Mainstreaming Biodiversity Conservation into the Tourism Sector in Bhutan

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10234
Countries

Bhutan
Project Name

Mainstreaming Biodiversity Conservation into the Tourism Sector in Bhutan
Agencies

UNDP
Date received by PM

12/11/2020
Review completed by PM

5/4/2021
Program Manager

Hannah Fairbank
Focal Area

Biodiversity
Project Type

PIF ☐
CEO Endorsement ☐

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request
March 22, 2021 HF:
Comment cleared.

December 22, 2020 HF:

1.) Please align this project design and resources with BD 1-2a. All GWP project resources should be aligned with GWP entry-points/elements.

Agency Response
UNDP, 8 March 2021

Per upstream discussion with GEF Secretariat Program Manager, we understand this comment does not require a response.

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

April 7, 2021 HF:
 Comment cleared.

March 22, 2021 HF:
1.) Recommend removing the word "model" from the project objective as it confuses the reader from a substantive and grammatical perspective.

2.) Comment cleared.

3.) Comment cleared.

4.) Comment cleared.

5.) Comment cleared.

6.) Comment cleared.

7.) Comment cleared.

8.) Comment cleared.

9.) Comment cleared.

10.) Comment cleared.

11.) Comment cleared.

January 8, 2021 HF:

1.) Please revise Project Objective language to simplify and clarify.

2.) Please revise the first expected outcome lanauge under Project Component 1 to simplify and clarify.

3.) Please populate the US dollar value ($xx) in the Project Component 2 outcome for funds generated in Bumdeling WS.

4.) Please confirm that Component 1 will be working at national level and Component 2 will then be demonstrating/downscaling at the landscape scale.

5.) Output 1.3.2: Shouldn't adoption of the concessions framework by the Cabinet be expected within the period of performance of this project?

6.) Output 1.4: reads that it will "support at least 18 guidelines under implementation" but then the list of Indicative Activities are all "develop/review/revise" rather than implement. Please clarify and/or correct this seeming inconsistency.

7.) Does Output 2.1.5 capture the entirety of nature-based local enterprises that the project will support? Please explain the focus on youth in this case and the implications of this? How will women-owned/operated enterprises be approached/supported?

8.) Output 2.3.6: Please include a focus on IAS prevention as appropriate. Thank you for specifying that co-finance will support the IAS removal/eradication.

9.) Output 2.3.6 includes: "Establish/strengthen sustainable community-managed forests" which seems like it could be an entire project in its own right. Please refine and/or explain how this project plans to support or engage in community forests.

10.) Output 3.3.2: Why is a project website and social media presence necessary? Ecotourism product marketing etc is one thing, but unclear why a project-level web and social media presence is critical promoting the project itself. Assuming that this isn't a management information system for the project itself etc but an external site/effort. Please explain.

11.) Output 3.4: How will (or will?) the M&E and adaptive management system proposed use the project's TOC, (including critical assumptions on which the project is based) to monitor project impacts and manage adaptively? It doesn't seem so from reviewing the Results Framework and associated indicators.

Agency Response

 UNDP, 25 March 2021

1)   The word ?Model? was removed from the Project Objective in the ProDoc and CEO ER.

UNDP, 8 March 2021

Revisions and clarifications have been made as follows:

1) **Project objective:** The project objective has been revised to simplify and clarify the project?s focus on establishing model ecotourism development as the mechanism to incentivize biodiversity conservation and effectively integrate biodiversity conservation into the tourism sector, in accordance with national government priorities. The revised project objective is ?*Model ecotourism development mainstreams biodiversity conservation into the tourism sector in Bhutan?.* This will still demonstrate multiple benefits including biodiversity conservation, human-wildlife coexistence and resilient local livelihoods ? and make sure potential threats to biodiversity from ecotourism (and tourism more broadly) are mitigated ? but these are no longer captured in the objective

for brevity. In revisiting the objective, earlier STAP comments provided during the PPG phase were also reviewed.

2) **Outcome 1:** Outcome 1 has been revised to clarify the focus on using ecotourism as the vehicle to mainstream biodiversity conservation into the tourism sector, and to put in place an effective enabling policy and enabling framework to support this. The revised Outcome 1 is ?*Effective policy and institutional framework for ecotourism that incentivizes and integrates biodiversity conservation into the tourism sector*?. This has been reflected across relevant parts of the Project Document and CEO ER, along with minor associated adjustments to Component 1 language.

3) **Component 2 sustainable financing targets:** The initial plan had been to finalize these targets in Year 1 when project funds flow mechanisms were confirmed in more detail. However, further consultations with stakeholders and data review has been completed and end of project targets established for the estimated revenue for biodiversity conservation that could be generated a) the two pilot PAs, and b) outside of PAs in the demonstration landscape. These have been added to the project results framework and to other relevant parts of the Project Document and CEO ER.

4) **Scale of landscapes:** We confirm that Component 1 will work at national level, and Component 2 at landscape level. This clarification has been added to the introduction of components in Section II. Strategy of the Project Document.

5) **Output 1.3.2:** The project ambition is that the concessions framework will be adopted by Cabinet by mid-term. The mid-term target in the results framework has been amended to better clarify the target of obtaining Cabinet?s endorsement by mid-term. The wording of the specific activity 1.3.2 has not been revised as it still accurately portrays the project role to develop and submit the framework for adoption to Cabinet.

6) **Output 1.4:** The confusion around the project?s support to guidelines development and implementation has been clarified. The narrative for Output 1.4 has been revised to more clearly note that while the project will ultimately support the implementation of 18 sets of tourism-related guidelines that integrate biodiversity, gender and social safeguards this will comprise: i) development of 6 new sets of guidelines; ii) revision of 6 existing guidelines; ii) implementation support for 6 existing guidelines that don?t need revision. The project will support the implementation of all guidelines through the landscape demonstration in Component 2, and through capacity development and knowledge management under Component 3. Revisions have been made under Output 1.4 to better clarify the project?s support to guideline development, revision and implementation. Output 1.1 focus and budget is on guideline development and revision and hence no revisions to the activities were considered necessary.

