



Restoring the degraded watershed and livelihoods of Lakhandei river basin through Sustainable Land Management

Part I: Project Information

GEF ID

10469

Project Type

MSP

Type of Trust Fund

GET

CBIT/NGI

☐ CBIT

☐ NGI

Project Title

Restoring the degraded watershed and livelihoods of Lakhandei river basin through Sustainable Land Management

Countries

Nepal

Agency(ies)

IUCN

Other Executing Partner(s)

Ministry of Forests and Environment Nepal

Executing Partner Type

Government

GEF Focal Area

Land Degradation

Taxonomy

Climate Change Mitigation, Climate Change, Focal Areas, Agriculture, Forestry, and Other Land Use, Innovation, Climate Change Adaptation, Least Developed Countries, Climate resilience, Livelihoods, Ecosystem-based Adaptation, Land Degradation Neutrality, Land Degradation, Land Cover and Land cover change, Carbon stocks above or below ground, Land Productivity, Integrated and Cross-sectoral approach, Sustainable Land Management, Income Generating Activities, Community-Based Natural Resource Management, Sustainable Agriculture, Restoration and Rehabilitation of Degraded Lands, Sustainable Livelihoods, Improved Soil and Water Management Techniques, Sustainable Forest, Sustainable Fire Management, Food Security, Influencing models, Transform policy and regulatory environments, Demonstrate innovative approach, Deploy innovative financial instruments, Convene multi-stakeholder alliances, Strengthen institutional capacity and decision-making, Stakeholders, Type of Engagement, Participation, Information Dissemination, Consultation, Partnership, Private Sector, Individuals/Entrepreneurs, Financial intermediaries and market facilitators, SMEs, Beneficiaries, Local Communities, Civil Society, Community Based Organization, Non-Governmental Organization, Academia, Indigenous Peoples, Communications, Public Campaigns, Behavior change, Education, Awareness Raising, Gender Equality, Gender Mainstreaming, Sex-disaggregated indicators, Women groups, Gender-sensitive indicators, Gender results areas, Participation and leadership, Access to benefits and services, Capacity Development, Knowledge Generation and Exchange, Access and control over natural resources, Capacity, Knowledge and Research, Enabling Activities, Learning, Adaptive management, Indicators to measure change, Theory of change, Knowledge Exchange, Field Visit, Targeted Research, Knowledge Generation, Training, Workshop

Rio Markers**Climate Change Mitigation**

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 1

Submission Date

12/18/2019

Expected Implementation Start

7/1/2021

Expected Completion Date

6/30/2025

Duration

48In Months

Agency Fee(\$)

139,995.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
LD-1-3	Create enabling environments to support scaling up and mainstreaming of SLM and LDN	GET	777,413.00	3,498,359.00
LD-2-5	Create enabling environments to support scaling up and mainstreaming of SLM and LDN	GET	777,413.00	3,498,358.00
Total Project Cost(\$)			1,554,826.00	6,996,717.00

B. Project description summary

Project Objective

To achieve LDN in dryland landscapes creating enabling environment to support scaling up and mainstreaming SLM and LDN

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1. Adaptive Land Governance	Technical Assistance	1 Improved land and landscape governance and empowered river basin management institutions	1.1 Systems for monitoring land degradation within the watershed established 1.2 Community participation in watershed management increased 1.3 Strengthened policies to supporting sustainable watershed management	GET	140,066.00	602,335.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
2. Scaling up best practices of SLM	Technical Assistance	2.Sustainable land management options for degraded watershed restoration scaled-up	<p>2.1 Best practices in sustainable land management and watershed restoration assessed</p> <p>2.2 Validated SLM practices as watershed restoration options are demonstrated at selected sites</p> <p>2.3 Successfully demonstrated SLM practices as restoration options are rolled out at wider scale along the Lakhandei river basin</p>	GET	1,115,791.00	4,989,757.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
3. Investments in watershed restoration	Technical Assistance	3.Enhanced public and private sector investment in watershed restoration through SLM practices and associated value chain development	<p>3.1 Market based options for SLM product based value chain development assessed</p> <p>3.2 Communities are capacitated on SLM product based value chain development</p> <p>3.3 Market-based incentive mechanism for watershed restoration developed and established</p>	GET	119,313.00	536,909.00
4. Watershed restoration stewardship in rural societies	Technical Assistance	4. Rural communities revitalised for sustainably managing watersheds	<p>4.1 Economic, social and environmental benefits generated by SLM interventions assessed</p> <p>4.2 Youth motivated and engaged in key landscape restoration activities</p>	GET	38,565.00	173,543.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Sub Total (\$)					1,413,735.00	6,302,544.00
Project Management Cost (PMC)						
GET			141,091.00		694,173.00	
Sub Total(\$)			141,091.00		694,173.00	
Total Project Cost(\$)			1,554,826.00		6,996,717.00	

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Recipient Country Government	Ministry of Forests and Environment	In-kind	Recurrent expenditures	6,996,717.00
Total Co-Financing(\$)				6,996,717.00

Describe how any "Investment Mobilized" was identified

Not Applicable

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)
IUCN	GET	Nepal	Land Degradation	LD STAR Allocation	1,554,826	139,995
Total Grant Resources(\$)					1,554,826.00	139,995.00

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required

☐

PPG Amount (\$)

50,000

PPG Agency Fee (\$)

4,500

Agency	Trust Fund	Country	Focal Area	Programmin g of Funds	Amount(\$)	Fee(\$)
IUCN	GET	Nepal	Land Degradatio n	LD STAR Allocation	50,000	4,500
Total Project Costs(\$)					50,000.00	4,500.00

Core Indicators

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
8500.00	8500.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
7,000.00	7,000.00		

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
1,500.00	1,500.00		

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
4316.00	4316.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
4,316.00	4,316.00		

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
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Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted
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Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	31590	38245.16	0	0
Expected metric tons of CO ₂ e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)	31,590	38,245.16		
Expected metric tons of CO ₂ e (indirect)				

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Anticipated start year of accounting	2022	2022		
Duration of accounting	5	5		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO ₂ e (direct)				
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)
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Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	35,718	48,204		
Male	13,648	20,660		
Total	49,366	68,864	0	0

Part II. Project Justification

1a. Project Description

1a. *Project Description*. Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description); 2) the baseline scenario and any associated baseline projects; 3) the proposed alternative scenario with a brief description of expected outcomes and components of the project; 4) alignment with GEF focal area and/or Impact Program strategies; 5) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing; 6) global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF); and 7) innovativeness, sustainability and potential for scaling up. ?

The project design has remained consistent with the proposal present in the PIF.

Land degradation is a global problem, profoundly occurring in almost all the ecosystems of high-, middle- and low-income countries. Deforestation and forest degradation, key forms of land degradation can threaten the livelihoods, well-being, food, water and energy security and the resilience capacity of millions of people (FAO, 2015).

It has been recorded that 78% of the land degradation is occurring in humid areas while 22% can be found in the world's dry regions, covering nearly 34 per cent of the land mass (Gomiero, 2016). Asia is the continent most severely affected by land degradation, desertification and drought. Steeply eroded mountain slopes of Nepal is an example of the land degradation. According to UNCCD, the primary causes of human induced land degradation are overgrazing (35%), crop production and intensive pasture (28%), deforestation (30%), over exploitation for firewood (7%) and industrialization (1%) (UNCCD, 2016b).

Climate change is accounted as the principal cause of biodiversity loss as well as desertification of terrestrial and marine ecosystems (O'Neill, 2009). The International Panel on Climate Change (IPCC) reported that the emissions from agriculture, forestry and other land use accounted for 20-24 % cent of global annual GHG emissions (IPCC, 2014).

1. Threats, Root Causes and Barriers

1. Threats

1. Flood and inundation
2. Deforestation and forest degradation
3. Invasive species
4. Water Scarcity
5. Soil erosion and loss of soil nutrients

2. Root Causes:

1. Climate change factors
 - i. Increased precipitation, landslides, floods and inundation
 - ii. Increased temperature, droughts, and wildfires
2. Anthropogenic factors

- i. Population growth,
- ii. Migration and land abandonment
- iii. Land tenure
- iv. High dependency on forests
- v. Unsustainable use of fuelwood and NTFPs
- vi. Infrastructure development
- vii. Forest land encroachment

3. Barriers to Lakhandei Watershed Restoration

- a. Policy, legal and institutional pertaining to LDN
- b. Information and knowledge on land management
- c. Capacity and capabilities
- d. Access to finance and market link
- e. Social licensing

2. Objectives and Expected Results

Objective: To achieve LDN in dryland landscapes creating enabling environment to support scaling up and mainstreaming SLM and LDN

Outcomes and Outputs

Component 1: Adaptive Land Governance

Outcome 1: Improved land and landscape governance and empowered river basin management institutions

Output 1.1: Systems for monitoring land degradation within the watershed established

Output 1.2: Community participation in watershed management increased

Output 1.3: Strengthened policies to supporting sustainable watershed management

Component 2: Scaling up best practices of SLM

Outcome 2: Sustainable land management options for degraded watershed restoration scaled-up

Output 2.1: Best practices in sustainable land management and watershed restoration assessed

Output 2.2: Validated SLM practices as watershed restoration options are demonstrated at selected sites

Output 2.3: Successfully demonstrated SLM practices as restoration options are rolled out at wider scale along the Lakhandei river basin

Component 3: Investments in watershed restoration

Outcome 3: Enhanced public and private sector investment in watershed restoration through SLM practices and associated value chain development

Output 3.1: Market based options for SLM product based value chain development assessed

Output 3.2: Communities are capacitated on SLM product based value chain development

Output 3.3: Market-based incentive mechanism for watershed restoration developed and established

Component 4: Watershed restoration stewardship in rural societies

Outcome 4: Rural communities revitalised for sustainably managing watersheds

Output 4.1: Economic, social and environmental benefits generated by SLM interventions assessed

Output 4.2: Youth motivated and engaged in key landscape restoration activities

3. Expected tangible results

Indicator-wise Targets
•More than 90% targeted groups involve in sustainable land management practice
•Average removal 38245.16 (20 years accounting rate, tCO ₂ e/ha/year)
•At least 47 CFUGs, 5 DWGs, 5 APGs, and 2 (more than 90% targeted groups) LPG of the communities participate in watershed management
•Monitoring and Evaluation policy, set of recommendations on LDN principles
•A monitoring system developed and operationalized by first year of the project
•At Least 60 WMG in the community participate in watershed management by the end of the third year
•Of the total population in the project area, there will be around 50% women, 70% marginalized and ethnic groups and 28% lower caste groups participating in watershed management
•31 of CFUG Operation Plans revised and updated to reflect participation of women, marginalized and ethnic groups and lower caste group peoples in watershed management by third year
•LDN principles are incorporated in the Provincial/ Municipal level watershed policies
•Two Municipalities prepare /update watershed management policies
•7,000 ha farmland restored, 1500 ha forest area planted and 4316 ha forest under improved management
•2 no. of watershed ecosystem (lakes) restored, 1 river (Lakhandei) appropriately managed
•500 ha of riverbank protected
•A set of tool kit prepared by second year of the project implementation
•Assessment of best practices completed by second year of the project implementation
•Number of best practices on SLM identified and assessed by second year
•6 demonstration plots on watershed restoration established by second year [of which at least 50% are managed or run by women and marginalized caste, ethnic groups.]
•6000 households (disaggregated by poor, women headed and marginalized HH) adopt recommended SLM practices
•Increase in total investment by at least 20% on watershed restoration activities.
•50 SLM practice based enterprises owned and managed by women; marginalized and caste and ethnic groups by the end of project
•A set of SLM assessment tool in place by the end of second year
•20 market specific SLM product-based value chain identified by the year 2022, of which 50% are of women and marginalized caste, ethnic group friendly.
•300 farmers capacitated/ trained of which minimum 50% are women and minimum 50% from marginalized caste and ethnic groups
•20 business plans developed/ revised (in which at least 70% are women and 70% from marginalized caste and ethnic groups)

<ul style="list-style-type: none"> ●Market based incentive mechanism such as subsidy policy on agriculture products; cost sharing mechanism in forestry and WS management activities; subsidy for milk, meat and poultry production; provision of plant/ seed/ seedlings of high value forest products be developed
<ul style="list-style-type: none"> ●At least 2 youth groups, OP of 28 CFUGs -(more than 90%) are revised and thus are revitalised in watershed management
<ul style="list-style-type: none"> ●19,408 beneficiaries out of 49,366 people of upstream of Lakhandei watershed (Sarlahi) users of Lakhandei watershed of Sindhuli districts benefitted
<ul style="list-style-type: none"> ●Representation of youth (female and male) in the decision-making level of the community based landscape restoration institutions, particularly in CFUG, CDG and relevant cooperatives.

