



## **Enhancing capacity for sustainable management of forests, land and biodiversity in the Eastern Hills (ECSM FoLaBi EH)**

### **Part I: Project Information**

#### **GEF ID**

10381

#### **Project Type**

FSP

#### **Type of Trust Fund**

GET

#### **CBIT/NGI**

CBIT **No**

NGI **No**

#### **Project Title**

Enhancing capacity for sustainable management of forests, land and biodiversity in the Eastern Hills (ECSM FoLaBi EH)

#### **Countries**

Nepal

#### **Agency(ies)**

FAO

#### **Other Executing Partner(s)**

Ministry of Industry, Tourism, Forest, and Environment, Province One, Ministry of Forest and Environment

#### **Executing Partner Type**

Government

#### **GEF Focal Area**

Multi Focal Area

#### **Taxonomy**

Focal Areas, Biodiversity, Biomes, Grasslands, Tropical Dry Forests, Temperate Forests, Protected Areas and Landscapes, Productive Seascapes, Community Based Natural Resource Mngt, Mainstreaming, Forestry - Including HCVF and REDD+, Tourism, Agriculture and agrobiodiversity, Species, Illegal Wildlife Trade, Threatened Species, Forest, Forest and Landscape Restoration, Land Degradation, Land Degradation Neutrality, Land Productivity, Land Cover and Land cover change, Carbon stocks above or below ground, Sustainable Land Management, Sustainable Agriculture, Sustainable Livelihoods, Income Generating Activities, Integrated and Cross-sectoral approach, Community-Based Natural Resource Management, Sustainable Fire Management, Restoration and Rehabilitation of Degraded Lands, Sustainable Forest, Improved Soil and Water Management Techniques, Climate Change, Climate Change Adaptation, Innovation, Livelihoods, Least Developed Countries, Private sector, Climate resilience, Community-based adaptation, Adaptation Tech Transfer, Ecosystem-based Adaptation, Sustainable Development Goals, Influencing models, Convene multi-stakeholder alliances, Demonstrate innovative approach, Strengthen institutional capacity and decision-making, Stakeholders, Private Sector, Financial intermediaries and market facilitators, SMEs, Individuals/Entrepreneurs, Indigenous Peoples, Communications, Behavior change, Awareness Raising, Type of Engagement, Partnership, Consultation, Participation, Information Dissemination, Local Communities, Beneficiaries, Civil Society, Community Based Organization, Gender Equality, Gender results areas, Participation and leadership, Capacity Development, Knowledge Generation and Exchange, Access and control over natural resources, Access to benefits and services, Gender Mainstreaming, Sex-disaggregated indicators, Women groups, Gender-sensitive indicators, Integrated Programs, Commodity Supply Chains, Adaptive Management, High Conservation Value Forests, Sustainable Commodities Production, Smallholder Farmers, Food Systems, Land Use and Restoration, Integrated Landscapes, Comprehensive Land Use Planning, Sustainable Commodity Production, Smallholder Farming, Sustainable Food Systems, Landscape Restoration, Capacity, Knowledge and Research, Knowledge Exchange, South-South, Field Visit, Knowledge Generation, Training, Workshop, Learning, Adaptive management, Theory of change, Indicators to measure change

## **Rio Markers**

### **Climate Change Mitigation**

Climate Change Mitigation 1

### **Climate Change Adaptation**

Climate Change Adaptation 0

#### **Submission Date**

10/11/2019

#### **Expected Implementation Start**

1/1/2022

#### **Expected Completion Date**

12/31/2025

**Duration**

48in Months

**Agency Fee(\$)**

397,850.00

**A. FOCAL/NON-FOCAL AREA ELEMENTS**

<b>Objectives/Programs</b>	<b>Focal Area Outcomes</b>	<b>Trust Fund</b>	<b>GEF Amount(\$)</b>	<b>Co-Fin Amount(\$)</b>
BD-1-1	Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors	GET	2,990,160.00	18,100,350.00
LD-1-3	Maintain or improve flows of ecosystem services, including sustaining livelihoods of forest-dependent people through Forest Landscape Restoration (FLR)	GET	1,197,740.00	10,399,650.00
<b>Total Project Cost(\$)</b>			<b>4,187,900.00</b>	<b>28,500,000.00</b>

**B. Project description summary**

**Project Objective**

Globally significant biodiversity outside protected areas are conserved and the flow of ecosystem services for sustainable livelihoods improved in the Eastern Hills of Nepal.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
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Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
1: Instruments and capacities for biodiversity-sensitive landscape planning	Technical Assistance	<b>Outcome 1:</b> Provincial and local stakeholders have increased capacities for adaptive and collaborative landscape planning and management to support biodiversity conservation, ecosystem restoration and achieving land degradation neutrality.	<p><b>Output 1.1:</b> A policy and planning framework for landscape level biodiversity-sensitive land use and forest management implemented by Province One and 34 local levels, including LDN target 1 for the Province One<sup>[1]</sup></p> <p><b>Output 1.2:</b> Province, forestry/wildlife staff and 34 local levels have capacities, mechanisms and instruments to sustainably coordinate and support biodiversity conservation and SFM/SLM (i.e., via land use planning and community forestry).</p> <p><b>Output 1.3:</b> 200 priority CFUGs<sup>[2]</sup> selected for biodiversity conservation based on rapid local-level assessments, trained and conducting biodiversity and LD monitoring (PAMEB)</p> <p><b>Output 1.4:</b> 34 local level landscape maps (covering 3,575 km<sup>2</sup>) of critical</p>	GET	1,128,311.00	11,397,764.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
2: Knowledge management, monitoring and adaptive management	Technical Assistance	<p><b>Outcome 2:</b> Local, provincial, and national stakeholders have access to information needed for forest management, sustainable land use and biodiversity conservation planning, management and implementation (MoFE, FRTC, Province, Local levels, CFUGs access KMIS shared information for adaptive management)</p>	<p><b>Output 2.1:</b> Nepal National Forest Research and Training Centre (FRTC) Forestry Information System (FIS) upgraded and linked to the knowledge management information system (KMIS) portal where CFUG, local, Province, and MoFE can share and access biodiversity and CFM data.</p> <p><b>Output 2.2:</b> Mechanism for the systematic creation and sharing of Provincial KMIS linked to national database, developed, and operational.</p> <p><b>Output 2.3:</b> 200 CFUGs, 34 Local levels, Province and MoFE trained, coached and monitored in KMIS operation and use.</p>	GET	705,559.00	5,827,824.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
3: Implementation of community-based conservation and sustainable production, management and restoration practices	Investment	<p><b>Outcome 3:</b></p> <p>Local stakeholders apply community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods.</p> <p>(34 municipalities, 200 CFUGs and 30,000hh benefit from enhanced biodiversity through implemented LUPs and BD-oriented SFM, and enhanced livelihoods)</p>	<p><b>Output 3.1:</b></p> <p>34 Local levels (3,575 km2) implement land use interventions that strengthen biodiversity conservation and avoid interventions that negatively affect biodiversity.</p> <p><b>Output 3.2:</b></p> <p>300 CFUGs, 340 LFUGs and CBOs and 30,000 households implement forest, livestock, agriculture and other livelihoods support practices that strengthen biodiversity conservation and sustainable management of forest landscapes.</p> <p><b>Output 3.3:</b> At least ten (10) community-based anti-poaching and fire control networks established to protect</p>	GET	1,955,182.00	9,117,269.00



Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing(\$)	Confirmed Co-Financing(\$)
Monitoring and Evaluation				GET	199,424.00	800,000.00
Sub Total (\$)					3,988,476.00	27,142,857.00
Project Management Cost (PMC)						
	GET		199,424.00		1,357,143.00	
Sub Total(\$)			199,424.00		1,357,143.00	
Total Project Cost(\$)			4,187,900.00		28,500,000.00	

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

<b>Sources of Co-financing</b>	<b>Name of Co-financier</b>	<b>Type of Co-financing</b>	<b>Investment Mobilized</b>	<b>Amount(\$)</b>
Recipient Country Government	MoITFE, Provincial Ministry (MoITFE) and Local Government	In-kind	Recurrent expenditures	28,200,000.00
GEF Agency	FAO	In-kind	Recurrent expenditures	300,000.00
<b>Total Co-Financing(\$)</b>				<b>28,500,000.00</b>

**Describe how any "Investment Mobilized" was identified**

Not applicable. The entire co-financing amount is a recurrent expenditure and not investment mobilized.

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

<b>Agency</b>	<b>Trust Fund</b>	<b>Country</b>	<b>Focal Area</b>	<b>Programming of Funds</b>	<b>Amount(\$)</b>	<b>Fee(\$)</b>
FAO	GET	Nepal	Biodiversity	BD STAR Allocation	2,990,160	284,065
FAO	GET	Nepal	Land Degradation	LD STAR Allocation	1,197,740	113,785
<b>Total Grant Resources(\$)</b>					<b>4,187,900.00</b>	<b>397,850.00</b>

**E. Non Grant Instrument**

NON-GRANT INSTRUMENT at CEO Endorsement

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Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)  
PPG Required **false**

PPG Amount (\$)  
150,000

PPG Agency Fee (\$)  
14,250

Agenc y	Trust Fund	Country	Focal Area	Programmin g of Funds	Amount(\$)	Fee(\$)
FAO	GET	Nepal	Biodiversity	BD STAR Allocation	107,100	10,175
FAO	GET	Nepal	Land Degradation	LD STAR Allocation	42,900	4,075
Total Project Costs(\$)					150,000.00	14,250.00

## Core Indicators

### Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
25000.00	25320.00	0.00	0.00

#### Indicator 3.1 Area of degraded agricultural land restored

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

#### Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
25,000.00	25,320.00		

#### Indicator 3.3 Area of natural grass and shrublands restored

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

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

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

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

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
90000.00	96000.00	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)
40,000.00	41,000.00		

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

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

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

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
15,000.00	20,000.00		

**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)
35,000.00	35,000.00		

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

Title	Submitted
Province-with ProjectProtected Areas	
HVF in Province 1	

**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 <sub>2</sub> e (direct)	3022247	7417389	0	0
Expected metric tons of CO <sub>2</sub> 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 <sub>2</sub> e (direct)	3,022,247	7,417,389		
Expected metric tons of CO <sub>2</sub> e (indirect)				
Anticipated start year of accounting	2021	2022		
Duration of accounting	20	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 <sub>2</sub> e (direct)				
Expected metric tons of CO <sub>2</sub> e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

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

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

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

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

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	75,000	75,000		
Male	75,000	75,000		
Total	150000	150000	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

Notes related to core indicators: \* Core indicator 3.2: The corresponding project output is 1.5. The focus of the project is not on directly restoring forest and forest land but on complementing the government's restoration programmes by supporting improved planning of restoration efforts so that they adequately integrate LDN and biodiversity conservation priorities). In total, 25,320 ha of forest will be restored involving 24,320 ha of Community Forest (CF) (320 CFUGs) and 1,000 ha of LF (340 LFUGs). It should be noted that there are only two districts (Panchthar and Tehrathum) in Province One where LF is being practiced. Compared to other provinces, Province One has relatively more productive land and as a consequence, only small areas of forest are available for LF. Accordingly, the size of LFs in Province One are comparatively smaller than the national average. \*\* Core Indicator 4.1: The corresponding project output is 3.1 and indicator (second): 10% of the project area (31,000 ha. of community forest and 10,000 ha. of government managed forest) is brought under improved management that strengthens biodiversity conservation. \*\*\* Core Indicator 4.3: The corresponding project output is 3.2 and indicator (second): 15% of the farmland land of the project area (more than 20,000 ha) is brought under sustainable land management systems through agriculture, livestock and forest-based livelihoods practices. \*\*\*\* Core Indicator 4.4: The Project area does not include Kanchenjunga conservation area or Makalu Barun national park or its buffer zone. No interventions are considered in the areas where high conservation value forests are protected. Local communities will benefit from improved management of project area landscapes as they locally derive most of their needs for forest products and they will improve their income from enhanced value chains. In the long term this may have a positive impact in terms of reduced pressure beyond the project area. In addition, the project intervention is focused largely on improving the management of community forests which will contribute to the protection of high conservation value forests in the project area. The conservation benefits generated as a result of the project intervention will improve habitat for threatened species of flora, and fauna as well as overall ecosystem functioning. \*\*\*\*\* Core indicator 6: The GHG mitigation calculations were done using the EXAct tool (attached as Annex O). The calculations include 25,320ha of forest restoration to be undertaken by the government, local levels and FUGs, 35,000ha of avoided loss of HCVF that the project assumes will happen through improved planning and compliance with plans, 41,000 ha of improved forest landscape management and 20,000ha of improved management of production landscapes.

## Part II. Project Justification

### 1a. Project Description

## PART II: PROJECT JUSTIFICATION

### 1.a Project Description

Located in South Asia between 26° 22' and 30° 27' North and 80° 04' and 88° 12' East, Nepal covers an area of 147,181 km<sup>2</sup>. Along with extensive geographic diversity, from the lowland Gangetic Plain to the high Himalayas and beyond to the Tibetan Plateau, Nepal has tremendous climatic variation from sub-tropical in the lowlands to permanent snow and ice on the high peaks. From south to north, Nepal can be divided into five physiographic belts, the lowland Terai<sup>[1]</sup>, Chure<sup>[2]</sup>, Middle Mountains (also known as the Middle Hills, the term that will be used throughout this document), High Mountains and High Himal.

Following the promulgation of a new Constitution in late 2015, Nepal has 753 local governments (also called local levels), 77 districts (without elected officials), 7 provincial governments, and one federal government. Local and provincial governments hold a variety of political, fiscal, and administrative powers, while there are also concurrent powers with the federal government (Bhattarai, 2019). The 753 local governments include *Nagarpalika* (municipalities) and *Gaunpalika* (rural municipalities) with populations ranging from 10,000 to over 500,000<sup>[3]</sup>. The term **local level** is used throughout the project document to describe *Nagarpalika* and *Gaunpalika*, the term is not used to describe community or other local groups.

The new government structures bring both challenges and opportunities. There are now higher levels of governmental direction, capacity, oversight, and funding closer to land users and Community Forest User Groups (CFUGs). However, the capacity of local levels is far less than is required to fulfil their new functions. Accordingly, there is a substantial opportunity to support local levels to develop and implement land use plans that support biodiversity conservation and mainstreaming, including through improved community forest management.

The Government of Nepal (GoN) has identified Province One in the Eastern Middle Hills as the project area for this Project. Province One is the most eastern of Nepal's seven Provinces (see, Figure 1)<sup>[4]</sup>. The GoN has requested assistance to develop guiding frameworks, strategies, and solutions for CFUGs and local levels in key corridors and other bio diverse, but legally unprotected, areas.

With a population of 4.5 million, Province One covers an area of 26,109.7 km<sup>2</sup> and includes all five physiographic belts found in Nepal. However, the geographic focus of the proposed project does not include the entire Province but focuses on a sub set of the Middle Hills, an area of 3,575

km<sup>2</sup> that includes 34 of the Province's 88 local levels, with a population of approximately 702,696 (153,340 households - HHs).

**1) Global environmental and/or adaptation problems, root causes and barriers that need to be addressed (systems description)**

The Project is located within the districts of Panchthar, Terhathum, Taplejung, Ilam and Sankhuwasabha of Province One. Whilst there are 43 local levels (321 wards) in the five districts, the Project focuses on only 34 of these local levels (and 186 wards) for implementation purposes. The term 'project area' is used when referring to the area that the project focuses on. The term 'project districts' is used when referring to the larger area of the five districts. The Project area includes all 8 local levels of Panchthar, all 6 local levels of Terhathum, and selected wards of 9 local levels of Taplejung, 6 local levels of Ilam and 5 local levels of Sankhuwasabha (see the green section of Figure 3). Details of the project area are provided in *Annex E*.



**Figure 1 Administrative and Political Map of Nepal**  
**Environmental features**

The project focuses on the biodiversity-rich Tinjure- Milkedanda-Jaljale, Mai valley forest and the Tamur valley. Key criteria used to select this area include current and potential biodiversity corridors, habitat ranges of indicator species, livelihood opportunities, presence of threats to biodiversity from developing peri-urban areas and/or infrastructure development, and from a project implementation viewpoint, the manageability, potential for institutional and community ownership as well as the replicability of a project.

Province One contains globally important biodiversity, including high diversity of birds, mammals, butterflies, rhododendrons, orchids and other plant species endemic to eastern Nepal. Of particular importance is that the forests in Province One have key tree species including *Lithocarpus pachyphylla*, *Magnolia campbellii* and *Acer campbellii*, and most notably the area contains globally significant rhododendron forests that are found in Milke Danda, Pathibhara and Maipokhari. Twenty of Nepal's 30 rhododendron species are only found in eastern Nepal and the Milke Danda has some of the highest diversity of rhododendron species. A detailed description of biodiversity within the Project area is available from FAO Nepal country office.

The forests in Province One are home to many species of mammals[5]<sup>5</sup> (including bats[6]<sup>6</sup>), birds[7]<sup>7</sup> and plants (e.g., hundreds of orchid species) that are absent or rare elsewhere in Nepal and in the world. For example, the Eastern Middle Hill habitats include the highest current population of the globally important Red Panda (Endangered (EN)). The total population of Red Panda globally is estimated to be less than 10,000 of which Nepal is the home of an estimated 381-582 individuals.<sup>[8]</sup><sup>8</sup>

Forests cover approximately 215,510 ha (60 per cent)<sup>[9]</sup><sup>9</sup> of the project area and include diverse forest types. Subtropical dry forests are found at lower altitudes (up to 1,000 m.a.s.l) consisting of *Shorea robusta*, *Adina cordifolia*, *Anthocephalus chinensis*, *Butea frondosa*, *Lagerstroemia parviflora*, *Garuga pinnata*, *Terminalia species*, *Acacia catechu*, and *Dalbergia sissoo*. Between 1,000 to 2,000 m.a.s.l, the subtropical forest species are replaced by *Pinus roxburghii*, *Pinus wallichiana*, *Schima Wallichii*, *Castanopsis indica*, and *Alnus nepalensis*. Temperate forests dominate from 2,000 to 2,800m, with key species being *Quercus spp*, *Rhododendron spp*, *Abies spectabilis*, *Michelia deltopsa* and *Taxus spectabilis*. Besides *Rhododendron* species, other important plant species in the project area include *Cinnamomum glaucescens*, *Eleocarpus sphaericus*, *Larix griffithiana*, *Michelia champaca*, *Michelia kisopa*, *Talauma hodgsonii* and *Taxus wallichiana*<sup>[10]</sup><sup>10</sup>

In recent decades improvements in forest cover and quality have begun to address past deforestation and forest degradation notably because of community forestry (CF). In more recent years, tree cover has begun to increase because of natural regeneration and in some cases planting of underutilized and abandoned farmland. Whilst the increase in forest area is a positive sign for biodiversity, the ineffective management of forests and regarding wider land use planning for biodiversity remains a challenge. For example, excessive removal of shrub, herbs, and old trees to facilitate the growth of timber species in community forests has a negative impact on critical habitat for birds and reptiles.<sup>[11]</sup><sup>11</sup> Table 1 provides data on changes in land use, indicating a significant increase in forest area.

**Table 1 Changes in land use and land cover data for the project area (sq km)**

Year	Built-up/ Infrastructure	Barren land/othe r	Bush/ Shrublan d	Cultivate d	Forest	Grasslan d	Wate r body	Ice and Sno w	Tota l
1996	0	39.36	205.89	1,546.34	1,583.60	190.41	8.83	0	3,575
2020	20.12	26.86	157.92	1,353.69	1,865.13	132.07	17.63	1.02	3,575
Change	+20.12	-12.50	- 47.97	-192.65	+281.53	-58.34	+8.8	+1.02	

Source: GIS analysis undertaken for the project's baseline

Province One has more than 4,080 community forest user groups (CFUGs) and pro poor leasehold forestry groups (LFUGs), covering an area of about 411,000 ha, including more than 544,000 households.<sup>[12]</sup><sup>12</sup>

There are several important protected areas located adjacent to the proposed project area including Sagarmatha National Park (NP), Makalu-Barun NP and Kanchenjunga Conservation Area (CA). **There are no formally designated protected areas within the project area** and the provisions for biodiversity conservation in community forest operational plan remains less effective .

Nevertheless, the project area contains critical landscapes that connect the protected areas in the mountain physiographic belt with those in the *Terai*.

### **Socio-economic features**

Nepal is a Least Developed Country (LDC), and poverty is widespread, especially among the rural population, with 18.7 per cent<sup>[13]</sup><sup>13</sup> of Nepalese living below the absolute poverty line. There is higher prevalence of poverty in rural areas (27.4 per cent) than in urban areas (15.5 per cent)<sup>[14]</sup><sup>14</sup>. According to UNDP, 24.3 per cent of the population is vulnerable to multidimensional poverty, and 12 per cent of the population is in severe multidimensional poverty.

Nepal was ranked as medium human development at 149 out of 189 countries in 2018<sup>[15]</sup><sup>15</sup>. However, this national level ranking masks the disparity between urban and rural populations, with rural populations being heavily dependent on natural resources and livelihoods based on semi-subsistence agriculture, and increasingly on remittances. The degree of value addition, and value capture, in rural areas through processing, packaging, and branding is much lower than it could be.

In 2018/19 all districts in Province One had a food surplus except for Tehrathum (with a deficit of 5,790 metric tons)<sup>[16]</sup><sup>16</sup>, even though an estimated 19,265 ha of cultivated land was converted to other land use between 1996 and 2020.

Wherever possible, data are provided for the Project area (e.g., population and education data), however, in some cases project area data gaps could not be filled during the project design phase, partially due to COVID-19 travel restrictions, and in such cases data for the project districts (i.e., the larger area) are used.

Table 2 provides a summary of the population in the project area<sup>[17]</sup><sup>17</sup>. The 2011 census indicates the overall population of the project area was 496,689, with a larger population of women (263,338) than men (233,351) because of outmigration.

**Table 2 Population of the project area**

District	Panchthar	Terhathum	Taplejung	Ilam	Sankhuwasabha	Total
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<b>Area (Km2)*</b>	1,245.70	676.90	827.40	469.20	355	3,575
<b>Households**</b>	41,196	22,094	22,599	15,118	5,800	106,807
<b>Population**</b>	191,817	101,577	107,693	68,772	26,830	496,689
<b>Male</b>	90,186	47,151	50,608	33,021	12,385	233,351
<b>Female</b>	101,631	54,426	57,085	35,751	14,445	263,338
<b>Population density, persons per Km2</b>	150	162	131	157	75.5	139
<b>Population growth rates</b>	-0.52	-1.08	-0.55	0.26	-0.03	

Source: \* GIS analysis undertaken for the ?project?s baseline \*\* CBS (2011)  
<https://cbs.gov.np/province-level-output-tables/>

The major ethnic groups found within the project districts are shown in Table 3. Indigenous people comprise more than 60 per cent of the population of the project districts<sup>[18]</sup><sup>18</sup>, with the majority being Limbu, Rai and Tamang, with smaller populations of more marginalised groups including Bhote, Bhujel, Sunuwar, Lepcha, Kumal, Yakkha, and Walung.

The most marginalised people are the *dalits*<sup>[19]</sup><sup>19</sup> (10-15 per cent of the population) who face caste-based discrimination and are often landless or land-poor. Within the project area, there are varied literacy rates between and within caste/ethnic groups.

Migration is a key socio-economic feature of the Province. This includes domestic migration within the province and beyond the Province but within Nepal, and overseas migration.

Domestic migration in Nepal includes rural to rural and rural to urban migration. Migration from the hills and mountains to the lowlands and valleys is prominent and increasing. Domestic migration is driven by income and employment opportunities, and in search of better education and living conditions<sup>[20]</sup><sup>20</sup>. In recent years, natural disasters such as prolonged drought, fires, earthquakes, and landslides have also triggered domestic migration.

Overseas migration is an important feature of the population dynamics of Province One and it has a substantial effect on the province?s economy. Whilst overseas migration makes a significant contribution to the national economy through remittances (from USD 2.54 billion in 2010/11 to USD 8.79 billion in 2018/19), it also presents serious challenges. When the foreign labor market was opened for Nepalese youth in the early 1990s, the number of approvals issued by the Department of Foreign Employment (DOFE) was 3,605 in 1993/94. It reached 106,660 in 2003/2004 and 519,638 in 2013/14.

Every year many youths leave the country in search of work (estimated at 106,660 men in 2013/14 and 236,208 men in 2018/19) and more than 80 per cent of overseas migrants are aged between 18 and 35 years.<sup>[21]</sup><sup>21</sup> Outmigration has long-term implications for agriculture, livestock, forestry, and other economic sectors, not the least because of a growing shortage of an active workforce as is the case in Province One.

