



**PANDA MITI**  
**KIBIASHARA**  
PRIVATE FORESTRY PROGRAMME

# PRIVATE FORESTRY PROGRAMME

QUARTERLY REPORT  
January – March 2018



United Republic of Tanzania  
MINISTRY OF NATURAL RESOURCES AND TOURISM  
Forestry and Beekeeping



MINISTRY FOR FOREIGN  
AFFAIRS OF FINLAND





## Private Forestry Programme

Phase I: 1 January, 2014 to 31 December, 2018

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Quarterly Progress Report for the Period from 1 January, 2018, to 31 March, 2018

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United Republic of Tanzania  
**MINISTRY OF NATURAL RESOURCES  
AND TOURISM**  
Forestry and Beekeeping Division



**EMBASSY OF FINLAND  
DAR ES SALAAM**

## **Private Forestry Programme**

**Quarterly Progress Report for the Period from 1 January, 2018, to 31 March, 2018**

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Cover photo: *Pinus caribaea* seedlings raised at the Tanzania Tree Seed Agency nursery in Wino for planting under the Tree-Growing Incentive Scheme of the Private Forestry Programme.

## TABLE OF CONTENTS

1.	SUMMARY	1
2.	BACKGROUND	2
3.	EXTERNAL FACTORS AND ASSUMPTIONS	3
4.	DELIVERY OF RESULTS	4
4.1	Result 1: Enabling environment exists for the expansion of sustainably managed private plantation forestry	4
4.2	Result 2: Increased high-quality tree growing and private plantation forestry based on the principles of sustainability and inclusiveness developed in the programme area	12
4.3	Result 3: Profitability and sustainability of SMEs within the forestry value chain improved	20
5.	RISKS AND OPPORTUNITIES UPDATE	27
5.1	Risks and opportunities	27
6.	RESOURCES AND BUDGET	28

## LIST OF ANNEXES

Annex 1	Results-based progress monitoring	30
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## LIST OF FIGURES

Figure 1	Cumulative number of TGAs established in the Southern Highlands during 2010–2018 as per the PFP database (31 March 2018)	16
Figure 2	Teak nursery supplying seedlings for the PFP TGIS in Nyasa District	19
Figure 3	Finnish Slidetec sawmill raising interest at the trade fair	20
Figure 4	Results of trade fair exhibitor satisfaction survey	21
Figure 5	Exhibitors' reasons for participating in the trade fair	21
Figure 6	Trade fair being opened by Hon. Amina J. Masenza, Regional Commissioner of Iringa, on 19 March, 2018	22
Figure 7	Trade fair booths	23
Figure 8	Forestry tools on display	23
Figure 9	Quarterly rate of expenditure by budget category and financial quarter, from 1 January, 2014, to 31 March, 2018 (EUR)	28

## LIST OF TABLES

Table 1	Overview of the programme implementation status in the end of the reporting period as per the LogFrame indicators and operational budget usage	1
Table 2	Established TGA seed orchard sites	7
Table 3	Delivery of extension services by the PFP Extension Officers per thematic area (beneficiary person days)	8
Table 4	Delivery of extension services by TGA facilitators per thematic area (beneficiary person days)	8
Table 5	Short course delivery in Q3 of FY 2017/18	10
Table 6	VSLA group statistics as per the online management information system (as of 31 March 2018)	11
Table 7	PFP-supported VLUPs (as of 31 March 2018)	13
Table 8	Summary of statistics on TGAs in the Southern Highlands as per the PFP database (31 March 2018)	16

Table 9	Delivery of seedlings by species and support scheme during season 2017/18 (as of 31 March 2018)	18
Table 10	Contracted and realised seedling supply by nursery and species under the schemes using PFP-provided seedlings	18
Table 11	Number of seedlings contracted, raised, and delivered to beneficiaries, under the schemes using PFP-provided seedlings	19
Table 12	Trade fair exhibitors by category and representation	20
Table 13	Budgeted and realised expenditure in Q3 1/1/2018–31/3/2018, and percentage of budget used (in EUR)	28
Table 14	Realised expenditure by financial year and percentage used of the first-phase budget, as of 31 March 2018 (in EUR)	29

#### ABBREVIATIONS

EUR	Euro
FWITC	Forestry and Wood Industries Training Centre
KVTC	Kilombero Valley Teak Company
MFA	Ministry for Foreign Affairs of Finland
MIS	Market Information System
m.a.s.l.	metres above sea level
MNRT	Ministry of Natural Resources and Tourism
NFC	New Forests Company
NLUPC	National Land Use Planning Commission
OHS	Occupational health and safety
OSP	Out-grower support programme
PFCTT	Private Forestry and Carbon Trading in Tanzania
PFP	Private Forestry Programme
SME	Small and medium enterprises
TGA	Tree growers' association
TGIS	Tree-Growing Incentive Scheme
TTGAU	Tanzania Tree Growers' Association Union
TTSA	Tanzania Tree Seed Agency
TZS	Tanzania shilling
VETA	Vocational Education and Training Authority
VLUP	Village land-use plan
VSLA	Village Savings and Loan Association

#### CONVERSION RATES

EUR to TZS	2,774.36
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## PROGRAMME FACTSHEET

The Private Forestry Programme (PFP) increases income in the Southern Highlands of Tanzania by supporting private plantation forestry and strengthening wood industries.

The rationale for supporting private plantation forestry in Tanzania is as follows:

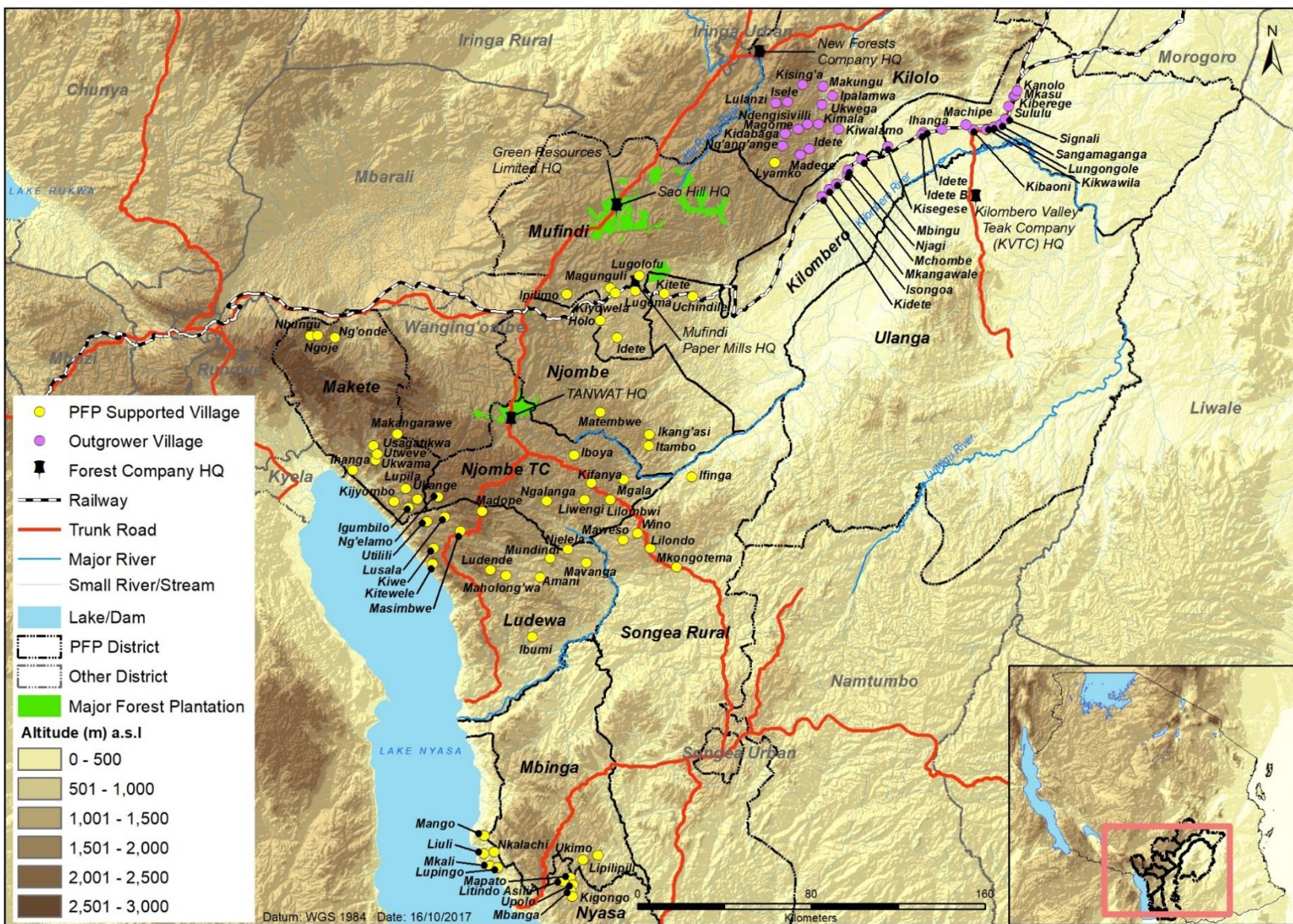
1. Tanzania is one of the few countries in the world that still has land with the right climate and right soils for successful tree plantations.
2. Small-, medium-, and large-scale tree growers in the Southern Highlands are keen to expand tree plantation; in fact, a strong movement of tree growers exists.
3. Both plantation forestry and plantation wood-based processing are potentially profitable and environmentally and socially sustainable.
4. Private plantations and value-added production can have major positive economic, social, and environmental impacts at both the local and the national levels.

The programme is to be a long-term partnership. The first phase of the programme lasts from 1 January, 2014, to 31 December, 2018. Its key features are identified below.

Overall objective	Promote sustainable and inclusive private forestry that boosts economic growth and helps alleviate poverty
Purpose of the first phase (2014–2017)	Ensure that economically viable, sustainable, and inclusive plantation forestry and related value chains provide employment to and increase the incomes of private forest owners, small and medium enterprises (SMEs), and vulnerable households in the programme area
Funding frame	<ul style="list-style-type: none"> <li>- MFA Finland EUR 19,493,376</li> <li>- Government of Tanzania EUR 985,950 (5% of total budget)</li> </ul>
Key stakeholders	<ul style="list-style-type: none"> <li>- Ministry of Natural Resources and Tourism / Tanzania</li> <li>- Ministry for Foreign Affairs / Finland</li> <li>- Steering Committee members</li> <li>- Tree growers and wood processors and users</li> </ul>
Technical assistance	Indufor Ltd. and Niras Finland
Programme result areas and targeted results for the first phase	<ol style="list-style-type: none"> <li>1. <i>Enabling environment.</i> An environment which enables the expansion of sustainably managed private plantation forestry exists.</li> <li>2. <i>Plantation forestry development.</i> High-quality tree-growing and private plantation forestry have increased in the programme area and uphold the principles of sustainability and inclusiveness.</li> <li>3. <i>Small and medium enterprise development and product innovation.</i> The profitability and sustainability of SMEs within the forestry value chain have improved.</li> </ol>
Geographic. area	Southern Highlands and Kilombero Valley of Tanzania
Key beneficiaries	Private tree growers, and wood-processing enterprises and users
Human rights and cross-cutting objectives	The programme is a progressive one: it upholds the principles of human rights in its processes and supports those tree growers' associations, business associations, and NGOs that themselves respect, protect, and fulfil human rights. The needs, concerns, and capacities of different duty bearers and rights holders, especially vulnerable groups like women, the landless and the disabled, are addressed by programme activities and expected results. Disaggregated data is used systematically when planning and monitoring interventions and their results.
Environmental safeguards	<ul style="list-style-type: none"> <li>- Informed villagers decide on planting areas using inclusive and participatory approaches during village land-use planning, which is itself facilitated by district land-use planning teams with PFP technical and financial support.</li> <li>- Natural forests, watercourses, wetlands, edaphic grasslands, and areas of scientific and/or cultural value are not disturbed.</li> <li>- Only the most viable of sites are selected. No planting is supported in areas that have less than an average of 1,000 mm of rainfall per year because problems could arise in downstream water supply.</li> </ul>
Main environmental impacts	<ul style="list-style-type: none"> <li>- Fewer wildfires</li> <li>- Less decaying wood waste (sawdust and off-cuts) so fewer carbon emissions</li> <li>- Improved forest carbon sequestration and storage accomplished in part through increasing soil carbon and creating longer-lasting wood products</li> </ul>



### PROGRAMME AREA AND PFP-SUPPORTED VILLAGES





## 1. SUMMARY

This three-month quarterly report covers the third quarter (1 January, 2018, to 31 March, 2018) of the fourth Tanzanian financial year of the first phase of the Private Forestry Programme (PFP). Table 1 indicates the programme's delivery of outputs during the reporting period as identified in its LogFrame. The programme used 36% of the operational budget and 61% of the total budget allocated for the quarter.