7) **Output 2.1.5:** The project will support nature-based enterprise development in the demonstration landscape under three Outputs (Outputs 2.1, 2.2 and 2.3) to support the project targets of establishing 18 new nature-based enterprises by mid-term and 60 by end of project. This is supported by Outputs as follows:
- ? *Output 2.1*: captures enterprises that will function as local tour operators, such as community/youth tour operators to operate tours for domestic tourists. This output also includes the issuance of a competitive low value grants scheme which will support strengthening/establishment of youth/community-led enterprises. The grants scheme focus will be a bit broader and recognizing the COVID-19 context will be open for applications that will help strengthen and diversify livelihoods through ecotourism/nature-based value chains, connection of value chains (e.g. connecting tourism and agriculture), or expand tourism revenue streams including for domestic tourism. These measures are aligned

with recommendations in the 2020 socio-economic impact assessment of COVID-19 on Bhutan?s tourism sector.

- ? *Output 2*.2: will support enterprises that will manage ecotourism products and services (but not tour operators). For example, management of birding decks, camps, amenities (as products) by local entrepreneurs as a business enterprise.
- ? *Output 2*.3. captures nature-based economy opportunities through sustainable use of biodiversity. This is not ecotourism-based, per se, but it will provide products that can be sold to local markets including potential sale to local/international tourists. This output also aims to strengthen community support for biodiversity conservation through increasing recognition of its economic potential, as a tourism asset and beyond.

The project will attempt to realize opportunities for women in enterprise development. In line with the stakeholder engagement plan and gender action plan, the project will use local participatory workshops, awareness campaigns and surveys to ensure that the process of supporting enterprises is inclusive of women and youth-owned/operated enterprises. Specific attention will be placed on providing income diversification and support opportunities for women. Further, in accordance with the gender action plan, 80% of existing women, youth and farmer?s groups will be trained on related skills development and product diversification; and 90% of existing women, youth and farmer?s group enterprises will be supported to obtain financial support (e.g. linking them with existing schemes such as Priority Sector Lending (PSL), Bhutan Development Bank Limited (BBDL) and Rural Development Corporation Limited (REDCL; now changed to National Cottage and Small Industries Bank of the CSI Bank). The focus on engaging youth in enterprise development will help avoid migration of youth from rural areas, meaning that less of the unpaid work burden (including time spent guarding crops and livestock from HWC) will fall on women. A clarification has been added under Output 2.1 to note the connection to enterprise development under Outputs 2.2 and 2.3.

8) **Output 2.3.6 (IAS):** IAS prevention has rightly been added to activity 2.3.6. Work under this activity will encompass biosecurity and quarantine awareness and protocols to ensure an appropriate focus across the IAS management spectrum.

9) **Output 2.3.6 (community-managed forests):** The project support to community forests is focused on nature-based product development. This will include resource survey of wild daphne and *Hibericum* and *Viscum* species within existing community forest areas Trashiyangtse and preparation of management plans for traditional paper making and green tea production within these areas to strengthen community forest management. This has now been clarified in the activities, with this work amalgamated under activity 2.3.7 as follows: *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.* As all community forest work is now under activity 2.3.7, the prior broader reference to community forests under activity 2.3.6 has been deleted.

10) **Output 3.3.2:** This activity is referring to the establishment of a knowledge platform to support the collation and dissemination of project resources, materials and lessons with national stakeholders. This is expected to include a publicly accessible web presence which could be a page integrated within the TCB website (and other government websites/knowledge-sharing processes as appropriate). While it may assist with project communication it is primarily intended to provide a mechanism to store and make available project lessons and materials and raise understanding of the importance (and benefits) of integrating biodiversity conservation within ecotourism in Bhutan. Revisions have been made to the wording of activity 3.3.2 to better reflect this. Project materials will also be shared via GWP knowledge management processes, with

appropriate cross-links back to the national portal/platform as relevant to maximize lesson sharing across the GWP. The specific design/function of the knowledge platform will be included within the Knowledge Management/Communications Plan to be developed in the inception phase.

11) **Output 3.4:** The project TOC and assumptions have now been integrated into the project?s M&E and adaptive management. Table 1 has been elaborated with a new column listing monitoring questions for each assumption. These will be used in addition to the project?s progress against the results framework indicators. Many of these are closely linked to existing indicators, and relevant linkages between the assumptions and the indicators have been noted. The assessment of the monitoring questions will be included in the annual participatory project review workshops that are budgeted under Component 3, and that will take place each year prior to the PIR/GWP qualitative report. This participatory process will involve document collation and review along with expert stakeholder assessment of trends against the monitoring questions. These questions will be used along with the quantitative monitoring of results framework data to validate the accuracy of the TOC assumptions, refine and add new assumptions or TOC revisions as needed, and adjust project approaches, monitoring and activities accordingly. This process has been better captured in the description of Output 3.4 (including in the specific activity 3.4.3) and added to the M&E plan in Annex 5.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request NA

Agency Response
Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request
April 30, 2021 HF:
Comments cleared.

April 19, 2021 HF:

(i) Co-financing letter from Bhutan Trust Fund for Environment Conservation does not specify the type of co-financing. Please revise and re-submit.

(ii) Co-financing letter from WWF does not specify the type of co-financing but the letter includes the statement below, but then there are no "details attached". Please include the details of the co-financing, including the type of co-finance. Thank you.

The details of our co-financing are attached for your information and reference.

January 8, 2021 HF:

Yes.

