment planting and natural regeneration, of the natural forest is encouraging and locally quite remarkable.
- Local community awareness and acceptance about the Mt Elgon Ecosystem is appreciable and has really grown – the participatory approaches to joint forest management do bear fruit.
- Community relationships and conflict resolution on Mt Elgon will always remain fragile and need constant maintenance – requiring high levels of discipline from Park Rangers and continuous engagement with local political leaders.
- Land degradation of the agricultural landscape on the lower slopes of Mt Elgon continues to be a problem and is locally serious. Awareness about land degradation is high, however engaging districts authorities and local communities in concrete measures to combat land degradation at the scale of the landscape has to-date not taken place. This would require a high level of investment in intensive land husbandry.
- CONCLUSION: the continuous investment on the Mt Elgon Ecosystem during the past 20 years has had a marked and positive impact, but it needs continuous maintenance at modest levels in the long-term.

8.2 Way Forward on Sustainable Ecosystem Management

MERECP provides an arrangement through which PA institutions work with local communities on conflict resolution, engaging them in a practical way. It seeks sharing monetary benefits from the protected forest areas for local development.

Livelihood, boundary and enrichment planting and reforestation activities are limited to localized needs and situations around the boundaries of the PAs. There is a clear need for intensifying productive agro-forestry systems in the landscape of Mt Elgon. However this is not MERECP's strength and it is only partially the mandate of the implementing institutions MERECP is supporting. However, MERECP as a project is meant to phase out by 2015.

8.2.1 Elgon Community Conservation Fund

The multi-pronged approach of avoiding deforestation coupled to CRFs, with modest investments, is promising in being effective in promoting positive relationships and collaboration between NPs organisations and local communities. The ERT is of the view that there are opportunities for scaling up such activities by 2012/2013 (if the CRFs are indeed found to be revolving). Modest levels of establishing livelihood plantations and enrichment planting, varying from side to side, could be part of it.

The ERT proposes the creation of *Mount Elgon-revolving-fund-for-25-years* that would on an annual basis provide funds to Mt Elgon management institutions and local communities for compensation of avoiding deforestation and forest degradation. On the Uganda side of Mt Elgon NP there are presently over 70 Parishes and it is envisaged that 35 to 50 CBO-CRFs could be formed and supported. On the Kenya side of Mt Elgon there are about 8 Divisions and around 20 CBO-CRFs could be formed.

What is needed here is sustained and modest funding through an effective mechanism – that one could call **Elgon Community Conservation Fund (ECCF)**. This should be seen as an exit strategy from project type involvement, but can only be considered if the CRF model is found to be sustainable with funds revolving and growing.

We estimate that a funding mechanism of USD 400,000 to USD 500,000 annually (including secretariat, management and technical services to CRFs – at a ratio of 40% management / 60% investment) would go a long way in maintaining positive and effective community relationships around the boundaries of Mt Elgon NPs and FRs. MERECP could grow into such a set-up during the next phase.

8.2.2 REDD+ Pilot project

The REDD+ study for Mt Elgon Ecosystem will be delivered by February 2012. The national and regional stakeholders of MERECP have expressed interest for Mt Elgon Ecosystem to be one of the pilot sites for REDD+ for the Uganda and Kenya national strategies under development. The ERT has made some suggestions as to what a REDD+ Pilot project for the Mt Elgon Ecosystem could focus on – mainly the development of methodologies and setting-up baselines and institutional framework for benefit sharing (see the proposed Elgon Community Conservation Fund).

Both the ECCF and Mt Elgon REDD+ pilot project would largely enhance

- Its transboundary relevance
- Collaboration, and
- Joint and shared learning between Ugandan and Kenyan institutions.

8.2.3 Investment Fund for Mt Elgon Agro-forest Landscape

Norway (and Sweden) have invested in Mt Elgon landscape for a period of over 20 years. A range of sustainable agriculture activities have been promoted during these 20 years, including soil conservation, agro-forestry, zero grazing, improved stoves, horticulture, fish farming. The impact of all of this can be seen in a relatively small number of mostly better-off farmers. Its visible impact on the wider landscape is however small. And especially on the Uganda site of the Mt Elgon Ecosystem land degradation and soil fertility depletion is continuing to be a serious problem with locally catastrophic results (cf. landslides). This ecosystem is however of significant importance for both countries in terms of agricultural production. Furthermore, over 2 million people directly depend on the ecosystem for their livelihood and income.

To make a real difference at the level of the landscape a land-husbandry investment programme should be considered. There is growing recognition internationally that to move beyond the “Business as Usual” development path (where forest and agro-forestry ecosystems first need to collapse before action is taken) a paradigm shift in land-use is necessary and five priority actions that are worth considering based on best practice globally:

1. Develop strategies to better integrate REDD+ and sustainable agricultural development;
2. Identify and implement incentives for “climate-smart” agriculture;
3. Disseminate existing knowledge and invest in further research to illuminate synergies and trade-offs;
4. Enhance forest governance and institutional arrangements; and
5. Substantially increase the finance available to change the downward curve of land degradation and meet food security and agricultural production challenges.

Characterization of Farming systems in Uganda and Kenya

Characteristics Kenya side and into the Bukwo District in Uganda:

- Highly yielding maize mono crop right up to the boundaries of the NP and FRs and consequently a sharp divide between forest and agricultural land
- Some mixed cropping with beans
- A very low tree component into the farming system
- Slopes are moderate and soil erosion is likely to be significant, but not catastrophic; few agricultural lands have adequate soil conservation measures

Challenges

- How to maintain this highly productive farming system in the long run whilst promoting crop diversification and rotation (sunflower, barley.....?) and introducing a tree (agro-forest) component into the farming system to ensure its sustainability

Characteristics Uganda side:

- A mixed agricultural system with bananas, coffee, maize, dairy (zero-grazing and small grasslands and napier plots)
- Agro-forestry practiced around homesteads and small eucalyptus and grevillea woodlots established
- High to very high population densities
- Cultivation on steep to very steep slopes with significant to sometimes catastrophic levels of soil erosion – noticeable soil degradation. Low level of effective soil conservation measures.
- Need to stabilize land-use and clarify land ownership where conflicts exist

Challenges

- How to stop and prevent serious land degradation?
- Need for land-titles re-enforcing land ownership?
- Establish deep rooted woodlots on landslide prone slopes
- Promote intensive agro-forestry and soil conservation (land-husbandry) measures at the level of the entire landscape through direct investment
- Need to improve housing, feeding and marketing in the dairy component for viable enterprise and effective capture of manure – stimulate the formation of dairy cooperatives.

8.2.4 Landscape Investment Fund

There is presently a good opportunity and need to bring together the different development actors supporting agricultural and human development in the Mt Elgon Ecosystem. It is also necessary to carry out a feasibility study for investments in halting or reducing land-degradation.

Households are cash trapped and there is a surplus of labour – a high interest for temporary labour opportunities exists within local communities – and MERECP has shown that mobilizing this potential is met with a high level of enthusiasm.

There is a general awareness of the land degradation problems with local communities (especially on the Uganda side).

Therefore, without sustainable land management interventions in the landscape that go beyond tree planting, it will be difficult to implement sustainable forest management programmes in this highly agricultural community, living in a fragile ecosystem, and where population densities are high. Therefore, the ERT proposes to set up a Landscape (Land Husbandry) Investment Fund. The Fund would make money available for investments in land-husbandry and the development of an agro-forestry Mt Elgon landscape. To this end, it would be necessary to mobilize about USD 50 million for a period of 5 years (a more reliable figure to be defined through feasibility study). An Intensive Village-level Land-management Approach (i.e. taking a whole village or Parish all at once on the spade) would be the primary mode of delivery

For this level of investment, it will be feasible to prove the economic value of the Mt Elgon Ecosystem, such as;

- Water catchment services of Mt Elgon can be considered to be of national and regional importance
- The present economic value of agricultural produce from the ecosystem is high and of national importance on both sides of the Mt. Elgon Ecosystem
- The possibility to maximize forest value of the NPs and FRs – including beekeeping and NTFP

This Landscape (Land Husbandry) Investment Programme would be beyond the scope of MERECP and it would need a separate structure within LVBC to facilitate the process of the development of such programme.