**Table 1 Overview of the programme implementation status in the end of the reporting period as per the LogFrame indicators and operational budget usage**

Result / Output		Status as reflected by LogFrame indicators	%-used of work plan budget
Result 1:	Enabling environment exists for expansion of sustainably managed private plantation forestry		41%
Output 1.1:	Legislative and policy proposals based on barrier analysis address private forestry plantation and SME needs	Minor deviations	317%
Output 1.2:	Reliable market systems developed and structures / mechanisms improved for efficient and transparent business within the value chain	Minor deviations	n/a
Output 1.3:	Long-term private forestry sector funding mechanism advanced	Achieved	n/a
Output 1.4:	Tree improvement programme developed in cooperation with key stakeholders	Minor deviations	21%
Output 1.5:	Effective extension mechanisms developed for TGA-based plantation forestry	Achieved	147%
Output 1.6:	Comprehensive strategy prepared for private forestry and wood technology education and training, and capacity of training providers improved in accordance with the strategy	Achieved	84%
Output 1.7:	Effective and open forestry information system (FIS) developed for private forestry value chain ensuring easy access to all relevant documentation	Achieved	n/a
Output 1.8:	VSLAs applied to enable tree growers to wait for the optimal cutting times for trees and to facilitate SMEs investments to new technologies	Achieved	3%
Result 2:	Increased high-quality tree growing and private plantation forestry developed in the Programme area, based on sustainable and inclusive principles		27%
Output 2.1:	Village land-use plans prepared for each targeted village, ensuring selection of appropriate tree planting areas, respecting rights of vulnerable groups and including safeguards for biodiversity protection	Achieved	30%
Output 2.2:	Inclusive and well governed TGAs established / strengthened for sustainable management of tree plantations	Achieved	12%
Output 2.3:	High-quality tree growing advanced through PFP support (extension, training, input support)	Moderate deviations	31%
Output 2.4:	Income generating activities (IGAs)	n/a	n/a
Result 3:	Profitability and sustainability of SMEs within the forestry value chain improved		68%
Output 3.1:	Production efficiency, product quality and new financially viable products developed with SMEs	Moderate deviations	72%
Output 3.2:	Decent jobs within the value chain	Large deviations	0%

## 2. BACKGROUND

Tanzania is Finland's longest-standing development partner and a major recipient of its overseas development assistance funding.

The need for increasing efforts in plantation forestry was recognised by the government of Tanzania in its National Forest Policy and National Forest Programme. It is widely accepted that the private sector is more efficient than the public in implementing production activities such as tree planting and that the role of the public sector should be to provide an enabling environment for private sector investments.

In 2000, the Ministry of Natural Resources and Tourism (MNRT) commissioned a study to assess the status and future prospects of the mechanical and chemical wood industries in Tanzania. The study recommended that the private sector help manage industrial plantations. To address these recommendations, the government arranged for seven MNRT staff and one representative from the private sector to visit Finland in 2005 to learn how forestry and forestry industries operate in that country. In particular, they examined private sector involvement in forestry and the roles of small and medium forest owners and lobby organisations.

In 2009, the MNRT, through its Forest and Beekeeping Division and under a project called Private Forestry and Carbon Trading in Tanzania (PFCTT) (2010–2011), started to promote small-scale tree-farming activities among farmers in the Southern Highlands. The objective of the PFCTT was to reduce poverty by ensuring that the forest sector contributed effectively and sustainably to improving the lives of the poor, restoring the environment, and promoting sustainable economic recovery and growth. The PFCTT, itself a continuation of the efforts of a public-private partnership (PPP) consultancy which had been conducted in 2009–2010, was funded through the National Forestry and Beekeeping Program as part of Tanzanian-Finland forestry sub-sector cooperation. Initially, five districts (Kilolo, Mufindi, Njombe Town, rural Njombe, and Rungwe) in the Southern Highlands were included; later, Kilombero, Ludewa and Makete districts were added.

The PPP consultancy had established 11 TGAs with more than 1,000 small farmer and tree-growing members. The aim of these associations was to add value to members' livelihoods by enabling them to engage in good-quality production, marketing, networking, and lobbying and providing them with good business knowledge. Under the PFCTT, a total of 34 TGAs, each with 20–140 members, were formed in the regions of Iringa, Njombe and Mbeya.

Since the achievements of these projects were very encouraging, the MNRT, in collaboration with the Finnish embassy in Tanzania, decided to strengthen them. The two governments designed a long-term programme with four four-year phases, developed a programme document for 2013–2017, and signed a bilateral agreement regarding the implementation of the PFP on 23 May, 2013. This document was revised and updated in June 2015.

The programme came into operation on 1 January, 2014, and is scheduled to come to a close on 31 December, 2018. The MFA budget for the first phase is EUR 19,150,000, a sum which includes a contingency fund of EUR 1,250,683.

The PFP aims to increase rural income by developing the scientific management of smallholder plantation forestry and by adding value to the entire forest product value chain. From tree seeds to wood products, all stages of the value chain will be good quality. The programme strengthens tree breeding and seedling production, supports participatory land-use planning, facilitates the organising of tree growers into TGAs, provides vocational training, strengthens commercial plantation silviculture, and supports the modernisation of the value chains of wood-processing industries. Because the programme also facilitates dialogue among key stakeholders, it makes Tanzania's policy, legislative, and business environments more enabling.

This report covers the period from 1 January, 2018, to 31 March, 2018.

### 3. EXTERNAL FACTORS AND ASSUMPTIONS

There were no substantial changes in external factors since the analysis included in the PFP Annual Progress Report 2016/17<sup>1</sup>.

Towards the end of the quarter however Kenya implemented a logging ban and impacts were seen in increased demand for small dimension sawn wood in Mafinga. Overall the timber market appeared more buoyant than it has been since 2015 and contracts for building development in Dodoma were also probably feeding into this positive trend.

SMEs were facing difficulties with government allocations from Sao Hills Industrial Plantations because royalty rates were increased from an average of TZS 72,000 to TZS 96,000 per m<sup>3</sup> and because the allocations were more distant (about 40–60 km from their permanent sawmills). This influenced the enterprises to put more emphasis on the use of mobile ding-dong saws for remote areas, and to seek out private plantations.

There was a slight increase in the use of wood waste (such as saw dust and off-cuts) for charcoal and charcoal briquettes production. Three factories added briquette production lines during the reporting period.

There was also a notable increase in use of black wattle (*Acacia mearnsii*) from Njombe in charcoal production.

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<sup>1</sup> <http://www.privateforestry.or.tz/en/resources/view/pfp-annual-progress-report-2016-17>

## 4. DELIVERY OF RESULTS

### 4.1 Result 1: Enabling environment exists for the expansion of sustainably managed private plantation forestry

Business barrier	Achievement
1) Lack of access to finance	<p>New Forests Company was supported in reviewing its options for investing in the Ifinga block. Sokoine University and several other investors also invested in plots for afforestation in this area.</p> <p>Village Savings and Loan Associations expanded to include over 4,000 members and their combined assets reached TZS 586,066,661 (EUR 211,000).</p> <p>Pro-poor TGIS was implemented and over 3,000 individuals in 49 TGAs planted an estimated 3,140 ha. Two company out-grower support programmes were supported, in which over 600 growers planted an estimated 900 ha.</p> <p>Four forest finance providers were hosted at the trade fair.</p> <p>Slidetec (a Finnish sawmill manufacturer) was linked to EFTA Ltd. who provide hire purchase finance schemes for agriculture and forestry equipment.</p> <p>The TTGAU modified its constitution to allow it to operate as a business and was supported in developing its business plan.</p> <p>An MoU for seed orchard operations, including a preliminary business plan, was agreed between the TTGAU, TTSA and the PFP.</p> <p>The SME groups forming the business node in Makete were registered and supported in developing a business plan. They were further supported in developing a MoU with MNRT.</p>
2) Fire hazard	Awareness of forest management priorities, including fire prevention and management, was conducted within beneficiary communities in cooperation with Sokoine University of Agriculture.
3) Lack of machinery, equipment and tools	A three-day trade fair was hosted to improve awareness of forestry value chain entrepreneurs about products and services that are available to help them improve their businesses. There were 57 exhibitors including Slidetec from Finland, and over 600 people attended.
4) Lack of good quality seeds	Six TGA-managed high-quality seed orchards sufficient to meet national demand for pine and eucalyptus seed were established.
5) Long term nature of forestry	
6) Lack of market information	The TTGAU surveyed market prices as part of its business planning research. Over 600 people attended trade fair with 57 forestry value chain exhibitors. This contributed to the knowledge of businesses about suppliers, competitors, and markets.
7) Lack of technical expertise	<p>5,265 beneficiary person days of technical extension were provided directly by the programme.</p> <p>The FWITC training plan was prepared; centre infrastructure was improved; and it was equipped with a mobile sawmill, a wood treatment plant, charcoal manufacturing equipment and laboratory equipment.</p> <p>Piloting of the two-year VET courses in forestry and wood processing continued.</p>
8) Inadequate infrastructure	
9) Unsupportive land tenure laws	
<b>Conclusion:</b>	
The PFP addressed six business barriers during the reporting period.	

**4.1.1 Output 1.1: Legislative and policy proposals based on barrier analysis address private forestry plantation and SME needs**

<p><b>Milestones for Q3 2017/18:</b></p> <p>Investment opportunity profiles and strategy promoted</p> <p>Roundwood classification system adopted</p> <p>CTL thoroughly evaluated jointly with TFS</p>	<p><b>Achievement:</b></p> <p>New Forests Company was supported in reviewing its options for investing in the Ifinga block. Sokoine University and several other investors also invested in plots for afforestation in this area.</p> <p>Forestry investment opportunities were further elucidated and presented to senior government officials and potential investors at the trade fair opening ceremony.</p> <p>Tanzanian and South African forestry academics were recruited to develop log and sawn wood grading standards for both pine and eucalyptus. Pilot sampling of sawn wood was completed, and the data was analysed.</p> <p>Some changes implemented at Sao Hill</p>
<p><b>Conclusion:</b></p> <p>On-track</p>	

The PFP continued to support the MNRT in its revision of the national forest policy and financed a forest policy task force meeting in Morogoro to bring forestry academics and other senior stakeholders together to refine a draft of the policy.

In November 2016 potential forestry investors were introduced to afforestation investment opportunities in Ruvuma Region<sup>2,3</sup>. New Forests Company (NFC) expressed interest in the Ifinga block but did not follow up at that time. More recently, however, the NFC changed its mind and therefore received support for reviewing its options for investing in the Ifinga block.

Several investors acquired plots in this area, including Sokoine University of Agriculture which acquired 10,000 ha out of which 200 ha of *Pinus caribaea* was already planted this season. The entrance of Sokoine University of Agriculture into this area resulted from the PFP interventions and brings major benefits to other growers in the area with whom the academics interact. These benefits include bringing all forestry stakeholders together to combine resources towards integrated landscape-level fire management.

Major consultancy work on identifying forestry investment opportunities in the Southern Highlands progressed and released initial outputs. These opportunities<sup>4</sup> were presented both to the MNRT at a special meeting called for this purpose as well as to senior government officials and potential investors during the opening ceremony of the forestry trade fair. Regional government requested simplified Swahili version from this report for regional and district planning.

<sup>2</sup> <http://www.privateforestry.or.tz/en/resources/view/ruvuma-private-forestry-investment-opportunities>

<sup>3</sup> <http://www.privateforestry.or.tz/en/resources/view/financial-and-economic-analysis-of-private-forestry-investment-opportunities>

<sup>4</sup> <http://www.privateforestry.or.tz/en/resources/view/investment-opportunities-in-the-tanzanian-forest-industry>



Tanzanian and South African forestry academics were recruited to develop log and sawn wood grading standards for both pine and eucalyptus. Pilot sampling and testing of sawn wood was completed in the laboratory of Tanzania Bureau of Standards. This data was analysed and provided a quantitative foundation for designing the full sampling programme.

Earlier work on cut-to-length harvesting reportedly led to some changes in harvesting practices at the government's Sao Hills Industrial Plantation. Ongoing work on log grading should lead to further improvements in the economic usage of roundwood.