Agency Response
UNDP, 23 April 2021

(i) Bhutan Trust Fund for Environment Conservation has provided an updated co-financing letter with in-kind contribution. The type of co-financing has been updated in the document package and the letter has been uploaded to the portal.

(ii) WWF co-financing letter with additional details on co-financing type has been uploaded to the portal.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request
May 4, 2021 HF:

Comment cleared. Budget now attached in Roadmaps/Documents as "Annex 1".

May 3, 2021 HF:

iii.) Please upload the excel budget into the "Documents" tab of the "Roadmap" in the Portal. It has not yet been uploaded as a seperate document as is required based on GEF Guidelines: As per paragraph 2 ? page 42: ?*The Budget Template in Appendix A should be completed by the Agency and submitted at the time of CEO Endorsement/Approval as an annex in the Portal. ?The same Budget Template in excel format should be uploaded in the Portal - section ?Documents?.*

April 19, 2021 HF:

Budget questions:

(i) Regarding the vehicle purchase of $57,400, it may be a typo: this budget line item is strike-through, but it is indeed included in the total project budget under PMC and approved by PM. Please clarify/amend.

(ii) Please either eliminate the budget line ?Miscellaneous? as this is not meant to be covered by the GEF portion of the PMC or to charge this to the co-financing portion of the PMC.

(iii) Please upload the project budget in the portal.

March 22, 2021 HF:

1.) Comment cleared. Vehicle purchase is PM approved.

January 8, 2021 HF:

Yes.

1,) Why does the project budget propose to hire a vehicle (at $51,000 over life of project) rather than purchase? And what would the vehicle be used for?

Agency Response
UNDP, 8 March 2021

The PMU and project technical support will need to regularly travel from Thimphu to the demonstration landscape in Eastern Bhutan. The Implementing Partner the Tourism Council of Bhutan, and Dzongkhag partners, will co-finance local vehicle use in Thimphu and at demonstration sites. However, the distance between Thimphu and the demonstration landscape, along with the extensive need for local community consultations and local stakeholder engagement workshops and training, necessitate the need for a stand-alone vehicle for project use. Upon reassessment of the costs, this request has been changed from vehicle hire to vehicle purchase as it has been confirmed that based on current local rates a suitable vehicle can be purchased within the amount budgeted. Relevant budget line and note have been revised accordingly (and copied to the GEF Budget Template in Annex 1), and a justification added for the vehicle purchase with GEF funds. The estimated GHG emissions from the use of project vehicle has also been considered in FAO-EXACT calculations.

UNDP, 23 April 2021

(i) Per upstream discussion with GEF Secretariat Program Manager, we understand this comment does not require a response

(ii) The budget ($10K) allocated for Miscellaneous cost has been re-allocated for Travel cost ($5,000) and Supplies ($5,000) under PMC. Adjustments have been made accordingly in Annex 1 GEF Budget.
(iii) The project budget has been uploaded in the Portal

<u>UNDP, 4 May 2021</u>

iii) The Budget Template is included in Appendix A and is available in the Portal under ?Documents? tab of the Roadmap

Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request
January 8, 2021 HF:

Yes

Agency Response
Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request
April 7, 2021 HF:
Comments cleared.

March 22, 2021 HF:

1.) Thank you for these calculations and Exact worksheet. Please complete the anticipated start year of accounting (2021) and to correct the duration of accounting (20 years instead of 1 year).

2.) Also, the core indicator annex uploaded in the Portal doesn?t have the information on GHG emission mitigation under 6.1. If this annex is not updated somewhere else, the information on GHG results needs to be reported here too.

December 23, 2020 HF:

1.) Please include an estimate of GHG emission reductions based on a calculation with Exact. Please also include the Exact worksheet.

Agency Response

<u>UNDP, 25 March 2021</u>

1) The anticipated year of accounting in the EXACT estimations is 2021 and the duration of accounting is 20 years. This information was included in the core indicators section of the CEO ER and in the Core Indicator worksheet (Annex 11).

2) The core indicator annex uploaded in the portal was updated to include the GHG emission mitigation under 6.1.

<u>UNDP, 8 March 2021</u>

An estimate of the project?s GHG emissions reductions to habitat improvement in the demonstration landscape has been completed in FAO-EXACT. The net benefit from the project is a mitigation/sequestration potential of 2.2 million tonnes of CO_2 equivalent over the period of 20 years with GHG impact of -110,321 tCO2e per year. This includes the direct benefit only through the project?s efforts to minimize the level of forest degradation through improved habitats for biodiversity. The project will focus on 226,200 hectares of protected areas with very low degradation and avoid degradation in at least 10% of the area by reducing threats to habitats. Similarly, it is estimated that the project will support a shift from low to very low state of degradation for 15% of the project?s 141,802 hectares outside protected areas. This amount has been added to the project?s contributions to GEF core indicator 6. The FAO-EXACT worksheet has been submitted along with a summary of results and assumptions (Annexes 19a and 19b).

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

March 22, 2021 HF:

Comment cleared.

January 8, 2021 HF:

1.) Please include sustainable financing in the summary statement of the Theory Of Change in the CER and ProDoc.

Agency Response
UNDP, 8 March 2021

The narrative for the project Theory of Change has been revised to better capture sustainable financing work of the project. This now recognizes the logic of ecotourism development to better attract tourists along with the development of mechanisms to capture a portion of ecotourism revenue and its reinvestment in management of the PA system and the mitigation of threats to wildlife to generate a new sustainable financing source for biodiversity conservation.. This has been updated in the Project Document and CEO ER.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request
January 8, 2021 HF:

Yes

Agency Response
3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion
March 22, 2022 HF:

All comments cleared.