Baseline Projects: There are over 17 relevant programmes and projects under implementation or just recently completed in the Lakhandei watershed. Most of these projects are supported by the Government of Nepal and /or international funding agencies. Programs such as agricultural extension, livestock extension, soil and watershed conservation and forest management, Rastrapati Chure Tarai Madhesh Conservation are among the ongoing nationwide programs of the government in the project area. Major projects/programs impacting the project are as follows.

Alignment with GEF focal area: The project is aligned with the GEF focal area to achieve land degradation neutrality in dryland landscapes creating enabling environment to support scaling up and mainstreaming sustainable land management and land degradation neutrality. Project interventions are oriented towards improved land and landscape governance and empowering river basin management institutions, scaling up sustainable land management options for degraded watershed restoration, enhancing public and private sector investment in watershed restoration through SLM practices and associated value chain development and revitalizing rural communities for sustainably managing watersheds.

Sustainability, innovation and the potential for scaling up: Major projects/programs impacting the project are as follows. This project will be led by the Government of Nepal at the federal, provincial and local levels with consistent backstopping by the project on Land Degradation Neutrality (LDN) based watershed restoration. The project will support to revise/formulate policies pertinent to land degradation and restoration of degraded watersheds, which will be integrated in the regular program of work of the Government of Nepal. The Community Forest Users Groups (CFUGs) will be made capable enough of generating resources and investing in watershed restoration activities. Improved governance at the government and local institutions will contribute to maintain transparency, accountability and optimum use of resources. The value chain will be strengthened at different levels which will ultimately help to raise income of communities that will motivate inclusive participation of communities to engage in sustainable land management (SLM) activities. There will be increased investment of private sector who will be encouraged to invest in the SLM based value chain. All these efforts will contribute to financial sustainability of the project.

Project will support Provincial and Local governments to develop their capacities through training; support in developing relevant policies; monitoring and MIS system; develop and provide tools and techniques, demonstrate best practices and also provide support to implement watershed restoration activities. Such support will motivate and encourage local institutions to actively engage in restoration efforts. Project will also support in building partnership among multiple stakeholders through establishing vertical and horizontal linkages among stakeholders and governments. The project has adopted innovative approaches such as the development of land degradation monitoring system, SLM assessment tool and supporting provincial as well as local governments in preparing/updating LDN inclusive watershed management policies. This will support not only in sustainability of the project interventions but also in scaling up the innovative approaches adopted by the project beyond project period and area.

Alternative Scenario: By complying with the LDN Target Setting Programme (TSP), the government of Nepal (GoN) has set voluntary targets and is committed to achieve land degradation neutrality by 2030. Lakhandei was identified as one of the hotspots (out of seven) of land degradation in Nepal. This target is also anticipated to contribute towards achieving the SDG target 15.3. The GoN has made efforts to develop a land degradation-neutral country by piloting interventions in the Lakhandei river basin and then gradually scaling up best practices throughout the remaining hot spots across Nepal as identified by LDN TSP. As such, this project in Lakhandei watershed is an initiative of GEF to curb the ongoing land degradation by streamlining the government line agencies in order to develop it as a model with appropriate SLM approaches to showcase it to stakeholders at the national and international level.

The project will play an instrumental role in creating a conducive environment for the stakeholders at the federal, provincial, local and community level to reflect, plan and take appropriate actions for the transformation of the baseline scenario of Lakhandei watershed to a desired state as envisioned by this project. This, in the long run will contribute to generate environmental and socio-economic benefits at the global, national and local level and help them achieve the vision of land degradation neutrality. The SLM practices adopted by this project, identified as the best ones will be instrumental in creating a productive landscape that will deliver ecosystem services with benefits to livelihoods and biodiversity. In order to fulfil the gaps, overcome the barriers and achieve the project objective, the project interventions have been organized into four outcomes, each with several outputs. Apart from national benefits, the global environment benefits that the project will contribute are: improved provision of agro-ecosystem and forest ecosystem goods and services; mitigated/avoided greenhouse gas emissions and increased carbon sequestration in production landscapes; conservation and sustainable use of biodiversity in productive landscapes; and reduced pollution and siltation of international waters.

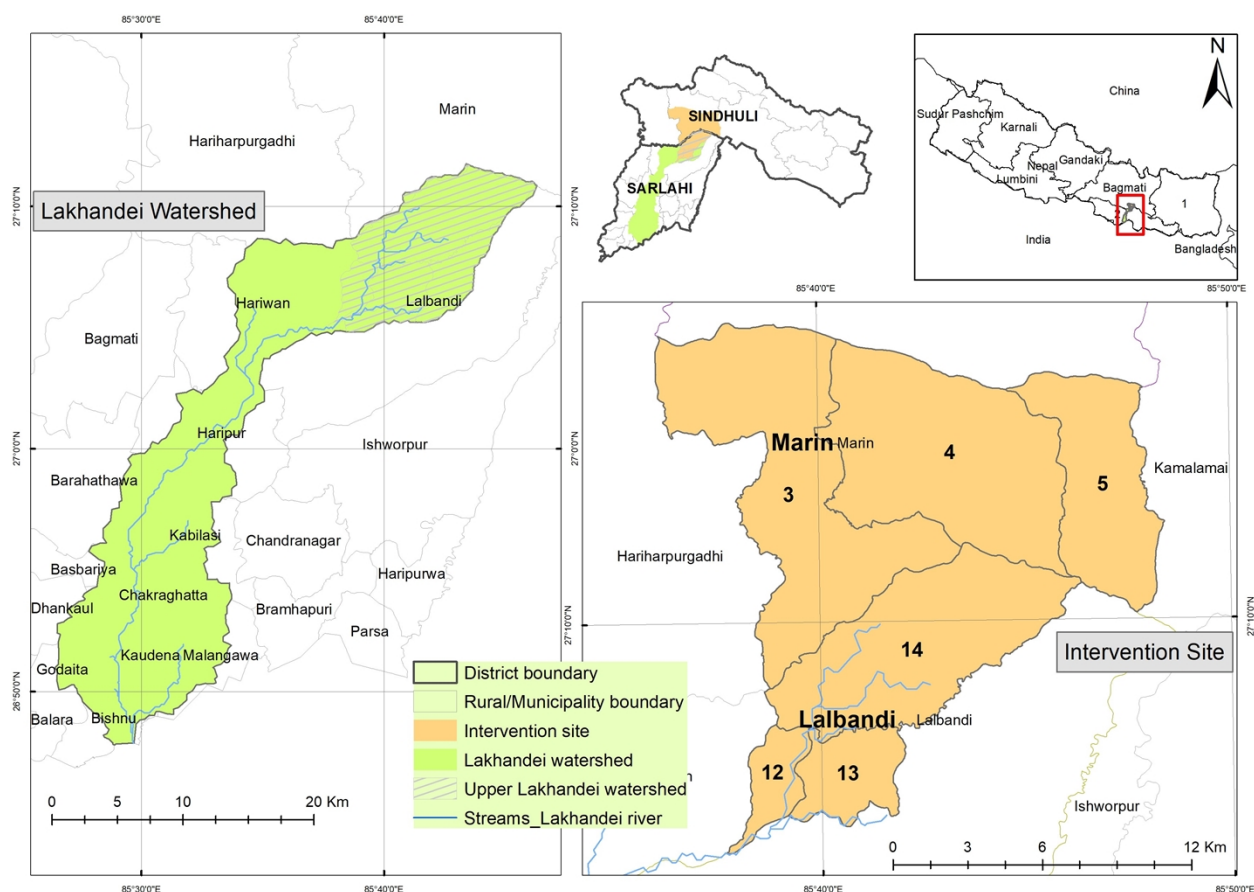
Incremental Cost Reasoning: As explained in the above sections, degradation of Lakhandei watershed is constantly taking place at an alarming rate which could be attributed to climate change and anthropogenic factors. Besides, limited restoration efforts, limited resources, weak governance and lack of participation in watershed restoration is exacerbating the scenario. This if unchecked will continue to deplete the natural resource, disrupt socio economy and social harmony of local people by limiting their access to economic opportunities, natural resource, basic services etc. This will further increase vulnerability of poor, vulnerable, *Dalit (under-privileged)*, IP and women who are already impacted by the watershed degradation. There are efforts being taken by the federal, provincial and local government offices as well as local communities for the restoration of the watershed. However, the investments that these bodies have put in terms of financial, technical and human resources are insignificant compared to the current degradation rate. The current scenario is a result of massive degradation that took place over a decade ago and if persists, the situation might be irreversible.

Thus, the proposed project is an attempt to restore Lakhandei watershed and thereby contribute to achieve land degradation neutrality set by the GoN through LDN TSP. Outcome of activities such as development and operationalization of land degradation monitoring system at watershed level, capacity building of stakeholders, users and local government bodies, and identification and demonstration of best SLM practices can be shared by various national projects and programs and replicated beyond project boundaries. Similarly, demonstration of socio-ecological and economic benefits of watershed management will greatly influence other projects to realize the benefits of SLM that will encourage local communities to participate more actively in restoration activities. Strengthening 47 forest users groups in the project area and revision of their operation plans will contribute in sustainable management of over 4,000ha of forests. Moreover, development of incentive mechanism for sustainable land management, value addition of local products through value chain and market linkage will contribute in livelihood improvement of over 139,000 people. Supporting to formulate SLM policy will contribute to achieve LDN in Nepal. Production and plantation of over three million seedlings of forestry and horticultural crops in the project area will contribute for livestock feed, value chain development and restore 7,000 ha of farm and forest land

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

The total project area comprises entire Lakhandei river basin (362.32 km²) and the additional area under Wards No. 3, 4 and 5 of Marin Rural Municipality (161.36 km², adjacent to the Lakhandei River Basin) of Sindhuli district, in total 523.68 km². The area under Wards No. 12, 13 and 14 of Lalbandi Municipality of Sarlahi district (71.10 km²) and in addition, Wards No. 3, 4 and 5 of Marin Rural Municipality of Sindhuli district (161.36 km²) have been considered as core project area. In total, this area occupies 232.46 km² (23,247.67ha).



Ecologically, the area of the Lalbandi Municipality (Wards No. 12,13 and 14) lies in the upper part of the Lakhadei river basin, often referred to as Upper Lakhadei Watershed, and the area under Sindhuli district falls in the Marin watershed.

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

List of stakeholders was drawn from review and consultation with relevant government bodies and other agencies. Analysing their mandate, interest in this project, influence on the project and potential impact of the project to these stakeholders, the summary of findings has been presented in table below.

Stakeholders and their potential role in project implementation

Stakeholders		Mandate/function of stakeholder	Interest in the project	Influence on project	Impact of the project on the stakeholder and potential involvement strategies
A	Citizens				
1	Rural Communities	Key stakeholders of the project who are impacted by the degraded watershed and the project aims to rehab degraded watershed. They act and own the project and sustain the project results.	Very high	Negligible	Very high positive impact on vulnerable communities ? enhancing restoration of degraded watershed through sustainable land management
2	Indigenous peoples recognized by the Government	Custodians of the natural resources of the area and whose livelihood depends on these resources	Very high	Medium	Very high because the project will emphasize on inclusive participation during project planning and implementation
B	Government				
1	Ministry of Finance (MoF)/NDA	National Designated Authority (NDA) for Green Climate Fund to ensure full integration of climate concerns in respective federal, provincial and local level development plan, policy and strategy	High	High	The project will contribute to achieve the objective of achieving LDN that NDA is committed to.

