



Mainstreaming Biodiversity Conservation into the Tourism Sector in Bhutan

Part I: Project Information

Name of Parent Program

Global Wildlife Program

GEF ID

10234

Project Type

FSP

Type of Trust Fund

GET

CBIT/NGI

CBIT

NGI

Project Title

Mainstreaming Biodiversity Conservation into the Tourism Sector in Bhutan

Countries

Bhutan

Agency(ies)

UNDP

Other Executing Partner(s)

Tourism Council of Bhutan

Executing Partner Type

Government

GEF Focal Area

Biodiversity

Taxonomy

Biodiversity, Focal Areas, Species, Threatened Species, Illegal Wildlife Trade, Biomes, Wetlands, Rivers, Lakes, Financial and Accounting, Conservation Finance, Mainstreaming, Tourism, Certification -National Standards, Infrastructure, Protected Areas and Landscapes, Productive Landscapes, Community Based Natural Resource Mngt, Terrestrial Protected Areas, Transform policy and regulatory environments, Influencing models, Convene multi-stakeholder alliances, Demonstrate innovative approach, Strengthen institutional capacity and decision-making, Civil Society, Stakeholders, Community Based Organization, Non-Governmental Organization, Communications, Awareness Raising, Education, Behavior change, Public Campaigns, Indigenous Peoples, Local Communities, Private Sector, Individuals/Entrepreneurs, SMEs, Type of Engagement, Participation, Partnership, Consultation, Information Dissemination, Beneficiaries, Gender results areas, Gender Equality, Capacity Development, Access to benefits and services, Participation and leadership, Gender Mainstreaming, Sex-disaggregated indicators, Enabling Activities, Capacity, Knowledge and Research, Knowledge Exchange, Learning, Innovation, Knowledge Generation

Rio Markers**Climate Change Mitigation**

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 1

Submission Date

12/3/2020

Expected Implementation Start

7/1/2021

Expected Completion Date

6/30/2026

Duration

60In Months

Agency Fee(\$)

436,872.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
BD-1-1	Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors	GET	2,129,848.00	3,987,834.00
BD-1-2a	Mainstream biodiversity across sectors as well as landscapes and seascapes through global wildlife program to prevent extinction of known threatened species	GET	1,402,926.00	2,632,723.00
BD-2-7	Address direct drivers to protect habitats and species and Improve financial sustainability, effective management, and ecosystem coverage of the global protected area estate	GET	1,321,354.00	2,452,005.00
Total Project Cost(\$)			4,854,128.00	9,072,562.00

B. Project description summary

Project Objective

Ecotourism development mainstreams biodiversity conservation into the tourism sector in Bhutan.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
--------------------------	-----------------------	--------------------------	-------------------------	-------------------	-----------------------------------	------------------------------------

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1. Enabling and coordinated policy and institutional framework for ecotourism and wildlife conservation	Technical Assistance	<p>Effective policy and institutional framework for ecotourism that incentivizes and integrates biodiversity conservation into the tourism sector, as indicated by:</p> <ul style="list-style-type: none"> - Ecotourism Master Plan under implementation across Bhutan, with MTAC fully functional with clear governance and operational mechanisms - 18 tourism-related guidelines under implementation that integrate biodiversity and safeguards (new and revised) - Concessions mechanism adopted by Cabinet and at least two concession-based initiatives operational with lessons shared for national replication - Operational 	<p>1.1 National Ecotourism Master Plan developed and inclusive Multi-Sector Technical Advisory Committee (MTAC) established to mainstream biodiversity across tourism sectors</p> <p>1.2 National Zero Poaching strategy and HWC management strategy implementation strengthened through enhanced advocacy, coordination and monitoring, and analysis and incorporation of best practices and lessons learned</p> <p>1.3 Investment framework and sustainable financing mechanisms developed and operational including a private sector concession framework for PAs and wider landscape conservation</p> <p>1.4 Ecotourism</p>	GET	648,700.00	1,370,686.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
2. Demonstration of innovative and diversified ecotourism landscapes that support human-wildlife coexistence	Investment	<p>Wildlife-based ecotourism strengthens biodiversity conservation, enhances livelihoods and human-wildlife co-existence, reduces HWC and deters poaching and illegal trade and other biodiversity threats, as indicated by:</p> <ul style="list-style-type: none"> - 368,002 ha under improved management for ecotourism and biodiversity conservation - Improved management effectiveness (METT) from 67 to 86 for Bumdeling Wildlife Sanctuary and from 72 to 86 for Sakteng Wildlife Sanctuary - At least 50% reduction in annual HWC incidences - Reduction in the loss of wildlife through snares by >90% -50% of local households (1,230) benefitting 	<p>2.1 Ecotourism concessions framework and sustainable financing mechanisms demonstrated at landscape level (including PAs), providing local livelihood benefits and increased financing for PA management and biodiversity</p> <p>2.2 High-quality ecotourism products and services developed across the demonstration landscape through an integrated plan and value chain approach delivering local livelihood benefits and biodiversity gains</p> <p>2.3 Conservation of biodiversity including flagship species enhanced for promotion of wildlife-based economy through habitat</p>	GET	2,697,680.00	5,402,773.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
3. Ecotourism capacity, promotion, knowledge management and M&E	Technical Assistance	<p>Effective capacity, marketing and knowledge exchange to establish Bhutan as a model ecotourism destination, as indicated by:</p> <ul style="list-style-type: none"> - 20% of international tourists opt for nature-based tourism products as measured by National Tourism Monitor (increasing from pre-COVID baseline of 12.86%) -Capacity of national stakeholders to mainstream biodiversity into ecotourism increases from 29% to 72% and from 27% to 63% for local stakeholders (UNDP capacity development scorecard - At least 6 project best practices documented and 800 downloads of project documents, results and lessons 	<p>3.1 Key actors (national and Dzongkhag governments, private sector and local communities) capacitated and equipped to support ecotourism development and apply ecotourism safeguards and standards</p> <p>3.2 Ecotourism marketing and promotional strategy developed and implemented, including the capacity for promotion, branding and marketing for ecotourism products and activities</p> <p>3.3 Knowledge sharing platforms, events and networks established at local and national levels to enhance ecotourism collaborations and best practice exchanges including with regional and international networks, particularly the Global Wildlife Program</p>	GET	1,276,600.00	1,335,643.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
				Sub Total (\$)	4,622,980.00	8,109,102.00

Project Management Cost (PMC)

	GET		231,148.00		963,460.00	
		Sub Total(\$)	231,148.00		963,460.00	
		Total Project Cost(\$)	4,854,128.00		9,072,562.00	

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	Tourism Council of Bhutan	Public Investment	Investment mobilized	1,827,000.00
Recipient Country Government	Tourism Council of Bhutan	In-kind	Recurrent expenditures	1,111,000.00
Recipient Country Government	Ministry of Agriculture and Forests	In-kind	Recurrent expenditures	524,000.00
Recipient Country Government	Bhutan for Life	Grant	Investment mobilized	1,964,000.00
Recipient Country Government	Bhutan for Life	In-kind	Recurrent expenditures	1,792,500.00
Recipient Country Government	Bhutan Trust Fund for Environment Conservation	In-kind	Recurrent expenditures	500,000.00
Civil Society Organization	WWF	Grant	Investment mobilized	1,195,884.00
GEF Agency	UNDP	Grant	Investment mobilized	158,178.00
Total Co-Financing(\$)				9,072,562.00

Describe how any "Investment Mobilized" was identified

The portion of the Royal Government of Bhutan co-financing that is Investment Mobilized represents additional budgetary provisions to the Tourism Council of Bhutan for investment in ecotourism development through the tourism flagship program under the 12th five-year plan, grant investment in ecotourism investment and conservation in the demonstration landscape (particularly PAs) via Bhutan for Life (BFL). The term Recurrent Expenditure has been used to reflect aligned efforts/activities through recurrent budget provisions across the implementation timeframe, including in-kind support from the Tourism Council of Bhutan (TCB) for product and policy development, marketing and project management; support for development and maintenance of tourism infrastructure from participating

Dzongkhag governments (recorded in the TCB co-financing letter); in-kind recurrent and operating costs for conservation and HWC management in the demonstration landscape from Bhutan for Life (BFL); in-kind contribution in the area of human-wildlife conflict (HWC) management under the fourth Strategic Plan for the Bhutan Trust Fund for Environmental Conservation (BTFEC); and in-kind inputs from the Department of Forests and Park Services within the Ministry of Agriculture and Forests, including at Sakteng Wildlife Sanctuary and Bumdeling Wildlife Sanctuary for technical activity support and maintenance of park ecotourism infrastructure. Other Investment Mobilized includes grant investment in aligned initiatives in the demonstration landscape from WWF via the thematically and geographically aligned IKI ?Living Landscapes? initiative, and grant investment from UNDP via BIOFIN investment in biodiversity financing solutions, and through the UNDP COVID-19 crisis response support to the tourism stimulus plan.

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(\$)
UNDP	GET	Bhutan	Biodiversity	BD STAR Allocation	4,854,128	436,872
Total Grant Resources(\$)					4,854,128.00	436,872.00

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 (\$)

100,000

PPG Agency Fee (\$)

9,000

Agency	Trust Fund	Country	Focal Area	Programmin g of Funds	Amount(\$)	Fee(\$)
UNDP	GET	Bhutan	Biodiversity	BD STAR Allocation	100,000	9,000
Total Project Costs(\$)					100,000.00	9,000.00

Please provide justification

NIL

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management for conservation and sustainable use

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	226,200.00	0.00	0.00

Indicator 1.1 Terrestrial Protected Areas Newly created

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

Name of the Protected Area	WDP A ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
----------------------------	----------	---------------	----------------------------	--	----------------------------	---------------------------

Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	226,200.00	0.00	0.00

Name of the Protected Area	WDP A ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
----------------------------	----------	---------------	----------------------	----------------------------------	----------------------------	---------------------------	--	------------------------------	-----------------------------

Name of the Protected Area	WDA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)
Akula National Park Bumdeling Wildlife Sanctuary	125689301949	Select		152,100.00			67.00		
Akula National Park Sakteing Wildlife Sanctuary	12568964415	Select		74,100.00			72.00		

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)
0.00	141802.00	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)
	141,802.00		

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)

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)
----------------------	----------------------------------	----------------------	---------------------

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)
----------------------	----------------------------------	----------------------	---------------------

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted
-------	-----------

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)	0	2200000	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)		2,200,000		
Expected metric tons of CO ₂ e (indirect)				
Anticipated start year of accounting		2021		
Duration of accounting		20		

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)				

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
----------------------	----------	----------------------	-------------------	------------------

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)
------------	---------------------------------	---	---------------------------------	--------------------------------

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		8,534		
Male		7,933		
Total	0	16467	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

The project's core indicators have been confirmed during the PPG phase based on a detailed community-led exercise to confirm the project demonstration landscape in Eastern Bhutan. The demonstration landscape has been delineated to cover an area of 368,002 ha, comprising: ? Core indicator 1: 226,200 ha of protected areas that will be under improved management effectiveness, representing Bumdeling Wildlife Sanctuary and Sakteng Wildlife Sanctuary. METT baselines for the PAs have been completed and mid-term and end-of-project targets established. This is an increase since concept note stage when only Sakteng Wildlife Sanctuary had been included. During the PPG, the involvement of Bumdeling Wildlife Sanctuary has been confirmed, resulting in the increased project contribution towards core indicator 1. ? Core indicator 4: 141,802 ha of landscape under improved

management for ecotourism and biodiversity conservation surrounding and connecting these two PAs. The area outside of PAs for project focus has been confirmed using selection criteria that cover ecological characteristics, tourism potential and local community support (see baseline section later in this CEO ER) and following Gewog boundaries to delineate the project landscape boundary. There is a small increase in core indicator 4 since the indicative estimate (125,000 ha) at concept note stage. Project activities will support climate change mitigation co-benefits under core indicator 6 estimated at a mitigation/sequestration potential of 2.2 million tonnes of CO₂ equivalent over the period of 20 years. This includes the direct benefit only through the project's efforts to minimize the level of forest degradation through improved habitats for biodiversity, avoiding degradation in at least 10% of the PA area of 226,200 ha by reducing threats to habitats, and improving habitats in 15% of the project's 141,802 hectares outside PAs. The FAO-EXACT worksheet and summary of results and assumptions are provided in Project Document Annexes 19a and 19b. The direct beneficiaries of the project have been confirmed during the PPG phase based on the detailed design of project activities in consultation with government and local stakeholders. These discussions have resulted in a slight increase in expected beneficiaries since the concept note estimate (10,000). The direct beneficiaries have been estimated at 16,467 comprising people living in demonstration landscape Gewogs (10,361; 5,185 female), local private sector personnel (227; 152 female), national private sector personnel (5,550; 3,128 female), local Royal Government of Bhutan (RGoB) Officials (210; 25 female) and national RGoB Officials (119; 44 female). The overall 50% female target indicated at concept note has been maintained, with slightly over half of the total beneficiaries expected to be female (8,534 women of 16,467).

Part II. Project Justification

1a. Project Description

1) the global environmental problems, root causes and barriers that need to be addressed

The nature of the global environmental problem, root causes and barriers that the project seeks to address have been further elaborated, but remain broadly consistent with that detailed in the child project concept note submitted under the Program Framework Document (PFD), setting out key threats to the globally significant biodiversity of Bhutan – a country with high forest cover that can be considered a tiger landscape in its entirety, and where wildlife are a common presence in the landscape due to an extensive, nationally-connected network of protected areas and biological corridors.

In these globally-significant ecosystems, key threats include:

? Human-wildlife conflict, encompassing a broad range of species and both livestock predation and crop depredation, is a key threat to the conservation of biodiversity and an increasing challenge to the sustainability of farming and livelihoods. The increasing level of HWC across Bhutan has cultivated a negative community attitude towards wildlife and conservation agendas by frustrated farmers that can lead to perceptions of ‘over-conservation’ and increased local participation in retaliatory killing of wildlife, poaching and trafficking;

? While Bhutan’s ecotourism is underdeveloped, tourism as a whole is geographically concentrated at certain sites and this and a short tourist visitation season result in over-crowding and risk of environmental degradation from overtourism. Most of Bhutan’s trekking routes have very basic amenities that are substandard and poorly maintained, exerting pressure on sensitive ecosystems and impeding the extent to which tourism can provide a sustainable and viable alternative livelihood for local communities. This is an increasing threat for sensitive ecosystems in Eastern Bhutan that are targeted by the government for increased tourism development (even in a post-COVID scenario).

Ecotourism development is broadly promoted as a long-term strategy to mitigate current levels of HWC, further compounding the potential risk of ecosystem degradation from overtourism if it is not planned and managed carefully. These threats inform the integrated approach of this project to promote sustainable ecotourism development as a tool to strengthen biodiversity conservation and build human-wildlife coexistence.

The viability of this strategy has been called into question by the COVID-19 pandemic which has devastated the global tourism industry and seen the closure of Bhutan’s borders to international tourists

since early 2020, with widespread impacts on local tourism-dependent livelihoods (see next section on baseline scenario). However, emerging government policies and programmes serve to re-emphasize the importance of ecotourism and of strengthening tourism resilience to Bhutan's COVID-19 socio-economic recovery, confirming the continued feasibility of the project's approach under a COVID-19 context, and highlighting the opportunity for the government to mainstream biodiversity conservation into its green tourism recovery and resilience strategies. The potential project risks and opportunities associated with COVID-19 have been assessed during the PPG phase, as detailed in **Annex 2 of the Project Document**.

Despite the impacts of COVID-19 and newly-emerged risks and shifting dynamics around tourism demand and recovery the key barriers introduced in the concept note remain valid and centred on the effective mainstreaming of biodiversity and HWC mitigation into tourism development and operations. The barriers to ecotourism that supports incentivizes biodiversity conservation and facilitates the mainstreaming of biodiversity into tourism as elaborated during the PPG phase are:

Inadequate enabling national policy environment and weak institutional coordination and governance; Ecotourism in the past has not been captured under a cohesive national framework, leading to weak coordination and clarity in policy, planning, and mandates between key stakeholders and fragmentation in approaches between governments at different levels as well as between government and the private sector: Despite nature being one of the two principal attractions for tourists coming to Bhutan, there are no coordination mechanisms and policies that provide safeguards to unhealthy growth and development in tourism infrastructure, development of tourism products and services and overall standards. There is an absence of common standards and guidelines for managing environmental risks, and limited monitoring and enforcement of existing rules and standards. While certification is an accepted tool to ensure conformity to proper standards and safeguards, there is no formal requirement for certification of ecotourism as a 'green product'. Overall, there is very limited consideration of biodiversity conservation in planning, development and operation of tourism activities, including ecotourism. There is now a good opportunity to achieve this policy development as part of the government's overall recovery to COVID-19 through accelerated reform towards ecotourism, and it will be an essential foundation of such reform. While nature is the bedrock of a sustainable and resilient ecotourism future, the environmental and natural resources sector is not currently represented on the key tourism body, the Tourism Council of Bhutan (TCB). Similarly, TCB does not have representation from the health sector, which in view of the COVID-19 experience is paramount for pandemic disease prevention and health safety within the tourism sector.

Lack of sustainable financing for biodiversity from tourism, innovation, and diversification of ecotourism products and limited integration of ecotourism value chains into local community engagement and development and support for HWC management: There is an estimated Nu. 5,046 million (USD 75 million) financing gap for meeting the 12th five-year plan's biodiversity and climate-related targets. Ecotourism is a green product that could contribute to meeting the financing

needs and targets. The BIOFIN assessment has recommended policy and laws related to biodiversity conservation to consider market-based instruments as an integral element of biodiversity conservation initiatives for sustainability and in integrating implementation ownership. Currently, there are limited mechanisms for revenue generation in parks and other nature recreational areas in Bhutan. Only Sakteng Wildlife Sanctuary imposes park entry fees (as exclusivity fees). Besides this there are three recreational areas – the Royal Botanical Park at Lampleri, botanical Park at Serbithang, and Takin preserve that have entry fees for both domestic and international visitors. A few camping sites in the country have user fees for the services provided. The only other direct means of generating revenue is through issuance of licences for fishing. Therefore, the overall accumulation of revenue generation from visitor fees is minimal although opportunities exist. Further, while the impact both in terms of revenues and jobs including social progress can be significant, there is no formal mechanism to enable the flow of funds from tourism to biodiversity conservation. A clear plough-back mechanism designed to help protected areas retain revenues in the park's conservation activities is needed to enable the sustainability of biodiversity conservation activities. Compounding these challenges, there are no systematic investment facilitation processes that consider sustainable financing structures and few identified opportunities for high-value private investment and public-private partnerships. An initial concessions framework has been drafted but not finalized or implemented. The draft Tourism Policy of Bhutan 2019 recognizes that the success of tourism as a driver of sustainable development depends on the presence of a conducive business environment for trade and investment to promote growth. Initial COVID-19 response strategies further recognize the importance of a resilient business environment, and in using the current tourism "down time" to put in place necessary infrastructure, business processes and digitization to support further private sector investment. The financial incentives do not include ecotourism enterprise and product development. The draft concessions framework, a guideline to encourage and enhance the provision of services and opportunities of ecotourism development, developed by the DoFPS, defines the environmental, social, and economic conditions that investors should meet but does not define the benefits and incentives (concessions) that the investors will avail. There are no formal mechanisms to enable investments into ecotourism development or the required mechanisms to enable retention of revenue from such investments for sustaining biodiversity conservation at local levels.

Insufficient knowledge and capacity on ecotourism, biodiversity conservation, and HWC management at national and local levels, and poor gender and youth mainstreaming: There is limited knowledge among the local tourism sector on ecotourism best practices, leading to the limited application of best practices within the private sector. Most of the agencies involved in activities related to campsites and homestays in Bhutan are not able to understand the purpose and the objectives of ecotourism. Weak understanding of business opportunities at local levels inhibits growth in ecotourism businesses and to the sustainability of biodiversity conservation. Targeted ecotourism and sustainable tourism practices are not included in training and hospitality courses. The evaluation of ecotourism commissioned by the Gross National Happiness Commission (GNHC) in 2018 with a focus on village homestays and campsites has recommended advocacy and awareness, strengthening stakeholders' partnerships, capacity building, and developing promotional materials as important areas for improving ecotourism services in the country. The May 2020 socio-economic impact assessment of COVID-19 on the tourism

sector identified an urgent need for re-skilling and upgrading skills across the tourism sector particularly in nature guiding, ecotourism and farm tourism ? and training partnerships and programs need to be put in place to support this. Coordination and learning are impeded by a lack of networks to consolidate and share experiences from ecotourism pilots, boost marketing and business opportunities, and facilitate the establishment of Bhutan as a preferred ecotourism destination. Knowledge management mechanisms to share best practices and lessons learned between key stakeholders involved in ecotourism, biodiversity conservation, HWC, and protected area management do not meet current needs, and do not allow for ready access to best practices and lessons from other countries grappling with HWC or successfully leveraging sustainable biodiversity financing and livelihoods from nature-based tourism. Past studies confirm that HWC results in resentment against conservation policies and retaliatory killings. Community attitudes can be antagonistic towards wildlife and conservation due to substantial HWC impacts on livelihoods, and communities generally make little contribution to biodiversity conservation. There is a limited and fragmented application of sustainable tourism practices (including ecotourism) within the private sector, in part because of a lack of awareness, skills, and equipment

These issues are detailed in **Part I Development Challenge and Figure 1, Conceptual model, of the Project Document.**

2) the baseline scenario and any associated baseline projects

A key change in the project baseline has been the emergence of the COVID-19 pandemic during the PPG stage, with its impacts on the tourism sector in Bhutan and on government policies, priorities and programmes for tourism development and recovery. The updated baseline is detailed in **Section I Development Challenge of the Project Document** with key updates copied below for easy reference.

Sustainable tourism development is a key priority of the Royal Government of Bhutan and this project has been designed to closely align with the national tourism flagship program of the 12th Five Year Plan (2018-2023) and policies such as the 21st Century Economic Roadmap which forecasts ecotourism as a major component of economic diversification as the country approaches LDC graduation. During the PPG phase, the government developed a draft Tourism Policy (2019), later approved in 2021 which envisions Bhutan as a green, sustainable, inclusive and high-value competitive tourism destination, remaining consistent with the ecotourism focus of this project. The draft policy was endorsed by Cabinet in early 2021, prior to the commencement of this project.

The tourism sector of Bhutan has been heavily impacted by COVID-19 (See **Annex 2 of the Project Document** for an assessment of COVID-19 risks and opportunities). Air transport and inbound international tourism in Bhutan has come to a standstill across much of 2020. A rapid socio-economic impact assessment supported by UNDP during the PPG phase confirmed that COVID-19 has had a significant impact on the tourism sector from early stages of lockdown, with most survey respondents outlining negative impacts on individual and household livelihoods.

The ongoing importance of tourism to the economy remains well-recognized and strengthening tourism resilience is a core part of the government's COVID-19 recovery strategy. Policy recommendations in the socio-economic impact assessment include building resilience and sustainability into the future of tourism and using Bhutan's long-standing aspiration for ecotourism as a competitive advantage in this regard. Green economic recovery including the tourism sector, and support to new approaches and strategies for the future of tourism, is captured within the draft UN Bhutan COVID-19 Socio-Economic Response Plan.

Tourism resilience is a key focus of the government's socio-economic response to COVID-19. Tourism resilience is one of three programs under the Royal Government of Bhutan's Economic Contingency Plan 2020, aiming to professionalize the tourism sector, strengthen tourism governance and enhance Bhutan's image as an "exclusive high-end and sustainable tourism destination". Thus, green and sustainable remain a key part of the brand vision under COVID-19, and could be seen as an increasing market advantage for Bhutan if global tourism reboots with a stronger interest in remote, "socially-distanced" destinations – a form of tourism that is strongly-aligned to the government's long-term "high-value, low impact" tourism policy and the ecotourism development potential. The government is developing a 21st Century Economic Roadmap for the next 10 years. The ideas around ecotourism include public-private partnership models, wildlife viewing and high-end nature-based products.

The Tourism Council of Bhutan has prepared a COVID-19 Tourism Stimulus Package including immediate interventions to engage tourism stakeholders. These interventions include, inter alia, infrastructure development and maintenance, surveys and studies, training and skill up-grading, and fiscal and monetary incentives. These interventions, and other efforts underway, including partnership between UNDP and the UN World Tourism Association (UNWTO) on digitization of the tourism sector in Bhutan to build resilient tourism businesses, are in line with the UNWTO Tourism Recovery Technical Assistance Package to support economic recovery, marketing and promotion, and institutional strengthening and resilience building.

These emerging policies and programmes in response to COVID-19 have been integrated as far as possible into the detailed design of this project.

The project will focus its demonstration on a landscape in Eastern Bhutan, a region targeted for enhanced ecotourism development by the government under the tourism flagship program and a hotspot of HWC. This will enable a more balanced geographical spread of visitation, tourism investment, employment and revenue across Bhutan, with strong alignment to the government's vision for tourism sector recovery. The project's demonstration activities will encompass the five Dzongkhags of Lhuentse, Mongar, Trashigang, Trashiyangtse and Zhemgang, which have a total area of 951,884 ha. The identified demonstration landscape within this broader area covers 368,002 ha (see Annex E of this CEO ER). This includes 226,200 ha within Bumdeling Wildlife Sanctuary (BWS) and Sakteng Wildlife Sanctuary (SWS) as well as 141,802 ha outside these PAs. The profile report for the demonstration landscape and the related PAs is provided in **Annex 12b of the Project Document**, while **Annex 3 of the Project Document** provides more detailed maps and a list of the project activity sites (e.g. for tourism product development) in each Dzongkhag .

This landscape is consistent with the initial information shown in the concept note and has been confirmed using ecological criteria that align with the priorities of the GWP to address poaching and HWC. The criteria used for selection of the demonstration landscape included two primary criteria (ensuring strong alignment to GEF biodiversity programming directions and the GWP) and four secondary criteria. The primary criteria were: 1) Global Environmental Benefits - the presence/extent of globally significant biodiversity, and 2) The presence and level of threat to biodiversity particularly through HWC, poaching and/or IWT that tourism development can help address. The secondary criteria were: 3) Bed nights - to enable the spread of tourism to areas that received fewer tourists in the past (Government priority); 4) Under Protected Area - to ensure that the project works within areas that include PA management and provide better scope for mainstreaming biodiversity conservation into tourism and supporting PA financing sustainability through tourism-generated revenue; 5) Accessibility and Security ? since physical access (roads) and at the same time security and safety are critical considerations for tourism; 6) Potential for Circuit - the five Dzongkhags also fit with the eastern circuit of the national approach for circuit-based tourism development. Targeted geographic priorities have been informed by government priorities reflected in the Tourism Flagship Program, which have been identified and prioritized through an inclusive bottom-up planning process required for the national 12th Five-Year Plan preparation. These have been further discussed and validated during the PPG field visits which confirmed the feasibility and potential benefits of the activities as well as stakeholder support. As a result, demonstration activities were identified in 19 Gewogs and the boundaries of these Gewogs used to delineate the project demonstration landscape. Ongoing feasibility and support for these activities given COVID-19 impacts and emerging government economic recovery policy will be confirmed during the inception phase based on the current situation at that time. The validation process happened during the COVID-19 pandemic and at that stage (mid-2020) there was still strong community support for product development given COVID-19 impacts on tourism, and strong alignment with government policy for economic recovery has been confirmed.

The baseline for wildlife in the demonstration landscape has been elaborated, with the landscape baseline shown in **Annex 12b of the Project Document**, and METT baselines for the two project PAs (Sakteng Wildlife Sanctuary and Bumdeling Wildlife Sanctuary) in **Annex 12a of the Project Document**. The five project districts/Dzongkhags are among the most affected districts by HWC in Bhutan, with Zhemgang rated as the highest. While wildlife offences occur throughout the country, eleven of twenty districts are marked as poaching hotspots, including Mongar and Trashigang in the project demonstration landscape. Of 44 cases of poaching of medicinal plants recorded in 2019, 12 cases pertain to the project demonstration landscape (see **Annex 12c of the Project Document**). The major wildlife products poached and illegally traded include Himalayan Black Bear, Common Leopard, hornets, Asiatic Golden Cat, musk deer, tigers and leopards. The main methods of poaching include retaliatory killing due to HWC and through snares/traps set for problematic species. Other forms of offence are illegal harvesting of timber and non-wood forest products and encroachment. Last year, there were 924 offences related to timber of which 193 cases were recorded in the five districts of the project demonstration landscape. Similarly, 64 cases out of 357 cases related to illegal harvesting of non-wood forest products were recorded in the landscape.

The specific baseline for each Component and its outputs is also elaborated and shown in **Tables 3, 6 and 8 in Section III Results and Partnerships of the Project Document**. These baseline efforts remain broadly consistent with that noted in the concept note (although with some COVID-related delays and new initiatives noted). Some baseline activities and projects experienced slowdowns and disruptions due to COVID-19, but are now operational again due to the limited presence of COVID-19 within Bhutan. These baseline projects that the project will build on and coordinate with are described in **Section III Results and Partnerships of the Project Document** (and later in this CEO ER). A key initiative among these is Bhutan for Life supported by WWF. Bhutan for Life (BFL) is working to strengthen PA management effectiveness and financing in Bhutan with site-based interventions on SMART patrolling and ecotourism development, offering excellent opportunities for partnership. The baseline activities proposed by BFL have been reviewed in detail during the PPG phase and used to inform development of the activities of this project so that the two work plans are closely integrated.

It is important to note that a number of PPG baseline assessments were completed at the emergency of the COVID-19 pandemic, and others were finalized while the COVID-19 situation is still dynamic. As needed, these baseline assessments, plans and assumptions underpinning the project Theory of Change will be updated during the project inception phase based on the prevailing COVID-19 situation and best understanding of impacts, risks and opportunities at the time. This has been referenced under Output 1.1 and a budget set aside for consultant support for review of ecotourism baseline and projections as necessary. This will also be captured in the project's inception workshop, as detailed under Output 3.4.

3) the proposed alternative scenario with a brief description of expected outcomes and components of the project;

Through a suite of detailed studies conducted during the PPG phase, and subsequent reassessment and alignment of these to emerging COVID-19 impacts and recovery policies, the relevance and feasibility of the planned interventions have been confirmed and elaborated in more detail. Dedicated stakeholder consultations and discussions were undertaken to confirm the relevance of the project strategy (also detailed in **Figure 2, Theory of Change, in the Project Document**, copied below for easy reference) and to define detailed project interventions and their coordination with other related ongoing and planned initiatives.

The project Theory of Change can be summarized as follows: in order to address the serious threats to biodiversity in Bhutan arising from HWC, the project will mainstream biodiversity into the tourism sector through ecotourism development and enable local communities to benefit from ecotourism-related livelihoods so that they value biodiversity and contribute to its conservation including through a reduction in HWC and poaching. This will also help prevent and mitigate threats to biodiversity from tourism development. Theory of Change considerations include:

- ? Putting in place national policy enablers and local capacity to support ecotourism development, leveraging and strengthening ties between tourism, health and biodiversity policies and priorities;
- ? Building the infrastructure and ecotourism products/experiences to provide a quality attraction for tourists and enhance revenue generation potential;
- ? Ensuring appropriate financial mechanisms for ecotourism revenue collection and retention of funds for local biodiversity conservation; including an adopted concessions framework to stimulate private sector investment and public-private partnerships for ecotourism and government-agreed policy enabling the reinvestment of ecotourism revenues in biodiversity conservation and PA management; along with provision of resilient and attractive local livelihood opportunities;
- ? Raising awareness of the link between biodiversity conservation, ecotourism development, and livelihoods.

Ecotourism, hence, can be a lever of change, by promoting the sustainable use of natural features and biodiversity as tourism attractions (e.g. wildlife, forests, wetlands, rivers, mountains, etc.) that generate employment and entrepreneurial opportunities for local people, and that provide sustainable flows of financing for biodiversity conservation including ongoing management of the PA system. The creation of unique ecotourism sites and experiences will attract tourists (domestic and international) generating revenue through the ecotourism sector. Where tangible and meaningful economic benefits to local people are realized, and the conceptual link between jobs and conservation is understood, pressures on

protected and natural areas for conversion to agriculture or wildlife poaching can be reduced. Further, the establishment of practical mechanisms to capture a portion of ecotourism revenue for biodiversity conservation and its reinvestment in management of the PA system and the mitigation of threats to wildlife will generate a new sustainable financing source for biodiversity conservation.

The key assumptions that have been made in the Theory of Change and designing the project are detailed in **Table 1 of the Project Document**. These include assumptions related to the interconnection of ecotourism development, livelihoods improvement and biodiversity threat reduction; and COVID-19 related assumptions such as restarting of international travel, increased interest of travelers in ecotourism or 'remote' tourism, and the continued/strengthened marketing potential of Bhutan in this adjusted tourism operating context. Given its focus on ecotourism development, there are a number of COVID-19 linked assumptions underpinning the Theory of Change, including assumptions about the recovery of tourism that underpin the project objective. These assumptions are copied in this CEO ER for easy reference. COVID-19 impacts on the tourism sector are substantial and while there are signs that the global tourism sector is reopening things could shift dynamically over coming months. Therefore, these COVID-19 related assumptions will be reassessed during the project inception phase and updated based on new information available at that time.

Figure 2 of Project Document: Theory of Change Diagram
(see Table 1 for assumptions)

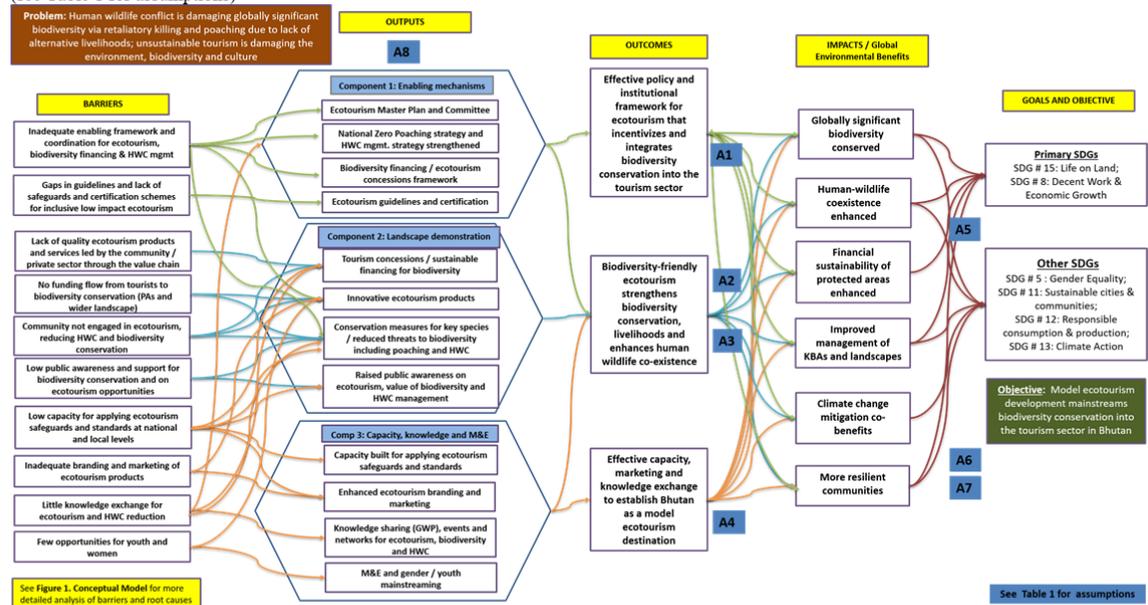


Table 1 of Project Document: Assumptions for Theory of Change Diagram

Ref Fig. 2	Assumption	Questions for Monitoring Assumptions	Notes and References
-----------------------	-------------------	---	-----------------------------

<p>A1</p>	<p>There is political and institutional support for mainstreaming biodiversity conservation into tourism development via ecotourism and for reducing threats to biodiversity, particularly HWC and the impacts of unsustainable tourism.</p>	<ul style="list-style-type: none"> - How do different policies consider biodiversity as an asset and mainstream it in their plans and programmes? - To what extent has the implementation of the Economic Development Plan 2016 and Tourism Policy considered biodiversity mainstreaming? - What measures have been put in place to determine and mitigate the impacts and tourism development on biodiversity? - What are good examples of green recovery activities in post-COVID or LDC graduation economic plans? - How have different Ministries and stakeholders engaged in project implementation? <p><i>(links to results framework indicators 1, 4, 5, 6)</i></p>	<p>Bhutan has already made huge commitments towards environmental conservation. Over half of the country's geographical area is designated as protected areas and Biological corridors[1]¹. Conservation of the natural environment is one the pillars of GNH, Bhutan's national development philosophy which considers the country's rich biodiversity to be regarded as a development asset without compromising environmental conservation. Article 5 of the Constitution of Bhutan mandates the Royal Government to:</p> <ul style="list-style-type: none"> (a) Protect, conserve and improve the pristine environment and safeguard the biodiversity of the country (b) Prevent pollution and ecological degradation (c) Secure ecologically balanced sustainable development while promoting justifiable economic and social development (d) Ensure a safe and healthy environment. <p>Both the Economic Development Policy of Bhutan, 2016, and the National Tourism Policy, 2021, require tourism development to be based on the carrying capacity of the country's physical, socio-cultural, and natural environment. The National Tourism Policy recognizes tourism as an important sector for the realization of the Gross National Happiness (GNH) and Sustainable Development Goals (SDG). It requires the Royal Government to create a conducive business environment for tourism investment promotion with targeted incentives to promote visitations, investments and tourism business growth. These policies (both existing and draft) demonstrate aspiration of the government to further ecotourism and broadly tourism development in the country, including its relevance in the context Bhutan's imminent graduation from LDC status noting the industry's linkages to economic diversification. It has become even more relevant now in this context of COVID-19 recovery. Royal Government of Bhutan has approved the implementation of Economic Contingency Plan 2020 (ECP 2020)? Redesigning Development: Attaining Greater Heights[2]² focusing on three key sectors, one being Tourism Resilience with an objective to professionalize the tourism sector, strengthen tourism governance and enhancing Bhutan's image as an 'exclusive high end and sustainable tourism destination'.</p>
-----------	--	---	---

<p>A2</p>	<p>Greater participation of communities in ecotourism activities and biodiversity conservation (within and outside protected areas), as a result of improved livelihoods potential, will reduce locally specific threats to biodiversity including HWC.</p>	<ul style="list-style-type: none"> - To what extent are communities aware of the concept of ecotourism? - What are the levels of community and participation and engagement in ecotourism? - To what extent are communities aware of their rights to local laws and benefits? - What are the livelihood and economic benefits the participating communities have received? - How do plans ensure that the tourism activities increase appreciation of the flagship species? <p><i>(links to results framework indicators 1, 4, 7, 9)</i></p>	<p>Threat to biodiversity resources, particularly emerging from human wildlife conflict is a major conservation issue in Bhutan leading to both crop and livestock depredation leading to retaliatory killing of wild animals including poaching (of key endangered big cat species). It has therefore become important to put 'people' at the front and center of the conservation effort by providing attractive and viable livelihoods options to communities.</p> <p>The project aims to change the mindset of communities and stakeholders on the value of biodiversity and to consider wildlife and biodiversity as a resource base for tourism with strategic and local benefits. Under this project ecotourism will be introduced/strengthened as livelihood option for local communities and the concessions framework for ecotourism enterprises will provide financial incentives for the private sector and stakeholders to participate in biodiversity conservation. The benefits from wildlife and nature-based ecotourism enterprises is expected to motivate the communities and stakeholders to support conservation programs including biodiversity threat reduction including HWC management, and habitat enrichment for flagship species supporting ecotourism. The use of flagship species will help draw a direct link between species conservation and ecotourism potential to help facilitate this shift in mindset and greater participation in conservation activities.</p>
-----------	---	---	---

<p>A3</p>	<p>The tourism stakeholders, local government, local communities and private sector support the development of demonstration ecotourism products that generate sufficient improvement in livelihoods to result in biodiversity threat reduction and strengthen human-wildlife co-existence within the landscape.</p>	<ul style="list-style-type: none"> - How do local plans align with national policies and plans? - What is the level of participation in ecotourism and HWC mitigation interventions in targeted communities? - How do the government, stakeholders and local communities ensure harmonization of activities? - What actions are in place to ensure the sustainability of the livelihood activities? - How do livelihood activities help in reducing threats for biodiversity? <p><i>(links to results framework indicators 2, 3, 8, 9, 10, 12)</i></p>	<p>Tourism development is a Flagship program in the 12th FYP of Bhutan which is based on a geographical circuit/cluster approach and considers local priorities for tourism development. The project demonstration sites and activities are aligned with the tourism flagship program from the perspective of biodiversity conservation and wildlife-based economy; therefore, there is expected to be strong support for activities across the demonstration landscape and this was confirmed through PPG consultations which showed strong local support for the project. The project activities have been identified and developed through participatory consultations including the local governments, community representatives, and PAs management in the project landscape areas which reflect the full support and commitment of the local stakeholders. As per the Local Government Act of Bhutan, 2009 (Amended, 2014), the local Dzongkhag Tshogdu (Dzongkhag Council) has the power to promote balanced socio-economic development in the Gewogs and Thromdes in the Dzongkhag.</p> <p>Project activities include the development of domestic tourism and there is strong stakeholder support for these, including under COVID-19 context. Although domestic tourism in Bhutan is popular, it is not organized to ensure safeguards and local benefits. Due to this Mongar and Lhuentse Dzongkhags have proposed for enabling better organized domestic tours in the form of pilgrimage to Aja Nye and Singye Dzong through the project. The promotion of domestic tourism will enhance alternative livelihoods among those that work in the industry and safety measures (like hand washing, use of masks, maintaining social distance) that are already part of the norm is expected to enhance safety and regain the confidence of international tourists.</p>
------------------	--	---	---

A4	<p>Effective capacity, marketing, and knowledge exchange will enhance the sharing of lessons and experiences leading to upscaling and mainstreaming of biodiversity conservation in tourism activities in the long term.</p>	<ul style="list-style-type: none"> - What examples are there of increased access to knowledge on landscape conservation including the use of technology for flagship species at targeted locations? - How has increased access to knowledge informed conservation planning and local action? <p><i>(links to results framework indicators 12, 14, 15)</i></p>	<p>Modern technology to gather and interpret information and share knowledge is widely available and social media has become a powerful tool accessible to all Bhutanese. With enhanced tools, coordination, and targeting delivered by the project, this is likely to have a positive effect - even though direct quantification of the desired outcome will be hard to demonstrate. COVID-19 impact assessment has recommended for investments in building capacity and expertise in nature-guides, ecotourism and farm-tourism[3]³. The project activity includes training on ecotourism product development, nature guides, concession-based investment opportunities, management and business plan development, digital marketing and marketing impact assessment.</p>
----	--	---	--

A5	Partnerships and synergistic efforts help enable the project outcome to deliver strategic global SDGs.	<ul style="list-style-type: none"> - What partnership tools or agreements exist to ensure effective collaboration in implementing the project activities? - What are examples of good partnership outcomes through the national and landscape committees? - What and where do targets overlap across different plans and programmes to realize the co-financing and partnership commitments? <p><i>(links to results framework indicators 5, 7, 8)</i></p>	<p>The project has been developed to integrate with other relevant activities. Bhutan for Life recognizes ecotourism as the key financing solution to increase government revenues to match the commitment of the transition fund. Indeed, a key milestone targets up to 80% of households access to employment and income-generating opportunities including through tourism. The PPG consultations have been timed to ensure logical interventions between Bhutan for Life and the project. Similarly, the project builds on existing GEF-6 and BIOFIN project to follow the recommendations and to invest.</p> <p>At the national level, integration and coordination will happen through the Multi-Sector Technical Advisory Committee (MTAC) which will coordinate and mainstream biodiversity into tourism and their sectoral plans. At the landscape level, the members of Landscape Ecotourism Coordination Committee (LECT) will support the local authorities to mainstream biodiversity into tourism and their sectoral plans and coordinate with relevant stakeholders, programmes and projects.</p>
----	--	---	--

A6

There is sufficient demand from national, regional and international tourists for ecotourism in Bhutan to deliver meaningful economic benefits to the ecotourism product and service providers, and this demand is expected to remain under COVID-19 context.