January 8, 2021 HF:

1.) Early on in the CER and ProDoc please define "ecotourism", "tourism" and "sustainable tourism". Please review the project design and corresponding documents to ensure that these words and concepts are used intentionally and consistently throughout the project design. Currently they seem to be used interchangeably resulting in a lack of clarity about the intention of the project design and activities. For instance (not an inclusive list, just a couple of examples):

Part II. 1a. paragraph 6, final sentence reads: "**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 establishing sustainable ecotourism that support biodiversity conservation and strengthen human-wildlife coexistence as elaborated" [shouldn't this read "establishing sustainable tourism"? not just ecotourism?]

Output 1.1.3: **"identify and map hotspots for biodiversity, HWC and poaching and environmental threats from ecotourism"** [shouldn't this be tourism overall??]

Output 1.3: "**for delivering increased resources from ecotourism for the management of PAs and conservation of biodiversity"** [shouldn't this be tourism? not limited to just ecotourism?]

2.) Please describe in the CER the how the work under Component 1 will benefit from and adapt based on what is being applied/implemented in Component 2?

3.) Please describe in the CER how the work under Component 1 and 2 will be captured and disseminated through Component 3.

Agency Response
<u>UNDP, 8 March 2021</u>

Revisions and clarifications have been made in the Project Document and CEO ER as follows:

1) **Tourism terminology:** Definitions of tourism terminology used in the Project Document have been added upfront, reflecting the way these terms are being applied to the project based on the Bhutanese context and usage of these terms in the recently-adopted National Tourism Policy. These are defined as follows:
- ?   *Tourism*: Bhutan?s National Tourism Policy (2021) defines tourism as ?the activity of a visitor and includes trips away from one?s usual environment (residence), for less than a year, for any main purpose other than to be employed by a resident entity in the place visited?. Bhutan?s tourism slogan has been High Value, Low Volume Tourism further reinforced by the Policy. The High Value refers to targeting mindful and responsible high-end visitors, creating good value for money experiences, high revenue and yield, quality infrastructure and tourism products and services and Brand Bhutan. In parallel, Low Volume ensures that the number of tourists visiting Bhutan are as per the absorptive carrying capacity of our natural, sociocultural and infrastructure.
- ?   *Sustainable tourism*: Bhutan?s National Tourism Policy promotes the tenets of sustainable tourism as ?Promoting tourism in a manner that will meet the needs of the present tourists and destinations while protecting and enhancing opportunities for the future?. While Bhutan?s overall High Value, Low Volume approach to tourism is built on a more sustainable form of tourism, the term sustainable tourism is used to confirm that sustainability is explicitly considered.
- ?   *Ecotourism*: The National Tourism Policy adopts the definition of ecotourism proposed by the Department of Forests and Park Services, ?high-value low-impact travel that supports the protection of natural and cultural heritage;

provides positive and enriching experiences for visitors and hosts; assures tangible benefits to local people, and contributes to the Gross National Happiness?. Indeed, ecotourism has long been recognized to realize Bhutan?s sustainable tourism goals and the Policy recommends the promotion of ecotourism to contribute towards sustainable tourism and inclusive development. By this nature, ecotourism is recognized as a sub-type of sustainable tourism and implicitly considers sustainability.

An edit of the Project Document and CEO ER has been completed to confirm these terms have been used appropriately throughout the documentation. For ease of reading and efficiency, minor changes in terms have are not highlighted. In accordance with these definitions, the term ?sustainable ecotourism? has been edited out to simplify the project?s use of terms. Note that for this project, the sustainable financing solutions will be connected specifically to ecotourism, not all tourism. Therefore, the term ecotourism has been retained in specific project references to the generation of funds for PA management and biodiversity conservation.

2) **Linkages between Components 1 and 2**: Component one focuses on polices, plans and frameworks which will be applied in the field implementation of demonstration interventions in Component 2. 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 and piloting local approaches to improve implementation of the national HWC management strategy and zero poaching strategy. 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. This connection has been clarified in the Project Document and CEO ER.

3) **Component 3 knowledge dissemination**: Lessons learnt from Components 1 and 2 will be shared across the landscape area, at the national level through the TCB and collaborating agencies and at regional and global level through collaborating partner agencies such as the GWP, WWF, SAWEN, ICIMOD and through the UNDP network. Knowledge management and capture of best practices and lessons learned is included as an activity under key Outputs in Components 1 and 2, and also captured generally under Output 3.3. Lessons capture for Component 1 will include the sharing of findings with the ecotourism task force established under Output 1.1 and the development of policy briefs and best practices workshops on project experiences and lessons in strengthening implementation of the national HWC management and zero poaching strategies, and annual knowledge exchange and innovation events. Demonstration landscape

knowledge sharing mechanisms for Component 2 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. This has been clarified in the Project Document and CEO ER.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

March 22, 2021 HF:

Comment cleared.

January 8, 2021 HF:

Yes, though please revise this to match/track the updated project entrypoints for GWP.

Agency Response

UNDP, 8 March 2021

Per upstream discussion with GEF Secretariat Program Manager, we understand this comment does not require a response.

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

March 22, 2021 HF:

Comment cleared.

January 8, 2021 HF:

1.) Please include a **summary statement of the incremental reasoning** for the project in Section 5 of the CER document (being sure to include the portion of the GEF

increment in sustainable conservation finance building on the work of BIOFIN and BFL as well).

Agency Response

UNDP, 8 March 2021

A summary statement of the incremental reasoning of the project has been added to Section 5 of the CEO ER 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.

6. Is there further and better elaboration on the project?s expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request
January 8, 2021 HF:

Yes

Agency Response
7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request
March 22, 2021 HF:

All comments cleared.

January 8, 2021 HF:

1.) A key element of the project's approach to sustainability is capacity building. Please address the approach to sustainability of the capacity building/development efforts as capacity needs to be continuously built and maintained to ensure project impacts are sustainable beyond the project period (and related capacity building activities).

2.) Please address the prevention of COVID transmission within the project's approach to social sustainability.