2	Ministry of Forests and Environment (MOFE)	Responsible for the conservation of forests and soil in the country to enhance sustainable growth of forest and water sectors and manage biodiversity, to increase development of forest related enterprises for poverty reduction	Very high	Very high	The project will execute the project, coordinate among three level of governments and contribute to achieve the objective of enhancing the resilience of the ecosystems in the LRB that MOFE is committed to. MOFE will have Basin level Management Plan for the entire LRB.
3.	Ministry of Agriculture and Livestock Development	Ensure food and nutrition security for the citizens in general and responsible for the improved agriculture production and productivity, value addition and marketing of agriculture products. Identification, demonstration and dissemination of appropriate agriculture technologies to farmers and their groups.	High	High	The project will contribute to achieve the goal of the MoALD , contribute in capacity building of its staff and promote value added products in the project area.
4.	Provincial governments	Responsible for coordinating federal and local governments, ensure policy provisions and support in the implementation and co-financing.	Medium	High	Project will support the provincial governments in policy formulation, establishment and operationalization of monitoring system and Management Information System. Capacity building of line agency staff including local and provincial personals.

5	Local governments	Key institutions for the project planning, implementation and monitoring and internalise essence of SLM and LDN principles in their regular programs.	Very high	Very High	Project will support local government in financing, capacity building, implementation, monitoring system. Also support forest, watershed, agriculture, women and youth groups in capacity building, business creation and promotion of SLM products for livelihood improvement and restoration of degraded watershed.
C	Civil society organizations				
1	Community Forest User Groups (CFUGs), Community Development Groups, Leasehold forestry groups	Responsible for protection, management and sustainable use of forest , soil and watershed resources, community based restoration activities - plantation, forest management	High	High	The project will support their work through the reparation of Forest Operation Plans, capacity development and value addition of forest products
2	Collaborative Forest User groups (CoFMGs)	Established for the management of government forests by collaborating among users, Division Forest Offices and local level governments. It aims to support local and national economy through sustainable land management, and supply of forest products and improve livelihoods of local people.	Low	Low	The project will support their work through the preparation of Forest Operation Plans, capacity development
3	NRM related civil society/federations	Policy advocacy, member in the steering committee	High	Very high	Project will support for policy formulation, OP revision and also invite in the steering committee
D	Local communities				

1	Agriculture producers' group	Agriculture producer groups are formal organisations formed for the purpose of facilitating agricultural extension activity in a group. They are registered in district agriculture development offices.	High	High	Capacity building on adaptation, crop diversification and farm-based enterprise development for livelihood enhancement .
2	Livestock husbandry group	The major objective are increase livestock production and productivity and eliminate the problem of malnutrition and to improve the economic and social condition of the poor, socially disadvantaged people and women through improved livestock farming.	High	High	Benefit from improved water availability through construction and maintenance of water management structures
3	Cooperatives,	Saving credit management,	Low	medium	Project will capacitate cooperative members in doing business, contribute watershed management groups in use of SLM products and marketing.
4	Watershed Management Groups	conservation of soil and water and promotion of enterprise development	High	High	The project will support their work through capacity development and value addition of forest products
E	Private sector				
1	Local saving and credit groups	Savings and Credit Cooperative Societies are formal member-based organisations for the mobilisation of members' savings for the benefit of the members. Formed under the Cooperative Act 1992.	Medium	Medium	Capacity building in improved governance and mobilisation of savings and credits products.
2	National Micro Entrepreneurs' Federation Nepal (NMEFEN)	NMEFEN is a federation of micro-entrepreneurs established in 2006 to promote the interests of micro entrepreneurs from ethnic, indigenous and economically disadvantaged rural communities across Nepal	Very low	Low	Capacity building through workshops, trainings and interactions

3	Federation of Nepalese Chambers of Commerce (FNCCI), Federation of Cottage and Small Industries (FNCSI), Herbs and NTFPs promoters and cooperatives	Investment in value added processing of SLM products, restoration activities and coordination between governments and people.	High	High	Train local groups and their members in business planning, enterprise development. Loan and credit facilities to the growers and marketing of products.
F	Research institutions & universities				
1	Nepal Agriculture Research Council (NARC)	Aiming to conduct qualitative studies and research on different aspects of agriculture, to identify the existing problems in agriculture and find out the solution and to assist government in formulation of agricultural policies and strategies. Responsible for the development and dissemination of appropriate crop and livestock technologies suitable to all kind of eco-zones of Nepal.	Low	High	Involvement in selection of crop varieties and livestock breeds suitable for the project area /community, also involve in identification, valuation and promotion of agriculture-based enterprises appropriate for the women, IPs and others.
2	Agriculture and Forestry Universities (AFU and TU/IOF)	Established for HR development, research and teaching in agriculture and forestry..	Low	High	Involvement in selection of best practices for watershed restoration, policy and institutional support. Project will collaborate for appropriate.
G	National and International organization				
1	National and local NGOs	Organization and mobilization of local groups, support as service provider and often help in the project implementation	High	Medium	Involvement as project implementor, information exchange, demonstration of best practices and represent the voice of under-privileged and women and youth.

2	International Centre for Integrated Mountain Development (ICIMOD)	Regional learning and knowledge sharing center serving 8 member countries of Hindu Kush Himalayas including Nepal and based in Kathmandu. Aims to assist mountain people and ecosystems particularly in the areas of climate change, biodiversity and watershed	High	Very high	Involvement in climate data analysis and modelling. Information sharing through workshops, seminars, conferences and publications.
H	Indigenous people's organizations				
1	Nepal Federation of Indigenous Nationalities (NEFIN)	Custodians of the natural resources of the area and whose livelihood depends on these resources	Very high	Medium	Very high because the project will emphasize on inclusive participation during project planning and implementation
2	National Foundation for the Development of Indigenous Nationalities	Custodians of the natural resources of the area and whose livelihood depends on these resources	Very high	Medium	Very high because the project will emphasize on inclusive participation during project planning and implementation
3	Nepalese Indigenous women-- National Indigenous Women Federation (NIWF),	Custodians of the natural resources of the area and whose livelihood depends on these resources	Very high	Medium	Very high because the project will emphasize on inclusive participation during project planning and implementation
4	Umbrella Organization of Non-Governmental Organizations of Indigenous Nationalities in Nepal,	Custodians of the natural resources of the area and whose livelihood depends on these resources	Very high	Medium	Very high because the project will emphasize on inclusive participation during project planning and implementation

5	NGO-Federation of Nepalese Indigenous Nationalities (NGO-FoNIN)	Custodians of the natural resources of the area and whose livelihood depends on these resources	Very high	Medium	Very high because the project will emphasize on inclusive participation during project planning and implementation
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Please provide the Stakeholder Engagement Plan or equivalent assessment.

Stakeholder engagement plan

Stakeholder		Topics of engagement	Responsible entity	Forms and frequency of engagement
A	Government agencies (national, provincial, local)			
1	Ministry of Forests and Environment (MoFE)	Execution of the project	Executing Entity	Regularly
2	Ministry of Finance/NDA	Coordinating between the implementing and executing agencies	National Designated Authority	Quarterly
3	Ministry of Agriculture and Livestock Development	Policy, coordination and represent in the project steering committee	Joint Sec/U. S as member of PSC	Quarterly
4	Ministry of Federal Affairs and General Administration	Policy, coordination and represent in the PSC	Joint Secretary/U.S. as a member of PSC	Quarterly
5	Provincial Ministry of Industries, Tourism, Forests and Environment of Province 2 and Bagmati province	Policy, planning and monitoring	Secretary as a member of the PSC and Director as a member of the PMCC	Quarterly, support in the planning, budgeting, implementation, coordination and monitoring of the project, technological support

6	Provincial ministry of Land, agriculture and livestock of province No.2 and Bagmati province	Policy, planning and monitoring	Director/U.S. as a member of the PMCC	Quarterly, support in the planning, budgeting, implementation, coordination and monitoring of the project, technological support
7	Lalbandi Municipality and Marin Rural Municipality	Project implementation	Project implementer, Member of PMCC	Regular, project planning, budgeting, implementation and monitoring
8	Rastrapati Chure, Tarai, Madhesh conservation Board	Policy, coordination and implementation	Member in the PSC	Technical and Technological support, in the conservation and restoration of landscape.
	Division Forest Office, Soil and Watershed Management Office, AKC, LSECs of Lalbandi and Marin Municipalities	Planning, Monitoring, Program implementation in the respective municipalities	Member in PMCC	Regularly
B	Civil Society Organizations			
1	Federation of Community Forest User Groups (FECOFUN)	Participate in planning and monitoring of the project activities ensuring coordination of project initiatives with existing CFUGs, CDGs where appropriate.	Member in the PSC /PMCC	6/4 monthly, mainly through capacity development trainings, technology transfers and participation in field execution of project activities
2	<i>Dalit</i> Alliance for Natural Resources (DANAR) as a representative of several <i>Dalit</i> Alliances	Be a member of the Project Steering Committee to represent the voice and concerns of the under-privileged in natural resource management	Member in PSC/PMCC	6/4 monthly, support in program implementation particularly related to under-privileged groups and households
3	Himalayan Grassroots Women's Natural Resource Management Association (HIMAWANTI) Nepal	Represent the concerns of women in natural resource management	Member in the PMCC	Participate in planning, execution and monitoring of the project activities
4	Nepal Farmers Group Federation (NFGF)	Represent the voice and concerns of the under-privileged in natural resource management	Invitee in the PMCC	Support in the implementation of activities for livelihood improvement of under-privileged farmers

5	Nepal Federation of Indigenous Nationalities (NEFIN)	Be a member of the Project Steering Committee and be a collaborator in planning, execution and monitoring of the project activities	Member of PSC	6 monthly
C	Local and indigenous community groups, women's groups			
1	CFUGs, LFUGs, Farmer's Group, Women's Group, Water Users' Group, Cooperatives	Participate in project implementation including in forest, soil & water conservation and restoration, control forest fire and open grazing	Member in the PMCC	Regularly Group mobilization, capacity building, value chain, restoration activities
2	Agriculture producers' group	Field implementers of SLM product-based value chain development, adoption of flood tolerant paddy varieties and drought tolerant wheat varieties.	Invitee in the PMCC	Regularly through execution of field activities on the ground
3	Livestock husbandry group	Actors in livestock fodder production, value chain development and marketing	Invitee in the PMCC	Regularly through execution of field activities on the ground
D	Private sector			
1	Agriculture Enterprise Centre (AEC) -Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Agriculture Enterprise Centre (AEC) -Federation of Nepalese Chambers of Commerce and Industry (FNCCI)	Contribute in capacity building of community members, and participate in developing the knowledge sharing network, ensuring the involvement of its own networks of entrepreneurs	Member in the PMCC	As required
2	Association of Family Forest Owner's Nepal	Promoting agroforestry and forest-based enterprises	Invitee in the PMCC	Regularly
3	Cooperatives	Contribute in arranging finance and managing product market	Invitee in the PMCC	Regularly
E	Research institutions & universities			

1	Nepal Agriculture Research Council (NARC)	Selection of climate tolerant crop varieties and development of SLM product-based enterprises	Invitee in the PSC/PMCC	Support through capacity building, climate smart agriculture technology, soil fertility and livelihood enhancement options
2	Agriculture and Forestry University (AFU) and TU	Selection of climate tolerant crop and varieties and NTFP species and development of organic production practices	Invitee in the PSC/PMCC	Mainly through capacity development trainings, technology transfers and participation in field execution of project activities
F	International organization and donors			
1	ICIMOD	Involvement in climate data analysis and modelling. Information sharing through workshops, seminars, conferences and publications.	Invitee in the PSC/PMCC	Regular exchanges in order to coordinate with other projects and activities implemented by ICIMOD
2	IUCN	Involvement in Project management and monitoring	Member in the PSC	Regular sharing of project progress and reporting to GEF

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

During the design phase of the project, a stakeholder analysis was conducted. The project design team has identified six different types of the stakeholders of the project. These include:

- A. Government agencies (national, provincial, local)
- B. Civil Society Organizations
- C. Local and indigenous community groups, women's groups
- D. Private sector
- E. Research institutions & universities; and
- F. International organization.
- G. Indigenous people organizations

From these categories, key stakeholders were identified and interviewed during the feasibility study. The results are documented in the feasibility study report. Stakeholder engagement plan has been developed for the project implementation.