**Table 3 Major ethnic groups and their population in the project districts**

Caste/Ethnic Group	Population (per cent in parenthesis)					
	Panchthar	Terhathum	Taplejung	Ilam	Sankhuwasabha	Total
Limbu	80,339 (9.23)	36,322 (4.17)	52,596 (6.04)	23,110 (2.65)	8,308 (0.95)	200,675 (23.08)
Hill Chhetri	18,927 (2.17)	19,382 (2.22)	15,016 (1.72)	30,121 (3.46)	21,637 (2.48)	105,083 (12.08)
Rai	26,424 (3.03)	1,956 (0.22)	6,418 (0.73)	42,833 (4.92)	6,373 (0.73)	8,4004 (9.65)
Hill Brahman	20,594 (2.36)	13,453 (1.54)	9,815 (1.12)	32,680 (3.75)	5,756 (0.66)	82,298 (9.46)
Tamang	13,647 (1.56)	6,621 (0.76)	5,591 (0.64)	14,646 (1.66)	11,965 (1.37)	52,470 (6.03)
Kami	6,522 (0.74)	4,400 (0.50)	5,948 (0.68)	5,969 (0.68)	4,243 (0.48)	27,082 (3.11)
Gurung	3,721 (0.42)	2,973 (0.34)	5,748 (0.66)	7,681 (0.88)	3,085 (0.35)	23,208 (2.66)
Magar	6,368 (0.73)	2,417 (0.27)	1,226 (0.14)	9,732 (1.11)	3,413 (0.29)	23,156 (2.66)
Newar	2,743 (0.47)	2,891 (0.33)	1,863 (0.21)	8,020 (0.92)	4,565 (0.52)	20082 (2.3)
Damai	4,124 (0.47)	3,102 (0.35)	1,863 (0.21)	3,062 (0.35)	2,263 (0.26)	14,414 (1.65)
Sherpa	2,741 (0.31)	1,152 (0.13)	1,972 (0.22)	3,061 (0.35)	4,408 (0.50)	13,334 (1.53)
Yakha	641 (0.05)	191 (0.02)	225 (0.02)	1,348 (0.15)	7,073 (0.81)	9,478 (1.08)
Sunuwar	1,977 (0.22)	102 (0.01)	1,362 (0.15)	2,755 (0.31)	29 (0.00)	6,225 (0.71)
Sarki	1,041 (0.11)	1,604 (0.18)	1,047 (0.12)	1,051 (0.12)	1,430 (0.16)	6,173 (0.70)
Gharti/Bhujel	411 (0.04)	1,037 (0.11)	508 (0.05)	1,098 (0.12)	573 (0.60)	3,627 (0.41)
Sub Total	186,786 (97.37)	97,603 (96.08)	121,317 (95.17)	187,167 (64.48)	85,121 (53.62)	677,994 (77.94)
Other castes/groups*	5031 (2.62)	3,974 (3.91)	6,144 (4.82)	103,087 (35.51)	73,621 (46.37)	191,857 (22.05)
<b>Total</b>	191,817	101,577	127,461	290,254	158,742	869,851

*Source: <https://cbs.gov.np/province-level-output-tables/>*

*\*: The remaining 51 social groups*

### **Agriculture**

Agriculture is the backbone of Nepal's economy, employing approximately 60 per cent of the population and contributing about 27 per cent of GDP. However, agriculture remains largely semi-subsistence based with relatively low productivity.[22]<sup>22</sup> Nepal's Agriculture Development Strategy (ADS)[23]<sup>23</sup> has identified migration, conversion of agriculture land to non-agricultural purposes, land fragmentation, lack of irrigation and other infrastructure as the main reasons for low performance of the sector.

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The agriculture sector provides about 36 per cent of Province One's Provincial Domestic Product<sup>[24]</sup><sup>[24]</sup>. With an average agriculture land holding of 0.66 ha, the province is self-sufficient in grain production and it produces tea, cardamom, vegetables, citrus fruit, and dairy products. Many of these products have substantial export potential<sup>[25]</sup><sup>[25]</sup> (See Table 4).

The Project districts include pocket production areas<sup>[26]</sup><sup>[26]</sup> for large cardamom, oranges, and off-season vegetables. In addition, the area is a production zone for tea and Kiwi fruit, with more than 8,000 small farmers cultivating tea in Ilam and Panchthar districts.

**Table 4 Main agricultural and livestock related activities within the project districts**

District	Land suitable for agriculture	Cultivated Land	Farming households	Production zone (Crop and animal)
	Area (ha)			
Taplejung	27,551	22,500	24,521	Cardamom, Goat, cattle and Yak would be here too.
Panchthar	60,257	51,861	36,650	Cardamom, Tea, Orange, Goat, Cattle
Ilam	70,330	63,297	64,502	Cardamom, Kiwi fruit, Tea, Off-season vegetable, Goat, Cattle, Buffalo
Sankhuwasabha	31,596	30,600	20,000	Cardamom, Goat, Cattle
Terhathum	37,282	30,428	19,884	Cardamom, Tea, Goat, Buffalo

*Source: Province One, Directorate of Agricultural Development, Progress report 2018/19*

There are three Agriculture Knowledge Centres (Ilam, Panchthar, Sankhuwasabha) and two Service Centres (Taplejung and Tehrathum) located within the project districts. These centres provide technical services to farmers, monitor and report, operate laboratory services, and cooperate with local levels.

#### **Forest use and management**

In addition to a reliance on agriculture, an estimated 80 per cent of the population in the project area depends on forests. Forests are an important component of the farming system by providing a range of ecosystem services including provisioning services (e.g., wood, fuel wood, water and fodder), regulating services (e.g., catchment regulation (water flow, floods and landslides), climate regulation, and hazard regulation) and cultural services (e.g., religious forests).

The role of local levels (*Nagarpalika* and *Gaunpalika*) in forest management, including the relationship between local levels and CFUGs, remains unclear because of apparent contradictions between key legislation (the Constitution, the Local Government Operation Act, and the Forest Act) and the forest policy. Because of the lack of clarity, very few local levels have established environment and forest sections. Indeed, most local levels are unaware that they have a potential role to play in the forest sector.

Throughout Nepal, and notably in the Middle Hills, large areas of forest have been handed over to CFUGs. More than 22,000 CFUGs are managing 2.2 million ha of forests and providing benefits to

an estimated 2.9-million-member households.[27]<sup>27</sup> There are 725 CFUGs in the proposed project area covering 55,339 ha of forest<sup>[28]</sup><sup>28</sup>.

The community forestry program has proven to be one of the driving forces in halting deforestation and an effective means of empowering local communities. Through community forestry, women, and the poorer and disadvantaged sections of communities, arguably, have improved access to forest resources for their daily use and for livelihood opportunities. However, equitable access by women and disadvantaged members of the community to decision making has been less successful. To achieve the gender equality and social inclusion aims of the forest policy, strategy, and Forest Act and regulations, there is a need for technical capacity development, institutional strengthening, coaching, and implementation of a dedicated GESI plan.[29]<sup>29</sup>

Whilst community forests have reportedly generated benefits for livelihoods, forest cover and biodiversity, other reports indicate a range of gender equity and social inclusion issues as a result of: a) dominance of wealthier families in community forest management and benefit distribution, b) the exclusion of poor and socially discriminated groups from forest use with negative impacts on their livelihoods (e.g. loss of access to NTFPs), c) conflict between community forest management and the indigenous Kipat system (communal land of the Limbu community) generating adverse outcomes, and d) increased burden on women resulting from increasing levels of out-migration of men, without commensurate increased roles for women in forest management decision making. For example, women are expected to add attendance to CFUG meetings on top of their increased burden for managing livelihoods and resources.

Over recent decades, biodiversity in the Eastern Middle Hills has benefited from increased forest cover resulting from community forest management. Nonetheless, biodiversity faces a range of threats including from forest fires, overuse of some forest species, poor forest management, lack of silviculture and the impact of invasive species.

Government-approved operational plans allow CFUGs to extract timber, firewood, fodder and NTFPS in a controlled way. However, the excessive focus on removal of old trees, shrubs, dead wood, and leaves can lead to habitat degradation and loss of biodiversity.

An assessment of 100 Community Forest Operational Plans revealed that the terms ecosystems and biodiversity conservation are always mentioned, but hardly ever supported by assessments and details, or operationalized in plans or actions, especially not in the Middle Hills, because of a lack of understanding and guidance<sup>[30]</sup><sup>30</sup>.

**Community forest management, farming systems and land use in the Eastern Middle Hills are at a cross roads** due to a combination of both new threats and emerging opportunities, including: a) decreased forest use and decline in the availability of forest labour due to negative population growth (outmigration); b) increased economic development centered around NTFPs and plywood production; c) the new government structure of local levels and provincial institutions with new mandates that impact on biodiversity, farming and community forests (notably through land use plans and revenue collection); d) increased local access to technology, information and the

internet, and; e) the increased prioritization of biodiversity by the government that will support changes to community management of resource to be more effective.

The harvest and sale of NTFPs and trees from private forests is a major economic activity in Province One. There are more than 270 small and micro enterprises that are based on forest products and this number is growing. Timber harvesting from private forest provides raw materials to several veneer industries operating in the Terai districts<sup>[31]</sup><sup>31</sup>. Forest-based enterprises provide employment and generate income for forest dependent communities. The forest sector has the potential to boost province and local level economic development provided this sector is afforded due priority in development planning.

### **NTFP Cultivation**

#### **Lokta and Amriso**

Nepali paper (*Lokta*) and broom-grass (*Amriso*)<sup>[32]</sup><sup>32</sup> are commonly found in the project area, and they provide employment and income generation opportunities for marginalized communities. The production, processing and marketing system for *Lokta* involves village aggregators collecting *Lokta* bark and supplying it to paper enterprises who in turn sell the processed paper to retailers, wholesalers, and exporters. *Amriso* is commonly grown on marginal lands and as a plantation crop on degraded slopes.

#### **Chirayito**

*Chirayito* (*Swertia chirayita*) is a perennial herb and a major source of income for rural households of eastern Nepal. Many farmers are converting their uplands and sloping lands to *Chirayito* farms to enhance their income. Approximately five per cent of dried *Chirayito* production is sold by local traders to Bangladesh, 40 per cent to China, and 50 per cent to India. Less than 5 per cent of *Chirayito* production is used for medicinal purposes for home consumption.

#### **Large cardamom**

A value chain study<sup>[33]</sup><sup>33</sup> for large cardamom in Ilam district indicates that the area of large cardamom and its production are decreasing. Most farmers use suckers detached from rhizomes as planting materials which is a main cause of disease transmission. Farmers use traditional dryers (*Bhatti*) for curing large cardamom which reduces its quality. In general, farmers do not undertake value addition such as tail removing, grading, and packaging. These actions are performed at trader level.

#### **Orthodox tea**<sup>[34]</sup><sup>34</sup>

Orthodox tea is emerging as lucrative business for earning foreign currency through international markets. Certification of orthodox tea has been fetching price premiums and catalyzing export market. Non-certified organic orthodox tea producing factories have their own tea gardens and collect green tea leaves from tea growers, cooperatives and wholesales.

#### **Pressures on the environment**<sup>[35]</sup><sup>35</sup>

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Nationally, annual deforestation rates in the Middle Hills slowed around 1990 and have since reversed, initially due to the success of community forestry, and from about the year 2000 increases in forest cover on public land and tree cover on private land have been primarily due to demographic and economic changes and their impact on forest and agricultural land use<sup>[36]</sup><sup>36</sup>. Despite the increases in forest area and tree cover, ecosystem degradation and loss of biodiversity continue.

Examples of species that are adversely affected by declining biological connectivity include *Ailurus fulgens*, *Moschus moschiferus*, and *Gallinago nemoricola*.

The most significant direct pressures leading to biodiversity loss and ecosystem degradation vary in intensity between the relatively inaccessible high altitudes and more accessible low altitude areas, but apply in general across the landscape:

? **Excessive removal of biomass** by CFUGs that have traditionally focused on timber, firewood and fodder production. The Mainstreaming Biodiversity and Ecosystem Services into Community Forestry project (DoF/BCN/FECOFUN) observed that in many community forests birds and small mammals are affected by removal of old trees (owlets, woodpeckers, babblers, squirrels, mice), non-commercial tree species that fruit or flower in a food shortage season, undergrowth (laughing thrushes, babblers, and migratory warblers), and leaf litter (thrushes and blackbirds).

? **Lack of silviculture and other forest management practices to maintain forest health, functionality and diversity**: In general, the introduction of community forestry has resulted in substantial regeneration of forests, but an over-emphasis on protection, and a lack of sustainable silviculture and other forest management practices has seen a decline in forest health. Overuse of grass and shrub layers and overharvesting of dry firewood can lead to forests becoming biologically poorer as habitats and ecosystem integrity are degraded. Poor management can also worsen other pressures, for example, increase the risk of harmful fires and invasive species.

? **Forest fire**: Lack of effective fire management, potentially compounded by the effects of climate change increasing summer temperatures and reducing dry-season moisture levels, has reportedly resulted in an increase in severity and area of harmful forest fires. The Forest Resource Assessment Nepal (2015) indicates that the frequency of forest fires is higher in less intensively managed forests (government, protected areas), and suggests that care should be taken to avoid less intensive forest management as a result of the trend of increasing labour shortage and reduced forest product use at CFUG level.

? **Invasive species**: Poorly managed forests can allow the expansion of invasive species and the reduced management of forests can result in slow recognition and response to invasive threats. Forest affected by wildfires are reported to be more vulnerable to invasive species. *Lantana camara* and *Mikania micrantha* are two of the most common invasive species found in the degraded forests of the project area<sup>[37]</sup><sup>37</sup>

? **Illegal harvesting of forest products and poaching**: Increased illegal harvesting of timber and forest products and poaching of animals has serious local and landscape level impacts on species and habitats. Decreased levels of forest monitoring and increased national and international market demand for forest products contributes to rising illegality.

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? **Human Wildlife Conflict (HWC):** Experiences with Human Wildlife Conflict include humans being killed and injured by Common Leopard and Himalayan Black Bear and crop damage by Himalayan Black Bear, Palm Civet, Barking Deer, Rhesus Monkey and Porcupine. There is circumstantial evidence of increasing trends but no readily available data to support this. Increased HWC may be related to complex combinations of factors including increased forest area and density, inadequate forest management, encroachment, poaching of Leopard prey, and wildfires.

? **Encroachment and over-extraction of resources:** Competition for land and natural resources in the more accessible areas can lead to encroachment and habitat degradation of forests and other public lands. Poorly controlled extraction of sand and boulders, overexploitation of forests and grazing land and the impact of urbanization and resettlement, (especially at lower altitudes), roads and new local level centres can lead to habitat loss and degradation.

? **Poorly planned and implemented infrastructure:** Habitat degradation and loss is commonly associated with poorly planned and implemented infrastructure, most often with roads (notably low-cost ?bulldozer? roads built by local levels) built without proper engineering and maintenance leading to landslides, erosion, fragmentation of biological corridors and damage to water springs and streams.

? **Climate change:** There have been a range of observed effects of climate change on natural systems in Nepal, these effects result from increased frequency, duration and intensity of floods and extreme rainfall events, increased frequency, duration and intensity of droughts and drying out of water sources, more favorable conditions for invasive species.

The pressures mentioned above operate both individually and in combination with each other to threaten both biodiversity and agricultural productivity. For example, the interaction of climate change with fire, overharvesting and invasive species can lead to degradation and loss of habitats and loss of biological corridors, with consequent negative impacts on key species. Moreover, these direct pressures lead to declining productivity of forests, grasslands and agricultural land.

### **Root Causes**

Whilst the pressures described above lead directly to biodiversity loss and land degradation, underlying these pressures are a set of root causes.

Root causes of change to the environment can be categorized as demographic, economic, socio-political, scientific, technological, cultural, and religious (Millennium Ecosystem Assessment, 2005). In Eastern Nepal, these drivers operate to various degrees. However, in terms of the planned project area, the most apparent root causes are:

**Demographic change:** Prior to the COVID-19 pandemic, Province One, like much of the rest of the rural Middle Hills of Nepal, was experiencing an increasing trend of large scale out-migration, domestically and overseas.

Anecdotal evidence during the project formulation stage suggests that during the COVID-19 pandemic many migrants had returned to their villages following the imposition of travel restrictions. At the time of preparing the project documents, it is unclear whether these returnees will again migrate once the COVID-19 restrictions are lifted but given the trends in migration that have been observed over the past decade, it is likely that they will.

The population of the area targeted by the project decreased between 2001 and 2011<sup>[38]</sup><sup>38</sup>. Young men, and to a lesser extent, women are migrating to the Terai, urban areas, and overseas. This trend has left many communities with populations largely comprising women, children, and the elderly. Consequently, the rural economy, agriculture and forest use and management are all changing substantially. In many cases agricultural land is being left fallow and trees are regenerating on less intensively used lands.

Cropping patterns and livestock management are also changing with less reliance on labor intensive crops and animals. The reduced availability of male labour and cultural norms that preclude women from some roles in agriculture is having a profound impact on farming systems. Increased availability of animal fodder on private lands, declining availability of labour and changes in both the type and management of livestock is leading to a reduced reliance on community forests for fodder.

The lack of male labour is also affecting forest use and management, with fewer young men available (and willing) to undertake work related to tree planting, forest harvesting, fire line creation, fire control, and poaching control. Moreover, wealthier families in more accessible areas can afford to replace firewood with cooking gas leading to a decreased demand for firewood from CFs by these households.

Remittances now play a significant role in both the national and local economies, often enabling families to purchase at least some of their food needs from markets instead of from their farmlands.

The implications of these dramatic and widespread changes require further study, but it is evident that CFUGs generally do not know how to deal with these emerging issues and there is little evidence that solutions including fee-for-service or specialist contractors are being utilized.

**Economic change.** Two major economic trends are occurring: a) intensification of commercial agricultural production and harvesting of natural resources (e.g., increased evidence of cash crops and commercial harvesting of NTFPs including *Chirayito*, Large Cardamom, *Lokta* and *Argeli* (both are used to make paper) and *ringal* bamboo) and b) increased linkages to foreign markets (notably China and India), including the possibility that a road will be built along the Tamur river linking the Terai to China. These trends bring economic opportunities, but they also generate risks of over-exploitation of resources (both timber and NTFPs) and degradation of ecosystems through the direct and indirect impact of infrastructure (roads and urbanization).

Despite the development of new economic opportunities, most rural people in the project area are poor and have limited access to financial capital and livelihood opportunities, other than semi-subsistence agriculture, and poor access to value-added markets.

**Competing and conflicting land use policies:** An environment of policy contradictions among different institutions results in competing and in some cases conflicting land use (e.g., indiscriminate stone and sand mining, village road construction using bulldozers, the midhills highway and potentially the proposed Tamur highway to China).

**Inequity:** Benefits derived from community forest management can often be distributed inequitably leading to poorer and vulnerable households facing increased livelihood and food security challenges. Such inequity can lead to poor forest management, both through insufficient management and through unplanned/illegal use.

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In addition to the above root causes, **climate change**<sup>[39]</sup> and climate variability are key factors that affect both the environment and socio-economic well-being in the targeted project sites<sup>[40]</sup>. Nepal contributes a negligible share of global greenhouse gas emissions but is ranked among the top 17 countries vulnerable to climate change (Kreft et al. 2016 cited in MoFE, 2019a). Climate change poses a serious threat to the economy of Nepal (MoFE, 2019a).

The climate trend analysis report<sup>[41]</sup> (1971-2014) shows that there is significant increase in annual and seasonal maximum temperature across the country although an insignificant precipitation trend except in the High-Himalayan region. In the project districts there has been no significant change in rainfall except for in Tehrathum, which has seen an average +2.99 mm/yr increase. There is a trend of decreasing rainfall for Ilam (-9.57 mm/yr), Panchthar (-1.39 mm/yr), Sankhuwasabha (4.68 mm/yr) and Taplejung (1.36 mm/yr).

An analysis of maximum temperature shows an increasing trend (Ilam +0.067 °C, Panchthar +0.082 °C, Sankhuwasabha +0.072 °C, Taplejung +0.091 °C, and Tehrathum +0.077 °C), whilst changes in average minimum temperatures is minimal (Ilam -0.001 °C, Panchthar +0.007 °C, Sankhuwasabha -0.007 °C, Taplejung -0.01 °C, and Tehrathum +0.009 °C).

A study by the Ministry of Forests and Environment on climate change scenarios for Nepal shows that there will be a likely increase in average annual precipitation, likely rise in average annual mean temperature, likely increase in frequency of intense rainfall, likely increase in warm days and nights, and likely decrease in cold days and nights, in the medium-term (2016-2045) and long-term (2036-2065) periods which suggests a warmer and wetter future climate for Nepal (MoFE, 2019a).

In 2019, the GoN adopted a policy on climate change consistent with the new Constitution of Nepal. This policy places a high emphasis on enhancing climate change adaptation capacity, building community and ecosystem resilience, promoting green economy, mainstreaming climate change into development policies and programs and integrating gender and social inclusion into climate change initiatives (MoFE, 2019b).

### **Remaining gaps/barriers:**

Key barriers to delivering improved biodiversity conservation and improved livelihoods in the Eastern Middle Hills include:

#### **Barrier 1: Lack of information and knowledge**

Stakeholders in rural areas in Eastern Nepal tend to have relatively limited access to knowledge, information, and data on sustainable natural resources management. Local communities, in particular, often have poor knowledge of markets, value chains, commodity prices, food handling practices, financial markets. Consequently, they are often to risk ventures into enterprises without significant external assistance. Whilst this situation has improved over recent years with the expansion of mobile phone technology, significant knowledge gaps remain.

The baseline study undertaken for the project identified at local level a lack of technical knowledge on land degradation and land management, inadequate participation of local institutions and stakeholders, no opportunities for technical staff to enhance knowledge and capacity development,

and no mechanism for knowledge and information sharing. Overall, there is inadequate data and information to support sustainable forest resource management.

Knowledge of government policies, regulations and processes at local level is often minimal. The establishment of new roles and responsibilities for provinces and local levels has meant that new knowledge and information about how these new administrative systems operate is still being disseminated to local levels.

CFUGs often have good knowledge of local forests and forest products, but poor knowledge on the need for better silviculture and forest management. Knowledge of processing of forest products and adding value is often limited. Also, the awareness of opportunities to improve biodiversity conservation and livelihoods through community forestry, agroforestry, and improved farm management is generally poor.

Absence of suitable systems to manage and share data and information to enable national, provincial, and municipal governments and CFUGs undermines good decision making and limits ability to adjust approaches and plans to meet current and future challenges. The baseline study undertaken for the project design identified there was a lack of information on site specific forest ecosystem and restoration needs, land degradation, sustainable land management and biodiversity hotspots at national, province and district levels. These knowledge gaps lead to poor planning and a lack of focus on critical biodiversity and land degradation areas, often resulting in ineffective outcomes at all levels. Component 2: Outputs 2.1-2.3 of the project will address this gap through the establishment and operationalization of a Knowledge Management Information System (KMIS) at provincial, district and local level and link the KMIS to the existing Forestry Management Information System (FMIS) at the national level. The two-way information flow from the local levels and CFUGs to the national level and vice-versa will help bridge critical data/information gaps and address Barrier 1 and enable concerned policy makers, planners, implementing agencies and forest users to make use of up-to-date data for effective planning and management of forest, biodiversity and land (Component 1). CFUGs will provide data to the KMIS and will also be able to use data from the KMIS for more informed planning and management. The project will provide necessary technical support to CFUGs and DFOs, including training in data input and retrieval of the KMIS. A functional KMIS with linkages to the FMIS will enable relevant agencies to support forest ecosystem restoration, sustainable land management and biodiversity conservation in the project area

## **Barrier 2: Weak capacity and capability**

**At national, provincial, and local levels** there is limited capacity to implement biodiversity- and land degradation-related plans and policies. The recent devolution of authority to local levels has yet to be matched with the broad range of skills and capabilities needed. This will be addressed by outputs 1.1-1.5, 3.1 and 3.2.

**At local level**, the baseline study identified a lack of technical capacity and human resources, inadequate participation of local institutions and stakeholders and low participation of *dalit*, indigenous nationalities and women in the users' groups. This situation is compounded in local levels that are remote and inaccessible to services.

The limited capacity to undertake land use planning at local level can lead to missed opportunities for ecosystem restoration, biodiversity conservation, land restoration and development of forest-based livelihoods through the effective engagement of CFUGs and LFUGs. Most often, development and land use planning at local level is done with little regard to relevant and updated



information or with adequate consideration of likely impacts on the environment, which can result in poor infrastructure development (e.g., roads being poorly built by bulldozers with no proper planning or engineering controls) and missed opportunities to incorporate biodiversity conservation within the plans. This will be addressed by outputs 1.2 to 1.5.