**4.1.2 Output 1.2: Reliable market systems developed and structures and mechanisms promoting efficient and transparent business within the value chain improved**

<p><b>Milestones for Q3 2017/18:</b></p> <p>An additional 50 wood sales enquiries sent through MIS</p> <p>Quarterly market information SMS sent with regional wood prices</p>	<p><b>Achievement:</b></p> <p>190 wood sales enquiries were sent to the wood processing companies through MIS</p> <p>Price information not collected</p>
<p><b>Conclusion:</b></p> <p>Price information was not entered into the MIS but the system was increasingly taken up by major companies.</p>	

NFC received 175 wood sales replies to their supply enquiry through the Market Information System (MIS). Another 15 replies were received by Tanganyika Plywood Company, a veneer producer, seeking for supply of eucalyptus on a rate of 50 m<sup>3</sup> per day.

**4.1.3 Output 1.3: Long-term private forestry sector funding mechanism advanced**

<p><b>Milestones for Q3 2017/18:</b></p> <p><i>No milestones for Q3</i></p>	<p><b>Achievement:</b></p> <p>n/a</p>
<p><b>Conclusion:</b></p> <p>On-track</p>	

The NFC was supported in reviewing its options for investing in the Ifinga block. The scale of recent land acquisitions and poor land records together had made it difficult for the NFC to ascertain whether there was still sufficient land to make investment worthwhile. The PFP conducted some site inspections and facilitated meetings between the NFC and local authorities.

The findings of the consultants who identified forestry investment opportunities also contributed towards the development of long-term funding solutions in the forestry sector.

The number of Village Savings and Loan Associations (VSLAs) increased. They now serve over 4,000 people and their total assets reached TZS 586,066,661 (EUR 211,000) in the current savings cycle.

Under the pro-poor Tree-Growing Incentive Scheme (TGIS), over 3,000 individuals in 49 TGAs planted an estimated 3,140 ha. Two company out-grower support programmes (OSPs) were supported. Under them, over 600 growers planted an estimated 900 ha.

Four providers of forest finance were hosted at the Forestry and Wood Industries trade fair.

Slidetec, a Finnish sawmill manufacturer, was linked to EFTA Ltd which provides hire purchase finance schemes for agriculture and forestry equipment.

The TTGAU modified its constitution to allow it to operate as a business and was supported in developing its business plan.

An MoU for seed orchard operations was agreed between the TTGAU, TTSA and the PFP, and this was eventually signed. The MoU included a preliminary business plan.

The SME groups forming the business node in Makete were registered and got support to develop a business plan as well as an MoU with the MNRT. This MoU prescribes the support they can expect from the PFP, repayment terms, and other conditionalities.

The FWITC was supported in developing a business plan.

#### 4.1.4 Output 1.4: Tree improvement programme developed in cooperation with key stakeholders

<b>Milestones for Q3 2017/18:</b> 105 ha of new high-quality seed orchards established	<b>Achievement:</b> 50 ha of new high-quality seed orchards established
<b>Conclusion:</b> The area target was intentionally lowered since the target-setting. Establishment according to the new figures went as planned.	

Seed orchards were planted and blanked (Table 2). The sites were also slashed and circle weeded twice, and buffer areas were established around them using the same parent material that was used in the orchards themselves.

Since the seed orchards comply with international and national guidelines that specify the minimum number of families to be included and their spatial distribution, the seed they produce will be certifiable for national use and for export. If there are no disasters, these orchards should produce enough to meet the national demand for *P. maximinoi*, *P. tecunumanii*, *P. caribaea*, *P. oocarpa* and *E. saligna* when they mature around 2024–2025.

**Table 2 Established TGA seed orchard sites**

District	Village	Altitude (m.a.s.l.)	Species	No. of seedlings planted	Effective orchard area excl. buffer zone (ha)	Total orchard area incl. buffer zone (ha)
Madaba	Maweso	1,300	<i>P. maximinoi</i>	3,640	3.3	5.6
	Ifinga	1,300	<i>P. tecunumanii</i>	4,080	3.7	10.8
			<i>E. saligna</i>	3,660	3.5	
Ludewa	Njelela	1,650	<i>P. maximinoi</i>	3,520	3.2	5.3
	Ibumi	1,380	<i>P. oocarpa</i>	2,800	2.5	10.7
			<i>P. tecunumanii</i>	3,920	3.5	
Mbinga	Utili	1,400	<i>P. maximinoi</i>	3,520	3.2	9.5
			<i>P. tecunumanii</i>	3,920	3.5	
Nyasa	Lwekei	600	<i>P. caribaea</i>	1,120	1.0	8.0
			<i>P. oocarpa</i>	2,640	2.4	
			<i>E. saligna</i>	3,920	3.5	
Total				36,740	33.3	49.9

#### 4.1.5 Output 1.5: Effective extension mechanisms developed for TGA-based plantation forestry

<b>Milestones for Q3 2017/18:</b> <i>No milestones for Q3</i>	<b>Achievement:</b> n/a
<b>Conclusion:</b> On-track	

##### **General extension provision**

PFP Extension Officers organised 62 days of extension events, which were attended by a total of 2,107 participants, 34% of whom were women (Table 3).

During this quarter, 11 out of 53 TGA facilitators delivered a total of 93 days of extension events which reached a total of 3,158 people, 47% of whom were women (Table 4). Some facilitators still needed training on delivering and reporting extension activities.

Under its OSP, the NFC provided beneficiaries with extension services on proper plantation establishment, weed control and fire management.

The OSP of the Kilombero Valley Teak Company (KVTC) incorporated extensive extension training in the growing of teak, a potentially highly profitable but silviculturally demanding species. While KVTC's periodic reporting systems do not disaggregate data in a way that matches PFP reports, the company has deployed two full-time extension officers under its OSP to develop the capacity of their out-growers. Training included financial skills, so OSP growers are now able use a cashless mobile phone-based payment system.

**Table 3 Delivery of extension services by the PFP Extension Officers per thematic area (beneficiary person days)**

Extension theme	No. of participants in extension events		
	Male	Female	Total
Plantation establishment	897	496	1,393
Plantation management	497	217	714
Total	1,394	713	2,107

**Table 4 Delivery of extension services by TGA facilitators per thematic area (beneficiary person days)**

Extension theme	No. of participants in extension events		
	Male	Female	Total
Administration	107	63	170
Plantation establishment	1,050	851	1,901
Plantation management	59	47	106
Health & safety	179	141	320
Forest assessment	185	304	489
Forest fire control & management	12	10	22
Other	85	65	150
Total	1,677	1,481	3,158

##### **Vertical integration of tree growers and industry**

The PFP raised awareness among TGAs and their members around the Makete industrial node, for them to be able to manage their plantations to supply the node. This initiative was part of a broader effort to facilitate and demonstrate the vertical integration of growers and industries within a sustainable landscape. These efforts have started to have an impact around the industrial node, where several growers have started silvicultural thinning to produce good-quality sawlogs.

### **Communication interventions**

The trade fair organised during the third quarter was advertised extensively on TV and radio stations (Clouds TV and Country FM) as well as in newspapers (*Citizen*, *Guardian*, *Mwananchi*, and *MTanzania*) and through direct public announcement in Iringa and Mafinga. The event itself was covered by two TV stations (ITV and CloudsTV), one radio station (Ebony FM) and several newspapers (*Guardian*, *Citizen*, *MTanzania*, and *Mwananchi*). In addition, two popular Iringa bloggers (Matukio Daima and Tumbusi) covered the event in their blogs. TBC was invited but did not attend. A photo compilation of the fair can be found in the PFP online picture library<sup>5</sup>.

A total of three radio programmes were broadcast across the entire PFP working area (Kilolo and Kilombero were covered by Ulanga FM; Mufindi, Njombe TC, and Njombe DC were covered by Uplands FM; Makete, Ludewa, Madaba, and Nyasa were covered by Best FM; and Mbinga was covered by Green FM).

Banners and nine posters were produced for the trade fair and a prospectus and a course brochure were developed for the FWITC in both English and Swahili. Experts from the Forestry Training Institute produced a draft TGA evaluation report.

#### **4.1.6 Output 1.6: Comprehensive strategy for private forestry and wood technology education and training prepared, and the capacity of training providers improved in accordance with that strategy**

<b>Milestones for Q3 2017/18:</b> Technical training intake for short courses: 100 trainees	<b>Achievement:</b> 394 people started the VSLA training modules. Other short courses organised for 28 trainees.
<b>Conclusion:</b> Targets achieved. Preparations for the trade fair required most of the efforts of the training and communication team, so few training courses outside the VSLA modules were held.	

The FWITC developed a working draft of its training plan and delivered the first of the courses planned. Details about the training implemented are given in Table 5.

A total of 394 additional people joined the VSLA programme and started a series of standardised training modules on group administration, institutional strengthening, and entrepreneurship.

Training of VETA students (20 at the Forestry Training Institute and 20 at the Forest Industries Training Institute) continued. They started their level 2 studies. No student had dropped out of the training programme and trainers reported that the students were highly motivated and committed.

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<sup>5</sup> <https://www.flickr.com/photos/privateforestry/sets/72157691713338362/>

**Table 5 Short course delivery in Q3 of FY 2017/18**

Beneficiaries	Course contents	Trainer	No. of training days	Number of trainees			Total duration (trainee days)
				Male	Female	Total	
SME owners and managers	Supervisory and management skills for sawmill supervisors and low-level managers	FWITC expert, PFP expert, SPs	4	3	1	4	16
FWITC staff	Fire prevention and protection training for FWITC employees	SP	1	12	6	18	18
TGA facilitators	Field data collection and reporting using mobile phone and Open Data Kit	PFP expert	1	6	0	6	6
Total			6	21	7	28	40

**4.1.7 Output 1.7: Effective and open forestry information system (FIS) developed for the private forestry value chain, thereby ensuring easy access to all relevant documentation**

<b>Milestones for Q3 2017/18:</b> <i>No milestones for Q3</i>	<b>Achievement:</b> n/a
<b>Conclusion:</b> On-track	

Reports on plantation mapping and the investment opportunity analysis were presented to the MNRT and officially launched at the trade fair opening event, which was attended by senior government officials and potential investors.

A management-level plantation resource assessment was conducted in nine TGAs in Makete District (see Output 2.2).

**4.1.8 Output 1.8: VSLAs applied to enable tree growers to wait for the optimal cutting times for trees and to facilitate SMEs investments to new technologies**

<b>Milestones for Q3 2017/18:</b> 50 new groups established	<b>Achievement:</b> All 179 groups established by the end of Q3
<b>Conclusion:</b> On-track	

By the end of the reporting period, all 179 VSLA groups identified in the service provision contracts had been established. These groups had a total of 4,121 members, 46% of whom were women. The average age of the groups was five months. The youngest groups were formed during the reporting period while the oldest groups had reached one year of age and started a new savings cycle. The attendance rate of the groups was 86%, with an average dropout rate of merely 2%. While dropout rates usually increase as saving groups mature, the dropout rate in the oldest PFP groups was only about 1% and the majority reported no dropouts at all.

The current capitalisation of the groups reached TZS 586 million (EUR 211,000) by the end of Q3. The value of outstanding loans was about TZS 348 million (EUR 125,000), with an average outstanding loan value of approximately TZS 170,000 (EUR 60) per member. By the end of the reporting period, the average rate of fund utilisation was 70%. The average return on savings was 11%.

A full compilation of the VSLA group statistics is included in Table 6.