- How does national tourism marketing attract tourists to the project landscape?
- What measures are in place to boost domestic tourism in the project landscape?
- What trends are there in domestic tourism products and domestic tourism interest in the project landscape?

(links to results framework indicators 9, 11, 13)

Tourism in Bhutan has achieved unprecedented growth since its inception in 2014. Tourism market includes national, regional and international tourists. In 2016, visitor arrivals to Bhutan crossed the 200,000 marks for the first time. Out of the 254,704 tourists in 2017, 62,272 consisted of international leisure arrivals while 156,275 constituted of regional leisure travelers. In 2018, Bhutan received 274,097 arrivals (an increase of 7.61% over 2017). Of the total arrivals, there were 71,807 internationals of which 63,367 were international leisure arrivals and 202,290 regional arrivals. In 2019, 46.82% of Bhutanese have engaged in domestic overnight travels with a mean domestic overnight trip expenditure of Nu.7, 960 (about US\$ and 17.27% have undertaken domestic excursion trips with a mean trip expenditure of Nu.4, 015. The total expenditure recorded for domestic overnight travels is Nu.5, 913 million which is a significant contribution/spending given the relatively unknown or informal domestic tourism situation in the country[4]⁴. Singye Dzong in Lhuentse receives about 10,000 domestic visitors annually[5]⁵.

The impact of global pandemic with the coronavirus has significantly affected tourism in 2020. Tours booked for Bhutan are have been cancelled or postponed. However, the prognosis for future demand for Bhutan tourism looks positive. Early data on continuation of global tourism indicate an enhanced interest in adventure tourism in online travel-related search patterns[6]⁶ and that nature destinations are early beneficiaries of demand in countries that have reopened domestic tourism[7]⁷. Market intelligence from Euromonitor International suggests that traveller priorities will include sustainability in addition to health, social wellbeing and contributions to local priorities[8]⁸. This could provide a strong marketing advantage for Bhutan and suggests that the current proposal around ecotourism remains valid under COVID-19 context. Further, 2021 could experience an increased visitation due to additional numbers from the postponement of booking from 2020 while domestic tourism is expected to continue to remain at historical numbers or perhaps increase due to closure of international borders. Many of the ecotourism destinations are combined with cultural heritage location that are of religious significance, which is the main attraction of domestic tourists. The product diversification that are being proposed through this project with necessary safeguards and assured services is expected to also formalize the existing informal domestic tourism business.

Strength of the tourism offering on international markets may also be supported by the country's management of COVID-19. To date Bhutan has not suffered a single casualty from the pandemic. The united national effort implementing science-based safeguards in the form of contact tracing, testing and following restrictions and safeguards norms (wearing masks, facilitating handwashing and sanitation and maintaining social distancing and practical zoning based movement restrictions) has delivered dividend and gained further confidence of the general public. The incorporation of health safety measures and protocols in the safeguard

A7	International and regional tourists are able to visit Bhutan in the future with the government re-opening to tourism as COVID-19 is managed and necessary systems, procedures and SOPs are in place to prevent and control potential COVID-19 spread.	<ul style="list-style-type: none"> - What are examples of national post-COVID tourism plans that encourage tourists to visit Bhutan and the landscape? - What systems and procedures are in place to prevent and control COVID-19 spread? 	<p>While between January and May this year all destinations had restricted travel, by the end of July 40% of all worldwide destinations had eased restrictions on international tourism^[9]. Already a number of countries have reopened to international tourism and are accepting tourists under a variety of schemes, including bubble schemes, green/red-listing of destinations depending on COVID-19 infection rates, and requirements for COVID-19 testing, insurance and quarantine. The situation is volatile, and measures may change rapidly over the next few years as vaccine(s) are developed and rolled out, and/or as COVID-19 outbreaks emerge and are managed, and/or the pandemic disappears.</p> <p>Currently the Royal Government of Bhutan is expected to open its international terminals to tourists by March 2021. While it expected to be gradual with ?bubble tourism? options to start with, it is expected that necessary SOP, mechanisms and facilities will be in place to augment existing COVID-19 measures.</p>
A8	Effective project management	<ul style="list-style-type: none"> - What measures in place to measure and track the project indicators? - What measures in place to manage project risks including those related to COVID-19? - How effective are risk response plans? 	<p>Successful delivery of the project Objective will depend on effective project management, including ongoing monitoring of progress in delivery against result-based targets, regular evaluation through annual PIRs and the Midterm Review, and adaptive management. Future management of COVID-19 will make it viable to implement the project and the PMU will be able to work effectively with a mix of virtual measures and support from local execution partners if field travel is not possible. These measures are captured in the risk mitigation plan.</p>

[1] DoFPS, Forestry Facts and Figures, 2016, reports that 51.44% of the country comprises of the National Parks, Wildlife Sanctuaries, Strict Nature Reserves, Biological Corridors and the Royal Botanical Park.

- [2] <https://www.pmo.gov.bt/wp-content/uploads/2019/09/ECP-2020-1-1.pdf>
- [3] Rapid Socio-economic impact assessment of COVID-19 on Bhutan's tourism sector, 2020
- [4] The Domestic and Outbound Tourism Survey 2019
- [5] Data provided by Lhuentse Dzongkhag during the PPG consultations in Lhuentse
- [6] <https://wtcc.org/Initiatives/Recovery-Dashboard>
- [7] www.tripadvisor.com/Covid19WhitepaperMay2020
- [8] Travel and Tourism: Embracing Transformation to Move Beyond Coronavirus, Caroline Bremner, Head of Travel Research at Euromonitor. Webinar, August 2020. <https://hub.wtm.com/travel-and-tourism-embracing-transformation-to-move-beyond-coronavirus/>
- [9] <https://www.iatatravelcentre.com/world.php>

The focus of the project and the elaborated Theory of Change remain consistent with the components and outcomes detailed in the child project concept note. The outputs listed in the child project concept note have been used as the foundation of project outputs, and elaborated and defined in response to the evolved and elaborated baseline and the results of detailed PPG assessments and stakeholder consultations.

Key updates in this regard confirmed during the PPG phase include:

? A revision to Output 1.1 to reflect the government's development of national tourism policy during the PPG. This was originally anticipated to be an output of the project and Output 1.1. has been revised accordingly to refocus on operational planning, namely the development of an ecotourism master plan, to support the implementation of this policy since the guiding policy has already been completed. Further, originally-envisaged separate outputs on policy development and stakeholder coordination have been merged into an integrated Output 1.1 to tie the mandate of the Multi-sectoral

Ecosystem Technical Advisory Committee (MTAC) to be established with GEF support to the development and implementation of the ecotourism master plan and its integration into sectoral plans.

? The addition of new Outputs 1.2 and 2.3 that will support implementation of the National Zero Poaching Strategy and National HWC Management Strategy at national and landscape level, including to increase awareness of institutional roles, coordination and information-sharing; and the use of technology and best practices. This was identified as an area of attention during the PPG phase and built into the project design to strengthen alignment to the GWP and the project's attention on addressing threats to wildlife and habitats.

? The inclusion of activities to support threat reduction to flagship tourism species under new Output 2.3, to show the link between biodiversity, tourism and local livelihoods ? and further engage communities in biodiversity conservation activities. Further, this new Output engages communities in livelihoods related to sustainable use of biodiversity beyond tourism to more broadly show the potential benefits of a wildlife-based economy and diversity local livelihoods.

? Amalgamation of capacity development activities for sustainable ecotourism development and operation under Output 3.1, which now covers all actors including national agencies, Dzongkhags, local communities and private sector including local tourism operators and entrepreneurs. This involves a shift of capacity development for local communities and tourism operators originally proposed under Component 2 (original Output 2.3) to Output 3.1 to consolidate capacity building and omit the duplication in the initial concept note.

? Integration at activity level of responses to COVID-19 across project outputs as relevant, including better inclusion of health sector (e.g. in MTAC membership, and consideration of health/safety aspects within tourism guidelines and capacity building), the development of domestic tourism products and virtual tourism products to diversify tourism revenue generation potential and mitigate the risk of prolonged depressed international tourism, additional capacity development to further upskill the tourism sector in accordance with national socioeconomic recovery priorities, and the provision of low-value grants for local entrepreneurs to facilitate the establishment of innovative post-COVID youth/community-led local businesses linked to nature-based value chains to broaden tourism value chains, establish value chain linking activities and build resilience across the tourism sector.

The expected results, outcomes, outputs and indicative activities from **Section III Results and Partnerships, i. Expected Results, of the Project Document** are copied below for easy reference.

The GEF funding requested by the Royal Government of Bhutan will be used to achieve the objective through three inter-related component outcomes (the respective objective and outcome level indicators, baselines and targets are detailed in Section IV Results Framework):

? Outcome 1: Effective policy and institutional framework for ecotourism that incentivizes and integrates biodiversity conservation into the tourism sector;

? Outcome 2; Biodiversity-friendly ecotourism strengthens biodiversity conservation, livelihoods and enhances human-wildlife co-existence;

? Outcome 3: Effective capacity, marketing, and knowledge exchange to establish Bhutan as a model ecotourism destination.

Component 1 will apply at the national level. Component 2 will be implemented at landscape scale, including to demonstrate some of the national mechanisms progressed under Component 1 and provide field-tested findings and lessons that will then be fed back into Component 1 implementation. Component 3 will apply at the national and landscape levels, and help tie together Components 1 and 2 through supporting national upscaling and replication of demonstration landscape activities progressed under Component 2, and through using the findings of those demonstrations to inform the finalization of national-level policy and procedural mechanisms.

To ensure the achievement of the objective and its three outcomes the project will deliver the following key outputs (the project's products and services).

Component 1: Enabling and coordinated policy and institutional framework for ecotourism and wildlife conservation

Outcome 1: Effective policy and institutional framework for ecotourism that incentivizes and integrates biodiversity conservation into the tourism sector

Output 1.1: National Ecotourism Master Plan developed and inclusive Multi-Sector Technical Advisory Committee established to mainstream biodiversity across tourism sectors

This Output supports the delivery of: a) a National Ecotourism Master plan developed, adopted and under implementation and b) establishing a national level Multi-Sector Technical Advisory Committee (MTAC) for ecotourism with clear governance and operational mechanisms by the end of the project. For the preparation of the Ecotourism Master Plan, the project will provide technical support from an Ecotourism Planning Expert to prepare drafts leading to the finalization and adoption of the Master Plan by TCB before the mid-term review. The plan will be based on an inventory of existing

ecotourism sites (drawn from the overall tourism inventory which TCB is preparing in 2020) as well as GIS-based mapping of existing ecotourism products, hotspots for biodiversity, threats to biodiversity from HWC and environmental threats arising from tourism. These will be used to define priority zones for ecotourism as well as no-go areas. COVID-19 impacts and consideration of tourism resilience in accordance with government COVID-19 response and UNWTO guidance on tourism recovery will be considered as part of a broader consideration of defining tourism resilience and future in Bhutan based on ecotourism. This analysis will feed into the drafting of the Master Plan, which will also address ecotourism product development (including assessments of ecological capacity), mechanisms for livelihood support, and application of the ecotourism concessions framework (developed under Output 1.3). The plan will include costed actions and responsibilities for each stakeholder. An operational framework for implementation of the master plan for mainstreaming it into development plans of concern and into local landuse planning and zoning efforts will be developed. Implementation of the plan will also be supported by specialized training on data analytics and strategic tourism planning to TCB staff.

A SESA approach will be applied to the development of the National Ecotourism Master Plan, such that potential social and environmental downstream impacts arising from the development of the policy and policy directions are considered as an explicit part of policy development. This will encompass potential climate change risks on ecotourism, including potential safety risks to tourists or potential failure/non-viability of business development and livelihoods. COVID-19 impacts and feasibility, along with best practices in green tourism recovery and resilience, will also be considered and used as inputs to master plan development. Initial screening will be supported by application of a comprehensive ecological capacity/tourism management toolkit developed under Output 1.4, supported by the project in the demonstration landscape and with broader replication across Bhutan through co-financing and partnerships.

The Multi-Sector Technical Advisory Committee (MTAC) will be established at the TCB drawing together relevant stakeholders from the government including the DoFPS and Ministry of Health, the private sector, and NGOs. With technical support from the project, MTAC will support mainstreaming biodiversity into the tourism sector, development of the Ecotourism Master Plan, and enable its mainstreaming into the relevant sector plans, support implementation of the Master Plan and review technical guidelines developed under Output 1.4. Beyond the project period, the MTAC will review all policies and plans for tourism developed before submission to the TCB, align mandates across institutions on tourism, strengthen public-private partnerships for tourism investment, provide effective monitoring of tourism development plans and continue to advise the TCB. The MTAC will be a permanent body embedded within the Tourism Council's Secretariat.

Indicative activities under Output 1.1 include:

1.1.1 Building off the PPG analysis on gaps in coordination, establish the Multi-Sector Technical Advisory Committee to oversee the development and implementation of the National Ecotourism Master Plan, with the required composition, terms of reference and modalities of its functioning.

1.1.2 Extract ecotourism inventory from the overall tourism inventory (which will be available by the start of the project).

1.1.3 Identify and map hotspots for biodiversity, HWC and poaching, and environmental threats from tourism; include in GIS and use with other variables (e.g. access, landuse) to select priority zones for ecotourism (and identify no-go areas for tourism).

1.1.4 Identify appropriate ecotourism solutions that promote human-wildlife co-existence and wildlife-based economy and that support sustainable, resilient tourism in a COVID-19 context, and screen for potential social and environmental impacts of ecotourism development.

1.1.5 Formulate an inclusive National Ecotourism Master Plan, consult widely, submit for adoption to the TCB and widely disseminate the plan.

1.1.6 Develop operational frameworks for implementation of and mainstreaming the ecotourism master plan into sectoral development plans and local landuse planning and zoning practices.

1.1.7 Deliver specialized training on data analytics and strategic tourism planning to TCB staff.

Output 1.2: National Zero Poaching strategy and HWC management strategy implementation strengthened through enhanced advocacy, coordination and monitoring, and analysis and incorporation of best practices and lessons learned

This Output will contribute to strengthening implementation of the National Zero Poaching strategy (2017) and HWC Management Strategy (2019) through participatory review of progress and challenges including broader policy interconnections and linkages, advocacy on the broader impacts of HWC and IWT, and promoting, testing and generating feedback on identified priority interventions to support implementation of these national strategies. These include better understanding and measurement of progress (and M&E/metrics for reporting on progress), clearer definition of institutional roles at different levels to support implementation, and enhanced coordination and reporting from local and district levels up to existing national coordination mechanisms. These actions will be supported by piloting of targeted measures in the demonstration landscape under the guidance of the Nature Conservation Division of the DoFPS with support of the Territorial Forest Divisions and the local authorities (see Output 2.3). Improvements in implementation of these national strategies will also be supported through advocacy and sharing of best practices and knowledge on local, regional and global experiences in managing HWC, poaching and IWT.

Indicative activities under Output 1.2 include:

1.2.1 Review progress with implementation of the National Zero Poaching Strategy and HWC Management Strategy to identify success, challenges, and broader policy interconnections that will support implementation, and to inform an improved M&E strategy for measuring progress and impact.

1.2.2 Advocacy for the implementation of the National Zero Poaching Strategy and HWC Management Strategy through policy briefs and targeted campaigns to highlight and address the interconnection between HWC, poaching and local livelihoods and promote the broader prevention and mitigation of HWC and poaching.

1.2.3 Define institutional roles (local, district, national) and responsibilities for implementation and M&E of the HWC Management Strategy and draft SOPs as needed to capture these roles and coordination arrangements.

1.2.4 Develop and test a model for enhanced local-national coordination, data collation and reporting to improve national-level monitoring and coordination on HWC and IWT (with targeted demonstration under Output 2.3) and promote for national-level replication.

1.2.5 Analysis and sharing of local, regional and global experiences and best practices on HWC management, combating poaching and IWT and information-sharing mechanisms relevant to Bhutan (from inter alia the Global Wildlife Program (GWP), South Asian Wildlife Enforcement Network (SAWEN) and Strengthening Regional Cooperation for Wildlife Protection in Asia (SRCWP)), through workshops and incorporation of actions into organizational frameworks for the implementation of the National Zero Poaching Strategy and HWC Management Strategy.

Output 1.3: Investment framework and sustainable financing mechanisms developed and operational including a private sector concession framework for PAs and wider landscape conservation

This Output will build on the investment framework developed by BIOFIN and reviewed during the PPG to establish new and strengthened mechanisms for delivering increased resources from ecotourism for the management of PAs and conservation of biodiversity, particularly focusing on a tourism concessions mechanism and fees from visitors to PA. It includes delivering i) an adopted ecotourism concessions framework operational with lessons shared for replication and upscaling and ii) operational guidelines for the establishment of Park Fees, Activity Fees and other user fees for ecotourism.

Both BIOFIN and Bhutan for Life recognize ecotourism as a key financing solution for biodiversity conservation. As a result of Bhutan for Life investments and consistent budget flows (government's commitment) to PAs, the overall national financing score (measured via GEF financial scorecard under NAPA-3 project) has increased from 44% in 2016 to over 60% in 2020. The GEF investments in this project will be closely aligned to BFL funds and other innovative finance mechanisms identified by BIOFIN such as impact investments and CSR. The idea is to implement a suite of ecotourism fees and build community-based and private sector partnerships with more focussed and innovative interventions to be able to generate revenues for the government and mobilize resources for the PA

system including through the retention of funds for reinvestment in biodiversity conservation and PA management.

A key activity will be facilitating new capital investment in public-private partnerships for high-end and mid-range accommodation and visitor facilities concessions in the two selected protected areas. The process will apply the PPP policy (2016) and develop a new concession framework for Bhutan's national parks (building on the DoFPS draft), with bidding criteria that incorporate biodiversity conservation targets, environmental safeguards (including exclusionary criteria and due diligence for private sector partnership/investment), and for investors to specify likely local economic benefits. This concessions framework will provide a mechanism for enabling private sector investment through PPPs both inside and outside PAs that will also contribute funds to biodiversity conservation, drawing on international best practices such as UNDP's Guidelines on Tourism Concessions in Protected Natural Areas. The new framework developed through the project will include concessions that the State will provide investors linked to terms and conditions for compliance and success in biodiversity conservation as well as regulations and processes details in planning, awarding, implementation, monitoring and evaluation of concessionary arrangements. The whole aspect of revenue management and linking such revenues to local and national level biodiversity conservation will be spelled out. The framework will be submitted for Cabinet approval the beginning of year one, with the ambition that this will be adopted by project mid-term, allowing for its operationalization in the demonstration landscape under Component 2.

During the PPG, a schedule of fees was explored that are consistent with cost-recovery principles and a clear plough-back mechanism designed to help PAs retain revenues for specific activities (e.g. maintenance of the facilities) or plough-back of revenues for conservation activities. The project will support the detailed design, adoption and operationalization of this mechanism so that a portion of revenues from ecotourism activities and partnerships will be retained for conservation. This modality will be agreed with the Ministry of Finance based on a clear Memorandum of Understanding and Modus Operandi between DoFPS and TCB. This builds on BIOFIN's expenditure reviews framework that includes budget tagging for revenues generated and budget allocated for relevant biodiversity clusters. The project will develop operational guidance for the plough-back mechanism along with operational guidelines for the establishment of Park Fees, Activity Fees, and other user fees for ecotourism products and services. Mechanisms will be demonstrated under Component 2, and lessons learned and knowledge transfer used to support national replication.

Indicative activities under Output 1.3 include:

1.3.1 Building off the PPG analysis and international best practices, identify sustainable financing options (including product-specific concessions arrangements) that can deliver new support to

biodiversity conservation through ecotourism and develop a prospectus for ecotourism investments in Bhutan.

1.3.2 Develop a full ecotourism concessions framework to be applied within and outside PAs and submit for adoption to the Cabinet.

1.3.3 Draft and finalize operational guidelines for concessionary licensing arrangements within and outside PAs.

1.3.4 Develop an MoU between the Tourism Council of Bhutan, Ministry of Agriculture and Forests, and the Ministry of Finance, to provide a mechanism to retain a portion of ecotourism revenues for biodiversity conservation

1.3.5 Draft and finalize operational guidelines for the establishment of park fees, activity fees and other user fees for ecotourism products and services, and for retention of a portion of such fees for biodiversity conservation.

Output 1.4: Ecotourism guidelines and certification system established to safeguard biodiversity and communities (particularly women) from inappropriate tourism development and reduce human-wildlife conflict

This Output will help achieve the target of at least 18 Guidelines under implementation which fully mainstream biodiversity, gender issues, and innovative financing for biodiversity conservation. This will include the revision of 6 existing guidelines to better integrate biodiversity conservation and the development of 6 new guidelines/tools. The project will support implementation of the guidelines through awareness and capacity development, including for 6 existing sets of guidelines (that don't need revision). The project will also support green certification of at least 50 tour operators certified across Bhutan and 70 hotels and lodges as well as 30 homestays green across Bhutan.

Bhutan's progressive green development policy will only be implemented effectively on the ground when supported by well-aligned regulations, guidelines and controls. This Output will, therefore, support TCB to enhance the regulatory environment for mainstreaming biodiversity into the tourism sector. It aims to ensure that existing tourism guidelines strengthen safeguards for biodiversity and gender, and to develop new guidelines to fill gaps related to ecotourism (see **Annex 5 of the Project Document** for list of guidelines). Global Sustainable Tourism Council (GSTC) criteria and indicators for sustainable tourism (e.g. Destination Criteria) will be applied and adapted as relevant to establish appropriate standards in a Bhutanese context. Further, all revised and new guidelines will, as appropriate, incorporate health safety standards and measures to support the management of COVID-19 and potential zoonotic diseases.

The output will also support the development and demonstration of an Ecological Capacity toolkit based on a review of existing best practices (e.g. Limits of Acceptable Change) and selection/adaptation of existing tools to Bhutanese context, in close consultation with relevant

stakeholders. This will be applied to the demonstration landscape via Component 2 and to key ecotourism locations in Bhutan through co-financing and partnerships, under the overall guidance of the Ecotourism Master Plan developed under Output 1.1.

The new set of guidelines will also include a voluntary green certification of accommodations (hotels and homestays), tour operators and suppliers and its implementation as an online system. This will be in accordance with the blueprint for digitization of the tourism industry in Bhutan being developed by the government in partnership with UNDP and UNWTO and proposed work to develop an integrated ICT infrastructure for the tourism sector. Once the guidelines and certification system are adopted, they will be made available on-line and in hard copy, and applied in the development of ecotourism in the demonstration landscape under Component 2. Any findings from their pilot implementation in the demonstration landscape will be used to inform any final revisions or adjustments needed before national implementation. Implementation of these mechanisms will also be supported by their inclusion in project capacity development and knowledge management under Component 3.

A SESA approach will be applied to guideline revision and development, and all guidelines will be screened for potential downstream social and environmental impacts prior to their adoption. Government standards for community consultation, governance and benefit-sharing will also be adhered to in guideline development.

Indicative activities under Output 1.4 include:

1.4.1 Based on review of existing tools and best practices applicable in the Bhutanese context, develop/adapt an ecological capacity assessment toolkit for tourism destinations (with demonstration under Component 2 and upscaling across Bhutan through co-financing and partnerships).

1.4.2 Review and revise Bhutan Tourism Product Development Guidelines (2018) to include safeguards considerations as well as financial sustainability and plough-back to local community and conservation during product development.

1.4.3 Review and revise Guidelines on the Operation and Monitoring of Commercial Rafting (2019) to include safeguards considerations as well as financial sustainability and plough-back to local community and conservation through rafting operations.

1.4.4 Review and revise Guidelines for Registration of Village Home Stays (2019) to include safeguards considerations during product development as well as an assessment of standards and safeguards (including gender considerations) during operation of homestays.

1.4.5 Review and revise Procedures for Assessment and Classification of Hotels to include minimum mandatory environment-friendly practices.

1.4.6 Review and revise Procedures for the Assessment of New Tour Operator's Office (2017) to include minimum standards and safeguards (including gender considerations) during establishment and operations.

1.4.7 Review and revise Guidelines for Planning and Management of Ecotourism Development in the Protected Areas Network of Bhutan to include details on safeguards considerations during product development, assessment and management within PAs as well as for areas outside PAs.

1.4.8 Develop guidelines for campsites and routes management.

1.4.9 Develop guidelines for ecotourism product siting and feasibility assessment of the proposed location of such products and services.

1.4.10 Develop guidelines for assessment and green certification of accommodations (hotels and homestays), tour operators and suppliers.

1.4.11 Design and operationalize an online system for green certification at TCB and train assessors in its use (with demonstration under Component 2).

Component 2: Demonstration of innovative and diversified ecotourism landscapes that support human-wildlife coexistence

Outcome 2: Wildlife-based ecotourism strengthens biodiversity conservation, enhances livelihoods and human-wildlife co-existence, reduces HWC and deters poaching and illegal trade and other biodiversity threats

Given the astounding biodiversity in the demonstration landscape, five flagship species that are representative of overall conservation needs have been chosen to enhance the conservation of biodiversity and promote wildlife-based economy through tourism. This, in line with the GWP, will support valuing wildlife in national and local plans and garner community support towards conservation. **Table 4 of the Project Document** (copied below) describes the selected flagship species and their conservation threats and ecotourism opportunities.

Table 4 of Project Document: Flagship species, tourism potential and conservation threats/priorities

Flagship species	Threats	Tourism potential	Conservation priorities	Area
------------------	---------	-------------------	-------------------------	------

Black-necked Crane	Habitat destruction, disturbance in roosting areas, decreasing feeding grounds due to seasonal flash floods	Major tourist attraction in Bhutan	Habitat enrichment and improvement	BWS, Trashiyangtse
Red Panda	Habitat destruction, degradation and fragmentation	Unique biology and wildlife viewing potential	Habitat enrichment and improvement	SWS, Trashigang
Ludlow's Bhutan Glory	Habitat disturbance, low awareness, decline of host plants due to grazing	Huge potential for butterfly tourism	Habitat enrichment and improvement; improved awareness	BWS, Trashiyangtse
Golden Langur	Habitat destruction and fragmentation, road kills, hybridization with capped langur	A healthy population size to position Bhutan as a stronghold for global conservation	Habitat enrichment and improvement; improved conservation strategies	Zhemgang
Golden Mahseer	Illegal fishing, hydropower dams	Cultural significance, well studied and huge potential for angling tourism	Improved conservation strategies	Mongar, Zhemgang
Birds	Habitat destruction, habitat pollution, ingestion of plastic waste	The landscape includes birding hotspots known for easy spotting of Bhutan's most sought-after birds e.g. Wards's Trogon, Babblers and Pheasants.	Habitat enrichment and improvement; improved conservation strategies	Mongar, Zhemgang

The project continues the wildlife-based economy concept by identifying ten ecotourism products (see **Annex 12b** and **Table 5 of the Project Document**, copied below) built around the five flagship species and key biodiversity assets of the demonstration landscape. These provide opportunities to demonstrate the integration of biodiversity conservation, social safeguards, community livelihoods, PA financing, and human-wildlife co-existence into ecotourism product development. Products were identified by a participatory process during the PPG phase. Supporting documents for the process included the RGoB Tourism Flagship program to align with RGoB's priorities, the Ecotourism Value Chain Report, the Demonstration Landscape Baseline Report and the Gender Analysis and Action Plan Report. The consultations included several PPG meetings, the National Task Force meetings (in September and December 2019), the stakeholder consultation in Trashiyangtse, Lhuentse, Mongar, Trashigang and Zhemgang Dzongkhags (in October 2019), consultations with Dzongkhag Planning Officers and Economic Development Officers on activity costing and timelines, and the Validation

Workshop in February 2020. Each stakeholder group prioritized potential ecotourism activities based on local priorities, potential to mainstream biodiversity into the tourism sector, potential for generating PA revenue and strengthening financial sustainability of PAs, possibility to bring about economic benefits for local livelihoods through wildlife-based tourism and the likelihood of reducing HWC. The proposals from each group were prioritized at a plenary Chaired by the Dzongdag (Governor) in each Dzongkhag. Maps for ecotourism products and further information on the selection process and co-financing partnerships are detailed in **Annex 12b of the Project Document**.

Table 5 of Project Document: Identified high-quality ecotourism products

Proposed ecotourism product	Flagship species	PA
<p>Ludlow's Bhutan Glory Trail within Bumdeling Wildlife Sanctuary to promote butterfly tours along ancient expedition trail and sightings of Black-necked cranes in a Ramsar site in two separate trails. The Ludlow's Bhutan Glory Trail will connect two Dzongkhags that will upgrade and develop new trails through co-financing from Bhutan for Life, develop campsites and basic infrastructure in partnership with Bhutan for Life and Dzongkhags and promote local enterprise development through the project. PA revenue generation and retention will be enhanced through activity fees and concession fees.</p>	<p>Black-necked crane, Ludlow's Bhutan Glory</p>	<p>BWS</p>
<p>Singye Dzong domestic pilgrimage in Lhuentse and Aja ney pilgrimage in Mongar will build domestic tourism in the east to promote post-COVID tourism recovery by the Dzongkhag and develop associated bio-cultural trails that will upgrade existing trails through Dzongkhag co-financing and establish homestays, campsites and local enterprises through the project. Additional revenue and employment generation will be supported, with provisions for some retention of revenue by Bumdeling Wildlife Sanctuary for conservation activities.</p>	<p>General biodiversity focus</p>	<p>BWS</p>
<p>High-end birding trails including Sengor to Yongkola Bird trail, a popular birding hotspot in Asia, and Latongla ? Zhongar trail, an ancient trail through a national highway (that will be protected), enhanced through the development of birding decks and associated visitor facilities and local enterprises through the project, and road and trail maintenance by the Dzongkhag.</p>	<p>Birds</p>	
<p>Yangbari-Manas Rafting and high-end Mahseer fly-fishing along the mahseer migratory route associated with the endangered golden mahseer to promote post-COVID tourism recovery that will establish local enterprises and campsites with support from the project and co-financing from Dzongkhag and private sector.</p>	<p>Golden Mahseer</p>	
<p>Jomo-Panda Trails along the habitat of the endangered red panda and the sacred mountains within Sakteng Wildlife Sanctuary to explore the bio-cultural diversity that will upgrade existing trails through Bhutan for Life; establish campsites and wildlife watchtowers with project support in partnership with Bhutan for Life and Dzongkhag, and enhance local enterprises and homestays through the project. Revenues will be generated and retained through entry, user and concession fees.</p>	<p>Red Panda</p>	<p>SWS</p>

Run for Biodiversity Trail along ancient and different ecological zones to celebrate biodiversity through adventure sports connecting two districts that will establish trails and campsites within Sakteng Wildlife Sanctuary through Bhutan for Life co-financing and outside Sakteng Wildlife Sanctuary with project support.	General biodiversity focus	SWS
Golden Langur Trail along Zhemgang highway associated with golden langur habitat that will establish and promote wildlife viewing through the project, with conservation of golden langur habitat in partnership with WWF-IKI.	Golden Langur	
Community-based Birding and Butterfly Tour in Berti to promote community-based and youth-led birding tours along a birding hotspot that includes the endangered white-bellied heron with campsites and community-owned enterprises established through the project, and protection of high conservation value forests in partnership with WWF-IKI.	Birds	
Hornbill and Nuthatch Trail and homestays along Dakpai-Tali route to birding tours along a birding hotspot that will establish birding decks, campsites and community-owned enterprises with project support and protection of high conservation value forests in partnership with WWF-IKI.	Birds	
Biodiversity Immersion Trail along Tingtibi-Manas route traversing sub-tropical forests for wildlife viewing that will establish campsites and community-owned enterprises with project support, and protection of high conservation value forests in partnership with WWF-IKI.	General biodiversity focus	

Output 2.1: Ecotourism concessions framework and sustainable financing mechanisms demonstrated at landscape level (including PAs), providing local livelihood benefits and increased financing for PA management and biodiversity

This Output aims to demonstrate: a) additional financial revenue generated in BWS and SWS and in landscapes outside of PAs through demonstrated new mechanisms on financial flows for biodiversity conservation; b) at least two youth/community enterprises established demonstrating sustainable nature-based business operational. These will help put in place the needed financial mechanisms to generate revenue from the ecotourism products that will be established under Output 2.2 and establish resilient local livelihood options built upon the use of nature.

The project will demonstrate the integration of enhanced revenue generation for PA management and biodiversity conservation, environmental and social sustainability, community livelihoods, and human-wildlife coexistence through implementation of the concessions framework and other mechanisms identified under Output 1.3. Information will be disseminated on the opportunities provided through the concessions framework and businesses and entrepreneurs will be supported to enter into PPPs in full consultation with the local communities as outlined in the Stakeholder Engagement Plan (**Annex 9 of the Project Document**), under the guidance of the Nature Conservation Division or Territorial Forest Division of DoFPS and the relevant Dzongkhag authorities depending on whether they fall within or outside PAs. Eventually the financing mechanism will be upscaled across the PA system through partnership with BFL. Technical business support will be provided to establish and capacitate new businesses and community/youth groups in enterprise management, governance, and tour operations

based on standards and safeguards for hospitality and trail management, etc. Specific opportunities to create economic opportunities for women and women-owned/operated enterprises will be pursued in accordance with the Gender Action Plan (**Annex 10**). Competitive small grants will be used to facilitate innovative post-COVID enterprises built around ecotourism/nature-based value chains, aiming for resilient, diversified livelihood options. This may also consider connections between agriculture and tourism value chains, or other enterprises that would support the diversification and resilience of livelihoods ? measures that are recommended by the 2020 rapid socio-economic assessment of the impacts of COVID-19 on the tourism sector. Further community enterprise development linked to sustainable use of biodiversity is included under Output 2.3, and for ecotourism product/site management under Output 2.2.