**At local level** elected and government officials are often also members of a CFUG, and in many cases are CFUG leaders and, therefore, they are well-placed to share ideas on such issues as conservation ponds in Community Forest (CF), plantations, river training and erosion control. They are also well-placed to support the development and operation of NTFP value chains. However, they generally lack the overview, knowledge and capabilities for comprehensive and adequate implementation of good and equitable forest management.

Most CFUG operational plans do not incorporate ecosystem restoration, LDN or biodiversity conservation objectives and activities, and CFUGs have low capacity to undertake action to mitigate direct pressures on biodiversity. This will be addressed by outputs 1.3 and 3.2. CFUGs generally have very limited ability to address emerging issues including demographic change (e.g., labor shortage), economic development (e.g., market demand for illegal forest products), and ill-planned infrastructure (e.g., road construction). This will be addressed by outputs 3.2 and 3.5. Skills and knowledge within CFUGs are inadequate to address key issues such as ecosystem restoration or biodiversity conservation. This will be addressed in outputs 1.3 and 3.2.

The capacity of socially excluded groups to participate meaningfully in forest use and management decisions is limited by their lack of representation in CFUG leadership (e.g., in one case, one per cent of *dalit* are represented in the CFUG committee although *dalit* comprise 10 per cent of the CFUG members). This will be addressed by outputs 1.2 and 3.5. Finally, the capacity of individuals, households, and communities to generate livelihoods and reduce poverty is limited by:

? The lack of leasehold forest, a pro-poor income generation instrument, in an estimated 50 per cent of CFUGs will be addressed by output 3.5.

? The lack of viable options for generating livelihoods through the sustainable use of biodiversity due to weak value chains, bottlenecks (at multiple levels) and lack of capabilities will be addressed by outputs 3.4 and 3.5.

### **Barrier 3: Insufficient access to finance and investment**

Forest-based enterprises in general, and small and micro enterprises in particular suffer from lack of sustainable financing. There are very few rules and regulations aimed at promoting flows of finances to community led forest-based small and micro enterprises. Financial institutions are unwilling to lend support to forest-based enterprises due to high risk associated with them. Despite the potential of community led forest-based enterprises to contribute to rural livelihood enhancement and the local economy, they are still in their infancy, due to low risk bearing capacity of communities, poor entrepreneurship, inefficient value chains and lack of access to finance.

Project-based financial support provided to these enterprises elsewhere in the country has demonstrated satisfactory results in terms of improvement in value chains. Studies carried out in different parts of the country have recommended the need to address these barriers and strengthen credible access to finances for this sector to flourish. Outputs 3.4 and 3.5 will address these barriers.

## **2) Baseline scenario and any associated baseline projects**

### **Relevant Government Policy and Legal Frameworks**

After the promulgation of the Constitution in 2015, Nepal entered a system of federal governance with three spheres of government - federal, provincial, and local levels. The three spheres of government are not simply hierarchically related; instead, the relations are based on the principles of cooperation, co-existence and coordination. Article 56 of the Constitution distributed powers to the three spheres of government in five different schedules (5, 6, 7, 8 and 9). Schedules 5, 6 and 8 include the exclusive powers of the federal (environment management, national parks, wildlife reserves, wetlands, carbon services, land use policies and any matter not specified in the constitution and federal laws), provincial level (land management, forest and water use, environment management within the state) and local level (environment protection, biodiversity, wildlife, watershed protection) spheres, respectively. Schedule 7 includes the powers concurrently exercised by the federal government and the provinces (biodiversity, environment protection, utilization of forests, mountains, forest conservation areas and water stretching in inter-province form). A detailed report on laws, policies, and institutional arrangements is available from FAO Country Office Nepal.

Schedule 9 of the Constitution includes the powers concurrently exercised by all three spheres (forest, wildlife, birds, water use, ecology, environment, and biodiversity). This clearly demands collaboration and cooperation amongst the three spheres of government.

The Allocation of Business Rules (2018) and the Local Government Operation Act (2017) have clearly demarcated the functions of each sphere of government. The federal government's functions are primarily related to policy, laws, standard setting, and regulations, whereas the provincial government has been given responsibility for management and use of national forests within their jurisdiction. More importantly in terms of the Project, local levels have key responsibilities for the protection, promotion, management and regulation of community-based forests and plantations within their jurisdiction.

The GoN accords high priority to sustainable forest management, watershed restoration and biodiversity conservation. Various policies, legal frameworks and guidelines emphasize the need for integrated management of these resources for ecosystem resilience and economic development.

The Constitution has adopted policies on agriculture, land reforms and natural resources that underlines the importance of maintaining ecological balance, enhancing production and productivity, strengthening community based sustainable management of natural resources, ensuring intergenerational equity and benefit sharing. The 15th five-year (national) plan has recognized forest resources as an economically productive sector and the first Periodic plan of Province One has aligned its policy on forest, land, and biodiversity with the national plan. The proposed Project is consistent with the guiding principles of the Constitution and the periodic plans.

Some of the key national policies and laws that create a supportive environment for this Project include the National Forest Policy and Act, the National Parks and Wildlife Conservation Act, the National REDD+ strategy, the Land Use Policy and Act, the Agriculture Development Strategy, and the Agrobiodiversity Policy and Agroforestry Policy.

In addition to the policies and legal frameworks mentioned above, lessons from pertinent projects and programs have been taken into consideration in the Project design. A brief overview of the relevant programmes and projects is presented in the following section:

#### **Biodiversity conservation, management and sustainable use**

The Nepal Constitution has provided mandates to all three tiers of government in the conservation of biodiversity; however, as mentioned earlier, local levels lack adequate capacity for land use planning.

The National Biodiversity Strategy and Action Plan (NBSAP 2014-2020) is particularly relevant to the Project as the project supports the implementation of priority NBSAP actions including improving landscape management and enhancing biological connectivity in the Middle Hills; improving biodiversity and forest-based livelihoods through community-based approaches to management; and strengthening forest governance.

Unfortunately, the implementation of the NBSAP has suffered from insufficient financial resources, and a lack of concerted effort by key stakeholders. Mainstreaming biodiversity into development policies and plans of different tiers of government is a necessary step towards effective implementation of the NBSAP including through ensuring public financing and more meaningful stakeholder participation.

The National Parks and Wildlife Conservation Act (and associated rules) is a key legal instrument for the protection of biodiversity within the protected area system. Declaration of areas surrounding a national park as buffer zones and sharing of 30 to 50 per cent of national park revenue with buffer zone communities for conservation and development are features of this instrument.

The Forest Act (2019) and Rules govern biodiversity conservation outside the protected area system. Regular programmes of the government, including national forest development and management, have specific activities on species conservation, human wildlife conflict mitigation and community based anti-poaching.

National forests are broadly categorized into Inter-provincial and provincial forests and within these two broad categories, forests are classified as government managed forests, community forests, leasehold forests, collaborative forests, religious forests, and forest protection areas.

At the Provincial level, the Ministry of Industry, Tourism, Forests and Environment (MoITFE) is responsible for the formulation of provincial policy, laws, and standards, but these must remain within the framework of federal policy, laws, and standards. The MoITFE is responsible for biodiversity studies and research, management, and benefit sharing; watershed management; and forest management including non-timber forest products (NTFPs), plantations and environmental assessments. The MoITFE is also responsible for the management and regulation of Government-managed Forests, Community Forests, Collaborative Forests, Leasehold Forests and Religious Forests.

The Provincial Forest Directorate plays a coordination role in policy formulation and acts as bridge between field units and the provincial ministry. The Directorate is responsible for monitoring and evaluation of works performed by the 15 Divisional Forest Offices, one Forest Research and Training Center and two Soil Conservation and Watershed Management Offices.

Divisional Forest Offices are responsible for forest demarcation, prohibition of free access, strategic planning of National Forests; giving permission to collect, transport and sell forest products; approving operational plans and handing over community forests, pro-poor leasehold forests and religious forests; providing recommendations to the provincial ministry for approval of management plans of collaborative forests; recommending to local level the registration of private forests, recommending the establishment of forest-based enterprises; and providing technical assistance to private and public land forest development.

Sub-Divisional Forest Offices are responsible for the protection of forests, supporting community, collaborative and leasehold forestry groups, establishing plantations, distributing seedlings and promoting agroforestry/private forestry, providing recommendations to local levels for the registration of private forests, and providing technical assistance to private and public land forest development.

Soil Conservation and Watershed Management Offices (SCWMO) are responsible for delineating sub-watersheds at district level, prioritizing watersheds in each district, mobilizing community groups within priority sub-watersheds, planning soil and water conservation and watershed management activities and implementing works through community groups. Whilst the responsibility for watershed management is at local level, most local levels do not have technical personnel or budget allocations and the SCWMOs do not have plans to work with local levels for implementing SCWM activities.

Components 1 and 2 aim to strengthen local levels in biodiversity sensitive landscape level planning, monitoring and knowledge management.

### **Community and Leasehold Forestry**

The community and leasehold forestry programmes have helped reverse the trend of deforestation and forest degradation, conserve biodiversity, establish local communities at the forefront of resource management and create avenues for forest-based livelihood enhancement as well as local development.

Leasehold forestry is specifically focused on the poorest sections of the community and aims to support target households in lifting them out of poverty through forest land leasing and sustainable land management interventions. This concept is now internalized in the Community based forestry programme.

The Forest Act (and associated rules, guidelines, and directives) govern the management of community forestry, leasehold forestry, and community-based forestry programmes. This Act has provided legal rights to CFUGs to operate forest enterprises and eco-tourism in collaboration with the public and private sectors.

Despite the overall success achieved by these programmes in resource conservation, there remain issues of resource utilization and equity in benefit sharing within the groups that need to be addressed. Component 3 of the proposed project focuses on the implementation of community-based conservation and sustainable production, management, and restoration practices. Specific areas of intervention include implementing land use plans, strengthening value chains and community based anti-poaching.

### **Land Degradation ? Watershed Management**

Land degradation through topsoil erosion is the most severe problem in the mountain watersheds of Nepal. Topographic variation, land use patterns and other anthropogenic factors such as farming on steep slopes trigger soil erosion. There are long term impacts of land degradation on ecosystem functioning and agriculture productivity in the project area. Farmers in the hills and mountains have adopted various methods such as terracing, agroforestry practices and low-cost vegetative means of controlling soil erosion to tackle land degradation.

National policies on agriculture, land management, climate change, environment and forest underscore integrated watershed management for increased production and productivity. Climate change adaptation programmes have adopted watersheds/sub watersheds as the planning unit at the

local level. The Government at local level is mandated to work on watershed conservation to achieve sustainable land management. Interestingly, most of the local level boundaries follow watershed boundaries.

The GoN has expressed its commitment to sustainable land management (SLM) through land degradation neutrality (LDN) national target setting. The project is focused on LDN Target 1: *By 2030, halt the conversion of forests to other land cover classes and maintain the forest cover at the most recent baseline figure of National Forest Reference Level, 2017 (44.70%, as of 2014)*. It recognizes the need to reverse the rate of deforestation and forest degradation to contribute to sustainable land management. Important corrective measures recommended by LDN targets for SLM include land use planning, maintaining forest cover, and promoting community-based forest management and livelihood opportunities. Linking the KMIS at the Province level and the FMIS at the federal level is expected to provide information that can be used for a broad range of reporting, including SFM and LDN targets.

National policies create an environment for sustainable land management but suffer from weak implementation due to its cross sectoral nature and overlapping mandates at various levels. Local levels are the rightly placed to deal with land degradation-watershed management through SLM. Components 1, 2 and 3 will support local levels in capacity development for land use planning, implementation, and knowledge management.

The project benefits from the relevant projects and initiatives identified in the table below. These projects have developed useful tools/knowledge products, training manuals, approaches and documented best practices/learnings on different thematic areas relevant to the project. These products will be valuable in different stages of project implementation and saves time and resources in "reinventing the wheel". For example, Kanchenjunga Landscape Conservation and Development Initiatives that partially shares the working area with the project has supported local forest users in ecosystem restoration and community based conservation cum livelihoods outcome. The project will build on this foundation. Similarly, a JICA funded project on NTFP value chain will provide important knowledge for the component 3 of the project. Potential linkages column of the table briefly describes the relevancy of these initiatives to the project. In this way, the project will benefit from already available information and will facilitate its implementation.

#### Relevant Projects and Initiatives

Project	Work area	Duration	Donor or Agency	Budget	Potential linkages
Rural Enterprises and Remittances Project (SAMRIDDHI)	Works to reduce poverty and achieving sustainable peace through employment-focused, equitable and inclusive economic development. Terhathum is one of the overlapping project districts	2015 for 7 years	International Fund for Agricultural Development (IFAD)	USD 23.23 million	draw lessons (related to component 3) for designing and executing rural enterprises

Project	Work area	Duration	Donor or Agency	Budget	Potential linkages
Adaptation for Smallholder in Hilly Areas (ASHA)	Works with smallholders in mountain areas of Karnali Province to reduce vulnerability to climate related risks and strengthening adaptation capacities. The project has adopted the sub watershed as a planning unit and works in close collaboration with local levels in implementing local adaptation plans of action (LAPA)	2015-2021	IFAD	USD 37.6 million	coordinate with ASHA on matters related to local level land use planning and supporting sustainable land management interventions (Component 1).
Building Climate Resilience of Watersheds in Mountain Eco-Regions	Enhance the reliability of water supply to poor communities in vulnerable watersheds of hill districts in Sudurpashchim Province. Working through the political transition, this project has learnt important lessons in preparing and implementing local level watershed-based adaptation measures	2014 to 2020	Strategic Climate Fund (SCF)	USD 30.11 million	draw important lessons related to local level land use planning and degraded land rehabilitation measures (Component 1 and 3).
Forests for Prosperity	Increase the forest area under sustainable community-based productive management and under private plantations, resulting in greater supplies of wood and non-wood forest products.	2020-2025	CIF	USD 24 million	work closely with this project on matters related to capacity development of relevant government institutions for forest management (Components 1 and 3).

<b>Project</b>	<b>Work area</b>	<b>Duration</b>	<b>Donor or Agency</b>	<b>Budget</b>	<b>Potential linkages</b>
Building a Resilient Churia Region in Nepal	Working in the Churia region of Provinces One, Two and Bagmati Province, this project supports three tiers of Government in planning and implementing integrated sustainable rural development and natural resource management initiatives for building resilience of ecosystems and vulnerable communities.	2020-2027	GCF	USD 47.3 million	work closely with this project as it is relevant to overall aspects of implementation.
Improving Climate Resilience of Vulnerable Communities and Ecosystems in the Gandaki River Basin	Mainstream and operationalize a sustainable river-basin approach for watershed management to achieve resilience of climate vulnerable communities and ecosystems in the Gandaki River Basin through the planning and implementation of climate change adaptation measures across impacted ecosystems and communities both upstream and downstream across the landscape.	2020-2027	GCF	USD 32.7 million	collaborate on local level capacity development for planning (Component 1).
Building Capacity to Advance National Adaptation Plan (NAP) Process in Nepal	Strengthen the institutional and technical capacity of the GoN at national and local level to advance the NAP process.	2018 for a period of 3 years.	GCF	USD 27.4 m	Work closely with this project on institutional and capacity strengthening of relevant government institutions at federal, province and local level (component 1).

<b>Project</b>	<b>Work area</b>	<b>Duration</b>	<b>Donor or Agency</b>	<b>Budget</b>	<b>Potential linkages</b>
Enhancing Livelihoods from Improved Forest Management in Nepal	Kavrepalanchowk and Sindhupalchowk districts of Bagmati Province to enhance forest management practices in community forests and private land to improve livelihoods, social equity and environmental impact.	2019-2023	The Australian Council for International Agriculture Research (ACIAR)	USD 1.72 million	Draw lessons on improved forest management in community and private lands (component 3)
Nepal REDD+ Readiness Preparation Support Project	Prepare REDD+ readiness activities with a particular focus on: (i) national REDD+ strategy preparation, (ii) safeguard instruments, (iii) institutional and other arrangements for REDD+, (iv) reference scenario and national forest monitoring system, and (v) readiness coordination and consultation.	2017-2019	World Bank through the readiness fund of the Forest Carbon Partnership Facility (FCPF)	USD 5.20 million	Draw lessons from this project on safeguard instruments
Capacity development of Nepal Component on REDD+ Himalayas	Capacity development of REDD+ actors in Nepal.	Not known	GIZ	USD 0.44 million	Draw lessons on biodiversity monitoring and REDD+ districts level REDD plan (component 2).
Kanchanjunga Landscape Conservation Development Initiatives	Transboundary landscape conservation initiative of Nepal, Bhutan and India. Coordinated by ICIMOD.	2018 for 5 years			Work closely with this programme on ecosystem restoration, community-based conservation and stakeholders capacity strengthening (component 1).



Project	Work area	Duration	Donor or Agency	Budget	Potential linkages
Hariyo Ban Programme II	Increase ecological and community resilience in the Chitwan Annapurna Landscape and the Terai Arc Landscape for biodiversity, climate change adaptation and governance improvement.	2016-2022	USAID	USD 18 million	Draw lessons on landscape planning and community-based biodiversity conservation (Components 1 and 3)
WWF and the Sacred Himalayan Landscape Programme	Support the GoN in implementing the Sacred Himalayan Landscape Strategy (SHL) (2017-2026) by working within and outside Kangchenjunga Conservation Area, Langtang National Park Buffer Zone and Sagarmatha National Park and Buffer Zone for the fulfillment of broader vision of conservation at landscape level. This initiative is an opportunity for WWF Nepal to scale-up conservation activities to ecosystem management at landscape level	Ongoing	WWF Nepal	USD 0.7 m annually	Establish regular interaction with the Sacred Himalayan Landscape Programme to share lessons on landscape scale ecosystem management, knowledge generation and conservation-livelihood interface.
Pilot Project for Establishment of Dissemination Model of High Quality Mitsumata ( <i>Argeli</i> ) production in Nepal	Promote the value chain of <i>Argeli</i> ( <i>Edgeworthia gardneri</i> ), a plant material used to make Japanese currency, through local forest user groups in Ilam and Panchthar districts of Province One.	2019-2021	Japan International Cooperation Agency (JICA)	Japanese Yen 10m	Work in close cooperation with this project on NTFP value chain and private sector engagement under Component 3.

Project	Work area	Duration	Donor or Agency	Budget	Potential linkages
Adaptation to the Climate Change Induced Threats to Food Production and Food security in Karnali region	Support local levels and communities of Karnali Province in climate risk identification, diversifying livelihoods and strengthening food security and increasing resilience of natural systems.	2018-2022	The UNFCCC adaptation board through the World Food Programme (WFP)	USD 10.27 million	Coordinate with this project for Component 3.
Nepal Climate Change Support Program 2	Working in 54 local levels of Karnali Province, Province Five and Sudurpashchim Province to increase the resilience of vulnerable communities to existing climate related shocks and future climate change. The project aims to strengthen the capacity of three tiers of government in planning, budgeting and implementing climate resilient and socially inclusive investment.	2018 for 5 years	Department for International Development of the UK government	GBP 23 million	Draw lessons to support Component 1 including on implementing local adaptation plans of action through all levels of government

Project	Work area	Duration	Donor or Agency	Budget	Potential linkages
Mainstreaming biodiversity and ecosystem services into community forestry of Nepal	(i) demonstrate the value of integrating biodiversity/ES into CF; (ii) raise awareness, improve understanding and strengthen capacity of key staffs (DoF, FECOFUN, CFUGs, NGOs/programmes) involved in CF; (iii) pilot new approaches ? biodiversity mainstreaming by updating OPs and monitoring procedures; (iv) produce an official Biodiversity Supplement to national CFDP Guidelines; and (v) ensure that lessons learned on capacity development, awareness and integration of biodiversity into forest management in CF approaches throughout Nepal and Regional (Asia). The project trained 476 people from different organizations related to the forestry and natural resources management.	2015 to 2018	Darwin Initiative	Not known	Draw lessons from this project.
Forest Farm Facility Phase II - Initiative for Climate Resilient Landscapes and Improved Livelihoods	Helps forest and farm producer organizations in three mountain districts of Bagmati Province and two Terai districts of Province Five to increase their business skills and technical capacity and linking them with climate change and landscape level programs.	2018-2022	FAO through its global fund and the FFF	USD 1.2 million	This is an important project for the proposed project to collaborate with for the implementation of Component 3.

<b>Project</b>	<b>Work area</b>	<b>Duration</b>	<b>Donor or Agency</b>	<b>Budget</b>	<b>Potential linkages</b>
Building capacities to improve and sustain forest health to enhance the resilience of forests and livelihoods of forest dependent communities	Trains staff of the Forest Department in the detection and management of invasive alien species damaging to forest health.	2019 till the end 2020	FAO	USD 350,000	Lessons learned from the delivery of training, documentation and knowledge dissemination activities of this project relating to forest species identification and biodiversity will be drawn upon for all 3 components of the proposed project.
Prime Minister Agriculture Modernization Project	Improve agriculture production and creating an enabling environment and to support the implementation of the Agriculture Development Strategy (ADS).	2017-2027	Ministry of Agriculture and Livestock Development (MoALD)	USD 1.3 billion	Collaborate on implementing the product value chain development, community capacity strengthening and private sector engagement of Component 3.
Micro-Enterprise Development Program for Poverty Alleviation (MEDPA)	Develop micro enterprises for poverty alleviation and create employment and income sources for people below the poverty line.	Ongoing	GoN	Varies	Seek support from and work closely with MEDPA in implementing Component 3 through collaboration on technical training, business plan preparation and value chains.

Project	Work area	Duration	Donor or Agency	Budget	Potential linkages
Forest and Watershed Management Program	Numerous programs implemented by the Divisional Forest Offices (DFOs) and Watershed Conservation and Management Offices (WCMOs) under the Provincial Government. The Federal Government also provides conditional grants to DFOs and WCMOs through the Provincial Government to implement specific activities under these programs.	Ongoing	GoN	Varies	Link closely with this program

### 3) Proposed alternative scenario with a brief description of expected outcomes and components of the project and the project's Theory of Change.

The expansion of community forests and the more recent increase in the number of trees on private land in the project area are positive trends for biodiversity. However, the baseline indicates that improving habitat connectivity between community forests and integrating biodiversity-sensitive approaches in farm and forest management, whilst simultaneously improving livelihoods, remain largely elusive. Moreover, existing and emerging pressures threaten biodiversity.

An alternative scenario involves mitigating the barriers described above by enabling improved biodiversity sensitive planning and management of forests and farms, at both site and landscape level, that better supports the sustainable use of natural resources and improved livelihoods. The project builds on the exiting baseline of projects and programs by explicitly focusing on gaps that are most amenable to action, within the budget and other resources available to the project and emphasizing the pathways of change that are most practical for local communities and households.

Accordingly, the objective of the project is to conserve globally significant biodiversity outside protected areas and improve the flow of ecosystem services for sustainable livelihoods in the Eastern Hills of Nepal

To achieve the objective the project will address the following barriers:

- Barrier 1: Lack of information and knowledge ? by supporting the development and use of an integrated Knowledge Management Information System (KMIS) that enables stakeholders at all levels to access, share and update information.
- Barrier 2: Weak capacity and capability ? by supporting Province One, and targeted local levels and CFUGs to address drivers of biodiversity loss and incentivize conservation and sustainable land management by integrating land use and biodiversity conservation planning. This will improve ecosystem resilience and increase the flow of ecosystem services. The project will also

enhance capacity of households, CFUGs and local levels to assess, monitor, plan and implement improved approaches to biodiversity conservation.

? Barrier 3: Insufficient access to finance and investment ? by assisting targeted households, CFUGs and local levels to improve livelihoods through the sustainable use of natural resources and the development/improvement of viable value chains that will provide sustainable income sources for local people.

Further, the project will encourage key stakeholders to:

- Develop improved awareness of the need for conserving biodiversity.
- Agree on the approaches to conserving biodiversity.
- Demonstrate responsibility for conserving biodiversity through improved planning and implementation of forest and land use management, including through local level land use plans, forest operational plans and farming systems that integrate biodiversity conservation.

- Enhance capacity of households, CFUGs and local levels to assess, monitor, plan and implement improved approaches to biodiversity conservation.

- Assist targeted households, CFUGs and local levels to improve livelihoods through the sustainable use of natural resources and the development of viable value chains.

GEF incremental support will build on ongoing investments by local levels and civil society in forest management and conservation. It will draw on the lessons and skills of the projects and programs identified in the baseline and adapt these to the local context within the project area as well as generate new approaches to mainstreaming biodiversity conservation and sustainable land use into local level planning and forest and farm production practices. The project will work primarily at two levels:

- **Landscape level:** Promoting approaches and capacities by local levels and CFUGs for integrated landscape planning and management over 3,575 km<sup>2</sup> so that landscapes provide enhanced biological connectivity for threatened species and sustainably supply ecosystem services.