. A SEP has been developed that establishes how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement during the implementation of the project ensuring the principles of Free Prior Informed Consent (FPIC). Extensive local level consultations planned for the project design phase (from September to October 2020) were disrupted by COVID-19 restrictions. In this context, some limited face-to-face consultations in the field were conducted for baseline information and the project design team focused on obtaining as much information as possible through virtual meetings with local level stakeholders. Given these limitations, the project design team has proposed that further field level consultations, including with Indigenous People and Local Communities (IPLCs), and, if necessary, revision of some elements of the project should be undertaken in the first year of commencement of the project.

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor;

Co-financier;

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor; Yes

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

All the project outcome and output areas will be reinforced by gender specific activities to ensure that gender issues are duly answered. Women and women's groups will be actively engaged by the project to ensure their proactive role in livelihood opportunities and to strengthen their capacity to participate confidently in project activities.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources; Yes

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

Outcome 3 of the project is dedicated to enhancing public and private sector investment in watershed restoration through SLM practices and associated value chain development. The project will develop capacity of private sector actors for creating functional value chain. The project will collaborate with private firms and institutions to promote ecosystem based enterprises in both farm and non-farm sectors in the landscape. Some of the major private sector to build partnership for project implementation include Agriculture Enterprise Section (AEC), Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Federation of Cottage and Small Industries (FNCSI), and cooperatives. The project will contribute to build capacity of these private sector actors, establish linkages with local financial institutions and cooperatives for accessing financial resources for initiating on-farm and off-farm enterprises. Private sector engagement will also be sought in the identification, piloting and up scaling of SLM products and contribute through investment in the restoration of degraded watershed.

- Capacity building in improved governance and mobilisation of savings and credits products.
- Capacity building through workshops, trainings and interactions
- Train local groups and their members in business planning, enterprise development. Loan and credit facilities to the growers and marketing of products.

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

The LRB project is not likely to encounter any serious risks resulting in severe implications throughout the project implementation. The project design is based on meaningful stakeholder participation and active engagement of all project partners throughout the implementation period. The potential risks associated with the project, their likely impacts and the mitigation measures. Depending upon the degree of impact, risks have been categorized as low, medium and high .

Risk	Impact on the project	Mitigation measures
Inadequate capacity of human resource to implement the plan.	Medium	The project will develop capacity of project staff at and orient government staff prior to the implementation of the project.
Capacity of human and financial resources to establish and maintain the monitoring system may be limited.	Medium	The project will provide training and support also for setting up monitoring desk with necessary tools and equipment.

Risk	Impact on the project	Mitigation measures
The LDN concept being new may take considerable time for province and municipalities to comprehend.	Medium	The project will impart knowledge on LDN and its principles to the concerned staff at the municipality and province.
There is a lack of LDN policy in different levels of governments which might slow down the process of achieving LDN.	Low	The project will support to formulate or revise policies related to river basin management.
The newly formed provincial and local governments are not yet fully equipped with required human resources and technical capacity	Medium	The project will hire some staff and also build capacity of a range of institutions at local level for project implementation.
Securing government allocation on SLM. The government sector budget allocation is more on infrastructure development with short-term plans.	Medium	The project will design activities to sensitize government on SLM and facilitate on invest on SLM based interventions.
Investment on SLM will not yield quick return and hence communities may not be interested in investing on SLM.	Low	The project will devise awareness raising programs to enhance understanding on SLM.
Climate hazards such as torrential rain, landslides, flood and prolonged drought during winter and summer may affect interventions that have direct impact on SLM.	Medium	The entire project is designed to enhance resilience of the communities and the watershed.
High migration of youth due to lack of employment opportunities may hinder active participation of youth as well as create shortage of agricultural labour.	Medium	The project will engage youth in agri-based livelihood activities and extend technical support to adopt SLM based value chain products.
Poverty and food insecurity is stemming from lack of opportunity which is aggravated by subsistence agriculture with low volume production.	Medium	The project contributes to poverty reduction through SLM based environmental-friendly local employment creation and income generation.
Meaningful engagement of private sector in SLM. Awareness of private sector on SLM is negligible and perceives very little scope in investing in SLM.	Medium	The project will develop capacity of private sector actors for creating functional value chain. The project will collaborate with private firms and institutions to promote ecosystem based enterprises in both farm and non-farm sectors in the landscape
Impact of COVID-19 pandemic may further increase poverty and deprivation of community	Medium	At the time of project design, impact of COVID-19 on project area is not specifically known, though some of the potential impacts consist of increased cases of illegal collection of forest products and pressure on natural resources as a result of job loss in other sectors. The project will carry out a brief assessment of the impact of COVID-19 in the project area during first year and collaborate with province and local governments to generate employment through value chain development.

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The project will be executed by the Federal Ministry of Forest and Environment (MoFE). A Joint Secretary of the MoFE will be designated as a National Project Director (NPD). A Project Steering Committee will be formed with representation from the Federal Ministry of Agriculture and Livestock Development, Federal Ministry of Finance, Ministry of Federal Affairs and General Administration, FNCCI and IUCN. A representative from the Rastrapati Chure Terai Madhesh Development Committee, Provincial Secretaries of the Ministry of Industries, Tourism, Forest and Environment (MoITFE) and the ministry responsible for Agriculture and livestock of Province No. 2 and Bagmati Province will also be the members in the committee. National Project Director will serve as the chair of the Project Steering Committee (PSC). The PSC will be formed by the MoFE immediately after the project is approved and it will set its membership and rules of procedures by its first meeting to be held within a month of its formation. Subsequent meetings will be held at six monthly intervals. Project Steering Committee will oversee the project and provide necessary policy directives, arrange coordination at various levels of the government and ensure quality outcome on time. Environment and Biodiversity / Forest and Watershed Division of the MoFE will serve as a secretariat for the PSC to ensure the implementation of its decisions. This division will be supported with one technical officer (Watershed background), hired by the project for the project period. In order to effectively plan, implement and monitor the project in a coherent, synergistic and coordinated manner and also to enhance effective communication, a multidisciplinary Planning, Monitoring and Coordination Committee (PMCC) will be formed at the Provincial level. This committee will be represented by Secretaries of the MoITEF of Province No. 2 and Bagmati Province; Secretaries of the provincial ministry responsible for agriculture and livestock of above two provinces; Divisional Forest Officers (DFO), Chief of Agriculture Knowledge Centers (AKC); Chief of Livestock Service Expert Centers (LSEC), Soil and Watershed Conservation Officers (SWCO) responsible for Lalbandi and Marin Palikas. PMCC may invite other representatives in their meetings as needed. The role of the PMCC will be to ensure effective coordination among two provincial and local governments, to facilitate implementation of the project on the ground by various line agencies, service providers and CBOs/cooperatives. This committee will liaison between the Federal and Local government bodies, project partners and stakeholders as needed. Moreover, the PMCC will also facilitate annual program planning and budgeting so as to close the activity and budgetary gaps in restoring the LRB, avoid duplication of efforts among various agencies working in the project area, monitor progress of the project and advise the project and the PSC for necessary action. The PMCC will be co-chaired, at a time, by two of the four representatives of the provincial ministries responsible for forests and agriculture as agreed by its first meeting. The term of Chairing of the PMCC will be for two years each for the four representatives of the two provinces. The PMCC will be formed and organize its first meeting as soon as the project is signed. PMCC will host its meetings every four monthly. Project Manager (PM) will serve as Member Secretary to the PMCC.

Divisional Forest Officer of Sarlahi district or a MoFE designated Officer will serve as a Project Manager (PM). A Project Management cum Support Unit (PMSU) will be established at the Division Forest Office at Lalbandi, Sarlahi district. PMSU will also serve as the secretariat for the PMCC. PMSU will be responsible for day to day operation of the project including facilitating project implementation in both of the Municipalities of Sarlahi and Sindhuli districts, prepare and submit progress reports to various agencies including the PSC, the MoFE, provincial ministries responsible for forest and agriculture etc. PMSU will have necessary project staff as budgeted.

Unless otherwise designated, implementation of project activities will be carried out by the designated government line agencies (such as DFOs, Soil Conservation Office, AKCs, LSECs etc.) located within the Provincial and Local Governments concerned. Fund flow mechanism will be as agreed among the donor and the GoN's rules and procedures (see the diagram below).

Staff at the PSC Secretariat and PMSU- One Project Officer (forest and environment background) will be recruited by the project to assist NPD in organizing PSC meetings, communication between PSC, PMCC and various agencies, preparation of project reports for various reporting. The Technical Officer will directly report to the NPD. A Field Officer (watershed background) will be recruited by the project for

the PMSU to support the PM in Planning, budgeting, monitoring, supervision and implementation of the project activities. Likewise, a Communication and Reporting expert will be recruited on an intermittent basis, at the PMSU to support for effective communication, organizing PMCC meetings, preparation of progress reports, reporting to relevant authorities as needed. An Accountant will be designated by the government to support PM in day to day project financial management, procurement and help in project auditing. Project Officer and Field Officer will be recruited for the project period. Project Officer will report to NPD and the Field Officer and Communication and Reporting expert will report to the Project Manager. Additional staff such as a Finance Assistant can be hired by the PMSU as and when needed keeping with the limits provided in the project budget.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

This project is consistent with the following national policies, acts and strategies. Extended review of these plans, acts and strategies are presented in Annex 5.

Relevant national provisions related to the project

1	The Constitution of Nepal	The Constitution includes nine policy statements related to the conservation, management and use of natural resources, including policies on sustainable use of biodiversity through conservation and management of forests, fauna and flora and legal provisions to adopting appropriate ways of minimizing or stopping negative effects on the environment.
2	Nepal National REDD+ Strategy, 2018	<ul style="list-style-type: none"> - Enhancing carbon stocks, promoting private and public land forestry - Promoting enterprise, livelihoods and employment opportunities to forest dependent poor, women, Indigenous Peoples and Dalits - Improving collaboration, cooperation and synergy among various stakeholders.
3	National Strategy for Disaster Risk Management in Nepal (NSDRM) (2009)	Provisions to mitigate disaster risks for safeguarding lives, properties, development investments, cultural heritage as well as the adverse conditions.
4	National Biodiversity Strategy and Action Plan (NBSAP 2014-20)	NBSAP focuses in controlling watershed degradation and reduce pressure on forests, improvement and expansion of participatory soil and water conservation initiatives based on principles and approaches of integrated watershed management.