Annex 1. Terms of Reference

1. Background

Mount Elgon Regional Ecosystem Conservation Programme (MERECP) is a programme under the East African Community (EAC). MERECP is supporting the governments of Kenya and Uganda to strengthen management of the Mt. Elgon ecosystem and initiate sustainable development activities in the communities surrounding the protected areas. The focus of the latter is in the districts of Trans-Nzoia West, Kwana and Mt. Elgon in Kenya; and Bududa, Sironko, Bukwo, Manafwa, Kapchorwa, and Mbale, in Uganda.

MERECP is funded by the governments of Norway and Sweden; with Norway as the lead donor. The Norwegian Embassy in Kampala is in charge of the programme on behalf of the Norwegian government.

The programme implementation started in October 2005. A mid-term review was undertaken in April-June 2008. Based on the findings and subsequently the recommendations of the mid-term review, MERECP was redesigned to increase the participation and involvement of the local communities and to strengthening of the Kenya and Uganda protected area institutions to promote transboundary ecosystem management approaches in the Mt Elgon ecosystem. A decision was also made to discontinue the agreement with the International Union for the Conservation of Nature (IUCN) as programme implementer. MERECP has instead been implemented by the Lake Victoria Basin Commission (LVBC). Lake Victoria Basin Commission (LVBC) is a specialized institution of the EAC that is responsible for coordinating the sustainable development agenda of the Lake Victoria Basin.

1.1 Programme goal hierarchy

Below are Goal, Purpose and Output/Results of the redesigned programme (starting from 2009). The Mt Elgon Regional Ecosystem Conservation Programme over-all Vision is: A **Secure and productive ecosystem**. MERECP will contribute to realization of this Vision by working towards the following goal, purpose and objectives:

Goal: By 2015, sustainable use of shared natural resources benefiting livelihoods and mitigating and adapting to anticipated climate change impacts in the Mt Elgon transboundary ecosystem of the East African Community

Purpose : By 2013, trans-boundary natural resource management and participatory benefit sharing models up-scaled in the Mt Elgon ecosystem (Kenya and Uganda) as a demonstration and replication model in EAC

Current MERECP Phase: By 2010, effective trans-boundary natural resource management and participatory benefit sharing models successfully demonstrated in the Mt Elgon ecosystem (Kenya and Uganda)

Outputs /Results

1. By 2010, trans boundary conservation, natural resources and participatory benefit sharing and co-management models tested and established around the protected areas
2. By 2010, livelihoods of targeted local communities improved using equity and benefit sharing models/ revolving funds that create opportunities for payment of ecosystem goods and services and climate change mitigation/adaptation measures
3. By 2010, harmonization of policies, legislation and regulatory frameworks initiated and appropriate institutions strengthened in support of the transboundary ecosystem approach

NB - because of delays both in the start-up of the redesigned programme and in its implementation, the outputs/results to be reached by 2010 according to the addendum to the

original agreement is to be reached by end 2011. As provided for under the Funding Agreement signed between the Norwegian Ministry of Foreign Affairs (MFA) and the East African Community (EAC) a final evaluation/end review of MERECIP is now due. The 6th Annual Meeting of the Programme held in Mbale Uganda on the 23rd September 2010 recommended that a MERECIP final review will be undertaken prior to finalization of preparation of the planned second phase of MERECIP.

2. End Review of MERECIP- Purpose and Scope of work

2.1 Purpose

The purposes of the End Review are:

1. To assess the outcomes and outputs, and if possible the impact of the MERECIP redesigned programme;
2. To review if the shortcomings highlighted in the mid-term review has been dealt with effectively in the design and implementation of the redesigned programme.
3. To provide advice on the proposed phase 2 of the MERECIP programme based on the lessons learned during the first phase.

2.2 Scope of work

The review shall more specifically:

1. Evaluate the overall achievements (successes and failures) of the MERECIP programme with emphasis on the achievements in the redesign phase.
2. Assess the regional relevance of the MERECIP towards the agreed areas of cooperation in the Protocol for the Sustainable Development of the Lake Victoria Basin;
3. Evaluate the outcome, impact, sustainability and indicative cost-effectiveness (by relating the activities and costs compared to the outputs obtained) of the programme;
4. Assess the institutional arrangements for the management, implementation and the M&E functions of the programme.
5. Review strengths and weakness and find lessons learnt of the current organisation and management of MERECIP. Compare the current institutional arrangement vis-à-vis the previous.
6. Assess the Monitoring & Evaluation (M&E) and reporting systems of the MERECIP, including whether targets, indicators and monitoring necessary to judge performance. The evaluation should provide factual (quantitative and qualitative) information on the efficiency (the relationship of input to output) and effectiveness (the relationship of output to outcome/impact) of the Programme;
7. Assess partners' planning processes;
8. Assess the sustainability of the achievements of the program;
9. Assess partners' risk management during planning and implementation;
10. Assess communication and co-ordination processes between implementing partners;
11. Assess financial planning and reporting as well as follow-up, including anticorruption mitigation measures;
12. Assess the relevance of the project in relation to Kenyan and Ugandan policies and strategies including ongoing process of developing national REDD+ plans and strategies
13. Assess the level of funds that has reached the target groups/target institutions compared to the direct and indirect administrative costs of the LVBC.
14. Assess how gender has been dealt with in the program, including how the LVBC gender policy (if existing) has been reflected in the implementation of the MERECIP.
15. Assess the arrangement for joint financing (Norwegian Embassy in Kampala as the lead, Sida (Kampala, later Nairobi) as the silent partner).
16. Provide recommendations regarding the design of a possible second phase of MERECIP based on the lessons learned during the first phase.

3 Approach and Methodology

Information needed by the review team should be gained through analysis of relevant documents and interviews with representative ministries, departments and protected area institutions from Kenya and Uganda. It will also include staff from the East African Community (Lake Victoria Basin Commission). Field visits to the MERECP target sites in both Kenya and Uganda will have to be undertaken. The following should be included:

- a) Desk studies of main documents
- b) Briefing by the Norwegian embassy Kampala and possibly also with a representative from the Swedish embassy Nairobi
- c) Consultations with the programme personnel and national contact persons in Kampala, Nairobi and Kisumu.
- d) Consultations with other actors involved in similar activities in the Mt Elgon region.
- e) Field visits and discussions with representatives of the local community groups supported by MERECP
- f) Consultations with line agency (iUesWA, NFA, KWS, KFS) and district authorities.
- g) Consultations with other relevant institutions or individuals as deemed necessary by the consultants.

4. Implementation of the review

4.1 Team

The team shall consist of a team leader supported by two consultants from Uganda and one consultant from Kenya.

The Team Leader is responsible for the supervision of the review team, ensuring the overall accomplishment of the mid-term review, and for production of the draft and final report. The team leader should have thorough experience in leading multidisciplinary teams. The team leader should also have experience with natural resources management and implementation of cross border programmes. The team leader or the company he/she represents must not have been involved in any phase of the planning or implementation of the MERECP programme.

Ugandan consultants

The two consultants should have combined experience in the following fields: management of protected areas, climate change issues, community based natural resources management, forestry, gender, human rights. Good knowledge of the Ugandan administrative and political system.

Kenyan consultant

Project management, financial management, accounting procedures. Good Knowledge of the Kenyan administrative and political system especially related to the institutions *managing protected areas*.

4.2 Timeframe

The duration of the review will be 5 weeks for the team leader, of which 2-3 weeks in the field, including time for travel and preparation, and approx 3 weeks for each of the local consultants.

4.3 Relevant documents

Relevant documents that should be consulted include but not limited to the following:

- a) MERECP Programme documents;
- b) MERECP Semi-Annual and Annual Reports covering the bridging phase and the redesign phase

- c) Agreements: Original agreement between Norway and EAC and the two addendums relating to the redesign of the programme
- f) The Mid-term review from 2008
- g) Protocol for the Sustainable Development of the Lake Victoria Basin
- h) Other sources of relevant documents.