? **Site level:** Supporting households and CFUGs to plan and implement forest management and farm practices that are sustainable, resilient, compatible with biodiversity conservation that incentivize communities by delivering improved livelihood benefits (initially covering 20,000 ha and 200 CFUGs).

The main beneficiaries of the proposed intervention are rural individuals and households who depend on forest resources. The project will deliberately target women and youth, households living in extreme poverty, and vulnerable groups by ensuring better inclusion and representation in decision-making and their equitable participation in project activities. The project aims to directly benefit at least 150,000 people.

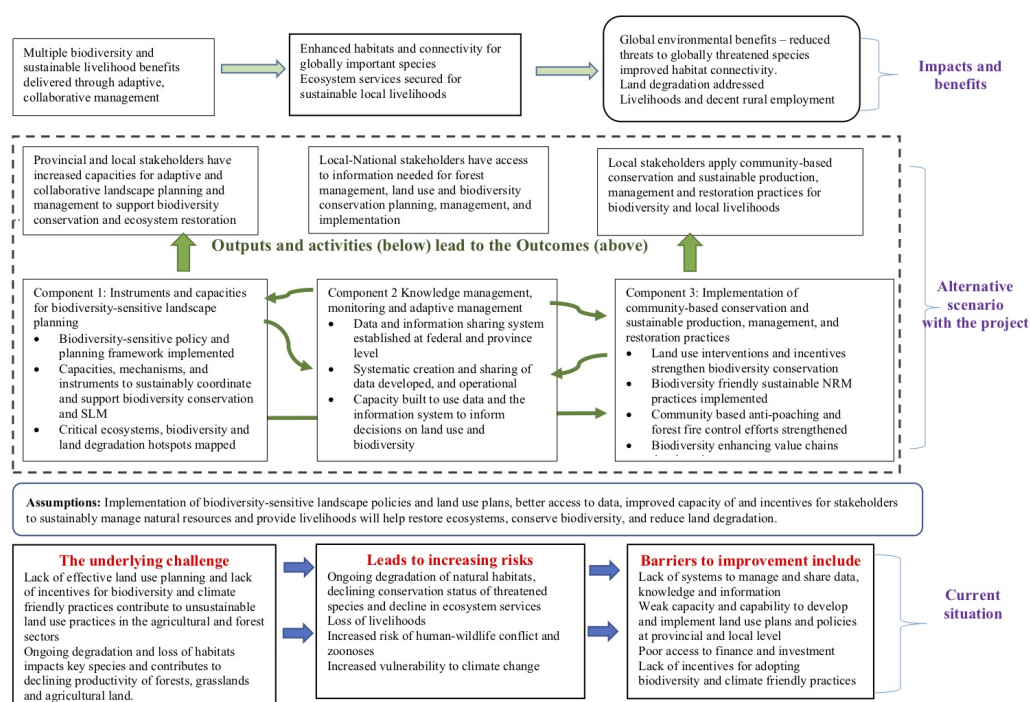
### **Theory of Change**

The project's theory of change describes how the existing drivers of biodiversity and ecosystem degradation, resulting loss of habitat, declining conservation status of threatened species, reduced availability of ecosystem services, decrease in forest and farm-based income/livelihoods and increased vulnerability can be addressed by removing barriers.

The project's theory of change (ToC) is presented in Figure 2. The ToC notes that the current situation is likely to worsen under a 'business as usual' scenario as several key barriers, including

lack of systems to manage and share data, knowledge and information, weak capacity and capability to develop and implement land use plans and policies at provincial and local level, and insufficient access to finance and investment mitigate against improvement. The ToC further points out the lack of incentives for behavioral changes in the form of biodiversity friendly or climate resilient practices.

**Figure 2: Theory of Change**



•The ToC assumes that implementation of biodiversity-sensitive landscape policies and land use plans, and improved capacity of stakeholders to sustainably manage natural resources will help restore ecosystems, conserve biodiversity, and reduce land degradation.

The ToC incorporates a linked series of activities that generate outputs and contribute to three key outcomes. For local stakeholders to apply community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods (Outcome 3), they need access to information for forest management, land use and biodiversity conservation planning, management, and implementation and capacities for adaptive and collaborative landscape planning and management. The **pathway to effecting sustainable change** involves improving access of local, district, provincial and national stakeholders to information, using this information to develop and apply a biodiversity-sensitive policy and planning framework. The new information, skills and overall improved technical capacities acquired in community-based conservation and sustainable production, management and restoration practices will incentivize local communities, through enhanced ecosystem services and better productivity from forest and agriculture, reducing the risk and loss from forest fire, enhancing benefits generated from value chain and overall livelihoods enhancement and ecosystem wellbeing

The project comprises the following three components and corresponding outcomes, outputs, and activities. Please note that due to COVID-19 travel restrictions the project design was not able to complete thorough field level consultations, accordingly it is recommended that the project review the baseline, complete consultations and recommend any variations to activities within the first year of project operation. For this reason, the activities listed below are described as indicative as they will need to be confirmed in year one.

Component One focuses on planning and capacity building (addressing part of Barrier 2), Component Two on knowledge management, monitoring and adaptive management (Barrier 1) and Component Three on implementation of community-based conservation and sustainable production, management, and restoration practices (Barrier 3).

**Component One:** Instruments and capacities for biodiversity-sensitive landscape planning

Provincial and local level governments and forest users currently have limited capacity to implement biodiversity- and land degradation-related plans and programmes (Barrier 2). The recent devolution of authority from the central government to local levels has yet to be enabled by the broad range of skills and capabilities needed. Component 1 will address Barrier 2 through supporting a biodiversity sensitive policy and planning framework, strengthening capacity of officials and forest users on ecosystem restoration through the sustainable management and monitoring of land, forest and biodiversity at landscape level. Enhanced capacities of Provincial and local stakeholders, supported by access to information (Component 2) will enable both ecosystem restoration at landscape level and conservation-based livelihood outcomes at forest user level (Component 3).

Component 1 lays the foundation for Components 2 and 3 by strengthening the capacity for policy formulation and land use planning at provincial and local levels. Component 1 supports Province 1 to meet the requirement under the Constitution of Nepal for each province to prepare land policies in consultation with the Federal government. It also supports the requirement for local levels to prepare land use plans that provide the basis for integrating the principles of sustainable land management, ecosystem restoration and biodiversity conservation. This approach is supported by the Forest Act 2019 that identifies the need for effective coordination among the three tiers of government and for a coordination mechanism to achieve this. Section 7 of this project document provides further details of how the project supports national priorities including biodiversity, sustainable forest management, sustainable land management and land degradation neutrality.

Successful implementation of Component 1 will consolidate planning for community-based adaptive management, conservation and sustainable production, and ecosystem restoration interventions. A landscape policy for Province One will guide local level land use planning and provide a framework for the local level to adopt integrated land use and biodiversity conservation. This component draws on the experiences of the MoFE with implementing community-based forest and watershed management and landscape level approaches to biodiversity conservation and draws on the international principles and standards for the practice of ecological restoration<sup>[42][42]</sup>. This Component is based on an understanding that integrated management of natural resources is key to addressing the direct drivers and root causes of ecosystem degradation and biodiversity loss and to generate sustainable livelihood outcomes at landscape level. Forest users, local levels and provincial governments are identified as important stakeholders. The project will draw lessons from the Terai Arc Landscape (TAL) Kanchenjunga Landscape Development

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Initiatives (KLCDI) and other landscape level projects that have gathered useful information, tools and knowledge.

Component 1 is based on the following assumptions:

? A landscape policy and land use planning framework (Output 1.1) will provide guidance to the Province, local levels and CFUGs in integrating biodiversity conservation, ecosystem restoration and sustainable land management in their plans and programmes. The framework will help the province and local levels to plan for biodiversity sensitive infrastructure development planning. The landscape policy and land use planning framework will help CFUGs to incorporate biodiversity principles within their operational plans and enable community forests to contribute to landscape level conservation needs such as corridors and other biodiversity linkages in the landscape.

? Developing the capacities of provincial forestry/wildlife staff and local levels in land use planning, biodiversity monitoring and assessment of land degradation neutrality (Output 1.2) will enable improved biodiversity conservation by local levels and CFUGs.

? Participatory assessment, monitoring and evaluation of biodiversity (Output 1.3) will provide information that is essential for the development of local landscape maps (Output 1.4) and land use and CFUG plans (Output 1.5).

? Biodiversity, land use, and ecosystem degradation maps (Output 1.4) will enable CFUGs and local levels, to incorporate appropriate management interventions in their respective operational plans and local level land use plans (Output 1.5).

? Stakeholders are willing and able to apply the principles of sustainable land management, ecosystem restoration and biodiversity conservation while also striving for equitable participation and engagement of CFUG members and local levels.?

Component One contributes to addressing Barrier 2 by improving capacity and capability to develop and implement land use plans and policies at provincial and local level.

Important project partners for this component include BCN, ICIMOD, WWF Nepal, and the Red Panda Network Nepal. At province level, the Planning Commission, Ministry of Economic Affairs and Planning, Forest Directorate, Forest Research and Training Centre, Divisional Forest Offices and Soil Conservation and Watershed Management Offices will be the main partners. Local levels and CFUGs will be the key partners at site level and FAO will provide technical assistance.

This project will collaborate with the following projects to implement Component One: Building a Resilient Churia Region in Nepal (BRCRN); Adaptation of Smallholder in Hilly Areas (ASHA); Forests for Prosperity; Catalyzing Ecosystem Restoration for Climate Resilient Natural Capital and Rural Livelihoods in Degraded Forests and Rangelands of Nepal; Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal; Improving Climate Resilience of Vulnerable Communities and Ecosystems in the Gandaki River Basin, Nepal; Kanchenjunga Landscape Conservation Development Initiatives (KLCDI); Hariyo Ban Programme II.

**Expected Outcome:** Provincial and local stakeholders have increased capacities for adaptive and collaborative landscape planning and management to support biodiversity conservation and ecosystem restoration.

There are five outputs under this component. Output 1.1 provides the provincial level policy and planning framework that will guide for Outputs 1.2. to 1.5 as well as for interventions in Components 2 and 3. The planning framework will be developed in the first year of the project and

may be adjusted in subsequent years of the project based on lessons learned. Output 1.2 build capacity of key stakeholders to implement the policy and planning framework. Output 1.3 supports CFUGs to undertake rapid local-level assessments that will provide crucial information for integrating biodiversity conservation into plans at actions. Output 1.4 uses information from Output 1.3 and participatory approaches to generate local landscape maps, and Output 1.5 uses the plans and information generated in the other outputs to generate local level land use plans and improve CFUG operational plans.

**Output 1.1.:** A policy and planning framework for landscape level biodiversity-sensitive land use and forest management implemented by Province One and 34 local levels, including LDN targets for Province One.

**Output 1.1** will provide the provincial level policy and planning framework that guides the activities to be undertaken in the other outputs. The framework will be consistent with national law and policies and incorporate principles of sustainable land management, ecosystem restoration and biodiversity conservation. It will provide guidance to local levels on how to develop land use plans to CFUGs and other relevant stakeholders on how to incorporate biodiversity conservation into their plans and actions. The framework will identify key threatened species and habitats and key threatening processes at provincial level and provide guidance on how to mitigate threats and capture opportunities for sustainable use that incentivizes people to conserve biodiversity.

Project partners: MOITFE, Province planning commission, local levels.

Collaborating projects/programmes: KLCDI, BRCRN, Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal, ASHA.

Target: A landscape policy and planning framework developed and implemented by Province One and 34 landscape policy and planning frameworks developed and implemented by local levels in the project area (covering at least 357,500 ha) by the end of 2025.

Activities include:

Using participatory approaches, assess how policy and planning frameworks can contribute to landscape level biodiversity-sensitive land use and forest management at provincial and local levels.

- ? Select and train staff from partner organizations and government agencies in the planning approaches to be used by the project.
- ? Organize workshops on provincial and local policy and planning frameworks for biodiversity and sustainable land management (focused on local level and provincial level officials involved in land use planning and forest management) including the issues of LDN and national SLM and LDN targets.
- ? Support MOITFE in the development of policy and planning frameworks.

Indicators: A landscape policy and planning framework developed and implemented by Province One and 34 landscape policy and planning frameworks developed and implemented by local levels.

Means of verification: minutes and/or reports of consultative meetings with stakeholders, documentation describing the policy and planning framework (identifying clear references to SFM, SLM and LDN), reports on implementation status of policy and planning framework in Province and 34 local levels.

**Output 1.2:** Province, forestry/wildlife staff and 34 local levels have capacities, mechanisms and instruments to sustainably coordinate and support biodiversity conservation and SLM (i.e., via land use planning and community forestry).

Output 1.2 will develop capacity at provincial and local levels to implement the policy and planning framework developed in Output 1.1 and to support the activities in Outputs 1.3 and 1.4 and Components 2 and 3.

Project partners: Local levels, BCN, RPN, Province Forest Directorate, Province FRTC, DFO, SCWMO.

Collaborating projects/programmes: BRCRN, Catalyzing Ecosystem Restoration for Climate Resilient Natural Capital and Rural Livelihoods in Degraded Forests and Rangelands of Nepal, KLCDI.

Target: One Province, five (Sub-) Divisional Forest Offices and 34 local levels with adequately trained staff, capacities, mechanisms, and instruments to sustainably coordinate and support biodiversity conservation.

Activities include:

- ? Identify and develop the capacity of local resource persons (LRP) to provide technical support to CFUGs to prepare/revise CF operational plans.
- ? Train local level, DFO staff, local conservation groups and forest users in sustainable forest management, land management, and biodiversity monitoring.
- ? Support local level annual planning processes to enable integration of biodiversity, SLM, forest management and ecosystem restoration in annual plans which leads to budget allocation for these sectors.
- ? Support establishment and operationalization of a multi-stakeholder coordination platform at MoITFE.
- ? Support establishment of local stakeholder coordination mechanisms in 34 levels.

Indicators: Number of officials (MoITFE, Directorate, Divisions, Sub-divisions, Soil and Watershed Management Office, GESI focal persons) at province level trained in biodiversity conservation and sustainable land management, Number of officials at local level trained in land use planning, Number of stakeholder networks established/strengthened and operational at provincial and local level

Means of verification: participant lists and or reports of workshops and training, documentation of support mechanism/modality, including list of stakeholders engaged.

**Output 1.3:** 200 priority CFUGs selected for biodiversity conservation on the basis of rapid local-level assessments, trained and conducting participatory assessment, monitoring and evaluation of biodiversity (PAMEB)

Output 1.3 develops the capacity of targeted CFUGs to assess, monitor, evaluate and report on biodiversity values. This capacity will enable CFUGs and community members to make more informed decisions about land and forest management (Output 1.5) and provide information for the KMIS (Component 2) and help guide community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods (Component 3).

Project partners: FECOFUN, CFUGs, BCN.

Collaborating projects/programmes: KLCDI.

Target: 200 priority CFUGs conducting biodiversity monitoring using PAMEB.

Activities include:

- ? Develop and familiarize CFUGs and local levels with PAMEB process and methods.
- ? Develop, test, and distribute software applications for efficient field data collection and transfer to the database.
- ? Develop/adapt tools and materials relevant to local context.
- ? Update methodology to include LDN links and link monitoring methodology to LDN indicators in KMIS so that data from PAMEB can be used to report on LDN.
- ? Conduct field-testing and piloting of PAMEB.
- ? Enhance local level capacity to roll out PAMEB in CFUGs.
- ? Train CFUGs and local levels in PAMEB process and methods.
- ? Disseminate PAMEB related information to stakeholders at national, provincial, local and community levels.
- ? Support CFUG in information/data quality control and data analysis.
- ? Strengthen institutional capacity of local level including sharing (IT) infrastructure.

Indicators: Number of CFUG members trained in and using monitoring and evaluation (biodiversity conservation and land degradation neutrality).

Means of verification: Training reports (including data on the number of CFUG members, trained disaggregated by gender and social group) of 200 local capacity development activities including participant lists.

**Output 1.4:** 34 local landscape maps (covering 3,575 km<sup>2</sup>) of critical ecosystems and biodiversity and LD hotspots locations produced through participatory processes with at least 500 CFUGs and other leasehold forest user groups (LFUGs)/CBOs.

Output 1.4 will provide information for the development of local level land use plans and the improvement of community level plans (Output 1.5), contribute to the KMIS (Component 2) and inform community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods (Component 3).

Project partners: Local levels, DFO, SCWMO, FECOFUN, CFUGs, RPN.

Collaborating projects/programmes: KLCDI, Improving Climate Resilience of Vulnerable Communities and Ecosystems in the Gandaki River Basin, BRCRN.

Target: 34 local level landscape and land use maps produced (3,575 km<sup>2</sup>).

Activities include:

- ? Build the capacity of local level to produce landscape and land use maps including infrastructure.
- ? Develop tools for integrating landscape and biodiversity-related information in land use mapping and planning.
- ? Support local level to integrate biodiversity in land use mapping.
- ? Identify and map the threats to biodiversity (species, habitats, corridors) including threats posed by poorly planned infrastructure.

- ? Identify critical ecosystems, land degradation and biodiversity hot spots across local levels and prepare maps in collaboration with local levels.
- ? Organize local level coordination and experience exchange meetings/workshops.
- ? Prepare maps, data and decision support information packages in Nepali language and upload in the KMIS.
- ? Widely disseminate maps and relevant information among concerned stakeholders.

Indicators: Number of local level landscape maps produced showing critical ecosystem, biodiversity and land degradation hotspots.

Means of verification: Assessment reports and maps produced for 34 municipalities, documentation of participatory process including those involved disaggregated by gender, ethnicity, and local levels.

**Output 1.5:** Development and land use plans (LUP) of 34 local levels (3,575 km<sup>2</sup>, 496,689 people), and operational plans for 320 CFUGs and other 340 LFUG/CBOs adequately integrate restoration, land use and biodiversity conservation priorities.

Output 1.5 will provide the basis for improving land and forest management and improving community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods (Component 3).

Project partners: Local levels, DFO, SCWMO, FECOFUN, CFUGs, RPN.

Collaborating projects/programmes: KLCDI, ASHA, Forestry for Prosperity.

Target: Land use and biodiversity conservation priorities are integrated into the plans of 34 local levels, 320 CFUGs and 340 other LFUGs/CBOs, and at least 70 per cent of these plans include at least one or more activity in their plan for protection of globally threatened species in their local area and in the wider landscape.

Activities include:

Organize consultative meetings with stakeholders.

- ? Develop/adapt tools (i.e., decision trees) and resource and communication materials to facilitate biodiversity-sensitive local level land use planning process based on the existing guidelines.
- ? Support local levels in preparing land use plans.
- ? Train local level officials in sustainable management of forest, land, and biodiversity.
- ? Support, orient and facilitate incorporation of biodiversity conservation and sustainable land use elements in CF, leasehold forest, and CBO operational plans.
- ? Strengthen the networks between CFUGs and the local levels.

Indicators: Number of Local levels with development and land use plans that integrate land use and biodiversity conservation priorities, Number of CFUG operational plans (OPs) that integrate biodiversity conservation and SLM, Number of LFUGs/CBOs with plans that integrate biodiversity conservation and SLM.

Means of verification: Development and land use plans of 34 local level, revised community forest operation plans and revised leasehold forest/CBOs plan.

**Component 2:** Knowledge management, monitoring and adaptive management.

The baseline study identified a lack of information on site specific forest ecosystem and restoration needs, land degradation, sustainable land management and biodiversity hotspots at national, province and district levels (Barrier 1). These knowledge gaps lead to poor planning and a lack of focus on critical biodiversity and land degradation areas, often resulting in ineffective outcomes at all levels.

Access to information, data and knowledge is a key constraint for natural resource management in the project area. This applies to forest user groups, DFOs, local levels and others. Data are scattered and not easily accessible in a user-friendly form. Improved access to data, maps and information will enhance capacity of CFUGs to integrate biodiversity considerations into their operational plans and monitoring.

The federal system in Nepal has established three tiers of government and set up new institutions and reporting requirements related to forests, biodiversity and watershed resources. Local levels and Provincial governments have broad mandates and significant financial resources, but they lack data/information for biodiversity friendly land use planning and management.

The federal Ministry of Federal Affairs and General Administration has developed a web-based system that provides basic information on provinces and local levels and links to their websites. The Forest Directorate of Province One has developed a prototype system that has some of the basic attributes required of a knowledge management system. However, stakeholders have identified a need for a) greater functionality at local and provincial levels b) linking this system to the federal system.

Component 2 supports creating and operationalizing a knowledge management information system (KMIS) with a focus on biodiversity, forest, LDN and land management. The KMIS will help bridge critical data/information gaps and address Barrier 1 and enable concerned policy makers, planners, implementing agencies and forest users to make use of up-to-date data for effective planning and management of forests, biodiversity and land (Component 1). CFUGs have important roles to play in providing data to KMIS and will also be able to use data from the KMIS for more informed planning and management. This component complements Component 1 and provides a basis for the implementation of community-based conservation and sustainable production, management, and restoration practices.

The KMIS is an open-source system designed to enable the storage, processing and retrieval of data/information to support the sustainable management of land, forest and biodiversity. This system will provide up-to-date data to CFUGs, local levels and provincial and national governments. This will enable land use planners, forest and watershed management agencies, forest user groups and other concerned institutions to develop and implement more informed plans. The KMIS will include data related to the status of forest, biodiversity and watershed resources, and information on forest growing stock, natural regeneration, forest management regimes, forest utilization, demand and supply of timber, fuelwood and other forest products, drivers of watershed and forest ecosystem degradation, employment generated by the forest sector and revenue generation. Data for the KMIS will come from forest user groups, DFOs and watershed management offices on a periodic basis.

Information such as biodiversity, ecosystem and land degradation hotspots, lessons learned and best practices, maps and other tools will be available in the portal for use by stakeholders.

The KMIS will be hosted by the MoITFE at provincial level. Once tested and operational, access to information on biodiversity, ecosystems, land degradation hotspots, lessons learned, best practices,

maps and other tools will be provided to concerned units of the local levels, DFOs, watershed management offices and forest user offices. Given the extensive penetration of mobile phone technology in rural areas of Province 1, it is anticipated that the KMIS will be made operational down to CFUG level, both for data input and retrieval.

Staff at federal, provincial, and local level will be trained in data generation, storage, handling, and retrieval and a data sharing protocol will be developed. While the KMIS is intended to initially apply to the project area, it will be designed in such a way that it can be readily adopted by other provinces. The project's operational partner (MoITFE) has shown a keen interest and commitment to operate the KMIS beyond the end of the project which should help ensure its sustainability.

Under this component, the federal level forest information management system will be established/upgraded and linked to the provincial KMIS. This will facilitate planning and adaptive management of biodiversity, forest, and land resources at provincial and national level. Local levels will be linked through the KMIS to Divisional Forest Offices (DFOs). The DFOs serve as the bridge between local and provincial level. CFUGs will be linked to the KMIS enabling them to input and access data (see Output 1.3), maps (see Output 1.4) and information and to use the KMIS to support the integration of biodiversity considerations into their operational plans and to improve monitoring and reporting. Staff at federal, provincial, and local level and targeted CFUG members will be trained in data generation, storage, handling, and retrieval and a data sharing protocol will be developed.

A functional KMIS with linkages to the FMIS will enable relevant agencies to support forest ecosystem restoration, sustainable land management and biodiversity conservation in the project area.

This component also includes a focus on building the capacity of targeted stakeholders at Federal, Province, local levels and within CFUGs to generate and share knowledge for improved land use and biodiversity conservation planning. As mentioned earlier, local levels are required to prepare land use plans that provide the basis for integrating the principles of sustainable land management, ecosystem restoration and biodiversity conservation. CFUGs, and to a lesser extent LFUGs, have a key role to play in biodiversity conservation and in providing opportunities for community members to sustainably use forest resources for their livelihoods. However, at both local level and community level access to information, data and knowledge is a key constraint. Moreover, the lack of comprehensive, accurate, timely and useable information limits the ability at provincial and national level to plan, develop relevant policies and strategies and monitor the effectiveness of biodiversity conservation and livelihood improvement interventions.

Improving the management of knowledge is important to the scaling up and sustainability of project outcomes and will help enable the implementation of community-based conservation and sustainable production, management, and restoration practices.

**Component 2 is based on the following assumptions:**

- The KMIS will support local level land use plan preparation and improvements to CFUG plans in a timely manner. The system will offer an opportunity for CFUGs and relevant conservation organizations to access knowledge products for preparation and revision of plans, including for LDN target tracking and reporting.
- Data and information available in the KMIS will encourage stakeholders to apply improved sectoral planning.