5	Nature Conservation National Strategic Framework for Sustainable Development (2015)	Placed priority for the conservation of forests and soils of the Chure hills and Bhabar region, reduction of soil erosion and prescribed recommendations for industrial and horticulture plantation in Bhabar region.
6	Agriculture Development Strategy (2015- 2035)	The vision of ADS is for ?A self-reliant, sustainable, competitive, and inclusive agriculture sector that drives economic growth and contributes to improved livelihoods and food and nutrition security leading to food sovereignty.? It has identified the forestry sector as a key sub sector supporting agriculture production. ADS also aims to rehabilitate 1.6 million ha of degraded land out of 3.2 million ha in the country in next 20 years.
7	15th Periodic Plans (2019-2023)	<p>The 15th Periodic Plan?s focus on the Forest, biodiversity and watershed sector embraces a vision of contributing to prosperity and happiness through sustainable management of forest resources and entrepreneurship. This plan has following provisions:</p> <ul style="list-style-type: none"> - The role of the forestry agriculture and natural resources as economically productive sectors that make a significant contribution to national prosperity. - Maintaining quality health and education, healthy and balanced environment, social equity, responsible public services, strengthening federal system and assuring respectful and quality lifestyle of citizens. - The sectoral strategy on conservation and utilization of natural resources and resilience building that highlights integrated use of natural resources for sustained flow of ecosystem goods and services, climate change mitigation and adaptation, watershed management and disaster risk reduction and management.
8	National Adaptation Program of Action (NAPA), 2010	Promote community-based adaptation through integrated management of agriculture, water, and forests; forest and ecosystem management for climate change adaptation.
9	Local Adaptation Plan of Action (LAPA), 2012	<ul style="list-style-type: none"> - Promote economic development through low carbon emissions including through a focus on forests. - Maintain 40 per cent of the total area of the country under forest cover and increase forest productivity and products through sustainable management of forests.
10	Nepal?s Land Degradation Neutrality (LDN) targets for the United Nations Convention to Combat Desertification (UNCCD)	<p>Sets targets as follows:</p> <ul style="list-style-type: none"> - by 2030, halt the conversion of forests to other land cover classes and maintain the forest cover at the most recent baseline figure of National Forest Reference Level, 2017 (44.70%, as of 2014). - -by 2030, increase the Soil Organic Carbon (SOC) stock in forest and cropland by 1.0% per year. The current baselines are 132.4 t/ha for forest and 86.1 t/ha for cropland, and an average rate of SOC loss was estimated at -0.01% per annum (default global data/ UNCCD). <p>It will also indirectly contribute to:</p> <ul style="list-style-type: none"> - by 2030, out of 26,277 hectares of wetlands (Lakes, Reservoirs, Ponds and Marginal swamps) 10% of wetland ecosystems will be restored.

11	Chure Area Programme Strategy and Chure Conservation Master Plan (2017)	This Strategy and Master Plan aims to conserve and sustainably manage the resources in the Chure region, and improve the ecosystem services through mitigation of the damage likely to be caused by the climate change and natural disasters through ensuring the sustainable management of the natural resources (land, water, vegetation and biodiversity) of the Chure hills (including gullies) and Bhabar region;
12	The Forest Act, 2019	Provisions of The Forest Act that are particularly relevant to the LRB project include: Management of national forests, management of community and leasehold forests and management of environment services.
13	Land Use Act, 2019	Focus on preparation of framework land use plan based on which provincial governments should prepare provincial land use plan remaining within the frame of federal land use plan.
14	Disaster Risk Reduction and Management Act, 2017	This Act include coverage of the full cycle (prevention, mitigation, preparedness, response and recovery) of disaster risk management, decentralization of disaster management at the province and Local governments, wider coverage of disaster types and development and strengthening new institutional mechanism.
15	Environment Protection Act, 2019	Aims to protect the rights of citizens to live in a clean and healthy environment. With a view to maintaining the balance between conservation and development.
16	Local Environment and Natural Resources Conservation Framework Act, 2019	This is a framework act for local governments in conservation of natural resources, environment and biodiversity for suitable use and sustainable management and balance between environment and development.
17	Soil and Watershed Conservation Act, 1982 and Rules, 1985	Provisions for the declaration of protected watershed and contribute to the restoration of the degraded watershed and improving livelihoods of the local communities.
18	Province Forest Act (2019), Bagmati Province	As provisioned, Divisional Forest Officer (DFO) registers the Community Forest User Group on recommendation of related municipality. DFO approves and revise operational plan of community forests. But if the area of CF is less than 30 ha. Chief of Sub-division Forest Office is authorized to approve the revised operational plan. This Act has provided authority to the municipality for the development, protection, management of forests and utilization and sale of forest products from public land.
19	Province Forest Act (2020) of Province No. 2	This Act mostly follows the provisions of federal Forest Act (2019). This has some additional provisions such as Protection Forests, Protection Forest Council and Cooperative Forests. However, it has some provisions that contradicts with the federal law. This province forest Act does not recognize Inter-Provincial Forests. The Act has provision for rural or urban forests. Any person or institution can provide uncultivated land under its ownership to Municipalities or institutions for the development of rural or urban forests. This Act has provided authority for the development, protection, management of forests and utilization and sale of forest products from public land to the municipality.

20	Local Government Operation Act, 2017	It promotes cooperation, co-existence and coordination among federal, provincial and local bodies to ensure the participation, accountability, transparency and governance.
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8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

The Project will draw a communication and knowledge management strategy within six months of the first year of implementation. Project will develop a detailed baseline report and will generate information on best practices, lessons learned, results from the field demonstrations, various technological options for ecological, social and economic benefits, traditional knowledge on community-based approaches for restoration of degraded watershed, nature-based solutions to restoration etc.

Based on the generated and developed knowledge, the project will develop various knowledge products such as **manuals, brochures, audio-visual aids as an extension material** to disseminate to the varieties of audiences and stakeholders including extension workers, community groups and general public. These products will be developed and disseminated in Nepali, English and local language(s) as appropriate.

In order to disseminate the project generated knowledge products to wider audiences, the project will establish a management information system (MIS) at the Ministry of Industry, Tourism, Forests and Environment of Province 2 which will be shared among Bagmati Province, the MoFE and other relevant institutions as appropriate. The MIS will provide a repository for a wide range of knowledge products that will focus on building the resilience of Lakhandei watershed and similar areas which could be used by the project communities and beyond.

Project has budget:

- \$ 3,478 in Activity 2.3.1.1 - Prepare and disseminate brochure, pamphlet, audio-visual aids, hoarding board, posters on appropriate SLM practices to the intended target communities.\$ 3,896 in Activity 2.1.1.1 - Document and prioritize SLM related best practices for restoration of LRB (technologies, breeds, specie, commodities etc.)
- \$ 4,200 in Activity 3.1.1.1 - Develop/identify a set of value chain assessment tool
- \$ 2,609 in Activity 4.1.1.1 - Develop a guideline for assessing economic, social and environmental benefits of SLM interventions

9. Monitoring and Evaluation

Describe the budgeted M and E plan

Project Results Framework, the targets and indicators which have been aligned (as far as possible) with the relevant GEF-7 Focal Area objectives, will be the basis of monitoring and evaluation of project progress in achieving its results and objectives. Monitoring and evaluation activities will follow IUCN and GEF policies and guidelines. The monitoring and evaluation system will help generate valuable knowledge relating to watershed management at river basin level and also facilitate its replication beyond project area. Total monitoring and evaluation cost is estimated at US\$ 30,000.

The monitoring and evaluation roles and responsibilities will be undertaken through various ways such as day-to-day monitoring and project progress reporting; indicator monitoring with respect to the results frameworks and supervision missions of IUCN. At the beginning of the project implementation, a monitoring system based on participatory approach and methods will be established. Project inception workshop will further provide guidance on improving indicators, baseline and the results framework.

Based on the annual work plan and budget, the Project Manager (PM) will take lead in day-to-day monitoring of the project's implementation including the preparation of the project progress reports. PM

will also identify tools for monitoring the results framework through wider stakeholder consultation. In line with the planning process of the project partners and project implementation arrangements, an annual project progress review and planning workshop will be organized. Project partners, members of PMCC and relevant stakeholders will participate and contribute to the finalization of annual workplan, budget and progress report. The plan and report will be sent to IUCN for technical clearance and presented at PSC meeting for approval. The approved work plan and budget will guide the project implementation for the subsequent years and this practice shall continue for the remaining years of project implementation.

The project management and support unit (PMSU) will prepare the following reports as part of the monitoring and evaluation of the project. They are:

1. Project inception report
2. Annual work plan and budget (AWP/B)
3. Four-monthly progress reports and annual progress reports
4. Thematic (technical) reports
5. Co-financing reports
6. Project completion/termination report
7. Midterm evaluation report
8. Final evaluation report

Following table presents the summary of the monitoring and evaluation, responsibility, timing and estimated budget. This table also includes additional activities such as supervision and monitoring visits involving steering committee members and MoITFE officials.

Summary of the major monitoring and evaluation activities with budget

M&E Activity	Responsible	Frequency	Budget, USD (GEF funded)
Project inception workshop	MoFE and IUCN	Within three months of the project launching	2,609
Project Inception Report	Project Manager (PM)	Immediately after the inception workshop	Staff Time
Regular monitoring	PM, project partners	Continuous	2,087
Field verification visits (Supervision)	PM, PSC members, co-financing agencies	Annually	6,957
Project Progress Reports	PM, IUCN	Four monthly and annual	Staff time
Co-financing reports	PM, IUCN	Annual	Staff time
Thematic (technical) reports	PMSU, PM	As and when needed	Staff time
Mid-term review	External consultant commissioned by PMSU, IUCN, MoFE	First trimester of the third year	5,000
Final Evaluation	External consultant team commissioned by IUCN, PMSU, MoFE	Last trimester of the project	15,000

Final Report	PMSU, IUCN	Last trimester of the project	Staff time
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10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The project targets to achieve value of economic, social and environmental benefits generated by the SLM interventions in the intervention site. By complying with the LDN TSP, the GoN has set voluntary targets and is committed to achieve land degradation neutrality by 2030. This target is also anticipated to contribute towards achieving the SDG target 15.3. The GoN has made efforts to develop a land degradation-neutral country by piloting interventions in the Lakhadei river basin and then gradually scaling up best practices throughout the remaining hot spots across Nepal as identified by LDN TSP. As such, this project in Lakhadei watershed is an initiative of GEF to curb the ongoing land degradation by streamlining the government line agencies in order to develop it as a model with appropriate SLM approaches to showcase it to stakeholders at the national and international level.

The project will play an instrumental role in creating a conducive environment for the stakeholders at the federal, provincial, local and community level to reflect, plan and take appropriate actions for the transformation of the baseline scenario of Lakhadei watershed to a desired state as envisioned by this project. This, in the long run will contribute to generate environmental and socio-economic benefits at the global, national and local level and help them achieve the vision of land degradation neutrality. The SLM practices adopted by this project, identified as the best ones will be instrumental in creating a productive landscape that will deliver ecosystem services with benefits to livelihoods and biodiversity. In order to fulfil the gaps, overcome the barriers and achieve the project objective, the project interventions have been organized into four outcomes, each with several outputs. Apart from national benefits, the global environment benefits that the project will contribute are: improved provision of agro-ecosystem and forest ecosystem goods and services; mitigated/avoided greenhouse gas emissions and increased carbon sequestration in production landscapes; conservation and sustainable use of biodiversity in productive landscapes; and reduced pollution and siltation of international waters.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification *

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

The main risk is related to access restrictions, though, it is not clear yet whether there would be the need to put in place restrictions on access to natural resources for people. As a result, the process framework needs to be prepared that will guide the necessary assessments of livelihood impact, the development of mitigation measures and required consultations with affected groups.

The Social Analysis carried out in each site identified for interventions will have to clearly identify the power dynamics between and among indigenous peoples groups including any discrimination that might exist. In this context, the Gender Equality and Social Equity Plan is considered as an Indigenous Peoples plan equivalent as it provides a systematic framework for addressing inequality and inequity issues between and within ethnic groups. The GESI plan needs to be tailored to each site selected for field interventions including adjusting the targets to reflect site specific aspects ? based on the outcome of the Social Analysis and consultations held in the sites with affected groups (irrespective whether potential impacts are expected to be positive or negative). Following the Standard on Indigenous Peoples, free, prior and informed consent of indigenous communities will be required on project activities that might affect them.