Indicative activities under Output 2.1 include:

2.1.1 Disseminate information on the existing PPP mechanism and the concessions framework (developed through Component 1) and provide technical support to the local community and the private sector in support of new enterprise development.

2.1.2 Assess the applicability of local fees and service charges in the demonstration landscape and propose modalities for retention of funds from such fees for local biodiversity conservation and submit for adoption (mechanism(s) to be identified by year 2).

2.1.3 Develop and demonstrate agreed mechanisms for retention of a portion of fees and revenues for PAs and local biodiversity conservation.

2.1.4 Operationalize institutional mechanisms both within BWS and SWS and in the wider landscape for licensing concessions and for collecting and managing fees raised from concessions as well as PA visitor fees, including technical support for planning, awarding, implementing and monitoring concessions.

2.1.5 Establish and capacitate nature-based local enterprises in line with the concessions framework to manage ecotourism products and services developed under Output 2.2, including preparation of management plans and business plans. Proposed community-based enterprises include:

? Youth/community-owned tour operator groups for domestic tourism in Khoma to operate tours to Singye Dzong, with homestay facilities;

? Youth/community tour operator groups for domestic tourism in Shermuhung to operate domestic tours to Aja Nye, with homestay facilities;

? Youth/community tour operator groups to operate Jomo-Panda Trails in Trashigang for domestic and international visitors.

2.1.6 Implement a competitive low value grants scheme to facilitate the establishment of innovative post-COVID youth/community-led local businesses linked to ecotourism/nature-based value chains to broaden tourism value chains, establish value chain linking activities, diversify livelihoods and household income, and build resilience across the tourism sector. Grants will be issued by the Government in accordance with UNDP Low Value Grants guidance.

2.1.7 Issue grants to support the establishment of homestays and enterprises across the demonstration landscape to support post-COVID local economic recovery and offset losses to HWC as per prevailing

TCB policy. Grants will be issued by the Government in accordance with UNDP Low Value Grants guidance.

2.1.8 Capture the lessons learned for new financing mechanisms both inside PAs and across wider landscapes for national upscaling and adoption across the PA system.

Output 2.2: High-quality ecotourism products and services developed across the demonstration landscape through an integrated plan and value chain approach delivering local livelihood benefits and biodiversity gains

This Output will contribute to: a) End to end demonstration of ecotourism business products managed as per site-specific management plans that conform with the tourism guidelines operational and generating revenues within the demonstration landscape; b) 50% of local households (= 1,230) within the demonstration landscape communities benefitting from ecotourism; c) 468 new jobs in ecotourism created (50% women); d) 60 new local nature/wildlife-based economic enterprises established related to ecotourism. This output will strengthen the availability and quality of tourism infrastructure within the demonstration landscape to increase its attraction to domestic and international tourists and maximize its revenue generation potential. It will demonstrate the application of guidelines and tools developed under Component 1, and will be supported by capacity development for communities, potential entrepreneurs and Dzongkhags on enterprise management, governance, tour operations and safeguards standards under Output 3.1.

During the PPG 10 ecotourism products were identified with local communities and stakeholders to demonstrate the integration of biodiversity conservation, community livelihoods, human-wildlife co-existence and social safeguards into ecotourism product development. Products will be developed in full consultation with local communities as outlined in the Stakeholder Engagement Plan. The Demonstration Landscape Ecotourism Plan will provide the overall framework and strategic guidance and support for product development and marketing. Each product will have a site-specific management plan (to ensure adherence to sustainability criteria and guidelines developed under Output 1.4) and enterprise-specific business plan (to support sustainable revenue generation as part of Bhutan's tourism resilience recovery from COVID-19). Marketing of products and experiences will be supported under Output 3.2.

GEF funds will support the establishment and upgrading of basic ecotourism infrastructure to increase the attractiveness of the region to visitors and enhance revenue generation potential. Examples of site-specific ecotourism infrastructure to be supported include eco-trail upgrading/maintenance, visitor signage, campsites, resting points/facilities, walkways, viewpoints, observation/birding decks, safety infrastructure, garbage and sanitation facilities for low-impact tourism. GEF investment in infrastructure development will be supported by substantial co-financing commitments by local

partners, including commitment for ongoing maintenance and operation of ecotourism infrastructure (as detailed in Annex 12b). For example, all trail development activities within the PAs will be co-financed by the BFL. Technical design and site supervision will be co-financed by the RGoB (Dzongkhag or PA staff), the cost for maintenance of facilities developed will be borne by enterprises, and the cost of activities of committees (LECT, MTAC, local PA conservation committee) by RGoB.

Social and environmental safeguards, due diligence and impact prevention and mitigation will be an important part of infrastructure development (GEF- or co-financed) under this project. In accordance with UNDP Social and Environmental Standards Standard 6, FPIC will be secured as needed prior to the commencement of any ecotourism development that requires FPIC. For GEF-financed activities, adherence to social and environmental standards will be required as part of the procurement and contract monitoring process, and independently overseen by a safeguards specialist. Infrastructure and product development will also adhere to the national guidelines revised/developed with project support under Output 1.4 and has been scheduled to commence once these guidelines are drafted to demonstrate these guidelines in practice (with subsequent updating of guidelines as needed). Additional restrictions as needed to avoid site-specific potential impacts will be identified during site/product impact screening processes. Any co-financed trail development under BFL will take place in accordance with the adopted ESMF and associated safeguards plans for that project.

Indicative activities under Output 2.2 include:

2.2.1 Establish the Landscape Ecotourism Coordination Taskforce to provide overall vision and guidance for integrated landscape ecotourism development.

2.2.2 Develop an integrated landscape-level ecotourism plan as a guiding strategic document for ecotourism development across the landscape, identifying and leveraging opportunities to use ecotourism development to support biodiversity conservation, sustainable PA financing and livelihoods development.

2.2.3 Building off the PPG assessments, complete feasibility assessments of proposed tourism products (including potential COVID-19 impacts, climate risk screening etc) and convene validation workshops and consultations with local communities, tourism businesses and potential investors to ensure support and co-financing commitments.

2.2.4 Prepare an overall business development and livelihoods framework in Year 1 for approval by Project Steering Committee, with assessment of potential risks/impacts of ecotourism development, appropriate mitigation measures to address risks, and safeguards (including for women) for ecotourism development.

2.2.5 Complete detailed scoping and ecologically sensitive design of ecotourism products to ensure adherence to ecotourism guidelines/safeguards including completion of scaled impact screening/ESIA (including cultural heritage impacts) for any infrastructure development in ecologically sensitive areas or cultural sites.

2.2.6 Develop and upgrade basic, essential ecotourism infrastructure to make PAs/sites more attractive to visitors to increase their revenue-generation potential, and to reduce maintenance needs and risk of environmental degradation through poor-quality or ageing infrastructure.

2.2.7 Develop a management plan (site maintenance and visitor management plan) and business plan (enterprise management plan) for each ecotourism product to guide operations.

2.2.8 Convene local stakeholder workshops to develop conducive local government policies, regulations, standards and protocols for local tour operations, homestay management, health and safety, and apply an effective compliance mechanism, in accordance with application of the guidelines and tools established under Component 1.

2.2.9 Review experiences from each ecotourism product demonstration and document lessons.

Output 2.3: Conservation of biodiversity including flagship species enhanced for the promotion of wildlife-based economy through habitat improvement and threat reduction

This Output aims to achieve: a) at least a 50% reduction in annual HWC incidences in the target communities; b) habitat enrichment plans for golden mahseer, Ludlow butterfly, red panda, black-necked crane and golden langur developed and implemented in the demonstration landscape and c) reduction on the loss of wildlife through snares by >90%. The GEF investment will focus on tackling key threats to globally-significant biodiversity including threats to the flagship species that are linked to tourism products.

In coordination with Output 1.2, this output will strengthen implementation of the National Zero Poaching strategy and HWC Management Strategy in the demonstration landscape by promoting, testing and generating feedback on identified priority interventions to strengthen implementation such as improved local-level coordination, information sharing, monitoring and use of technologies. These will be piloted (including BWS and SWS) under the guidance of the Nature Conservation Division of DoFPS with support of the Territorial Forest Divisions and the local authorities, and integrated into ongoing HWC management and anti-poaching surveillance activities of the two target PAs. Lessons learned will be used to inform national replication under Output 1.2.

Further, this output will address habitat-related threats to the globally threatened and iconic species identified as flagships for the ecotourism products developed under Output 2.2. Habitat enrichment of the flagship species will both benefit experiences for tourists by maintaining healthy wildlife populations and habitats that support tourism, and provide a tangible demonstration to local communities of how nature conservation can lead to new livelihood opportunities including through sustainable use and harvesting of biodiversity (in turn helping to diversify nature-based livelihoods beyond tourism and enhance community resilience to shocks such as the COVID-19 pandemic). The

conservation measures will be developed and implemented under the guidance of the Nature Conservation Division (inside PAs) or Territorial Forest Division of DoFPS (outside PAs) and with support of the relevant Dzongkhag authorities depending on whether they fall within or outside PAs. The project will develop management plans that will map the critical habitats for each species (for inclusion in the relevant local authority development plans) and detail the conservation measures to be undertaken, and any technical standards/guidelines to be adhered to (mitigating potential safeguards risks from their implementation). An indicative list of priorities identified during the PPG is shown in **Table 7 of the Project Document**, copied below for easy reference.

Table 7 of Project Document: Indicative habitat improvement and threat reduction priorities for flagship species (to be finalized in participatory habitat management and improvement plans developed during project implementation)

Flagship species	Habitat improvement and threat reduction priorities	Area
Black-necked Crane	Improve restoration of winter roosting and feeding area by planting local plant species along the riverbank in areas affected by flooding in Bumdeling valley to prevent further erosion; stemming growth of stray dogs to curb threat to the crane population and discouraging winter cropping in the roosting area	BWS, Trashiyangtse
Red Panda	Plantation of native palatable plants and bamboo species, technical support/demonstration for the effective containment and control of invasive species	SWS, Trashigang
Ludlow's Bhutan Glory	Curb habitat loss and disturbance, maintain Ludlow habitat near settlements through strengthening/capacitating sustainable community-managed forests and demonstration of nature-based economy from sustainable habitat management.	BWS, Trashiyangtse
Golden Langur	Mapping and establishing protection measures for salt licks and water holes, and restoring native food plants along the Zhemgang-Tingtibit-Wangdigang stretch	Zhemgang
Golden Mahseer	Protection of critical spawning grounds of golden mahseer along the Yangbari-Manas river stretch, and identification of sustainable areas for catch and release angling	Mongar, Zhemgang

Indicative activities under Output 2.3 include:

2.3.1 Collect available baseline data and establish landscape baseline on HWC, poaching hotspots, illegal use/trade and current management practices.

2.3.2 Establish PA level Wildlife Conservation Committees within the jurisdiction of BWS and SWS with clear responsibilities and members for specific tasks (aligned to the definition of roles under Output 1.2), and information-sharing and reporting lines to national-level coordination (providing an organizational framework for implementation of national Zero Poaching Strategy and HWC Management Strategy at local level).

2.3.3 Scope and facilitate the development of an improved PA-level intelligence database, surveillance and monitoring and information-sharing among government and NGO partner agencies on wildlife poaching, trade, trafficking and rescue.

2.3.4 Facilitate increased use of mobile-based and other technologies for wildlife identification (e.g. wildlife ID apps), snare removal (e.g. metal detectors) and digitization of reporting (e.g. use of WeChat/direct messaging platforms) through training workshops and equipment provision.

2.3.5 Prepare habitat management and enrichment plans for identified flagship species through consultation with NCD, DoFPS, Dzongkhags and local communities.

2.3.6 Facilitate implementation and technical demonstration of habitat management/improvement and biodiversity threat reduction in accordance with adopted management plans, including:

? Surveys and community consultations to identify and map critical habitats (e.g. spawning grounds of golden mahseer, salt licks and water holes for golden langur) and agree protection measures;

? Effective prevention (e.g. awareness, biosecurity and quarantine measures), containment, risk assessment and control of invasive species (with co-financing support for IAS removal/eradication);

? Targeted planting/revegetation with native species (e.g. for erosion control, provision of native food plants);

? Community awareness-raising and advocacy to reduce key threats to flagship species (e.g. to curb growth in stray dogs and discourage winter cropping in roosting areas to reduce threats to cranes);

2.3.7 Establish and capacitate nature-based local enterprises built upon sustainable use of biodiversity in existing community forests, including resource survey and preparation of management plans and business plans. Proposed community-based enterprises are:

? Wild daphne (Ludlow forage vegetation) sustainable harvesting and plantation, nursery and environmentally-safe Deysho (indigenous paper) enterprise at Womanang;

? Herbal tea enterprise to promote sustainable management of Hibericum and Viscum species at Bamdhir.

Output 2.4: Awareness campaigns, educational materials and outreach with local communities on biodiversity values result in positive attitudes towards human-wildlife coexistence and increased participation in practical measures to reduce HWC, poaching, forest offences and other threats to biodiversity conservation

This Output will contribute towards the achievement of a 20% improvement in Knowledge, Attitudes, and Practices by the end of the project. The KAP baseline for communities and private sector in the demonstration landscape levels will be established in Year 1 and will be reassessed in Year 5 to measure impact (see **Annex 12i of the Project Document**). Public awareness activities will be coordinated through a communications plan, under the responsibility of the PMU Communications

Officer working closely with TCB, NCD, and local authorities. The overall aim is to deliver a concerted effort to raise public awareness of the benefits to livelihoods of sustainable ecotourism and biodiversity conservation and to deliver a shift in public attitudes that helps reduce threats to globally significant biodiversity, particularly from HWC and poaching.

Implementation will involve targeted awareness and advocacy programmes and activities for NGOs, CBOs, schools, the media, and the private sector. Specific campaigns will be organized to support positive messages and solutions around ecotourism and biodiversity threat reduction, and to promote participatory actions and involvement in project activities, including through engaging religious leaders to provide discourses on the spiritual aspects of wildlife conservation and human wellbeing. A wide range of media tools will be used to achieve the highest possible impact and outreach including TV and radio channels, film clips, social media, printed media, festivals, and events. Awareness raising will incorporate messages around the close connection of people to nature that have emerged through the COVID-19 pandemic.

In addition, the project will support the establishment of two biodiversity information centres which will provide public access to information on biodiversity and ecotourism, and a space for conducting workshops, ecotourism training and educational events. For visitors, they will provide information on local biodiversity, tourism offerings and space for meeting guides, operators etc. Potential revenue generation opportunities (e.g. using the space to provide information on local biodiversity and potential crowdfunding campaigns to support local conservation efforts) for the information centres will be explored. GEF investment will cover design, planning and construction of interior and exterior exhibits. Co-financing support will be provided including maintenance and management of the centers, staff salaries and construction cost support from SWS and Zhemgang Dzongkhag.

Indicative activities under Output 2.4 include:

2.4.1 Develop and implement a targeted Information, Education and Communications Plan for ecotourism, biodiversity conservation and HWC management including integration of COVID-19 and pandemic safeguard protocols in tourism.

2.4.2 Prepare and disseminate education and awareness materials on biodiversity (global and local biodiversity values), threats to biodiversity, drivers of HWC and poaching and national strategies to prevent them, and benefits of ecotourism, conservation and co-existence, including through use of TV and radio channels, film clips, social media, printed media.

2.4.3 Conduct awareness raising and educational activities with local partners including targeted awareness campaigns, presence at key events to explore the interconnection between biodiversity, ecotourism and livelihoods, and spiritual discourses on wildlife observation and human wellbeing.

2.4.4 Establish low-cost, ecologically sensitive biodiversity information centers at Sakteng and Tingtibi to raise awareness and provide public access to information on biodiversity and its significance, HWC and its impact on the ecosystem, ecotourism and the importance of co-existence.

Component 3: Ecotourism capacity, promotion, knowledge management and M&E

Outcome 3: Effective capacity, marketing, and knowledge exchange to establish Bhutan as a model ecotourism destination

Output 3.1: Key actors (national and Dzongkhag governments, private sector and local communities) capacitated and equipped to support ecotourism development and apply ecotourism safeguards and standards

This Output aims to contribute to increasing capacity for mainstreaming biodiversity (and gender) into the tourism sector at the national level and at the demonstration landscape level, as measured by the UNDP Capacity Development Scorecard (see also the PPG Capacity Development report (**Annex 12j of Project Document**)), while also contributing to increasing the tourism specific METT score at BWS and SWS (see **Annex 12a**). A key element will be raising the awareness of government officials and private sector representatives on the National Tourism Policy and Ecotourism Master Plan and the Concessional Framework which will be done through a series of sensitization workshops in each Dzongkhag. The project will also provide training on the new and revised guidelines developed under Output 1.4 to national and local level stakeholders from the public and private sectors.

Key to ensuring sustainability of training and its institutionalization within government training programmes will be the establishment of a mobile training unit. This will be used by TCB and its sister training institution the Royal Institute for Tourism and Hospitality. Training modules, including online/virtual materials, will be developed to support the incorporation of ecotourism and sustainable tourism within existing training programmes, including for communities in the landscape Dzongkhags. This will cover non-specialized trainings, awareness and sensitization on ecotourism standards and sustainable tourism operations including enterprise management, governance, tour operations, safeguards standards. Consideration of health safety standards and measures to manage COVID-19 risks and potential zoonotic disease transfer will be included within trainings as relevant. Specialized ecotourism trainings (e.g. nature guiding) for the demonstration landscape will be provided through the engagement of relevant experts. In addition, some specialized trainings are captured under other technical outputs as relevant. In line with TCB's direction to establish an overall tourism ICT infrastructure/digitization blueprint, the development and use of virtual/online training materials will be

considered to support project implementation under COVID-19/social distancing restrictions context, along with training in the use of digital tools and technology.

The project will also use experiential knowledge transfer as a component of capacity development, including the engagement of relevant international expertise and best practices in other countries, building on the project's participation in the GWP and the opportunities it presents for South-South Cooperation and partnerships. This might include domestic knowledge transfer with other project sites/PAs in Bhutan, the engagement of international specialists/experts to provide in-person or virtual knowledge transfer training for project stakeholders in Bhutan, or an international best practice knowledge transfer/training for staff members who are deemed potential 'change agents' or have the capacity/potential to proactively integrate the knowledge gained into tourism policy, plans and operations. The project will seek to build partnerships with the GWP participating countries and partner organizations to contribute to knowledge exchange and lessons learning across the GWP.

Indicative activities under Output 3.1 include:

3.1.1 Update and finalize, with stakeholder inputs, the capacity development plan developed during the PPG to provide an implementation plan for training.

3.1.2 Train key staff of TCB, NCD, PAs, tour operators, ABTO, GAB, BAFRA, Department of Culture and Economic Development Officers/Planning Officers and TFD staff of landscape dzongkhags on the tourism guidelines.

3.1.3 Train key staff of PMU, TCB, PAs, landscape Dzongkhags, landscape gewogs, GAB, ABTO and selected tour operators on gender equality and mainstreaming including protocols to enable equal participation (especially women and youth) in tourism activities and collect gender-specific information.

3.1.4 Convene workshops to sensitize tourism stakeholders including local government, private sector and communities on Concessional Framework, National Tourism Policy and Ecotourism Master Plan.

3.1.5 Support the establishment and operation of a mobile training unit at TCB to deliver general trainings, awareness and sensitization on ecotourism standards and sustainable tourism operations (planning, management, enterprise development, finance, risk management and sustainable tourism, including COVID-19 and pandemic safeguard protocols) to local organizations, communities and entrepreneurs in the landscape Dzongkhags.

3.1.6 Develop ecotourism training modules and Train the Trainer course materials (including online materials) for the TCB mobile training unit covering topics such as ecotourism planning, management, enterprise development, finance, risk management and sustainable tourism, and embed ecotourism modules into training programmes conducted by TCB and Royal Institute for Tourism and Hospitality.

3.1.7 Train local guides on bird watching, flora and fauna through the Ugyen Wangchuck Institute for Conservation and Environmental Research (UWICER) and embed ecotourism modules into training programmes conducted by UWICER.

3.1.8 Organize and deliver domestic and international knowledge transfer trainings (in-person and virtual) to learn about best practices in ecotourism and HWC management, leveraging the GWP partnership and networks.

Output 3.2: Ecotourism marketing and promotional strategy developed and implemented, including the capacity for promotion, branding and marketing for ecotourism products and activities

This Output will contribute to increasing to 20% the proportion of international tourists who have opted for nature-based tourism products including trekking, homestays, birding, rafting, endurance/adventure sports, from the pre-COVID baseline of 12.9%. This will be supported by GEF investment in innovative branding and marketing for ecotourism products to increase the market presence and demand for ecotourism in Bhutan, including in a recovering COVID-19 tourism market. The PPG report on branding and marketing (**Annex 12f of the Project Document**) indicated that Bhutan's promotion of ecotourism should integrate lessons learned from recent research on practices that are effective in communicating sustainability to tourists, including: a) focus on high-value market segments that are more likely to behave sustainably ; b) provide desirable experiences with strong sustainability credentials (e.g. 3rd party verified sustainable hotels and access to local foods) ; c) integrate sustainability messages in promotional materials, including practical information and details of 3rd party verification (e.g. certification scheme to be developed under Output 1.4) ; d) educate high-end travel agents selling Bhutan in originating markets about sustainable tourism products and destinations, incorporating familiarisation visits and reports on sustainable tourism actions ; e) use online platforms to promote sustainability credentials and messages (e.g. Facebook, TripAdvisor, Wayn, HolidayCheck) . Initial data emerging from COVID-19 tourism recovery (e.g. TripAdvisor and World Travel and Tourism Council analysis of online travel search terms, Euromonitor International market research) indicate an enhanced interest in adventure/nature-based tourism and sustainable tourism confirming the viability of the Bhutan tourism value proposition around sustainable, high-value/low-impact ecotourism.

Comprehensive marketing packages will be prepared for the tourism products and services established in the demonstration landscape under Component 2, including production of digital/film assets (including in-house development by TCB and specialized content by contractors using innovative equipment/technologies). These product-specific digital content development and marketing decks will provide the materials for the development of a landscape-level digital content and marketing strategy. Such an online marketing approach is appropriate and effective in COVID-19 pandemic scenario. The strategy will consider potential virtual tourism offerings (e.g. virtual tours) that could be developed using landscape products and digital content, and that could offer further revenue generation

opportunities and tourism promotion under the COVID-19 situation of restricted travel. GEF funds will support implementation of the strategy and build capacity for its implementation. The project will conduct specialized training on branding, content development, marketing strategies and tools for tour operators. GEF funds will also be used to prepare materials on branding content development, marketing strategies and tool distribution on-line for wider up-scaling. The PMU's Behaviour Change and Communications Officer will further support these activities by preparing awareness and outreach materials. In addition, with a focus on digitizing and digitalizing the tourism sector in partnership with UNWTO, this Output will support the redesigning of business processes, operations and tourism diversification through increased online marketing and virtual tours.

Indicative activities under Output 3.2 include:

3.2.1 Develop site-specific and product-specific marketing decks for promotion of the ecotourism product demonstration in the project landscape.

3.2.2 Using materials from site specific marketing decks and digital content for promotion of all ecotourism products and services, develop a landscape level ecotourism marketing deck, digital contents and marketing and branding strategy (virtual tours inclusive).

3.2.3 Conduct specialized training for TCB, PAs, tour operators and operators of the site-specific products and services on branding, content development, marketing strategies and tools.

3.2.4 Review and revise the TCB marketing strategy to identify opportunities and marketing concepts to promote biodiversity/nature conservation and benefits for tourism, particularly under a COVID-19 context.

3.2.5 Integrate ecotourism and biodiversity into TCB marketing and promotional material, including printed material, exhibitions, guidebooks, virtual marketing assets, Tourism Bhutan, Dzongkhag and other websites etc.

3.2.6 Integrate ecotourism and biodiversity into marketing and promotional partnerships of TCB, including with destination markets.

Output 3.3: Knowledge sharing platforms, events and networks established at local and national levels to enhance ecotourism collaborations and best practice exchanges including with regional and international networks, particularly the Global Wildlife Program

This Output will support effective knowledge sharing. By the end of the project, results and lessons will have been shared through TCB, project and UNDP CO websites and social media, including technical reports, awareness materials and technical meetings. In addition, knowledge-sharing mechanisms will be established through links to the GWP global knowledge platform, including GWP resources, virtual and in-person events (e.g. knowledge exchanges and study tours), news and lessons. The project will actively participate in GWP knowledge sharing and through national and landscape

knowledge-sharing, facilitate learning and access to the best practices and lessons gained through engagement in the GWP. An innovation / lesson-learning forum will be established at the national level and among landscape dzongkhags, PAs and national stakeholders from year 2 to ensure maximum dissemination of knowledge. The PMU Communications Officer will lead the work under this Output through a knowledge management plan developed in Year 1.

The project's attention on knowledge management will support important connections and feedback loops between the other components. The project will place particular attention on capturing lessons from the piloting and demonstration in Eastern Bhutan, including through field-testing of the technical guidelines developed under Output 1.4. Lessons from the demonstration landscape will be captured as a standard part of activity/output implementation (e.g. through participatory workshops with local stakeholders), along with a focus on overall lesson and best practice identification under this output. Demonstration landscape knowledge sharing mechanisms will include site and landscape-level participatory workshops, facilitated knowledge transfers (e.g. reciprocal site visits) between different project sites in the landscape, landscape coordination and innovation forums, and dissemination of awareness materials outlining project lessons and best practices. The findings of this landscape knowledge management will be reported to the project governance bodies to support scaling up of project approaches. The PMU will oversee the linkage of these findings back to the execution of activities under Component 1 through annual work planning and monitoring processes that explicitly consider lesson learning and knowledge transfer between project sites and components (see Output 3.4). Knowledge management activities will explicitly consider scaling up and replication potential via co-financing partners, other initiatives, and through government policy development and implementation.

While capturing/sharing of lessons between project sites will be important, the project will also place attention on knowledge exchange with other countries facing similar challenges with HWC and exploring ecotourism development. This will include other countries within the GWP working on HWC and ecotourism, and neighbouring countries such as Nepal and Indian states such as Sikkim and Assam through the Kanchenjunga landscape initiative of ICIMOD. The project will also support learning activities from the experience of Kanchenjunga landscape initiatives on community-based tourism from Haa district.

Indicative activities under Output 3.3 include:

3.3.1 Develop a Knowledge Management/Communications Plan to facilitate wide dissemination of lessons from the project and best practices gained through participation in the GWP, and support the effective application of lessons in ecotourism and HWC management and their scaling up across Bhutan.

3.3.2 Establish a project knowledge platform (e.g. website and social media presence) as a place to collate and make available project lessons and materials.

3.3.3 Identify and review lessons learnt from the demonstration landscape and conduct landscape and national level workshops on ecotourism development, biodiversity conservation, HWC and co-existence to share project and GWP lessons with stakeholders and facilitate scaling up and replication.

3.3.4 Disseminate lessons via awareness materials in the demonstration landscape.

3.3.5 Conduct an annual coordination and innovation forum on ecotourism from year 2.

3.3.6 Participate in GWP virtual and face-to-face knowledge events (including funding additional participation from government and demonstration landscapes as relevant) and offer to host a thematic/regional GWP knowledge exchange event on a topic relevant to Bhutan.

3.3.7 Facilitate knowledge exchange/transfers between project sites/gewogs and with GWP countries and neighboring countries on HWC management and ecotourism for TCB, Nature Conservation Division, PAs, Dzongkhags, Project Steering Committee members, entrepreneurs and community members.

Output 3.4: M&E system incorporating gender, youth and safeguards developed and implemented for adaptive project management

This Output provides the mechanisms for effective and structured monitoring and evaluation so that adaptive management measures are incorporated into the project strategy as implementation proceeds. The project's Results Framework (see **Annex A**) which was elaborated and checked with stakeholders during the PPG phase, enables project performance to be reliably monitored using measurable indicators. Several of these indicators do not currently exist within government and will contribute towards more effective planning, monitoring and evaluation of biodiversity conservation and ecotourism development in Bhutan. Monitoring and evaluation activities will include the regular review and updating of the M&E plan, the GEF-7 core indicators (including METT), Results Framework, and annual work plans and budgets, leading to the generation of comprehensive monitoring and progress reports. The project's approach to M&E and adaptive management will also incorporate assessment of the questions for monitoring the assumptions underpinning the Theory of Change. Many of these are already aligned to existing results framework indicators; others can be collated through expert stakeholder assessment. This process will be integrated into the annual participatory project review workshops budgeted to take place prior to the completion of each PIR, and the results used to refine the project TOC, the listed TOC assumptions, risks, and adaptive management of project approaches and activities as needed.

Indicative activities under Output 3.4 include:

3.4.1 Convene project inception workshop within the first 60 days of the project to review, update and elaborate project plans and management arrangements. As part of this process, update and re-assess relevant project information and PPG assessments in light of COVID-19 impacts and confirm

feasibility and alignment to government recovery strategies and international guidance and best practices on building tourism resilience.

3.4.2 Elaborate the project climate risk screening during the inception phase, prepare a risk management plan and integrate mitigation responses into activities and annual work plan preparation as relevant.

3.4.3 Annual work plan preparation and monitoring of indicators (qualitative and quantitative assessment) in project results framework and questions for monitoring project Theory of Change assumptions for adaptive management including annual lesson learning session among project stakeholders.

3.4.4 Complete annual PIR review of annual work plan implementation status for adaptive management of project activities.

3.4.5 Complete GWP annual qualitative review, including information on project progress, challenges, and knowledge needs, and participate in coordinated GWP M&E processes.

3.4.6 Hold at least two Project Steering Committee meetings per year.

3.4.7 Annual implementation review of Gender Action Plan and SESP implementation, and complete sensitization workshops on gender and safeguards for the PMU and executing partners.

3.4.8 Conduct KAP survey towards conservation and biodiversity mainstreaming in ecotourism to assess KAP baselines (Year 1) and target achievement (Year 5).

3.4.9 Conduct surveys as necessary to collate data to update results framework indicators at mid-term and end of project, including surveys on estimation of direct beneficiaries (e.g. population engaged in tourism related economic activities, jobs created).

3.4.10 Conduct independent Mid-term Review of GEF-financed and co-financed activities in line with UNDP/GEF requirements and incorporate recommendations of MTR into revised project plans (management response) following PSC's approval.

3.4.11 Conduct independent Terminal Evaluation of GEF-financed and co-financed activities in line with UNDP/GEF requirements.

4) alignment with GEF focal area strategies

The project is aligned with three GEF-7 Focal Area strategies: *BD-1-1: Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors*, *BD-1-2a: Mainstream biodiversity across sectors as well as landscapes and seascapes through Global Wildlife Program to prevent extinction of known threatened species*, and *BD-2-7: Address direct drivers to protect habitats and species and Improve financial sustainability, effective management, and ecosystem coverage of the global protected area estate*.

Against these focal area strategies, the project aligns to GEF-7 programming directions and priorities as follows:

? *BD-1-1*: The project seeks to mainstream biodiversity conservation into the tourism sector ? one of the priority sectors identified for attention under BD-1-1 in the GEF-7 programming directions. This will include national spatial ecotourism master planning (Output 1.1) that identifies how to situate ecotourism development without undermining or degrading biodiversity, along with supporting guidelines and an ecological capacity assessment tool (Output 1.4) for high-biodiversity tourism sites, and a comprehensive capacity development program (Output 3.1) to shift tourism operations to be more biodiversity-positive through ecotourism and put in place safeguards to prevent and mitigate potential negative impacts on biodiversity.

? *BD-1-2a*: The project will address threats to wildlife and their habitats arising from poaching and specifically from widespread HWC in the form of both crop depredation and livestock predation, via Component 1 of the GWP on Preventing the Extinction of Known Threatened Species. The demonstration landscape in Eastern Bhutan includes some of the most significant HWC hotspots in Bhutan. In this landscape, crop losses are mostly from wild boar, porcupine, barking deer, monkeys and rodents; while livestock depredation is mostly by tiger, common leopard, wild dog, red fox and Himalayan black bear. The increasing level of HWC across Bhutan has cultivated a negative community attitude towards wildlife and conservation agendas by frustrated farmers that can lead to increased local engagement in retaliatory killing of wildlife, poaching and trafficking. The overall strategy of the project is to use ecotourism development (e.g. Output 2.1, Output 2.2) to diversify local livelihoods and reduce conflict with wildlife, shifting attitudes towards human-wildlife coexistence and raising understanding of the importance of wildlife and potential of a wildlife-based economy (Output 2.4). The project also includes targeted interventions to improve the implementation of the Zero Poaching Strategy and National HWC Management Strategy at national (Output 1.2) and local (Output 2.3) levels, including through increased institutional coordination and information-sharing, along with threat reduction and habitat improvement for globally-significant biodiversity (Output 2.3) including reduction in setting of snares in target PAs.

? *BD-2-7*: The project will aim to improve financing of the PA system through increased tourism revenues and increased retention of tourism revenues for PA management and biodiversity conservation activities, including development and operationalization of a national concessions framework and adoption of a national mechanism allowing PAs to retain tourism revenues for their conservation activities (Output 1.2), and demonstration of concessions and financing mechanisms at two PAs and surrounding areas in Eastern Bhutan (Output 2.1). The project will achieve an improvement in the management effectiveness of two PAs that protect globally-significant sites for biodiversity (KBAs): Bumdeling Wildlife Sanctuary and Sakteng Wildlife Sanctuary. The capacity of these PAs to manage tourism (Output 3.1) ? including improvements in basic tourism infrastructure to enhance revenue generation potential (Output 2.2) ? will be supported by the GEF investment. Innovative approaches such as virtual tourism products (Output 3.2) will also be developed to provide more resilient, diversified revenue generation. Importantly, all GEF investment in PA financing and enhanced management under this project will take place in close coordination and alignment with BFL.

The project's alignment to these focal area strategies will be delivered through its participation in the GEF-7 tranche of the Global Wildlife Program. The contributions of the project to the GWP program outcomes are listed in *Section 1c child project*.

5) incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF and co-financing

The project design is consistent with the incremental cost reasoning presented in the project concept, and this has been elaborated in **Section III Results and Partnerships of the Project Document** for each Output. The table below outlines the incremental reasoning for each of the three project Components and the global environmental benefits resulting from the project. This is summarized as follows:

The project focuses on ecotourism development in Bhutan as a tool to achieve sustainable tourism while also incentivizing and strengthening biodiversity conservation, including reduction of threats to biodiversity such as widespread HWC. The Royal Government of Bhutan has invested heavily in a measured and controlled strategy for its tourism development, built around a High Value, Low Volume policy that is aligned with Gross National Happiness principles. Ecotourism is a key part of the government's future tourism growth strategy and a primary mechanism to achieve sustainable tourism that provides meaningful socioeconomic and environmental benefits and avoids negative impacts from tourism development. This has been bolstered by efforts such as Bhutan for Life which recognize ecotourism as a key part of Bhutan's long-term PA financing strategy and has an aim of 80% of all households within PAs with increased nature-based employment and income-generating opportunities by 2027. However, there are gaps and barriers in establishing ecotourism that incentivizes biodiversity conservation, generates a sustainable funding source for conservation, and facilitates the mainstreaming of biodiversity into tourism. These include lack of a cohesive national policy framework for ecotourism and lack of representation of the biodiversity sector in inter-agency tourism coordination, meaning that overall there is limited consideration of biodiversity in tourism planning and operations. The opportunity of using ecotourism to provide sustainable financing for biodiversity conservation is not being realized due to limited mechanisms for revenue generation in PAs and other high-biodiversity areas of Bhutan, limited public-private partnership, and no formal agreed plough-back mechanisms so that PAs can retain revenues from entry, user and activity fees and invest these in biodiversity conservation activities. There is limited capacity and knowledge among the local tourism sector on ecotourism best practices and principles, and antagonistic attitudes of local communities towards biodiversity conservation due to widespread HWC and limited awareness and demonstration of the socioeconomic opportunities that can flow from a biodiversity-based economy.



The GEF investment in the project alternative will support the Royal Government of Bhutan to achieve model ecotourism development contributing to the implementation of the National Tourism Policy and facilitating the effective mainstreaming of biodiversity conservation and financing into tourism policy, development and operations. GEF funds will help address existing barriers through a collaborative approach that brings together different Ministries and partners to put in place an overarching policy framework for ecotourism. The project will provide important momentum to coordinate existing efforts on site-based ecotourism development (such as via BFL, BTFEC and others) and connect them to a national master plan for ecotourism development, ecotourism guidelines to support consideration of social and environmental safeguards, and new financing tools that facilitate the generation and retention of ecotourism revenue for biodiversity conservation, including adoption and operationalization of a national ecotourism concessions framework. This will build off BIOFIN and BFL which both recognize ecotourism as the key financing solution to increase government revenues into the PA system, yet are held back by the lack of tools for private sector investment and mechanisms that would enable retention of revenue from such investments into conservation. The GEF investment will build on the analyses from BIOFIN and provide the required technical and financial support to develop the draft ecotourism concessions framework from its current conceptual state to a full framework which can be demonstrated both inside PAs and across the wider landscape. It will complement the efforts of GEF-6 (NAPA 3) in developing a sustainable financing system for the biological corridor and PA system and enable activities under the BFL initiative to promote private investment and partnerships in PAs.

Project approaches will be demonstrated at landscape level in Eastern Bhutan through ten identified ecotourism products built around five flagship species and key biodiversity assets of the area. A multi-pronged approach will establish low-impact ecotourism infrastructure to attract tourists; support community-based enterprises benefitting from wildlife-based economy through ecotourism and other sustainable uses of biodiversity; build public-private partnerships for ecotourism investment; strengthen conservation of wildlife habitats and reduction of threats; and engage and empower communities in biodiversity conservation. The GEF alternative aims to bring about a positive shift in attitudes towards wildlife and PAs, and to bring the power of community and private sector participation through ecotourism to provide more support for biodiversity conservation across the demonstration landscape. The project will work within PAs and outside recognizing the whole-of-landscape challenge of HWC and coordinate closely with BFL to support replication of project approaches across all PAs due to the national BFL focus on ecotourism-based livelihoods. The GEF investment will result in a transformational improvement in capacity among national and demonstration landscape-level stakeholders (including government, private sector and local communities) to apply the ecotourism safeguards and standards developed by the project, in term supporting the sustainability of project approaches. Scaling up and replication will be supported by an effective focus on knowledge management and M&E, and a participatory approach to implementation that continually engages local communities and partners and brings them together to discuss progress, best practices and lessons learned. Participation in the GWP provides a particular opportunity to share lessons and best practices on the wildlife-based economy and mitigating HWC with other participating countries. Such

knowledge-sharing can be both upstream from Bhutan to the global GWP community, and downstream from GWP to project stakeholders in Bhutan.