3.) Although safeguards exist, please include infrastructure development in how the project is addressing environmental sustainability.

4.) It seems though there is good potential for scaling-up, particularly given the significant investment through Bhutan For Life (BFL). Please elaborate further what is envisioned/planned in terms of scaling this project's impacts nationally via or in addition to BFL.

Agency Response
UNDP, 8 March 2021

Revisions and clarifications have been made as follows:

1) **Capacity building**: The role of capacity development in supporting sustainability of project impact (and sustainability of the project?s capacity development interventions) has been added to the discussion of sustainability in the Project Document and CEO ER. Project interventions on capacity building will be integrated into broader government training programs. For example, the project will support the establishment of a TCB mobile training unit and establish and complete training of trainers, helping to create an ongoing training mechanism and a critical mass of trainers within the TCB and its network that will continue after the project ends. The project will also embed project-developed ecotourism modules into training programmes of the Royal Institute for Tourism and Hospitality and Ugyen Wangchuck Institute for Conservation and Environmental Research (UWICER).

2) **Social sustainability and COVID transmission**: The social sustainability section has been elaborated to mention the project?s attention on preventing COVID-19 transmission. Safety and hygiene measures in response to COVID-19 have been integrated across the project including within tourism guidelines development, and capacity development programs for the tourism sector and local communities. 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.

3) **Environmental sustainability and infrastructure development**: The environmental sustainability section has been elaborated to capture the project?s contributions to the establishment of best practice ecologically-sensitive tourism infrastructure in Eastern Bhutan ? an area targeted by the government for tourism growth and development. This will include application of ecologically-sensitive design for infrastructure development and adherence to strict environmental safeguards, through the use of 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.

4) **Scaling up via aligned initiatives including Bhutan for Life**: 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.

Coordination and scaling up potential will be achieved through:
   ?   Representation of key partners such as BFL and BTFEC on the Project Steering Committee. This role will be fulfilled by Executive Director and Director level to ensure high-level support for coordination and harmonization of activities.
   ?   Regular sessions to align annual and forward work plans. The project is taking a partnership-led and participatory approach to annual work planning as evident by the stakeholder workshops budgeted under Component 3. This detailed approach to work planning commenced during the PPG phase where alignment of project efforts to existing work planning was considered and used to determine the detailed activities and budget for GEF investment.

> ? These aligned activities have been captured in co-financing letters formalizing BFL, BTFEC and other commitments to work in partnership and support scaling-up and replication potential.
> ? The project?s overall approach to knowledge management as captured in Output 3.3. BFL, BTFEC will be important partners in the execution of these activities including landscape-level knowledge capture and innovation forums, as well as overall project progress workshops and adaptive management.
> ? The project?s governance mechanisms bring together key stakeholders to consider project scaling up opportunities. For example, scaling up opportunities are explicitly included in the roles of the Project Steering Committee, as noted in the Project Document: *?Review the final project report package during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up?.*

Notably, the new National 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 providing an enabling platform for continued interventions from BFL, BTFEC, this project and other future investments from government and partners. Scaling up processes have been clarified in the narrative for Output 3.3 and scaling up section of the Project Document and CEO ER.

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request
January 8, 2021 HF:

Yes

Agency Response
Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

March 22, 2021 HF:

Comment cleared.

January 8, 2021 HF:

Yes.

1.) In Table 2 of the ProDoc and in the CER, please correct/populate the dollar amount $xxx generated in BWS and SWS and outside PAs through new mechanisms on financial flows for biodiversity conservation.

Agency Response

UNDP, 8 March 2021

As noted earlier, financial targets for indicator 11 have been established and added to the project results framework and to other relevant parts of the Project Document and CEO ER, including Table 2.

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

January 8, 2021 HF:

Yes.

Agency Response

Gender Equality and Women?s Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so,

does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request
March 22, 2021 HF:
Comment cleared.

January 8, 2021 HF:

Yes.

1.) Please include any differential impacts of HWC on women vs men and resulting impacts on agriculture and potentially food security in project areas and in turn how the project plans to engage/address this issue in a gender responsive way.

Agency Response
UNDP, 8 March 2021

HWC impacts differentially on women versus men in Bhutan. HWC 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. Further, men are more likely to seek contractual or other jobs during the main agriculture season to augment overall household income, leaving agriculture responsibility to women, including the task of guarding crop and livestock from wild animal attacks. Women, therefore, spend more time in efforts to prevent HWC, which adds to the overburden of unpaid household and care work which women perform on average 2.5 times more than men. Lack of rural employment opportunities results in outward migration of males and youth putting further pressure of unpaid work and agriculture responsibility on women. The demonstration and promotion of viable wildlife-based economic opportunities will help leverage local socioeconomic development via ecotourism. This will help a shift in local attitudes where wildlife itself is seen as an economic asset as opposed to a menace leading to retaliatory killing. Benefits include increased household income and reduced women workload burden, and more men and youth will remain in rural homesteads participating in the both eco-tourism and agricultural activities. The project expects to increase the number of jobs through ecotourism in landscape Gewogs from 1,559 to 1,715 out of which 857 are targeted to be women (Indicator 9b).

To achieve this the project has integrated gender into economic development opportunities under Component 2, and a special focus will be placed on establishing opportunities for women. Project participatory approaches will include a focus on women as detailed in the Gender Action Plan in Annex 10. Project approaches will include:
? Consideration of opportunities for women in livelihood and enterprise development including innovative grants to strengthen and diversity ecotourism and nature-based value chains in a COVID-19 context, including links between ecotourism and agriculture.