- The operational forest management information system (MoFE), and forest information system (FRTC) will be linked to the KMIS (MoITFE) and thereby enable forest agencies to exchange data and apply up to date information in planning, enhancing the quality and reliability of these plans.
- Institutions created, human resources trained, and mechanisms established will strengthen biodiversity-sensitive landscape planning and pave the way for wider application beyond project area.

Component Two contributes to addressing the following barrier: Lack of information and knowledge in terms of weak capacity to create, store and share data and knowledge on critical ecosystems and biodiversity as well as land degradation from local to national levels.

Key project partners for this component are MoFE and FRTC at federal level, MoITFE, FRTC and Forest Directorate at Province level, local levels and CFUGs.

For the implementation of component 2, the project will collaborate with the following projects:

- ? Ecosystem-Based Adaptation for Climate-resilient Development in the Kathmandu Valley.
- ? Integrated Landscape Management to Secure Nepal's Protected Areas and Critical Corridors.
- ? Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal.

**Expected Outcome:** Local, provincial and national stakeholders have access to information needed for forest management, land use and biodiversity conservation planning, management, and implementation.

**Output 2.1:** Nepal National Forest research and training centre (FRTC) Forestry Information System (FIS) upgraded and linked to the knowledge management information system (KMIS) portal where CFUG, local, Province, and MoFE can share and access biodiversity and CFM data.

Project partners: MoFE, FTRC, MoITFE.

Collaborating projects/programmes: Integrated Landscape Management to Secure Nepal's Protected Areas and Critical Corridors, Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal.

Target: The Forestry Information System (FIS) upgraded and the Forest Management Information System-FMIS at MoFE established and linked to the knowledge and adaptive management support (KMIS) portal.

Activities include:

- ? Support key stakeholder agencies to analyse lessons on information system infrastructure, hosting, access management, sharing protocols, and interoperability from past and current projects and programs.
- ? Support key stakeholder agencies to use the lessons learned and information generated through Output 2.2 to identify the design criteria for linking the KMIS, FMIS and FIS.
- ? Support the Province to link the KMIS to the FMIS and the FIS, including the protocols for access, data sharing, intellectual property rights, and interoperability.
- ? Document the protocols including development of a user manual.
- ? Strengthen province level forest directorate for retrieving, processing, and sharing of data with the national hub.
- ? Build capacity of KMIS/FMIS section/people in operation of the system.



Indicators: FIS (FRTC) upgraded, FMIS (MoFE) established, linked to KMIS portal and operational.

Means of verification: FRTC/MoFE reports, MoITFE reports, KMIS portal, documentation of KMIS, workshop reports/minutes and decision points.

**Output 2.2:** Mechanism for the systematic creation and sharing of Provincial KMIS linked to national database, developed, and operational.

Project partners: MoITFE.

Collaborating projects/programmes: Integrated Landscape Management to Secure Nepal's Protected Areas and Critical Corridors, Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal.

Target: The KMIS is developed for Province One on globally important biodiversity and SLM as well as LDN related issues and linked to national database. The database will be housed in Province One's MoITFE's Forest Research and Training Center. This is the most appropriate unit and level for managing the KMIS given the mandate of the MoITFE. The MoITFE has the primary responsibility for forest and land use planning in the province, and it has linkages to local levels via divisional forest offices and the federal level departments within the Ministry of Forest and Soil Conservation (MoFSC). The MoITFE also has the capacity to link effectively with other directorates at provincial level and is at a level that can provide sufficient economy of scale while also maintaining strong linkages with DFOs and CFUGs as well as other users and groups to help bridge critical data/information gaps. The KMIS will be linked to the national center at the Ministry of Forests and Environment. Both the MoITFE and MoFE will ensure maintenance and updating of the database.

The KMIS will be a first of its kind in Nepal. It will draw on experience and lessons learned with the national forest information system and from various projects and programs including the Nepal REDD+ Readiness Preparation Support Project, ICIMOD, IUCN, WWF, the Integrated Landscape Management to Secure Nepal's Protected Areas and Critical Corridors, and the Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal project, amongst others

The KMIS will be useful for local, Provincial, and national level planners to implement land use plans, undertake EIA for development projects and report to international conventions including UNCCD and UNFCCC. The database will help to monitor the environmental status of the Province and identify biodiversity and LD hotspots. The database will provide locations and activities of all relevant projects, enabling better coordination and cooperation.

Output 2.2 will support the MoITFE and the MoFE to identify and implement approaches that will sustain the operation of the KMIS. The provincial government will cover the ongoing costs, while options will also be explored including fee for service products (for example, to the private sector or projects wishing to access analyses beyond the basic information of the KMIS), and contributions from local levels and possibly user groups. By making the KMIS relevant, useful and user friendly for user groups and local levels, the demand for the KMIS and associated decision support systems developed will rapidly increase and be sustained over time. This will require the KMIS to be able to provide relevant, time series data at a scale that is useful to users.

Activities include:

? Negotiate an agreement with all linked agencies, networks, and information systems to support cooperation in the development, use and sustainability of the KMIS.

- ? Design the KMIS infrastructure, hosting, access management, sharing protocols, including for information generated through PAMEB under Component 1, the need for interoperability with national data systems (Output 2.1), and the need to ensure accessibility at community level (e.g., mobile phone based access).
- ? Build, test and refine the KMIS with key stakeholders, including targeted CFUGs.
- ? Document the KMIS including development of a user manual.
- ? Rollout the KMIS across the project area.
  - ? Design and develop an extension program to share the KMIS information for wider learning/implementation.
  - ? Organize multi-stakeholder workshops on the purpose and design of KMIS and information sharing protocols.
  - ? Prepare operational guidelines and data sharing protocol for KMIS.
  - ? Support the provincial forest directorate and MoFE to identify and implement approaches that will sustain the operation of the KMIS.
  - ? Communicate best practices and lessons from the process to support evidence-based policy making on the KMIS and promote replication in other Provinces.

Indicators: A section/unit is established for KMIS and functional at MoITFE, Provincial KMIS is operational and linked to FIS(FRTC)/FMIS (MoFE).

Means of verification: Records of FIS/FMIS and KMIS functioning, copies of agreements signed.

**Output 2.3:** 200 CFUGs, 34 local levels, Province and MoFE trained, coached, and monitored in KMIS operation and use.

Project partners: MoFE, MoITFE, FRTC (federal and provincial), Province Forest Directorate, local levels, targeted CFUGs

Collaborating projects/programmes: Ecosystem-Based Adaptation for Climate-resilient Development in the Kathmandu Valley, Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal

Co-financing agencies: MoFE, MoITFE.

Target: 200 CFUGs, 34 Local levels, Province and MoFE are using the KMIS.

Activities include:

- 
- Develop guidelines and training modules for use of the KMIS.
- Provide the KMIS guidelines and train government officials (including land use planning officers at province and district levels), conservation NGOs, FECOFUN, BCN, local levels and targeted CFUGs on the KMIS.
- Support the province to establish mechanisms for sustainability and continuous coaching and support to users.
  - Communicate best practices and lessons from the process to support evidence-based policy making on KMIS capacity building and promote replication in other Provinces.
- Indicators: Number of personnel (from CFUGs, local level, Province and MoFE) trained/ coached on FIS/KMIS operation and maintenance.

Means of verification: Training/capacity development and institutional support reports (disaggregated data by training themes, gender, social group), copies of communication materials and KMIS usage statistics.

**Component 3:** Implementation of community-based conservation and sustainable production, management, and restoration practices.

This component focuses on building the capacity of targeted local stakeholders at CFUG and household levels to apply community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods.

Under this component, local levels will be supported to implement biodiversity sensitive land use plans prepared under Component 1. CFUGs and target households will have their capacity developed to adopt sustainable approaches to natural resource management that contribute to biodiversity conservation at landscape level.

The project will support community based anti-poaching and forest fire control efforts aimed at reducing risks to threatened species and minimizing damage caused by fire to forests and soil organic matter. Networks of community groups and NGOs already engaged in this initiative will be strengthened. These improvements will indirectly help control invasive species.

The project will support biodiversity and climate friendly product and service-based value chain promotion to enhance livelihood opportunities of poorer sections of the community, women and marginalized groups. Support will be provided to CFUGs, private sector and other stakeholders to strengthen identified value chains through networking, business promotion and capacity enhancement.

Component 3 is based on the following assumptions:

? Sustainable management of forest, land and ecosystem restoration practices by CFUG and households will contribute to biodiversity conservation, livelihood improvement and enhanced production. This helps to create a conducive environment for value chain promotion of viable products. Existing value chains for spices, NTFPs, vegetables and dairy products in the project area can be developed.

? Support for the enhancement of value chains through networking, coordination and addressing bottlenecks will help enterprise development and facilitate local level investment in pro-poor community-based enterprises.

? Support for creating and strengthening anti-poaching and forest fire control initiatives will help consolidate community-based approaches to ecosystem restoration and biodiversity conservation.

? Conservation friendly livelihood activities initiated will benefit those directly engaged.

? Willingness and availability of time for stakeholders to engage in activities, and that the identified value chains and markets are sustainable and profitable.

Component Three addresses the following barriers: Lack of information and knowledge in terms of the need for better silviculture and forest management. the processing of forest products and adding value, and the opportunities to improve biodiversity conservation and livelihoods through community forestry, agroforestry, and improved farm management. It addresses weak capacity to address emerging issues, participate meaningfully in forest use and management decisions, and generate livelihoods and reduce poverty through the sustainable use of biodiversity through

sustainable value chains and markets. Lastly it tackles insufficient access to finance and investment by linking people to sustainable markets and promoting pro-poor biodiversity enhancing livelihood opportunities.

This component builds on existing value chains (NTFP, spices, livestock products, ecotourism) in the project area.

Key projects partners for this component include, FNCCI (districts chambers), ANSAB (expert support), CFUGs, the cottage and small industry office and MoITFE.

For the implementation of this component, the project will collaborate with the following: Rural Enterprises and Remittances Project; Forests for Prosperity Project; Building a Resilient Churia Region in Nepal; Enhancing Livelihoods from Improved Forest Management in Nepal; Hariyo Ban Programme II; Pilot Project for Establishment of Dissemination Model of High Quality Mitsumata (Argeli) production in Nepal; Forest Farm Facility Phase II - Initiative for Climate Resilient Landscapes and Improved Livelihoods; Prime Minister Agriculture Modernization Project; Micro-Enterprise Development Program for Poverty Alleviation; National Forest Development and Management Programme; Community and Leasehold Forestry Development Programme; Non-Timber Forest Product (NTFP) Development Programme; and Soil Conservation and Watershed Management Programme.

**Expected Outcome:** Local stakeholders apply community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods.

**Output 3.1:** 34 local levels (3,575 km<sup>2</sup>) implement land use interventions that strengthen biodiversity conservation and avoid interventions that negatively affect biodiversity.

Within this output it is anticipated that at least 11 per cent of the project area (31,000 ha. of community forest (involving an estimated 405 CFUGs) and 10,000 ha. of government managed forest) is brought under improved management that strengthens biodiversity conservation.

It is also assumed that this, and improved planning and actions under Output 3.2 and 3.3 will help avoid the loss of high conservation value forest. Under this Output the project will support local levels and other key stakeholders to develop and apply guiding frameworks, approaches, and management effectiveness tracking tools for biodiversity conservation. The project will adapt the open-source Management Effectiveness Tracking Tool (METT-4), that is used to assess the effectiveness of protected areas management, for use by local levels, CFUGs and others to track the effectiveness of biodiversity conservation efforts at local level and CFUG level.

Project partners: Local levels.

Collaborating projects/programmes: Forests for Prosperity Project, BRCRN.

Target: 34 Local levels implementing biodiversity-sensitive land use interventions that support globally important species/ habitat conservation within the local area and in the wider landscape. No net loss or degradation of globally threatened habitats (as identified in Outputs 1.1, 1.4 and 1.5).

Activities include:

- Support local levels and other stakeholders to analyse lessons on land use interventions that strengthen biodiversity conservation from past and current projects and programs, published literature, web sites and other sources.

- Use the lessons learned to develop guiding frameworks, approaches, and management effectiveness tracking tools (METT) for biodiversity conservation including by sustainable forest management.

- Strengthen the capacity of local levels, particularly committees or sub-committees responsible for forest, environment, and biodiversity.

- Support learning exchange activities between and among local levels.

- Strengthen the decision-making process of local levels in forest, biodiversity and land management Support local levels to develop land use plan-based tools and advice packages for planners, officials, enterprises, CFUGs and other LFUGs/CBOs and individual households.

Indicators: Number of local levels implementing land use interventions that strengthen biodiversity conservation and avoid interventions that negatively affect biodiversity, percentage of project area applying interventions that strengthen biodiversity conservation (out of total area of 357,500 ha).

Means of verification: Capacity development and knowledge exchange event reports from 34 local levels.

**Output 3.2:** 300 CFUGs and 340 other LFUGs/CBOs and 30,000 households implement forest, livestock, agriculture and other livelihoods support practices that strengthen biodiversity conservation and sustainable management of forest landscapes.

Project partners: MoITFE, CFUGs, the cottage and small industry office.

Collaborating projects/programmes: Enhancing Livelihoods from Improved Forest Management in Nepal, Forest Farm Facility Phase II - Initiative for Climate Resilient Landscapes and Improved Livelihoods, Prime Minister Agriculture Modernization Project, Community and Leasehold Forestry Development Programme, Non-Timber Forest Product (NTFP) Development Programme, Soil Conservation and Watershed Management Programme.

Target: 300 CFUGs and 340 other LFUGs/CBOs implementing biodiversity-sensitive land use interventions that support globally important species/ habitat conservation both within their area and in the wider landscape. No net loss or degradation of globally threatened habitats (see Output 3.1.). 50% of degraded ecosystems restored.

Activities include:

- Build capacity of CFUGs, LFUGs/CBOs and farmers through training and workshops on biodiversity sensitive land use intervention.

- Support CFUGs and other LFUGs/CBOs in translating land use planning results into community forest operations.

- Train and coach farmers in biodiversity-sensitive farming.

- Assist CFUGs and other LFUGs/CBOs in planning and implementing restoration activities.

- Support and strengthen CFUG internal monitoring and governance system.

- Support CFUG members and farmers in implementing agro-forestry, soil conservation, stall feeding, conservation farming, soil moisture retention activities, and water source protection measures.

Indicators: Number of CFUG/LFUGs/CBOs implementing biodiversity friendly NRM based livelihood practices, Percentage of project area implementing forest, livestock, agriculture and

other livelihoods practices that strengthen biodiversity conservation and sustainable management of forest landscapes (total area 3,575 km<sup>2</sup>), Number of people benefitting from community-based conservation and sustainable production. Area of degraded ecosystem restored.

Means of verification: Land use plan implementation reports, Project progress reports (disaggregated by marginalized groups, women, *dalits*, and *janajati*) and minutes/reports/participant lists of capacity development training, land area reported to be under new practices, reporting against LDN targets, copy of the guiding framework.

**Output 3.3:** At least ten (10) community-based anti-poaching and fire control networks established to protect ecosystem services and conserve globally threatened species such as the Red Panda and highly exploited floral species.

Project partners: CFUGs, LFUGs/CBOs, DFO.

Collaborating projects/programmes: National Forest Development and Management Programme, Community and Leasehold Forestry Development Programme.

Target: At least 10 community-based anti-poaching and fire control networks operating. 75 per cent reduction in forest fire incidences, 80% reduction in poaching cases.

The project builds on local interests to support anti-poaching and fire control networks. Whilst slash and burn (*Khorea*) has been traditionally practiced in this area at an interval of 3-5 years, it is being reduced. The increase in the area and density of forests, coupled with declining forest management as a result of demographic change, has meant that forests are more susceptible to fire than in the past. The government and local communities are already working on forest fire and poaching control through networks. The project support to these networks will further strengthen community efforts to build synergy and sustainability.

The fire control networks will aim to reduce the incidence of harmful fires through awareness raising and education as well as the control of unwanted fires. Forest fires have been increasing with the increase in forest area.

The project will support anti-poaching work by local communities in some identified hotspots, such as near protected areas. Anti-poaching units run by local communities will help reduce threats to several globally threatened species such as Cheer Pheasant (*Catreus wallichii*) (VU); Hog Deer (*Axis porcinus*) (Endangered EN); Red Panda (*Ailurus fulgens*) (EN); Critically Endangered (CE) Chinese Pangolin (*Manis pentadactyla*). In addition, they help ensure that and highly exploited floral species, such as *Taxus wallichiana*, *Juglans regia*, *Rubia Majith*, *Swertia chirata*, *Danphe bholuwa* are conserved. Many high value forests are impacted by fire seasonally.

Indicative activities:

- Build the capacity of community based anti-poaching and forest fire control networks through information and warning systems.
- Undertake needs assessments.
- Raise awareness on control of poaching, human-wildlife conflict, and forest fire through creation of communication materials and local meetings as needed.
- Strengthen user networks on anti-poaching and forest fire control.
- Strengthen the coordination mechanisms on anti-poaching and forest fire control.

Indicators: Number of community-based anti-poaching (CBAP) networks established, strengthened and operational, Number of community-based firefighting (CBFF) networks established, strengthened and operational, Number and area of forest fires that affect globally threatened species and/or high conservation value habitats; percent and number of threatened fauna species and exploited flora species illegally killed and or collected; Area of forest containing targeted exploited fauna and flora species under effective control by anti-poaching units; Number of sightings of illegal actors or activities

Means of verification: CBAP records, Project progress reports, CBFF records, DFO records, Value chain reports.

**Output 3.4:** Ten (10) pro-poor biodiversity enhancing livelihood opportunities identified and developed through value chain assessments, establishment of value chain coordination networks, and strengthening of key business services (e.g., traders, collection centers, processors, technicians, input suppliers).

Project partners: FNCCI, ANSAB, CFUGs, the cottage and small industry office, DFO.

Collaborating projects/programmes: Rural Enterprises and Remittances Project, Pilot Project for Establishment of Dissemination Model of High Quality Mitsumata (Argeli) production in Nepal, Prime Minister Agriculture Modernization Project, Community and Leasehold Forestry Development Programme, Non-Timber Forest Product (NTFP) Development Programme.

Target: 10 pro-poor biodiversity enhancing livelihood opportunities developed, focusing on pro-poor and women's empowerment.

In many communities, people are migrating to cities or abroad, with agricultural lands often being left fallow. This leads to land degradation through a lack of maintenance of terraces or infestation of weeds and other invasive plants. It should be noted that no study of land use change has been undertaken for this area. The project includes the requirement for a baseline update in the first year of project implementation.

By developing mechanisms for poorer households (including women, who are often left behind in villages) to lease and benefit from sustainable use of unused and underutilized land there is an opportunity to improve food security and livelihoods.

Under this Output, the project will support activities on private lands to promote sustainable land management and support biodiversity conservation in the larger landscape. Activities include:

- Promote community-based enterprises (CBEs) on forest products and NTFPs.
- Strengthen existing value chain coordination mechanism or create new ones.
- Support CFUGs in preparation and implementation of livelihood improvement plans for the poor.
- Support meetings and workings of coordination mechanisms.
- Provide Training of Trainers (ToT) for entrepreneurs and local resource persons.
- Undertake actions to address bottlenecks to inclusive enterprise development.

Indicators: Number of pro-poor biodiversity enhancing livelihood opportunities developed and operational, Number of inclusive value chain coordination networks established and operational, Number of business services strengthened.

Means of verification: Value chain reports of biodiversity enhancing livelihood opportunities disaggregated by gender, sectors/themes, social group, meeting minutes (data disaggregated by

gender and social groups) of value chain coordination mechanisms, progress report of the strengthened business services.

**Output 3.5:** 100 FUGs linked to markets and business services and sustainably increase incomes from engagement in value and service chains (e.g., NTFP, eco-tourism) with extra support for poor producers.

Project partners: MoITFE, DFO, FNCCI, ANSAB, CFUGs, LFUGs.

Collaborating projects/programmes: Pilot Project for Establishment of Dissemination Model of High Quality Mitsumata (Argeli) production in Nepal, Prime Minister Agriculture Modernization Project, Community and Leasehold Forestry Development Programme, Non-Timber Forest Product (NTFP) Development Programme

Target: 100 CFUGs sustainably increase income from engagement in value and service chains, whereby 25% of households with income increases are from poor, remote or socially excluded groups.

There are existing functional value chains for multiple products (e.g., Large Cardamom, *Chirayito* and other Medicinal herbs, tea, plywood, *ringal* bamboo, Nepalese paper (*lokta*), dairy products, spices, broom-grass, potato). These value chains include large numbers of local producers, traders, technicians, processors, networks, collectors, transporters and agrovets. There are many small processing plants in the project area, however, this situation is changing with increasing numbers of larger processing plants being developed outside the area, especially in the *Terai* because of more favorable climate (e.g., for drying products) and better access to labour, transport, power and equipment. Value chains need streamlining (addressing bottlenecks), expansion, innovation, and greater inclusion of poor, socially excluded and remote communities.

Activities include:

- Assist CFUGs to select feasible value chains that provide incentive for conservation.
  - Organize linkage events with entrepreneurs.
  - Train/coach women and marginal groups on market negotiation, and production technologies (adjusted to their situation and education levels).
  - Provide technical or business development coaching and training to CFUGs and individual producers.
- ? Strengthen existing value chain coordination mechanism or create new ones.

Indicators: Number of CFUGs/LFUGs benefitting from market linkages and business services, Number of people benefitting from sustainable value chains.

Means of verification: Business development reports of participating CFUG/LFUGs, report on employment, and income with disaggregated data on gender and social group.

The project will ensure an evidence-based approach that draws on lessons learned from decades of failures and a few successes regarding positive conservation outcomes from enterprise development in Nepal and elsewhere.

#### **4) Alignment with GEF focal area and/or Impact Program strategies**

The project supports the following **GEF biodiversity focal areas**:

Objective One: Mainstream biodiversity across sectors as well as landscapes and seascapes.



? BD 1-1: Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors.

The project contributes to the following GEF activities aimed at mainstreaming biodiversity:

? Developing spatial and land-use planning skills and practices to ensure that land and resource use is appropriately situated to maximize production without undermining or degrading biodiversity. The project focuses on capturing the opportunity presented by the recent formation of new sub-national governance and administrative structures (provinces and local levels), and well-established CFUGs to better integrate land use and biodiversity priorities with sustainable livelihoods through more focused and integrated planning systems.

? Improving and changing production practices (i.e., agriculture and forestry sectors) to be more biodiversity positive. The project will capture the opportunities presented by demographic and economic change to promote biodiversity-sensitive practices in community forests and on farmlands, whilst linking ecosystem services to sustainable livelihoods through improved value chains.

? Promoting site-based conservation and sustainable use.

? Building the capacity of indigenous peoples and local communities and integrating diverse knowledge systems to achieve conservation and sustainable natural resource management outcomes.

Overall, the project aims to improve site level management (community and leasehold forests and farmlands) and habitat connectivity for threatened and endangered species and improve the management of community forests and farmlands for biodiversity outcomes.

The project will emphasize inclusive and equitable approaches by ensuring full and effective participation of women and men from targeted CFUGs and households in all relevant decision-making processes.

In addition, the project supports the following **GEF land degradation focal area**:

LD 1-3: Maintain or improve flows of ecosystem services, including sustaining livelihoods of forest-dependent people through Forest Landscape Restoration (FLR). To support this objective, the project includes a focus on improving the management of landscapes by supporting targeted CFUGs to manage their community forests to provide an improved, sustainable flow of ecosystem services and to develop forest- and farm-based value chains that enhance livelihoods. The project is aligned with Nepal's LDN targets (please see section 7. Consistency with National Priorities for more details) and assist Province One to develop LD targets by embedding these targets in the landscape policy and action plan which the project will support the province government to prepare. National LD targets have considered ecosystem restoration, enhancing forest cover and wetland conservation as key activities to address land degradation. These activities are integrated into the project components and the project activities are aligned with LD target 1.

#### **5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTE, LDCF, SCCF, and co-financing**

This project will build on ongoing programmes and initiatives of the Government in landscape planning, sustainable land management and value chains. GEF incremental costs will help bridge critical gaps inherent with these programmes including in the areas of technology, finance and knowledge management. More specifically GEF support will facilitate consolidating land use practices through landscape level planning and the integrated implementation of these plans as well

as strengthening knowledge generation and management which is vital for informed decision making.

In the absence of GEF support, regular programmes of the Government on agriculture, livestock, micro enterprises, community and leasehold forestry, NTFP promotion including value chain and biodiversity conservation, will continue to follow a sectoral approach and be unable to generate desired outcomes for ecosystems and communities.