This will all take place under a COVID-19 lens, aiming to maximize alignment of project efforts to government's socioeconomic recovery priorities that recognize the potential for ecotourism development and the need for ecotourism to be connected to other livelihood initiatives to ensure diversified and resilient economic opportunities for communities. Domestic tourism will be strengthened to reduce reliance on international visitors, and emerging tools such as virtual tourism will be supported. The GEF investment will build on existing efforts to carry out digital content development and online marketing and support better integration of ecotourism and nature across existing TCB marketing efforts, targeting an emerging tourism market post-COVID.

Through GEF investment, this government-led alternative strategic approach to ecotourism development will strengthen the conservation economy, generate revenue for the government, mobilize resources for biodiversity conservation and PA management and enable viable conservation-compatible livelihood opportunities for communities that help to reduce practices with environmental costs (such as HWC and poaching) and facilitate socioeconomic green recovery. Global environmental benefits will include the improved management of 368,002 ha of ecologically sensitive ecosystems in Eastern Bhutan as elaborated in Section 6 of the CEO ER.

Baseline	GEF Alternative ? Incremental Reasoning	Global Environmental Benefits
<i>Component 1: Enabling and coordinated policy and regulatory framework for ecotourism</i>		

<p>Ecotourism has not been captured under a cohesive national framework, leading to weak coordination and clarity in policy, planning and mandates. While the draft Tourism Strategy has been developed in 2019, this needs more operational planning to underpin it.</p> <p>A conceptual framework for a tourism concessions mechanism for protected areas and state reserved forests in Bhutan has been developed but is not yet operational and there are no formal mechanisms to enable investments into ecotourism development or the required mechanisms to enable retention of revenue from such investments for sustaining biodiversity locally.</p> <p>Biodiversity considerations are not adequately considered in the process of planning and development of tourism and tourism potentials are not well considered in the planning and implementation of conservation activities. The Tourism Council lacks representation from the natural resources sector and the protected areas which are the main asset for nature-based tourism. At least 12 TCB and government-adopted guidelines exist for the tourism sector. Significant gaps in the existing guidelines include the lack of standards, biodiversity/social safeguards measures and protocols for feasibility assessments.</p> <p>While key national strategies for Zero Poaching and HWC management are in place, their implementation can be strengthened through targeted improvements to enhance coordination and clarity on implementation roles and responsibilities.</p>	<p>Mutually supportive and symbiotic relationship between tourism and conservation established in forms of national ecotourism master plan, conducive investment framework and institutionalized concession system.</p> <p>Increased contribution of tourism revenue to biodiversity conservation. PA system and natural landscapes supported by revenues generated from ecotourism and rollout of new tourism concessions framework (in partnership with and supported by BFL investment and capacity development across Bhutan's PAs).</p> <p>A comprehensive suite of guidelines for mainstreaming biodiversity (and gender) into the tourism sector, along with an on-line voluntary green certification system.</p> <p>A fully functional national level Multi-Sector Technical Advisory Committee (MTAC) advising the Tourism Council on ecotourism and mainstreaming biodiversity into the tourism sectors, with broadened representation to include environment and health sectors.</p> <p>Enhanced implementation of Zero Poaching and HWC management strategies through targeted attention to address identified gaps in implementation and monitoring, review progress and learn from best practices.</p>	<p>Improved management of 226,200 ha of PAs in Bumdeling and Sakteng Wildlife Sanctuary, both recognized KBAs. METT score of at least 86 in Bumdeling and Sakteng Wildlife Sanctuaries (from baseline of 67 and 72).</p> <p>141,802 hectares of the landscape outside PAs under improved management for ecotourism and biodiversity conservation, through integrated landscape approach to ecotourism supporting biodiversity conservation in a circuit-based approach in Eastern Bhutan.</p> <p>Strengthened conservation of globally significant IUCN red-listed species through habitat improvements and threat reduction including >90% decrease in wildlife snares and >50% reduction in HWC incidences. Carbon sequestration co-benefits through habitat</p>
<p><i>Component 2: Demonstration of innovative and diversified ecotourism landscapes that support human-wildlife coexistence</i></p>		

<p>Widespread human-wildlife conflict including substantial crop depredation and livestock predation in the demonstration landscape, particularly in communities near PAs. Significant livelihood impacts on affected communities. Retaliatory killing of wildlife in response to predation.</p> <p>Three Circuit Tourism Development Plans for the eastern dzongkhags were developed by TCB in 2013-2015 and provide a spatial framework for tourism development and marketing strategies, however, there has been only limited implementation to date.</p> <p>Limited facilities or tourism products in the landscape to attract or receive visitors and limited opportunities for the involvement of local people in the tourism value chain. Limited examples of high-value private investment and public-private-partnerships to stimulate ecotourism development, and an absence of agreed mechanisms to retain any tourism revenues for local biodiversity conservation. Consequently, the opportunity for ecotourism to contribute to biodiversity conservation is almost entirely lacking.</p> <p>Biodiversity in the landscape faces increasing threats. There are existing interventions through regular SMART patrolling, and HWC prevention and mitigation approaches such as fencing, trenches, traditional approaches, alarms, community insurances, awareness programmes, habitat enrichments etc. However, these are insufficient to adequately manage the threats and more is needed to enhance on-ground conservation action and coordination across a range of players.</p> <p>Communities (particularly farmers) have developed an antagonistic view towards wildlife conservation due to the crop and livestock depredation by wildlife.</p>	<p>Application of public-private partnerships and new concession framework in the project landscape ? at least two concessions operational. Additional tourism-related revenue generated in BWS and SWS and outside PAs through new mechanisms on financial flows for biodiversity</p> <p>Development of model ecotourism products based on biodiversity, aligning investment frameworks with national strategies and plans, and with PA management plans, delivering local livelihoods benefits ? including jobs creation and enterprise development ? and supporting biodiversity conservation.</p> <p>Reduction of threats from tourism development to biodiversity from implementation of social and environmental safeguards, which is accorded equal priority to experience and satisfaction of tourists.</p> <p>Improved landscape-level coordination and reporting to strengthen implementation of national HWC and zero poaching strategies, including PA level Wildlife Conservation Committee among partner agencies within the jurisdiction of BWS and SWS.</p> <p>Enhanced conservation of five globally threatened species selected as the flagships of ecotourism products providing a demonstration of how community-led nature conservation can support improved livelihoods through a wildlife-based economy. Local communities and tourism stakeholders engaged in biodiversity conservation, which is recognized as natural resources for sustainable tourism.</p> <p>Promotion of positive link between wildlife and communities and of potential economic values, building human-wildlife coexistence across landscapes.</p> <p>Reduced HWC incidences and damage and improved cross-landscape management.</p>	<p>improvement/avoided forest degradation resulting in 2.2 million tCO₂e over a 20-year period</p>
--	--	---

Component 3: Ecotourism capacity, promotion, knowledge management and M&E

<p>There is limited knowledge in the tourism sector at both national and local levels on environmental and social safeguards, standards and best practices, leading to inadequate practices, particularly related to biodiversity conservation and gender issues. Human resources for mainstreaming biodiversity conservation into tourism are therefore not well qualified or motivated. Low capacity contributes to weak enforcement of the existing regulations and guidelines.</p> <p>Only low levels of nature-based tourism are taking place in Bhutan and the agenda for mainstreaming biodiversity conservation into tourism and particularly for ecotourism products and services is not being actively driven forward.</p> <p>Knowledge management mechanisms to share best practices and lessons learned between key stakeholders involved in ecotourism, biodiversity conservation, HWC and protected area management are generally lacking and do not meet current needs, including to capture the linkages and interconnectedness of these areas.</p>	<p>Transformational improvement in capacity among national and demonstration landscape-level stakeholders (including government, private sector and local communities) for applying the ecotourism safeguards and standards, including through a mobile training unit established at TCB.</p> <p>Since the COVID-19 pandemic there is increasing recognition of the potential marketing of ecotourism in Bhutan in a recovering tourist market. Digital content development and online marketing and better integration of ecotourism and nature across existing TCB marketing efforts, and digital content for use in virtual tours which would be an alternative way of promoting the experience of Bhutan's ecotourism experience.</p> <p>Sharing of local, national, regional and international best practices builds capacity and knowledge of local and national stakeholders.</p> <p>Participation in the GWP and engagement in the global knowledge platform provides a particular opportunity to share lessons and best practices on the wildlife-based economy and mitigating HWC with other countries.</p>
---	---

GEF Trust Fund financing: There has been a minor change in budget allocation among components compared to concept note stage. See Table B above and **Section VIII Total Budget and Workplan of the Project Document** for details. The changes from the GEF budget in the concept note are summarized as follows:

? Component 1 on the enabling enabling and coordinated policy framework has decreased from USD 770,000 at concept note stage to USD 648,700. Some policy efforts initially proposed for the project have been completed by the government during the PPG stage and therefore no longer require GEF investment.

? Component 2 on demonstration of ecotourism that supports human-wildlife coexistence has slightly decreased from USD 2,808,980 at concept note stage to USD 2,697,680 in line with the amalgamation of capacity building efforts under Component 3.

? Component 3 on ecotourism capacity, marketing and knowledge management has increased since concept note stage from USD 1,044,000 to USD 1,276,600, to reflect the amalgamation of capacity development under Component 3 and activity revisions such as enhanced attention on capacity development in line with government priorities for increasing resilience of the tourism sector post-COVID and the addition of support for developing virtual tourism.

Co-financing: Overall co-financing has increased from USD 7,509,000 at concept note stage to USD USD 9,072,562 at CEO Endorsement. There were some shifts in government co-financing compared to concept note estimates as activities were detailed and compared against forward work plans and anticipated investments of TCB and Bhutan for Life, along with the addition of a new government co-financing contribution from the Department of Forests and Park Services (within the Ministry of Agriculture and Forests) to reflect in-kind support from Sakteng and Bumdeling Wildlife Sanctuaries. Another new co-financing contribution has come from WWF for aligned grant investment through the IKI-funded Living Landscapes initiative. The project concept estimated some co-financing from private sector sources but this has not materialized due to significant COVID-19 impacts on the tourism sector in Bhutan. However, private sector engagement remains strong as summarized in Section 4 on Private Sector Engagement of this CEO ER and letters of intent to collaborate have been obtained from two industry associations.

See Table C of this CEO ER and **Section VII Financial Planning and Management of the Project Document** for more detail.

6) global environmental benefits (GEFTF)

Bhutan forms part of the Eastern Himalayan Biodiversity Hotspot and the project will support the conservation of a range of globally-significant biodiversity. The global environmental benefits that will result from the GEF Project Alternative include 368,002 ha of ecologically sensitive ecosystems in Eastern Bhutan under improved management for ecotourism and biodiversity conservation. This includes 226,200 ha under improved management effectiveness in Bumdeling Wildlife Sanctuary and Sakteng Wildlife Sanctuary ? both recognized in the KBA database. Sakteng Wildlife Sanctuary houses the highest diversity of wild Rhododendrons in the country and has many stories of existence of the mythical Abominable Snowman, the Yeti. Bumdeling Wildlife Sanctuary houses the Ramsar-listed Bumdeling floodplains, the roosting sites of the endangered Black-necked Cranes, and is the site of the rediscovery of the endemic and rare Ludlow?s Bhutan Swallowtail after 75 years and since declared as

the national butterfly of Bhutan. A further 141,802 ha outside of PAs will be brought under improved management for ecotourism and biodiversity conservation.

The demonstration landscape has some of the highest forest cover in Bhutan and serves as an important movement corridor for some important wildlife species, including the Royal Bengal Tiger, Snow Leopard, Musk Deer, and Wild Dog among others. The two Wildlife Sanctuaries serve as a biodiversity repository of the Eastern Himalayan Indomalayan ecoregions owing to their significant altitudinal variation. Together, they cover all three eco-floristic or climatic zones—subtropical, temperate and alpine zone, including at least 12 different forest/vegetation types from pine and warm broadleaved forests (1000-1500m) to alpine pastures and scrubs and meadows (4500m) and contain globally-significant sites for biodiversity (see **Annex 12c of the Project Document**). Several important iconic wildlife and other lesser-known species thrive in these wide expanses of ecosystems, including 16 IUCN red-listed mammal species (8 EN, 6, VU, 4 NT) and 13 red-listed bird species (1 CR, 1 EN, 5 VU, 6 NT).

The project demonstration landscape includes HWC hotspots of Bhutan and sites that have been significantly targeted by poaching and retaliatory killing, with impacted species including musk deer, tigers, leopards and bears. In this way the reduction of HWC and poaching in this landscape project will contribute towards the overall impact of the GEF-7 Global Wildlife Program in addition to the GEF-7 biodiversity focal area objectives.

The project's global environmental benefits will include a climate change mitigation co-benefit in the form of an estimated 2.2 million tCO₂e over a 20-year period via project activities in the demonstration landscape to reduce threats to forest degradation and improve habitats for threatened species.

7) innovation, sustainability and potential for scaling up

These aspects of project design remain consistent with the project concept and have been further elaborated throughout the PPG, including to leverage opportunities through the project's participation in the Global Wildlife Program.

Innovation: At the national level as well as the landscape-level, the management of co-benefits and trade-offs, balancing conservation and development has always been a challenge. The project will address this by applying the GEF's innovative approaches to mainstreaming biodiversity for the first time in Bhutan to the tourism sector through ecotourism development. As a complex sector, ecotourism provides avenues for multipronged innovative approaches. With end-to-end interventions from conducive policies and skill-building to product development and marketing, the project will have more focused and innovative interventions that will also attract responsible investing from the public and private sector. To ensure SME business innovation in the tourism sector, which at the moment is dominated by the "cultural" sector, college graduates will be engaged in the design of this project "the objective being to promote young, local and next business entrepreneurship and leadership. The project will attempt to address issues facing the tourism sector using ecotourism as "niche, unique and exceptional" sets of economic pathways for different regions of the country to engage communities and youth in ecotourism businesses to promote biodiversity conservation and climate change mitigation. The business model innovation will be demonstrated through support to local business entrepreneurs within the demonstration landscape for model ecotourism products throughout the ecotourism value chain that has the potential for long-term financial returns and high social and environmental benefits. Through these, the plan is to expand these PPP models "eco-lodges, homestay, adventure and nature

exploration - to promote truly Bhutanese expression through the experience of a way of life? which has high regard to its surrounding environment, nature, culture, custom and deep-rooted belief system. The project will help support a transition from ecotourism based around local homestays to integrated landscape-scale programmes of ecotourism that cluster products and experiences and help transform socio-economic landscapes for human-wildlife coexistence. These innovations will help to reduce threats to biodiversity both in PAs and in the wider landscape in ways that have not been done to date and are urgently needed.

A key component will be innovative and sustainable financing mechanisms. Tourism receipts can contribute to biodiversity targets through effective utilization such as through retention of earnings in relevant PAs and/or districts. Through this, it is expected that protected areas and other natural areas can generate additional revenues through tourism product diversification. Another key component will be facilitating new capital investment in public-private partnerships for high-end and mid-range accommodation and visitor facilities concessions in the two selected protected areas. The process will apply the PPP policy (2016) and new concession framework for Bhutan's national parks, and bidding criteria should incorporate biodiversity conservation targets, environmental safeguards, and for investors to specify likely local economic benefits. A tourism concession framework will be developed and its implementation modality demonstrated in the project demonstration landscape which will provide a new and sustainable conservation financing mechanism and local livelihood benefits that help to generate new funds for biodiversity conservation engaging new partners (private sector and communities). Importantly these mechanisms will be applied across the landscape given the connectivity of habitats and of landscape-wide threats to biodiversity, such as HWC. In addition to these mainstreaming measures, and as a child project of the Global Wildlife Program, the project will bring and share innovative global best practices to help ensure that local communities that are living inside and outside of protected areas benefit from economic development that strengthened wildlife tourism can deliver, while enhancing human-wildlife coexistence, habitat enrichment for key wildlife species, and the monitoring of poaching and illegal wildlife trade.

Sustainability: An important contribution to sustainability will be through the GEF investment in capacity building for all the national and local stakeholders (government, community and private sector) and Project Steering Committee and PMU team who are involved in some way in project delivery. The investment in these individuals is expected to give long-lasting benefits on the ground, well beyond the end of the project.

Social sustainability will be enhanced through improving human-wildlife co-existence by developing the wildlife-based economy through ecotourism and therefore improving livelihoods, and reducing human-wildlife conflicts that currently have large impacts on livelihoods and wellbeing. The gender mainstreaming approach, described above, will contribute to social sustainability and resilience, and social risks will be monitored through the project's Social and Environmental Screening Procedure (SESP) and the Gender Action Plan. The integrated landscape ecotourism plan will also include opportunities for livelihood enhancement of communities so that community resilience is enhanced through the creation of employment and incomes to local communities from the enterprises to manage different ecotourism products and services and gender safeguards. Importantly, the project's focus on employment and income generation will target diversified and resilient livelihoods that acknowledge the impacts of COVID-19 (and future risks) on the tourism sector. The project design has adopted recommendations from recent socio-economic assessment of the tourism sector by expanding revenue streams for tourism-related businesses, including from domestic tourism and virtual tourism; linking tourism value chains with other sectors such as agriculture; focussing on economic development from sustainable use of biodiversity beyond its role in supporting ecotourism; and supporting the development of a COVID-proof tourism sector as international tourism reopens. The ecotourism guidelines will also include the need for including health safety measures in ecotourism product development and management, and the project's capacity development program will include training on these elements of the guidelines. This will help instil appropriate practices for health and safety in the tourism sector, raise awareness of the potential risks linked to tourists and tourism activities, and prevent and reduce the spread of COVID-19 transmission through tourism activities or in host communities.

Environmental sustainability is integral to the project objective and will be supported by all project outcomes. Landscape-scale biodiversity conservation that contributes to human-wildlife co-existence, reduced threats from HWC, poaching and illegal wildlife trade and generates new funds for biodiversity conservation both inside and outside protected areas, are all crucial elements for building environmental sustainability. These include landscape restoration and habitat enrichment of flagship wildlife species, and support for HWC management and anti-poaching activities. Resilience will be enhanced through the support of multiple stakeholders, strong public participation and effective monitoring and evaluation. The several guidelines that the project will support for the development and management of ecotourism will ensure that appropriate standards and safeguards are adopted in tourism product development and operation. The project will support environmental sustainability by preventing and mitigating potential impacts of infrastructure development on biodiversity in an area of Bhutan flagged for tourism investment and growth, through the construction of low-impact, ecologically-sensitive and climate-proofed tourism infrastructure. This will include application of ecologically-sensitive design for infrastructure development and adherence to strict environmental safeguards. The project will apply feasibility/risk assessments (including climate-related risks and vulnerabilities) and targeted impact screening/ESIA to infrastructure development to identify, prevent and mitigate potential impacts on ecologically sensitive habitats through the construction process or ongoing use. The capacity for strategic ecotourism planning, wildlife-based economy and for overall mainstreaming of biodiversity at strategic as well as local levels is expected to ensure environmental sustainability during and beyond the project period.

Financial and institutional sustainability will be achieved by working through existing government agencies and community groups and strengthening existing multi-sectoral coordination mechanisms to secure the engagement of policy-makers and decision-makers across multiple government agencies. Figure 4 of the Project Document shows how the project management arrangements have been designed to engage existing stakeholders at national and demonstration landscape levels. At the demonstration landscape-level these include community groups and Dzongkhag and Gewog local authorities. These stakeholders will be empowered with improved capacity to exercise their mandates in relation to sustainable tourism and biodiversity conservation, such that the outcomes are mainstreamed into their regular operations, planning and budgets. At the national level, TCB, DoFPS and other stakeholders who already collaborate on environmental and tourism issues through formal mechanisms such as the Annual Planning and Budgeting Exercise and Annual Performance Agreements at various levels, will be able to use the experiences of the project to deliver more effective and sustainable use of their budgets. The mainstreaming of ecotourism master plan in concerned sector plans will ensure sector-wide mainstreaming of biodiversity. Financial sustainability will further be achieved through supporting the government (at national and local levels) to develop and demonstrate sustainable financial mechanisms to generate new flows of funding for biodiversity conservation from the tourism sector via the proposed concessions framework, minimising the need for international or governmental financing in the long term.

The project's focus on capacity development will support institutional sustainability by ensuring that relevant institutions have the skills and knowledge needed to support ecotourism development and the mainstreaming of biodiversity conservation into the tourism sector, and that this capacity will be continuously built and maintained during and beyond the project period. The sustainability of capacity development institutions will be supported by the integration of project interventions into broader government training programs. The project will establish a mobile training unit that will be used by TCB and its sister training institution the Royal Institute for Tourism and Hospitality. The project support for the TCB mobile training unit and training of trainers is to create a critical mass of trainers within the TCB and its network that will continue after the project ends. Training modules, including online/virtual materials, will be developed to support the incorporation of ecotourism and sustainable tourism within existing training, including for communities in the landscape Dzongkhags, through embedding into training programs of the Royal Institute for Tourism and Hospitality and Ugyen Wangchuck Institute for Conservation and Environmental Research (UWICER).

Scaling up: The project has great potential for scale-up. Although focused on the project area in Eastern Bhutan, the project's successful results will be highly replicable since it will cover issues that are commonly found throughout the country. By facilitating and supporting the development and implementation of the government's ecotourism master plan, the concessions framework, strengthening the implementation of the National Zero Poaching Strategy and the HWC Management Strategy, the project's successful demonstration activities can be replicated widely across all PAs with the commitment of government and co-financing from BFL. The project's strong partnership with BFL will be critical to achieve this scaling up potential. This project will work closely with BFL both within the demonstration landscape (with BFL focusing within PAs) and across Bhutan to help scale up project approaches across the entire PA system. This is in line with the BFL ambition on ecotourism to see 80% of households within protected areas with access to nature-based employment and income-generating opportunities. Scaling up will also be supported by the partnership with the Bhutan Trust Fund for Environment supports community-based ecotourism development. All these efforts are geared towards developing a robust ecotourism industry and position Bhutan as a model ecotourism destination in Asia. The new Tourism Policy provides a conducive environment to promote ecotourism and sees ecotourism as a tool for advancing its High Value, Low Volume Tourism. The Policy is therefore expected to support the scaling up of the project interventions through continued interventions from Bhutan for Life and other future investments. Scaling up and replication of project interventions will be facilitated through the project's knowledge management approach under Output 3.3. This will also be supported by participatory project work planning and monitoring under Output 3.4 that seeks to maximize alignment with co-financed initiatives and support the replication of project approaches through these initiatives.

Furthermore, this will be supported by capacity building and engaging national training institutions, as well as establishing new platforms where key tools, documents and lessons learned from the most successful approaches to tourism, biodiversity conservation and livelihoods development can be shared. Additionally, demonstration visits for community groups and government officials will be organized to upscale successes within the project area, and nationally. The project is part of the Global Wildlife Program and accordingly a focus will be placed on cross-project knowledge exchange and learning, offering a further opportunity for scaling up – both within Bhutan to replicate successes from across the GWP (including a range of best practices on nature-based tourism in Eastern and Southern Africa) and for potential replication of the unique experiences of Bhutan on high value-low impact ecotourism in the context of other GWP countries.

1b. Project Map and Coordinates

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

See **Annex E** for details.

1c. Child Project?

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

The project will contribute to Components 1, 2, 3 and 5 of the GWP through its efforts to enhance management of PAs and strengthen financing and partnerships for PAs and landscapes; address HWC at a landscape level; enhance implementation of the Zero Poaching Strategy to combat Bhutan's role in wildlife crime; and coordinate and enhance learning across the GWP, including transmission of GWP knowledge across Bhutan. The project will make the following contributions to relevant GWP GEF-7 program outcomes and overall program impact (see **Table 2 of the Project Document**, copied below).

Table 2 of Project Document: Contribution of the project to GWP Program Outcomes

GWP Component	Relevant GWP program outcomes to this project	Key project contributions to relevant GWP outcomes	Relevant project targets (not exhaustive; see Results Framework for all indicators and targets)
<p><u>Component 1</u></p> <p>Conserve wildlife and enhance habitat resilience</p>	<p>-Areas of landscapes and terrestrial/marine protected areas under improved practices and management effectiveness (METT for PAs)</p> <p>-Strengthened long-term partnerships, governance, and finance frameworks for PAs</p> <p>-Increased revenues for protected areas and landscapes</p>	<p>- Effective, multi-stakeholder demonstration of sustainable ecotourism product development over PAs and outside of PAs, with links to revenue generation mechanisms for biodiversity conservation</p> <p>-Strengthened partnerships and governance between biodiversity conservation and tourism sector through ecotourism master plan development, ecotourism guidelines and establishment of multi-sector coordination mechanisms</p> <p>-Finalized concessions framework and its demonstration in Eastern Bhutan</p> <p>- Operational guidelines for the establishment of Park Fees, Activity Fees and other user fees for ecotourism products and services and retention of fees/revenue for biodiversity conservation at local level implemented</p>	<p>- 368,002 hectares under improved management for ecotourism and biodiversity conservation</p> <p>a) 226,200 hectares of landscape within PAs</p> <p>b) 141,802 hectares of the landscape outside PAs <i>(GEF Core Indicator #1.2 and #4.1)</i></p> <p>- METT score of at least 86 in Bumdeling and Sakteng Wildlife Sanctuaries (from baseline of 67 and 72)</p> <p>-Capacity of national and local stakeholders to mainstream BD into ecotourism development and operations increases from 29% to 72% for national-level and 27% to 63% for local-level (UNDP Capacity Development Scorecard)</p> <p>- Ecotourism Master Plan under implementation across Bhutan, with MTAC fully functional with clear governance and operational mechanisms</p> <p>-Landscape-level Ecotourism Coordination Taskforce applying safeguarding guidelines and standards to ecotourism businesses, and lessons learned shared with national level MTAC for upscaling</p> <p>- 18 enhanced tourism guidelines integrating biodiversity, safeguards and gender under implementation (6 existing without revision; 6 existing with revision and 6 new guidelines)</p> <p>- At least two concession- based initiatives operational in the demonstration landscape with lessons shared for national replication and upscaling</p> <p>- At least \$200,000 generated in BWS and SWS and outside PAs through new mechanisms on financial flows for biodiversity conservation <i>(targets to be determined in Year 1 based on products within the landscape)</i></p>

<p><u>Component 2</u></p> <p>Promote wildlife-based and resilient economies</p>	<p>-Increased Human-Wildlife Conflict (HWC) strategies and site interventions deployed</p>	<p><i>(for NBT and WBE policy, finance and capacity development links, see Component 1)</i></p> <p>- Deployment of ecotourism as a strategy for long-term HWC mitigation and resilient local livelihoods</p> <p>-Targeted support for implementation of national HWC management strategy, including advocacy and policy briefs, development of SOPs to outline roles and improved M&E process</p> <p>-Awareness-raising and outreach with local communities to build positive attitudes towards human-wildlife coexistence and increased participation in practical measures to reduce HWC and other threats to biodiversity conservation</p>	<p>- Knowledge, Attitudes, and Practices (KAP) towards wildlife conservation and mainstreaming biodiversity conservation into tourism:</p> <p>a) 20% improvement at the national level</p> <p>b) 20% improvement at the local level</p> <p>- At least 50% reduction in annual HWC incidences in target communities</p> <p>- Livelihoods improvement:</p> <p>a) 50% (1,230) of local households within the demonstration landscape communities benefitting from ecotourism</p> <p>b) 468 new jobs in ecotourism created</p> <p>c) 60 new nature/wildlife-based local economic enterprises established</p> <p>d) At least 20% increase in household income</p>
<p><u>Component 3</u></p> <p>Combat wildlife trafficking</p>	<p>-Improved access to and use of actionable information, data, and intelligence through secure sharing mechanisms</p> <p>-Decreased number of target species poached (i.e. use of SMART tools)</p>	<p>- Targeted support for implementation of national Zero Poaching Strategy through enhanced advocacy, national-local coordination, use and sharing of information, and application of technologies.</p>	<p>- PA Wildlife Conservation Committees established at BWS and SWS providing a model for national replication</p> <p>- Reduction in the loss of wildlife through snares in BWS and SWS by >90%%</p>
<p><u>Component 4</u></p> <p>Reduce demand</p>	<p>n/a</p>	<p>n/a</p> <p><i>(Project awareness-raising will aim to build human-wildlife coexistence and reduce participation in poaching, but as this is not addressing demand it is captured under Component 2)</i></p>	

<p>Component 5</p> <p>Coordinate and enhance learning</p>	<p>-Improved coordination among countries, donors, and other key stakeholders engaged in the implementation of the GWP</p> <p>-Enhanced GWP management and monitoring platform</p>	<p>- Active participation in GWP global knowledge platform, including offer to host a thematic/regional exchange</p> <p>-Bilateral knowledge exchanges with relevant GWP projects (tourism, HWC)</p> <p>-Establishment of national knowledge platform to share GWP-obtained knowledge across Bhutan</p> <p>- Active participation and contributions to GWP coordinated M&E and reporting</p>	<p>- At least 6 project best practices documented and 800 downloads of project documents, results and lessons learned from TCB and project website etc</p>
--	--	--	--

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:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Stakeholder engagement during the PPG phase engaged a broad range of stakeholders at national, landscape and local level, including local communities. Stakeholders at the national, Dzongkhag and local levels were consulted during the PPG phase to develop the full project proposal, including most pertinently government actors involved in tourism and biodiversity conservation. The design of the project was carefully aligned with Bhutan's National Tourism Policy (2021) and Tourism Flagship Programme, and the National Biodiversity Strategy and Action Plan of Bhutan, 2014. Similarly, a range of stakeholders was consulted, including locally participating communities, institutional actors in environment and tourism sectors, actors from economic and service sectors related to the project such as agriculture and forestry, and representatives of Community-based Organizations (CBOs) and Civil Society Organizations (CSOs). On the basis of these discussions and the range of potential stakeholders with an interest in the project, a Stakeholder Engagement Plan has been prepared, see **Annex 9 of the Project Document**. The PPG consultations (and earlier consultations as the concept note was developed) are captured in Table 1 of the Stakeholder Engagement Plan.

The key objectives of of the Stakeholder Engagement Plan are:

? Understand stakeholder engagement requirements;

- ? Provide guidance for stakeholder engagement such that it meets the standards of international best practice;
- ? Identify key stakeholders that are affected, and/or able to influence the project and its activities;
- ? Identify the most effective methods and structures through which to disseminate project information, and to ensure regular, accessible, transparent and appropriate consultation;
- ? Clarify processes and requirements for community consent (including FPIC as needed) and in accordance with Royal Government's Environmental Assessment Act 2000 and Regulation for Environment Clearance for Project 2016 and UNDP SES Standard 6;
- ? Guide project management to build mutually respectful, beneficial and lasting relationships with stakeholders;
- ? Develop a stakeholder's engagement process that provides stakeholders with an opportunity to influence project planning and design;
- ? Establish formal grievance/resolution mechanisms;
- ? Define roles and responsibilities for the implementation of the SEP;
- ? Define reporting and monitoring measures to ensure the effectiveness of the SEP and periodical reviews of the SEP based on findings.

Project implementation will involve extensive engagement with stakeholders at all levels, and particularly in the demonstration landscape. **Table 11 of the Project Document** (copied below) outlines the roles and responsibilities for various project stakeholders at all levels during project implementation, while the Stakeholder Engagement Plan describes how stakeholders will be engaged in more detail, and **Table 9 of the Project Document** describes intersections with those organizations and initiatives providing partnership opportunities. At a broad level, participation and representation of stakeholders will be conducted through the governance structures put in place by the project as outlined and depicted in the organogram in the Governance and Management Arrangements section of this CEO ER, namely the Project Steering Committee and the Landscape Ecotourism Task Force in the demonstration landscape. TCB will coordinate closely with other governmental and non-governmental (CBOs, NGOs, private sector) stakeholders via the existing governance structures at national and Dzongkhag levels and through the Multi-sector Technical Advisory Committee established under Output 1.1. Stakeholders will be consulted, engaged and informed throughout the project implementation phase to: (i) promote understanding of the project's outcomes; (ii) promote stakeholder ownership of the project through engagement in planning, implementation and monitoring of the project interventions; (iii) build public awareness; and (iv) to maximize linkage and synergy with other ongoing projects.

Stakeholder consultations and discussions have been built into the implementation of project outputs, with specific budget allocated for the engagement of stakeholders. General stakeholder engagement mechanisms are described in the Stakeholder Engagement Plan including: processes for securing free, prior and informed consent from local communities (potentially required in accordance with UNDP SES and local contexts for some outputs related to ecotourism development); designation of community engagement focal points from each Dzongkhag; establishment of local consultative groups in impacted communities in the project landscape providing a forum for stakeholders; use of notice

boards to inform community members about project activities; establishment of two ecotourism information centres within the demonstration landscape; establishment of project website and social media profile and networks; development and dissemination of brochures, bulletins, press releases; development and dissemination of policy briefs to influence decision-makers; use of local radio/TV/newspapers; and project displays at relevant exhibitions and fairs. A Community Engagement Officer has been included in the PMU to oversee the implementation of the Stakeholder Engagement Plan and coordinate and liaise with communities for all stakeholder-related activities.

The Royal Government of Bhutan has set several COVID-19 norms that concern stakeholder engagement and consultations. Where feasible and effective while these norms remain, stakeholder consultations will be done virtually. For community consultations, COVID-19 norms and government restrictions based on prevailing situations will be followed. In addition, in response to COVID-19, the health sector has been added to project stakeholder engagement mechanisms to integrate health and safety aspects into ecotourism planning and operations. Stakeholder consultation and engagement processes will be further agreed during the project inception workshop based on the COVID-19 situation at that time.

Table 11 of Project Document: Summary stakeholder analysis indicating main roles and responsibilities

Stakeholder	Mandate	Role in the Project
<i>National level stakeholders</i>		
Gross National Happiness Commission	GNHC is the central government body responsible for coordinating and spearheading policy formulation to ensure cohesion between sectoral policies, and alignment with national development objectives and Gross National Happiness (GNH). It is responsible for coordinating the preparation, implementation and monitoring of Five-Year Plans and functions as the official organization through which development assistance is channeled. As the apex policy and planning coordination body and GEF Operational Focal Point, GNHC will provide overall coordination, facilitation and monitoring of delivery of GEF financing and co-financing.	The Commission has delegated the responsibility for project execution to the Tourism Council of Bhutan. However, GNHC will continue to provide strategic oversight and support coordination and facilitation as required as well as monitoring and ensuring that the project framework remains aligned with national priorities and other relevant initiatives and programs. The GNHC will be represented on the PSC.

Stakeholder	Mandate	Role in the Project
<p>Tourism Council of Bhutan (TCB)</p>	<p>TCB is the apex decision making body in the government responsible for tourism development. TCB works independently and is not placed under any Ministry. TCB's Vision is to promote Bhutan as a green, sustainable, inclusive and a high-value competitive tourism destination guided by the principles of developing and promoting tourism in alignment with;</p> <ul style="list-style-type: none"> ? the national development philosophy of Gross National Happiness (GNH) ? High value, Low volume tourism ? respects the country's natural and cultural resources, its people and core values. ? regional and seasonal spread with equitable growth and benefit-sharing. <p>The mandate of TCB is to oversee tourism development and promotion by way of tourism planning & policy development, implementation of tourism regulations, tourism monitoring, facilitation and coordination of stakeholders, strategic marketing and promotion, support development of tourism products and services and undertake human resource development for the sector.</p>	<p>As the national executing agency/Implementing Partner of the project, the TCB will house the PMU and provide project oversight, coordination and administration, ensuring linkages and partnerships. Specifically, the TCB will</p> <ul style="list-style-type: none"> ? support to ensure the development of high-quality ecotourism product; ? support the landscape dzongkhags, gewogs and communities in product identification, development, packaging and improving quality of service; ? coordinate developing market strategy, through stakeholder involvement, ensuring sustainability; and brand Bhutan as a premier ecotourism hotspot ? provide technical support on capacity development and knowledge management on ecotourism among the stakeholders <p>The Director General of TCB will chair the Project Steering Committee. TCB will be the main government partner to develop strategies, plans and regulations for ecotourism development (Outputs 1.1, 1.3, 1.4), to provide technical support for demonstrating ecotourism in the demonstration landscape (Outputs 2.1, 2.2) and raising awareness (2.4) as well as training and branding (Outputs 3.1, 3.2, 3.3) and knowledge sharing and M&E (Outputs 3.4, 3.5). The TCB will provide and appoint the Project Manager and the project's Monitoring and Evaluation Officer through co-financing.</p>

Stakeholder	Mandate	Role in the Project
<p>Ministry of Agriculture and Forest (MoAF)</p> <p>Department of Forest and Park Services (DoFPS)</p>	<p>The MoAF is mandated to ensure conservation and sustainable use of renewable natural resources, comprising agriculture, forest resources, and livestock, and is the focal ministry for the Convention on Biological Diversity. The Policy & Planning Division of MoAF coordinates and facilitates matters related to the development of policy and institutional frameworks for an integrated approach to the management of agricultural and forested landscapes.</p> <p>Within the MoAF, the Department of Forests and Park Services (DoFPS) has overall authority for the management of forest resources and biodiversity, through the creation and management of a protected area system; protection and management of forest and wildlife resources; and education and public awareness. The Nature Conservation Division (NCD), one of the five functional divisions of DoFPS, is responsible for strengthening conservation of biological diversity through effective management of the protected areas system for the harmonious co-existence of people and nature. It is also responsible for issuing tourism permits and licenses for tourism activities in protected areas.</p> <p>The Forest Resources Management Division (FRMD) coordinates and provides technical backstopping to the Territorial Forest Divisions for preparation and Implementation forest management plans.</p>	<p>DoFPS, through its NCD and FRMD will be the main government partner for delivering all policy and planning related activities related to nature conservation and threat reduction aspects of ecotourism development (Outputs 1.1, 1.2, 1.3, 1.4), to provide technical support for demonstrating ecotourism in the demonstration landscape (Outputs 2.1, 2.2), for biodiversity enhancement (Output 2.3) and raising awareness (Output 2.4) as well as training (Output 3.12) and knowledge sharing (Output 3.4). The Nature Conservation Division will lead activities in protected areas (SWS and BWS administrations), while work in the wider landscape will be supported through the FRMD via its Territorial Forest Divisions (TFDs).</p>
<p>Bhutan Agriculture and Food Regulatory Authority</p>	<p>Within the MOAF, Bhutan Agriculture and Food Regulatory Authority (BAFRA) is the competent authority for biosecurity and food safety systems to promote the quality and safety of food and agricultural related products.</p>	<p>BAFRA will provide technical support on local food sourcing and quality control for ecotourism businesses (Outputs 1.1 and 2.1) and training (Output 3.1). The Director of DoFPS will be a member of the PSC.</p>

Stakeholder	Mandate	Role in the Project
Ministry of Home and Cultural Affairs	MoHCA leads the efficient functioning of decentralized administration, upholding the principles of democratic governance which ensure maintenance of law and order; preserves and promote cultural and spiritual values contributing towards the realization of Gross National Happiness (GNH). It has the following responsibilities: a) Preservation, promotion, development and protection of culture and heritage; b) Provide professionalized immigration services to public; c) Guide and Support local governments in the efficient and effective delivery of services; d) Provide efficient service delivery in the issuance of citizenship and other related documents; e) Ensure stable law and order situation in the country; f) Efficient management of civil administration.	MoHCA will be a key organization in ensuring that social and cultural safeguards, as well as appropriate immigration services, are developed and integrated into ecotourism development through planning (Outputs 1.1, 1.4), supporting decentralized activities by the Dzongkhag and Gewog administrations in the demonstration landscape (Outputs 2.1, 2.2, 2.3, 2.4) and in capacity building and knowledge sharing (Outputs 3.1, 3.2, 3.3, 3.4). The role of MoHCA is crucial in mobilizing the participation of local governments, and linkage with Dzongkhags, Gewogs and Communities as well as in the implementation of ecotourism standards.
Department of Cottage & Small Industries	DCSI plays a major role in supporting aspiring entrepreneurs to start cottage and small businesses. The Cottage and Small Industry Policy 2012 forms the basis for DCSI. The vision is to "develop a dynamic, competitive and innovative CSI sector, in harmony with GNH philosophy, thus promoting employment, poverty reduction and balanced economic development". The DCSI has instituted programs for human development and inculcation of entrepreneurship culture.	DCSI will be a key organization in ensuring entrepreneurship in support on the cottage and small businesses for ecotourism development through planning (Outputs 1.1, 1.4), supporting decentralized activities by the Dzongkhag and Gewog administrations in the demonstration landscape (Outputs 2.1, 2.2, 2.4) and in capacity building and knowledge sharing (Outputs 3.1, 3.2, 3.3, 3.4).
<i>Other national-level partners</i>		
Bhutan Trust Fund for Environmental Conservation	The BTFEC is an independent grant-making organization that uses its annual investment income to finance conservation activities. Grants are awarded to eligible Bhutanese individuals and institutions for biodiversity conservation and community livelihood initiatives including research for discovery and inventories of flora and fauna and traditional knowledge related to conservation. BTFEC provides \$1.5 million annually for biodiversity-related activities.	BTF will be a key collaborator for providing sustainable financing for following up some of the project's biodiversity outcomes (Outputs 1.2, 2.3) and for knowledge sharing (Output 3.4).