4.4 Support to be provided by LVBC

- a) Providing documentation as listed including secondary data: a number of studies were done for specific purposes of the project that are going to be useful for review.
- b) *Project staff support* as requested by the team during the review.
- c) Facilities support : Office facilities while in Kisumu , ground transport and other logistical support when requested and feasible.

5. Reporting

- a) The preliminary findings and recommendations should be presented to the donors and LVBC at a debriefing to be arranged at the end of the field work. The debriefing will be either in Kampala, Mbale or Kisumu.
- b) A draft report is due two weeks after the end of the field work. Norad, the donors and LVBC will be given 10 working days to comment on the draft report
- c) The final report is due one week after receiving comments from concerned parties and should be submitted to Norad, with copy to the donors and LVBC.

The main report should not exceed 50 pages, more detailed information should be referred to annexes. A summary of the main findings, recommendations and conclusions should be included. The reports should be delivered electronically.

Annex 2. Stakeholders Consulted

Organisation and Name	Position	Tel. Contact	Email Contact
Norwegian Embassy			
1. Helle Biseth	First Secretary	0772 711709	Helle.Biseth@mfa.no
Ministry of Water & Environment, Uganda			
2. Mr. Paul Mafabi	Ag. Director, Environmental Affairs, MoWE	0772 503255	pamfabi@yahoo.co.uk
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4. Gershom Onyango	Ag. Executive Director, NFA	0772491407	ggonyango@yahoo.co.uk
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6. Xavier Mugumya	Coordinator, Climate Change, NFA	0712 408396	xavierm@nfa.org.ug
Ministry of Tourism, Wildlife & Heritage, Uganda			
7. Amb. Patrick Mugoya	PS/Ministry of Tourism, Wildlife & Heritage		
8. Lutalo James	Commissioner, Wildlife Conservation	0772 587807	lutaloj@yahoo.com
9. George Owoyesigire	Senior wildlife Officer		
10. Dr. Andrew Seguya	Ag. ED/UWA	0772 722210	andrew.seguya@ugandawildlife.org
11. Masereka Augustine Johnson	Community Conservation Officer	0772 518342	johnson.masereka@ugandawildlife.org
HURINET			
12. Peter Magelah	Democracy & Governance Officer	0782 500041	pmagelah@gmail.com
13. Stephen Odong	Programme Manager	0414 286923	pm@hurinet.or.ug
14. Magoola Moses	Peace & Justice Project Officer		
Others			
15. Eliphias Ojiambo	Programme Manager/Development Analyst, Regional Team for Environment & Economic Development (REED), Embassy of Sweden	254 735333182	eliphias.ojiambo@foreignministry.se
16. Sowedi Sewagudde	LVBC Focal Point Person, MWE	0772 838697	sowed.sewagudde@mwe.go.ug
Ministry of Environment and Mineral Resources, Kenya			
David Mutisya	Focal Point MERECP	0724691174	dmutisya@environment.go.ke
Paul Olondo	Deputy Secretary	0733769167	polando@environment.go.ke
Ministry of Forestry and Wildlife, Kenya			
Gideon Gathara	Conservation Secretary	0720655733	gideongathaara@yahoo.com
Ephraim Muchiri	Deputy Director Forestry Conservation	721 383 458	Ephraim.muchiri@yahoo.com
Kenya Wildlife Service			
Dr Samuel Kasiki	Deputy Director Research & Monitoring	0724446729	skasiki@kws.go.ke
Kenya Forest Service			

Organisation and Name	Position	Tel. Contact	Email Contact
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Emilio N. Mugo	Senior Deputy Director	0733823873 0202361028	enmugo@kenyaforestservice.org
Meeting at Mt. Elgon NP - Kenya			
17. Peter, M. Mathusi	Deputy Park Warden		
18. D.K. Gitau	Senior Warden		
19. Ben Rutto	District Development Officer, Kwanza		
20. Fredrick Lala	Senior Scientist, Wildlife Conservation Area		
21. George Osun	Assistant Director, Wildlife Conservation Area		
22. Anne Njogu	Representing the District Development Officer, Trans Nzoia West		
23. Gabriel, P. Risie	District Commissioner, Kwanza District		
24. Wilson Kinyua	District Commissioner, Trans Nzoia District		
25. Simon, K. Wahome	Zonal Forest Manager, Trans Nzoia Zone	0721 986452	sk_wahome@yahoo.com
26. Jackson Njoroge	Forester, Kimothoni Forest Station	0724 224720	
27. Moses Otieno	District Development Officer, Trans Nzoia		
Lake Victoria Basin Commission			
28. Samuel Gichere	Deputy Executive Secretary, Projects & Programmes		
29. Dr. Canisius Kanengire	Executive Secretary		
30. Alle-Seid Matano	Projects Development Officer		
31. George Sikoyo	Project Manager, MERECP		
32. Mathias Chemonges	Forestry Specialist		
33. Charles Martin Jjuuko	Communications & Development Awareness Officer	+254 726760127	jjuko@lvbcsec.org
Community Leaders - Kimothoni CFA			
34. Mubere Meshack Babak	Asst. Chief		
35. Fredrick Lwolei Rasto	Chairman, CFA		
36. Ronald, W. Matongolo	Secretary, CFA		
37. Charles, K. Ndiwa	Member, CFA		
Chepnyalil Youth Group			
38. Geoffrey Mudoko	Secretary		
39. Matui, M. Moses	Vice Chairperson		
40. William, K. Ndiema	Credit Chairman		
41. Kibet, A. Alfred	HIV/AIDS Dept		
42. Scovia Chemtai Kwalia	Treasurer		
43. Emily, C. Serungai	Member		
44. Dismas, K. Kwalia	Dept of Environment		

Organisation and Name	Position	Tel. Contact	Email Contact
45. Emily, C. Ndiwa	Vice Secretary		
Kimothoni Microfinance Project			
46. Consolata, C. Masai	Member		
47. Julius Masai Ndiema	Member		
48. Bernard Ndiwa	Member		
49. Fred Mayek	Member		
50. Philip Malinga Ngeywa	Member		
51. David, N. Tumwet	Member		
52. Julius Tiriki	Member		
53. Isaach Okwach	Member		
54. Samuel Waluywa	Member		
55. Moses, K. Mwanja	Member		
56. Harris Dickson Tumwet	Loan Committee		
57. Fredrick Lwolei Rasto	Chairman, CFA		
58. Ronald Wanjala Matongolo	Secretary, CFA		
Community Meeting at the NP Gate			
59. Pastor Ben Naibei Masibo	Chairman, Mt. Elgon Park Management Conservation CBO	0720 518218/ 0733 318218	masibobe@yahoo.com
60. Joseph Butiei	Chairman, Mt. Elgon Fence Group		
61. Charles N. Kipsisei	Chairman, Mt. Elgon Park Self-Help Group		
62. Joseph , C. Ndiwa	Chairman, Mt. elgon Park Community Project	0718 282827	
63. James, C. Marenzu	Livelihoods Landscape Strategy (LLS) Project Committee		
64. Eliud Malinda	Mt. Elgon Park Community Project		
65. Daniel Wafula	Mt. Elgon Park Community Project		
66. Chepso Philip Towett	Chairman, Mt. Elgon Guides and Porters Youth Group	0728 161847	
67. Alfred Boryo Naibei	Chairman, Mt. Elgon LLS	0720 278588	
68. Michael, W. Burukhu	LLS	0719 206693	
69. John Chesakit	Patron, Mt. Elgon Park Management Conservation CBO		
70. Judith Chemos	Member Mt. Elgon Park Management Conservation CBO		
71. 28 men & 19 women	Mt. Elgon Park Management Conservation CBO		
Mt. Elgon District, Kenya			
72. Wilson Okonda Ombirr	Zonal Manager, Mt. Elgon Forest Zone		
73. Hesbon Otinga	District Development Officer, Mt. Elgon District		
74. Sangok Yonah Septot	Chairperson, Tuibei CBO	0729 023220	
75. K. Sabulei	Forester, Kaboywo Station	0720 533830	