- ?   Develop and strengthen women?s groups for ecotourism and support the identification of niche and unique products in the demonstration landscape areas.
- ?   Support skills development and product diversification (handicraft, textile, pottery, carpentry, value additions on local products) for niche products that will provide opportunities for women.
- ?   Inclusion of home stays and ecolodges and support for skills and product diversification that are strategic in uplifting women?s livelihoods and provide greater opportunity for direct economic gains for women and youth.
- ?   Integration of gender mainstreaming across all guidelines and policy development (e.g. inclusion of parameters on the development of creches in tourism guidelines like hotel classifications guidelines, green certification system etc.).

The context for differential HWC impacts on men versus women has been added to the Gender Action Plan in Annex 10 and summarized in the Project Document and CEO ER.

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request
January 8, 2021 HF:

Yes-a critical dimension of this project.

Agency Response
Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request
March 23, 2021 HF:

All comments cleared.

January 8, 2021 HF:

1.) The risk analysis includes mention of the need to "support resilient, diversified local livelihoods that are not fully reliant on international tourism" but these activities don't seem to be well developed in the CER. Given the vulnerability of the tourism industry to shocks-and most obviously and currently the pandemic crisis, please describe and include in the CER and ProDoc plans for diversification of livelihood options to support nature and people. This was also raised by Council.

2.) SESP risk 14: The project includes the potential for tourist homestays, which seems like a particularly risky activity given the pandemic and transmission of COVID-19. Please include/address.

3.) Please address the possibility of not being successful of securing FPIC once the project is under implementation, and what the continency plans are in that case.

4.) A clear mitigation measure to Risks 5 and 9 (environmental and social threat of over-tourism) is to ensure there are enforced limits to the number of tourists (quotas) for areas and sites, this is currently not included as a proposed policy action or mitigation approach. This would be a natural way to support Bhutan's efforts to ensure that tourism is low volume, low environmental/social impact, high end. One such policy measure would be to institute/or increase daily fees for all international visitors-including those from countries in the region. In addition to other policy and capacity measures, this could help to avoid over-tourism that many other countries have fallen victim to with negative social and environmental impacts. It would also help to avoid the erosion of the value of the "brand" and "assets" of Bhutan tourism.   Please address/include.

5.) Presumably risk 8 should be considered from the perspective of impact of climate-linked nature hazards on the viability and safety of tourism. Please address.

6.) Please upload, or point me to the "Assessment of COVID-19 risks and opportunities" Annex that was referenced in the ProDoc.   I cannot find it. Thanks!

Agency Response
UNDP, 8 March 2021

Revisions and clarifications have been made as follows:

1) **Livelihoods diversification:** During the PPG various adjustments were made to project design to reflect COVID-19 impacts and risks on tourism sector. These had been summarized in the longer articulation of the risk in the Annex 2 assessment which was missed in the Portal submission. As far as possible, the project has tried to incorporate recommendations arising from a rapid socio-economic assessment of the impacts of COVID-19 on Bhutan?s tourism sector completed by the National Statistics Bureau and

UNDP. These measures to help establish diversified and resilient tourism livelihoods are clarified below:

? A focus on expanding revenue streams for tourism-related businesses, including through the establishment of domestic tourism (Outputs 2.1, 2.2) and virtual tourism (Output 3.2) so that ecotourism operators are not wholly dependent on international tourists visiting Bhutan;

? Support for establishing nature-based economy through enterprise and product development beyond the tourism sector (Output 2.3);

? Promotion of innovation and resilience in establishing/strengthening post-COVID local businesses linked to ecotourism and nature-based value chains through the issuance of competitive low value grants to broaden tourism value chains, establish value chain linking activities, and build resilience across the tourism sector (Output 2.1);

? Ensuring partnerships and collaboration with aligned livelihood enhancement initiatives such as 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 to draw synergies on livelihoods development (including linkages between tourism and agriculture value chain development; Output 2.1), along with knowledge exchange with existing LDCF and GCF investments on resilient livelihoods (Output 3.3);

? Building skills and capacity of local entrepreneurs in business, risk and financial management (Output 3.1).

These measures have been collectively referenced in Project Document/CEO ER sections on risk management and sustainability. To better capture the project?s intention to partner with resilient livelihood initiatives in the demonstration landscape, the CARLEP project has been added to the partnerships section of the Project Document.

2) **SESP risk 14:** A reference to the potential risk of COVID-19 transmission through homestays has been added to the discussion of this risk in the SESP. The mitigation measures for this specific risk include the inclusion of hygiene protocols and training within the project?s support and issuance of grants to communities to develop homestays, including incorporation of COVID-19 hygiene and safety needs within the guidelines that are developed in Component 1. Implementation of any tourism activities in the demonstration landscape (including homestays) 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.

3) **FPIC:** The possibility of the project not securing FPIC is assessed as low (in terms of the specific SESP risk the probability has been assessed as P = 2, which is ?not likely?). This is assessed as ?not likely? as there have been extensive local community consultations during the PPG phase, and the development of the initial concept. These confirm high levels of community engagement and support for the project, and a good understanding of the project, proposed project activities and the ways in which local communities can engage. This comprehensive approach to consultation is underpinned by Bhutan?s laws, rules and regulation which are clear on the need to have ?clearances or consent? both from the individuals who are affected directly, and from the community members who may benefit directly or indirectly. Consent requirements extend beyond individual private assets/property and include government resources such as forestland because it has socio-cultural and economic implication to the communities. In rural Bhutan, the consensus is often by ?unanimous? decision and not by ?majority?. These government requirements will be adhered to as well as UNDP SES requirements for securing FPIC. Table 5 of the Stakeholder engagement plan prescribes the process for FPIC that will be followed by the project. The project budget makes provision for ongoing stakeholder engagement and participation throughout implementation.