Stakeholder	Mandate	Role in the Project
Bhutan for Life (BFL)	BFL is an innovative funding initiative by RGoB and WWF and aims to provide a sustained flow of finance to maintain the country's PAs and BCs in perpetuity. The goal of BFL is to mobilize, in a single agreement, all the governmental, financial and other commitments needed to develop Bhutan's protected areas system and maintain it in perpetuity.	<p>The project will collaborate with the BFL for its activities relating to sustainable financing, providing direct inputs into identifying and establishing new domestic streams of financing. The BFL initiative also aims to promote ecotourism as an innovative mechanism to generate financing for conservation and to enhance the livelihoods of local communities. The ecotourism safeguards, guidelines and voluntary certification system established to conserve socio-cultural values and biodiversity developed through this project will enable BFL to mainstream biodiversity concerns in their project areas in all other PAs. The strategic partnership with BFL through co-financing will therefore enable the application of these guidelines across all PAs.</p> <p>Dialogue during the PPG phase helped to define complementarity of outputs and activities as well as geographic thematic and geographic synergies. As Bhutan for Life provides a funding mechanism that will continue until 2030, it will enable continued support and enhance post-project sustainability and replication potential.</p>
Royal Society for the Protection of Nature (RSPN)	RSPN is dedicated to nature conservation and has a potentially key role in terms of raising community awareness and understanding of environmentally sustainable tourism and innovative approaches of integrated conservation and development including community-based eco-tourism.	RSPN will be a key NGO partner in all policy and planning related activities related to nature conservation and threat reduction aspects of ecotourism development (Outputs 1.1, 1.2, 1.3, 1.4), for sustainable ecotourism development and biodiversity enhancement (Outputs 2.1, 2.2, 2.3) and raising awareness (Output 2.4) as well as training (Outputs 3.1) and knowledge sharing (Output 3.4).

Stakeholder	Mandate	Role in the Project
Tarayana Foundation	TF is dedicated to the socio-economic upliftment of the poor and marginalized communities. It has implemented a project for the promotion of women's economic and livelihood activities by facilitating the establishment of women self-group with livelihood activities to generate income and linking groups to various resorts, hotels and handicraft shops. Such initiatives already established indicate a commitment to women's economic empowerment. The ecotourism project can build upon such initiatives to create small and cottage enterprises related to ecotourism products and services.	Will be a key partner for safeguards (Output 1.4), social mobilization and outreach to local communities for improved livelihoods related to ecotourism. (Outputs 2.1, 2.2, 2.4) and training (Output 3.1) and knowledge sharing (Output 3.4)
WWF Bhutan Program	WWF has provided longstanding support to biodiversity conservation in Bhutan especially in the protected areas and biological corridors. Particular areas of technical support from, and partnership with, WWF include enhancement of management effectiveness of protected areas, conservation management planning and human-wildlife conflict management. WWF plays a key role in the Bhutan for Life Initiative.	WWF will be a key NGO partner in all policy and planning related activities related to nature conservation and threat reduction aspects of ecotourism development (Outputs 1.1, 1.2, 1.3, 1.4), for biodiversity enhancement (Output 2.3) and raising awareness (Output 2.4) as well as training (Output 3.1) and knowledge sharing (Output 3.4). The WWF will also be a key partner in the context of their pipeline project on Living landscapes which has the potential to apply ecotourism guidelines in their project areas that fall mostly in non-PA areas on the southern and western part of Bhutan.
<i>International development partners working at the national level</i>		
United Nations Development Programme (UNDP)	UNDP works in about 170 countries and territories, helping to achieve the eradication of poverty and the reduction of inequalities and exclusion. UNDP helps countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results. UNDP focuses on helping countries build and share solutions in three main areas: <ul style="list-style-type: none"> ● Sustainable development ● Democratic governance and peacebuilding ● Climate and disaster resilience UNDP-Bhutan country office (CO) is a close development partner of RGoB.	UNDP is the GEF Agency for the project, responsible for quality assurance, oversight and monitoring project implementation and ensuring adherence to UNDP and GEF policies and procedures. The UNDP CO as well as UNDP Asia-Pacific Regional Centre will provide project assurance and oversight functions.

Stakeholder	Mandate	Role in the Project
Other development partners	There are several other development partners that are providing support in the natural resources, poverty and livelihoods sectors in Bhutan. These include (but are not limited to): Asian Development Bank, European Union, FAO, ICIMOD, IFAD, Japan International Cooperation Agency, Swiss Development Cooperation, SNV-Netherlands Development Organization, UNCDF, UNEP	The project will maintain regular dialogue with these DPs and seek linkages and synergies during implementation.
World Bank	World Bank is the lead agency for the GWP, in which this project will participate.	The World Bank hosts the GWP knowledge platform and convenes coordination, M&E and technical support activities for GWP national projects. The project will maintain regular dialogue with the World Bank through GWP coordination meetings and processes.
<i>Private Sector stakeholder associations</i>		
Association of Bhutanese Tour Operators (ABTO)	ABTO represents the local tour operators and acts as their official voice. Membership by tour operators is voluntary. ABTO has over 750 members from a total of 1750 registered tour companies in the country. ABTO, engages in promoting sustainable tourism growth by developing and implementing several small-scale donor-assisted projects.	ABTO will have a key role in development and implementation of the Ecotourism Master Plan and the safeguarding guidelines (Outputs 1.1, 1.4), in supporting tour operators in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4) and in capacity building and marketing (Outputs 3.1, 3.2).
Guide Association of Bhutan (GAB)	GAB is the single collective voice of the local tour guides in the country with the mission to represent and promote the professional growth of the guides.	ABTO will have a key role in development and implementation of the Ecotourism Master Plan and the safeguarding guidelines (Outputs 1.1, 1.4), in supporting tour guides in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4) and in capacity building and marketing (Outputs 3.1, 3.2).
Handicrafts Association of Bhutan (HAB)	HAB was established in 2005 to build an integrated, entrepreneurial and vibrant handicraft sector in Bhutan, actively supported by international and local stakeholders that contribute increasingly to the creative, cultural and economic life of Bhutan. Its membership consists of the individual, organized, institution, associate, and honorary members.	HAB will have a key role in development and implementation of the Ecotourism Master Plan and the safeguarding guidelines (Outputs 1.1, 1.4), in supporting the handicrafts sector in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4) and in capacity building and marketing (Outputs 3.1, 3.2).

Stakeholder	Mandate	Role in the Project
Hotel and Restaurant Association of Bhutan (HRAB)	HRAB is a confederation of hotels and restaurants from across the country. It was established in 2007 with the mission to represent the interest of its members and foster professional growth by uplifting standards of hotels and contributing towards sustainable tourism development in the country.	HRAB will have a key role in development and implementation of the Ecotourism Master Plan and the safeguarding guidelines (Outputs 1.1, 1.4), in supporting hotels and restaurants in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4) and in capacity building and marketing (Outputs 3.1, 3.2)
<i>Dzongkhag and Demonstration landscape-level stakeholders</i>		
Dzongkhag /Gewog Administrations	The local governments have the mandate for the delivery of local community development programs and associated public services. The Economic Development Officers (EDOs) and the Planning Officers (POs) of the Dzongkhags are the direct focal points of the TCB.	Key role in mainstreaming tourism and environmental sustainability needs in the local development plans. Mobilization of local participation in matters related to the ecotourism and management of protected areas and addressing local conservation issues, particularly in the demonstration landscape areas falling outside the PAs (Outputs 2.1, 2.2, 2.3, 2.4). The local authorities will also support and participate in capacity building and knowledge sharing (Outputs 3.1, 3.2, 3.3, 3.4). The EDOs and POs will function as Dzongkhag level focal points of coordination of the project activities within the concerned Dzongkhags.
Local communities	Some 34,537 people live within the 19 Gewogs and 5 Dzongkhags of the project demonstration landscape. Communities were widely consulted during project preparation in support of components that support ecotourism development, biodiversity conservation (particularly HWC reduction), gender mainstreaming and livelihood support. Project interventions will be implemented directly at the community and household levels based on a participatory approach that is gender-sensitive and responsive to the needs of the poor and marginalized sections of the local communities.	Local communities will be the direct beneficiaries and participants involved in all aspects of project implementation in the demonstration landscape (Outputs 2.1, 2.2, 2.3) and will be the recipients of awareness-raising (Output 2.4), capacity development and knowledge sharing (Outputs 3.1, 3.4).
Religious leaders	Religious leaders can play a key role in disseminating messages to the community	Religious leaders will be engaged play a key role in awareness building (Output 2.4).

Stakeholder	Mandate	Role in the Project
Private Individuals and Groups (Local)	Investments and enterprises in accordance with the concession framework or modalities for PA fees and activity fees	Local individuals or youth or community groups will participate as entrepreneurs. Groups based entrepreneurs will include the Youth/Community owned enterprise in Khoma (to operate the Singye Dzong domestic tours); in Shermuhung (to operate the Aja Nye domestic tours); in Sakteng and Merak (to operate the domestic and international Jomo Panda Trail journeys) and Community-owned eco-lodges in Zhemgang. Individuals within the demonstration landscape can also avail opportunities to operate the campsites, birding decks, or any other service opportunities that may emerge within demonstration sites.
Private individuals beyond demonstration landscape	Investments and enterprises in accordance with the concession framework or modalities for PA fees and activity fees	Opportunities for commercial operation of ecotourism products and services within the demonstration landscape can also be availed by individuals or firms form outside the demonstration landscape. These could include products such as the operation of golden mahseer catch and release fishing and rafting journeys along Yangbari-Manas river stretch or opportunities for investments in new eco-lodges within the demonstration landscapes

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

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor; Yes

Co-financier; Yes

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

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

During the PPG phase a Gender Analysis and Action Plan was completed, see **Annex 10 of the Project Document**. The PPG phase included a broad-based consultative process both in the field and through workshops held at national, project area and demonstration landscape levels, and included women at all levels ? both in community consultations and discussions with local and national authorities. Focus group discussions were held with communities of the landscape area, including with various women?s and youth groups, to understand the socio-economic opportunities and challenges they face (see **Annex 12l of the Project Document** for the list of participants).

The aim of the assessment is to provide an overview on gender issues in Bhutan, particularly to highlight the gender situation in the demonstration landscape and to recommend gender specific activities to address the gender inequality and unemployment issues among men, women and youth. The analysis was based on available data from various studies conducted by the Royal Government of Bhutan, international agencies like UNDP, ADB, World Bank, JICA and information collected during the project preparation phase. This gender analysis was used as a basis to prepare the Gender Action Plan which recommends grounded and practicable gender-sensitive interventions to be implemented during the implementation period of the project.

The RNR Census of Bhutan (RNR Census 2019) of the Ministry of Agriculture and Forest show that HWC conflict is the top three issues affecting farming communities, leading to the fallowing of agriculture land and reduced opportunity for income and livelihood improvement from crop depredation and livestock predation. This situation has particular impacts on women in rural Bhutan, in part because of the feminization of agriculture and compounded responsibilities women have to shoulder such as taking care of household food security concerns in addition to unpaid home care responsibilities. The farming population in Bhutan is dominated by slightly by women (55.12%) compared to men (44.88%). However, most of the men seek contractual or other jobs during the main agriculture season to augment overall household income, leaving agriculture responsibility to women, including guarding of crops and livestock from wild animal attacks. For instance, Business Bhutan has reported that in one of the farming villages called Gidakom, the majority of the farmers are women and are also responsible to guard the paddies from wild boar attack. These women spend their night sleepless. This adds to the overburden of unpaid household and care work which women perform 2.5 times more than men. The demonstration and promotion of viable wildlife-based economy through this project therefore can leverage local socioeconomic development through wildlife-based economy where wildlife is seen as an economic asset as opposed to a menace leading to retaliatory killing and increased economic opportunities add to household income and reduce women workload burden through more men and youth remaining in rural homesteads.

The gender analysis revealed that most owners of homestays and ecolodges belonged to women. While some homestays were successful, others were not due to poor maintenance, standards, skills and low visitation rates. Despite this, there was widespread recognition of the great potential ecotourism can provide for both women and youth throughout the supply chain (tour operation, hospitality, handicrafts, guides, services, etc). Tourism can provide substantial opportunities for both men and women. Unlike other sectors, tourism has proven to substantially benefit women socially and economically and provides significantly for women?s advancement through formal, informal and supply chain employment. Some of the benefits include: a) low barriers to entry and greater likelihood to employ women and minority groups than other industries; b) homegrown entrepreneurship opportunities in handicrafts, food products, tour guiding, homestays, etc.; c) part-time and shift work that can be helpful

to women with household responsibilities. Similarly, tourism displays huge potential to absorb unemployed youth as 'widespread agreement exists that labour turnover is characteristic of tourism employment' and tourism relies 'heavily on youth employment'. Tourism is extremely labour intensive and a significant source of employment, making it the 'world's top creator of jobs requiring varying degrees of skills and allows for quick entry into the workforce for youth, women and migrant workers'. Tourism development can help improve infrastructure for residents and communities. Improving road, water supply, health facilities, electricity and communications can make a major difference in the lives of poor, particularly women .

Despite this, women still face risks and inequality within the sector including over-representation in low-status jobs, unequal treatment or placement in stereotypical occupations and vulnerability to sexual discrimination and exploitation. Clearly not all tourism employment results in empowerment particularly in the informal sector. The COVID-19 socio-economic assessment of the tourism sector supported by UNDP found that women were particularly vulnerable to job losses arising from COVID-19 and that they did not have the same level of coping strategies, or interest in alternative employment, as men. Since COVID-19, many have lost their livelihoods, increasing their vulnerability. Emerging anecdotal evidence reveals the plight of women and girls working in the tourism sector, reaching the brink of poverty, exposing them to potential abuse and violence. The National Commission of Women and Children's Gender-Based Violence (GBV) Contingency Plan during COVID-19 comprehensively covers prevention and protection against GBV, as well as livelihood support for women and girls impacted by COVID-19. This project will develop synergies and connect women beneficiaries of the project to NCWC through UNDP's gender interventions. This help provide a comprehensive support in terms of economic empowerment as well as rights, awareness and protection against GBV.

The Gender Action Plan aims to ensure that women and men benefit equitably from the project. Actions that will help integrate gender mainstreaming into project outputs and activities are:

-
- Mainstreaming of gender and vulnerable groups into tourism-related master planning, guidelines and assessments (Output 1.1 and Output 1.4), including for example on the development of creches to be included in green hotel guidelines to create an enabling environment to encourage females to remain and progress in the hotel and restaurant sector.
- Consideration of women, including women household heads, in processes for free, prior informed consent for ecotourism products and experiences and establishment of the project grievance redress mechanism (via processes established under the Stakeholder Engagement Plan).
- The hiring of a Gender Mainstreaming specialist with the knowledge of the local context to work closely with the participating communities to ensure that gender equality and safeguards are fully built into ecotourism implementation measures and capacity building in the project demonstration sites.
- ? Consideration of opportunities for women in livelihood and enterprise development including innovative grants to strengthen and diversify ecotourism and nature-based value chains in a COVID-19 context, including links between ecotourism and agriculture.
- ? Support skills development and product diversification (handicraft, textile, pottery, carpentry, value additions on local products) for niche products that will provide opportunities for women.
- By identifying niche and unique products in the demonstration landscape areas, the project can support formation of women and vulnerable groups to develop area-specific products, building on existing groups where they exist and supporting new ones to emerge where non-existent.
- Inclusion of support for home stays and ecolodges and support for skills and product diversification that are strategic in uplifting women's livelihoods, and targeting women and women's groups for involvement in these activities.
- Awareness creation on sexual harassment in the workplace to ensure a safe working environment and legal protection for women in the tourism sector will go a long way in providing greater economic security and increased social status to women.

- Enhancing women's representation in the project activities including project-level consultations, capacity building activities to empower and inspire women to be more proactive in their pursuit of ecotourism business.
- Showcase good practices of gender mainstreaming within project knowledge exchange and South-South partnerships to incentivize and motivate youth and women to undertake ecotourism related activities and enhance learning about gender-friendly ecotourism practices.

The project design also integrates gender mainstreaming into project management to ensure that gender issues relating to ecotourism and biodiversity conservation are adequately addressed. These include: a) the hiring of a gender specialist in Year 1 to train the PMU, consultants and key stakeholders in gender mainstreaming and to ensure that more detailed gender-specific data on the project beneficiaries is collected; b) appointment of the National Project Manager as Gender focal point; c) ensuring special attention to good participation by all people ? men and women, rich and poor, young and old ? and to bringing the most vulnerable people in the community into decision-making, particularly female-headed households.

Gender mainstreaming will be a prominent consideration for the successful implementation of the project and measures have been designed into the project to ensure that women and youth benefit from all activities in a way that enhances equity. Gender considerations have been mainstreamed across all project activities, and gender-disaggregated indicators have been incorporated to ensure that women are proportionately consulted, included and benefit from project interventions. Thus, women's focus groups or other appropriate methods will be used to capture gender issues during community consultation and planning meetings to avoid different obstacles for women. Community trainings, workshops and awareness-raising programmes will aim to ensure that at least half of the target participants are women. Activities geared towards mobilizing local communities into organized groups for the demonstration landscape will encourage women to participate and will aim to have women in key governance roles. Gender-sensitive mechanisms will be used to increase information dissemination and participation for women.

Gender disaggregated indicators and targets are provided in the project Results Framework (**Section IV of the Project Document**), including Indicator 1 (number of direct beneficiaries), Indicator 4 (number of indirect project beneficiaries) and Indicator 9b (number of jobs created. Targets of 50% engagement of women have been set for direct beneficiaries and job creation.

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;

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.

As a project focussed on mainstreaming biodiversity into the tourism sector, engagement of the private sector at national and local levels will be critical to its success. Building resilience of the tourism sector is also a government priority for socioeconomic recovery following COVID-19. Therefore, key tourism private sector associations have been closely engaged during the PPG phase and consulted on the proposed project design and opportunities for the project to strengthen tourism resilience in Bhutan and build back better from the widespread impacts observed across the sector since the early days of COVID-19 lockdown. Key among these private sector associations are the Association of Bhutanese Tour Operators (ABTO), Guide Association of Bhutan (GAB), Handicrafts Association of Bhutan (HAB), and Hotel and Restaurant Association of Bhutan (HRAB). All of these bodies will be engaged in the development of key ecotourism policy inputs such as the Ecotourism Master Plan (Output 1.1) and ecotourism safeguarding guidelines (Output 1.4), have a role in supporting private sector (e.g tour operators, tour guides, handicrafts sector, hotels and restaurants) in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4), and in capacity building and marketing efforts (Outputs 3.1, 3.2).

The project will also offer support to the private sector to mainstream biodiversity conservation into its operations, and the tourism sector at national and landscape levels are included within the beneficiaries of the project. The project targets aim to reach 5,550 (3,128 female) private sector personnel at national level and an additional 227 (152 female) with the demonstration landscape as direct beneficiaries.

The first level of private sector engagement during project implementation will include local individuals or youth or community groups who will participate in the management of the demonstration ecotourism products of the project such as the Youth/Community owned enterprise in Khoma (to operate the Singye Dzong domestic tours); in Shermuhung (to operate the Aja Nye domestic tours); in Sakteng and Merak (to operate the domestic and international Jomo Panda Trail journeys) and community-owned eco-lodges in Zhemgang or individuals entrepreneurs who will manage a campsite or a birding deck or any other service opportunities that may emerge within demonstration sites.

The second level will include private individuals or firms from beyond the project demonstration landscape who can be engaged in the commercial operation of or investments into ecotourism products and services (e.g. investors in accommodations, transports, supplies) within the demonstration landscape but those that local private individuals or groups are unable to operate either due to requirement for high investments or standards that the micro-enterprises at local level cannot match up. These could include products such as the operation of golden mahseer catch and release fishing and rafting journeys along Yangbari-Manas river stretch or opportunities for investments in new eco-lodges within the demonstration landscapes. The partnership model for the private sector will be based on the adopted Concessions Framework or the lease or basis of fees developed under Component 1. It is aimed that this form of private sector engagement would result into creating 60 new local nature/wildlife-based economic enterprises and generate 468 new jobs in ecotourism. UNDP private sector due diligence processes will be adhered to for all project private sector partnerships, including potential co-financers.

As noted above, the centrality of private sector engagement to this project is reflected in multiple indicators and targets of the project results framework: direct beneficiaries as outlined above; indirect beneficiaries (a further 2,963 (1,387 female) private sector personnel); certification of tour operators, hotels and lodges as green; jobs creation and establishment of local nature/wildlife-based economic enterprises; and specific KAP target for increased awareness of the private sector in the demonstration landscape.

At concept note stage, an indicative estimate of private sector co-financing had been anticipated, based on initial discussions with key tourism associations. Due to the hardfelt impacts of COVID-19 on the Bhutan tourism industry it has not been possible to obtain co-financing letters by the time of CEO

Endorsement. As reported in the UNDP-supported socio-economic impact assessment, the economic impacts of the lockdown are widespread across the tourism sector, with many small to medium enterprises particularly vulnerable. However, while formal co-financing has not materialized, the engagement and support of key private sector bodies to the project has been confirmed. Letters of intent to collaborate have been obtained from both the Association of Bhutanese Tour Operators (ABTO) and the Handicrafts Association of Bhutan (HAB), where they confirm their support for the project and interest in partnership during implementation. They identify potential opportunities to co-finance training, support policy/guidelines development, and support private sector investments in concessions as the national concessions framework is operationalized. These letters are included as **Annex 17b of the Project Document**. While the economic outlook of the Bhutanese tourism sector is currently depressed, it is expected that these partnerships and the direct engagement and support of the tourism sector by the project noted above will translate into materialized private sector co-financing by the time of the project's mid-term review. An update on any new private sector co-financing will be provided at this time as part of the standard update on co-financing commitments from CEO Endorsement stage.

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 risks for the project have been assessed and identified during the PPG stage. The identified project risks, their overall rating and the mitigation actions required during project implementation are given in **Annex 7 UNDP Risk Register** and **Table 10 of the Project Document**, copied below. Risks are only shown if their rating is considered to be Moderate or High, with the exception of social and environmental risks (see below) of which all are listed. As per standard UNDP requirements, the Project Manager will monitor risks quarterly and report on the status of risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probability are high. Management responses to critical risks will also be reported to the GEF in the annual PIR.

As indicated below, nine project-related risks have been identified. These have been updated to reflect COVID-related risks (more fully elaborated in **Annex 2 of the Project Document**). COVID-related risks include unrealistic expectations or failure of the project to generate sufficient economic benefits for communities from ecotourism (an assumption on which the project Theory of Change is based), ongoing/prolonged social distancing measures and restrictions related to COVID-19 that constrain implementation, long-term depression of tourism potential for Bhutan, bad economic outlook resulting in reduced materialization of co-financing, and reduced interest/willingness of private sector to engage in concessions for ecotourism development.

The UNDP Social and Environmental Screening Procedure (SESP, **Annex 6 of the Project Document**) was finalized during project preparation as required by UNDP's Social and Environmental Standards (SES). The SESP identified 14 risks for the project that could have potential negative impacts in the absence of safeguards. Of these, 12 are rated as moderate and two as low. The overall SESP categorization is moderate. Based on these risks, and reflecting the intersection of the project at ecotourism development and wildlife conservation, all three Principles and 7 Standards of the UNDP SES have been triggered.

Key SES requirements and measures that will be taken to mitigate the moderate risks (see SESP for more detail) include:

- Implementation of Stakeholder Engagement Plan which includes elements of Indigenous Peoples Plan including processes for securing FPIC. Any ecotourism development under Component 2 that requires FPIC will not commence unless it has been obtained. Should there be any difficulties in securing FPIC,

adaptive management will be applied through additional stakeholder consultation, revision of activities, and if needed, revision of project sites.

- Implementation of the gender analysis and gender action plan, and Stakeholder Engagement Plan.
- Scaled impact screening/ESIA for infrastructure development under Output 2.2, along with adherence to national/international standards for low-impact design and construction.
- Development of tourism guidelines under Output 1.4 with a SESA approach, along with adherence to national/international standards.
- Development and implementation of a capacity development program for local authorities and tour operators/guides, including on gender and safeguards requirements.
- Consideration of potential safety risks in guidelines under Output 1.4, and during infrastructure construction process under Output 2.2.
- Completion of climate risk screening and risk mitigation plan.
- Incorporation of a SESA approach in development of ecotourism master plan (Output 1.1) and ecotourism guidelines (Output 1.4).
- Completion of UNDP private sector due diligence process and screening for potential private sector partners including concessionaires.
- Detailed, community-led management plans for habitat improvement activities under Output 2.3, and screening for safeguards risks, along with use of experts and adherence to national SOPs and processes.
- Provision of PPE safety equipment (goggles, gloves) for snare removal under Output 2.3 and training on appropriate and safe removal of snares.
- Full adherence to government rules and restrictions related to COVID-19 movement/social distancing. Provision and use of PPE for local communities/stakeholders. Flexible approach to stakeholder consultations including use of social distancing and virtual measures as needed.

Table 10 of Project Document: Description of project risks, impact and probability and mitigation measures

NB. Only project risks with a rating of moderate or above are listed. All risks identified from the SESP are included.

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
--	-------------------------	-------------------------------	--	------------------------------

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
1. Approval of the Ecotourism Master Plan, regulations, safeguards, standards, and guidelines (ecological, social, and cultural) may be delayed, which will result in a lack of strategic direction for the project	<i>Operational</i>	I = 3; P =2 MODERATE	A list of required enabling approvals was prepared during the PPG (see Annex 12k). This list will be regularly reviewed by the Project Steering Committee, and the NPD and NPM will regularly engage senior government officials to ensure that the required approvals are processed promptly and effectively. TCB will address the issues in close coordination with GNHC and expedite adoption and endorsement required policy documents and their instruments. In the event of significant delays, UNDP will be requested to raise the issue at a high level with TCB and GNHC.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
2. Government agencies at different levels do not fully cooperate and coordinate activities effectively for mainstreaming biodiversity into tourism and their sectoral agendas dominate	<i>Institutional</i>	I = 3; P = 3 MODERATE	The project design has been guided by a working group that has provided a mechanism for coordination and communication between key stakeholders, in full collaboration with GNHC and managers from the key sectors, particularly tourism and biodiversity. The momentum created by the project aims to strengthen and institutionalize the coordination and joint action mechanisms for landscape-scale ecotourism development that supports biodiversity conservation. Collaborative work will be demonstrated in the demonstration landscape and the necessary systemic and institutional capacities will be strengthened to ensure sustainability. The Project Steering Committee will help to integrate the efforts of multiple stakeholders at the national level, and to promote coordination between local authorities and the community. The members of the Multi-Sector Technical Advisory (MTAC) Team will coordinate and mainstream biodiversity into tourism and their sectoral plans. At the landscape level, the members of the Landscape Ecotourism Coordination Committee (LECT) will support the local authorities to mainstream biodiversity into tourism and their sectoral plans.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
3. The RGoB priority for tourism development through its flagship programme has more momentum for tourism development than for ecotourism causing serious conflicts with the project	<i>Political</i>	I = 3; P = 2 MODERATE	The government is committed to high-value low volume tourism (and this continues to be emphasized in COVID-19 socioeconomic recovery), and the current project has been developed in full coordination with the highest policy-making organ of government ? the Gross National Happiness Commission. The proposed MTAC for overseeing the implementation of the Ecotourism Master Plan will be established under the Tourism Council of Bhutan, ensuring excellent coordination at the national level and LECT for similar functions at the local level.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
<p>4. Unrealistic expectations or failure to generate sufficient economic benefits for the community from ecotourism (due to insufficient market demand and COVID-19 impacts) leads to disillusion and limited community participation and hinders resolution of the threats arising from HWC, poaching and wildlife trade</p>	<p><i>Socio-cultural</i></p>	<p>I = 3; P = 2 MODERATE</p>	<p>RGoB's decentralization policy will help to ensure there is strong local stakeholder participation in the project. The project is fully integrated with the Tourism Flagship Programme and therefore has strong support from governmental stakeholders at national and local levels. During the PPG, the communities expressed their strong interest in participating in the project and this will be reconfirmed during the inception phase, with validation of landscape ecotourism product development. Ecotourism development will be targeted at domestic, regional and international markets to reduce vulnerability to particular market segments, such as emerged through the COVID-19 related restrictions on international travel. Investment in new high-value ecotourism products will be associated with business planning and market demand studies, coupled with improved branding and promotion of Bhutan's ecotourism offerings.</p>	<p><i>PM</i></p>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
5. Ongoing/prolonged social distancing restrictions and measures related to COVID-19 result in implementation delays and challenges (e.g. challenging recruitment, stakeholder consultation, training, demonstration)	<i>Operational</i>	I = 3; P = 3 MODERATE	Potential COVID-19 risks to implementation have been elaborated in Annex 2. To mitigate these, flexibility and adaptation has been incorporated across the project. The Inception Workshop will review the logical sequence of studies and assess the field visits including options for virtual discussions. The Inception Workshop will review the Stakeholder Engagement Plan, Gender Action Plan, SESP and all project outputs requiring consultations and meetings. Based on the situation, stakeholder consultation and engagement processes including the number of participants will be further agreed upon during the Inception meeting. Use of virtual measures has been incorporated into the Stakeholder Engagement Plan. For community consultations, COVID-19 norms and all government requirements based on prevailing situations will be followed.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
6. Long term impacts of the COVID-19 pandemic lead to a dramatic fall in the demand for ecotourism visits to Bhutan or ability of tourists to travel to Bhutan	<i>Economic</i>	I = 4; P = 2 MODERATE	Towards the end of the PPG phase, the global tourism industry was dramatically affected by the unprecedented COVID-19 pandemic. The project is expected to start implementation in mid-2021, and the first 18-24 months will focus on developing the enabling mechanisms and starting to design and develop ecotourism products under Component 2. The project will only begin to depend upon a significant recovery in demand for ecotourism from the Spring-Summer season of 2023 by which time there is greater chance of recovery in the tourism sector. Recent marketing research suggests an enhanced increase in remote/nature-based offerings aligned with the Bhutan experience. As outlined in Bhutan tourism sector economic contingency plan, the project will reassess the situation during the first year of implementation and continue to work with other national projects and partners in addressing longer-term policy issues and focussing on infrastructure, capacity enhancement and domestic tourism. The review at inception could also prioritize demonstration of products on domestic tourism, however this is also an effective downtime to engage in development of tourism policy (frontloaded in project workplan) and additional tourism infrastructure while tourism numbers are low. The project will support resilient, diversified local livelihoods that are not fully reliant on international tourism.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
7. While the government has contingency plans to boost the economy, a worst case scenario projects Bhutan's GDP plunging to negative 6.7 percent which would affect government co-financing contributions	<i>Financial</i>	I = 3; P = 2 MODERATE	The project remains well-aligned to government COVID-19 socioeconomic recovery priorities and proposed activities have been adjusted during PPG to maximize this alignment. The government has placed the utmost importance on the tourism sector with frontloading of investments as part of the economic recovery. In addition, this project will focus on sustainable financing that can help generate additional revenues for tourism and the government. Any short-term risk to realization of government co-finance will be offset by the diversity of secure co-financing sources. The project's major co-financing are from the approved projects with assured co-financing: WWF IKI and Bhutan for Life.	
8. The take-up of concession mechanisms by the private sector does not generate sufficient funds to contribute meaningfully to biodiversity conservation outcomes, and continued (or recurring) downturn in tourism may limit the interest of the private sector in investing in ecotourism products	<i>Financial</i>	I = 3; P = 2 MODERATE	The PPG phase has not been able to quantify the extent of funds that will be generated for meaningful biodiversity conservation through the private sector. However, the project will establish concession-based initiatives that will ensure the generation of funds. COVID-19 impacts and scenario will be considered in the development of the concessions framework. Under Component 2, 2-3 of the 10 ecotourism products identified focus on domestic tourism, to attract private sector investments and diversify their business base beyond international tourism arrivals.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
9. Potential confusion or lack of coordination in safeguards responsibilities between this project and co-financed activities that have their own safeguards processes (e.g. BFL, IKI, BTFEC)	<i>Operational</i>	I = 3; P = 2 MODERATE	Tourism infrastructure development and other activities will be closely planned and arranged between this project and co-financers such as WWF-supported BFL. BFL will be represented on the Project Steering Committee to ensure this close alignment. Safeguards coordination and responsibilities between this project and co-financed activities will be by the PM and the project safeguards/M&E officer ? this will include mapping during Year 1 of responsibilities on safeguards related to GEF and co-financed activities and ongoing coordination on safeguards. These tasks are included in the PMU TORs as relevant.	<i>PM</i>
<i>Risks from Social and Environmental Screening Procedure (Annex 6) ? see SESP for comments and detailed assessment and management measures to address potential risks</i>				