Organisation and Name	Position	Tel. Contact	Email Contact
Chepkitale Wildlife Conservation Network			
76. Moses Ngeywo	Secretary		
77. Ndiema Silas	Chairman		
78. Hilary Juma Chemos	Treasurer		
Saboti Sosio CFA			
79. Francis Sokori	Chairman		
80. Simon Wafula	Member		
81. Simon, W. Wanjala	Member		
82. Branice Temko	Member		
83. Emeldah Mekhekhe	Member		
84. Ann Silali	Member		
85. Jane Naliaka	Member		
86. Priscila Sukuku	Member		
87. Rosina Nabututu	Member		
88. Esther Kisaka	Member		
89. Alex Boyo Kapurko	Member		
90. Ayub Wanyama	Member		
91. Wilson, B. Ndiwa	Member		
92. Elijah, A. Petro	Member		
93. William Ndiema	Member		
94. Stephen Looty	Member		
95. Jane, C. Kipkuto	Member		
96. Vailet Lukola	Member		
97. Ruth Nasike	Member		
Cheptoror Farmers Association			
98. Masuba Mutwalibi	Secretary		
99. Abdu Nabuyobo	Treasurer		
100. Kadooli Annet	Member		
101. Matabi, W. Issa	Member		
102. Mubogi Twaba	Chairman, LC3 Chairman		
Mbale District Local government			
103. Mujjasi E.M. Bernard	Chairman, LC5		
104. David Wamburu	Ag. Deputy CAO		
105. Nakayenze Anna	District Env. Officer/Ag. Natural Resources Officer	0772 555387	nakayenzeanna@gmail.com
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108. Michael Olupot	Forest Supervisor, Namtale	0772 519988	
UWA Mbale			
109. Godfrey Richard Matanda	Community Conservation Warden	0772 935812	gorimata2k@yahoo.co.uk
110. Adonia Bintora		0772 622638	
Bushiuyo Diary Farming Project			
111. Nambuye Swaliki	Coordinator		
112. Namudenyi Iddi	Vice Chairman		
113. Wandwasi Muhammad	Member		
114. Wedasila Alazani	Member		

Organisation and Name	Position	Tel. Contact	Email Contact
115. Wagalanga Sawali	Member		
116. Wetsebule Eric	Member		
117. Wepukhulu Sabani	Member		
118. Naboze Badihu	Member		
119. Ester Watsigwi	Member		
Tayaka Elderly, Women and Youth Farm Project			
120. Azena Gizamba			
121. Sulaiman Gizamba			
122. Mugoya Juma			
123. Magidu Wafula			
124. Sausiya Kiboye			
125. Kasifa Mugoya			
126. Natango Nuru			
127. Wamboya Busein			
128. Wamanga Amuza			
129. Kalozi Abubakari			
130. Mugoya Aliyi			
131. Fozzi Asuman			
132. Muhamad Gizamba			
133. Masuba Buseni			
Kyesha Farmers Group			
134. Napagate Paul	Chairman		
135. Wagali Bazirio	Member		
136. Newumbe Firida	Member		
137. Mudoma Moses	Member		
138. Wadeya Frances	Member		
Bunyafa Forestry Conservation Association			
139. Malunda Stella	Treasurer		
140. Richard Wasige	chairperson		
141. Kisesi Amuza	Loan Officer		
142. Woduwa Mubakali	Nanzego CBO		
143. Wenyaha Patrick	Chairperson, Bunabidoko CBO		
144. Badiru Wolimbwa	Member, Bunabidoko CBO		
Sironko District Local government			
145. Hussein Kato Matanda	Resident District Commissioner	0772 618716	matandah2@yahoo.com
Tengwen Kwigate Beekeeping association			
146. Gobogi, W. James	Treasurer		
147. Mukaga Moses	Loan Officer	0702 627056	
148. Sabali Stephen	Chairman		
Kapchorwa District Local Government			
149. Chemangei Awadh	DNRO & Focal Person, Kapchorwa District	0772 645592	chemawadh@gmail.com
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Kapchebut Elgon Farmers Association			
151. Mutai Emmanuel	Member		
152. Chekurut Philip	Member		
153. Cheptagei Peter	Member		
154. Winny Muthi	Member		

Organisation and Name	Position	Tel. Contact	Email Contact
155. Chesokit Stephano	Member		
156. Chalibei Bruno	Speaker		
157. Zelda Chelimo	Member		
158. Moreen Chalibei	Vice Chairperson		
159. Kumam Joseph Kamatei	Member		
160. Evalyne Sabila	Member		
161. Gladys Cheptukere	Member		
162. Bureto Patrick	Secretary		
163. Bukose Julius	Information		
164. Change Pauline	Member		
165. Elukana John	Member		
166. Scovia Mongusho	Member		
167. Eunice Mumunya	Member		
168. Kokop Taison	Member		
169. Topista Cheptuker	Member		
170. Topista Bukose	Member		
171. Emilly Kaman	Member		
172. Musav Geoffrey	Member		
173. Chesuro John	Member		
174. Chelangat Nelly	Member		
175. Chemonges Patrick	Treasurer		
176. Sabila Willy	Chairperson	0703 129192	
Bukwo District Local Government			
177. Sikor Stephen Mella	DNRO	0752 368670	sikomella2006@yahoo.com
178. Kazibwe Moses	CAO		
Chepteror Farmers Association			
179. Benson Sabila	Chairperson		
180. Mutai Julius	Chairperson Loan committee		
181. Nakitari Patrick	Vice Chairperson		
182. Erienza Sukutoni	Member		
183. Cheshari Alex	Treasurer, Loan Committee		
184. Simon Kiptoek	Member		
185. Chepukut Fred	Member		
186. Maswa Martin	Member		
187. Babu Fred	Member		
188. Yesho Alfred	Member		
189. Cheburony Henry	Member		
190. Kipirei Charles	Member		
191. Rose Mayambei	Member		
192. Belyon Alex	Member		
Budwale Honey Enhancement & Development Project			
193. Masete Zubairi	Farmer		
194. Wabusa Erick	Councillor, Khaukha Parish & Headman, Livelihood Committee; chairman, Sustainable Use Planting		
195. Mubajje Richard	chairman, LC1 & Headman Busano		

Organisation and Name	Position	Tel. Contact	Email Contact
	Livelihood committee		
196. Wamboga Yasin	Headman, Bushinyu Livelihood Committee		

Annex 3. CBO Performance

In Annex 3 the general characteristics of CBOs that were recipients of CRF, the nature of activities and comments on their performance are provided.

KENYA CRFs

Name of CBO and Location	Year formed	Membership & Gender	No of beneficiaries/	Activities being implemented	Sources of Funds	Comments
Tingey Project, Kwanza	Formed in 2007	42 (30 M:12F)	Loaned Ksh 636,000 which is about 86% of the CRFs Group activities amounting to Ksh 134,700 Loans given at interest rate of 10%	Trading (Maize, firewood, beans); bee keeping, nursery establishment, horticulture	Ksh 7,895.09 Ksh 735,000 from MERECP Ksh. 100,000 CDF	No loan repayments done to date; None repayment of loans attributed crop failure in 2010. Investments in agricultural activities whose crop is yet to be sold; Positive growth expected assuming all loans are paid.
Chepnyalil Youth Group, matumbei, Endebess Division, Kwanza District	Formed in 2002	33 members	85.9% of the funds loaned to members	Nursery establishment Purchase of plot @ 158,788.00 Poultry farming Trade in maize (worth 211,287 and registered a loss of Ksh 70,000 after sale. A significant no. of members had taken loans	Ksh. 46,310 – Members savings Ksh 747,000 MERECP	- Incurred losses from trade in maize, poultry farming due to deaths from disease; - Purchase of plot locked in 21% of the CRFs in assets; Repayments relatively low; Negative growth expected due to losses from trade and purchase of fixed assets.
Kimothoni CFA CRF, Kwanza District	CFA	50 , derived from the Kimothon CFA, Member reg. fees Ksh 1000 & shares of Ksh 5000. One gets three times their contributions.	41.4% of CRF loaned to members (not clear how many benefitted) @10% interest.	Dairy farming; purchase of agric. Inputs; school fees, trade/business & procurement of group power saw that got stolen; purchase of plot in town @ Ksh 360,000 & office construction at KSh. 122,000.00	Ksh. 125,000.00 – Members savings Ksh 748,000.00 - CRF	Increased productivity after use of agro inputs; Individual IGAs are bringing returns; Significant funds locked up in capital assets leaving little money to loan to other members; No loan repayments made by members; CRF expected to grow negatively from the audit report
Mt Elgon Guides and Porters	Formed in 2002 as a	25 members (all Male)	64.9% loaned to members @10%. All	Group activities nursery with 60,000 indigenous tree @	Ksh. 750,000 - CRF	No repayment done yet due member misconception of the purpose of fund;