**Table 6 VSLA group statistics as per the online management information system (as of 31 March 2018)**

	Total	%	Average
<b>PROGRAMME SCALE AND MEMBERSHIP PROFILE</b>			
Current members	4,121		21
Men	2,213	53.7%	
Women	1,908	46.3%	
Attendance rate		86.4%	
Dropout rate		2.2%	
Membership growth rate		16.6%	
<b>Assets</b>	<b>TZS 586,066,661</b>	<b>100.0%</b>	<b>TZS 3,084,561</b>
Loan fund in cash box	147,465,015	25.2%	776,132
Bank balance	50,201,900	8.6%	264,221
Value of loans outstanding	347,732,796	59.3%	1,830,173
Property now	120,000	0.0%	632
Social fund balance	40,546,950	6.9%	213,405
<b>Liabilities</b>	<b>TZS 2,620,000</b>		<b>TZS 13,789</b>
External debts	2,620,000		13,789
<b>Equity</b>	<b>TZS 583,446,661</b>		<b>TZS 3,070,772</b>
Value of savings this cycle	476,139,100	81.6%	2,505,995
Social fund balance	40,546,950	6.9%	213,405
Property at start of cycle	0		0
Net profit	66,760,611	11.4%	351,372
<b>FINANCIAL PERFORMANCE</b>			
Financial benefits to members	TZS 66,760,611		TZS 351,372
Net profit	66,760,611		351,372
Dividends paid	0		0
<b>Service utilisation per member</b>			
Average annualised savings per member			TZS 270,968
Average outstanding loan size per member			TZS 169,543
<b>Key ratios (weighted)</b>			
Return on savings		14.0%	
Return on assets		11.4%	
Weighted loan fund utilisation rate		63.8%	
Loans outstanding as % of total assets		59.3%	
% of members with loans outstanding		49.8%	
<b>OPERATIONAL EFFICIENCY</b>			
Cost per member			TZS 135,096

**4.2 Result 2: Increased high-quality tree growing and private plantation forestry based on the principles of sustainability and inclusiveness developed in the programme area**

**4.2.1 Output 2.1: Village land-use plans prepared for each targeted village, ensuring selection of appropriate tree planting areas, respecting rights of vulnerable groups and including safeguards for biodiversity protection**

<p><b>Milestones for Q3 2017/18:</b></p> <p>3 new VLUPs prepared</p> <p>All new VLUPs have specific safeguards in place for vulnerable groups</p> <p>All new VLUPs have at least 1 ha per HH dedicated to food production i) now; and ii) in 10 years' time</p>	<p><b>Achievement:</b></p> <p>3 new VLUPs prepared</p> <p>Achieved</p> <p>Both i) and ii) achieved</p>
<p><b>Conclusion:</b></p> <p>On-track</p>	

As called for in the programme work plan, three new VLUPs were prepared while ensuring the adequate safeguards. These included the villages of Ipilimo (Mufindi District), and Ihela and Usungilo (Makete District). The total number of VLUPs facilitated by the programme reached 58.

The number of PFP-supported VLUPs approved by the National Land Use Planning Commission (NLUPC) and forwarded to the concerned ministry increased from 8 to 15. Cumulative progress under the PFP's VLUP intervention initiative was as presented in Table 7.

In cooperation with the NLUPC, the PFP developed an advanced draft for a VLUP practitioners' manual to accompany the new national guideline, Revised Guidelines for Participatory Village Land Use Planning, Administration and Management of 2018.

Drawing from the PFP's experience with VLUP preparation work, the manual presents practical means of implementing various improvements over current practices. These include considerably more emphasis on gender issues and social inclusion so that the disadvantaged are more involved throughout the entire process. The manual also presents a method developed by the PFP for utilising high-resolution satellite images in participatory mapping. The method improves both the participation of local communities in the planning process and the overall quality of the resulting VLUPs, including their maps.

At the end of the reporting period, the PFP and the NLUPC were organising a stakeholder seminar to be held in early April. The final draft of the manual will reflect the feedback received at the seminar.

**Table 7 PFP-supported VLUPs (as of 31 March 2018)**

District	Village Name	Date of finishing	Submitted to District	Submitted to NLUPC	Submitted to the Ministry for gazetting
Kilolo	Lyamko	28-Feb-17	1	1	-
Ludewa	Ibumi	10-Mar-17	1	1	-
	Kitewe	12-Nov-16	1	1	-
	Kiwe	12-Nov-16	1	1	-
	Ludende	18-Sep-16	1	1	-
	Madope	16-Jul-15	1	1	-
	Maholongwa	11-Nov-16	1	1	-
	Masimbwe	17-Jul-15	1	1	-
	Mavanga	15-Dec-14	1	1	1
	Mundindi	14-Sep-16	1	1	-
	Njelela	09-Nov-16	1	1	-
Utilili	15-Dec-14	1	1	1	
Madaba	Ifinga	11-Oct-16	1	1	-
	Lilondo	28-Nov-16	1	1	-
	Maweso	12-Dec-16	1	1	-
	Mkongotema	12-Oct-16	1	1	-
Makete	Wino	12-Oct-16	1	1	-
	Ibaga	14-Oct-17	1	-	-
	Igumbilo	29-Sep-16	1	1	-
	Ihanga	13-Oct-16	1	1	1
	Ihela	13-Feb-18	1	-	-
	Ikete	15-Dec-14	1	1	1
	Iindiwe	19-Oct-17	1	-	-
	Kijyombo	01-Sep-16	1	1	1
	Lupila	04-Sep-16	1	1	1
	Mago	26-Oct-17	1	-	-
	Makangarawe	24-Jul-15	1	1	1
	Malembuli	26-Oct-17	1	-	-
	Masisiwe	10-Nov-16	1	1	-
	Ngoje	10-Mar-16	1	1	-
	Ng'onde	04-Nov-16	1	1	-
	Nhungu	08-Dec-15	1	1	-
	Ukange	09-Oct-16	1	1	1
	Ukwama	24-Jul-15	1	1	1
	Usagatikwa	15-Dec-14	1	1	1
	Usungilo	13-Feb-18	1	-	-
Utweve	16-Oct-16	1	1	1	
Mbinga TC	Lipilipili	02-Jun-17	1	-	-
	Ukimo	02-Jun-17	1	-	-
Mufindi	Ipilimo	15-Mar-18	-	-	-
	Kiyowela	09-Apr-16	1	1	-
	Lugema	12-May-16	1	1	-
	Lugolofu	28-May-16	1	1	-
Njombe DC	Ikang'asi	15-Dec-14	1	1	1
	Itambo	15-Dec-14	1	1	1
Njombe TC	Iboya	23-Dec-14	1	-	-
	Kifanya	23-Dec-14	1	1	-
	Lilombwi	09-Nov-16	1	1	-
	Liwengi	09-Nov-16	1	1	-
	Mamongolo	26-Jun-16	1	1	-
	Mgala	15-Dec-14	1	1	1
	Ngalanga	15-Dec-14	1	1	1
	Ng'elamo	23-Dec-14	1	1	-
Nyasa	Lipingo	03-Dec-16	1	1	-
	Liuli	24-Nov-16	1	1	-
	Mango	01-Dec-16	1	1	-
	Mkali A	24-Nov-16	1	1	-
	Nkalachi	24-Nov-16	1	1	-
Totals (N=58)			57	48	15

#### 4.2.2 Output 2.2: Inclusive and well-governed TGAs established and strengthened to provide for the sustainable management of tree plantations

<b>Milestones for Q3 2017/18:</b> 85% of the PFP-supported TGAs registered in the programme area	<b>Achievement:</b> 93% achieved
<b>Conclusion:</b> On-track	

##### ***Vertical integration of TGAs with business-node SMEs***

Work on the Makete industrial node picked up as the newly commissioned horizontal band sawmill was connected to a supply of electricity and made operational.

The node was intended to demonstrate a sustainable business model with local tree growers, organised into TGAs, supplying vertically integrated permanent local sawmills.

A management-level assessment of the resources of woodlots that could be used to supply the sawmill, which is managed by the local SME group in Makete District, was conducted. The TGAs included in this exercise were Ihanga, Ihela, Makangalawe, Masisiwe, Utweve, Usagatikwa, and both the Upendo and Songambe groups in Ukwama. A total of 721 woodlots comprising a total area of 288 ha were assessed. Most owners needed training to improve their woodlot management and profitability.

The plantation owners also needed an optimisation strategy to increase production of merchantable wood, maximise their return on investment and gain a competitive advantage in the current market.

Data on the available wood resources, ages, and stand densities of the nine TGAs assessed revealed that 20% of the woodlots were young stands, 13% could be considered for access pruning, 8% needed to be thinned before pruning was done, and 25% needed a second thinning. Another 20% of the total woodlots needed to be assessed to see if they can be harvested. 14% were ready for clear-felling and only needed to have their terrain characteristics and accessibility assessed.

##### ***TTGAU business plan***

The TTGAU started to develop a business plan with PFP support. The TTGAU collected information to feed into its wood trade business plan. Information on timber trade value chain was collected from both the demand and the supply sides of the value chain.

##### ***TTGAU meetings and constitution***

The TTGAU conducted a quarterly board meeting and an annual general meeting during which a new TTGAU constitution was reviewed and approved. The new constitution extends TTGAU's area of coverage from seven districts to all of mainland Tanzania although it will concentrate its operations in the Southern Highlands for the time being.

The new constitution requires that one-third of TTGAU board members are women (currently just one-quarter are). The new constitution also recommends that a minimum of one-third of individual TGAs' board members are women, and the TTGAU intends to act on this when it supports the renewal of TGA constitutions later this year.

The meeting also approved proposals for the TTGAU to pursue economic activities in line with the business plan under preparation. These included wood trading, retailing TGA inputs such as tools and herbicides, and seedling production.

The annual general meeting also approved initial membership fees of TZS 15,000 (EUR 5) and annual subscription fees of TZS 60,000 (EUR 22).

### ***TTGAU partnership with WeEffect***

The partnership between the TTGAU and the Finnish Agri-Agency for Food and Forest Development produced a concept note proposing collaboration with We Effect, a Swedish organisation. The TTGAU signed a five-year partnership agreement with We Effect. We Effect will provide the TTGAU with financial and technical support to the tune of 2,500,000 SEK (approx. EUR 235,000) exclusive of big capital investments such as those in machinery and vehicles, the need for which is to be identified as the agreement progresses.

To start with, this support will focus on the districts of Njombe and Ludewa. The main target is improving tree growers' income at harvest by: a) promoting the adoption of good silvicultural practices to improve the productivity and quality of woodlots; b) promoting the use of improved processing machines and marketing of growers' wood; c) promoting the engagement of women, youth, and other vulnerable groups in tree planting; and d) strengthening the institutional capacity of the TTGAU and TGAs.

### ***Potential TTGAU link with DGD Agricord***

The TTGAU prepared and submitted a proposal for support from DGD Agricord. If successful, this support will be for two years and provide around EUR 100,000 each year. This support is intended for strengthening institutional capacity of both TTGAU and its individual member TGAs and support development of best model for marketing of smallholders' woods. Decision on the proposal is expected to be known in May 2018.

### ***TTGAU support for the UWAMIMA***

The TTGAU helped its member TGA "UWAMIMA" write a proposal to the Finnish Agri-Agency for Food and Forest Development asking for support to operate the established timber market centre as a separate business entity within the TGA. The TTGAU also assisted UWAMIMA to engage with several public and private stakeholders in promoting the timber market centre. This timber marketing centre is unique: no other such centre in is owned by tree growers instead of timber trader or is located at the source of the products rather than in a town. It is expected that the centre will provide all required services at one place, thereby reducing traders' costs.

### ***TGA facilitators***

With the PFP's support, the TTGAU formalised contractual arrangements with 53 TGA-based facilitators that it manages.

### ***TTGAU participation in TGIS cash scheme***

The TTGAU facilitated paying PFP TGIS cash incentive support to the owners of the 473 woodlots comprising a total of 471 ha that qualified for the 2016/17 TGIS cash incentive. Beneficiaries were thereby motivated to do better in the coming season, and it was expected that more woodlots and areas will qualify for the 2017/18 TGIS cash incentive.

### ***Status of TGAs by the end of the reporting period***

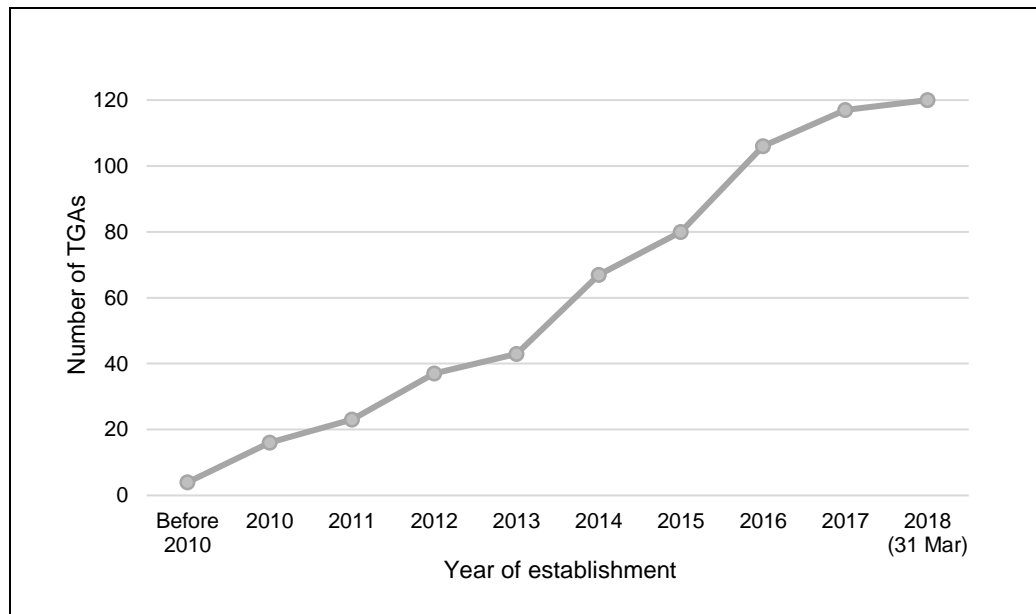
At the end of the reporting period, the summary statistics of the TGAs were as shown in Table 8. Figure 1 shows the cumulative number of TGAs established.