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
<p>SESP risk 1: FPIC could be required for local ecotourism development activities due to potential impacts on rights and interests, lands, territories, resources, and/or traditional livelihoods. This has not yet been obtained and there is the risk that FPIC might not be fully secured by the project</p>	<p><i>SESP</i></p>	<p>I = 3; P = 2 MODERATE</p>	<p>The requirements of an Indigenous People's plan have been incorporated into the Stakeholder Engagement Plan (Annex 9), including the proposed processes for securing FPIC as needed during project implementation and required procedures for further assessment and management of potential impacts. These processes will be confirmed during the project inception phase with local communities and then the Stakeholder Engagement Plan updated. Any activities requiring FPIC under Output 2.2 or other outputs will not take place until FPIC has been secured.</p> <p>Policy development that could impact on local communities' use of land or resources (e.g. Outputs 1.1, 1.4) will follow a SESA approach, as further reflected in Risk 9 below. Required standards for community consultation and obtaining of local consent will be included in the national guidelines to be developed on ecotourism planning, development and operation, as well as standards for ecotourism.</p> <p>Moreover, the project will apply participatory processes and approaches to all activities relevant to local communities where principles of FPIC will be further emphasized and demonstrated through providing timely information related to opportunities and risk of the proposed interventions for the beneficiaries to enable them to make decisions. These processes have been integrated into project activities and budget (e.g. regular local consultation workshops).</p> <p>Should community concern or inability to secure FPIC emerge the following mechanisms would be applied as adaptive management:</p> <p>? Conduct additional stakeholder</p>	<p><i>PM</i></p>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability [1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
SESP Risk 2: Development of ecotourism products and experiences could lead to conflict within communities if there are differing opinions on their establishment, governance and/or benefit-sharing mechanisms, and/or conflict between communities if economic benefits are not shared equitably	<i>SESP</i>	I = 2; P = 2 LOW	The project will engage local communities and stakeholders in accordance with the Stakeholder Engagement Plan. Consultation with communities within the demonstration sites will be carried out throughout project implementation, and the GRM established as per the SEP.	<i>PM</i>
SESP Risk 3: Ecotourism development might not fully incorporate or reflect views of women and youth and ensure equitable opportunities for their involvement and benefit	<i>SESP</i>	I = 3; P = 2 MODERATE	A Gender Analysis and Action Plan was prepared during the PPG phase (see Annex 8), as well as a comprehensive Stakeholder Engagement Plan (see Annex 9). These define measures for gender mainstreaming within both national and demonstration landscape level activities to ensure ecotourism opportunities and economic benefits also flow to women and youth. The Gender Action Plan will be implemented by the project and revised and monitored via Output 3.4.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
SESP Risk 4: Ecotourism infrastructure development in the demonstration landscape could damage environmental and cultural values	<i>SESP</i>	I = 3; P = 3 MODERATE	As detailed under Output 2.2, the project will: i) prepare a tourism business development and livelihoods framework in year 1 assessing potential safeguards risks and responses (activity 2.2.4); and ii) apply a scaled impact screening/ESIA to all infrastructure development activities taking place in ecologically sensitive areas or culture sites (activity 2.2.5). Infrastructure development will be designed in an ecologically sensitive manner and apply best practices in low-impact, ecologically sensitive design and construction. Moreover, project infrastructure will be developed/scoped in accordance with specific tourism guidelines developed under Output 1.4.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
<p>SESP Risk 5: Ecotourism product operation and increased visitation could pose activity-specific risks and potential damage to ecological and cultural values if not managed and operated carefully</p>	<p><i>SESP</i></p>	<p>I = 3; P = 2 MODERATE</p>	<p>Ecotourism activities will be guided by the tourism policy and standards of Bhutan in order to avoid impacts at religious or sacred sites and culturally sensitive locations. National guidelines for ecotourism will be developed/updated under Output 1.4. A SESA approach will be applied to guideline revision and development, and all guidelines will be screened for potential downstream social, cultural and environmental impacts prior to their adoption. Government standards for community consultation, governance and benefit-sharing will be adhered to in guideline development.</p> <p>This will include policy actions under the new National Tourism Policy (2021) which requires levying a sustainable development fee including to those from the region to compensate for the negative environmental impacts from over-tourism. These measures to help overall mitigate impacts from tourism through careful control of numbers will be captured under TCB co-financing efforts.</p> <p>In the demonstration landscape, identification and development of ecotourism activities will take place in accordance with national guidelines developed under Output 1.4. Further, depending on relevancy, each demonstration activity is required to include additional measures in the design and development of ecotourism as confirmed by assessments/screenings under Output 2.2.</p>	<p><i>PM</i></p>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
<p>SESP Risk 6: Local communities, governments and tour operators may not have the capacity to manage and oversee tourism development and operations to adhere to established standards and benchmarks for ecotourism planning, development and operations, including adherence to safeguards requirements and standards</p>	<p><i>SESP</i></p>	<p>I = 3; P = 3 MODERATE</p>	<p>A detailed capacity development program has been designed into the project to address the needs of communities, local tour operators, local governments and national authorities to enhance their capacity to manage and oversee ecotourism development and operation. Capacity development training and awareness-raising has been built into the project design and budget (Outputs 1.4, 2.1, 2.2., 3.1). Repeat capacity assessments and regular consultations with local communities will be used to validate and assess that local stakeholders have the required capacities to implement the project, and make adaptive changes as needed to correct for any identified capacity caps.</p> <p>Visitor controls at site levels to ensure numbers of tourists and types of tourism are sustainable and do not result in environmental impacts will be enacted via the development of an ecological capacity assessment toolkit for tourism destinations (activity 1.4.1). The toolkit will support the establishment of thresholds of visitor numbers to each destination or type of activity across different seasons as needed to enact appropriate restrictions and measures to avoid and mitigate negative environmental and social impacts from over-tourism.</p> <p>Targeted specialist support has been budgeted on safeguards/gender sensitization and training to enhance capacity for adherence to safeguards and gender.</p>	<p><i>PM</i></p>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
SESP Risk 7: Development and operation of ecotourism adventure activities (e.g. trekking, rafting, mountain biking) in remote environments could pose safety risks to communities during construction and maintenance and to communities, local tourism operators and tourists during operation	<i>SESP</i>	I = 4; P = 1 MODERATE	The project will adhere to safety standards for infrastructure construction and use sub-contractors that adhere to and have good safety standards, and this will be considered as part of contracting process. Potential safety risks with product development and operation will be captured within assessments/impact screening under activities 2.2.4 and 2.2.5. Under Output 1.4, minimum standards for eco-trail siting and alignment, construction and maintenance to prevent, minimize, manage hazards will be integrated into the national guidelines. Capacity development programs for local tour operators/guides (Output 3.1) will include safety risks and considerations, including those linked to wildlife viewing and risks through human-wildlife conflict/close engagement with wildlife.	<i>PM</i>
SESP Risk 8: Project outcomes will be vulnerable to potential impacts of climate change	<i>SESP</i>	I = 4; P = 2 MODERATE	A climate risk screening has been completed during the PPG (Annex 18) and key risks and mitigation measures identified. This will be further elaborated during year 1 of implementation including risk mitigation plan and any updates incorporated into implementation of project activities as needed. This will include consideration of potential climate-linked nature hazards on infrastructure, tourist safety, community safety and livelihoods.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
SESP Risk 9: Unintended negative consequences from policy changes that result in increased ecotourism in Bhutan (upstream impacts)	<i>SESP</i>	I = 4; P = 2 MODERATE	<p>A SESA approach will be applied to the development of the National Ecotourism Master Plan under Output 1.1, such that potential social and environmental downstream impacts arising from the development of the policy and policy directions are considered as an explicit part of policy development.</p> <p>Under Output 1.4 the project will develop an ecological capacity assessment for application at ecotourism sites to identify potential negative visitor impacts from ecotourism and required mitigation/management measures and visitation restrictions in response. This will be applied in the demonstration landscape to manage potential visitor impacts. The toolkit will support the establishment of thresholds of visitor numbers to each destination or for certain types of activity across different seasons as needed based on the findings of ecological capacity assessments and potential risks to ecosystems.</p> <p>Broader policy measures of the Government of Bhutan on tourism will also mitigate against over-tourism, such as close controls on overall tourism numbers and work under the National Tourism Policy (2021) to levy a sustainable development fee including to those from the region.</p>	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
SESP Risk 10: There could be time-bound/targeted geographic restrictions on local communities access to land/use of natural resources during ecotourism infrastructure development or during implementation of habitat management activities	<i>SESP</i>	I = 2; P = 2 LOW	Communities will be engaged in all stages of Component 2 project design and Implementation of activities under Outputs 2.2 and 2.3 will be guided by management plans developed with local communities and stakeholders. Should any time-bound site restrictions be needed due to safety reasons (e.g. during infrastructure construction), national standards and processes for site safety will be followed, and local communities notified in advance in accordance with agreed local measures and the Stakeholder Engagement Plan.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
SESP Risk 11: Potential private sector partnerships/interest in ecotourism development could conflict with community interests or overall project outcomes	<i>SESP</i>	I = 3; P = 2 MODERATE	Any corporate partnerships that will be likely co-financers will be screened as per UNDP's exclusionary criteria and the private sector partnership due diligence process applied. Any concessions supported by the project will be in accordance with the concessions framework developed under Output 1.3. This will establish bidding criteria including environmental safeguards and a due diligence process for potential private sector partnership/investment. Under Output 2.1 in the demonstration landscape businesses and entrepreneurs will be supported to enter into PPPs in full consultation with the local communities as outlined in the Stakeholder Engagement Plan. Any investment activities in the demonstration sites (as in the case of any development activity) will require community consent in accordance with government processes. A screening mechanism will be built into issuance of grants to local enterprises to ensure due diligence is applied for private sector partnerships and businesses being supported.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
SESP Risk 12: Habitat management/improvement or species protection measures could have perverse ecological impacts if not planned and implemented in a technically/ecologically-sound manner	<i>SESP</i>	I = 3; P = 2 MODERATE	Project activities will be carefully planned in consultation with relevant experts, officials and local communities (activity 2.3.5). These management plans will be completed prior to any technical demonstration activities taking place and potential perverse impacts and safeguards will be considered as part of this process, along with required standards and guidelines such as mandating use of native species for plantings, measures for IAS control and management, adherence with established SOPs and guidelines of national/local authorities. Local training activities/consultations will be conducted to support the effective implementation of management plans.	<i>PM</i>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
<p>SESP Risk 13: PA surveillance activities and the process of snare removal in protected areas could put project staff/rangers at risk of accidental injury or confrontation with local poachers</p>	<p><i>SESP</i></p>	<p>I = 3; P = 2 MODERATE</p>	<p>Any use of technologies for snare removal or other surveillance under Output 2.3 will include the provision of training and appropriate equipment on the proposed methods including proper handling of snares during removal. This is explicitly captured in activity 2.3.4 which notes that training workshops and appropriate equipment will be provided.</p> <p>Project support to facilitate enhanced surveillance and information sharing on wildlife poaching, crime and rescue has been designed to focus on database and ICT aspects, not on the actual process of surveillance and monitoring. Nevertheless, these discussions under activity 2.3.3 will consider potential safety aspects for PA and project staff and reinforce the importance of such activities adhering to DoFPS and other agency SOPs for patrolling/surveillance activities.</p>	<p><i>PM</i></p>

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability[1]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
SESP Risk 14: Project staff, consultants or tourists travelling to the demonstration landscape in Eastern Bhutan could potentially bring COVID-19 infection risk to remote communities	<i>SESP</i>	I = 4; P = 1 MODERATE	Project staff and consultants will abide by all government restrictions and SOPs regarding COVID-19 social distancing and movement restrictions. The potential need for virtual measures has been noted in the Stakeholder Engagement Plan and virtual measures will be considered right up to the level of Project Board meetings as deemed necessary. PPE for PMU/communities has been included in the project budget. For tourists, project will adhere to all government requirements and social distancing/movement restrictions on tourism facilities and operations. COVID-19 hygiene and safety considerations has been integrated across project Outputs Outputs including in the delivery of activities that might pose a higher risk of transmission/breaches of hygiene protocols such as the establishment and promotion of homestays. Hygiene protocols and training will be included in the project?s support to develop homestays and other local experiences for tourists. Implementation of any tourism activities in the demonstration landscape will abide by any government social distancing restrictions that may be in place at this time. Given the current pandemic risk, Component 2 demonstration has been pushed back to year 2 of the project and national policy development frontloaded in year 1.	<i>PM</i>

[1] Probability P: 1 (low) to 5 (high); Impact I: 1 (low) to 5 (high)

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 implemented following UNDP's national implementation modality. During PPG the project Implementing Partner was confirmed as the Tourism Council of Bhutan, providing an excellent arrangement for the effective mainstreaming of biodiversity across tourism planning, development and operations.

Implementing Partner: The Implementing Partner for this project is the Tourism Council of Bhutan (TCB). The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in the signed Project Document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs. The Implementing Partner is responsible for executing this project. Specific tasks include:

- Project planning, coordination, management, monitoring, evaluation, and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems;
- Risk management as outlined in the Project Document;
- Procurement of goods and services, including human resources;
- Financial management, including overseeing financial expenditures against project budgets;
- Approving and signing the multiyear workplan;
- Approving and signing the combined delivery report at the end of the year;
- Signing the financial report or the funding authorization and certificate of expenditures.
- Preparing a multiyear work plan;
- Endorsing and co-signing combined delivery report at the end of the year; and,
- Preparing the financial report or the funding authorization and certificate of expenditures.

Responsible Parties for Implementation: These will be project partners that can receive project funds through the IP for implementation of the assigned project activities, and therefore will be accountable for implementation and reporting of the project activities as per approved work plans and budgets. To the extent possible and relevant, the approach of the project is to decentralize implementation of the project activities to the stakeholders at the field/local level to build ownership of the project activities and project implementation capacity at the local level and also in keeping with the national policy objective to increasingly decentralize governance of development programs. The RPs include: 1) NCD who will receive funds from the PMU for the project on behalf of BWS and SWS and coordination implementation of project activities within these PAs; 2) The five Dzongkhag Administrations of Lhuentse, Mongar, Trashigang, Trashiyangtse and Zhemgang who will receive funds from the PMU and implement project activities within the Dzongkhags. Responsible Parties will be appointed in accordance with the the IP's own rules and procedures.

Project stakeholders and target groups: Central government agencies that have the national-level programmatic, policy and administrative mandates related to policies, strategies and plans for sustainable ecotourism, financing for biodiversity and reduction of biodiversity threats will be engaged in Component 1 and Component 3. These agencies would include the GNHC, Department of Forest and Park Services (DoFPS), Ministry of Agriculture and Forests (MoAF); the Departments of Culture (DoC) and Immigration (DoI), Ministry of Home and Cultural Affairs (MoHCA); The Department of Public Health (DoPH), Ministry of Health (MoH); the Department of Cottage & Small Industries (DCSI); Ministry of Economic Affairs (MoEA). These agencies will be engaged in decision making for the project as follows:

Agencies	Engagement in decision making of the Project
GNHC	Director of GNHC is a member of the project PSC
Department of Forest and Park Services (DoFPS)	Director of DoFPS is a member of the project PSC

Department of Public Health (DoPH)	The DoPH is recommended to be a member of MTAC
Departments of Culture (DoC) and Immigration (DoI), Ministry of Home and Cultural Affairs (MoHCA)	The Secretary of MoHCA is a member of the Tourism Council. DoC and DoI representatives will be members of MTAC
Department of Cottage & Small Industries (DCSI)	DCSI representative will be members of MTAC

The Multi-Sector Technical Advisory Committee (MTAC) for ecotourism with clear governance and operational mechanisms will be established through the project under Output 1.1. The specific roles and responsibilities of the stakeholders in the project are also described in **Table 8 of the Project Document** (Summary stakeholder analysis indicating the main roles and responsibilities).

Field-based agencies, namely the Protected Area Management Authorities (PAMAs), the Territorial Forestry Divisions (TFDs) and protected area management authorities (PAMAs) are represented by the Director of DoFPS at the PSC. Due to their roles in delivering project interventions, they will partake in the annual planning sessions of the project. They will also be members of the Landscape Ecotourism Coordination Taskforce (LECT).

Dzongkhag Administrations, who have the mandate for delivery of local development programs and public services, particularly, will be responsible for the delivery of project interventions related to demonstration sites (Component 2) together with the Gewog Administrations and the communities. They will implement the project activities assigned to them with technical support through the PMU or in collaboration with other agencies such as the PAMAs and PFDs. The Dzongkhag Administrations of the demonstration landscape will be represented at the PSC by Lhuentse Dzongdag who is also a member of the PSC for the National Tourism Flagship Program. The Economic Development Officer or the Planning Officer of each Dzongkhag will also be a member of the Landscape level Ecotourism Coordination Committee. Due to their roles in delivering project interventions, they will partake in the annual planning sessions of the project.

WWF Bhutan Program (WWF) will be a key project partner in view of their longstanding support to biodiversity conservation in Bhutan especially in the protected areas and biological corridors and for synergy and linkages with Sacred Landscapes project activities. In their capacity as a source of co-financing, the WWF Bhutan Program will be a member of the PSC. The agency will also participate in the annual planning sessions of the project to coordinate areas of human-wildlife conflict management, implementation of ecotourism and nature-based livelihood initiatives of the Sacred Landscapes project activities in line with the safeguards guidelines developed through this project.

Bhutan Trust Fund for Environment Conservation (BT FEC) will be a member of the PSC in their capacity as a source of co-financing.

UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and provisions. UNDP is responsible for delivering GEF project cycle management services comprising project approval and start-up, project supervision and oversight, and project completion and evaluation. UNDP is also responsible for the Project Assurance role of the Project Steering Committee. The GEF audit checklist has been completed for this project and submitted as Annex 20 to the Project Document.

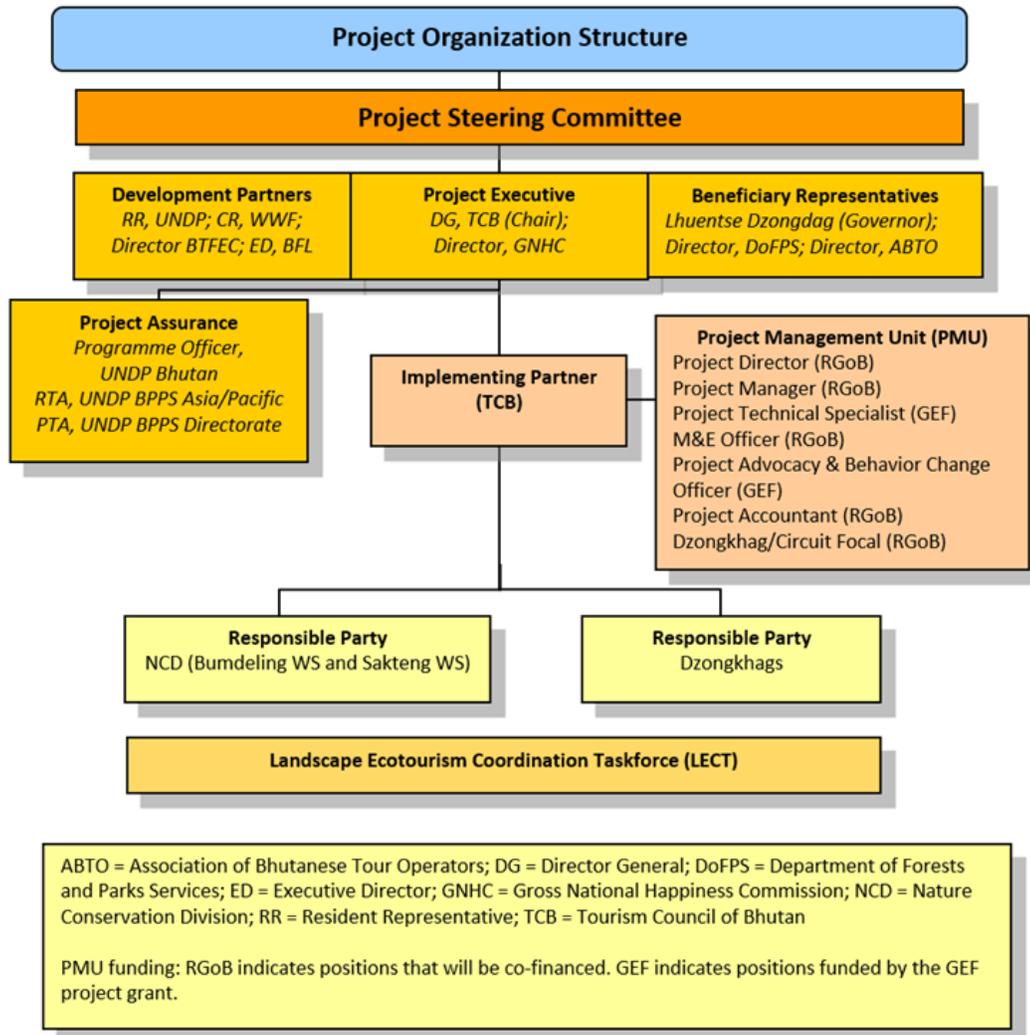
Project Steering Committee (PSC): The PSC is responsible for taking corrective action as needed to ensure the project achieves the desired results. In order to ensure UNDP's ultimate accountability, PSC decisions should be made in accordance with standards that shall ensure management for development results, best

value money, fairness, integrity, transparency and effective international competition. In case of consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will make the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the PSC include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Provide guidance on new project risks, and agree on possible mitigation and management actions to address specific risks;
- Agree on project manager's tolerances as required, within the parameters set by UNDP-GEF, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP-GEF;
- Ensure coordination between the various donor and government-funded projects and programmes;
- Ensure coordination with various government agencies and their participation in project activities;
- Track and monitor co-financing for this project;
- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;
- Review combined delivery reports prior to certification by the implementing partner;
- Provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Address project-level grievances;
- Approve the Project Inception Report, Mid-term Review and Terminal Evaluation reports and corresponding management responses;
- Review the final project report package during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up; and
- Ensure highest levels of transparency and take all measures to avoid any real or perceived conflicts of interest.

Figure 4 of Project Document: Project Organizational Structure



• **Project Executive:** Is an individual who represents ownership of the project and chairs the PSC. The Executive is normally the national counterpart for nationally implemented projects. The Project Executive is the Director of the Gross National Happiness Commission (GNHC), representing the Government Cooperating Agency and the Director General of TCB representing the IP.

The Director General of TCB will be the Chair of the PSC and is ultimately responsible for the project, supported by the Beneficiary Representative and Development Partners. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher-level outcomes. The executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and supplier. Specific Responsibilities (as part of the above responsibilities for the PSC) are to;

- Ensure that there is a coherent project organization structure and logical set of plans;
- Set tolerances in the AWP and other plans as required for the Project Manager;
- Monitor and control the progress of the project at a strategic level;
- Ensure that risks are being tracked and mitigated as effectively as possible;
- Brief relevant stakeholders about project progress;
- Organise and chair PSC meetings.

Beneficiary Representative(s): Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. These Beneficiary representatives are: the Dzongdag (Governor) of Lhuentse, who is also a member of the PSC of the National Tourism Flagship Program, to ensure the realization of project results from the perspective of the demonstration landscape Dzongkhags; the Director of Department of Forests and Parks Services (DoFPS) to ensure the realization of project results from the perspective of the Nature Conservation Division of the DoFPS, the PAs and the TCB; and the Director of Association of Bhutanese Tour Operators (ABTO) to ensure the realization of project results from the perspective of tour operators and the perspective of the private sector of the tourism sector.

Development Partner(s): Individuals or groups representing the interests of the parties concerned that provide funding, co-financing and/or technical expertise to the project (designing, developing, facilitating). The Development Partners are the Resident Representative of UNDP Country Office in Bhutan to ensure the realization of project results from the perspective of GEF and UNDP as well as the GWP; the Country Representative of World Wildlife Fund (WWF) in Bhutan to ensure co-financing as agreed and to facilitate the harmonization of activities related to this project and that of the WWF-supported IKI project on Sacred Landscapes; Director Bhutan Trust Fund for Environmental Conservation (BT FEC) to ensure co-financing as agreed and to facilitate with BT FEC-supported projects; Executive Director of BFL to ensure co-financing as agreed and to facilitate the harmonization of activities related to this project and that of the BFL. Specific Responsibilities (as part of the above responsibilities for the PSC);

- Make sure that progress towards the outputs remains consistent from the development partner perspective;
- Promote and maintain focus on the expected project output(s) from the point of view of development partners;
- Ensure that the development partner resources required for the project are made available;
- Contribute development partner opinions to PSC decisions on whether to implement recommendations on proposed changes;
- Arbitrate on, and ensure resolution of, any development partner's priority or resource conflicts.

Project Assurance: UNDP performs the quality assurance role and supports the PSC and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The PSC cannot delegate any of its quality assurance responsibilities to the Project Manager. UNDP provides a three-tier oversight service involving the UNDP Country Offices and UNDP at regional and headquarters levels. Project assurance is totally independent of the Project Management function.

Project Management Unit: A PMU will be established to run the project on a day-to-day basis on behalf of the Implementing Partner. The TCB has a separate unit that oversees the implementation of the national Tourism Flagship Program. This unit, with support from other Divisions in TCB shall function as the PMU for the project under the oversight and guidance of the Director General of TCB, as the Project Director. The PMU will be responsible for day-to-day project management, including monitoring and evaluation, and coordination with the responsible parties and concerned stakeholders and target groups for planning and implementation of the activities for the delivery of project results in a timely and effective manner and as per standards set for UNDP/GEF projects. The PMU will include: Project Manager (RGoB co-financed); Project Technical Specialist (GEF-financed); Monitoring and Evaluation Officer (RGoB co-financed); Project Advocacy and Behaviour Change Officer (GEF-financed); Project Accountant (RGoB co-financed) and Dzongkhag/Circuit Focal Persons (RGoB co-financed who will ensure coordination of project activities within the concerned Dzongkhag and/or the PA). Shorter-term technical support to the PMU will include gender and safeguards specialists.

Landscape Ecotourism Coordination Taskforce (LECT): a landscape-level coordination taskforce will be formed to facilitate coordination of field issues pertaining to project interventions. The LECT will have the responsibility to plan and implement the integrated landscape-level ecotourism under Output 2.2. The LECT will comprise of members from PAs, TFDs, Dzongkhag Economic Development Officers (EDOs) or the Dzongkhag Planning Officers (DPOs), the Dzongkhag/Circuit Focal person from the PMU and the Project Manager. The LECT will meet on a quarterly basis chaired by the Project Manager and harmonize implementation issues, standards, timelines of project activities in the field. They will also identify issues

that need to be escalated for consideration by the PMU or the PSC. LECT is deemed necessary given the technical intricacy of various project interventions and spatial distribution of the project interventions across 5 Dzongkhags, 19 Gewogs and 2 PAs.

Project extensions: The UNDP-GEF Executive Coordinator must approve all project extension requests. Note that all extensions incur costs and the GEF project budget cannot be increased. A single extension may be granted on an exceptional basis and only if the following conditions are met: one extension only for a project for a maximum of six months; the project management costs during the extension period must remain within the originally approved amount, and an increase in PMC costs will be covered by non-GEF resources; the UNDP Country Office oversight costs during the extension period must be covered by non-GEF resources.

Partnerships and coordination with related projects

The project will bridge current gaps in communication and promote collaboration within and between different sectors of government and also with NGOs, the private sector and communities. Linkages and collaboration will be strengthened through consultations, networking, inter-sectoral platforms, training, technical advice, information sharing and joint strategic planning and implementation to ensure the delivery and achievement of the project objective. The partnerships will be developed as follows:

National level partnerships: The government has taken full ownership of the project through the GNHC as the GEF Operational Focal Point. GNHC has delegated responsibility for implementation to the TCB which will be the Implementing Partner. At the highest level, strategic tourism matters such as the Ecotourism Master Plan (Output 1.1) and guidelines (Output 1.4) and concessional framework (Output 1.3) and most items included in the list of enabling activities will be reviewed and decided upon by the Tourism Council of Bhutan. The TCB membership includes the Association of Bhutanese Tour Operators (ABTO), The Hotels and Restaurants Association of Bhutan (HRAB), The Guides Association of Bhutan (GAB) and the Bhutan Sustainable Tourism Society. The role of the private sector (ABTO and HRAB) and the civil society (GAB and BSTS) will be integrated into the strategic matters related to the project. Further, a new Multi-Sector Technical Advisory Committee will be established (Output 1.1) to guide implementation of the Ecotourism Master Plan and to coordinate and align mandates across institutions with a role in ecotourism.

Recognizing that development of ecotourism products and services in the project landscape will provide a market for the handicrafts and the promotion of handicrafts will provide attraction to visitors, Handicrafts Association of Bhutan (HAB) will focus their promotion of handicraft product and skills development activities in the Dzongkhags that comprise of the project landscape. The Executive Director of the HAB has been engaged in local PPG consultations of this project, further strengthening partnerships with the private sector.

In addition to these formal multi-partner coordinating mechanisms, the project will also collaborate closely on a bilateral and day to day basis with numerous partners, particularly the tourism associations, the nature conservation NGOs and initiatives such as Bhutan for Life and the Bhutan Trust Fund for Environmental Conservation (see **Table 9 of the Project Document**, copied below). The Annual Planning and Budgeting Exercise of the project and ROGB's Annual Performance Agreements at various levels will further strengthen the partnership and collaboration among the stakeholders.

Landscape-level partnerships: Component 2 will promote partnership at the demonstration landscape-level amongst the Dzongkhag and Gewog administrations, the PA management, local communities, and the private sector. A Landscape Ecotourism Coordination Committee (LECT) will be established (under Output 2.2) to enable coordination across the five dzongkhags and the two PAs. A PA level Conservation Committee will be established (under Output 2.3) to coordinate surveillance of poaching and wildlife trade including members from the Department of Customs, Royal Bhutan Police, the Department of Forests, and Department of Immigrations at the local level. These will be fostered by the respective role of each stakeholder in the implementation of the project activities and through meetings, workshops, awareness and advocacy campaigns, training, grievance management as well as through the process for monitoring

and evaluation. The aim is to engage all relevant stakeholders in a model participatory approach to ecotourism development that delivers solutions that will turn current threats into opportunities for biodiversity improvement and the local economy. These local partnerships will be supported by the capacity building and knowledge sharing support provided under Component 3.

Partnership with the private sector: (described in private sector engagement section of this CEO ER).

The Project Steering Committee and the Project Management Unit will ensure that these partnerships work effectively. UNDP, as the GEF Agency for this project and a development partner to Government, will play a central role in oversight of these partnerships and will liaise at the highest level with Government to ensure that the project fully delivers against its work plan and targets. The UNDP Country Office (CO) will provide oversight and quality assurance support, and the UNDP Regional Technical Adviser located in Bangkok will also provide support to the CO for oversight, monitoring and evaluation in accordance with GEF requirements.

Partnerships with other projects and initiatives:

The Gross National Happiness Commission (GNHC)-led UNDP/GEF-LDCF project on Enhancing Sustainability and Climate Resilience of Forest and Agricultural Landscape and Community Livelihoods in Bhutan project (2017-2023) is operationalizing an integrated landscape approach in Bhutan by strengthening biological corridors, supporting sustainable forest and agricultural systems, and building the climate resilience of community livelihoods. The project works with PAs and biological corridors within the east-central, central and west-central region of Bhutan providing an opportunity of exchanging lessons in HWC management or upscaling lessons from Component 2 to other PAs of their project. The PMU of this project has already engaged in the GWP knowledge exchange platform and this connection will be continued as relevant to support beneficial cross-project exchanges across the GEF portfolio.

The UNDP/GEF Nagoya Protocol on Access to Genetic Resources and Benefit-sharing in Bhutan was implemented between 2014 to 2019 enabled Bhutan to develop the National Access Benefit Sharing Policy, its regulations and to build national and local capacity for executing Access Benefit Sharing Agreements. This project has completed implementation before this project starting but offers lessons in ensuring community benefits through the formal access and benefit-sharing arrangements.

The GEF-SGP Programme started its Operational Phase-7 this year. During its OP-6, a few projects were implemented and ongoing in Trashigang, Mongar and Zhemgang including HWC and tiger conservation. In addition, SGP supports social inclusion and livelihood projects through capacity building of men and women in ecotourism, product development and south-south learning. For OP-7, SGP will support local innovation to foster multi-stakeholder partnerships and align with the overall Tourism Flagship Programme.

The RGoB/WWF/GCF Bhutan for Life (BFL; 2017-2030) project finance for permanence initiative supports improved management of the country's PAs, providing time and resources for the government to secure long-term revenues to maintain the improvements. BFL has mobilized \$43 million (including from the Green Climate Fund) to strengthen long-term PA management effectiveness and PA financing capabilities. It has set the ambitious goal of 80% of communities within PAs having improved access to nature-based employment and will invest in nature-based tourism business models and capacity development for communities in the PAs. Shorter-term actions to address HWC (e.g. fencing) and enhanced patrolling of PAs are also captured within BFL. Activities under BFL will increase forestry and land use climate mitigation, and support ecosystem-based adaptation to improve natural resource management and livelihoods and enhance biodiversity over a period of 14 years. The BFL's five yearly ecotourism strategy to promote nature-based tourism and enterprises in the PAs will align with the Ecotourism Master Plan (Output 1.1). The funding mechanisms developed under the project (Outputs 1.3, 2.1) can be models that BFL can apply and upscale across all PAs to initiate innovative financing of PAs.

The development of eco-tourism infrastructure (treks and trails) in the PAs within the demonstration landscape will be supported by co-financing from BFL. The Executive Director of BFL, as a member of the PSC for this project, will enable coordination between this project and the BFL.

The Bhutan Trust Fund for Environmental Conservation (BT FEC) provides \$1.5 million for conservation annually. The current BT FEC-financed projects do not operate in the project demonstration landscape. However, the BT FEC projects work in thematic areas of HWC management, watershed management, waste management across other Dzongkhags which provide an opportunity for lesson learning. The new Strategic Plan is under finalization that focusses on broader conservation issues including research and innovation. In addition to being part of the PSC, BT FEC will participate in the annual planning exercise of the project to ensure alignment and harmonization of project activities with the relevant partners and initiatives.

Bhutan has completed Phase 1 of the Biodiversity Finance Initiative (BIOFIN), which has conducted policy, institutional and biodiversity expenditure review and cost estimates to identify funding gaps and financial solutions for full implementation of the NBSAP. Currently, it is piloting several financing options including ecotourism investments, the results of which will contribute significantly to the project's work on financial mechanisms. Close partnership will be facilitated by UNDP as the supporting agency for BIOFIN.

Bhutan is a member of the IUCN-led Asia-Pacific Protected Areas Partnership that functions as a key platform to help governments and other stakeholders collaborate for more effective management of protected areas in the region. The platform promotes knowledge sharing and capacity building and other transboundary and regional activities. The project can benefit from cross learning through the promotion of best practices and innovative solutions within the region.

The project is complementary to the on-going project implemented by the GNHC-led UNDP/GCF Supporting Climate Resilience and Transformational Change in the Agriculture Sector project, which aims to enhance climate resilience of the rural population by supporting climate-resilient irrigation, sustainable land management practices, stabilization of critical landslide-prone areas and providing climate information to the farmers to help enable better planning of farming activities. Overall, the project worth \$25.3 million will help Bhutan prepare and adapt to climate change and ensure low carbon and climate-resilient developments which is complementary to the green economy that this project will contribute to by strengthening ecotourism. The representation of the Director of GNHC and the RR of UNDP to the Project Steering Committee will enable coordination and harmonization of the project activities and linkages.

The hydropower, agriculture, and tourism sectors, which together account for almost a quarter of the GDP in Bhutan, are all highly dependent on and affected by, climate variability and natural hazards. Building on the achievement of the past adaptation projects, the 12 FYP and the Nationally Determined Contributions (NDCs), Bhutan is in the process of formulating a National Adaptation Plan with the support of the UNDP and through a \$2.7 million grant from the GCF.

The pipeline project, Living Landscapes - Securing ecological connectivity of high conservation value areas in Bhutan, supported by WWF and funded by the International Climate Initiative (IKI), will enable ecological connectivity of biodiversity hotspots in 14 Dzongkhags of southern and western Bhutan, creating landscapes of high conservation value. The project will focus on natural resource management in high conservation priority areas that do not have appropriate formal legal protection status. In addition to being part of the PSC, the WWF Bhutan Program, will participate in the annual planning exercise of the project to ensure alignment and harmonization of project activities with the relevant partners and initiatives. IKI co-financing will contribute towards a range of project activities in the demonstration landscape.

UN Environment's Vanishing Treasures Programme supports climate change adaptation of vulnerable mountain species such as Royal Bengal tiger in the Hindu-Kush Himalayas (Bhutan). The Programme is

funded by the Grand Duchy of Luxembourg and aims to generate maximum synergy between climate change adaptation and biodiversity conservation by improving the adaptive capacity of mountain ecosystems while maintaining related ecosystem services, protecting mountain flagship species that are key to ecosystem functioning, and promoting alternative livelihoods for local communities. The Programme is implemented in the tiger landscape including Zhemgang with linkages to this Project.

The International Centre for Integrated Mountain Development (ICIMOD) is supporting the Department of Forests and Park Services through its Kanchenjunga Landscape Conservation and Development Initiative, a transboundary conservation and development programme jointly implemented by the government of Bhutan, India and Nepal. As part of their thematic focus on 'community-based participatory ecosystem management (ecosystem wellbeing)', the project will collaborate on knowledge sharing in ecotourism development and HWC mitigation. The Project will use lessons on ecotourism strategy development supported by ICIMOD in Haa district in Western Bhutan.

The Ministry of Agriculture and Forest and International Fund for Agriculture Development (IFAD) funded project Commercial Agriculture and Resilient Livelihood Enhancement Program (CARLEP) in the East of Bhutan offers good potential to for synergies and coordination on resilient, diversified livelihoods. CARLEP project covers all six eastern districts and focuses its interventions towards 1) market led agriculture production focusing on few commodities with climate resilient technologies and practices, 2) Agriculture value chain development and marketing focusing on enterprises promotion, and 3) overall institutional and policy development.

Table 9 lists the main ongoing related initiatives that offer strong partnerships and shows their connections with the components and outputs of this project. Close attention will be paid to emerging new projects, to optimise opportunities for synergy.

Table 9 of Project Document: Intersection of Related Initiatives with Project Outputs

Related initiatives	Intersections with Project Outputs		
	Component 1	Component 2	Component 3
Bhutan Trust Fund for Environmental Conservation		2.3	3.4
RGoB/WWF/GCF) Bhutan for Life project	1.1, 1.2, 1.3	2.2, 2.3, 2.4, 3.1	3.1, 3.4
Biodiversity Finance Initiative (BIOFIN)	1.3	2.2	3.4
UNDP/GEF-LDCF Enhancing Sustainability and Climate Resilience of Forest and Agricultural Landscape and Community Livelihoods in Bhutan ?project (2017-2023)		2.1, 2.2	3.4
UNDP/GCF Supporting Climate Resilience and Transformational Change in the Agriculture Sector project		2.2	3.4
GWP global knowledge platform and exchanges with national GWP projects	All Outputs	All Outputs	All Outputs

WWF/IKI (Germany) -Living Landscapes - Securing ecological connectivity of high conservation value areas in Bhutan	1.1, 1.4	2.2, 2.3	3.1
UN Environment's 'Vanishing Treasures'	1.2	2.3, 2.4	
IUCN's Asia-Pacific Protected Areas Partnership	1.1, 1.2	2.3	3.3
Kanchenjunga landscape initiative, ICIMOD			3.3
IFAD-funded project Commercial Agriculture and Resilient Livelihood Enhancement Program (CARLEP)		2.1	3.3

South-South Cooperation

The project's participation in the GWP offers a particular opportunity for South-South Cooperation as it will help provide a common platform for collaboration and sharing of experiences between government counterparts and other stakeholders to create networks, link experts and develop partnerships. It will support national project teams with knowledge resources and skills to accomplish component activities. In addition to engagement in the GWP global knowledge platform, participation in the GWP will provide the opportunity for sharing ideas and lessons bilaterally with other child project countries on ecotourism development and on holistic approaches to managing HWC that might offer valuable lessons. In support of this, the project will support a regional knowledge exchange/visit with a successful ecotourism destination within the GWP. Further the project will establish online information and knowledge sharing mechanisms, as well as contributing its results to regional seminars, training courses and conferences. This is captured under Component 3 of the project which will, therefore, contribute to and benefit from South-South cooperation both in relation to ecotourism development and biodiversity conservation.

Bhutan and other countries in southern and central Asia share many socio-economic challenges and environmental issues such as rural poverty, biodiversity loss, environmental degradation and climate change. Bhutan is therefore an advocate and supporter of South-South Cooperation as a mechanism for sharing learning and best practices. Building on lessons from the project activities and to bring the voice of Bhutan to global and regional fora, the project will explore opportunities for meaningful participation in specific events or networks where UNDP could support engagement with the global development discourse on ecotourism such as the UN South-South Galaxy knowledge-sharing platform and PANORAMA. The project will furthermore provide opportunities for regional cooperation with countries that are implementing initiatives on ecotourism in geopolitical, social and environmental contexts relevant to the proposed project in Bhutan. The project will also explore, through the GWP network, for collaboration in HWC and anti-poaching management with regional member countries of GWP such as Cambodia, India and Indonesia and also with countries in Africa that have well-established high-quality nature-based tourism ventures. Further, the geographic location of Sakteng Wildlife Sanctuary close to the India wild cats GWP site in Pakke-Eaglenest in Arunachal Pradesh offers further opportunity for site-based exchange and cooperation. Collaborations can also be explored for marketing for regional circuits ecotourism products with Nepal and neighbouring Indian states such as Sikkim and Assam through the Kanchenjunga landscape initiative of the International Centre for Integrated Mountain Development (ICIMOD).

-

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.

- National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD
- National Capacity Self-Assessment (NCSA) under UNCBD
- National Portfolio Formulation Exercise (NPFE) under GEFSEC
- Others

National priorities: The rationale of this project is fully consistent with broader government planning and policy at national level. The project's approach to mainstream biodiversity conservation into the tourism sector, demonstrating benefits for globally significant biodiversity, human-wildlife co-existence and livelihoods, is consistent with the Gross National Happiness principles. GNH is based on the pillars of good governance, equitable socio-economic development, cultural preservation, and environmental sustainability. Accordingly, national development policies and programs accord a high priority to environmental conservation. The project fully aligns with the 12th Five Year Plan (FYP) (2018-2023). Sustainable tourism development is a national flagship program in the 12FYP under the coordination of the Tourism Council of Bhutan.