The project will directly support the implementation of Nepal's National Biodiversity Strategy and Action Plan (NBSAP), including the following strategic approaches:

- 1) Adoption of programme-based, adaptive and multi-stakeholder approaches in the management of biodiversity.
- 2) Promoting participation, cooperation, and collaboration of stakeholders.
- 3) Mainstreaming of biodiversity into relevant sectoral plans, policies and programmes.
- 4) Development and implementation of appropriate incentive measures for conservation and sustainable use of biodiversity.
- 5) Strengthening the knowledge base regarding biodiversity and ecosystems through scientific research and innovations.
- 6) Promotion of landscape conservation and climate resilient approaches for ecosystems and biodiversity management.
- 7) Broadening the conservation constituencies by effectively involving local governments and private sector in conservation and sustainable use of biological resources.

The GoN has committed substantial co-financing to the project, representing a 6.7 ratio of co-funding to GEF funding.

Nepal has relatively modest operational and technical capacities at provincial and local level to realize its goals under the NBSAP. Whilst these capacities are expected to improve over time as the new provinces and local levels develop policies and plans and engage technical staff, there is a tremendous opportunity to accelerate the new decentralized approach through incremental GEF support.

The formation of local levels and the requirement that they develop land use plans provides an unprecedented opportunity to incorporate landscape level principles and approaches, biodiversity-sensitive strategies and livelihood strategies based on sustainable use of forest and farm resources. However, the limited skills and technical capabilities at local (and provincial) level currently constrains realizing such opportunity. Modest investment of GEF incremental resources has enormous potential to mainstream biodiversity into planning systems and to leverage the enthusiasm and extensive knowledge at local and community level.

In addition, the impact of demographic change and economic development on forest use and management and agriculture presents substantial challenges and opportunities for mainstreaming biodiversity concerns into the management of community forests and agriculture. However, to meet these challenges and capture the opportunities there is an urgent need to improve knowledge management, planning and capacities in support of land use and forestry practices that improve livelihoods and conserve biodiversity. An incremental investment of GEF funds will leverage substantial government efforts to address this situation.

The GEF funds will help to mobilize co-financing from federal, provincial, and local governments. GEF incremental support will build on ongoing investments by local governments and civil society in supporting efforts for sustainable forest management and conservation. It will

specifically aim to remove the barriers above in order to support mainstreaming of biodiversity and sustainable land use into local level planning and production practices.

GEF funds for Component 1 will strengthen the capacity of stakeholders including provincial and local levels in landscape level planning. Capacity development will focus on providing training to officials and developing mechanisms and instruments for biodiversity friendly sustainable land management practices. Province One and 34 local levels will benefit directly.

For Component 2, GEF funds will be mobilized to create a platform for knowledge management, which will be useful for planning and sustainable management of natural resources at landscape level. Knowledge products will provide important inputs to land use planning of local levels, CFUGs and CBOs. This will help establish crucial linkages among local, provincial and federal government agencies on data and information sharing.

For Component 3 GEF funds will support on-ground intervention of landscape restoration, biodiversity conservation and value chain promotion. CFUGs, LFUGs/CBOs and other stakeholders will directly benefit from the investment.

Without this project, the rapidly changing demographic and economic changes will continue to drive habitat degradation and threaten species. This project demonstrates strong incrementality to justify a GEF investment.

#### **6) Global environmental benefits (GEFTF) and/or adaptation benefits (LDCE/SCCF)**

This project is expected to contribute to multiple global environmental benefits as well as socioeconomic benefits. The project aims to mainstream biodiversity conservation within natural resource management, and to address land degradation through sustainable land management and restoration. By supporting sustainable management and restoration of ecosystems, it is anticipated that the proposed project will generate global environmental benefits in the areas of biodiversity conservation and land restoration, as well as climate change mitigation as a co-benefit.

#### **Biodiversity and land degradation**

Mainstreaming of biodiversity conservation will be achieved by assistance in the adoption of the landscape approach at Province and local level, for both land use planning and for production systems (agriculture and forestry, in particular community forestry). By mainstreaming biodiversity conservation into management practices, including a focus on developing biological corridors and combating habitat fragmentation, the project will contribute to the conservation and sustainable use of globally significant biodiversity (see Table 6 for an indicative list of species with potential to benefit from the project). In particular, the globally threatened species Red Panda (*Ailurus fulgens*) has nearly 70% of its total habitat, and the Chinese Pangolin almost all of its total habitat, outside the protected area system in Nepal (Bista et al 2016, Sharma et al 2020), indicating the important role of the project in the conservation of threatened species. Specifically, the project intends that on completion, 31,000 hectares of land will be under community forestry management into which biodiversity conservation has been mainstreamed, and 10,000 hectares of government managed forest will be supported by new or updated management plans that incorporate biodiversity conservation. The project addresses land degradation by supporting the restoration of at least 25,000 hectares of degraded forest areas. In addition, the project aims to strengthen community-based anti-poaching and forest fire control activities which will support both biodiversity related and land degradation global environmental benefits. See Table 5.

#### **Co-benefits**

Carbon sequestration and storage in ecosystems under sustainable management and under enhanced forest-fire protection will also contribute to climate change mitigation as a project co-

benefit by the mitigation of emissions and the conservation of carbon stocks. Climate change co-benefits are estimated at 7.4 million tons of CO<sub>2</sub> equivalent emission reductions from the Agriculture, Forestry and Other Land Use sector (see Ex-Act calculations). Climate change adaptation benefits will result from restored improved ecosystems, soil stability and reduced habitat loss, as well as improved adaptive capacity of local communities through community organization. The project will strengthen community resilience and food security through sustainable and resilient production of agricultural, livestock and forestry products, and enhance and stabilize livelihood generation through income generating activities based on increased and sustainable flows of ecosystem goods and services. The project will lay the foundations for generating lasting global environmental benefits beyond project end by introducing provincial and local level planning on land degradation, biodiversity conservation and sustainable land management and by supporting data and knowledge management and sharing for decision making and planning. Socioeconomic benefits will result from reversing land degradation and improving production system and natural resource management

The project will contribute to global environmental benefits through the following:

**a) Mainstreaming biodiversity conservation priorities within the management of forests, farms and other natural resources:**

The project will help Province One and 34 local levels to mainstream biodiversity conservation into development and land use planning and also in production systems (forestry, livestock and agriculture). The new political/administrative structures at provincial and sub-provincial levels provide an unprecedented opportunity to mainstream biodiversity into land-use planning in the new provincial and local structures (Province One and 34 local levels) in an area of Nepal that is important from a global perspective and in-need of the incremental GEF investment.

The project will assist the Province and local levels to adopt a landscape approach to planning and to include the concepts of biological corridors and connectivity into plans, policies and actions. The project will support improved collection, storage and sharing of data on threatened species and habitats (including globally important species), and the use of this data in the development, implementation and monitoring of land use plans.

The benefits of the project include improved management of community forests and farms and the development of connectivity between habitats. Linking fragmented forest areas within the project area will enable expansion of critically important habitats and help conserve threatened species and reduce pressures on high conservation value forests.

The direct global biodiversity benefits from this project will be realized through mainstreaming biodiversity conservation priorities into the management of CFs. This will include at least 31,000 ha of improved CF management (405 CFUGs) and 10,000ha of government managed forest (see Core Indicator 1), supported by new or updated operational plans that incorporate management objectives on biodiversity conservation ? particularly related to globally important species and better monitoring.

Developing the capacity of fire and anti-poaching units operated by local communities will reduce threats to several globally threatened species including Cheer Pheasant (*Catreus wallichii*) (VU); Hog Deer (*Axis porcinus*) (EN); Red Panda (*Ailurus fulgens*) (EN); and the Critically Endangered (CE) Chinese Pangolin (*Manis pentadactyla*) as well as to their associated habitats that contain globally important species of flora.

The project will support the adoption of biodiversity sensitive approaches for forest and farm management in targeted CFUGs and households. This will enable CFUGs and households to plan

and invest in forest and farm activities that generate income with no negative impacts on biodiversity. By improving CF management and agricultural practices (including agroforestry) the project will contribute to improving the structure and biological complexity of CFs.

#### **b) Addressing land degradation through sustainable land management**

The project will support households, CFUGs and local levels to increase the area of landscapes in the Eastern Middle Hills that are under improved management to benefit biodiversity and communities.

The project will support the restoration of at least 25,000 ha of degraded forest areas, mostly through assisted natural regeneration, and sustainable land management practices within priority geographic hotspots (15,000 ha). In addition, through landscape level planning and incorporation of LDN targets, the project will influence the wider area of Province One.

The project's support to community based-anti poaching and forest fire control, and assistance in the preparation and implementation of landscape level land use plans will enable ecosystem restoration. The implementation of forest, livestock and agriculture-based interventions, pro-poor and inclusive value chains and strengthening of market linkages and business services will enhance the livelihoods of forest-dependent communities. Conservation friendly livelihood activities will benefit those directly engaged.

The project focuses on biodiversity rich sites, landscapes and habitats including the Tinjure-Milke-Jaljale (TMJ) forest complex; Kangchenjunga-Singalila Complex; and the upper and lower Mai Valley natural remnant of tropical evergreen forest.

Improved management within the TMJ landscape will assist the conservation of 28 Rhododendron species out of 31 species found in Nepal as well as noteworthy mammals including the Asiatic wild dog (*Cuon alpinus*; EN), Asiatic golden cat (*Catopuma temminckii*; NT) and Red Panda (*Ailurus fulgens*; EN), and birds including the Amur Falcon (*Falco amurensis*), and the Steppe Eagle (*Aquila nipalensis*) (Friends of Nature, 2017).

The promotion of the Participatory Biodiversity Monitoring in Community Managed Forest-Toolkit (PAMEB) will build on the earlier work in a few CFUGs in the Panchthar, Illam and Taplejung by Bird Conservation Nepal (BCN) as well as the work of the Darwin Initiative project implemented by BCN and BirdLife International in one CF in Sakhuwasabha. The project will also build on the work of the Red Panda Network in monitoring Red Panda habitat and increasing Red Panda awareness among local communities (Red panda Network 2018). Red Panda field surveys and protocols for community-based monitoring developed in 2016 will be promoted amongst relevant CFUGs.

The project will support data gathering as far as practical through mobile apps as an efficient and useful tool, taking advantage of the growing use of smart phones and internet at the local level. It will also consider the concept of ebird.org in developing the KMIS.

A Summary of Global Environment Benefits is provided in Table 5 and a list of threatened species that may get benefits from improved conservation values within the project area is provided in Table 6.

**Table 5 Summary of Global Environment Benefits**

Focal Area	Baseline Scenario	Global Environmental Benefits
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BD 1.1 Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors;	Province No.1, local levels and CFUGs do not have data, maps and information for biodiversity, conservation or ecosystem restoration. No policy and planning frameworks are in use at provincial or local levels. The area contains globally important biodiversity including high diversity of birds, mammals, butterflies, rhododendrons, orchids and other plant species endemic to eastern Nepal. There are ongoing and emerging threats to biodiversity and livelihoods because of a range of factors including demographic and socio-economic change resulting in changes to land and forest management and economic development, notably road infrastructure. Moreover, excessive removal of shrubs, herbs, and old trees in community forests has a negative impact on habitat for birds and reptiles	Mainstreaming of biodiversity conservation will be improved in Province One and 34 local levels through landscape level approaches.  31,000 ha. of community forest and 10,000 ha. of government managed forest is under improved management for biodiversity conservation
LD 1.3 Maintain or improve flows of ecosystem services, including sustaining livelihoods of forest-dependent people through Forest Landscape Restoration (FLR)	People are highly dependent on flows of ecosystem services. Province No.1, local levels and CFUGs do not have data, maps and information for land degradation neutrality. Biodiversity enhancing livelihood opportunities are not available. Value chain coordination networks are not formed	25,000 hectares of degraded forest land restored

Globally threatened species including the Red Panda (*Ailurus fulgens*) have nearly 70 per cent of their habitat, and the Chinese Pangolin almost all of its total habitat, outside the protected area system in Nepal (Bista et al. 2016, Sharma et al 2020). Hence the project area plays a highly important role in the conservation of these threatened species.

#### c) Co-benefits:

In addition, the project will assist targeted CFUGs and households to create the following benefits and incentive mechanisms that will strengthen community resilience to shocks and stresses, such as the COVID-19 as a means to building back better:

- ? Improved food security through the sustainable and resilient production of agricultural and livestock products.
- ? Increased and stabilized livelihoods through participation in income generating activities based on increased and sustainable flows of ecosystem goods and services.

GEF investment made to facilitate provincial policy formulation, human resource development and knowledge management will contribute to maximize the positive impact of the project through enhanced institutional capacity.

By enhancing the management of biodiversity, forest and land at landscape level, this project will generate important co-benefits in the form of ecosystem goods and services, including reduced greenhouse gas emissions.

Engagement of provincial agencies at various stages of implementation will help improved management capacity for upcoming projects.

Project approach to engage local governments and natural resource management groups (CFUGs, LFGUs) in implementation ensures that the intended benefit flows directly to these beneficiaries and that they have strengthened their internal governance.

As a result of sustainable management of forest, land and biodiversity at a landscape level and improved resilience of communities and ecosystems, there will be reduced vulnerability to climate change-related risks.

Although the mitigation of greenhouse gas emissions is not a targeted activity of the project, there will be global co-benefits generated through improved farm and forest management that will sequestering carbon and avoid emissions from the Agriculture, Forestry and Other Land Use sector (co-benefits are estimated at 7.4 million tons of CO<sub>2</sub>e emission reduction, see Ex-Act calculations).

**Table 6 List of threatened flora and fauna present in the project area**

Scientific name	Common name	Distribution (m.a.s.l)	IUCN Red list	CITES	Information source
<i>Cinnamomum glaucescens</i>	Sugandhakokila	2,000-2,500			Press et al., 2000
<i>Eleocarpus sphaericus</i>	Rudrakchhya	650-1,700	VU		Shrestha & Joshi, 1996
<i>Larix griffithiana</i>	Dhingre sallo	1,100-4,000			as above
<i>Michelia champaca</i>	Champ	600-1,300	EN		as above
<i>Michelia kisopa</i>	Champ	1,400-2,800	EN		Shrestha & Joshi, 1996; Press et al., 2000
<i>Talauma hodgsonii</i>	Bhalu kath	900-1,800	EN	III	as above
<i>Taxus wallichiana</i>	Lauth sallo			II	Press et al., 2000
<i>Tetracentron sinense</i>		2,150-3,200		III	Shrestha & Joshi, 1996
<i>Aconitum spicatum</i>					Kunwar et al., 2008
<i>Nardostachys grandiflora</i>			CR	II	as above
<i>Neopicrorhiza scrophulariflora</i>				II	as above
<i>Swertia chirayita</i>					as above
<i>Taxus wallichiana</i>	Eastern Himalayan Yew		EN	II	as above
<i>Magnolia campbellii</i>	Campbell's Magnolia	3,200-3,400	LC	II	
<i>Magnolia globosa</i>		as above	VU	II	Shrestha & Joshi, 1996

Scientific name	Common name	Distribution (m.a.s.l)	IUCN Red list	CITES	Information source
<i>Ailurus fulgens</i>	Red Panda		EN		CEPF, 2005
<i>Moschus leucogaster</i>	Himalayan musk deer	Himalayan region	EN		
<i>Ursus thibetanus laniger</i>	Himalayan black bear		VU		
<i>Biswamoyopterus biswasi</i>	Namdapha Flying Squirrel	Eastern Himalaya	CR		Wikramanayake et al. 2001; CEPF, 2005
<i>Manis pentadactyla</i>	Chinese Pangolin		CR	II	
<i>Cuon alpinus</i>	Asiatic wild dog	TMJ	EN		Friends of Nature, 2017
<i>Catopuma temminckii</i>	Asiatic golden cat	TMJ	NT		as above
<i>Apodemus gorkha</i> , Endemic to Nepal.	Himalayan field mouse	2,400-3,500m	EN		Wikramanayake et al., 2001
<i>Ursus thibetanus</i>	Asiatic black bear	1,900-3,100m)	VU		CEPF, 2005
<i>Macaca assamensis</i>	Assamese macaque	Siwalik and mid hills	VU		as above
<i>Hemitragus jemlahicus</i>	Himalayan tahr	High mountain areas	VU		as above
<i>Panthera uncia</i>	Snow leopard	High mountain areas	EN		as above
<i>Panthera pardus</i>	Common Leopard	Midhills		I	
<i>Naemorhedus goral</i>	Himalayan Ghoral	900-2,750		I	DFO Tehrathum, 2015
<i>Prionailurus Bengalensis</i>	Leopard cat		EN	I	as above
<i>Gallinago nemoricola</i>	Wood Snipe		VU		Kandel et al. (2018)
<i>Ciconia episcopus</i>	Asian Woolly-neck		VU		as above
<i>Gyps bengalensis</i>	White-rumped Vulture		CR		Kandel et al 2018
<i>Aquila nipalensis</i>	Steppe Eagle		EN		Friends of Nature 2017
<i>Aythya nyroca</i>	Ferruginous Duck			III	
<i>Varanus flavescens</i>	Golden lizard		EN	I	
<i>Ptyas mucosus</i>	Rat snake			II	
<i>Rana tigrina</i>	Frog			II	

## 7) Innovativeness, sustainability, potential for scaling up and capacity development

The project will apply the following innovative approaches:



? **Participatory Assessment, Monitoring and Evaluation of Biodiversity (PAMEB):** The PAMEB concept involves communities developing indicators together with the project and then monitoring to assess biodiversity status in their forests. PAMEB has been tested in the Churia Forest Development Project (GTZ, BCN, FECOFUN, MoFE, 2003-5) and the Mainstreaming Biodiversity and Ecosystem Services into Community Forestry in Nepal project (2015-2018, Birdlife International, BCN, FECOFUN, MoFE). The approach has been shown to motivate communities and create data, awareness and ownership of information that can be readily used to guide action. The proposed project will link information collected through PAMEB to the KMIS, facilitated by the availability of 3G mobile networks and the opportunity to adapt PAMEB methodologies to information technology.

? **The Knowledge Management Information System (KMIS):** The relatively recent expansion of the 3G network into communities throughout the project area has created the opportunity to develop and implement a forestry KMIS that includes biodiversity data. The KMIS will provide a portal for the direct sharing of data by CFUGs (including data generated through PAMEB), local levels and the Province, thereby making data available to all stakeholders. The KMIS system will generate relevant information that stakeholders can use for policy making, research, planning, management, and reporting.

### **Sustainability and Potential for Scaling Up**

Awareness, ownership and capacity for biodiversity conservation among all stakeholders

The project support to province, local level and other relevant stakeholders for biodiversity conservation, sustainable management of forest and land provides a firm basis for project outcomes to be sustained.

Field visits with CFUGs in the BCN (GTZ, Darwin Initiative) project areas undertaken during the project identification phase revealed that 10 years after the project closed, substantial awareness and ownership for biodiversity conservation remains among CFUGs. Informants attributed this especially to participatory biodiversity monitoring efforts. The project will use this experience to provide a template to promote similar efforts in the targeted areas of Province One and nationwide.

### **A Knowledge Management Information System that allows all stakeholders to share and access information**

The Provincial forest directorate, with support from MoITFE, has been developing a knowledge portal which will provide a useful basis for developing the more comprehensive and user friendly KMIS. While the KMIS will be initially for the project area, it will be designed to readily allow it to be expanded beyond the project area. The linkages between the KMIS and the FMIS at national level will also support scaling up to other provinces. The Project operational partner (MoITFE) has shown keen interest and commitment to operate the KMIS beyond the life of the project which will help ensure its sustainability.

The FRTC has a cadre of 5-6 MIS specialists who are confident that they can build a KMIS that will serve the needs of various stakeholders. The creation of a KMIS portal will require an IT specialist, and whilst the project, together with other forestry-related development initiatives (e.g., REDD+ initiatives through World Bank and GCF) will advocate for adequate IT positions at FRTC, a temporary project appointment and a link with ICIMOD for longer-term sustainability are feasible alternatives.

The KMIS will be established in Province One and supported by the MoFE. The KMIS design will fully consider the potential to replicate the KMIS across the country, including by incorporating the

needs and interests of other provinces into the KMIS design, as far as practicable. This will be achieved by a set of consultations with other provinces, user groups and other stakeholders in the design phase of the KMIS to identify areas of common interest. Consultations will be undertaken with the MoITFEs of other interested provinces as the KMIS is built and tested to ensure its design is as relevant and as adaptable as possible. The KMIS design and application will be shared widely through the project's communication and knowledge management strategy. The project includes activities to communicate best practices and lessons from the process to support evidence-based policy making on the KMIS and KMIS capacity building and to promote replication in other Provinces.

#### **Local level land use plans and forest operational plans that integrate biodiversity conservation and support LDN target 1.**

The local level land use plans are a new concept that, if unguided and unsupported, risk becoming a paper exercise without meaningful implementation. The project will support targeted local levels to develop local level land use plans that are feasible, useful, and sustainable.

Land use plans prepared for local levels in the past focused on urban development. A land use plan that seeks to maintain a balance between conservation and development will contribute to sustainable land management, including LDN target 1. This project will support local levels to adopt a landscape approach to planning, collect spatial and temporal data, improving its storage and retrieval (linked to the KMIS), analyze present land use and future needs, integrate LDN and biodiversity considerations, and ecosystem restoration into planning process and most importantly strengthen local level capacity to implement these plans.

The size of local levels varies from 70 to 210 km<sup>2</sup> in the project area which is considered a good size for planning and management of integrated land conservation and management. Local levels have authority to plan and implement such plans and resources are also available to them, but many local levels do not have the technical capability to develop and implement plans. Accordingly, the project will support the development of these plans, and the Koshi River Basin Office, Soil Conservation and Watershed Management Offices and DFOs will support capacity development and plan preparation.

Community forestry Operational Plans (OPs) provide the basis for CFUGs to manage community forests. The effectiveness of implementation of the OPs in terms of integrated resources management, inclusion in planning and decision making and equity in benefit sharing varies between groups. The project will support investigations into the effectiveness of OPs to enable a better understanding of the factors that influence the management effectiveness of CFs. The investigations will include both CFUGs that are known to be effective and ineffective. Lessons learned will be used to design and guide project supported interventions aimed at improving the quality and effective implementation of OPs.

The project assumes that the integration of biodiversity concerns into OPs will be most effective when CF management generates clear and equitable benefits for CFUG members. This assumption has been realized in the CFUGs engaged in previous PAMEB exercises, where not all measures that were introduced were sustained, but CFUGs and households have sustained the measures that they perceived to be beneficial.

Sustainability will be enhanced further through:

- ? Linking stakeholders to the KMIS, which will support informed decision making through improved access to data and information.
- ? Building links between CFUGs and local levels to address wildfires and reduce risks to CFUG members and CFs.
- ? Demonstrating the benefits to CFUGs of fee-for forest services.
- ? Local levels and the Province acknowledging the benefits of ecosystem services provided by CFUGs (e.g., eco-tourism opportunities, fresh water, wildfire and flood control, and economic development).
- ? Supporting the Province's plans and priorities, including the Periodic Plan and LDN target 1.
- ? Building the capacity for the natural resource management planning of local levels.

#### **Improved livelihoods that enable households, CFUGs and local levels to sustain biodiversity conservation action**

The sustainability of livelihoods depends to a considerable extent on the feasibility of income generation activities that do not cause loss of biodiversity. Many potential value chains can be sustainable if they include effective coordination mechanisms led by active entrepreneurs (e.g., *Chirayito*) or by associations of producers or traders (e.g., Large Cardamom, plywood).

Depending on the value chain, the project will further strengthen value chain coordination mechanisms or help initiate new ones. Support activities will be based on rigorous assessments of value chains and include activities that seek to unblock the most important bottlenecks to value chain development. A particular emphasis will be on promoting sustainable value chains that support women, youth and poor and marginalized groups.

The project will take into consideration the challenges of developing economically viable processing units in the Middle Hills when the trend in the east is for most of the processing to take place in the *Terai*.

#### **8) Summary of changes in alignment with the project design with the original PIF**

The following changes have been made during project design compared to the original PIF:

- ? The project area has been adjusted from 7,600 km<sup>2</sup> to 3,575 km<sup>2</sup>, representing a change in targeted population from 702,816 to 496,689. The PIF incorrectly included conservation areas in the area and population calculations, although the project itself, as described in the PIF, actually focused on smaller area. The project design phase identified and corrected this error, using more accurate data from the baseline study including information from local levels and land use maps.
- ? The number of participating CFUGs has been reduced from 1,000 to 500 (see output 1.4) as the actual number of CFUGs in the project area is only 725.
- ? The targets provided have been adjusted to match the changes above and to fit within available resources and time more realistically. The PIF anticipated the following targets:
  - o 25,000 ha of forest and forest land would be restored, but the PIF did not clearly describe how this would be done. The target has been revised to 25,320 ha, based on an assessment of the current government and community programs for restoration. The ProDoc assumes that the project would not be directly involved in supporting restoration efforts through plantations and assisted natural regeneration, but would rather support local levels, CFUGs and LFUGs involved in restoration to incorporate LDN and biodiversity conservation priorities into restoration efforts (see Output 1.5).