**Table 8 Summary of statistics on TGAs in the Southern Highlands as per the PFP database (31 March 2018)**

Number of TGAs in the database		138
Member households		
Category	No. of households	Percentage
Female representation	3,074	32%
Male representation	6,475	66%
Institutions	150	2%
Total	9,699	100%
Board representation		
Position	Females	Males
Chairperson	7%	93%
Secretary	35%	65%
Treasurer	53%	47%
Registration status		
Status	Number	Percentage
Registered	103	75%
Not registered	35	25%
Bank account status		
Status	No. of TGAs	Percentage
Having a bank account	90	65%
Not having a bank account	48	35%
Existing plantation area according to the reporting of TGAs		
Total planted area	16,472 ha	
Membership fees		
Status	No. of TGAs	Percentage
Annual membership fees applied	77	56%
No annual membership fees applied	61	44%

**Figure 1 Cumulative number of TGAs established in the Southern Highlands during 2010–2018 as per the PFP database (31 March 2018)**



*Note: Another 18 TGAs are not shown because their year of establishment is unknown.*

#### 4.2.3 Output 2.3: High-quality tree growing advanced through PFP support

<p><b>Milestones for Q3 2017/18:</b></p> <p>4,200 ha of new TGIS plantations established</p> <p>800 ha of new OSP plantations established</p>	<p><b>Achievement:</b></p> <p>About 3,090 ha established</p> <p>Over 3,000 TGIS beneficiaries in 49 individual TGAs reached</p> <p>About 900 ha established</p> <p>Over 600 OSP beneficiaries reached</p>
<p><b>Conclusion:</b></p> <p>TGIS planting was lower than intended but OSP planting targets were reached.</p>	

##### ***Plantation achievements***

By the end of the reporting period, seedling deliveries under the supported tree planting schemes had largely been completed.

TGIS beneficiaries numbered over 3,000 people, and an additional 600 people received support through the OSPs. Final data with gender disaggregation will be available in the next report.

Based on the figures for seedling delivery and estimated average seedling consumption of 1,200 seedlings per hectare, the PFP estimates it facilitated the planting of about 3,090 ha under TGIS by the end of the reporting period and aimed to achieve about 3,150 ha by the end of the planting season (Table 9 and Table 10). An additional 908 ha of new plantations were reported as having been established under the two PFP-assisted OSPs facilitated by the KVTC and the NFC. Lugarawa Hydro Power Programme was supported with 67,800 seedlings, mostly for replanting those woodlots established last year that were burned during the dry season.

New woodlots were still being measured at the time of reporting and the verified figures will be presented in the annual report. The PFP estimates that it facilitated planting of 12,000 ha of measurable plantations in phase 1. Additional areas were also facilitated by provision of seedlings, but these may not be accessible for survey.

The estimate for TGIS planting this season falls about 1,000 ha short of the annual target for two major reasons. First, many of the contracted nurseries supplied fewer seedlings than they were contracted to because they failed to raise enough (Table 10 and Table 11), uptake of the TGIS in the supported villages was considerably lower than early estimates anticipated. Additional areas had to be brought in during the planting season to mitigate the imminent supply-demand gaps in the number of seedlings, gaps that were significant in some local areas. For this reason, the number of villages increased from 39 last year to 47 this year, but the area planted decreased. Difficulties in predicting local demand accurately resulted in the programme having to transfer seedlings from areas with surpluses to areas with deficits.

By the end of the reporting period about 130,000 seedlings remained in the nurseries. Of them, 80,000 *Pinus caribaea* were required and 50,000 exceeded demand (Table 11).

It was reported that a significant reason for the decline in seedling demand was greater emphasis on compliance which the TGIS, itself a result of programme learning. Experiences from the previous planting season were put to use by streamlining the TGIS for 2017/18 and strengthening the seedling provision monitoring and evaluation procedures down to the TGA level. While more stringent monitoring provided the PFP with greater control over and transparency, it discouraged less committed tree planters.

**Table 9 Delivery of seedlings by species and support scheme during season 2017/18 (as of 31 March 2018)**

Scheme type	Planting scheme	Estimated area (ha)*	Seedlings delivered	
Schemes using PFP-provided seedlings	TGIS planting	3,087	Scheme subtotal	3,704,000
			<i>E. grandis</i>	65,300
			<i>E. urograndis</i>	827,800
			<i>P. caribaea</i>	295,900
			<i>P. maximinoi</i>	922,900
			<i>P. patula</i>	702,800
			<i>P. tecunumanii</i>	610,500
	Lugarawa Hydro Power scheme	57	Scheme subtotal	67,800
		<i>P. tecunumanii</i>	67,800	
Schemes using own seedling sources	KVTC-OSP	251	Scheme subtotal	301,200
			<i>T. grandis</i>	301,200
	NFC-OSP	657	Scheme subtotal	789,000
			<i>E. grandis</i>	100,000
		<i>P. patula</i>	689,000	
Grand total		4,052		4,862,000

\* Based on the assumption that on average 1,200 seedlings are needed per hectare achieved.

**Table 10 Contracted and realised seedling supply by nursery and species under the schemes using PFP-provided seedlings**

Nursery	Species	No. of seedlings contracted	No. of seedlings raised	% achieved
GRL	Nursery subtotal	1,900,000	1,842,014	97%
	<i>E. urograndis</i>	600,000	543,704	91%
	<i>P. maximinoi</i>	300,000	300,076	100%
	<i>P. patula</i>	700,000	702,862	100%
	<i>P. tecunumanii</i>	300,000	295,372	98%
Lugarawa	Nursery subtotal	480,000	496,680	103%
	<i>P. maximinoi</i>	240,000	231,960	97%
	<i>P. tecunumanii</i>	240,000	264,720	110%
TTSA-Mbinga	Nursery subtotal	700,000	512,445	73%
	<i>E. urograndis</i>	200,000	166,347	83%
	<i>P. caribaea</i>	250,000	131,614	53%
	<i>P. maximinoi</i>	250,000	96,304	39%
TTSA-Wino	Nursery subtotal	700,000	683,049	98%
	<i>E. grandis</i>	-	65,283	n/a
	<i>E. urograndis</i>	200,000	117,766	59%
	<i>P. caribaea</i>	250,000	270,196	108%
	<i>P. maximinoi</i>	250,000	229,804	92%
TTSA-Nyasa	Nursery subtotal	800,000	278,756	35%
	<i>T. grandis</i>	800,000	278,756	35%
PFP Mafinga*	Sub-total	200,000	87,586	44%
	<i>P. maximinoi</i>	100,000	87,586	88%
	<i>P. tecunumanii</i>	100,000	-	n/a
Grand total		4,780,000	3,900,530	82%

\* The supply of the Mafinga nursery was not based on contract but on the estimated number of seedlings available for TGIS after activities related to nursery trials and seed orchards had been carried out.

**Table 11** Number of seedlings contracted, raised, and delivered to beneficiaries, under the schemes using PFP-provided seedlings

Species group	Total no. of seedlings contracted	Total no. of seedlings raised by nurseries	Total no. of seedlings delivered to beneficiaries
Pine	3,080,000	2,728,674	2,599,935
Eucalyptus	1,000,000	893,100	893,100
Teak	800,000	278,756	278,756
Total	4,880,000	3,900,530	3,771,791

***Teak planting under TGIS***

The PFP supported teak planting directly for the first time during the 2017/18 season (Figure 2). The concept was to establish a forested buffer between the agriculture on the lakeshore plains and the erosion-prone slopes of the Livingstone in Nyasa District. The teak was to provide new livelihood opportunities for communities that have been traditionally dependent of fishing and subsistence agriculture.

An estimated 230 ha of teak woodlots were established through this intervention in cooperation with the regional and the district government.

***Afforestation of district forest reserves***

Another new approach was supporting TGAs to gain access to planting land in degraded forest reserves through negotiation of 33-year lease arrangements. Two such reserves in Mbinga District and one reserve in Nyasa District were afforested in this way, totalling about 800 ha of new smallholder plantations. All three forest reserves had been identified and presented to investors in the November 2016 forestry conference. These current arrangements brought much-needed investment into rehabilitating denuded hill forest reserves that were also important water catchments.

**Figure 2** Teak nursery supplying seedlings for the PFP TGIS in Nyasa District



#### 4.3 Result 3: Profitability and sustainability of SMEs within the forestry value chain improved

Much effort was concentrated on planning for and delivering Tanzania's first Forestry and Wood Industries trade fair at the FWITC.

The fair was organised for companies, trade associations, organisations, and individuals involved in forestry, wood industries and retailing wood products so they could display their latest products and services, meet with industry partners and customers, and seek new business opportunities.

The fair also aimed to make small and medium plantation tree growers and wood processors in the Southern Highlands more aware about the technology, products and services that can help them improve their businesses.

Fifty-seven exhibitors (Table 12) had stalls and more than 600 people attended. These included four Regional Commissioners (Iringa, Njombe, Ruvuma and Rukwa), representative of the MNRT, and various heads of stakeholder institutions and companies. Most visitors had an active interest in the sector because they had been carefully targeted by the PFP's advertising (Figure 3).

**Table 12 Trade fair exhibitors by category and representation**

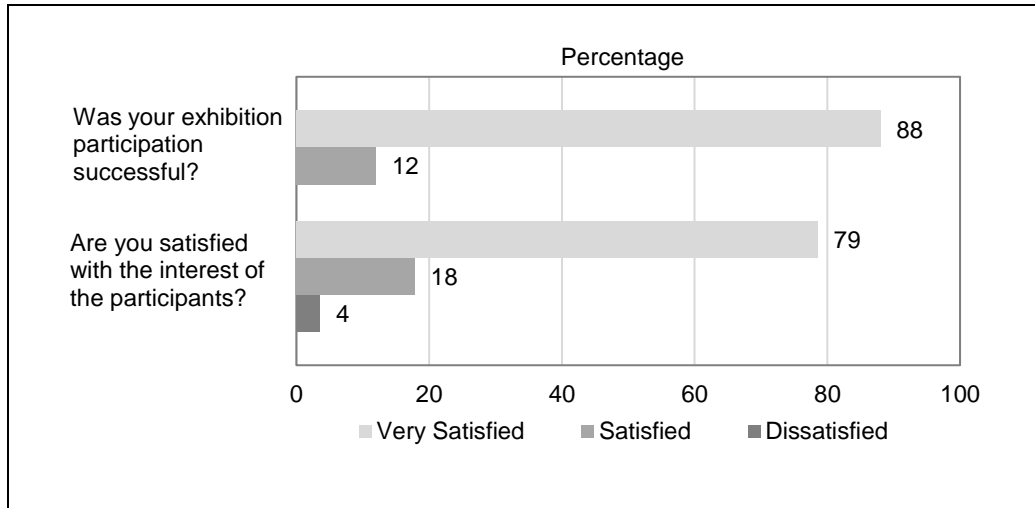
Category	Number of Exhibitors
Saw milling machinery	5
Seeds/Seedlings	5
Finances	4
Wood preservation / Treatment	2
Training institutions	4
Joinery / Furniture	7
Briquettes	4
Power supply	1
Tree growers & wood industry associations	7
Beekeeping	6
Forestry equipment and tractors	4
Construction	8
Total number of exhibitors	57

**Figure 3 Finnish Slidetec sawmill raising interest at the trade fair**



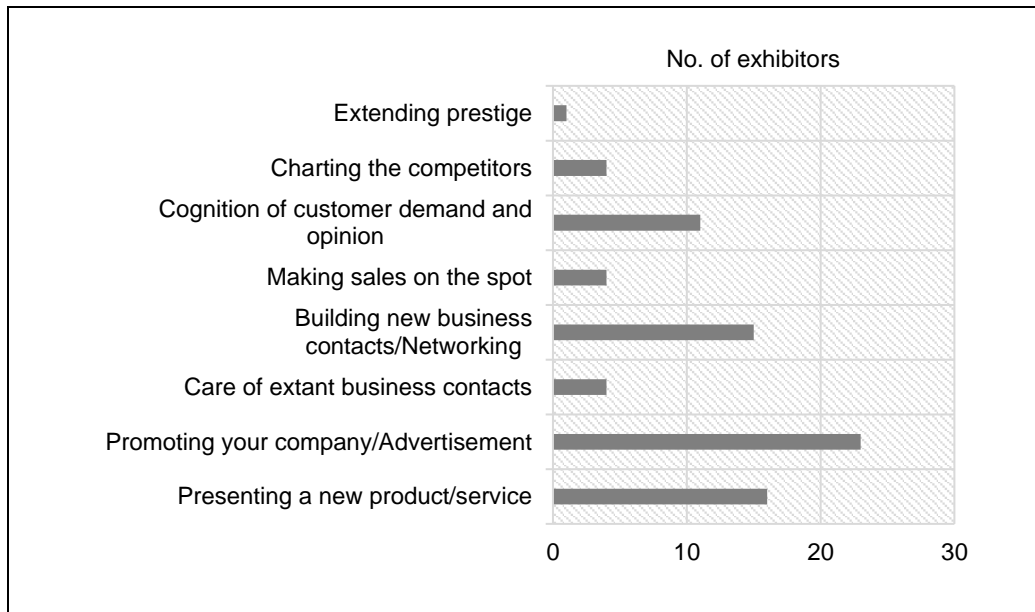
Exhibitors were surveyed after the trade fair. Most considered their participation successful and were satisfied with the level of interest of the visitors (Figure 4). They said, however, that it would have been better if government agencies involved in procurement and major building contractors had been invited, too.