Relevant Conventions: The project is aligned with and will directly contribute towards the implementation of relevant MEAs, especially the Convention on Biological Diversity (CBD) and Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Bhutan's National Biodiversity Strategy and Action Plan (NBSAP, 2014) envisages that Bhutan's biodiversity is valued, conserved and sustainably used to provide essential ecosystem services for the economic, environmental and social well-being of the present and future generations through a holistic, concerted and effective approach. Seven of the 20 national targets, strategies and actions in Bhutan's NBSAP are directly related to tourism as a source of revenue as well as a tool for biodiversity conservation. This project will contribute to the implementation of multiple NBSAP National Targets including those related to raising awareness, adoption of the principles of sustainable production and consumption, management of pollution affecting biodiversity, and improved management effectiveness and financial sustainability of the protected area system.

The project will support the national implementation of CITES and combat threats to CITES-listed species from poaching, retaliatory killing and illegal trade. The project will support implementation of the National Human-Wildlife Conflict (HWC) Management Strategy of Bhutan (2018-2028), which recognizes the potential of ecotourism development to change the perception of local communities towards wildlife and to generate livelihood options for HWC hotspots. The project will also support the implementation of the National Zero Poaching Strategy 2017 through efforts to enhance human-wildlife coexistence and reduce participation in poaching, retaliatory killing and illegal trade in wildlife. This strategy proposes efforts to increase the number of rangers and step-up community anti-poaching patrols with improved technology and equipment as well as advocacy programmes to educate the people on the benefits of wildlife conservation. The project will support targeted improvements to implementation of this strategy at national (Output 1.2) and local (Output 2.3) levels, including identifying and sharing best practices including at regional level. Through these efforts the project will contribute to regional action on wildlife enforcement and support Bhutan's participation within the South Asia Wildlife Enforcement Network (SAWEN).

Overall, the project also supports sustainable forest management and conservation of biodiversity to ensure sustained environmental services which are a strategic approach committed by Bhutan in the country's NDC within UNFCCC.

SDGs: The project will contribute directly to the achievement of Sustainable Development Goal (SDG) 15 Life on Land: to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage

forests, combat desertification and halt and reverse land degradation and halt biodiversity loss, supporting activities that address a number of its targets. It will also contribute substantially to SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. It will make secondary contributions towards SDG 5: Gender equality, SDG 11: Sustainable cities & communities, SDG 12: Responsible consumption & production, and SDG 13: Urgent action on climate change.

Aichi targets: In addition, the project will contribute to achievement of the CBD Aichi Targets, in particular: Target 1: By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably; Target 4: By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits; Target 5: The rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced; Target 7: By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity; Target 11: Increasing the coverage and connectivity of the PA system in important regions with high biodiversity importance and significant ecosystem services and by increasing management effectiveness of the PA system in a way that is integrated into the wider landscapes; Target 12: Preventing extinction of known threatened species; Target 14: Restoring and safeguarding essential ecosystem services for securing health, livelihoods and well-being of people; Target 19: By 2020, knowledge, the science base and technologies relating to biodiversity, its values, functioning, status and trends, and the consequences of its loss, are improved, widely shared and transferred, and applied.

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's knowledge management approach is supported explicitly by *Output 3.3: Knowledge sharing platforms, events and networks established at local and national levels to enhance ecotourism collaborations and best practice exchanges including with regional and international networks, particularly the Global Wildlife Program*. This Output aims to ensure that project results, knowledge, experiences and lessons learned are identified, documented, and shared with relevant audiences locally, nationally and internationally ? and in turn that lessons from elsewhere are used to inform the effective implementation and adaptive management of this project. The expectation is that knowledge management will result in stakeholders within and beyond the project having increased knowledge of best practices in ecotourism and biodiversity conservation (particularly HWC reduction) as a result of project implementation.

The knowledge management approach of this project will be strengthened by its participation in the GEF-7 Global Wildlife Program, which provides a mechanism for coordination and knowledge sharing with the other 31 countries participating in the GWP and with the broader GWP network. As such, the project will actively participate in GWP knowledge-sharing events and platforms under Component 3 to disseminate lessons learned and project results and experiences globally, and use national platforms and processes (e.g. PSC, Technical Advisory Committee to TCB, Landscape Ecotourism Task Force, project events, communications) to disseminate GWP lessons across Bhutan. The support provided by the GWP will extend project partnerships to the international level and bring lessons and best practices to Bhutan through the GWP global knowledge platform and through assessments and tools developed through the GWP

global grant. The project will also seek to have bilateral exchanges and partnerships with other GWP national projects as relevant (e.g. projects working on ecotourism, such as lessons learned from South Africa, and experience exchange with Namibia and Cambodia; coordination with the GEF-7 India small cats project which will be working in Eaglenest Sanctuary in Arunachal Pradesh, close to Sakteng Wildlife Sanctuary).

The RGoB participated in the GWP 2019 annual knowledge exchange meeting in South Africa and benefitted from networks established with other countries in the GWP and from first-hand experiences gained of South Africa's wildlife-based tourism development. The RGoB also sponsored an extra participant attending from the GEF-6 NAPA project to establish links and knowledge exchange to support the HWC activities being delivered under that project, an additional benefit of Bhutan's participation in the GWP and the close alignment of the two key thematic GWP threads of nature-based tourism and HWC mitigation to this project. The government with support from UNDP Bhutan has actively participated in GWP Asia coordination calls and will continue to do so as the project commences and the PMU is established. Bhutan has also actively engaged in the 2020 GWP virtual forum.

The knowledge management activities that will be conducted under Output 3.3 include development of a knowledge management plan (in year 1), establishment of a project website and social media presence, collation of lessons from the demonstration landscape for sharing across Bhutan and with GWP, conduct of an annual coordination and innovation forum on ecotourism, participation in GWP virtual and face-to-face knowledge events (including budget provision to sponsor additional participation from government and demonstration landscapes), potential hosting of a thematic/regional GWP knowledge exchange event, and facilitation of knowledge exchange and transfers between project sites/Gewogs and with GWP countries particularly on ecotourism development and HWC management. The detailed timeline for the above activities is given in **Annex 4 of the Project Document**. The estimated budget for these activities is USD 200,000 (including contributions of PMU technical specialists funded by the GEF grant, but excluding co-financed PMU support). Specific technical support has been included within the PMU to support knowledge management through the Behaviour Change and Communications Officer.

The project's attention on knowledge management will support important connections and feedback loops between the other components. The project will place particular attention on capturing lessons from the piloting and demonstration in Eastern Bhutan, including through field-testing of the technical guidelines developed under Output 1.4. Lessons from the demonstration landscape will be captured as a standard part of activity/output implementation (e.g. through participatory workshops with local stakeholders), along with a focus on overall lesson and best practice identification under this output. Demonstration landscape knowledge sharing mechanisms will include site and landscape-level participatory workshops, facilitated knowledge transfers (e.g. reciprocal site visits) between different project sites in the landscape, landscape coordination and innovation forums, and dissemination of awareness materials outlining project lessons and best practices. The findings of this landscape knowledge management will be reported to the project governance bodies to support scaling up of project approaches. The PMU will oversee the linkage of these findings back to the execution of activities under Component 1 through annual work planning and

monitoring processes that explicitly consider lesson learning and knowledge transfer between project sites and components (see Output 3.4). For example, under Output 1.4 field-testing of guidelines will be used to inform final revisions of ecotourism guidelines as needed. This can be seen in the project's multi-year work plan.

As a result of knowledge management, it is expected that at least six project best practices and lessons will be documented and disseminated through national and international networks, and that project documents, results and lessons learned will be subject to at least 800 downloads through TCB and project website.

9. Monitoring and Evaluation

Describe the budgeted M and E plan

The project results, corresponding indicators, and mid-term and end-of-project targets in the project results framework will be monitored annually and evaluated periodically during project implementation. If baseline data for some of the results indicators are not yet available, it will be collected during the first year of project implementation. The Monitoring Plan included in **Annex 5 of the Project Document** details the roles, responsibilities, and frequency of monitoring project results.

Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the UNDP Program and Operations Policies and Procedures (POPP) and UNDP Evaluation Policy. The UNDP Country Office is responsible for ensuring full compliance with all UNDP project monitoring, quality assurance, risk management, and evaluation requirements.

Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring Policy and the GEF Evaluation Policy and other relevant GEF policies. The costed M&E plan included below in **Table 12 of the Project Document**, and the Monitoring Plan, will guide the GEF-specific M&E activities to be undertaken by this project.

In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report.

Inception Workshop and Report: A project inception workshop will be held within 60 days of project CEO endorsement, with the aim to:

- Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.
- Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
- Review the results framework and monitoring plan.
- Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.
- Update and review responsibilities for monitoring project strategies, including the risk log; SESP report and other safeguard requirements; project grievance mechanisms; gender action plan; knowledge management strategy, and other relevant management strategies.

- Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
- Plan and schedule PSC meetings and finalize the first-year annual work plan.
- Formally launch the Project.

GEF Project Implementation Report (PIR): The annual GEF PIR covering the reporting period of July (previous year) to June (current year) will be completed for each year of project implementation. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR. The PIR submitted to the GEF will be shared with the PSC. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.

GEF Core Indicators: The GEF Core indicators will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the indicator status. The updated monitoring data should be shared with MTR/TE consultants prior to the required evaluation missions, so these can be used for subsequent ground-truthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF website. The required Protected Area Management Effectiveness Tracking Tool (METTs) has been prepared and the scores are included in the GEF Core Indicators.

Independent Mid-term Review (MTR): The terms of reference, the review process and the MTR report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Center (ERC). The evaluation will be "independent, impartial and rigorous". The evaluators that will be hired to undertake the assignment will be independent of organizations that were involved in designing, executing, or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project under review. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the evaluation process. Additional quality assurance support is available from the BPPS/GEF Directorate. The final MTR report and MTR TOR will be publicly available in English and will be posted on the UNDP ERC by March 2024. A management response to MTR recommendations will be posted in the ERC within six weeks of the MTR report's completion.

Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance for GEF-financed projects available on the UNDP Evaluation Resource Center. The evaluation will be "independent, impartial and rigorous". The evaluators that will be hired to undertake the assignment will be independent of organizations that were involved in designing, executing, or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project being evaluated. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the BPPS/GEF Directorate. The final TE report and TE TOR will be publicly available in English and posted on the UNDP ERC by May 2026. A management response to the TE recommendations will be posted to the ERC within six weeks of the TE report's completion.

Final Report: The project's terminal GEF PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the PSC during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up.

Table 12 of Project Document: Mandatory GEF M&E Requirements and M&E Budget

Monitoring and Evaluation Plan and Budget:

GEF M&E requirements	Responsible Parties	Indicative costs (US\$)	Time frame
Inception Workshop	TCB/PMU	15,000	Within 60 days of CEO endorsement of this project.
Inception Report	PM	None	Within 90 days of CEO endorsement of this project.
Monitoring of GEF Core indicators and other project results framework indicators (including KAP baseline)	PM	38,300	Annually prior to GEF PIR. (core indicators will be monitored prior to MTR and TE ? see below; KAP baseline will only be monitored at TE. See Annex 5 for indicator-specific details).
GEF Project Implementation Report (PIR)	PMU UNDP Country Office RTA	14,000	Annually typically between June-August
Monitoring all risks (UNDP risk register)	PMU UNDP CO	None	On-going.
Monitoring of activity annual plan implementation	M&E Officer & Project Manager	None	On-going.
Monitoring of Safeguards (SESP)	Safeguards Expert	7,000	On-going.
Supervision missions	UNDP Country Office	None ^[1]	Annually
Oversight/ troubleshooting missions	RTA and BPPS/GEF	None	Troubleshooting as needed
Mid-term GEF Core indicators and METT or other required Tracking Tools	PMU/Consultants	7,875	Before mid-term review mission takes place.
TEF GEF Core indicators and METT or other required Tracking Tools (including KAP)	PMU/Consultants	30,375	Before TE mission takes place.
Independent Mid-term Review (MTR)	Independent evaluators	44,750	March 2024
Independent Terminal Evaluation (TE)	Independent evaluators	55,750	May 2026
TOTAL indicative COST		213,000	

[1] The costs of UNDP CO and UNDP-GEF Unit's participation and time are charged to the GEF Agency Fee.

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 (LDCE/SCCF)?

Through its focus on supporting sustainable ecotourism development the project will deliver a range of socioeconomic benefits. The link between global environmental benefits and local livelihoods enhancement is a core part of the project strategy and recognized in the Theory of Change. The project approach recognizes that ecotourism, through its provision of employment and entrepreneurial opportunities for local people, can be a lever of change for achieving mutual conservation and livelihood benefits. Where tangible and meaningful economic benefits to local people are realized, and the conceptual link between jobs and conservation is understood, pressures on protected and natural areas for conversion to agriculture and risks of increased HWC or local engagement in wildlife poaching can be reduced.

The links between biodiversity conservation and socioeconomic benefits are recognized in the project results framework which captures both ecological improvement (including global environmental benefits) and local livelihoods enhancement. The project's socioeconomic benefits are recognized through indicators and targets on livelihoods improvement and direct/indirect beneficiaries. These include:

- *Household income diversification:* 50% (1,230) of local households within the demonstration landscape communities benefitting from ecotourism;
-
- *Job creation:* 468 new jobs created (234 for women) through ecotourism;
- *Household income increase:* 20% improvement of total household income within the demonstration landscape;
- *SME establishment:* 60 new local nature/wildlife-based economic enterprises established;
- *Direct beneficiaries:* 16,467 (8,534 female) including people living in demonstration landscape Gewogs (10,361; 5,185 female), local private sector personnel (227; 152 female), national private sector personnel (5,550; 3,128 female), local RGoB Officials (210; 25 female) and national RGoB Officials (119; 44 female);
- *Indirect beneficiaries:* 101,444 (49,444 female) including local communities (97,631; 47,903 female), private sector personnel (2,963; 1,387 female) and RGoB officials (850; 154 female).

In addition, the project's aim to reduce HWC incidences will provide a range of socioeconomic benefits to local communities that feel the brunt of HWC in some of Bhutan's HWC hotspots. The project is aiming to achieve at least a 50% reduction in annual HWC incidences in target communities. This reduction of HWC has the potential to bring about substantial development benefits as HWC is one of the biggest challenges facing Bhutan, posing considerable impacts on the rural agrarian population dependent on subsistence agriculture and livestock. These communities lose an average of 18% of total household income to wildlife. Studies reveal that farmers spend 110 days on an average each year guarding their crops. Livestock depredation by wild predators equated to an average annual financial loss of 17% of total per capita cash income. The annual mean livestock loss per household was 1.29 head of stock, which is the equivalent of more than two-thirds of annual cash income. The five districts in the demonstration landscape are among the top six impacted by HWC, with over 70% of the population in Lhuentse, Trashiyangste and Zhemgang affected by HWC. These statistics help illustrate the additional socioeconomic benefits likely to result from the project through the reduction of HWC in the demonstration landscape, along with the conservation benefits to affected wildlife species through a reduction in retaliatory killing and poaching, and more positive community attitudes towards biodiversity and wildlife conservation.

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.

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How does the Project integrate the overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The principle of human rights is reinforced by the Constitution of the Kingdom of Bhutan, wherein Article 7 states that "all persons have the right to life, liberty and security of person and shall not be deprived of such rights except in accordance with the due process of law. "Further, it charges that every Bhutanese citizen have the right to freedom of speech, opinion, and expression, the right to information, freedom of thought, conscience and religion. These principles are incorporated into various laws and regulations.

The project will achieve integration of human-rights based approaches through its objective, which is *to mainstream biodiversity conservation into tourism development and promote Bhutan as a model ecotourism destination, generating livelihoods opportunities, sustainable financing for landscapes including protected areas, promoting human-wildlife coexistence, and avoiding and mitigating the negative impacts of increasing tourism on Bhutan's socio-cultural heritage and globally significant biodiversity.* The project's main components are 1. Enabling and coordinated policy and regulatory framework for ecotourism, 2. Demonstration of innovative and diversified ecotourism landscapes that support human-wildlife coexistence, 3. Ecotourism capacity, promotion, knowledge management and M&E.

During the PPG phase, a consultant with specific expertise in safeguards and gender issues was hired as part of the multi-disciplinary PPG team. Consultation sessions and meetings in the project's demonstration landscape were undertaken to engage with key stakeholders in order to fully understand the challenges, barriers and risks related to the project, and how these can be addressed through the project design and implementation. These consultations strengthened and ensured the transparency and legitimacy of the proposed project activities, notwithstanding that during project implementation, activities should be adapted to ensure that the human rights of stakeholders are preserved and/or reinforced. In line with national law and UNDP principles, the project design seeks to uphold the centrality of human rights to sustainable development, poverty alleviation and ensuring fair distribution of development opportunities and benefits, specifically those related to sustainable ecotourism development. The project will develop national policy to support enhanced ecotourism development to generate sustainable livelihoods and biodiversity conservation financing and develop ecotourism safeguard standards to ensure that future growth is sustainable and takes place in a way that minimizes potential environmental and social impacts. These approaches will be tested and implemented through a community and local government-led demonstration in Eastern Bhutan where visitation is low, thereby ensuring equity and equality. The project will mainstream the human-rights approach by ensuring a participatory and inclusive approach (both of different sectors and of local people) to project development and implementation, with capacity support as needed to assist duty bearers to fulfil project roles, ensuring the meaningful participation of stakeholders and not discriminating on any grounds including race, gender, minority status, age, religion etc. In addition, the project will adhere to UNDP policies on monitoring, evaluation, audits and transparency in project implementation. A project-specific grievance response mechanism has been developed during the PPG consultation (see Annex 7. Stakeholder Engagement Plan).

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment?

The project proposes gender sensitive planning and implementation particularly for single female-headed households, women-headed households and younger women. The project design takes a proactive approach to mainstreaming gender equality into all project activities (project staffing, capacity development, workshops, best practice guidelines, livelihoods etc.) and identifies and integrates interventions to provide gender responsive and transformative results that address gender inequalities. During the PPG phase, a broad consultative process secured women's participation and input at all levels, with specific targeting and questioning to ensure that gender issues were adequately addressed. Consultation meetings and the field visits revealed that in the project demonstration landscape gender disparities are apparent in the areas of decision making and property holding.

A gender analysis was conducted during the PPG phase, in accordance with standard UNDP procedure, to identify the differences, needs, roles and priorities of women and men as it relates to identification, development and operation of ecotourism products and experiences in a way that reflects locally-specific needs and contexts. Specific project activities are proposed to support engagement of women and inclusion of ecotourism opportunities that support women's empowerment. The results of the gender analysis, informed the development of a Gender Action Plan (see Annex 8 of Project Document), which has been integrated into the project design to ensure that gender-based differences are built into project activities as appropriate, and gender-disaggregated targets developed as indicators of project success. Therefore, gender equality was fully considered during the formulation of the project and during implementation, the project management will ensure the tracking of the key gender indicators set out in the Gender Action Plan, such as the balance of women participants in the capacity development and livelihood activities and the extent to which gender issues inform deliberations and recommendations. The project document makes specific reference to three GEF requirements for mainstreaming gender issues in projects:

? Gender mainstreaming and capacity building within GEF project staff to improve socio-economic understanding of gender issues: Gender awareness and capacity of the project PMU (Project Management Unit) staff (national and local) and consultants will be enhanced through induction and training conducted by a Gender Mainstreaming Specialist who will be hired by the project. The Project Manager will take overall responsibility for ensuring effective gender mainstreaming.

? A designated focal point for gender issues to support development, implementation, monitoring and strategy on gender mainstreaming internally and externally: The Dzongkhag Legal Officer will act as Gender focal point in the landscape areas. He/she will be designated with the overall goal to help the project to promote gender equality through effective and efficient implementation of the actions and provide advice when needed. The project local staff will also have responsibilities for local gender mainstreaming. The project will be implemented with strong support and guidance from the local level Mainstreaming Reference Group members (GECDP[1]) and Dzongkhag Officials.

? Working with experts in gender issues to utilize their expertise in developing and implementing GEF projects: The project will give special attention to ensure good participation by all people ? men and women, rich and poor, young and old and to bringing the most vulnerable people in the community into decision-making, including single female-headed households and women-headed households. The project manager along with the officers and consultants in charge of different Outputs should work closely with the gender focal point to develop gender-disaggregated data for the demonstration landscape during the 1st year of project implementation, as required in the Results Framework and Gender Action Plan.

The project will encourage greater involvement of women in the local organizations and decision-making. The quantitative outcomes of the project include improvements that will benefit rural women, including in area of landscape under improved management, capacity development, livelihoods, and business development services, safeguards for working in the tourism sector and reduced human-wildlife conflicts. The qualitative outcomes include increased opportunities to generate additional income, contribution to improved self-esteem and empowerment of women in the community, expanded involvement in public and project decision-making as a result of integration of women into active participation in income generating activities. Support for training and educational activities will include ecotourism, biodiversity conservation, agriculture, leadership, business, finance and entrepreneurship, thereby enabling empowerment and increased involvement of women to participate with confidence in community meetings and decision-making.

Briefly describe in the space below how the Project mainstreams environmental sustainability?

The project is seeking to ensure that further tourism development in Bhutan takes place in a manner that is environmentally sustainable and avoids, manages and mitigates potential environmental impacts. The project design phase has included reviews of best practices from both national and international ecotourism initiatives, and wide consultations with national and local stakeholders (including at the PPG Inception workshop and validation meeting). Successful approaches have been included in the consultant's reports and the full project document. Further details are provided in the Project Document and its annexes. The PPG has concluded that a number of new guidelines and safeguards are required to ensure that this happens for all stages of planning, design, development and operation of ecotourism activities. In addition, it will be necessary to develop standards for tourism operations to adhere to, along with a reporting and monitoring process. The guidelines, safeguards and standards will be tested and demonstrated across a selected landscape in Eastern Bhutan. In addition, the project will establish inter-sectoral stakeholder coordination and governance mechanisms for ecotourism development at both national and demonstration landscape levels, bringing together key sectors to ensure that environmental sustainability is fully mainstreamed through the tourism value chain. These mechanisms will consider biodiversity mainstreaming for ecotourism both within protected areas and across the wider landscape.

Part B. Identifying and Managing Social and Environmental Risks

Note: Annex 1 provides a list of the technical documents consulted during the preparation of this SESP and the main conclusions that were drawn from them.

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
Empty cell for data entry	Empty cell for data entry	Empty cell for data entry	Empty cell for data entry	Empty cell for data entry

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 1: FPIC could be required for local ecotourism development activities due to potential impacts on rights and interests, lands, territories, resources, and/or traditional livelihoods. This has not yet been obtained and there is the risk that FPIC might not be fully secured by the project.</i></p> <p>(Principle 1, 1.6; Standard 6, 6.1, 6.3, 6.4)</p>	<p>I = 3 P = 2</p>	<p>MODERATE</p>	<p>Broadly, all people are considered indigenous people in Bhutan. There are numerous ethnic and indigenous groups in Bhutan but there are no one group that constitute a major population. In general Bhutanese are made up of <i>Ngalop</i> in the West, <i>Tsangla</i> in the East, <i>Lhotsam</i> in the South and <i>Khengpa</i> in the central part of Bhutan. Within these there are many sub-groups differentiated by slight linguistic difference. However, the groups or communities are considered ?integrated? and none of them are considered distinct and exclusive. Hence, communities are treated equal in the national development process and is represented by the local government by locally elected leaders.</p> <p>Community assessment was conducted during the PPG to see if FPIC was required or necessary taking into consideration the potential or likely impacts of the project on their rights and interests, lands, territories, resources, and traditional livelihoods. The consultations revealed that communities are</p>	<p>The requirements of an Indigenous People?s plan have been incorporated into the Stakeholder Engagement Plan (Annex 9), including the proposed processes for securing FPIC as needed during project implementation and required procedures for further assessment and management of potential impacts. These processes will be confirmed during the project inception phase with local communities and then the Stakeholder Engagement Plan updated. Any activities requiring FPIC under Output 2.2 or other outputs will not take place until FPIC has been secured. Further assessments of potential impacts of ecotourism development will take place via activity 2.2.4.</p> <p>Policy development that could impact on local communities? use of land or resources (e.g. Outputs 1.1, 1.4) will follow a SESA approach, as further reflected in Risk 9 below. Required standards for community consultation and obtaining of local consent will be included within development of national guidelines on ecotourism planning, development and operation, as well as standards for ecotourism.</p> <p>Moreover, the project will apply participatory processes and approaches to all activities relevant to local communities where principles of FPIC will be further emphasized and demonstrated through providing</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 2: Development of ecotourism products and experiences could lead to conflict within communities if there are differing opinions on their establishment, governance and/or benefit-sharing mechanisms, and/or conflict between communities if economic benefits are not shared equitably.</i></p> <p>(Principle 1, 1.8)</p>	<p>I = 2</p> <p>P = 2</p>	<p>LOW</p>	<p>PPG consultations were carried out with communities and local governments in the Eastern Bhutan demonstration landscape to seek views and inputs on ecotourism development including matters of governance and benefit-sharing. The consultations revealed that the communities are highly supportive of the ecotourism project and the risk of conflict or violence among project affected communities and individuals is low. The RGoB's rules, regulations and prevailing policies are inherently inclusive to manage such disputes including on benefit sharing mechanism, and communities are aware of these mechanisms to resolve any issues. However, some possibility of differing opinions among communities remains if opportunities and benefits are not shared equally (e.g. for the harvesting of NWFPs, carrying capacity restrictions) or if there are differing views on ecotourism development activities or perceptions that these are restricting or impeding local community access to or</p>	<p>The project will engage local communities and stakeholders in accordance with the Stakeholder Engagement Plan. Consultation with communities within the demonstration sites will be carried out throughout project implementation, and the GRM established as per the SEP.</p> <p>Community consent and FPIC (see Risk 1) will be applied as required by local rules/regulations and UNDP SES. With regard to access and benefit-sharing the national guidelines as per the principle of Rule 44 of FNCRR[2], 2017 will be applied.</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 3: Ecotourism development might not fully incorporate or reflect views of women and youth and ensure equitable opportunities for their involvement and benefit.</i></p> <p>(Principle 2, 2.2)</p>	<p>I = 3 P = 2</p>	<p>MODERATE</p>	<p>Existing assessments indicate that there is relatively balanced division of labour and both men and women are engaged in household income, although the distribution and roles are different. Women carry more of the burden associated with human-wildlife conflict, such as more time spent guarding crops and livestock from potential impacts. This adds to their existing unpaid work burden that is higher than men. There are also differing natural resource use roles for men and women and different potential economic opportunities linked to ecotourism development.</p> <p>These differing roles, needs and opportunities were explored to ensure that the project provides equitable opportunities for the involvement and benefit of women and girls.</p>	<p>A Gender Analysis and Action Plan was prepared during the PPG phase (see Annex 8), as well as a comprehensive Stakeholder Engagement Plan (see Annex 9). These define measures for gender mainstreaming within both national and demonstration landscape level activities to ensure ecotourism opportunities and economic benefits also flow to women and youth.</p> <p>Measures will be supported by a) capacity building for gender mainstreaming within PMU staff and consultants by a gender specialist; b) the appointment of a gender focal point in the PMU (the Project Manager), to ensure gender mainstreaming is effective; c) the Dzongkhag Legal Officers to act as Gender focal points in the landscape areas. The key aims are to ensure:</p> <p>Stronger involvement of women in all consultations and decision-making.</p> <p>Fair representation of the poor and women.</p> <p>Enterprises encouraged to be led by girls/women. including to focus on specific income development/diversification opportunities for women.</p> <p>Setting up and strengthening women groups in the demonstration landscape.</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 4: Ecotourism infrastructure development in the demonstration landscape could damage environmental and cultural values.</i></p> <p>(Standard 1, 1.1, 1.2, 1.3, 1.4, 1.5; Standard 4, 4.1)</p>	<p>I = 3 P = 3</p>	<p>MODERATE</p>	<p>The project will support ecotourism development in Eastern Bhutan including in 2 PAs that contain globally significant biodiversity. Under Output 2.2 the project will support infrastructure development for trails, campsites, viewing platforms, resting facilities etc. While the level of infrastructure development is relatively minor/restricted in scale, its development could have negative localized impacts on important ecologically sensitive areas (including PAs/KBAs) if it is not planned, sited, scoped and constructed carefully. Some sites could be important areas for cultural heritage (e.g. Aja Nye, Singye Dzong trail) and thus cultural values could be impacted. For example, poorly-sited trails could raise the risk of trail alignment passing through sacred sites, private land or ecologically sensitive areas; or infrastructure development could cause localized physical damage to habitats and cultural sites.</p>	<p>As detailed under Output 2.2, the project will: i) prepare a tourism business development and livelihoods framework in year 1 assessing potential safeguards risks and responses (activity 2.2.4); and ii) apply a scaled impact screening/ESIA to all infrastructure development activities taking place in ecologically sensitive areas or culture sites (activity 2.2.5). The project will hold consultations with concerned communities and local government before, during and after construction of the route to enable their participation in decisions, construction, maintenance and management (with FPIC secured prior to construction in accordance with Risk 1).</p> <p>Infrastructure development will be designed in an ecologically sensitive manner and apply best practices in low-impact, ecologically sensitive design and construction. Moreover, project infrastructure will be developed/scoped in accordance with specific tourism guidelines for different activities developed under Output 1.4. These will be applied in the demonstration landscape and any feedback used to finalize the specifics of guidelines as required. Additional restrictions will be applied as needed to infrastructure development in accordance with the findings of activities 2.2.4/2.2.5. For example:</p> <p>? Ensure that camps are</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 5: Ecotourism product operation and increased visitation could pose activity-specific risks and potential damage to ecological and cultural values if not managed and operated carefully.</i></p> <p>(Standard 1, 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7; Standard 4, 4.1, 4.2; Standard 6, 6.9; Standard 7, 7.1, 7.2)</p>	<p>I = 3</p> <p>P = 2</p>	<p>MODERATE</p>	<p>The project will support ecotourism development in Eastern Bhutan that does not currently receive many tourists including in sensitive habitats that contain globally significant biodiversity. There is a risk that poorly planned, constructed or operated ecotourism activities (including poor tourist behavior) could lead to impacts on critical habitats or threatened species, including from poorly-sited/managed/maintained trails, waste and sewage generation from tourists, and/or unsustainable harvesting and inadvertent disruption of biodiversity.</p> <p>For example:</p> <p>? Trails/camp sites: waste management and sewage issues; aesthetic value of the landscape will be affected; health risk with the waste generated.</p> <p>? Roadside bird watching decks: traffic congestion along the road; wildlife disturbance through noise pollution and proximity to nesting areas; spread of</p>	<p>The government already places strict control on tourists and the project will develop further national guidelines and standards to minimize the environmental impacts of ecotourism development. Ecotourism activities will be guided by the tourism policy and standards of Bhutan in order to avoid impacts at religious or sacred sites and culturally sensitive locations. National guidelines for ecotourism will be developed/updated under Output 1.4, covering up to 18 types of activities and requirements (e.g campsites and routes management, ecotourism product siting, rafting, registration of home stays). Safeguards considerations will be an integral part of the development of all guidelines as noted in Output 1.4. A SESA approach will be applied to guideline revision and development, and all guidelines will be screened for potential downstream social, cultural and environmental impacts prior to their adoption. Government standards for community consultation, governance and benefit-sharing will be adhered to in guideline development.</p> <p>This will include policy actions under the new National Tourism Policy (2021) which requires levying a sustainable development fee including to those from the region to compensate for the negative environmental impacts from over-tourism. These measures to help overall mitigate impacts</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 6: Local communities, governments and tour operators may not have the capacity to manage and oversee tourism development and operations to adhere to established standards and benchmarks for sustainable ecotourism planning, development and operations, including adherence to safeguards requirements and standards.</i></p> <p>(Principle 1, 1.5)</p>	<p>I = 3 P = 3</p>	<p>MODERATE</p>	<p>Capacity assessment and needs of local communities, tour operators, local governments and national authorities were identified during numerous PPG consultation meetings and capacity development scorecard assessment. The assessments revealed that the capacity to manage and oversee ecotourism activities among local service providers, stakeholders and the communities is inadequate and needs strengthening.</p> <p>Local communities and tour operators do not always have the capacity to develop and operate ecotourism activities in adherence to the guidelines and standards that the project will develop under Output 1.4. Further, there is the risk that local governments (Gewog, Dzongkhag) do not have the capacity to oversee compliance with these guidelines and standards.</p> <p>This risk exacerbates the probability of other identified risks such as environmental impacts of ecotourism (Risk 4) and impacts to cultural heritage (Risk 5).</p>	<p>Ecotourism policy and guidelines will be developed and advocated to the policy makers, tour operators and communities to increase their awareness of potential benefits and impact of ecotourism, as well as the required safeguards and standards and to enhance government support in local capacity development.</p> <p>A detailed capacity development program has been designed into the project (mainly through Component 3) to address the needs of communities, local tour operators, local governments and national authorities to enhance their capacity to manage and oversee ecotourism development and operation. This program will cover capacity development to manage their ecotourism business, financing, adhere to sustainable ecotourism guidelines and standards, and to oversee compliance and enforcement. Capacity development training and awareness-raising for local stakeholders, communities and tour operators on the guidelines and their application has been built into the project design and budget (Outputs 1.4, 2.1, 2.2., 3.1). Repeat capacity assessments and regular consultations with local communities will be used to validate and assess that local stakeholders have the required capacities to implement the project, and make adaptive changes as needed to correct for any identified capacity gaps.</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 7: Development and operation of ecotourism adventure activities (e.g. trekking, rafting, mountain biking) in remote environments could pose safety risks to communities during construction and maintenance and to communities, local tourism operators and tourists during operation.</i></p> <p>(Standard 3, 3.1, 3.4, 3.5, 3.6, 3.7)</p> <p>-</p>	<p>I = 4 P = 1</p>	<p>MODERATE</p>	<p>The project demonstration landscape in Eastern Bhutan is subject to natural hazards (e.g. steep slopes subject to landslide) that could pose safety risks during ecotrail construction or operation (e.g. trekking in remote, extreme environments). These risks could be exacerbated by climate change and increased frequency and severity of natural hazards and extreme climatic events.</p> <p>The PPG consultations have confirmed that there are potential specific safety risks that could arise from operation of ecotourism adventure activities, e.g. fall of tourist from mules, slips from the cliffs, accidents in the rivers, wildfire and its consequences, wildlife viewing activities could put humans in close contact with nature risking potential human-wildlife conflict and/or potential zoonotic disease transmission.</p>	<p>The project will adhere to safety standards for infrastructure construction and use sub-contractors that adhere to and have good safety standards, and this will be considered as part of contracting process. Potential safety risks with product development/construction and operation will be captured within assessments/impact screening under activities 2.2.4 and 2.2.5.</p> <p>Under Output 1.4, minimum standards for eco-trail siting and alignment, construction and maintenance to prevent, minimize, manage hazards will be integrated into the national guidelines. All the activities will be delivered based on the above guidelines, including adherence to national/international safety standards as applicable.</p> <p>Capacity development programs for local tour operators/guides (Output 3.1) will include safety risks and considerations, including those linked to wildlife viewing and risks through human-wildlife conflict/close engagement with wildlife.</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 8: Project outcomes will be vulnerable to potential impacts of climate change.</i></p> <p>(Standard 2, 2.2; Standard 3, 3.5)</p>	<p>I = 4 P = 2</p>	<p>MODERATE</p>	<p>PPG assessments and consultations to consider potential climate change impacts on project activities in short-term and longer-term concluded that the most likely impacts are landslides, earthquakes, excessive rainfall and flooding, flash flood, forest fire etc. Climate change could increase the frequency and severity of natural hazards such as landslides and flood risk that could damage ecotourism trails, disrupting tourism and economic benefits to communities, and potentially put the safety of those using them at risk, including tourists. Climate change could lead to more extreme climatic events/temperature extremes that pose a risk to tourists and tour operators (e.g. trekkers and trek operators) in remote, high-altitude environments. While likely to be limited in scale and duration, the impact is assessed as severe due to the potential risk to life in extreme events. However, the probability is not likely during the project implementation timeframe, with risks potentially increasing over the longer term.</p>	<p>A climate risk screening has been completed during the PPG (Annex 18) and key risks and mitigation measures identified. The assessment shows the project will not exacerbate climate change hazards and impacts, nor will it contribute to net greenhouse gas emissions.</p> <p>The project aims to reduce climate-related vulnerabilities both for landscapes and for livelihoods through adaptation measures (e.g. improved landscape management) and through mitigation measures (e.g. eco-friendly designs). Diversification of livelihoods through ecotourism will also reduce the vulnerability of communities to individual impacts of climate change. The project will therefore help enhance the resilience of landscapes and communities to the impacts of climate change.</p> <p>To ensure the long-term sustainability of the project outcomes, in Year 1, the project will elaborate on the climate risks under Output 3.4 and integrate these risks into annual work plan and risk management, specifically, those associated with the demonstration activities under Output 2.2. In addition, a SESA approach will be applied to the development of the National Ecotourism Master Plan (Output 1.1) and the Guidelines (Output 1.1), which will capture potential downstream climate risks associated with the development of the plan and the Guidelines (Output 1.1).</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 9: Unintended negative consequences from policy changes that result in increased ecotourism in Bhutan (upstream impacts)</i></p> <p>(Principle 3, Standard 1: 1.1, 1.11; Standard 5: 5.2)</p>	<p>I = 4 P = 2</p>	<p>MODERATE</p>	<p>Project will support the introduction of the government's policy agenda to promote ecotourism development and sustainable tourism growth (as opposed to mass tourism), including increased ecotourism development in Eastern Bhutan, an area that currently receives low visitation. This will include the development of an ecotourism master plan for Bhutan under Output 1.4 that will include the identification of areas for tourism development and no-go areas. There are potential negative social, cultural and environmental consequences from these upstream policy changes, including potential ecological/cultural impacts/damage as outlined under earlier risks as the policy on ecotourism development is played out.</p> <p>Further, identification of areas for ecotourism development or no go areas could potentially impact on use/access of natural resources/land by local communities, especially in the</p>	<p>A SESA approach will be applied to the development of the National Ecotourism Master Plan under Output 1.1, such that potential social and environmental downstream impacts arising from the development of the policy and policy directions are considered as an explicit part of policy development. The tourism master plan will be developed with broad stakeholder input, including via the Multi-Sector Technical Advisory Committee (MTAC). The Stakeholder Engagement Plan sets out processes for stakeholder engagement.</p> <p>Under Output 1.4 the project will develop an ecological capacity assessment for application at ecotourism sites to identify potential negative visitor impacts from ecotourism and required mitigation/management measures and visitation restrictions in response. The toolkit will support the establishment of thresholds of visitor numbers to each destination or for certain types of activity across different seasons as needed based on the findings of ecological capacity assessments and potential risks to ecosystems. This will be applied in the demonstration landscape to manage potential visitor impacts and promoted for broader adoption and replication.</p> <p>Broader policy measures of the Government of Bhutan on tourism will be consistent</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 10: There could be time-bound/targeted geographic restrictions on local communities access to land/use of natural resources during ecotourism infrastructure development or during implementation of habitat management activities.</i></p> <p>(Standard 5, 5.2; Standard 6, 6.3, 6.6)</p>	<p>I = 2 P = 2</p>	<p>LOW</p>	<p>The project is developing ecotourism in Bhutan and supporting new tourism infrastructure development. Through this process, no ongoing restrictions on current access or use by local communities are expected. However, there is still the risk (assessed as low rating) that the implementation of specific activities could result in geographically targeted/time-bound restrictions, e.g. reduced access during construction process, reduced access during habitat management activities.</p> <p>Under Output 2.2, ecotourism development will take place on State land not private land, but there is a chance that this could impact on time-bound restrictions on trails that are used by local communities while trails are upgraded or new campsite/viewing facilities are constructed. Under Output 2.3, habitat management and improvement activities will be supported. These could similarly impact on short/targeted site</p>	<p>Communities will be engaged in all stages of Component 2 project design and management as set out in the Stakeholder Engagement Plan. The project implementation will be guided by various regulations like Forest and Nature Conservation Rules and Regulations of Bhutan, 2017, The Land Act of Bhutan 2007 etc as regards to community consultation and consent. Implementation of activities under Outputs 2.2 and 2.3 will be guided by management plans developed with local communities and stakeholders. Should any time-bound site restrictions be needed due to safety reasons (e.g. during infrastructure construction), national standards and processes for site safety will be followed, and local communities notified in advance in accordance with agreed local measures and the Stakeholder Engagement Plan.</p> <p>As relevant to different tourism activities (e.g. product siting, development), the guidelines developed under Output 1.4 will set out specific requirements for managing/mitigating any potential restrictions on access/use. A SESA approach will be applied to their development.</p> <p>A GRM will be implemented as specified in the Stakeholder Engagement Plan, with the Project Board taking overall responsibility.</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 11: Potential private sector partnerships/interest in ecotourism development could conflict with community interests or overall project outcomes.</i></p> <p>(Principle 1, 1.8; Standard 1, 1.1)</p>	<p>I = 3 P = 2</p>	<p>MODERATE</p>	<p>The project will be in partnership with the private sector, especially in establishing PPPs and concessions (Output 1.3) including in the demonstration landscape (Output 2.1). Potential private sector partners for concessions have not yet been identified/tendered concluded and thus UNDP due diligence for project private sector partners have not yet been completed. There is a potential risk that private sector partners could have interests in conflict with the local communities/project outcomes due to their focus on profits or the risk that they might not have a good environmental/CSR track record or pay due diligence to these areas.</p>	<p>Any concessions supported by the project will be in accordance with the concessions framework developed under Output 1.3. The project's support for operationalizing the concessions framework will establish bidding criteria including environmental safeguards and a due diligence process for potential private sector partnership/investment.</p> <p>Under Output 2.1 in the demonstration landscape businesses and entrepreneurs will be supported to enter into PPPs in full consultation with the local communities as outlined in the Stakeholder Engagement Plan. Any investment activities in the demonstration sites (as in the case of any development activity) will require community consent in accordance with government processes.</p> <p>Technical business support will be provided by the project, including to establish and capacitate new businesses and community/youth groups in enterprise management, governance, and tour operations based on standards and safeguards etc. Competitive low-value grants will be issued to local entrepreneurs. A screening mechanism will be built into these processes to ensure due diligence is applied for private sector partnership and businesses being supported by the project.</p> <p>Any corporate partnerships that</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 12: Habitat management/improvement or species protection measures could have perverse ecological impacts if not planned and implemented in a technically/ecologically-sound manner.</i></p> <p>(Standard 1, 1.1, 1.2, 1.4, 1.5, 1.6; Standard 7, 7.4)</p>	<p>I = 3 P = 2</p>	<p>MODERATE</p>	<p>Under Output 2.3 the project will support targeted activities to improve habitats for endangered species and reduce threats to biodiversity. This could include IAS management/control activities and targeted planting/revegetation with native species (e.g. for erosion control, provision of native food plants). There is the risk that these activities could result in perverse ecological impacts if they are not planned wisely and carried out effectively, e.g. potential revegetation with non-native species, excessive IAS removal that could result in bare land and enhanced erosion, flooding risk, improper use of pesticides for IAS with ecological/safety impact.</p>	<p>Project activities will be carefully planned in consultation with relevant experts, officials and local communities (activity 2.3.5). These management plans will be completed prior to any technical demonstration activities taking place and potential perverse impacts and safeguards will be considered as part of this process, along with required standards and guidelines such as mandating use of native species for plantings, measures for IAS control and management, adherence with established SOPs and guidelines of national/local authorities. Technical experts and consultants will be engaged to develop management plans. Local training activities/consultations will be conducted to support the effective implementation of activities in accordance with management plans.</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 13: PA surveillance activities and the process of snare removal in protected areas could put project staff/rangers at risk of accidental injury or confrontation with local poachers.</i></p> <p>(Standard 3, 3.7)</p>	<p>I = 2 P = 3</p>	<p>MODERATE</p>	<p>Under Output 2.3 the project will support targeted activities to enhance the local implementation of the national Zero Poaching Strategy and HWC Management Strategy. This is proposed to include measures to improve coordinated surveillance and monitoring on wildlife poaching, and increased efforts to remove snares from protected areas including through use of metal detectors etc. These activities could bring project staff and rangers into contact with local poachers with potential conflict arising or result in accidental physical injury through the process of snare removal. Conflicts and potential injury are not expected to be major given that these are not organized poaching gangs but rather opportunistic local poachers.</p>	<p>Any use of technologies for snare removal or other surveillance under Output 2.3 will include the provision of training and appropriate equipment on the proposed methods including proper handling of snares during removal. This is explicitly captured in activity 2.3.4 which notes that training workshops and appropriate equipment will be provided. Training will include safety aspects including on potential interaction with people that have set snares while undergoing snare removal activities. Equipment will include safety/PPE equipment to be used during snare removals, e.g. gloves, safety goggles.</p> <p>Project support to facilitate enhanced surveillance and information sharing on wildlife poaching, crime and rescue will focus on database and ICT aspects, not on the actual process of conducting surveillance and monitoring. Nevertheless, these discussions under activity 2.3.3 will consider potential safety aspects for PA and project staff through project activities and reinforce the importance of such activities adhering to DoFPS and other agency SOPs for patrolling/surveillance activities.</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
<p><i>Risk 14: Project staff, consultants or tourists travelling to the demonstration landscape in Eastern Bhutan could potentially bring COVID-19 infection risk to remote communities.</i></p> <p>(Standard 3, 3.6)</p>	<p>I = 4 P = 1</p>	<p>MODERATE</p>	<p>Project activities will result in the travel of national/international consultants and PMU to the demonstration landscape in Eastern Bhutan. The overall project aims are to support enhanced ecotourism in Bhutan and particularly increase visitation to Eastern Bhutan, including through homestay development. This carries the risk of potential spread of COVID-19 or other pandemic disease to these parts of Bhutan, including local communities in the targeted Gewogs.</p> <p>The Bhutan Government instituted early and strict lockdowns when the first COVID-19 cases were found in the country, and on subsequent cases, including strict lockdown domestically. It is expected that such lockdowns will be continued if/as further cases emerge, and that the government's response to re-opening for tourism will be cautious. This reduces the probability that this risk would occur as it is more likely that government restrictions and lockdowns would impede potential travel</p>	<p>Project staff and consultants will abide by all government restrictions and SOPs regarding COVID-19 social distancing and movement restrictions. PPE and social distancing measures will be used for all project activities and consultations in accordance with these restrictions, with use of virtual consultations and meetings as needed. The potential need for virtual measures has been noted in the Stakeholder Engagement Plan and virtual measures will be considered right up to the level of Project Board meetings as deemed necessary. PPE for PMU/local communities has been included in the project budget.</p> <p>For tourists, project will adhere to all government requirements and social distancing/movement restrictions on tourism facilities and operations. COVID-19 hygiene and safety considerations will be considered across project Outputs, from the ecotourism master plan (Output 1.1), to ecotourism guidelines (Output 1.4), to implementation of ecotourism in the demonstration landscape (Outputs 2.1, 2.2) including in the delivery of activities that might pose a higher risk of transmission/breaches of hygiene protocols such as the establishment and promotion of homestays. Hygiene protocols and training will be included in the project's support to develop homestays and other local experiences for tourists. Implementation of any tourism</p>