Name of CBO and Location	Year formed	Membership & Gender	No of beneficiaries/	Activities being implemented	Sources of Funds	Comments
Association, Kwanza District	CBO		members has loans	128,690.00 Constructed office @Ksh 44,705; food Kiosk @ Ksh 36,105, bought digital Camera Ksh 17,000.		17% of funds invested in nursery establishment
Tuibe, Mt Elgon District for the Kaberwa forest station	In the process of forming a CFA for the forest reserve in Mt Elgon. There are 3 other CFAs and this is the youngest	Has 30 members	Loaned out 94.1% of the CRF A significant no. of members have received loans Loans given at an interest rate of 10%	Horticulture: invested in growing potato seed and incurred losses; Planting woodlots (several farmers have done this including a woman & some of them got their loans in form of seedlings raised from group nursery); Participating in enrichment planting	Ksh.130,000 members savings Ksh 744,000 - CRF	Fund to grow negatively Innovative group that is trying out a diverse range of activities; Land holdings for most small which is a limiting factor to the number of trees grown; Negative growth expected due to an unexplained loss of Ksh. 137,952 in the cash balances
Cheptais CFA, Cheptais District and kapsiro Division		352 members and 68 user groups	Loaned Ksh. 743,400 to Chemtai Women's Group, a constituent CBO of the CFA with 32 members @ 5% interest	CFA funds invested in the purchase of 32 cows.	Ksh. 746,000 - CRF	Low repayment exhibited explained by the bad harvest in 2010. Group has been given a grace period until December 2011 to repay back to the CFA. Ksh. 130,000 paid back as of Aug. 2011 No PBSA have been entered into with these community
Mt Elgon Development Network, Mt Elgon District	CBO	has 63 members	75.9% of CRF loaned to members About 33 members have received loans	Missing activities	Ksh. 10,000 – Members savings Ksh 727,000 - CRF CRF only	28% of funds loaned to one person whose details have not been recorded according to the Audit report A negligible amount has been paid back (2%); Poor performance attributed to poor leadership
Saboti/Sosio CFA, Trans Nzoi West District	CFA, registered as CFA	Started with 80 members, now 200, 105 F:95M	A significant number of members had taken loans	Crop farming; trade; forest conservation; catchment restoration; nursery establishment; poultry; Dairy farming Group activity: Tree nursery establishment	10,000 from CFA CRF - 747,000	For some of the members, funds are having a multiplier effect; Dairy farming making returns; Slow payments attributed to poor leadership ; 15 farmers had completed repayment

Name of CBO and Location	Year formed	Membership & Gender	No of beneficiaries/	Activities being implemented	Sources of Funds	Comments
Chepkitale Wildlife Conservancy, Mt Elgon District	CBO	23 members		Tree nursery; trading in maize; purchase of 182 goats; purchased video camera; laptop	747,000 - CRF	No repayments made to date attributed to the investment on livestock; 53% of CRF invested in maize trading which sold at a loss; Negative growth expected due to losses incurred in maize trade and purchase of items such as laptop & video camera
Uganda CRFs						
Sitobo Falls Group, Manafwa District	CBO	172 members	Loans to members given @ 3% interest rates	Small scale businesses; dairy farming and horticulture	UGX 269,200 as members savings UGX 21M - CRF UGX 2M- CDD for nursery establishment	Negative growth expected Significant CRFs repaid (85%), however CRF has other sources of funds
Elgon Farmers Association, Bududa District	CBO	146	83 members had accessed loans as of August 2011 Loaned 24 M to 83 members Charges interest of 3%	Small scale businesses Horticulture	UGX 20M - CRF UGX 5M - Members Savings	CRF claims to have recovered 23M which cannot be confirmed from the bank cash balances due to absence of bank statements; CRF expected to grow positively due to interest income; CRF was also recipient of funds intended for Bunyafa, UGX 12.5 were later remitted to Bunyafa.
Bupoto Natural Resources Initiative, Manafwa District	CBO	80 members	68% of members have accessed loans Interest rate of 3% is charged	Tree planting, soil conservation; tourism & construction of improved stoves	UGX 20M - CRF	17% of CRFs used on administrative expenses Expected to grow negatively due to the administrative expenses (mainly office rent for 5 years) Repayment of UGX 1M Which was not confirmed via cash book and bank balances

Name of CBO and Location	Year formed	Membership & Gender	No of beneficiaries/	Activities being implemented	Sources of Funds	Comments
Bunyafa Forestry Conservation Association (BUFORECA CFM), Sironko District	CFA registered in 2009 as an umbrella for 9 other CBOs.	Has 270 (157F:113M) members of the CFA but only 95 are members of CRF (CRF membership – UGX 5000 and 2000 monthly savings)	60 members drawn from the 9 sub CBOs benefitted. Each of the nine sub groups also received 400,000 for group activities Interest rate of 4% charged on all loan	Plantations for livelihoods along a 9.3 Km stretch; Tree planting Bee keeping Soil and water Conservation Nursery establishment Dairy farming Poultry Trade (various)	UGX 12.5M from MERECP (UGX 7.5 not remitted to CBO yet for CRF UGX 1,636,400	5% interest on loans; All 62 members had received some money which they all had returned.; Chairman disappeared with UGX 1,035,000; CRF has leadership problems; CFM agreement with NFA not signed yet; Cashbook and bank balances not available; CRF expected to grow negatively
Bushiuyo Dairy Farmers Community Based Organization, Mbale District	Membership, UGX 10,000, savings of 6000 for a period of 6 months also part of the CRF	82 but started with 20 members	30 members got heifers and 12 – 13 of them have calved Loans given at an interest rate of 10% 100% of CRFs loaned out	Dairy Farming Agroforestry	UGX 4.74 from UWA as RS UGX 164,000 as member's savings UGX20M from MERECP (June 2010)	Grace period of 10 months to be repaid over a 6 months period; Repayment of 6M as of August 2011, although could not be confirmed from the cash book and bank statements of bank balances
Cheptoror Farmers Association, Bukwa District	CBO Started in 2005	Started with very few members, now has 60 members	All have benefited, initially 42 then 2 nd round 30 members including some non CRF members Total of 20M loaned out @ 3% to members and 8% to non members Initially	Trade Agroforestry Bee keeping (only 28% colonized) Coffee farming Dairy farming Poultry	UGX 840,000 - members savings UGX 21,076 200 – CRF	Significant funds spent on administrative matters (UGX 1,732,400) Negative growth expected Some women in CRF leadership
Kyasha Farmers Group, Sironko District	CBO	36 members	Started with group activities. 16 people loaned	Purchased 30 beehives with CRFs but not yet installed in Park, Coffee nursery establishment (100,000 seedlings); Dairy cows; Tree planting; Boundary planting of	UGX 540,000 20.77M - CRF	Significant funds bought 8 cows at UGX 987,500 each. Total cost was 38% of the CRF 21% of CRFs invested in nursery establishment Little positive growth expected