- o 40,000 ha of landscapes would be under improved management to benefit biodiversity. The ProDoc increased this to 41,000 ha based on 31,000 ha of CF and 10,000 of government managed forest. The ProDoc estimates this will involve 405 CFUGs (see Output 3.1).
- o 15,000 ha of landscapes under sustainable land management in production systems. The ProDoc has increased this to 20,000 ha.
- o 35,000 ha of High Conservation Value Forest (HCVF) loss avoided. The PPG could not confirm whether this is an achievable target but using the logic for Component One it is assumed that improved planning and enforcement will result in avoided loss of HCVF. It is recommended this target be reviewed and revised in the first year of the project once an updated baseline is produced.
- ? The target of upgrading the FIS at FRTC (Component 2) has been changed to establishing an FMIS at the MoFE.
- ? The target of greenhouse gas emissions mitigated (metric tons of CO<sub>2</sub>e) has been adjusted to match the changed areas and updated baseline information. The calculations have assumed that improved planning and implementation of land use practices, including for restoration of forests and for avoiding loss of High Conservation Value Forest whilst primarily aimed at conserving biodiversity and meeting LDN targets, will also have a positive GHG mitigation impact.
- ? The PIF anticipated the Federal Level MoFE would be the operational partner (OP), but with the development of the relatively new federal system, the policy of the GoN is to have Provincial levels manage development projects that are of the size anticipated with the proposed project. The current proposal is for the Ministry of Industry, Tourism, Forest, and Environment of Province One to be the OP.

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[1] Also spelt Tarai

[2] Also spelt Churiya and called Siwaliks or Sivaliks

[3] The previous local government structure included 3,500 Village Development Committees (each including one junior official and no elected council) and 75 Districts (including government officers but no elected council). Most decision making was done by the national government in Kathmandu. This administrative arrangement was replaced by a strongly decentralized structure comprising seven Provinces (with parliaments and ministries) and 753 local governments (with staff, sizeable budgets, and an elected council).

[4] In Nepal only the largest projects are planned and decided by the central government, most projects and activities, such as the proposed project, are under the responsibility of Provinces and Local levels.

[5] Red Panda (*Ailurus fulgens*) EN, Himalayan black bear (*Ursus thibetanus laniger*) VU, Back-striped Weasel (*Mustela strigidorsa*) LC, Clouded Leopard (*Neofelis nebulosa*) VU, Binturong (*Arctictis binturong*) VU, Chinese Pangolin (*Manis pentadactyla*) CR, Black Giant Squirrel (*Ratufa bicolor*) NT, Spotted Giant Flying Squirrel (*Petaurista elegans*) LC, , Bhutan Giant Flying Squirrel (*Petaurista nobilis*) NT

[6] Blanford's Fruit Bat (*Sphaerias blanfordi*) LC, Hairy-winged Bat (*Harpiocephalus harpia*) LC, Little Nepalese Horseshoe Bat (*Rhinolophus subbadius*) LC

[7] Koklass Pheasant (*Pucrasia macrolopha*) LC, Himalayan Monal (*Lophophorus impejanus*) LC, Satyr Tragopan (*Tragopan satyra*) NT, species at the western boundary of their range (e.g. Yellow-cheeked Tit (*Machlolophus spilonotus*), Rufous-throated Wren-babbler (*Spelaeornis caudatus*) NT, Black-headed Shrike-babbler (*Pteruthius rufiventer*), Rusty-fronted Barwing (*Actinodura egertoni*), and high altitude range- and forest-wetland species like Wood Snipe (*Gallinago nemoricola*) VU, and Ibisbill (*Ibidorhyncha struthersii*) LC.

- [8] Red Panda Conservation Action Plan for Nepal (2019-2023)
- [9] GIS analysis undertaken for the project's baseline
- [10] Please refer to the Biodiversity thematic report available from FAO Nepal country office for details
- [11] Acharya, Krishna. (2004). Does Community Forests Management Supports Biodiversity Conservation? Evidences from Two Community Forests from the Mid Hills of Nepal. Journal of Forest and Livelihood. 4.) Anup K.C. (March 22nd 2017). Community Forestry Management and its Role in Biodiversity Conservation in Nepal, Global Exposition of Wildlife Management, Gbolagade Stephen A. Lameed, IntechOpen, DOI: 10.5772/65926.
- [12] Annual Progress Report (2019-2020), Ministry of Industry, Tourism, Forest and Environment, Province One, Nepal.
- [13] 15<sup>th</sup> Periodic Plan. Government of Nepal, National Planning Commission, 2019.
- [14] Country Poverty Analysis Nepal. Asian Development Bank, 2019.
- [15] UNDP. 2018, 'Human Development Indices and Indicators 2018 Statistical Update.'
- [16] Progress Report 2018/19, Directorate of Agricultural Development, Province 1
- [17] The project area covers Panchthar and Terhathum districts completely and Ilam, Taplejung and Sankhuwasabha districts partially. For detail, refer Annex 11 of the thematic baseline report (forest policy and institutions)
- [18] Central Bureau of Statistics. Nepal has caste and ethnicity data at district level only.
- [19] Dalits were previously called occupational caste groups
- [20] Suwal, B. R. (2014). Internal migration in Nepal. In Population Monograph of Nepal - 2011 (pp. 241-283). Kathmandu: Government of Nepal, National Planning Commission Secretariat, Central Bureau of Statistics.
- [21] Nepal Labour Migration Report 2020. Government of Nepal, Ministry of Labour, Employment and Social Security.
- [22] 15<sup>th</sup> Periodic Plan (2019/20 ? 2023/24). Government of Nepal. National Planning Commission.
- [23] Agriculture Development Strategy (2015-2035). Government of Nepal, Ministry of Agriculture and Livestock Development.
- [24] Provincial domestic product has the same meaning as GDP but based on a province.
- [25] Annual Progress Report (2018/19). Agriculture Development Directorate, Ministry of Land Management, Agriculture and Cooperatives, Province One.
- [26] Project implementation manual of the Prime Minister's Agriculture Modernization Project <https://pmamp.gov.np> defines the Pocket production areas as the commercial agricultural production centers (pockets) at the district level with a minimum of 10 hectares
- [27] CFUG Database 2019. Department of Forest and Soil Conservation, Ministry of Forests and Environment Nepal.
- [28] Thematic baseline report (Forest policy and institutions)
- [29] Understanding women's participation in forestry in Nepal, Policy brief 2015. FAO and RECOFTC
- [30] Integrating biodiversity conservation and ecosystem services into operational plan of community forest in Nepal : status and gaps, Thani et al, (MoFE) Banko Jankari, Vol.29, 2019
- [31] Five Year Forest Management Plans (Divisional forest offices of Taplejung, Panchthar, Ilam, Sankhuwasabha and Terhathum)
- [32] *Lokta* is a shrub and its bark is used for handmade paper. *Amriso* is broom grass.
- [33] Shrestha, Keshav & Shrestha, Jiban. (2018). Value Chain Analysis of Large Cardamom in Ilam District of Nepal. 5. 179-189.

[34] Orthodox tea refers to loose leaf tea produced using traditional (orthodox) methods, which involves plucking, withering and rolling.

[35] The analysis of threats was based on a combination of literature, documentation of previous and ongoing projects and consultations government officials, individual resource persons, FECOFUN, BCN, ICIMOD, Red Panda Network, FRTC, and with CFUG members, Local levels and projects/NGOs in areas with present and previous biodiversity-oriented community forest management

[36] Forest Resource Assessment, Department of Forest Research and Survey, 2015

[37] Shrestha, Bharat & Ranjit, Jagat & Siwakoti, Mohan. (2017). Status of Invasive Alien Plant Species in Nepal.

[38] MoPE Nepal Population Report, 2016

[39] For the purposes of the project climate change is considered to operate both as a pressure on the environment and as a root cause of environmental change. Climate change itself has other root causes including economic factors.

[40] A climate risk assessment was undertaken for the project and the recommendations are included in the project design.

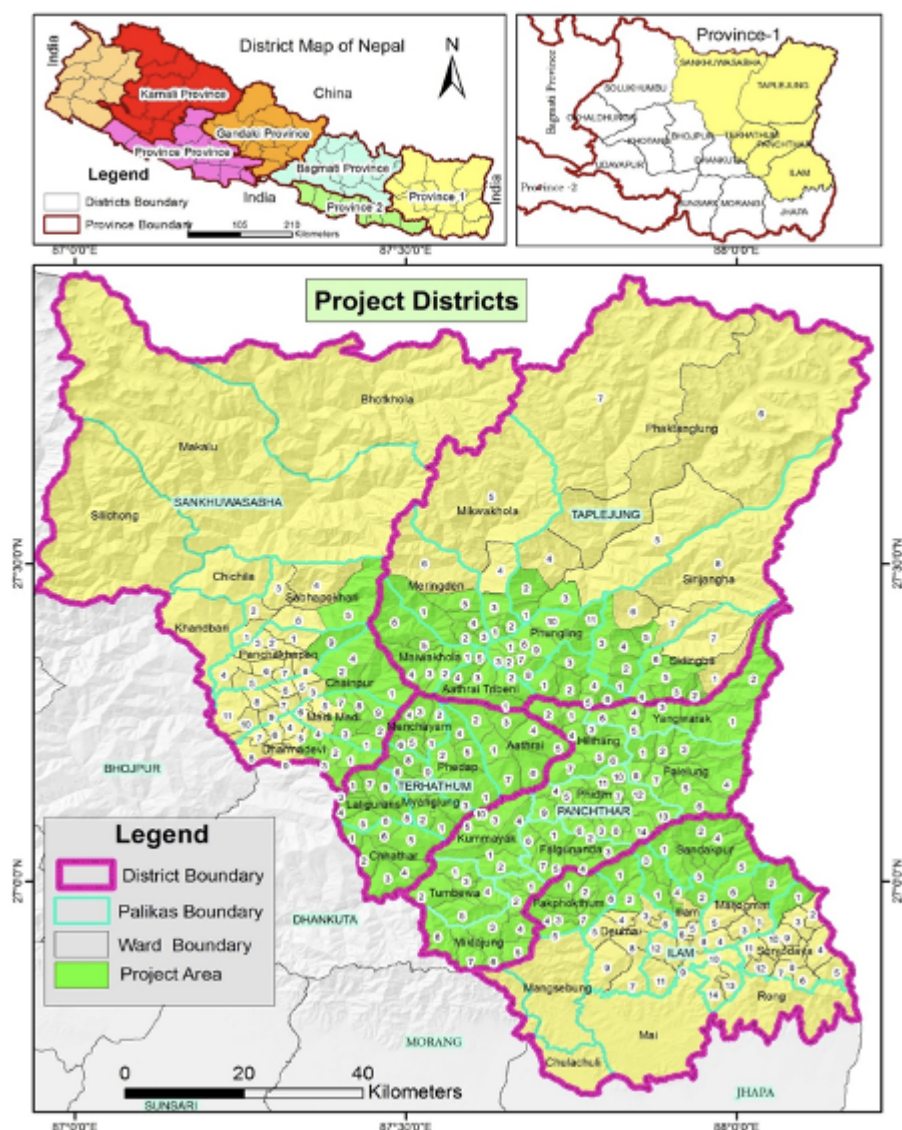
[41] Observed Climate Trend Analysis in the Districts and Physiographic Regions of Nepal (1971-2014), 2017.

Department of Hydrology and Meteorology, Kathmandu

[42] Gann GD, McDonald T, Walder B, Aronson J, Nelson CR, Jonson J, Hallett JG, Eisenberg C, Guariguata MR, Liu J, Hua F, Echeverria C, Gonzales, EK, Shaw N, Decler K, Dixon KW. 2019. *International principles and standards for the practice of ecological restoration*. Second edition. Restoration Ecology S1-S46)

#### **1b. Project Map and Coordinates**

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



**Figure 3 Project map**

The project lies between latitude N 27° 0' 0" to 27° 30' 0" and longitude E 87° 30' 0" to 88° 0' 0". The map shows Province One, five project districts (light yellow) and the project area (34 local levels) covering whole districts of Panchthar and Terhathum and selected areas of Taplejung, Ilam and Sankhuwasabha districts (light green), where the project will focus its interventions. The project area is 3,575 km<sup>2</sup> and has a population of 496,689.

#### 1c. Child Project?

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

NA

#### 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.**

The project design team undertook stakeholder consultations between 8<sup>th</sup> June and 21<sup>st</sup> September 2020, in accordance with GEF and FAO guidelines. Consultations involved a mix of face-to-face and electronic consultations. However, the project design team could not travel to the project area to confirm the work undertaken for the baseline study or conduct provincial and local level stakeholder consultations due to COVID-19 pandemic travel restrictions. Nevertheless, stakeholder consultation enabled the gathering of diverse views, concerns and feedback for detailed project design.

Further stakeholder consultations will need to be carried out at province, local level and with CFUGs during the first year of project implementation to validate the project design and further consultations will guide the implementation of the project.

**Table 13: Stakeholder Consultation during project formulation**

	Name	Profile	Consultation Findings	Date	Comments
1	Federation of Community Forest Users Nepal (FECOFUN)	National NGO	FECOFUN is committed to support project design and interested in implementation through its networks. Collaboration between local levels and CFUGs is critical for the success of the project.  Capacity development of district level federation on forest protection and management is important.	24 June 20	Collaboration with CFUG network and its capacity building will be incorporated in the project work plan
2	Nepal Federation of Indigenous Nationalities (NEFIN)	National NGO	The role of IPLC should be clearly spelled out specifically in project implementation A special focus should be given to marginalized groups within CFUG Inclusion within CFUGs should be promoted to address concerns of indigenous people	24 June 20	Indigenous people's plan addresses these concerns



3	Himalayan Grassroots Women's Natural Resource Management Association (HIMAWANTI)	National NGO	Women led entrepreneurs should be supported	24 June 20	Product and service value chain intervention will address this issue
4	Dalit Alliance For Natural Resources (DANAR)	National NGO	Dalits should be represented in project implementation through enterprise and livelihood activities	24 June 20	Product and service value chain intervention will address this issue
5	Ministry of Finance	Federal ministry	Project fund flows should follow the budget system. The Provincial government should steer the project, management cost should be less than 5% and international consultancies should be minimized	10 June 20	These suggestions have been considered in detail project design, fund flow arrangement and budgeting
6	National Planning Commission	Federal planning commission	A special division of NPC is dedicated to coordination with provinces. Province One has formed its planning commission and prepared first periodic plan.	11 June 20	Project will support in implementing relevant provisions of provincial periodic plan in biodiversity, sustainable use and enterprise development
7	Ministry of Federal Affairs and General Administration	Federal ministry	Project should focus on thematic areas and MoITFE should execute the project. Local level should be supported in preparing comprehensive land use planning	10 June 20	Project will focus on overall planning capacity of local level and strengthen conservation friendly intervention
8	Ministry of Agriculture and Livestock Development (MoALD)	Federal ministry	This Ministry has no direct communication with provincial agricultural agencies, but the data/information need for planning and reporting has not reduced. MoALD with support from FAO is developing software to be installed at local level. This software will help local level in gathering and updating agricultural data. A central hub at MoALD linked to this software will provide updated information	10 June 20	Project will work closely with MoALD and benefit from the initiatives in collecting agricultural data through the software.
9	Ministry of Forests and Environment	Federal ministry	MOFE is facilitating the project design and intends to support in implementing under provincial leadership.	09 June 20	

10	Department of Forests and Soil Conservation	Federal department	DoFSC has no direct and formal communication with provincial forest agency and divisional forest offices which makes CFUG and other data base update extremely difficult. Updated data is important for reporting to Ministry and other federal agencies	08 June 20	Establishing functional data base at DoFSC is important and the project will explore opportunity to support in setting database and linking it to province and MoFE
11	Forest Research and Extension Centre	Federal department	FRTC is interested to be a part of this project through forest information system upgrade and operation. Functional FIS at FRTC also helps in reporting on global forest resource assessment.	08 June 20	The project will support FRTC in upgrading and operating FIS that will be linked to knowledge portal of the Province One
12	REDD Implementation Centre	Federal centre	Number of projects under MOFE are supporting local levels in land use plan and there is strong need to bring uniformity. MoFE is the appropriate agency to host federal forest management information system (FMIS) hub. Concerned federal departments and provincial agencies should prepare their own system and link to FMIS for data exchange and reporting	21 September 20	Project will work closely with REDD IC to find common ground for local level land use plan and knowledge management system design
13	Financial Comptroller General Office	Federal ministry	Province government should execute this project and fund should be transferred through budget system	08 June 20	Project implementation modality will address these suggestions
14	Province One-Ministry of Industry, Tourism, Forest and Environment	Province ministry	MoiTFE of Province No. One is prepared to take lead in project implementation	24 July 20	Project implementation modality will address these suggestions
15	Province One-Province Forest Directorate (PFD)	Province directorate	Province forest directorate is responsible for monitoring and reporting. All divisional forest and watershed offices have to report to the directorate on regular basis. PFD is appropriate agency to host knowledge portal	19 Sept 20	MoITFE will select the agency to host provincial knowledge management portal

16	Agriculture Enterprise Centre of the Federation of Nepal Chambers of Commerce and Industry	Specialized wing of private sector umbrella organization	FNCCI is keen to collaborate with this project through district chambers and has offered to provide office space in the project area  Production base for value chain should be enhanced through community-based organizations. It is also important that chambers also have sufficient capacity to work with this project. Strengthening value chain should include private sector capacity enhancement.	21 Sept 20	Project will collaborate with FNCCI (AEC) to implement enterprise and value chain
17	Asia Network for Sustainable Agriculture and Bioresources	National NGO committed to enterprise-oriented solutions to biodiversity conservation and sustainable community development	ANSAB is keen to work on project implementation. It has expertise and experience ANSAB has suggested <i>Chiraito</i> , <i>lothsalla</i> and <i>lokta</i> , <i>argeli</i> for value chain activity	21 Sept 20	Project will seek technical support from ANSAB to implement enterprise and value chain
18	Association of family forest network (AFFON)	National network of private tree growers	The project should address the issues that have emerged during the COVID -19 pandemic. Agro-forestry is a potential intervention for this project. Problems faced by private tree growers should be taken into consideration in project implementation	24 June 20	Except COVID-19 impact, Ecosystem restoration and enterprise development intervention will accommodate this concern
19	IUCN	International NGO	Project should prioritize conservation hotspots and strive to address issues in a cluster	18 June 20	Ecosystem restoration will be carried out based on landscape wise assessment
20	WWF Nepal	International NGO	There are useful lessons gathered by previous initiatives on landscape level conservation and livelihoods enhancement which may be useful for this project	18 June 20	Lesson learnt and best practices will be referred to during project implementation
21	Red Panda Network Nepal	International NGO	This project should collaborate with conservation INGOs for species conservation, ecosystem restoration and strengthen local institutions	18 June 20	Red Panda Network is identified as one of the important project partners

22	Bird Conservation Nepal/Bird Life International	International NGO	BCN supported community-based biodiversity monitoring in the past in some of the project areas and the project should build on this foundation	18 June 20	BCN expertise will be utilized in biodiversity monitoring
23	International Centre for Integrated Mountains Development	Regional intergovernmental organization	ICIMOD has been supporting the implementation of Kanchenjunga landscape conservation and development initiatives. With much of the project area overlapping with Kanchenjunga landscape, there is prospect to collaborate for conservation and livelihood outcomes	28 June 20	ICIMOD is a potential knowledge source and also a project partner
24	USAID	Bilateral development agency	The role of the private sector in product value chains and enterprise development should be emphasized. Community-state-private sector collaboration together can make fundamental changes in uplifting the livelihoods of targeted community. The landscape approach to conservation is maturing with different initiatives generating a wealth of knowledge. It should be capitalized on in implementing this project.	26 June 20	Private sector is identified as key actor in project implementation. Learnings of landscape projects will be utilized in project implementation

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

The design of this project recognizes the critical roles and responsibilities to be played by a diverse range of stakeholders in project implementation. Nepal's new Constitution has substantially changed the roles of key stakeholders by establishing a federal structure and identifying various roles and responsibilities for different levels, from individuals to the GoN.

A technical working committee composed of government, and key national level programs was set up to support and guide the full project development at the Federal level. The committee met regularly and provided policy guidance, ensured cross sectoral support and endorsed the list of stakeholders and their responsibilities in project implementation (see Table 7). The list of stakeholders was further updated based on consultations and feedback from FAO and MoFE.

A detailed stakeholder engagement plan, including identification of stakeholders and their role in project implementation, stakeholder engagement methodology, and timing, is presented in Annex 12 of the project document. This plan will be regularly reviewed and updated during project implementation. A summary of the stakeholder engagement plan is presented in Table 8 below.

**Table 7 : List of Key Stakeholders and their Expected Roles and Responsibilities**

Stakeholders	Roles in Project Implementation
The Ministry of Finance (MoF)	The MoF is the political and operational focal point for the Global Environment Facility (GEF) in Nepal. All international investment to Nepal's public sector must be channeled through the MoF, according to the constitution. FAO, as the GEF accredited agency for this project, will transfer GEF grant finance for project execution by government to the MoF, which will in turn channel this finance directly to the MoFE/MoITFE. MoFE/MoITFE will implement this project as per an operational partners implementation modality (OPIM) signed between FAO and implementing partner.
The Ministry of Agriculture and Livestock Development (MoALD)	The MoALD oversees agricultural land management, livestock and agricultural extension. MoALD will have an important role in planning processes for sustainable land management, biodiversity and value chain promotion for rural livelihood enhancement. MoALD has developed and implemented Nepal's Agriculture Development Strategy (ADS), the Prime Minister's Agriculture Modernization Program, the Food and Nutrition Security Plan of Action (FNSP) and projects/programs such as the High Value Agricultural Project In Hill and Mountains (HVAP), the Decentralized Science, Technology and Education Program, the Value Chain Development Program, and the Innovation and Agro-entrepreneurship Program
The Ministry of Federal Affairs and General Administration (MoFAGA)	The MoFAGA will contribute to improving coordination between federal ministries and local and provincial governments on landscape level land use planning with a special focus on biodiversity sensitive interventions at different government levels.
Ministry of Forest and Environment (MoFE)	The MoFE is the national lead for this project and will handle the coordination functions between and among governmental institutions, including the Ministry of Finance, the Ministry of Foreign Affairs and the National Planning Commission for the project. MoFE is the focal agency for Nepal for UNFCCC, UNCCD and UNCBD. MoFE is responsible for the periodic reporting on the status of the implementation of these conventions. Development Cooperation Coordination Section of MoFE will coordinate with implementing agencies, FAO, MoF and other relevant agencies on matters related to this project.
Forest Research and Training Centre (FRTC)	FRTC is a Government body under the MoFE and responsible for forest research and survey activities at national level. FRTC provides training on forest inventory, manages and handles information using the forest resource database, carries out forest cover mapping which is an important resource for land use planning and maintains the Forest Information System (FIS). FRTC also provides training on forest resource management and the expertise of FRTC plays a vital role in training and capacity development at local, provincial and federal levels.
Koshi River Basin Management Office (KRBMO)	The KRBMO's role are sub-basin management plan preparation, documentation of watershed information system, documentation of wetland and management, technology development for agroforestry and sustainable soil management, management of dry areas, vulnerability mapping, bioengineering promotion along riverbanks, and documentation of landslides, water source springs, sedimentation.
Provincial Government	Responsible for inter-governmental coordination and policy formulation and for strategic guidance to provincial Ministries, long-term planning (preparation of a periodic plan) and setting provincial priorities. They are also responsible for sectoral coordination and coordination with donor and development partners, including monitoring and evaluation of development activities in the province.