**Figure 4 Results of trade fair exhibitor satisfaction survey**



Exhibitors expressed a range of reasons for participating. Building up the profile of their companies was the most commonly expressed reason for attending (Figure 5). Presenting new products and networking were the next most frequently mentioned reasons.

**Figure 5 Exhibitors' reasons for participating in the trade fair**



The original purpose of the trade fair was to increase the knowledge of small-scale sawmillers about better technologies available to them. Mobile sawmills were particularly popular, so popular, in fact, that each of the three manufacturers of such sawmills planned follow-up marketing activities of their own in the Southern Highlands. Two of the manufacturers were seeking local agents. The TTGAU and the Regional Forest Officer of Ruvuma planned to support road shows to demonstrate these mobile



sawmill technologies locally. The Chinese manufacturer of the multi-rip saw planned a follow-up visit to market its sawmills during July.

The PFP and the FWITC each had a booth at the trade fair. Both attracted visitors. The PFP stall got about 500 visitors interested mostly in tree growing and TGA activities. The most popular reports and hand-outs included the PFP calendar (which includes information about tree growing and training activities at the FWITC), TGA administration guidelines, the value chain analysis report, and the Southern Highlands plantation mapping report. The FWITC stall handed out over 300 copies of its prospectus to visitors and stakeholders. Its brochures were also in high demand.

Photos from the event are included as Figure 6, Figure 7 and Figure 8.

**Figure 6** Trade fair being opened by Hon. Amina J. Masenza, Regional Commissioner of Iringa, on 19 March, 2018



**Figure 7 Trade fair booths**



**Figure 8 Forestry tools on display**





#### 4.3.1 Output 3.1: Production efficiency, product quality and new financially viable products developed with SMEs

<b>Milestones for Q3 2017/18:</b>	<b>Achievement:</b>
An additional 3,000 m <sup>3</sup> annual capacity of sawn timber from quality production	2,780 m <sup>3</sup> of good-quality sawn timber produced by two Norwood sawmills and one RFX Chinese band saw purchased during the period.
50 technical demonstrations completed	Tree nursery technologies, five sawmilling technologies, two drying technologies and a range of charcoal technologies were demonstrated to 600 visitors at the trade fair 23 SMEs were given demonstrations of charcoaling technologies Cutting patterns for eucalyptus saw logs were demonstrated to 11 SMEs
500 sawmilling trainee-days delivered	45 trainee days delivered
Lake Nyasa boat design 75% complete	Prototype tested but discontinued
Biowaste energy 62.5% complete	Target achieved; testing was ongoing
Eucalyptus furniture 50% complete	Kiln-dried eucalyptus block board was prepared and used to make some furniture. Some quality issues have yet to be resolved.
Biowaste nursery substrate 100% complete	Coco peat was tested, and preparations were made to test combinations of pine bark, carbonised rice husks and coco peat.
Eucalyptus fencing 62.5% complete	Fencing was designed and will be installed around seed orchards for demonstration purposes.
Log skidding guide published	Not completed; still in the stage of literature reviews
<b>Conclusion:</b>	
Despite several deviations good overall progress was made.	

##### ***Sawmilling capacity***

Sawmilling capacity was increased, and the trade fair played a major role in improving SMEs' knowledge about better technologies.

Three people were trained in saw doctoring in South Africa for 15 days. They are based at the FWITC and able to provide training and sawmill servicing services to local SMEs. Saw specialists in South Africa offered the FWITC agency arrangements to retail their company's products.

##### ***Technical demonstrations***

Containerised tree nursery technologies, five sawmilling technologies, two drying technologies and a range of charcoal technologies were demonstrated to trade fair visitors.

Twenty-three SMEs were given demonstrations of charcoaling technologies.

Cutting patterns for eucalyptus saw logs were demonstrated to eleven SMEs.

##### ***Fishing vessel***

A prototype fishing vessel was built and tested but found to be unsatisfactory and discontinued until a qualified boat builder can be found.

### ***Charcoal from wood waste***

TGAs and SMEs were surveyed to assess opportunities for utilising the wood waste they produce. A typical small-scale sawmill produces about 4.5 tonnes of moist sawdust per month. This is typically burned to ash but could be converted into about two tonnes of charcoal briquettes with a retail value of EUR 180.

Several surveyed TGAs and SMEs had seen briquettes but didn't know how they were made or what was needed for a briquette production line. They were worried about the market and did not know if the briquettes were anything like the local charcoal they were used to. Some had started making uncarbonised briquettes, which do not work as household briquettes unless used in special stoves whose production is a challenge. One women's group wanted specialist training to be able to make briquetting a business and be able to train other members to help establish briquette and charcoal production.

The majority of those surveyed wanted to add value in any way possible to increase their incomes.

Advice was given to those who still needed time to find funds for the machinery and technology needed to produce briquettes: for the time being they could add value by drying, carbonising, and selling the resultant char to briquette-making factories instead of burning their waste.

The PFP fabricated a semi-transportable metal kiln and imported both a batch mixer and a roller press capable of producing pillow briquettes. Sample briquettes and charcoal were made and tested for quality. They will be further tested for market acceptance.

To complete its production line, the FWITC needs a carboniser and a dryer. A simple rotary drum carboniser with a small blower, motor, gear box and a cooler was being designed at the time this report was written.

At the trade fair, some TGAs and SMEs were able to see and learn about some aspects of briquetting and to have their questions about quality, technology and market acceptance answered. Different manufacturers were able to meet and exchange views. Some visitors asked for the technical designs of the equipment so that they could fabricate their own equipment. The PFP plans to provide them with follow-up support.

The need to make simple briquette production lines was a pressing issue because sawmillers cannot stop burning their waste until they find profitable alternatives.

The twenty VET students were trained to make charcoal and briquettes, a fact which shows how well the FWITC could help build the sustainable growth of charcoal and briquette production.

Discussions have been held with some of the new briquetting factories about how they can work together with sawmillers to profit from each other in the commercial utilisation of wood waste. These discussions were to continue.

### ***Wood tar products***

Wood tar products including soap and wood preservative were produced and demonstrated at the FWITC to encourage more diversity in the commercial use of wood waste.

### ***Furniture***

Kiln-dried eucalyptus block board was manufactured to demonstrate high value addition and open the possibility of manufacturing block board furniture. Some quality issues need to be solved before taking this activity further.

### ***Containerised nursery***

A containerised forest nursery was constructed to demonstrate and provide training in this business model. The costs of both containers and growing medium need to be

reduced to make this approach viable. Cheaper containers were sourced, and preparations were made to test alternative locally available growing mediums (such as pine bark, carbonised rice husks, and peat) during 2018.

#### 4.3.2 Output 3.2: Decent jobs within the value chain

<p><b>Milestones for Q3 2017/18:</b></p> <p>15 trainees trained through gender-targeted training</p> <p>10 PFP-supported SMEs reached by OHS training</p> <p>50 PFP-supported SME employees reached by the PFP OHS training</p>	<p><b>Achievement:</b></p> <p>No gender-targeted training arranged</p> <p>6 SMEs reached</p> <p>23 SME employees reached</p>
<p><b>Conclusion:</b></p> <p>Targets were not achieved.</p>	

This output will have to be prioritised during the remaining months of phase 1.

## **5. RISKS AND OPPORTUNITIES UPDATE**

### **5.1 Risks and opportunities**

The sustainability of both the FWITC and the TTGAU remain the major risks.

That said, the TTGAU has developed a business plan and started to obtain funding from additional sources, thereby reducing its dependency on the PFP.

Despite the MNRT making sincere efforts to secure the FWITC site and assign government staff, no tangible progress was achieved.

The teak planting under TGIS faced challenges due to initially limited technical capacity of the newly established TGAs, and land use conflicts with people from the neighbouring district reserving the planting area for their own activities without permission. The former was addressed through intensive extension provision and the latter mitigated by the district and regional authorities' active involvement in interacting with the people across the district boundaries. There remained, however, a need for follow-up, and support provision for the TGAs since commercial tree planting represents a new livelihood in the area.

## 6. RESOURCES AND BUDGET

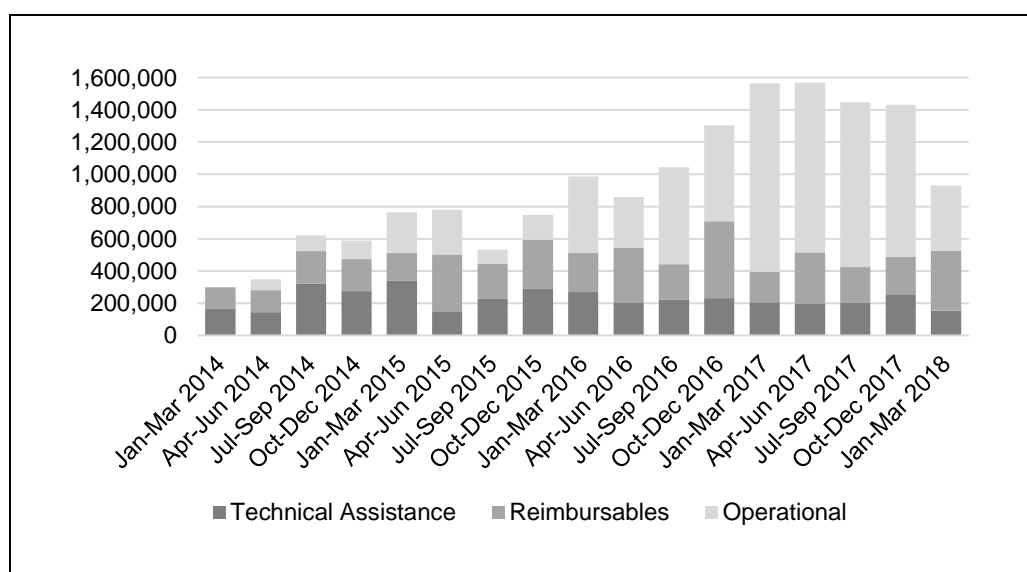
During the third quarter, the programme used 61% of the resources provided in the work plan (Table 13). Its operational expenditures were just 36% as significant payments related to seedling production and transportation were budgeted for the third quarter but will be realised only during the fourth quarter. Reimbursable expenditures, in contrast, were double the amount budgeted. This over-expenditure was in part due to booking of previously unallocated expenditure of the External Review and Evaluation Team mission, paid directly by the MFA (EUR 76,084).

At the end of the reporting period, the programme had used 82% of its financial resources provided for phase 1 (Table 14) and 85% of the extended five-year programme implementation period had been completed.