Name of CBO and Location	Year formed	Membership & Gender	No of beneficiaries/	Activities being implemented	Sources of Funds	Comments
				eucalyptus for livelihoods 100metres along the fence & did 17h		
Tangwen Kwigite Bee Keeping Association, Kebeywa Sub county, Kapchorwa District	1986 UWA started working with group	Has 62 members	Almost all membership has accessed loans Loans given @ an interest rate of 10%	Bee keeping (have hives within the Park) and have been given improved hives. Over 70% colonized soil conservation	1.3M as members savings 18.8M from MERECP 16.7M from UWA as RS Also received funds for deforestation avoidance	They are the most transparent of the groups with names o members issued with 1 st , 2 nd , and 3rd round of loanees all printed nicely 2 nd round of loans made with funds from deforestation avoidance 3 rd round made with repayments from 1 st round
Kapchebut Elgon Farmers Association, Tegeres sub county, Kapchorwa District	CBO started in 2003 with 10 members; supported with 1 cow for & 1 biogas plant in 2007 for demos (MERECP), current m'ship CBO has MOU with UWA, also Registered with Local government	56 members Registration fees: UGX 10,000 & 15,000 UGX for individual and CBO membership respectively. Has 8 other CBOs. It has grown to a membership of 428 now.	Not determined. Biogas benefitted 17 people @cost of 8.5 Million; 13 dairy cows @ 10.4 million; plot at 3.35 million and office @ 2.0 million Loans given at interest rate of 10%	Dairy; Agricultural improvements; bee keeping (group has 500 hives in the Park); trade, construction of biogas plants for 17 members, construction of commercial buildings) horticulture	CRF 19,601, 875 RS 16,079.000 from UWA Membership, 540,000 Savings 13M	The group had mobilized their own savings amounting to about 69% of the CRF amount Biogas project consumed about 43% of the total CRF serving only 13 persons. Dairy cows consumed 53% serving only 13 members. This group has some good and bad side. Equity needs to be considered further in giving loans Long repayment periods for loans for purchase of dairy animals

Annex 4. PAMI Performance

National Forestry Authority (NFA)

The work is going on in Namatale Central Forest Reserves (CFR) which is the only forest reserve in the Mt. Elgon Ecosystem. The reserve covers 746ha. The 244ha of this area was left out when the boundary was resurveyed in 1993. This is now branded the “sustainable use zone” (SUZ)

Livelihood plantations

The model in practice

- Being implemented in Namatale CFR through Mayenze Youth & Women United Farmers Association, Bunyafa Forestry Conservation Association and Tayaka CBOs. All the community members are involved in planting the trees but the CBOs are playing the lead role.
- The model is being tested in an area which had been encroached and the encroachment conflict had persisted over a long period of time.
- 80ha have so far been planted within the reserve. Planting outside the reserve is especially on the side of Sironko District but the area planted is not on record
- About 80 farmers out of a total of 400 in the SUZ have registered their interest to participate in tree growing.
- Mayenze CBO is still growing crops with a few tree scattered in between. The CBO has not managed to attain cohesion even if it was the very first CFM sites in Uganda, with a CFM agreement signed in 2000. As a result of internal intrigue, a group of members broke off to form their own CBO called Tayaka CBO.
- Tayaka CBO (the splinter group) is more successful than Mayenze (the parent group) in this model.
- Development of collaborative forest management (CFM) has been initiated with Bunyafa CBO. It has reached step 4 (participatory situational analysis) in the Guidelines for Developing CFM in Uganda. The processes for Mayenze and Tayaka are still at the first stage
- CFM is being developed within the framework of the overall management plan of Namatale CFR which is still in draft form
- The CBOs are the main entry points of NFA into the community but the planting is being done even by non-CBO members who had had been cultivating in the zone. Each family owns the trees but not the land
- Each family grows trees on the plot of land they were formerly cultivating
- They also grow crops in between the rows but they must ensure that the trees survive
- Eucalyptus clones are being grown to facilitate quick returns on investment by the tree farmers
- The owner is given free seedlings and paid for planting and maintaining them. In return, the owner is expected to participate in protecting the rest of the natural forest

Observations and conclusions

"In Namatale CFR, the forest management plan (FMP) provides for an "Adjacent Communities Livelihoods Management Circle". One of the objectives under this management circle is "...encouraging forest adjacent communities to engage in income generating activities, to improve their living conditions and hence reduce propensity to encroach and other illegal activities". This provides an opportunity to implement the plantation livelihood activities but the SUZ is not provided for in the FMP. Therefore, there is need to revise the FMP before it is signed so that the zone can be provided for.

The plantations are being grown even when the CFM agreements have not been completed and signed. This appears to go against the MERECP principle that the livelihood plantations are established after signing an agreement between the PA institution and a legally constituted CBO. However, it is also important to note that in an environment of intense mistrust between the two parties, it is good to implement concrete activities on the ground along the way to a CFM agreement. It demonstrates goodwill on the part of both parties and helps to make the agreement more meaningful. **Consolidating mutual trust is more important than hurriedly signing a piece of paper.** Even if it would be legally binding, the communities would not be able to take on the NFA in a legal battle.

Going by what we saw, the areas planted by Tayaka and Bunyafa are doing well, with a reported survival rate of 75%, but since the trees are being grown together with food crops, the quality of the trees as they grow up cannot be guaranteed. Not much of what Mayenze claims to have established is visible on the ground.

Like in all the other livelihood plantations, the farmers are not clear about the end product that will be harvested. They understand that somehow they may be able to sell transmission poles or construction poles or firewood after 8 years. It is important the farmers are guided to determine the end product because management of the plantation to yield such a product in economic terms must start at the establishment stage.

Planting of Protected Area Boundaries by Communities

The model in practice

This is also being piloted with Bunyafa CBO as follows:

- The boundaries were planted with 3-5 lines of Eucalyptus inside the FR boundary during the pre-redesign segment of MERECP in 2007. The trees are now about 4 years old
- The local communities adjacent to the boundaries are allowed to grow food crops in between the lines but they must ensure survival of the trees. Any deaths are replaced at their own cost.
- When the trees are ready for harvesting, the communities will be allowed to take 100% of the harvest
- In the meantime, the communities commit themselves to work with NFA to stop illegal activities

Observations and conclusions

This arrangement seems to be holding. Forest protection activities (patrols, reporting of forest crime) are being carried out jointly by NFA and the CBO members. This was emphasized by NFA and the CBO as an indicator of the improving relationship between the two partners.

Relations between the two parties were quite poor before the partnerships were initiated and thus the reserve continued to deteriorate in spite of the gunboat protection approach used by the NFA. The improvement of relations will pave way for other activities to be carried out within the framework of CFM so that the process of ecosystem deterioration begins to reverse. This is already being seen now. The forest which was seriously degraded is now showing signs of recovery (pole size trees are beginning to emerge from the climber tangles, but this is a result of both the re-design and the pre-redesign segments of MERECP.

The systems for sharing the benefits from harvesting boundary trees equitably among the community members have not yet been discussed and agreed, but during negotiation of the CFM agreement, this is expected to be one of the things to be discussed. Now that the trees planted on the boundary have reached the thinning stage, NFA has got the opportunity to demonstrate its commitment to giving the communities 100% of the harvest.

Forest Restoration and Carbon Sequestration

The model in practice

- Enrichment is being done in the formerly encroached areas, but which are now recovering. However in parts where NFA had not yet carried out enrichment planting, climber tangles are dominating, and it is in these areas that enrichment planting is being done.
- The trees are planted by the local communities under the championship of Tayaka CBO. Those who take part in planting and maintenance are being paid for it from MERECP funds.
- The tree species planted include *Cordia*, *Maesopsis*, *Prunus*, *Olea*, *Antiaris*, *Markhamia*, *Khaya*, *Spathodea*, *Croton m* & *Milicia spp*
- The people who are paid for their labour have been advised to put some of the money into a revolving fund but so far, this is happening very slowly.