Should community concerns or lack of consent emerge the following mechanisms would be applied:

?   Conduct additional stakeholder consultations/workshops as needed to further discuss, develop and refine project activities and approaches;

?   Revise proposed project activities or approaches to respond to any identified concerns, in accordance with UNDP-GEF policies on allowable changes to projects during implementation. Any such changes would be captured in the annual work planning process and summarized in annual PIRs;

?   In a situation were to arise where FPIC could not be obtained despite these adaptive management measures, any activities requiring FPIC under Output 2.2 or other outputs would not take place and/or project sites would be adjusted or replaced with other sites offering similar biodiversity outcomes.

?   In addition, the project?s Grievance Redressal Mechanisms will be made transparent and available to all stakeholders.

This has been better clarified in the SESP and associated Project Document and CEO ER summary of risks.

4) **Mitigation of potential over-tourism (risks 5 and 9):** The mitigation of potential over-tourism through overall management of tourism numbers has now been captured in the management measures for these risks in the SESP in Annex 4 and the summary of risks in the Project Document and CEO ER. At overall policy level, management of strict controls on tourism numbers is a part of Bhutan?s tourism approach. This continued emphasis on overall management of tourist numbers is captured within the newly-adopted National Tourism Policy which requires levying a sustainable development fee including to those from the region to compensate for the negative environmental impacts from over-tourism and regulate overall visitation numbers under the High Value, Low Impact strategy. This policy work will progress under TCB co-financed efforts. At site level, management of tourism numbers (and types of allowable tourism) will be supported by project efforts under Output 1.4, where the project will establish an ecological capacity assessment toolkit for tourism destinations (activity 1.4.1). It is expected that this toolkit will support the establishment of thresholds of visitor numbers to each destination or type of activity across different seasons as part of recommendations on potential restrictions and measures to avoid and mitigate negative environmental and social impacts from over-tourism. This will be applied to the demonstration landscape via Component 2 and to key ecotourism locations in Bhutan through co-financing and partnerships (including via BFL), under the overall guidance of the Ecotourism Master Plan developed under Output 1.1. While undertaking such assessments and implementing necessary restrictions, age old conservation practices such as Ridam/Ladam ? a deeply-rooted Bhutanese spiritual worldview of seeing the surrounding environment as a living force, where a whole mountain is closed to human entry, often from Spring to autumn (see https://kuenselonline.com/ridam-ladam/) ? will be considered. Avoidance/mitigation of site-level impacts will be captured under other guidelines developed/revised under Output 1.4 as appropriate. Further, the introduction of park, visitor and user fees is also expected to place downward pressure on potential crowding, while also supporting increased revenue stream for biodiversity conservation.

5) **Risk 8:** This is a good point, and this is intended to be captured within Risk 8, particularly given the risks associated with high altitude environments in Bhutan. This risk and its mitigation measures have been more clearly elaborated to capture the potential climate change related nature hazards that could impact on tourism infrastructure, tourist or community safety, and community livelihoods. These risks and any likely increase in hazards due to climate change will be considered within the management measures to this risk including the application of a SESA approach to tourism master planning (Output 1.1) and guidelines development (Output 1.4), and the feasibility assessments and targeted EIA that will be considered for tourism product

development (and infrastructure development) under Output 2.2. Further, as annual work plans are prepared and activity details emerge, activity specific risks will be identified and risk management plans prepared in line with the elaboration of the climate risk screening under Output 3.4.

6) **Annex 2:** The ?Assessment of COVID-19 risks and opportunities? has been included with the resubmission. Please see Annex 2. This was an oversight in the initial Portal submission.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

March 23, 2021 HF:

Comment cleared. Thank you for including the ICIMOD Kanchenjunga landscape initiative. The investments referenced in the original comment though are supported through WWF-Nepal, WWF-US and WWF-India. It is worth connecting the dots on this during project inception.

January 9, 2021 HF:

Yes. Noting here that WWF-Nepal and WWF-US have extensive engagement in the Kanchenjunga landscape on both the Nepal and Sikkim sides which may also be worth exploring via south-south cooperation.

Agency Response

UNDP, 25 March 2021

Thank you for your comment. We will consider this recommendation during implementation.

UNDP, 8 March 2021

The ICIMOD Kanchenjunga landscape initiative has been added to the Project Document sections on partnerships, South-South cooperation and to the project knowledge management and exchange approaches under Output 3.3. Along with knowledge exchanges/transfers between project sites and GWP countries, the project will also seek to exchange lessons and best practices with neighboring countries such as

Nepal and neighboring 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 the Kanchenjunga landscape initiative on community-based tourism from Haa district (in the West of Bhutan).

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request
January 9, 2021 HF:

Yes.

Agency Response
Knowledge Management

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request
March 23, 2021 HF:

Comment cleared.

January 9, 2021 HF:

Please describe how KM (via Component 3) will capture, support and amplify the work/lessons/knowlege under components 1 and 2.

Agency Response

UNDP, 8 March 2021

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). This has been clarified in Output 3.3 in the Project Document and knowledge management section of the CEO ER.

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

March 23, 2021 HF:

Comment cleared.

January 9, 2021 HF:

1.) Please describe, and include in the budget, how the project plans to monitor indicators (per the results framework and TOC) outside of the GEF core indicators, at this point it is unclear.

Agency Response

UNDP, 8 March 2021

Provisions for monitoring of all indicators in the results framework had been included in the budget for Component 3 (please see budget note #20). This has now been clarified in the relevant budget note, activity and M&E plan. Budget provision is made for the procurement of short-term M&E expertise to support the PMU with monitoring of project indicators ? this will cover all results framework indicators monitored on an annual basis and reported in the PIR, and the collation of core indicator data prior to the MTR and TE. Specialist consultant support for the completion of the KAP survey (baseline and TE) has been budgeted separately under Component 3. These costs have been included in the M&E Plan shown in Table 12 of the Project Document (note that all budget notes marked with a double asterix ** have been included in the M&E plan budget) and text has been clarified to improve understanding that all results framework monitoring costs have been captured. Monitoring of some indicators may not need

additional consultant M&E expertise and will be completed by the PMU and project partners ? please see the monitoring data and requirements for each results framework indicator (including core indicators) in the project Monitoring Plan shown in Annex 5 of the Project Document. The monitoring of project indicators will be coordinated by the M&E Officer to be recruited as part of the PMU. During project inception phase the monitoring plan will be updated and elaborated into an annual M&E plan for the first year of the project to define specific monitoring needs, additional specialist support to be procured, and timeframes for updating of project baselines (as needed) and conducting required monitoring.