**Table 13 Budgeted and realised expenditure in Q3 1/1/2018–31/3/2018, and percentage of budget used (in EUR)**

	Budget in the work plan for Q3 1/1/2018–31/3/2018	Expenditure for Q3 1/1/2018–31/3/2018	% used
Operational budget	1,141,073	405,841	36%
Result area 1	293,600	121,299	41%
Result area 2	709,473	191,038	27%
Result area 3	138,000	93,503	68%
Reimbursable budget	180,823	370,396	205%
Staff	51,023	50,426	99%
Travel	4,000	12,159	304%
Housing	24,800	50,325	203%
Duty travel	31,000	50,215	162%
Office	38,700	126,371	327%
Vehicles	31,300	39,789	127%
Procurement	-	41,112	n/a
TA	194,310	154,607	80%
Internat'l long-term	101,700	35,793	35%
Internat'l short-term	-	41,160	n/a
Nat'l long-term	92,610	77,653	84%
Nat'l short-term	-	-	n/a
Grand total	1,516,206	930,843	61%

**Figure 9 Quarterly rate of expenditure by budget category and financial quarter, from 1 January, 2014, to 31 March, 2018 (EUR)**



**Table 14 Realised expenditure by financial year and percentage used of the first-phase budget, as of 31 March 2018 (in EUR)**

	Budget, Prog' Doc' phase 1	Expenditure 1/1/2014-30/6/2015	Expenditure 1/7/2015-30/6/2016	Expenditure 1/7/2016-30/6/2017	Expenditure 1/7/2017-31/03/2018	Total expenditure 1/1/2014-31/03/2018	Balance, phase 1 31/03/2018	% used of phase 1 budget 31/03/2018
Operational	10,400,566	738,637	1,033,235	3,420,297	2,372,121	7,564,290	2,836,276	73%
Result area 1	2,201,566	300,921	177,017	630,684	663,424	1,772,046	429,520	80%
Result area 2	7,195,000	437,717	790,815	2,472,685	1,394,331	5,095,548	2,099,452	71%
Result area 3	1,004,000	-	65,402	316,928	314,366	696,696	307,304	69%
Reimbursable	3,578,754	1,191,440	1,104,515	1,203,715	823,964	4,323,634	-744,880	121%
Staff	1,390,218	278,368	407,204	196,413	135,579	1,017,564	372,654	73%
Travel	293,915	88,496	41,951	43,024	45,820	219,291	74,624	75%
Housing	384,989	115,150	61,765	120,788	69,018	366,721	18,268	95%
Duty travel	324,954	110,647	144,452	142,030	124,304	521,433	-196,479	160%
Office	587,629	242,083	182,602	206,790	217,717	849,192	-261,563	145%
Vehicles	313,009	143,226	86,833	123,883	132,148	486,090	-173,081	155%
Procurement	284,040	213,470	179,708	370,787	99,377	863,342	-579,302	304%
TA	3,920,000	1,302,623	988,401	856,185	613,680	3,760,889	159,111	96%
Internat'l long-term	n/a	624,541	360,761	331,240	183,633	1,500,175	n/a	n/a
Internat'l short-term	n/a	73,173	189,140	66,216	141,553	470,082	n/a	n/a
Nat'l long-term	n/a	480,047	409,920	453,600	288,493	1,632,060	n/a	n/a
Nat'l short-term	n/a	124,862	28,580	5,129	-	158,571	n/a	n/a
Contingencies	1,250,680	n/a	n/a	n/a	n/a	n/a	1,250,680	n/a
TOTAL	19,150,000	3,232,701	3,126,150	5,480,197	3,809,765	15,648,813	3,501,187	82%

## Annex 1 Results-based progress monitoring

Results and outputs	Indicators as per Logical Framework	Baseline	Baseline for 2017/18	Quarterly milestones; FY 2017/18					Target end of June 2018	Target Phase 1	% of quarterly budget used
				Q1	Q2	Q3	Status after Q3	Q4			
<b>Result area 1: Enabling Environment</b>											
<b>Result 1:</b> Enabling environment exists for expansion of sustainably managed private plantation forestry	Degree of reduction of nine business barriers (access to finance; fire hazard; machinery, equipment and tools; availability of quality seeds; long-term nature of forestry; lack of availability of and access to market information; lack of technical expertise; inadequate infrastructure; and land tenure laws) as determined by a qualitative assessment	All nine barriers have a substantial adverse impact	The programme has addressed eight business barriers	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	The programme has addressed a total of eight business barriers (six during Q3)	<i>Quarterly milestones not applied</i>	The adverse impact of at least four barriers has declined from substantial to moderate or lower impact	The adverse impact of at least four barriers has declined from substantial to moderate or lower impact	41%
<b>Output 1.1:</b> Legislative and policy proposals based on barrier analysis address private forestry plantation and SME needs	Progress in the processing of legal/policy proposals	n/a	Work continued on eight business barriers and follow-up liaising investors & identifying opportunities	Study on key forest sector investment opportunities conducted	Conference held to promote forest sector investment opportunities amongst investors	Investment opportunity profiles and startegy promoted	Investment cluster analysis completed and stakeholder seminar held		Practical changes implemented to encourage private forestry investments	Proposals submitted to SC / SVB by the end of year 3	317%
					VLUP guidelines promoted by NLUPC		Work on guidelines continued		VLUP guidelines issued by NLUPC		
				Workshop to discuss roundwood classification system held		Roundwood classification system adopted	Work on log and sawn wood grading ongoing		Sao Hill harvesting options evaluated by TFS		
	Degree to which proposals address TGA and industry needs	n/a	n/a	<i>Quarterly milestones not applied</i>					Stakeholder study to assess the policy interventions designed	TGA and industry apex bodies rate developments as highly relevant and beneficial	
<b>Output 1.2:</b> Reliable market systems developed and structures / mechanisms improved for efficient and transparent business within the value chain	Access to and usability of reliable market information for key stakeholders (tree growers, TGAs, SMEs, main industries) within the value chain	No reliable market information available	MIS operational	25 wood sales enquiries sent through MIS	Additional 50 wood sales enquiries sent through MIS	Additional 50 wood sales enquiries sent through MIS	190 wood sales enquiries sent through MIS	Additional 75 wood sales enquiries sent through MIS	TGA Apex and SAFIA consider MIS relevant and useful	75% of stakeholders have access to reliable market information	n/a
				Quarterly market information SMS sent with regional wood prices	Quarterly market information SMS sent with regional wood prices	Quarterly market information SMS sent with regional wood prices	Market information not collected	Quarterly market information SMS sent with regional wood prices	4 quarterly market information SMS's sent with regional wood prices disaggregation		
	Share of sales in which the grading of round and processed wood is as a price criterion in domestic markets	0%	0%	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	Work on log and sawn wood grading ongoing	<i>Quarterly milestones not applied</i>	Round-wood classification and processed wood grading system in use	Round-wood classification and processed wood grading system endorsed	
	Volume of timber sales through PFP-supported TGAs	0		<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	No timber sales recorded	<i>Quarterly milestones not applied</i>	500 cu.m	Wood sales organized through TGAs	

Results and outputs	Indicators as per Logical Framework	Baseline	Baseline for 2017/18	Quarterly milestones; FY 2017/18					Target end of June 2018	Target Phase 1	% of quarterly budget used
				Q1	Q2	Q3	Status after Q3	Q4			
<b>Output 1.3:</b> Long-term private forestry sector funding mechanism advanced	Progress in processing a proposal for a comprehensive private forestry funding mechanism	n/a	Forestry financing report issued and access to finance improved through VSLA		Report on prospects on forest financing through carbon sequestration and other environmental services prepared		Not prioritised by SC		Report on prospects on forest financing through carbon sequestration and other environmental services prepared	Proposal submitted to SC / SVB by the end of year 3	n/a
	Relevance of the proposal for key beneficiaries (tree growers, industries), disaggregation by types of beneficiaries; gender disaggregation of tree growers	n/a		Targets have been achieved						Stakeholders consider the proposal highly relevant and feasible	
<b>Output 1.4:</b> Tree improvement programme developed in cooperation with key stakeholders	Established future capacity of high-quality seed production in Tanzania based on projected demand	n/a	43 ha of seed orchards maintained in good condition	Stakeholder agreements signed for each new TGA-based seed orchard	Seed orchard site preparations completed	105 ha of new high-quality seed orchards established	50 ha of new high-quality seed orchards established under TGAs		Practical arrangements made to safeguard value chain through improved availability of strategically important tree species seed	Capacity for 100% of projected demand established	21%
	Sufficiency of the area of priority species and provenances planted for genetic selection: a) <i>E. urograndis</i> , b) <i>P. maximinoi</i> , c) <i>P. tecunumanii</i>	0	Over 1,000 ha each of <i>E. urograndis</i> , <i>P. maximinoi</i> and <i>P. tecunumanii</i> planted	Targets have been achieved						1,000 ha each of <i>E. urograndis</i> , <i>P. maximinoi</i> and <i>P. tecunumanii</i> for plus tree selection	
<b>Output 1.5:</b> Effective extension mechanisms developed for TGA-based plantation forestry	Access to extension services measured by frequency of contacts and relevance of assistance received	n/a	EOs visit every assigned TGA monthly	Quarterly milestones not applied	Quarterly milestones not applied	Quarterly milestones not applied	On track	Quarterly milestones not applied	Most tree growers satisfied with provision of technical advice	Most tree growers satisfied with provision of technical advice	147%
	Number of TGA members given appropriate a) training and b) extension services by the PFP; figures disaggregated by gender	n/a	453 male and 255 female beneficiaries trained in 2016/17; Estimated 5,300 beneficiaries reached through extension in 2016/17	Quarterly milestones not applied	Quarterly milestones not applied	Quarterly milestones not applied	Extension provision 5,265 beneficiary person days	Quarterly milestones not applied	Extension and training services delivered in accordance with training plan (to be published)	All PFP-supported TGA members have access to PFP organized training and extension services.	
	Number of PFP-supported TGAs providing appropriate training and extension services to their members	0	40 TGAs have a PFP-trained facilitator	Quarterly milestones not applied	Quarterly milestones not applied	Quarterly milestones not applied	53 TGAs have a PFP-trained facilitator	Quarterly milestones not applied	At least 50 TGAs have an active PFP-trained facilitator	At least 35 TGAs have an active PFP-trained facilitator.	



Results and outputs	Indicators as per Logical Framework	Baseline	Baseline for 2017/18	Quarterly milestones; FY 2017/18				Status after Q3	Q4	Target end of June 2018	Target Phase 1	% of quarterly budget used
				Q1	Q2	Q3						
<b>Output 1.6:</b> Comprehensive strategy prepared for private forestry and wood technology education and training, and capacity of training providers improved in accordance with the strategy	Intake of trainees for a) vocational (VETA) and b) technical training (short courses) within the private forestry and wood processing value chains	a) 0 b) 0	a) 40 b) 507	b) 100	b) 100	b) 100	b) 422 achieved	b) 100	Totals: a) 40 students in training (20 FTI, 20 FITI) b) 400 course participants of which 100 women	Vocational training intake for long courses: 40 Technical training intake for short courses: 400	84%	
	Number of trainers in recognized training institutions capable in delivering forestry and wood processing VETA curricula.	0	31 people trained in conducting VETA level training	Targets have been achieved					4 teachers for formal VETA education and 4 teachers/trainers for VETA-based short course available.			
	<u>NEW:</u> National level forestry sector education strategy (FES) prepared	n/a	n/a	Target removed								
<b>Output 1.7:</b> Effective and open forestry information system (FIS) developed for private forestry value chain ensuring easy access to all relevant documentation	Number of registered users	n/a	FIS delivered within the mandate given to the programme	Targets have been achieved						Increasing number of registered users	n/a	
	Rates of hits, and downloads from registered users from different user categories	n/a								Increasing rates of hits, and downloads from registered users from different user categories		
	Rates of queries relating to FIS data from non-system users	n/a								Increasing rates of queries relating to FIS data from non-system users		
	<u>NEW:</u> Progress of Southern Highlands Forest Resource Assessment (SH-FRA)	n/a	Final report of the SH-FRA published	Targets have been achieved		Comprehensive statistics and maps of SH forest plantation resources						
<b>Output 1.8:</b> <u>NEW:</u> VSLAs applied to enable tree growers to wait for the optimal cutting times for trees and to facilitate SMEs investments to new technologies	<u>NEW:</u> Number of VSLA saving groups established	0	28 VICOBA groups established	21 new groups established	30 new groups established	50 new groups established	All 179 groups established	50 new groups established	A total of 179 groups established	Evaluation of the role of VSLA in relation to forest financing completed	3%	
	<u>NEW:</u> Total capitalisation of the groups	0	EUR 80,560	Quarterly milestones not applied	Quarterly milestones not applied	Quarterly milestones not applied	EUR 211,000	Quarterly milestones not applied	Total capitalisation of EUR 450,000			
	<u>NEW:</u> Total value of loans issued by the groups	0	EUR 34,500	Quarterly milestones not applied	Quarterly milestones not applied	Quarterly milestones not applied	EUR 125,000	Quarterly milestones not applied	Total value of lending EUR 300,000			
	<u>NEW:</u> Proportion of loans being repaid on schedule	n/a	n/a	Quarterly milestones not applied	Quarterly milestones not applied	Quarterly milestones not applied	No data	Quarterly milestones not applied	95%			