Observations and conclusions

The FMP provides for zoning of the FR in “...a participatory manner with all the relevant stakeholders to provide for maximum conservation of the reserves....” One of the two immediate objectives to be accomplished within 3 years of implementing the FMP is promotion of tree growing and enrichment planting. Therefore, the activities of MERECP are being done in accordance with the draft FMP.

60ha have so far been planted under MERECP but survival is low. The field managers reported a 50% survival rate because of a prolonged dry spell stretching from January to April 2010 when the trees were planted. However, since the trees are being planted to assist regeneration, it is expected that even the few trees that will survive will serve this function well. Eventually, natural processes will take over and more and more species will come in. For now the trees being planted will provide a good reason for the partners to keep watch over the area so that it is not encroached again.

The tree species being planted are those that grow naturally in the ecosystem, and were growing in these areas before deforestation took place. Because indigenous species are being planted, the carbon sequestration function will be served well since the trees are being grown for timber over long rotations (40+ years)

Uganda Wildlife Authority

Livelihood plantations

The plantations are being established in Mt. Elgon National Park, where the SUZ had a similar history to the SUZ in Namatale CFR. The SUZ lies between the original NP boundary and the boundary which was established in 1993, curving out and area of 344ha out of the NP land.

The plantations were established together with Budwale Honey Enhancement and Development Project (BHEDP) CBO in Mbale District, and Kyesha Farmers Association in Sironko District, each planting 76 hectares and 17 hectares respectively.

The model in practice

- Participatory benefit sharing agreements (PBSAs) were signed between UWA and the CBOs
- Lines of trees were planted with crops just outside the 1993 boundary but settlements in the SUZ are not allowed

- In another approach, the trees are established by Kyesha CBO on a 100-metre strip inside the national park (NP) boundary
- Seedlings are provided by MERECP and the community members are paid for their labour
- The commonest tree species being planted include Eucalypts, Gravillea, and Cypress.
- The PBSAs stipulate that end products include firewood, poles and timber. The aim is to take pressure for these products off the NP
- The trees in these strips are owned by the community and when ready for harvesting, the community will use the trees as they choose.
- Boundary planting is done as a livelihood planting activity. 63 ha in a 20m wide boundary strip inside the park area were planted. 5 parishes were involved
- The local communities adjacent to the boundaries are allowed to grow food crops in between the lines but they must ensure survival of the trees
- When the trees are ready for harvesting, the communities will be allowed to take 100% of the harvest
- In the meantime, the communities are working with UWA to stop illegal activities by engaging in patrol work and supply of intelligence information

Observations and Conclusions

- Ownership of the SUZ remains uncertain, but *de facto*, the land now belongs to the individuals/families that are cultivating the land. Long-term survival of the trees being planted outside the strips cannot be guaranteed until the land ownership is legally clarified
- Community ownership will likely result in problems of maintenance, and later benefit sharing, among the communities. Thus they will probably not continue maintaining these plantations when cash payments cease
- The communities have agreed to plough part of the money paid to them into a revolving fund

Forest Restoration and Carbon Sequestration

The model in practice

- This is being piloted with Bushiuyo Dairy Farming Project which has planted 114ha.
- Again this is being done within the PBSAs between UWA and the various CBOs
- The trees are being planted in areas that have been recovered from encroachers
- The local communities are being paid for their labour and they are expected to work with UWA to protect the trees and the rest of the NP
- Species being planted are indigenous (e.g. *Cordia spp*, *Maesopsis spp*, *Prunus spp*, *Croton spp*, *Podocarpus spp*, etc)

Observations and Conclusions

- UWA reported that tree survival is about 65%, which is good enough because the aim is to assist regeneration of a degraded natural forest
- The trees are owned by UWA but being a long-term venture, how the local communities will benefit in the final harvest is still uncertain
- For UWA, joint patrols (UWA-communities) started even before MERECP, under the revenue sharing and joint forest management arrangements. MERECP has come in to strengthen these collaborative activities

- Going by the trees planted earlier by FACE foundation, this activity provides a real chance for restoring forest cover in the NP through assisted regeneration.

Avoided Deforestation

This is being piloted with Kapchebut Elgon Farmers Association and Tengwen Kwigate Bee Keeping Association

A onetime payment of US\$14000, to the extent of 200ha has been made. The basis for the payments was the long history of collaboration of a particular community in the conservation of the NP. This history of collaboration goes back beyond the duration of MERECP.

Observations and Conclusions

- These payments were made less for carbon sequestered and more for conservation of biodiversity. A lot of work still needs to be done to establish methods for carbon payment under avoided deforestation.
- The formerly encroached areas next to these communities are now recovering. Where encroachment planting was done by FACE Foundation, the forest cover has been restored and the natural forest canopy has closed.
- The basis for payment is difficult to use again if payments are to be made regularly to ensure continuous protection of the forest. Therefore, this requires clear guidelines on the criteria to be used in determining payment at regular times
- The CBO used the money to boost their Community Revolving Fund, which makes it possible to loan money outside the CBO
- There are various initiatives piloting voluntary carbon trade at small scale level, and others are large scale plantation enterprises. Mt. Elgon would provide a useful input into the Uganda REDD+ Strategy preparation process because it is ecosystem-based, involves forest restoration activities, sustainable management of natural forests (avoided deforestation), and community tree growing.
- In future, payments for avoided deforestation could be made from the shared revenue that UWA is obliged by law to give to local communities. However, given the low level of tourism in the area, not much money is likely to be generated to make the payments for avoided deforestation meaningful

Kenya Wildlife Services

Livelihood Plantations

The model in practice

- A 21km solar-powered fence has been erected with the participation of the local communities to stop animals from wandering from the park into their crop fields
- Boundary planting is done as a livelihood planting activity, along this fence, outside of the park boundary
- The local communities adjacent to the boundaries are allowed to grow food crops in between the lines but they must ensure survival of the trees.
- Species planted included *Cupressus*, *Eucalyptus*, *Podocarpus*, *Gravelia* spp, etc.
- Seedlings are bought with MERECP money from community nurseries, except for the Eucalyptus clones which are bought from specialised nurseries outside the locality
- The trees are owned by the individual land holders. Some land owners have been supported to plant elsewhere on their own family land

- MERECP paid the labour for establishment and maintenance work. In return, the communities are working with KWS to stop illegal activities by engaging in patrol work and supply of intelligence information

Observations and Conclusions

- Like in most of the other cases, the partners are not clear about the end product and therefore, the management regimes are not focused
- The CBOs have put the money paid to them for their labour into community revolving funds.

Restoration/Enrichment Planting

The model in practice

- 241ha to be enriched were identified
- Mt. Elgon Self Help Group was engaged in the implementation of this intervention and a PBSA to this effect was signed.
- The CBO was paid for their labour in planting and maintenance work to the tune of 37ha
- Species planted include- *Olea spp*, *Dombeya*, *Burgesia spp*, Elgon Teak, *Juniperus procera*, *Podocarpus falcatus*, *Prunus africana*, *Syzygium guinensis*, and *Bersama spp*.
- KWS owns the trees but there will sharing of revenues from carbon, although the sharing arrangements are not yet concretely stated.

Observations and Conclusions

- Enrichment has also been done in grassland patches within the NP. The patches that are naturally open/grassland need not be zoned for "enrichment" because these open spaces are also part of the ecosystem. The trees will probably not grow to their natural size, and therefore there will not be much value added to the carbon sequestered
- Sharing of revenues from carbon will have to be discussed and included in the PBSA when methods have been developed and a baseline situation established.

Avoided Deforestation

At the time of this end review, KWS was still mapping the areas to be included and working out systems for the payments.