The following would need to be submitted to IUCN before the first supervision mission:

The outcomes of tasks described above (need to be submitted to IUCN for approval prior to the first supervision mission. These include:

- ? report social assessment in all sites selected for field interventions
- ? site-level GESI plans and evidence of engagement of local communities in their preparation
- ? FPIC of indigenous communities on all project activities that might affect them (positively or negatively)

- ? project-level GRM and evidence of communication/outreach to stakeholders, in particular to local stakeholders in each of the interventions sites

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Annex 6 GEF7 Nepal_ESMS Clearance- 30 April 2021	CEO Endorsement ESS	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
Impact (more than 90% targeted groups): Degraded watershed and livelihoods of Lakhandei river basin restored through Sustainable Land Management				Municipality reports and profiles	See activities under outcome 1,2,3,4	
	Greenhouse gas emissions mitigated, (t CO ₂ e) -	No baseline figures available	Average removal 38245.16 (20 years accounting rate, tCO ₂ e/ha/year)	Carbon accounting records	As indicated in various outcomes	Ref. Winrock International, FLR Carbon Storage Calculator, https://www.winrock.org/flr-calculator/
Outcome 1. Improved land and landscape governance and empowered river basin management institutions	Participation of targeted communities -	47 CFUGs; 6 DWGs; 5 APGs, 0 LPG	At least 47 CFUGs, 5 DWGs, 5 APGs, and 2 (more than 90% targeted groups) LPG of the communities participate in watershed management	Field survey, Monitoring reports	See activities under output 1.1 and 1.2	Municipality and local institutions create enabling environment to motivate community for increased participation.

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
	Strengthening of local level policy and institutions (Municipality, CFUGs, CDG, WO, DFO, AKC etc).	No policy at local level	M/E policy, set of recommendations on LDN principles	Municipality records, Monitoring reports		Province and local government bodies are convinced and willing to incorporate revised provisions in their policy.
Output 1.1 Systems for monitoring land degradation within the watershed established	An operational land degradation monitoring mechanism established at the watershed level	There is no land degradation monitoring system in place	A monitoring system developed and operationalized by first year of the project	Approval decision, monitoring report	<p>1.1.1 Develop a simple and participatory land degradation monitoring system at the Municipality level</p> <p>1.1.2 Support to establish M/E facility at the municipalities</p> <p>1.1.3 Capacity development training of Municipalities for monitoring and reporting</p>	<p>Human resources have capacity to run and maintain the system.</p> <p>Municipalities allocate resources for monitoring.</p>

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
Output 1.2 Community participation in watershed management increased	WMGs engaged in watershed management activities	66 of WMGs not actively engaged in implementing watershed management activities, including watershed restoration	At Least 60 WMG in the community participate in watershed management by the end of the third year	Records of WMGs, Reports of DFOs, WOs and other relevant institutions	1.2.1 WMG formation / revitalization and preparation / revision of plans. 1.2.2 Capacitate group members, WMGs, youth and local institutions for NRM and implementation and /or upscaling of SLM practices	CFUGs and other WMGs and relevant government bodies collaborate and coordinate to reform/reactivate the defunct groups
	% of women, marginal and ethnic and caste groups participating in watershed management activities	33-50% women in CFUGs Committee ; 10-15% marginal ethnic group and Dalit are participating in watershed management activities	Of the total population in the project area, there will be around 50% women, 70% marginal ethnic group and Dalit participating in watershed management	project progress report		Enabling environment for the participation of women, particularly among the poor, marginal and ethnic groups is created by the concern

[illegible]

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
Output 1.3 Strengthened policies to supporting sustainable watershed management	<p>LDN principles incorporated in Municipality /Provincial level watershed management programme</p> <p>No. of Municipal policies supporting sustainable forest and watershed management</p>	<p>LDN principles are not considered in the existing Provincial/ Municipal watershed management policies</p> <p>No policy at Municipality level exists</p>	<p>LDN principles are incorporated in the Provincial/ Municipal level watershed policies</p> <p>Two Municipalities prepare /update watershed management policies</p>	<p>Set of recommendation received at Lalbandi and Marin Municipalities and Province 2 and 3.</p> <p>Records of policy updates</p>	<p>1.3.1 Facilitate to integrate and operationalize LDN principles and targets in Provincial and Municipal policies (forestry, agriculture, land use and environment)</p> <p>1.3.2 Activate and support multi-stakeholder platforms for policy dialogue on sustainable watershed management, including land tenure issues^[1] as appropriate.</p> <p>1.3.3. Support to Project Steering Committee, Provincial Planning, Coordination and Monitoring Committee /Action Committee</p>	<p>Province government internalize the significance of LDN in watershed restoration and incorporate the LDN provision in their revised policy</p>

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
Outcome 2. Sustainable land management options for degraded watershed restoration scaled-up	Area of land restored, ha	Exact area (x[2] ²) not in record	Restoration: X+ 7,000 ha farmland restored, 500 ha riverbank plantation and 1000ha enrichment plantation. 4316 ha forest under improved management,	Field survey, Progress report of DFO and AKC, WO, plantation and management records, forest OP	See activities under output 2.1, 2.2, 2.3	The SLM practices are greatly owned by the local government bodies and local people Relevant stakeholders render active cooperation in SLM implementation
	2 of shared water ecosystems (fresh or marine) under new or improved cooperative management 3 water ecosystems restored Riverbank area protected, ha	Lakes in LRB are not managed properly, Lakhandei river in LRB inappropriately managed and its watershed ecosystems are degraded. Riverbank areas not protected	2 no. of watershed ecosystem (lakes) restored, 1 river (Lakhandei) appropriately managed 500 ha of riverbank protected	Project monitoring reports		

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
Output 2.1 Best practices in sustainable land management and watershed restoration assessed	Tools/criteria for assessing best practices identified	No appropriate tools available for assessing best practices in LRB	A set of tool kit prepared by second year of the project implementation Assessment of best practices completed by second year of the project implementation	Tool kit	2.1.1 Select/Establish SLM and WS restoration best practices assessment tools and methods. 2.1.2 Conduct action research to verify and / or validate best practices/innovative SLM practices for watershed restoration	
	# of best practices for restoration (including suitable technology for women, marginal and highly marginal caste and ethnic groups) identified and assessed using prepared tools	Information about best practices not recorded	# of best practices on SLM identified and assessed by second year	Assessment report, Monitoring report	[appropriate technologies/practices for project area identified, verified and recommended]	

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
Output 2.2 Validated SLM practices as watershed restoration options are demonstrated at selected sites	# of best practices demonstrated	No demonstration plots on best practices established in the project site.	6 demonstration plots on watershed restoration established by second year [of which at least 50% are managed or run by women and marginal caste, ethnic groups.]	Monitoring reports	2.2.1 Support stakeholders (groups, cooperatives, farmers) for implementation of the validated SLM practices. 2.2.2 Establishment of demonstration plots of best practices on watershed restoration	No adverse environment conditions or anthropogenic causes damage the demo plots
Output 2.3 Successfully demonstrated SLM practices as restoration options are rolled out at wider scale along the Lakhandei river basin	Demonstrated SLM practices rolled-out, area	0 ha No SLM practices are rolled-out Restoration options	1,000 ha plantation (enrichment) in degraded lands 500 ha plantation along the river side 2,000 ha farmland in the upstream 5,000 ha farmland in the downstream, 4316 ha forest under improved management by the end of project	report of watershed groups	2.3.1 Extension of SLM technologies through printed materials, audio-visual aids. 2.3.2 Support for mainstreaming best practices into provincial and local governments plans and programs 2.3.3 Establishment of nurseries (forest/horticulture) and Seedling distribution 2.3.4 Support FUGs to	The CBOs take great ownership on the recommended SLM practices Demonstrations are successful and yield promising result within a given time frame

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
	# HH adopting demonstrated technologies	0 HH adopting technologies	6000 households (disaggregated by poor, women headed and marginal HH) adopt recommended SLM practices	Project monitoring report	<p>establish plantation in degraded forest, in riverbanks and manage forest</p> <p>2.3.5 Support to farmers/ groups /cooperatives to restore farmland in LRB.(agroforestry plantation, rehabilitation of flood affected farm land, protection and maintenance of small)irrigation, bio engineering, soil and water conservation etc.)</p> <p>2.3.6 Support for the restoration of wetlands, riverbank protection, construction and maintenance of conservation ponds and protection, conservation and/or maintenance of drinking water sources along the LRB.</p>	

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
Outcome 3. Enhanced public and private sector investment in watershed restoration through SLM practices and associated value chain development	Volume of public and private sector investment in watershed restoration	NRs 3.0 million from Marin and NRs 5.0 million from Lalbandi Municipality allocated for soil and watershed conservation activities. Exact amount allocated by other offices in the core project area not available.	Increase in total investment by at least 20% on watershed restoration activities.	Field survey, DFO, AKC, cooperative fund flow records.	See activities under output 3.1,3.2,3.3	Private sector willing to invest on SLM enterprises Women; marginal and caste and ethnic groups take ownership in the enterprise
	# of SLM practice associated enterprises promoted (enterprises disaggregated by women; marginal and caste and ethnic groups).	0 SLM practice based enterprises	50 SLM practice based enterprises owned and managed by women; marginal caste and ethnic groups by the end of project	Business plans of the enterprises, progress reports		

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
Output 3.1 Market based options for SLM product based value chain development assessed	Tool for assessing SLM products-based value chain identified	No tools for assessing SLM products-based value chain available at the project area	A set of tool in place by the end of second year	Approved tool in place	3.1.1 Develop SLM product-based value chain development assessment tool 3.1.2 Identify market specific potential SLM products for value chain development	Assessment tool is contextual and widely used for the identification of SLM based products, market price of SLM products remain stable
	# market specific SLM products identified (products disaggregated by women; marginal and caste and ethnic groups).	No information available on market specific SLM products	20 market specific SLM product-based value chain identified by the year 2022, of which 50% are of women and marginal caste, ethnic group friendly.	Baseline report, FNCCI reports	3.1.3 Assess and recommend market potential SLM products for value chain development	Communities are able to deliver as per market requirement
Output 3.2 Communities are capacitated on SLM product based value chain development	Number of farmers trained in SLM products-based value chain development -	No people trained specifically on SLM product-based value chain development in different themes (forestry, WS management, agriculture, livestock etc.)	300 farmers capacitated/trained of which minimum 50% are women and minimum 50% from marginal caste and ethnic groups	Capacity building/Training reports, Reports of cooperatives /WS groups supported for V chain	3.2.1 Capacitate cooperative and/or group members on identifying SLM product-based value chain 3.2.2 Support and / or link with development banks for market based value chain development of market potential	Farmers /groups gain good understanding on SLM products based value chain Communities are willing to adopt the learnings from capacity building activities

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
	# Business plan on value chain development in operation	No specific business in operation specifically on SLM product-based value chains	20 business plans developed/ revised (in which at least 70% are women and 70% from marginal caste and ethnic groups)	Training reports	SLM products, prepare business plans, support for selected microenterprises	Resources to invest in the implementation of the business plans will be available
Output 3.3 Market-based incentive mechanism for watershed restoration developed and established	Market based incentive mechanism for identified SLM products in place -	No specific incentive mechanism for identified SLM products in place	Market based incentive mechanism such as input support policy, including existing transportation subsidy on fertiliser for agriculture production; cost sharing mechanism in forestry and WS management activities; input support for milk, meat and poultry production; provision of plant/ seed/ seedlings of high value forest products be developed	Market records.	3.3.1 Design and piloting market-based incentive mechanisms for recommended SLM products to encourage investment in value chain development 3.3.2 Support for the establishment of local product based market places at Lalbandi and Sindhuli in collaboration with local municipalities 3.3.3 Support women, poor, marginal and ethnic groups for creating / improving decentralized market places/ community facility centers to improve market access	Farmers have easy access to incentives, Market remains stable