Results and outputs	Indicators as per Logical Framework	Baseline	Baseline for 2017/18	Quarterly milestones; FY 2017/18				Status after Q3	Q4	Target end of June 2018	Target Phase 1	% of quarterly budget used
				Q1	Q2	Q3						
<b>Result area 2: Plantation Forestry Development</b>												
<b>Result 2:</b> Increased high-quality tree growing and private plantation forestry developed in the Programme area, based on sustainable and inclusive principles	New PFP-supported pine plantations survival and height of the trees	1. year = 0.90 m 2. year = 1.85 m 3. year = 2.71 m Survival 83%	1. year = 0.51 m 2. year = 1.61 m 3. year = n/a Survival 79%				No updated data		1. year = 1 m 2. year = 2 m 3. year = 3 m Improved survival	1. year = 1 m 2. year = 2 m 3. year = 3 m Improved survival	27%	
	Number of PFP-supported tree growers and respective plantation areas; figures disaggregated by type of support, type of beneficiary (individual, SME or organization) and land area; individuals disaggregated by gender	0	At least 5,000 tree growers supported by PFP support	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	Over 3,600 tree growers supported during season	<i>Quarterly milestones not applied</i>	Additional 3,000 tree growers supported by PFP support	At least 5,000 tree growers supported by PFP support		
	Number of PFP-supported tree-grower households disaggregated by land tenure ownership (family, husband, wife)	Husband: 30.7% Wife: 8.0% Family: 61.3 %	38% of the woodlots family-owned				No updated data		At least 65% family-owned	At least 65% family-owned		
<b>Output 2.1:</b> Village land-use plans prepared for each targeted village, ensuring selection of appropriate tree planting areas, respecting rights of vulnerable groups and including safeguards for biodiversity protection	Number of VLUPs prepared with PFP support	0	A total of 49 VLUPs prepared with PFP support	3 new VLUPs prepared	3 new VLUPs prepared	3 new VLUPs prepared	3 new VLUPs prepared	3 new VLUPs prepared	Additional 12 VLUPs prepared through programme support	At least 60 new VLUPs prepared with PFP support for villages with TGAs.	30%	
	Percentage of PFP-supported VLUPs having specific safeguards for the protection of the rights of vulnerable groups	n/a	73%	All new VLUPs have specific safeguards in place for the vulnerable groups	All new VLUPs have specific safeguards in place for the vulnerable groups	All new VLUPs have specific safeguards in place for the vulnerable groups	Achieved	All new VLUPs have specific safeguards in place for the vulnerable groups	100%	Needs of vulnerable groups identified in all PFP-supported VLUPs and specific measures (e.g. land allocation) defined for ensuring the protection of the rights of vulnerable groups.		
	Average land area per household reserved for food production on agricultural land according to the PFP-supported VLUPs (hectares)	n/a	14.0 ha	All new VLUPs have at least 1 ha per HH dedicated to food production i) now; and ii) in 10 years time	All new VLUPs have at least 1 ha per HH dedicated to food production i) now; and ii) in 10 years time	All new VLUPs have at least 1 ha per HH dedicated to food production i) now; and ii) in 10 years time	Achieved	All new VLUPs have at least 1 ha per HH dedicated to food production i) now; and ii) in 10 years time	Every VLUP has at least 1 ha per HH dedicated to food production i) now; and ii) in 10 years time	At least 1 ha of agricultural land dedicated to food production per household		

			Quarterly milestones; FY 2017/18								
Results and outputs	Indicators as per Logical Framework	Baseline	Baseline for 2017/18	Q1	Q2	Q3	Status after Q3	Q4	Target end of June 2018	Target Phase 1	% of quarterly budget used
Output 2.1: (Cont.)	Percentage of total area covered by protection measures in PFP-supported VLUPs	n/a	13%	Checklist for improved protection measures drafted	Workshop held and validated report on PFP environmental safeguards prepared		Not prioritised by SC		Critical habitats and sensitive areas (watersheds, natural forests, edaphic grasslands) identified and protection measures defined.	Critical habitats and sensitive areas (watersheds, natural forests, edaphic grasslands) identified and protection measures defined.	
	Level of implementation of the VLUPs against plans using a general rating: a) VLUP not followed / b) VLUP moderately followed / c) VLUP strongly followed	a) 27% b) 18% c) 55%	a) 49% b) 35% c) 16%	Quarterly milestone setting not cost-efficient	Quarterly milestone setting not cost-efficient	Quarterly milestone setting not cost-efficient	No updated data	Quarterly milestone setting not cost-efficient	At least 80% of PFP VLUPs strongly followed; no violations of social or environmental safeguards	At least 80% of PFP VLUPs strongly followed; no violations of social or environmental safeguards	
Output 2.2: Inclusive and well governed TGAs established / strengthened for sustainable management of tree plantations	NEW: Share of PFP-supported TGAs registered in the programme area	49%	100%	75%		85%	93%		100%	100%	12%
	Share of supported TGAs fulfilling the criteria set for governance and plantation management	n/a	n/a		50 biannual TGA reports received		No biannual reports received	50 biannual TGA reports received	90%	100%	
	Percentage of women in TGA management bodies	32%	24%	Quarterly milestones not applied	Quarterly milestones not applied	Quarterly milestones not applied	32%	Quarterly milestones not applied	At least 30% women	At least 40% women	
	Percentage of TGA members paying membership fees	86%	57%	Quarterly milestones not applied	Quarterly milestones not applied	Quarterly milestones not applied	No updated data	Quarterly milestones not applied	95% of TGA members pay membership fees in accordance with TGA bylaws	95%	
Output 2.3: High-quality tree growing advanced through PFP support (extension, training, input support)	Area of new PFP-supported plantations	0	10,000 ha			a) 4,200 ha TGIS b) 800 ha OSP	a) 3,200 ha TGIS b) 900 ha OSP		A total of 5,000 ha established during the season	A total of 15,000 ha	31%
	Area of PFP-supported plantations that fulfil PFP's quality criteria for plantation management; figures disaggregated by TGIS-supported and other plantations	n/a	60% of the woodlots have survival percentage of at least 80%		At least 80% of the plantations established in 2016/17 fulfil the criteria after dry season		No updated data		At least 85% of all TGIS-supported plantations fulfil the criteria	At least 85% of TGIS-supported plantations fulfil the criteria	
Output 2.4: Income generating activities (IGAs)	Output is inactive; Refer to Output 1.8										n/a

				Quarterly milestones; FY 2017/18							
Results and outputs	Indicators as per Logical Framework	Baseline	Baseline for 2017/18	Q1	Q2	Q3	Status after Q3	Q4	Target end of June 2018	Target Phase 1	% of quarterly budget used
<b>Result area 3: SME Development and Product Innovation</b>											
<b>Result 3:</b> Profitability and sustainability of SMEs within the forestry value chain improved	Increase of profitability in the supported SMEs; scale: negative impact / no impact / improved profitability	no impact	Improved profitability	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	Improved profitability	<i>Quarterly milestones not applied</i>	60% of PFP supported SMEs with new technology showing improved profitability	All supported SMEs claim improved profitability	68%
	Percentage of supported SMEs showing improvement in health, safety and environment issues.	0	Data not available				No data		35% of PFP supported SMEs showing improved HSE issues	50% of SMEs showing improvement in HSE issues	
	<u>NEW</u> : Price premium increase on sawn timber produced by improved technology SME stakeholders	0	Data not available				No data		Market based results showing 10% price premium over old technology sawmill production	Market based results showing 12% price premium over old technology sawmill production	
<b>Output 3.1:</b> Production efficiency, product quality and new financially viable products developed with SMEs	<u>NEW</u> : Number of PFP-supported SMEs adopting improved technology that leads to improved product quality	n/a	8 SMEs adopted improved technology	Additional 3,000 m3 annual capacity of sawn timber from quality production	Additional 3,000 m3 annual capacity of sawn timber from quality production	Additional 3,000 m3 annual capacity of sawn timber from quality production	2,780 m3 from new technology purchased by supported SMEs during the period	Additional 3,000 m3 annual capacity of sawn timber from quality production	10 SMEs adopted improved technology	5 SMEs adopted improved technology	72%
				50 technical demos completed	50 technical demos completed	50 technical demos completed	Achieved	50 technical demos completed			
	Percentage of recovery rate in saw mills supported by the PFP	27%	52% achieved with sawmills transitioned to new technology	<i>Quarterly milestone setting not cost-efficient</i>	<i>Quarterly milestone setting not cost-efficient</i>	<i>Quarterly milestone setting not cost-efficient</i>	On track	<i>Quarterly milestone setting not cost-efficient</i>	42%	Recovery rate increased by 5% of units in PFP-supported saw mills	
	Percentage of timber produced meeting timber grading criteria	0%	Proposal for machine stress grading submitted to SC and not approved	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	<i>Quarterly milestones not applied</i>	Work on timber grading ongoing	<i>Quarterly milestones not applied</i>	No target for 2017/18	Timber grading system piloted	
<u>NEW</u> : Number of sawmilling trainee days	n/a	63	250	250	500	45 trainee days delivered	500	1,500	Total: 2,250		

Results and outputs	Indicators as per Logical Framework	Baseline	Baseline for 2017/18	Quarterly milestones; FY 2017/18					Target end of June 2018	Target Phase 1	% of quarterly budget used
				Q1	Q2	Q3	Status after Q3	Q4			
<b>Output 3.1:</b> (Cont.)	<u>NEW:</u> Progress percentage in new product development measured against: 1) Product design, 2) Product development, 3) Production testing, 4) Product production and sales	0%	0%	Lake Nyasa new boat design: 25%	Lake Nyasa new boat design: 25%	Lake Nyasa new boat design: 25%	Prototype tested but discontinued	Lake Nyasa new boat design: 25%	100%	All product development processes completed 100%	
				Biowaste energy: 25%	Biowaste energy: 25%	Biowaste energy: 12.5%	Achieved	Biowaste energy: 12.5%	75%		
				Eucalyptus furniture: 12.5%	Eucalyptus furniture: 12.5%	Eucalyptus furniture: 25%	Progressed but delayed	Eucalyptus furniture: 25%	75%		
				Biowaste nursery substrate: 50%	Biowaste nursery substrate: 25%	Biowaste nursery substrate: 25%	One substrate tested and others being prepared for testing		100%		
				Eucalyptus fencing: 25%	Eucalyptus fencing: 25%	Eucalyptus fencing: 12.5%	Design completed and development ongoing	Eucalyptus fencing: 12.5%	75%		
	<u>NEW:</u> Number of new processing & production guides published	n/a	0	SME development guide published	Thinnings and sawing guide published	Log skidding guide published	In the stage of literature reviews	Boat building guide published	4 new guides published	A total of 6 new processing & production guides published	
<b>Output 3.2:</b> Decent jobs within the value chain	Number of accidents reported by PFP-supported SMEs.	n/a	n/a	Not measurable						50% of the PFP-supported SME report decreased accident rates	0%
	Average pay of workers per day.	TZS 5,400	TZS 7,160	Quarterly milestone setting not cost-efficient	Quarterly milestone setting not cost-efficient	Quarterly milestone setting not cost-efficient	No updated data	Quarterly milestone setting not cost-efficient	TZS 6,750	Average salary increased to TZS 7,000	
	Share of PFP-supported SMEs employing women.	29%	60%	Quarterly milestones not applied	Quarterly milestones not applied	Quarterly milestones not applied	No updated data	Quarterly milestones not applied	65%	75% of the PFP-supported SMEs employ women	
	<u>NEW:</u> Number of trainees trained through gender targeted training	n/a	No gender-targeted training	15	15	15	No gender-targeted training	15	Total: 60	Total: 70	
	<u>NEW:</u> Number of disabled persons trained in technical short courses	n/a	No disabled persons trained		30		No disabled persons trained	30	Total: 60	Total: 70	
	<u>NEW:</u> Total number of PFP-supported a) SMEs; and b) SME employees reached by the PFP OHS training	n/a	a) 0 b) 0	a) 10 b) 50	a) 10 b) 50	a) 10 b) 50	a) 6 b) 23	a) 10 b) 50	a) 40 in total b) 200 in total	a) 60 in total b) 300 in total	





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