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request
January 9, 2021 HF:

Yes.

Agency Response
Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request
January 8, 2021 HF:

Yes

Agency Response
Project Results Framework

Secretariat Comment at CEO Endorsement Request
March 23, 2021 HF:

All comments cleared.

January 8, 2021 HF:

1.) Some of the indicators included in Annex A: project results framework are not in fact written as indicators which makes them challenging to understand, including Indicators 5, 6, 8, 12. Please review and revise as necessary.

2.) Indicator 8 is unclear/hard to understand. Recommend reworking.

3.) Indicator 9: Seems as though monitoring/reporting on revenues from ecotourism for community livelihoods would be particularly useful given the assumed linkages between sustainable livelihoods and improved conservation.

Agency Response
UNDP, 8 March 2021

Revisions and clarifications made as follows:

1) **Qualitative indicators (5, 6, 8, 12):** Editorial revisions have been made to Indicators 5, 6, 8 and 12 in the project results framework to better present these in indicator form and improve clarity on what is being measured. Minor wording changes have been made to other indicators in the same vein. These results framework changes (and others summarized below) have been copied across to other relevant parts of the Project Document and CEO ER, including Annex 5 Monitoring Plan of the Project Document, and Annex A of the CEO ER.

2) **Indicator 8:** Indicator 8 has been reformulated to improve clarity that this indicator is measuring the extent to which there is multi-sector and cross-agency coordination mechanisms established and operationalized in the demonstration landscape. This has been split into two sub-targets ? the first related to improved cross-sector coordination to integrate biodiversity conservation into ecotourism development (via the Landscape Ecotourism Task Force) and the second to enhance cross-agency cooperation on wildlife conservation and law enforcement, and coordinated attention on threats to wildlife including poaching and human-wildlife conflict (via the Landscape PA Nature Conservation Committees).

3) **Indicator 9:** We agree with the suggestion and have incorporated household income ($US) as new sub-indicator 9d) in the results framework (and monitoring plan in Annex 5). Overall household income will be monitored for practicality in measurement and reporting. Bhutanese households do not maintain detailed accounts of income and therefore separate ecotourism income cannot be easily identified or measured. Instead, overall household income under 9d) will be used in combination with other sub-indicators (such as 9a) on proportion of households that benefit from ecotourism) to try to best understand the specific contributions to household income from ecotourism.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request

Agency Response
Council comments

Secretariat Comment at CEO Endorsement Request
January 8, 2021 HF:

Addressed in table in CER.

Agency Response
STAP comments

Secretariat Comment at CEO Endorsement Request
March 23, 2021 HF:
Comment cleared.

January 8, 2021 HF:

Please confirm whether there were STAP comments relevant to this project and if so, please address.

Agency Response
<u>UNDP, 8 March 2021</u>

None of the STAP comments on the PFD were directly relevant to this project. However, STAP comments specific to this project were provided through the informal GWP Program Steering Committee review (as noted under GWP PSC comments) and these were used to improve on the project?s formulation and presentation of its conceptual diagram and Theory of Change diagram and narrative.

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response
Other Agencies comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response
CSOs comments

Secretariat Comment at CEO Endorsement Request NA

Agency Response
Status of PPG utilization

Secretariat Comment at CEO Endorsement Request
January 8, 2021 HF:

Cleared.

Agency Response
Project maps and coordinates

Secretariat Comment at CEO Endorsement Request
January 8, 2021 HF:

Cleared

Agency Response
Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request
April 7, 2021 HF:
Comments cleared.

March 23, 2021 HF:
Thank you for the submission of the audit checklist. Two corrections/edits please:

1.) In regards to #11 of the checklist, please leave the "Yes" "No" columns blank as the HACT/NIM audit has not previously been performed, which is explained in the far right column.

2.) In regards to #12 of the checklist, please leave the "Yes" "No" columns blank or mark as NA.

Agency Response

All comments have been addressed and the audit checklist completed and included as Annex 20 of the Project Document.

UNDP, 25 March 2021

Comments 1 and 2 have been addressed in the checklist. The ?yes? ?no? columns of #11 and #12 are now blank.

All comments have been fully addressed.

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request NA

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

May 4, 2021 HF:

Yes. All comments cleared. CEO endorsement is recommended pending Council 4-week review.

May 3, 2021 HF:

Please upload project budget into Documents tab of the Roadmap in the Portal.

April 30, 2021 HF:
Yes. All comments cleared. CEO endorsement is recommended pending Council 4-week review.

April 19, 2021 HF:
No. Please address remaining policy comments highlighted.

April 7, 2021 HF:
Yes. CEO endorsement is recommended.

March 23, 2021 HF:

No, please address brief remaining issues in regards to GHG indicator/EXACT tool, project objective, UNDP audit checklist and remove yellow highlights from final documentation and resubmit. Thank you.

January 8, 2021 HF:

No. Please address comments in review sheet.

Please resubmit and include the Checklist for CEO Endorsement Template duly filled out for this project.

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	1/9/2021	
Additional Review (as necessary)	3/23/2021	
Additional Review (as necessary)	4/7/2021	
Additional Review (as necessary)	4/19/2021	
Additional Review (as necessary)	4/30/2021	

CEO Recommendation

Brief reasoning for CEO Recommendations