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
	QUESTION 4: What is the overall Project risk categorization?			
	Select one (see SESP for guidance)			Comments
	<i>Low Risk</i>	?		

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
			<i>Moderate Risk</i>	<p>A total of 14 risks have been identified, with 12 rated as MODERATE and two as LOW. The overall SESP categorization is MODERATE. Based on these risks, the following have been triggered: Principles 1, 2; Principle 3: Standards 1, 2, 3, 4, 5, 6, 7.</p> <p>Key SES requirements and measures that will be taken to mitigate these moderate risks include (see specific risks for more detail):</p> <ul style="list-style-type: none"> ? (Risk 1) Implementation of Stakeholder Engagement Plan which includes elements of Indigenous Peoples Plan including processes for securing FPIC. ? (Risk 3) Implementation of the gender analysis and gender action plan, and Stakeholder Engagement Plan. ? (Risk 4) Scaled impact screening/ESIA for infrastructure development under Output 2.2. Adherence to national/international standards for low-impact design and construction. ? (Risk 5) Development of tourism guidelines with a SESA approach. Adherence to national/international standards. Capacity

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
			<i>High Risk</i>	?
	QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?			
	Check all that apply			Comments
	<i>Principle 1: Human Rights</i>	(Risk 1) (Risk 6) (Risk 11)		
	<i>Principle 2: Gender Equality and Women's Empowerment</i>	(Risk 3)		
	Principle 3: Environmental Sustainability			
	<i>1. Biodiversity Conservation and Natural Resource Management</i>	(Risk 4) (Risk 5) (Risk 9) (Risk 11) (Risk 12)		
	<i>2. Climate Change Mitigation and Adaptation</i>	(Risk 8)		
	<i>3. Community Health, Safety and Working Conditions</i>	(Risk 7) (Risk 13) (Risk 14)		

QUESTION 2: What are the potential Social and Environmental Risks?	QUESTION 3: What is the level of significance of the potential social and environmental risks?			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
<i>Risk Description</i>	<i>Impact & Probability (1-5)</i>	<i>Significance (Low, Mod, High)</i>	<i>Comments</i>	<i>Description of assessment and management measures as reflected in the Project design.</i>
	4. <i>Cultural Heritage</i>			(Risk 4) (Risk 5)
	5. <i>Displacement and Resettlement</i>			(Risk 9)
	6. <i>Indigenous Peoples</i>			(Risk 1)
	7. <i>Pollution Prevention and Resource Efficiency</i>			(Risk 5)

[1] Gender, Environment, Climate change, Disaster Risk Reduction and Poverty

[2] Forest and Nature Conservation Rules and Regulations of Bhutan, 2017

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Annex 4_SESP_Bhutan-tourism-1st resubmission-17Feb2021	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).

This project will contribute to the following Sustainable Development Goal(s):
Primary focus: Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss (Target 15.4: By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development; Target 15.9: By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts).
Secondary contributions to: Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (Target 8.9: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products). **Goal 5. Achieve gender equality and empower all women and girls** (Target 5.5: Ensure women’s full and effective participation and equal opportunities for leadership). **Goal 12. Ensure sustainable consumption and production patterns** (Target 12.12b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products)

This project will contribute to the following country outcome of the United Nations Sustainable Development Partnership Framework for Bhutan 2019-2023:
 Outcome 4: By 2023, Bhutan’s communities and its economy are more resilient to climate-induced and other disasters and biodiversity loss as well as economic vulnerability (Output 4.1: Inclusive, risk-informed systems and capacities in place to enable people to benefit from conservation and sustainable management of natural resources, and reduced environmental and health risks; Output 4.2: National policies foster innovative financing, an inclusive business environment and improved livelihoods through climate resilient and nature-based solutions)

	Objective and Outcome Indicators	Baseline	Mid-term Target	End of Project Target
--	----------------------------------	----------	-----------------	-----------------------

Project Objective: Model ecotourism development mainstreams biodiversity conservation into the tourism sector in Bhutan	Indicator 1: Number of direct project beneficiaries disaggregated by gender: a) Total b) People living in demonstration landscape Gewogs c) Local private sector personnel d) National private sector personnel e) Local RGoB Officials f) National RGoB Officials <i>(GEF Core Indicator #11)</i>	a) 0 people b) 0 c) 0 d) 0 e) 0 f) 0	a) 8,233 (4,266 female) b) 5,181 (2,592 female) c) 114 (76 female) d) 2,775 (1,564 female) e) 105 (12 female) f) 60 (22 female)	a) 16,467 people (8,534 female) b) 10,361 (5,185 female) c) 227 (152 female) d) 5,550 (3128 female) e) 210 (25 female) f) 119 (44 female)
	Indicator 2: Area of landscapes under improved management for ecotourism and biodiversity conservation: a) Total b) Terrestrial protected areas: Area under improved management effectiveness (Bumdeling Wildlife Sanctuary and Sakteng Wildlife Sanctuary) (see Indicator 3 for METT targets) c) Areas outside of PAs under improved management for biodiversity (as measured by adoption and implementation of integrated landscape-level tourism plan and site-specific tourism management plans with standard environmental and social safeguards in place to benefit biodiversity) <i>(GEF Core Indicator #1.2 and #4.1)</i>	a) 0 ha b) 0 ha c) 0 ha	a) 297,101 ha b) 226,200 ha c) 70,901 ha	a) 368,002 ha b) 226,200 ha c) 141,802 ha

	<p>Indicator 3: Management effectiveness (METT) at Bumdeling and Sakteng WS</p> <p>a) Overall METT score (<i>GEF Core Indicator 1.2</i>)</p> <p>b) Tourism specific score (Maximum = 39). Specific improvements related to better ecotourism management (particularly on revenue generation, visitor management, community engagement and threat reduction). NB. Applies to questions 3, 10, 14, 15, 18, 20, 23, 24, 24a, 24b, 24c, 25, 27, 28, 29 of GEF-7 METT</p>	<p>a) Bumdeling WS = 67 Sakteng WS = 72</p> <p>b) Bumdeling WS = 22 Sakteng WS = 24</p>	<p>a) Bumdeling WS = 78 Sakteng WS = 80</p> <p>b) Bumdeling WS = 28 Sakteng WS = 28</p>	<p>a) Bumdeling WS = 86 Sakteng WS = 86</p> <p>b) Bumdeling WS = 31 Sakteng WS = 31</p>
	<p>Indicator 4: # of indirect project beneficiaries indirectly benefitting from improved ecotourism or biodiversity conservation:</p> <p>a) Total</p> <p>b) People in local communities</p> <p>c) Private sector personnel</p> <p>d) RGoB Officials</p>	<p>a) 0</p> <p>b) 0</p> <p>c) 0</p> <p>d) 0</p>	<p>a) 50,129 (24,445 female)</p> <p>b) 48,816 (23,952 female)</p> <p>c) 889 (416 female)</p> <p>d) 425 (77 female)</p>	<p>a) 101,444 (49,444 female)</p> <p>b) 97,631 (47,903 female)</p> <p>c) 2,963 (1,387 female)</p> <p>d) 850 (154 female)</p>
Project Component 1:	Enabling and coordinated policy and institutional framework for ecotourism and wildlife conservation			

<p>Project Outcome 1: Effective policy and institutional framework for ecotourism that incentivizes and integrates biodiversity conservation into the tourism sector</p>	<p>Indicator 5: Extent to which biodiversity conservation is integrated into tourism policy:</p> <p>a) Status of establishment of National Ecotourism Master Plan with national level Multi-sector Technical Advisory Committee (MTAC) for mainstreaming biodiversity conservation into the tourism sector</p> <p>b) Number of guidelines for ecotourism incorporating biodiversity conservation</p>	<p>a) No strategic direction on ecotourism development. TCB does not include representation from the environment sector and protected areas</p> <p>b) 12 guidelines are under the implementation of which 6 need revision to include ecotourism principles and safeguards</p>	<p>a) Ecotourism Master Plan adopted by the TCB and being piloted in the demonstration landscape, with MTAC established</p> <p>b) 6 existing guidelines revised and adopted by TCB; 6 new guidelines developed and adopted (see Annex 5)</p>	<p>a) Ecotourism Master Plan under implementation across Bhutan, with MTAC fully functional with clear governance and operational mechanisms</p> <p>b) 18 Guidelines under implementation (6 existing without revision; 6 existing with revision and 6 new guidelines). See Annex 5</p>
---	--	---	---	--

	<p>Indicator 6: Extent of operationalized mechanisms and guidelines for enhancing revenue generation for biodiversity through ecotourism:</p> <p>a) Status of establishment and implementation of ecotourism concessions framework</p> <p>b) Status of adoption and implementation of operational guidelines for Park Fees, Activity Fees and User Fees</p>	<p>a) A conceptual framework for concessions mechanism developed and under discussion (see Annex 5)</p> <p>b) Operational mechanisms for sustainable financing for biodiversity conservation at local levels do not exist except for visitor fees collected at the Royal Takin Preserve in Thimphu and a certain percent of cordyceps collection permit fees are deposited in the HWC endowment fund. No formal mechanism in place for retaining such revenues for local biodiversity conservation</p>	<p>a) Concessions mechanism finalized and adopted by Cabinet and operational guidelines for concessionary licensing arrangements within and outside PAs developed</p> <p>b) Operational guidelines for the establishment of Park Fees, Activity Fees and other user fees for ecotourism products and services and retention of a portion of such fees and a certain portion of revenue from concession-based enterprises for biodiversity conservation at local level developed and approved</p>	<p>a) At least two concession-based initiatives operational in the demonstration landscape with lessons shared for national replication and upscaling</p> <p>b) Operational guidelines for the establishment of Park Fees, Activity Fees and other user fees for ecotourism products and services and retention of a portion of such fees and a certain portion of revenue from concession-based enterprises for biodiversity conservation at local level implemented</p>
	<p>Indicator 7: Number of entities certified under ecotourism certification schemes delivering environmental and social safeguards:</p> <p>a) Number of tour operators certified under Voluntary Green Certification system for certifying accommodation, tour operators and other tourism service providers.</p> <p>b) Number of accommodation operators certified (eco-lodges/hotels/homestays)</p>	<p>a) 0 tour operators certified</p> <p>b) 0 hotels certified as green hotels; 0 homestays certified as green homestays</p>	<p>a) 20 tour operators certified in demonstration landscape</p> <p>b) 20 hotels and lodges certified as green; 5 homestays certified as green in demonstration landscape</p>	<p>a) 50 tour operators certified across Bhutan</p> <p>b) 70 hotels and lodges and 30 homestays certified as green across Bhutan</p>

Outputs to achieve Outcome 1:	1.1 Ecotourism master plan developed and inclusive Multi-sector Technical Advisory Committee established to mainstream biodiversity across tourism sectors. 1.2 National Zero Poaching strategy and HWC management strategy implementation strengthened through enhanced advocacy, coordination and monitoring, and analysis and incorporation of best practices and lessons learned 1.3 Investment framework and sustainable financing mechanisms developed and operational including a private sector concessions framework for PAs and wider landscape conservation 1.4 Ecotourism guidelines and certification system established to safeguard biodiversity and communities (particularly women) from inappropriate tourism development, and reduce human wildlife conflict			
Project component 2:	Demonstration of innovative and diversified ecotourism within the landscape that supports human-wildlife coexistence			
Outcome 2 <i>Wildlife-based ecotourism strengthens biodiversity conservation, enhances livelihoods and human-wildlife co-existence, reduces HWC and deters poaching and illegal trade and other biodiversity threats</i>	Indicator 8: The status of establishment of multi-sector coordination mechanisms for: a) The integration of biodiversity conservation (including safeguarding guidelines and standards) into ecotourism development and operation b) Cross-agency cooperation across nature conservation and law enforcement sectors to combat poaching and human-wildlife conflict	No such multi-sector mechanism exists	a) Landscape-level Ecotourism Coordination Taskforce established and trained in the application of safeguarding guidelines and standards b) Landscape PA Wildlife Conservation Committees established and landscape-level baseline on HWC and poaching provides information for SMART patrolling	a) Landscape-level Ecotourism Coordination Taskforce applying safeguarding guidelines and standards to ecotourism businesses, and lessons learned shared with national level MTAC for upscaling b) Landscape PA Wildlife Conservation Committees fully operational and providing a model for national replication

	<p>Indicator 9: Extent of livelihoods improvement from ecotourism:</p> <p>a) % of local households within the demonstration landscape communities benefitting from ecotourism</p> <p>b) Number of jobs through ecotourism in landscape Gewogs, segregated by gender (total including baseline employment; number of new jobs created)</p> <p>c) Number of local nature/wildlife-based economic enterprises related to ecotourism</p> <p>d) Average annual household income (\$US)</p>	<p>a) <i>TBC in Year 1</i></p> <p>b) 1,559 (estimated as 30% of employment baseline)</p> <p>c) 119 (estimated as 50% of tourism related enterprises baseline)</p> <p>d) <i>TBC in Year 1</i>, with indicative baseline of \$2,000 (as defined by the Bhutan Living Standards Survey)</p>	<p>a) 30% (369 households)</p> <p>b) 1,715 (857 = women) (includes 156 new jobs created; 78 = women)</p> <p>c) 137 (18 new)</p> <p>d) At least 10% increase in household income</p>	<p>a) 50% (1,230 households)</p> <p>b) 2,027 (1,013 = women) (includes 468 new jobs created; 234 = women)</p> <p>c) 179 (60 new)</p> <p>d) At least 20% increase in household income</p>
--	---	--	---	--

	<p>Indicator 10: Targeted reduction of threats to biodiversity and human-wildlife coexistence:</p> <p>a) % reduction in annual incidences of HWC impacting crops, livestock and people in targeted communities within the demonstration landscape</p> <p>b) Habitats improved for flagship species in the demonstration landscape</p> <p>c) Reduction in the incidence of wildlife loss through snares</p>	<p>a) Local communities in the demonstration landscape are currently not implementing measures according to the national HWC Management Strategy. <i>(HWC incidences in target communities to be established in Year 1)</i></p> <p>b) Habitats are under threat with no conservation measures</p> <p>c) Snares are difficult to locate and wildlife is often caught by poachers through snare devices <i>(Baseline for loss of wildlife through snares will be determined in Year 1 through HWC baseline)</i></p>	<p>a) At least 15% reduction in annual HWC incidences in the target communities</p> <p>b) Habitat enrichment plans prepared for Ludlow butterfly, red panda, black-necked crane, golden langur and golden mahseer</p> <p>c) Reduction in the loss of wildlife through snares by 50%</p>	<p>a) At least 50% reduction in annual HWC incidences in the target communities</p> <p>b) Habitats improved for Ludlow butterfly, red panda, black-necked crane, golden langur and golden mahseer</p> <p>c) Reduction in the loss of wildlife through snares by >90%</p>
--	--	---	---	---

	<p>Indicator 11: Extent of revenues / financial flows generated for biodiversity conservation from ecotourism:</p> <p>a) Status of established financial mechanisms and financial flows (\$US) for biodiversity conservation inside PAs</p> <p>b) Status of established financial mechanisms and financial flows (\$US) for biodiversity conservation outside PAs</p>	<p>a) Entry fees implemented in Sakteng Wildlife Sanctuary only which is deposited in general government revenue and not retained for local biodiversity conservation (local collection in 2019 estimated at US \$ 700)</p> <p>b) Khoma Gewog started collecting Nu. 50 from each visitor to Singye Dzong which is maintained within the Gewog Administration for waste management along the Singye Dzong trail (collection in the second half of 2019 estimated at US\$ 300)</p>	<p>a) New mechanisms developed under Component 1 ready to be piloted in BWS and SWS</p> <p>b) New mechanisms developed under Component 1 ready to be piloted outside PAs and at least 2 Youth/community enterprises established demonstrating sustainable nature-based business operational and contributing to the sustainable management of domestic tourism within the demonstration landscape</p>	<p>a) At least \$45,000/year generated in BWS and SWS through new mechanisms on Financial flows for biodiversity conservation inside PAs</p> <p>b) At least \$155,000/year generated in demonstration landscape areas outside PAs through new mechanisms on financial flows for biodiversity conservation outside PAs including nature-based ecotourism</p>
--	---	---	---	---

	Indicator 12: Level of Knowledge, Attitudes and Practices (KAP) of target stakeholders towards wildlife conservation and mainstreaming biodiversity conservation into tourism, as measured by KAP surveys: a) KAP score for communities in the demonstration landscape (gender-disaggregated) b) KAP score for private sector in the demonstration landscape (gender-disaggregated)	a) XX% for communities (Male = XX%, Female = XX%) b) XX% for private sector (Male = XX%, Female = XX%) <i>(KAP baseline to be completed in Year 1)</i>	(No mid-term target. KAP survey will not be repeated at mid-term)	a) 20% improvement from baseline b) 20% improvement from baseline
Outputs to achieve Outcome 2:	<p>2.1 Ecotourism concessions framework and sustainable financing mechanisms demonstrated at the landscape level (including PAs), providing local livelihood benefits and increased financing for PA management and biodiversity.</p> <p>2.2 High-quality Ecotourism products and services developed across the demonstration landscape through an integrated plan and value chain approach delivering local livelihood benefits and biodiversity gains.</p> <p>2.3 Conservation of biodiversity including flagship species enhanced for the promotion of wildlife-based economy through habitat improvement and threat reduction.</p> <p>2.4 Awareness campaigns, educational materials and outreach with local communities on biodiversity values result in positive attitudes towards human-wildlife coexistence and increased participation in practical measures to reduce HWC, poaching, forest offences and other threats to biodiversity conservation.</p>			
Project component 3:	Ecotourism capacity, promotion, knowledge management and M&E			
Outcome 3: Effective capacity, marketing and knowledge exchange to establish Bhutan as a model ecotourism destination	Indicator 13: % of international tourists who have opted for nature-based tourism products including trekking, homestays, birding, rafting, endurance/adventure sports ? as measured by the National Tourism Monitor	12.86% international tourists (actual as per Tourism Monitor 2018)	15% international tourists	20% international tourists

	<p>Indicator 14: Capacity of national and local stakeholders to mainstream biodiversity into ecotourism development and operation as measured by the UNDP Capacity Development Scorecard (see Annex 12j)</p> <p>a) National level (Relevant National laws and policies; Agencies include TCB, DoFPS, RSPN):</p> <p>b) Local level: (BWS, SWS, Five landscape Dzongkhags)</p>	<p>a) 29% b) 27 %</p>	<p>a) 36 % b) 31 %</p>	<p>a) 72 % b) 63%</p>
	<p>Indicator 15: Number of best practices and key project lessons documented and shared through TCB and project website and social media for upscaling including on gender mainstreaming and socio-cultural benefits</p>	<p>0</p>	<p>At least 3 best practices developed and 250 downloads of project documents and initial results and lessons learned (Ecotourism Master Plan, Ecotourism Concessional Framework, Ecotourism Guidelines, HWC policy briefs)</p>	<p>At least 6 best practices developed and 800 downloads of project documents, results and lessons learned (MT target list, plus management plans for products and services in the demonstration landscapes, flagship species habitat enrichment plans, HWC reduction reports, documents on gender mainstreaming etc</p>

Outputs to achieve Outcome 3:	<p>3.1 Key actors (national and Dzongkhag governments, private sector and local communities) capacitated and equipped to support ecotourism development and apply ecotourism safeguards and standards.</p> <p>3.2 Ecotourism marketing and promotional strategy developed and implemented, including the capacity for promotion, branding and marketing for ecotourism products and activities.</p> <p>3.3 Knowledge sharing platforms, events and networks established at local and national levels to enhance ecotourism collaborations and best practice exchanges including with regional and international networks, particularly the Global Wildlife Program.</p> <p>3.4 M&E system incorporating gender, youth and vulnerable groups developed and implemented for adaptive project management.</p>
--------------------------------------	--

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).

Comment	Response(s)	Project Document Reference
Comments from GEF Council Members on PFD Submission and Addendum (in which the Bhutan child project was also included for a minor STAR top-up)		
10200 Global Wildlife Program; Global, Angola, Belize, Bhutan, Cambodia, Chad, Congo DR, Ecuador, India, Indonesia, Madagascar, Namibia, Panama, South Africa, Vietnam. (June 2019 work program)		
Comments submitted by US		

Comment	Response(s)	Project Document Reference
<p>Private sector engagement. The project components related to business development across the child projects are particularly vague at this stage, and we look forward to greater clarity on private sector engagement as the projects develop.</p>	<p>Private sector engagement across the tourism sector of Bhutan will be critical to the success of the project. Building resilience of the tourism sector is also a government priority for socioeconomic recovery following COVID-19. Therefore, key tourism private sector associations have been closely engaged during the PPG phase and consulted on the proposed project design and opportunities for the project to strengthen tourism resilience in Bhutan. The private sector will be engaged in the development of key ecotourism policy inputs such as the Ecotourism Master Plan (Output 1.1) and ecotourism safeguarding guidelines (Output 1.4), have a role in supporting private sector (e.g tour operators, tour guides, handicrafts sector, hotels and restaurants) in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4), and in capacity building and marketing efforts (Outputs 3.1, 3.2). There will also be opportunities for the private sector to engage in concessions in protected areas (Outputs 1.3, 2.1) as a national concessions framework is adopted and operationalized in the demonstration landscape. The project will also offer support the private sector to mainstream biodiversity conservation into its operations, and the tourism sector at national and landscape levels are included within the beneficiaries of the project. Please refer to Section 4 of this CEO ER for further information.</p>	<p><i>Section III Results and Partnerships, (ii) Partnerships, Partnership with the Private Sector</i></p>
<p>Gender. The project components related to gender mainstreaming are similarly vague, and we look forward to greater clarity as the projects develop.</p>	<p>The gender mainstreaming contributions of this project have been elaborated during the PPG stage through the completion of a Gender Analysis and Gender Mainstreaming Plan. The project contributions to gender mainstreaming are described in Section 3 of this CEO ER.</p>	<p><i>Gender Analysis and Gender Action Plan Annex 10</i></p>
<p>10561 GEF -7 Global Wildlife Program -Addendum: Bhutan, Malaysia, Nigeria, Pakistan, South Africa. (June 2020 work program)</p>		
<p>Comments submitted by Norway/Denmark</p>		

Comment	Response(s)	Project Document Reference
<p>We think the effort of combining wildlife protection and tourism in Bhutan and Nigeria is an interesting case of biodiversity finance and know that this has worked well in other countries. Nevertheless, we wonder if you have any risk assessment here - what will happen if tourism fails? COVID 19 shows that this can be a project that is riskier than before, due to travel restrictions. Do you have any backup-plan if the tourism fails to generate the income expected?</p>	<p>The potential impacts, risks and opportunities linked to COVID-19 have been assessed and captured in Annex 2 of the Project Document. These have led to the emergency of additional assumptions underpinning the project Theory of Change, which have been elaborated in the Project Document following Figure 2. As the COVID-19 situation is dynamic and timeframes for the opening up of international tourism uncertain pending the approval and roll-out of vaccines, a further situational assessment of COVID-19 impacts, risks and opportunities will take place during the project inception workshop, and considered as part of the development of the Ecotourism Master Plan under Output 1.1.</p> <p>The project design has been revised to integrate responses to COVID-19 across project outputs as relevant, including the development of domestic tourism products and virtual tourism products to diversify tourism revenue generation potential and mitigate the risk of prolonged depressed international tourism, additional capacity development to further upskill the tourism sector in accordance with national socioeconomic recovery priorities, and the provision of low-value grants for local entrepreneurs to facilitate the establishment of innovative post-COVID youth/community-led local businesses linked to nature-based value chains to broaden tourism value chains, establish value chain linking activities and build resilience across the tourism sector. This includes the development of local enterprises based around sustainable use of biodiversity beyond tourism to further diversify local livelihoods (e.g. native plant nurseries, green tea production, traditional paper making enterprises).</p>	<p><i>Section II Strategy Figure 2 Theory of Change</i></p> <p><i>Section III Results and Partnerships</i></p>
<p>Given the current situation, we are particularly pleased to see that Bhutan is added to receive additional funds to increase access to employment, and income generating opportunities for communities affected by human-wildlife conflict.</p>	<p>The additional STAR allocation added to the project allowed for the addition of extra funds to help strengthen local livelihoods and address the impacts of the COVID-19 pandemic on Bhutan's tourism sector, including additional effort on capacity development, establishment of enterprises and efforts to build resilience of the tourism sector and diversify local livelihoods, as described above.</p>	<p><i>Section III Results and Partnerships</i></p>

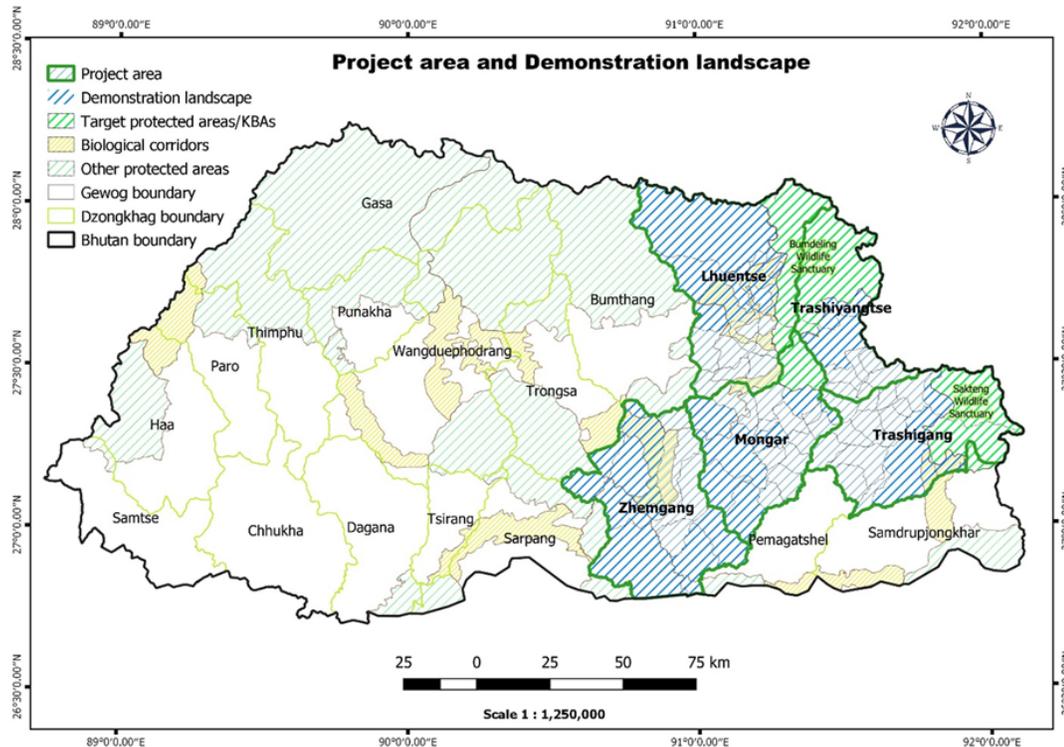
Comment	Response(s)	Project Document Reference
<p>The COVID-19 pandemic has dramatically highlighted the need for more international cooperation, solidarity and multilateral solutions for safeguarding our common future. The project addresses highly relevant eco-tourism sector and that not only addresses local needs but also fulfills multilateral global agreements in the field of climate change, biodiversity conservation etc.</p>	<p>The participation of Bhutan in the Global Wildlife Program will support enhanced international cooperation and lessons learning on ecotourism development and on mitigating human-wildlife conflict ? two key themes of this project. Specific activities have been included under Output 3.3 to facilitate the cooperation between this project and others under the Global Wildlife Program, including participation in the GWP global knowledge platform and bilateral/thematic exchanges with other projects working on ecotourism. Bhutan has already benefitted from its participation in the GWP through connections and experiences gained at the GWP annual forum in South Africa in November 2019.</p>	<p><i>Section III Results and Partnerships, Output 3.3</i></p>
<p>Through the implementation of the project, one should be vigilant to see that there is no overlapping of various donor activities which can lead to corruption.</p>	<p>During the PPG phase, there has been extensive consultation with other ongoing and planned relevant activities and careful alignment of project activities with the existing and planned activities of initiatives such as Bhutan for Life. This detailed consultation on work planning will continue throughout project implementation to ensure overlap of donor investment does not occur. Partnerships with related initiatives have been detailed in Section III of the Project Document and intersection of these initiatives with project outputs shown in Table 9 of the Project Document. Representatives of key aligned initiatives have been included in the Project Steering Committee to ensure effective coordination and partnership during implementation. These include Bhutan for Life, Bhutan Trust Fund for Environmental Conservation and WWF Bhutan (supporting the IKI-funded Living Landscapes project). All are co-financers of this project and formal co-financing letters indicating their willingness to partner have been obtained.</p>	<p><i>Section III Results and Partnerships, (ii) Partnerships Table 9</i></p>
<p>Comments from GWP Program Steering Committee Members</p>		
<p>Draft project material was shared with the GWP PSC members during the PPG phase. Comments on the Theory of Change were provided by STAP.</p>	<p>The comments from STAP on the draft project Theory of Change were used to guide improvements to the project TOC and accompanying narrative and TOC assumptions during the PPG phase. These assumptions were then reviewed and further elaborated as the COVID-19 pandemic emerged to capture additional assumptions that arose due to the pandemic's shutdown of global tourism and impact on local tourism-dependent livelihoods. The revised TOC and elaborated narrative have been included in the Project Document and described in this CEO ER.</p>	<p><i>Section II Strategy Figure 2 Theory of Change</i></p>

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>
Component A: Preparatory Technical Studies & Reviews	37,000.00	35,167.00	1,833.00
Component B: Formulation of the UNDP-GEF Project Document, CEO Endorsement Request, and Mandatory and Project Specific Annexes	33,000.00	31,365.00	1,635.00
Component C: Validation Workshop and Report	30,000.00	28,514.28	1,485.72
Total	100,000.00	95,046.28	4,953.72

ANNEX D: Project Map(s) and Coordinates

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



The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

Geospatial coordinates of the Demonstration landscape:

Latitude 26° 45' 45" to 28° 4' 18" N and Longitude 90° 32' 12" to 92° 6' 53" E 27°

For maps and geographical coordinates of project sites in each Dzongkhag (district) see Annex 3 of the Project Document.

ANNEX E: Project Budget Table

Please attach a project budget table.

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).