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
Outcome 4. Rural communities revitalised for sustainably managing watersheds	Number of revitalized communities in watershed management	No youth groups, 31 OP of CFUGs' not revised -	At least 2 youth groups, OP of 28 CFUGs - (more than 90%) are revised and thus are revitalised in watershed management	Field survey, Monitoring reports	Please see activities under output 4.1, 4.2	Women, youth and marginal people actively participate in watershed management and enterprise
	# of direct beneficiaries disaggregated by gender as co-benefit of GEF investment (GEF 7 core)	Total population of LRB, population of ward No.12,13,14 of Lalbandi and 3,4,5 of Marin;	19,408 beneficiaries out of 49,366 people of upstream of Lakhandei watershed (Sarlahi) users of Lakhandei watershed of Sindhuli districts benefitted	Municipality record, village profile, baseline report		Workload to women is being shared by their household members and help women get engaged in enterprises
Output 4.1 Economic, social and environmental benefits generated by SLM interventions assessed	Guideline for assessing economic, social and environmental benefits of SLM intervention developed	No guideline in place for LRB	A guideline prepared and applied by second year of project start	Approved guidelines in place	4.1.1 Develop and pilot the tool/ guideline for the assessment of economic, social and environmental benefits of SLM interventions 4.1.2 Integrate and	

Outcome/output	Indicators	Baseline	Targets	Source of Verification	Activity	Assumptions
	Value of economic, social and environmental benefits generated by the SLM interventions quantified	No such values being quantified	Value used by the government in the regular planning process	Government budget allocation records	operationalize the tool in all local government policies along the LRB	
Output 4.2 Youth motivated and engaged in key landscape restoration activities	% of youth leading the community based landscape restoration activities	% of youth (female and male) representing in the Ex.Committee of CFUGs, CDGs and relevant cooperatives	Representation of youth (female and male) in the decision-making level of the community based landscape restoration institutions, particularly in CFUG, CDG and relevant cooperatives. # of youth leading landscape restoration activities.	CFUG, CDG, Cooperative minutes, monitoring reports	4.2.1 Motivate youth and women group through various activities (e.g. awareness, study visit, training, leadership role etc.) for engaging in the WS restoration activities/ enterprise development. 4.2.2 support youth/ enterprises in establish linkage with relevant markets, governments /private sectors funded youth supportive programs. 4.2.3 Support youth groups in the implementation of youth specific activities	Youth focused programs yield economic benefit Youth are capacitated to assume decision making position

[1] On land tenure, project will conduct a study to identify actual issues on land tenure, understand the root causes of land degradation and recommend solutions to address such issues so that restoration is not hampered.

[2] Watershed management in the project area has been attempted for several years. However, records of exact area restored or managed were not available. Hence, all such past efforts were denoted as X and any additionalities due to the project intervention has been considered as X+.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

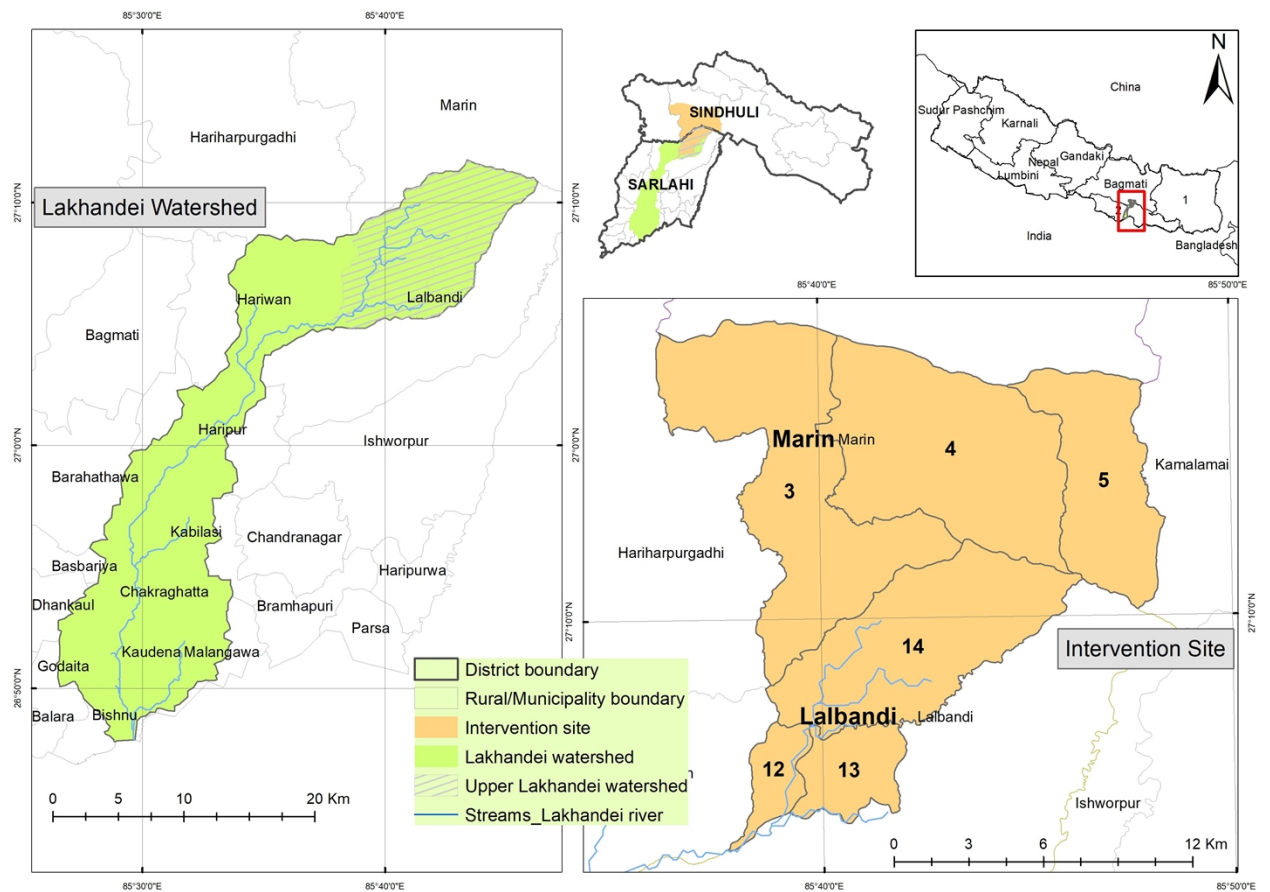
**ANNEX C: Status of Utilization of Project Preparation Grant (PPG).
(Provide detailed funding amount of the PPG activities financing status in the table below:**

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Inception, Baseline survey, National and local level consultations, Government's Technical Committee meetings, data analysis, proposal drafting, approval from the technical committee, monitoring of consultation and drafting process,	54,500	18,090	36,410
Total	54,500	18,090	36,410

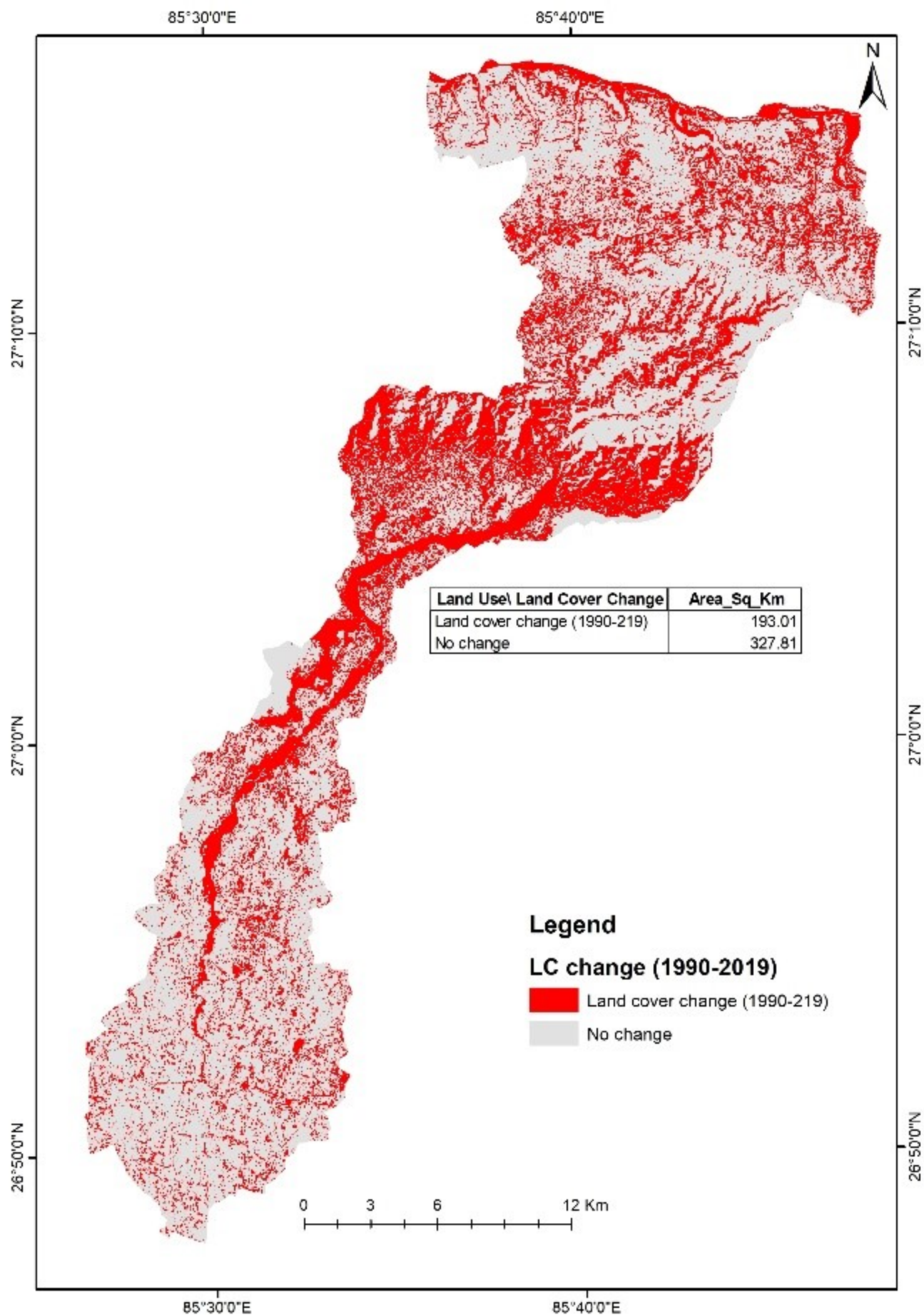
ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