Kenya Forestry Services

Livelihood Plantations

The model in practice

- The activities are being carried out through Community Forest Associations (CFAs). Each Forest Station is expected to have at least one CFA.
- The *Plantation Establishment for Livelihood Improvement Scheme (PELIS)* (a re-branding of the *shamba* system) is being used to plant trees in encroached areas
- The communities are paid for their labour to establish and maintain the trees
- The trees are owned by KFS but the communities work with KFS to maintain them against payment for their labour
- The species being planted include Eucalypts, Cypress, *Gravillea*, *Markhamia* etc.
- The seedlings are bought from community nurseries provided they meet the quality standards set by KFS

Observations and Conclusions

- There is no FMP and therefore, the plantings will have to be taken into account during the forthcoming FMP process
- In places where the *shamba* system (re-branded PELIS) is used the main thrust is still largely maize growing instead of trees. In terms of quality, the trees are only suitable for firewood and charcoal.
- No agreements have been signed yet and therefore the benefit sharing arrangements are still uncertain.
- The CFAs have been advised to set up community revolving funds with part of the money members are paid for their labour.
- Because of late planting, poor care, termites, prolonged drought, and rodents, survival level was reported to be around 50%. In one area visited, the trees are about 1-2 years old. This is too late for gap filling unless the gaps are real large, calling for complete re-planting. Therefore, land utilisation efficiency will continue to be low and the end product is likely to be poor
- Being a self-financing institution, KFS has not yet decided how benefits from the harvested trees will be shared but it is reluctant to adopt the MERECP model of 70/30 for communities and KFS respectively
- Generally the PELIS model as it is being implemented now is unlikely to bear fruit. The Namatale model in Uganda (planting of individually owned woodlots inside the FR land) might inform KFS how to better organise the system of intercropping trees with food crops

Forest Restoration and Carbon Sequestration

The model in practice

- The ERT was not able to visit the sites for restoration planting but records show that KFS has planted 120ha, although 62 had been the target
- The planting is being done with indigenous species in degraded areas
- The local people are paid for their labour
- The seedlings were bought from the local CFA
- The trees belong to KFS

Observations and Conclusions

- Records show that KFS exceeded its planting target but this could not be independently authenticated by the ERT
- No agreements have been signed yet and therefore the benefit sharing arrangements are still uncertain.
- Citing its self-financing nature as an institution, KFS is reluctant to adopt the MERECP model of 70/30 for communities and KFS respectively.

Avoided Deforestation

No work had been done at the time of the end term review.

Annex 5. Funds Disbursement and Reporting

Uganda

Funds disbursement and reporting Uganda W/plan 2009-2010					
Request from – to	Transfer from – to	Reporting from – to	Date	Amount USD	Comments
From MOWE to MERECP			23-10-2009	\$ 200,000	
MERECP to LVBC			26-10-2009	\$ 200,000	
	LVBC to MINFI		31-10-2009	\$ 200,000	
	MINFI to MOWE		23-12-2009	\$ 200,000	
	MOWE to UWA		30-03-2010		
	MOWE to Districts		04-05-2010		
	MOWE to NFA		11-06-2010		
		UWA to MOWE			
		NFA to MOWE			
		MOWE to LVBC	03-11-2010		
Funds disbursement and reporting Uganda W/plan 2010-2011					
From MOWE to MERECP			08-11-2010		
MERECP to LVBC			12-01-2011	\$ 281,823	
	LVBC to MINFI		24-01-2011	\$ 281,823	
	MINFI to MOWE				
	MOWE to UWA		May 2011		
	MOWE to Districts		May 2011		
	MOWE to NFA		May 2011		
		UWA to MOWE			
		NFA to MOWE			
		MOWE to LVBC			
Funds disbursement to CBOs Uganda for Community Revolving Fund					
	LVBC to 10 CBOs		Jan.-Mar.2010	\$ 100,000	Funds for one CBO bounced
	LVBC to 1 CBO		Oct. 2010	\$ 10,000	

Kenya

Funds disbursement and reporting Kenya W/plan 2009-2010					
Request from – to	Transfer from – to	Reporting from – to	Date	Amount USD	Comments
From MEMR to MERECP			01-10-2009	\$ 190,778	
MERECP to LVBC			13-10-2009	\$ 190,778	
	LVBC to MINFI		31-10-2009	\$ 190,778	
	MINFI to MEMR		24-12-2009	\$ 190,778	
	MEMR to KWS		30-04-2010		
	MEMR to Districts		Apr.-May 2010		
	MEMR to KFS		30-06-2010		
		KWS to MEMR			
		KFS to MEMR			
		MERM to LVBC	04-02-2011		
Funds disbursement and reporting Kenya W/plan 2010-2011					
From MEMR to MERECP			04-02-2011		
MERECP to LVBC			24-02-2011	\$ 238,040	
	LVBC to MINFI		24-02-2011	\$ 238,040	
	MINFI to MEMR		05-04-2011		A first transfer failed
	MEMR to KWS		05-05-2011		Only 55% of funds due were transferred. Unprocedural withdrawal
	MEMR to Districts		None		No funds transferred
	MEMR to KFS		05-05-2011		
		KWS to MEMR	29-06-2011		
		KFS to MEMR	29-08-2011		
		MERM to LVBC			On 21-09-2011 45% still not transferred to KWS and KFS
Funds disbursement to CBOs Kenya for Community Revolving Fund					
	LVBC to 10 CBOs		Dec.2009	\$100,000	

Annex 6. Performance of Groups involved in Different MERECAP Activities

Activities plus appreciation (#) + or +/- or –

KENYA

Group name	District/Institution	CRF	Tree Nurseries	Livelihood plantation	Avoided Deforestation	Enrichment Planting	Conservation monitoring
Mount Elgon Guides and Porters Youth Group	Kwanza / KWS	√ # -	√				√ # +
Tingey Project	Kwanza / KWS	√ # -					
Kimothon C.F.A.	Kwanza / KFS	√ # +	√	√ # -		√ # +	
Chepnyalil Youth Group	Kwanza / KWS	√ # +	√				
Tuibe Community Based Organisation	Mt Elgon / District	√ # +	√				
Mt Elgon Dev. Network (MEDNET) and Conservancy	Mt Elgon / MECC	√ # -					
Chepkitale Wildlife Conservancy	Mt Elgon / MECC&KFS	√ # +	√			√ # +	√ # +
Kapkong Eco-Tourism Community Conservancy	Mt Elgon / MECC	√ # +/-					
Cheptais Forest Association	Mt Elgon / KFS	√ # +	√	√ # +/-			
Saboti/Sosio Community Forest Association	Trans Nzoia West / District	√ # -	√				
Mt Elgon National Parks Self-help Group	Kwanza / KWS		√ # +			√ # +	√ # +
Mt. Elgon Livelihood & Landscape Strategy	Kwanza / KWS		√ # ++				
Mt Elgon Park Management Conservation CBO	Kwanza / KWS		√ # ++	√ # +	√ #		√ # +
Mt Elgon Park Community Project	Kwanza / KWS		√	√ # +			√ # +

+ is Good performance; +/- is average performance; - is poor performance

UGANDA

Group name	District/Institution	CRF	Tree Nurseries	Livelihood plantations	Avoided Deforestation	Enrichment Planting	Conservation monitoring
Kapchebut Farmers Association	Kapchorwa / UWA	√ # ++	√ # +		√ # ++		√ # ++
Bushiuyo Dairy Farming Project	Mbale / District	√ # +	√			√ # +	√ # +
Tangwen Kwigate Bee Keeping Association	Kapchorwa / UWA	√ # +	√		√		√ # +
Kyesya Farmers Group	Sironko / District	√ # +	√	√ #			
Elgon Farmers Association	Bududa / District	√ # --					
Cheptoror Farmers Association	Bukwa / District	√ # ++					√ # +
Sitobo Fal Group	Manafwa / District	√ # +/-					
Bupoto Natural Resource Management Initiative	Manafwa / District	√ # +/-					
Bunyafa forestry Conservation Association	Mbale / District & UWA	√ # +	√				
Mayenze Youth & Women United Farmers Association	Mbale / NFA	√ # --					
Budwale Honey enhancement group	Mbale / UWA		√	√ # ++			
Tayaka Elderly Women Farm Project –Bubyangu	Mbale / NFA		√	√ # +		√ # +	