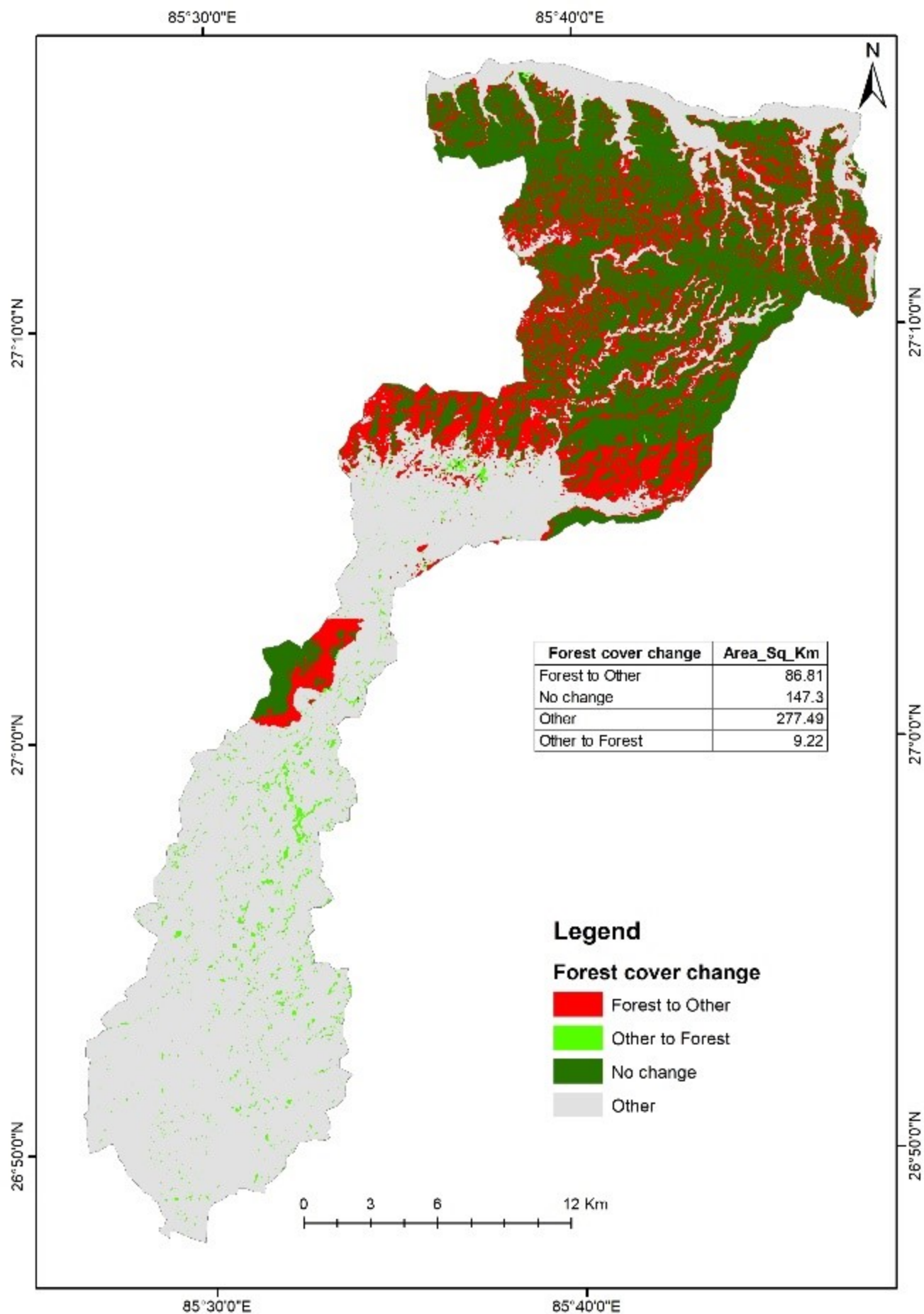
Map 1. Location of Lakhandei Watershed and Project Area



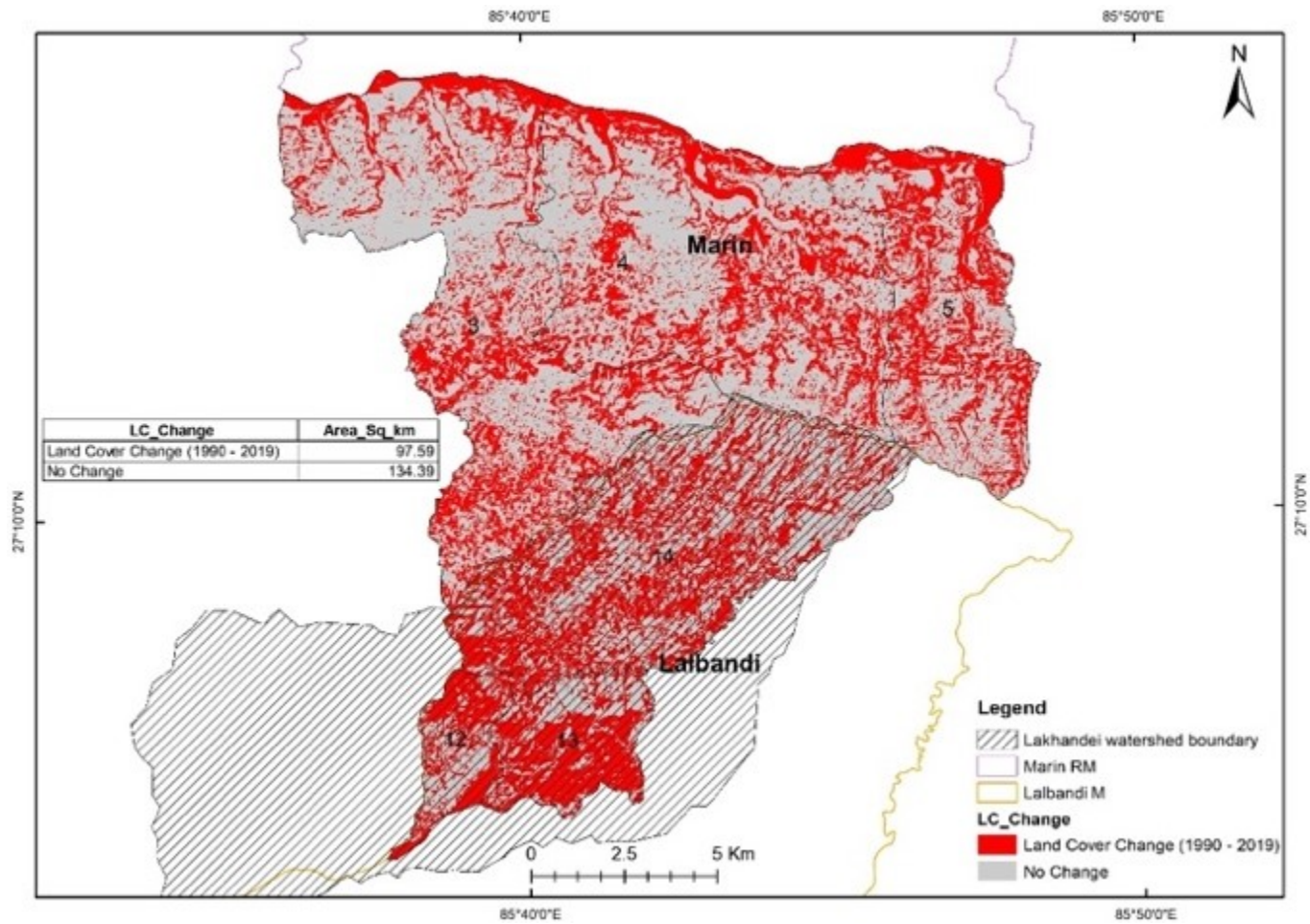
Map 2. Land cover change of the total project area (1990-2019)



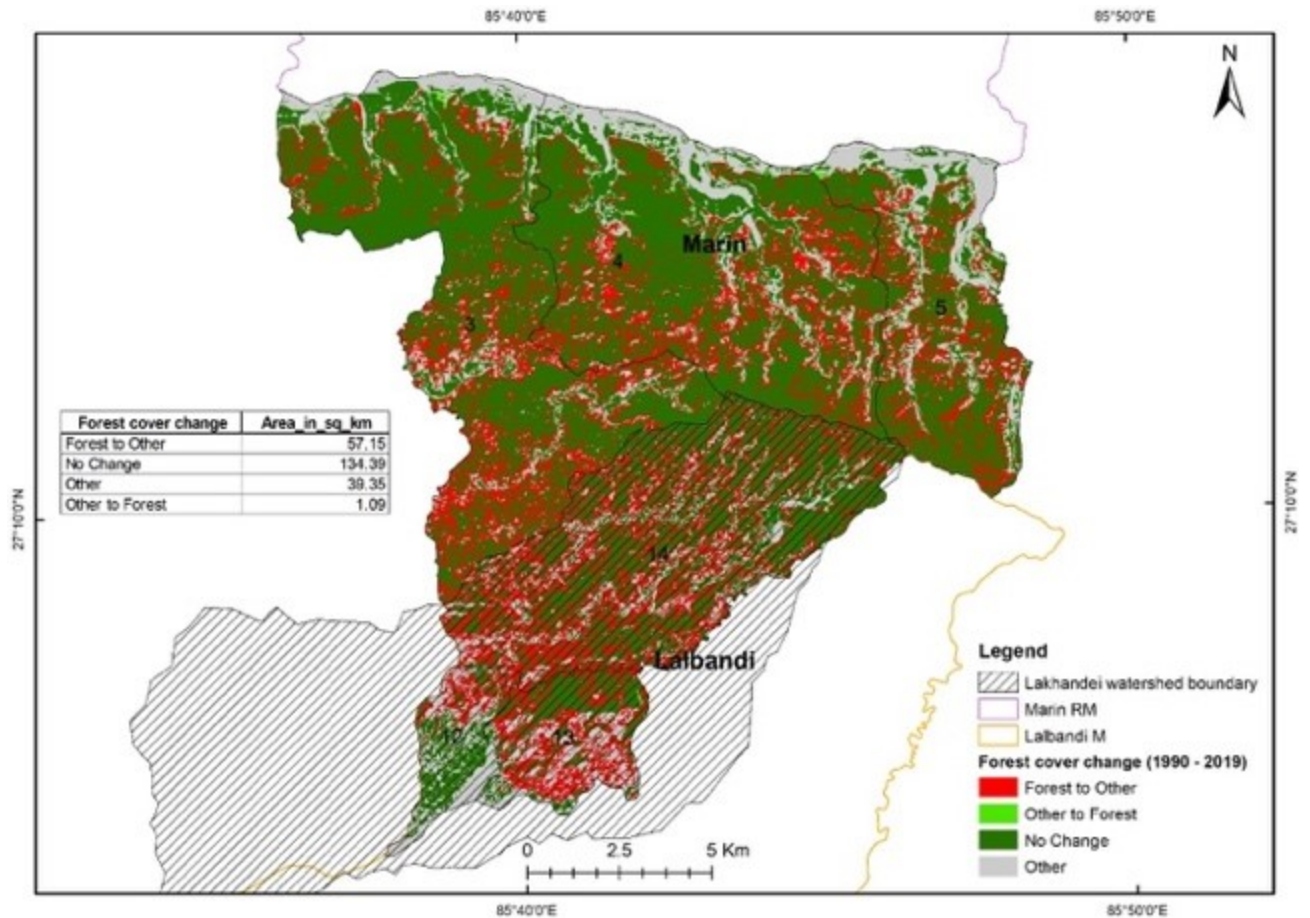
Map 3. Forest cover change of the total project area (1990-2019)



Map 4. Land cover change of the core project area (1990-2019)



Map 5. Forest cover change of the core project area (1990-2019)



ANNEX E: Project Budget Table

Please attach a project budget table.

The overall budget for the Project is USD 8,551,543 out of which USD 1,554,826 will be grant from the GEF Trust Fund and USD 6,996,717. Project component and output-wise budget is presented in Table 1 below.

Table 1. Project component and output-wise budget

Restoring the degraded watershed and livelihoods of Lakhandei river basin through Sustainable Land Management

Component	Outputs	GEF Project Financing (USD)	Co-Financing- (USD)	Total Amount (USD)
Component 1: Adaptive Land Governance	1.1. Systems for monitoring land degradation within the watershed established	40,518	154,370	194,888
	1.2. Community participation in watershed management increased	90,609	407,739	498,348
	1.3 Strengthened policies to support sustainable watershed management	8,939	40,226	49,165
Component 2: Scaling up best practices of SLM	2.1 Best practices in sustainable land management and watershed restoration assessed	5,635	25,357	30,991
	2.2 Validated SLM practices as watershed restoration options are demonstrated at selected sites	57,913	260,609	318,522
	2.3 Successfully demonstrated and proven SLM practices as restoration options are rolled out at wider scale along the Lakhandei river basin	1,052,243	4,703,791	5,756,034
Component 3: Investments in watershed restoration	3.1 Market based options for SLM product assessed for value chain development	8,374	37,683	46,057
	3.2 Communities are capacitated on SLM product-based value chain development	75,913	341,609	417,522
	3.3 Market-based incentive mechanism for watershed restoration developed and established	35,026	157,617	192,643
Component 4: Watershed restoration	4.1 Economic, social and environmental benefits generated by SLM interventions assessed	6,478	29,152	35,630
	4.2 Youth motivated and engaged in key landscape restoration activities	32,087	144,391	176,478
Direct Field Cost		1,413,735	6,302,543	7,716,179
Project Management Cost (PMC)		141,091	694,174	835, 265
Total Budget		1,554,826	6,996,717	8,551,543

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used

by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agency is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies' capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).