Stakeholders	Roles in Project Implementation
Provincial Ministry ? Ministry of Industry, Tourism, Forest and Environment (MoITFE)	The MoITFE is responsible for the sustainable management, utilization and conservation of forests, ecosystems, water resources and biodiversity within their jurisdictional boundaries. The multidisciplinary composition of MoITFE enables successful implementation of complex initiatives and is aligned with the expertise required for supporting coordination efforts and enhancing the sustainability of this project. Officials at MoITFE and Provincial Forest Directorate have extensive experience of working in different parts of the country.
Divisional Forest Office and Sub-divisional Forest Office	The DFO and SDFO are the local authorities responsible for the forestry sector. Whilst other sectoral ministries and sectoral offices were devolved from the central level to the local level structure, the organizational structure of forests is still separate with its own structure and function. The coordination function and the availability of subject matter experts at local level is vital in planning and implementing project interventions.
Local levels (Local Government)	Local levels (local government) play a major role in planning, budget allocation and preparing longer term plans. They are responsible for local level coordination functions with development partners, formulation of local policy and mobilisation of local resources. Additionally, local levels are required to develop land use plans for better management of land and other natural resources within their political boundary.
Soil Conservation and Watershed Management Offices (3 in Province One)	There are three Soil Conservation and Watershed Management Offices in Province One. Though there is none located in the project districts, but SCWMO Dhankuta provide services to Tehrathum and Sankhuwasabha. Similarly, SCWMO in Biratnagar provides services to Ilam, Panchthar and Taplejung. Some of the key activities these SCWMOs are implementing in project districts are water recharge catchment pond, erosion control work along trekking and walking trails, integrated degraded land rehabilitation, climate change adaptation activities, dry land management,
Federation of Community Forestry Users Nepal (FECOFUN)	FECOFUN is one of the proposed implementing partners. It manages a country-wide network of Community Forest User Groups (CFUGs) through local chapters at district- and, since recently, local level. It provides local level information and mobilises its network for policy dialogue and policy advocacy, training, awareness and capacity development. They also have a coordination function between local levels and CFUGs in annual planning and resource mobilisation. During project preparation it provided local level data and information, linkage to CFUGs for consultation, and feedback on proposals from a CFUG perspective.
ANSAB Nepal	ANSAB is committed to biodiversity conservation and livelihood improvement in Nepal. It places community empowerment and economic incentives at the heart of its approach, and has been consistently evolving, consolidating, institutionalizing and advancing the approaches and strategies for the promotion of community-based enterprises and value chains, natural resources management and biodiversity conservation, enabling policy environment and multi-stakeholders' collaboration. FAO and ANSAB has collaborated since long to develop SMEs, study on timber, NTFPs, high value crop: ginger value chain study and related publications. ANSAB, in this project, expected to play a key role on meeting the targets defined under component 3.

Stakeholders	Roles in Project Implementation
Bird Conservation Nepal (BCN)/ Birdlife International	BCN is a proposed implementing partner. It has experience and expertise in the field of biodiversity conservation and livelihoods and in implementing several forest and biodiversity projects that have informed the design of the proposed project. BCN has good standing with the government institutions, FECOFUN and development partners due to long-term collaboration and its specific technical expertise related to birds, biodiversity and livelihoods. It conducts research, monitoring, training, and capacity development activities in the field of biodiversity and livelihoods, and it establishes and mobilises international networks for policy dialogue and strategic think tanks.
Private sector (Chamber of Commerce and Industries, Entrepreneurs and Entrepreneurs Associations)	The private sector, led by the districts chapters of the Chamber of Commerce and Industries, provide the backbone for the value chains (timber, NTFP) through which the proposed project will attempt create a sustainable economic basis for the target CFUGs and households. They include NTFP traders, transporters, and processing plants, but also local nurseries, commercial rangers and technicians, agrovets, input suppliers, lumberjacks. Some of them have provided essential feedback during this PIF stage, but more extensive consultation will take place during project preparation to make use of their experiences from ongoing efforts and networks, value chain assessments, marketing, value addition technologies / processing of forest products. They engage in policy dialogues and can play a coordination function between government and individual users as well as provide market information and knowledge of trends in forest products.

**Table 8: Stakeholder Engagement Plan**

Stakeholder Name	Type	Profile	Consultation Methodology	Expected timing	Comments
Community forest user groups, leasehold forest user groups, farmer's groups, youth clubs	Beneficiary	Local communities	Participation in planning and implementation	Monthly	Project information sharing through regular interaction
Women's group, disadvantaged and vulnerable groups					Participation in bottom up planning, and capacity building
Indigenous groups					
Ministry of Forest and Environment	Partner	Federal ministry	Project information sharing, participation in planning and monitoring	Trimester, annual	Trimester and annual progress reporting Participation in monitoring
Ministry of Industry Tourism Forest and Environment		Province ministry	Participation in planning, implementation, and supervision	Monthly	Trimester and annual progress reporting, Participation in project supervision



Local levels (Municipality and Rural Municipality)	Partner	Local government	Project information sharing, participation in planning, implementation, and monitoring, capacity building	Trimester	Project progress reporting
Cottage and Small Industries Development Committee		District level provincial agencies			Participation in PSC, annual planning
FNCCI district chamber		District private sector unit			Participation in capacity building
Red Panda Network Nepal		Conservation INGO			
Divisional forest offices		Provincial forest management agency			
Soil and watershed management office		Provincial watershed management agency			
Federal forest research and Extension Centre		Federal department			
FECOFUN		National NGO			
FRTC Province No. One		Provincial forest research and training agency			
Provincial forest directorate		Provincial directorate			
Ministry of Land Management, Agriculture and Cooperative	Other	Provincial ministry	Project information sharing, collaborate in planning, monitoring, and capacity building	Six months	Project progress sharing
Ministry of planning and economic development					Collaboration in annual planning and steering, monitoring
Agriculture Knowledge Centres		District provincial agencies			
NTFP/Herbal product traders Association, Association of Cottage and Small Industries, Agriculture, and forest product-based enterprises		Value chain actors		Trimester	Collaboration in project implementation
Local NGOs		NGO			



**Select what role civil society will play in the project:**

**Consulted only;**

**Member of Advisory Body; Contractor;**

**Co-financier;**

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

**Executor or co-executor; Yes**

**Other (Please explain)**

### **3. Gender Equality and Women's Empowerment**

**Provide the gender analysis or equivalent socio-economic assesment.**

Nepal has long experienced very clearly defined gender divisions and roles against certain segments of society based on traditional, historical, economic, political and socio-cultural norms. Whilst the Constitution recognizes equal rights, the practical reality is set in the socio-cultural context of various communities. Ownership and control of assets and resources (including natural resources) is predominantly in the hands of men. Traditionally, most women do not own or inherit land. Women's control over use of income and participation in making decisions in the use of income is generally low, especially among rural households.

The Constitution aims to eliminate all forms of gender-based discrimination. It guarantees equal right to men and women over remuneration for the same piece of work. The Constitution also guarantees rights to social justice and has various provisions pertaining to eliminating gender-based discrimination and social exclusion. The Constitution sets a political objective for the state to establish a welfare system of governance based on the principles of rule of law, fundamental rights and human rights, gender equality, proportional inclusion, participation, and social justice.

Nepal is party to the United Nations Convention on the Elimination of all Forms of Discrimination against Women (CEDAW 1979), and the GoN is committed to:

? Incorporating the principle of equality of men and women in the legal system, abolishing all discriminatory laws and adopt appropriate ones prohibiting discrimination against women.

? Establishing tribunals and other public institutions to ensure the effective protection of women against discrimination; and

? Ensuring the elimination of all acts of discrimination against women by persons, organizations or enterprises.

These commitments are reflected in the Constitution, national policies, strategies, and legal framework.

Nepal is committed to the Sustainable Development Goals (SDG). SDG 1 (end poverty in all its forms everywhere), 5 (achieve gender equality and empower all women and girls), 10 (reduce inequality within and among countries) and 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) are directly related to gender and social inclusion. SDG 15 calls for the participation of women and men in formulating policy, strategy and legal frameworks related to natural resources management: equal access to resources and benefit sharing and positive discrimination in implementing natural resource-based livelihoods programs.

There are a range of existing strategies, policies, plans and programs of the Government that address the issues of gender and social inclusion. Several sectoral ministries have adopted gender and social inclusion guidelines.

The forestry sector's commitment to gender and social inclusion is reflected in the recently adopted forest policy that commits to eliminating all forms of gender-based discrimination in forestry sector. The Forestry sector gender and social inclusion strategy issued in 2008 identified gender sensitive policy, rules and guidelines; good governance, gender responsive budget and institutional development and equitable access to resources, benefits and decision making as areas of change. These are operationalized into implementation plans and programs. The initiatives taken to integrate gender dimensions into policies and legal frameworks of Forestry sector have brought positive changes although a lot remains to be done to make a sustainable impact.

Overall, women in rural Nepal are highly vulnerable to the impacts of climate change and reduced supply of ecosystem services because of their roles in managing the household, providing food and collecting fuel wood and water, their dependency on natural systems to supply ecosystem services and their extremely limited capacity to earn income and engage in markets and influence both household and community decisions. Women in the poorest households are disproportionately negatively affected by the impact of climate change and other root causes of environmental decline. Addressing diverse needs, interest and capacities of female and different social groups is an essential part of sustainable natural resource management initiatives and increasingly integrated into development initiatives.[1]

The proposed project supports local levels in formulating gender friendly land use planning and facilitate its implementation. Project interventions will create conducive environment both for women and men, indigenous peoples, disadvantaged section of the society and marginalized groups for taking leadership role in forest and biodiversity resources management and utilization.

The project will support gender equality and women's empowerment through integrated forest landscape management and demonstration of biodiversity-sensitive and sustainable production technologies and techniques.

#### An assessment of gender dimensions of community forestry

Traditionally women have played an important role in forest resource management and this role has further increased in the context of migration where growing numbers of men remain outside their community for an extended period.

Forest legislation includes provisions for the enhanced presence of female use group members in executive committees so that they can influence gender balanced and socially inclusive decisions and its implementation. However, the situation is far from being satisfactory. Translating legal provisions into action needs concerted effort across the sector and continuous support. Improving access to resources and decision-making roles of women and different social groups is critical to

enhancing gender and social inclusion (GESI) across the forestry sector. Integrating GESI into CF operation plans and improving women's leadership roles, providing capacity development through continuous coaching, gender focused livelihoods and entrepreneurship are key areas requiring long term support.

An assessment of gender integration in the REDD+ process has revealed that:

- Engagement of women in decision making is very low compared to labour intensive works.
- Women and socially excluded groups have limited access to economically attractive activities.
- GESI action plans have remained confined to central level plans and programs and they have failed to penetrate down to where they are most needed.

Low access to resources, poor participation of women in decision making and lack of gender-sensitive activity planning is prevalent across all community-based forest management practices. As a result, gender and social inclusion continues to remain an issue despite efforts by the GoN and development partners.

Past efforts to strengthen women's participation in CFUG activities have clearly brought positive impacts in terms of improved equality, decision making and leadership. However, in some cases such efforts have resulted in unintended consequences such as increased workload and added burden. Sometimes these issues are also the result of, or compounded by, external factors such as demographic and socio-economic changes that are beyond the scope of any individual project to address. Nevertheless, the project will ensure that activities such as livelihood opportunities and community based conservation and sustainable production will benefit women, and such activities will be designed after careful consultation with women and men beneficiaries to mitigate any negative impacts. Similarly, capacity building and skill training will be prioritized to females and disadvantaged sections of the target communities. At the same time, the project will identify and promote gender sensitive approaches to forest governance in CFUGs that incentivize women's participation in community forest management without adding burden. The gender action plan and results framework include details of these measures

### **Analysis of Gender and Social Inclusion in the Project Area**

Gender equality and social inclusion/exclusion debates in Nepal largely focus on caste and ethnicity issues. The project districts have significant diversity in terms of caste and ethnicity. The 2011 Census identifies a total of 66 caste and ethnic groups in the project area, with a total population of 869,851.

The total number of caste and ethnic groups varies between the project districts; Ilam, Panchthar, Sankhuwasabha, Terai and Taplejung have 66, 47, 38, 30 and 29 respectively recorded caste and ethnic groups.

An analysis of the population by different caste and ethnic groups shows that only 12 groups have a population of over 1 per cent of the project area's total population.

Limbu is the largest population group (23.08 per cent) of the project district. Hill Chhetri (excluding Sanyasi/Dasnami and Thakuri) are the second largest group (12.82 per cent) The third largest group of the project districts is Rai (9.65 per cent), followed by Hill Brahman (9.46 per cent).

It is not surprising that *dalits* have the lowest percentage in most of the social inclusion indicators such as literacy (66.94 per cent) and access to the safe drinking water (70.00 per cent). In

contrast, *dalits* have the highest percentage of female headed households (29.29 per cent), disability (3.03 per cent) and marriage before 18 years old (36.93 per cent).

Literacy rates vary not only between and within the castes/ethnic group but also by gender. For example, Hill Brahman women have the highest literacy rate (74.02 per cent) followed by Newar women (72.72 per cent), Hill Chhetri women (72.13 per cent), Limbu women (68.19 per cent) and Rai women (68.03 per cent). The least literate group is the Sarki women (53.66 per cent). The Hill Brahman, Newar, Hill Chhetri, Limbu and Rai women are in the top five positions whereas Yakkha, Tamang and all three *dalit* women groups (Kami, Damai and Sarki) are in the bottom five. Rai, Gharti/Bhujel, Sunuwar and Tamang women are in the middle i.e., between 53.66 and 63.60 per cent.

The disability rate in the 5 project districts is 2.63 per cent, which is higher than the national rate (1.94 per cent). The rate varies between the 5 project districts e.g., the lowest being Tehrathum with 2.45 per cent and highest being the Taplejung with 2.93 per cent. It also varies between caste and ethnic group e.g., the disability rate of Hill *dalits* is the highest (3.03 per cent) followed by Hill Brahman (2.83 per cent), Hill Janajati (2.66 per cent), Newar (2.41 per cent) and Hill Chhetri (2.4 per cent).

There are five working committees of the Federation of Community Forest Users' Group Nepal (FECOFUN) in the proposed project districts (one each in the district) with a total of 76 executives. Of these, 30 (39.47 per cent) are women and 46 men (60.52 per cent) and in terms of representation of social groups Brahman/Chhetri are in the higher side (31 out of 76) and the committee executives are highly dominated by men (46; 60.52 per cent) and Brahman/Chhetri (31; 41 per cent).

One of the project areas - Taplejung ? has a total of 9 local levels, 55 wards and 91 Community Forest User Groups (CFUGs). Leadership is dominated by men and there are only three (3.29 per cent) women chairs out of 91 CFUGCs i.e., 88 chairpersons (96.71 per cent male). This indicates that both FECOFUN and CFUGCs disregard the community forest program development guidelines of 2009, which note women's representation in the committee should be at least 50 per cent and the other 50 per cent should include proportionate representation of poor, *dalits*, and *adibasi/janajati*.

Local level representatives are also dominated by men i.e., all the ten local level mayors and 24 rural municipality chairpersons are men, and only nine deputy mayors and 22 deputy/vice chairperson are women.

Nepali women experience exclusion in several areas, including education and control over decisions to marry, and the project area is not an exception. Gender discrimination is one of the significant features of Nepali society, with men continuing to dominate the socio-economic and political spheres. The male dominated society has created huge social barriers for the women's participation, access to resources and opportunities and even to use women's fundamental human rights. Moreover, the country's patriarchal value system is the root cause of women's subordination and social exclusion.

Gender equality and social inclusion is a key cross cutting issues for the project. Project interventions will provide opportunities for socio-economic and political activities and improvement to standards of living. Political will and commitment to truly make a difference has been a slow process, partly due to the lack of evidence-based advocacy, subsequent policy responses, and the implementation of policies without any sanctions for people that do not apply

the policies. This huge challenge needs to be addressed through multiple approaches, at all levels of government, academia, and civil society institutions.

### **Gender Action Plan**

This project design has drawn lessons from past and ongoing forestry sector projects in understanding gender issues relevant to forest management and conservation and translating those lessons into an effective gender action plan.

Gender-responsive activities have been integrated within outputs focused on community forests and farmlands through the application of social safeguards, stakeholder engagement, institutional arrangements, and capacity development. The project will aim to achieve the following gender-specific targets:

- ? Gender-sensitive design, collection, monitoring and reporting of biodiversity and socioeconomic data.
- ? Adequate support for the integration of gender equality and women's empowerment considerations in all relevant outputs of the project.
- ? Meaningful and equal engagement of women and men in all decision making and other relevant activities.
- ? Active involvement of local organisations that promote gender and women's empowerment.
- ? Women represented by at least 50 per cent of participants in any consultation or workshop.

Further information is provided in the **Thematic Report on Gender and Social Inclusion** and the **Gender Action Plan** (see Annex M and N of the project document) prepared in accordance with the guiding principles and policies of GEF and FAO on gender equality, international obligations, provisions of the Constitution, analysis of the existing legal frameworks and practices on GESI and findings of the baseline survey. The GAP focuses on the gap identified during detail project design and recommends specific measures to bridge those gaps.

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[1] Gender Mainstreaming for Gender Equity-The Experience of International Development Agencies [https://www.kfw-entwicklungsbank.de/Download-Center/PDF-Dokumente-Diskussionsbeitr%C3%A4ge/41\\_AMD\\_E.pdf](https://www.kfw-entwicklungsbank.de/Download-Center/PDF-Dokumente-Diskussionsbeitr%C3%A4ge/41_AMD_E.pdf)

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

Yes

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

**Improving women's participation and decision making** Yes

**Generating socio-economic benefits or services or women** Yes

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

Yes

#### 4. Private sector engagement

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

The private sector is actively engaged in the value chains of timber, non-timber, and agricultural products in the eastern hills. In the non-timber forest product (NTFP) sector, they are involved as entrepreneurs, traders, and businessmen. Many NTFP based small and micro enterprises in the project area are managed by CFUG members and they are an important player in the value chain as collectors/producers and primary processors.

The NTFP sector provides a means to engaging poorer and disadvantaged sections of CFUGs in livelihood enhancement initiatives and the private sector can help strengthen value chains by generating financial resources, introducing new technology and innovation to vitalize value chain.

This project will capitalize on the legal base provided by the Forest Act (2019) for CFUGs and the private sector to operate forest-based enterprises by strengthening the value chains of selected NTFPs. It will explore the opportunities to support networking of different actors, engage women, indigenous people and marginalized section in production and processing, technology transfer and value chain financing.

The Chamber of Commerce and Industries and representatives from relevant enterprises and producers will be engaged in reviews of value chain assessments (mostly NTFPs and ecotourism) and multi-stakeholder coordination and planning mechanisms that prioritise and plan the interventions.

The project will support households and small and medium-sized enterprises (SMEs) that are involved or have the potential to be involved in the sustainable use of biodiversity and ecosystem services.

The project will seek to build partnerships between the private-sector and households/CFUGs who have an interest in linking to value chains that support sustainable use of natural resources.

For the targeted value chains, the project will engage with all relevant stakeholders that can, or have the potential to, contribute to the livelihoods of CFUG members and households including, forest products, agriculture, and tourism with the aim of establishing public-private partnerships that demonstrate economically viable biodiversity-sensitive and sustainable livelihood models.

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[1] Challenges and opportunities for Nepal's small and medium forest enterprises (SMFEs). <http://www.fao.org/3/i1266e/i1266e00.pdf>

[2] Rai, J. K. and Chapagain, S. P., (2014). *Value Chain Analysis of Forest Products in Koshi Hill Districts of Nepal: Challenges and Opportunities for Economic Growth*. Forest Action Nepal and RRN, Kathmandu.

#### 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):**

## 5. Risks.

Risk management is a structured, methodical approach to identifying and managing risks for the achievement of project objectives. The risk management plan will allow stakeholders to manage risks by specifying and monitoring mitigation actions throughout implementation. Part A of this section focuses on external risks to the project and Part B on the identified environmental and social risks from the project.

### Section A: Risks to the project

The project is not likely to face risks that would result in catastrophic consequences for the project. The moderate risks that have been identified can be mitigated through effective management by the project and through the support of government staff and the PSC.

Table 8 lists potential risks and the mitigation measures and controls that may be required to manage the risk.

**Table 8 Risks to the project**

Description of risk	Impact	Probability of occurrence <sup>3</sup>	Mitigation actions	Responsible party
Nepal's federal governance structure is new, and the strengthening of provincial and local governance is slowly taking place. This may create institutional, policy and staff capacity gaps that affect project implementation, monitoring and reporting	M	M	The project, in cooperation with other projects, will support capacity development for provincial and local level officials. Specific areas identified in the micro-assessment (Staff turnover and under-staffing, Programme Management, Organizational structure and management, Procurement and sub-partner management) will be the focus of capacity development by FAO.	PMU FAO
Nepal's federal governance structure and legal framework may create conflict during the project implementation in relation to legal and customary rights, roles and/or responsibilities of local governments with CFUGs	M	M	The project acknowledges the ongoing conflict in terms of legal and customary rights, but it is beyond the scope of this project to intervene in this area. The project will help local governments and CFUGs in identifying areas of conflict, and common working areas such as land use planning and investment in ecosystem restoration that builds synergy and complementarity among different levels of government.	PSC, PMU, provincial and local government

Description of risk	Impact	Probability of occurrence <sup>3</sup>	Mitigation actions	Responsible party
Provincial, local governments and project partners do not cooperate in implementation	M	M	A Project steering mechanism at provincial level and regular coordination initiatives with local levels and other stakeholders in the form of round tables and if practicable, participatory planning desks (complementary to REDD+ desks) will help build confidence and generate support for project implementation	PSC, PMU
Low priority to landscape planning, ecosystem restoration, due to low return from this sector in the short term	M	M	The project, working closely with local levels, will facilitate landscape level land use planning and implementation that generates sustained flows of ecosystem services in the mid to long term, and ensure stability of development infrastructure.	PMU, Local levels, PSC
The KMIS may face startup problems	M	M	During the project design phase it was clear that stakeholders generally felt that the KMIS is a good initiative that will enable biodiversity friendly land use planning for forest ecosystem restoration at landscape level. The project will build on this interest to develop a demand based solution that bridges knowledge and information gaps. It will use participatory approaches with relevant stakeholder groups including provincial, district and local officials and targeted CFUG committees, as well as national stakeholders to ensure the KMIS is relevant, accessible, and user friendly for CFUGs, local levels, districts and the Province, and also links to the national level and can be readily adapted for other Provinces. The communication and knowledge management strategy of the project will include the need to promote the KMIS.	PMU, MoITFE
Municipal Governments may accord low priority in landscape planning	M	M	The project will demonstrate the need for integrated landscape level land use planning for sustainable flow of ecosystem services and increased revenue.	



Description of risk	Impact	Probability of occurrence <sup>3</sup>	Mitigation actions	Responsible party
Limited positive impact on livelihoods from the sustainable utilization of biodiversity benefits due to fluctuating market prices, virus outbreaks, unprofitability of processing in inaccessible areas, lack of linkage to services and markets.	M	M	The project will support a sustainable approach to planning and management of forests, land and biodiversity resources through local level leadership and engagement of CFUGs, LFUGs/CBOs and the private sector in implementation. This will strengthen value chains and bring increased benefits to local communities.	PSC, PMU
Efforts by CFUGs to improve livelihoods do not improve biodiversity conservation or increase deforestation, ecosystem degradation or risks to threatened species	M-H	L	The project will use a participatory process with CFUGs and partners to assist CFUGs, LFUGs/CBOs and farmers to identify and develop sustainable production systems, value chains and markets that have a positive impact on biodiversity; and identify and avoid practices that are harmful to biodiversity. It will include monitoring of changes to biodiversity through efforts by CFUGs to improve livelihoods in the project's M&E strategy and enable CFUGs, networks and project partners to use this information to mitigate any negative impacts. The project will include sharing of lessons learned on efforts by CFUGs to improve livelihoods in the communication and knowledge management strategy of the project.	PMU

Description of risk	Impact	Probability of occurrence <sup>3</sup>	Mitigation actions	Responsible party
Local levels and CFUGs are unable or unwilling to implement biodiversity sensitive sustainable land use planning in their planning cycles and decision-making processes	L	L	The project will build on the interest of local levels and CFUGs to undertake ecosystem and land degradation restoration that was identified in the project design phase. Through Component 2 it will improve local level and CFUG access to information needed for forest management, sustainable land use and biodiversity conservation planning, management and implementation. It will initially identify and work with local levels and CFUGs that are most interested in biodiversity sensitive sustainable land use planning so as to provide evidence and incentives to other local levels and CFUGs to follow. The project will support targeted local levels and CFUGs to develop their capacity in biodiversity sensitive sustainable land use planning. The project will support partners to provide data and prepare maps that identify critical ecosystems including degraded lands and biodiversity hotspots, and provide technical backstopping to strengthen data and knowledge management systems. The project will also include activities to strengthen planning process and coordination between local levels and CFUGs. It will develop the capacity of project partners to sustain training after project end. It will include monitoring and reporting of local level and CFUG in the project's M&E strategy and enable CFUGs, networks and project partners to use this information to mitigate any negative impacts. The project will include sharing of lessons learned to improve local level and CFUG planning in the communication and knowledge management strategy of the project.	PMU

Description of risk	Impact	Probability of occurrence <sup>3</sup>	Mitigation actions	Responsible party
Elite capture of project benefits; particularly the unequal distribution of costs to and benefits for women	M	M	Community Forestry Guideline 2014 has various provisions that address most of the issues related to elite capture in CFUG. Project activities that are implemented through the CFUGs must follow the guidelines as well as safeguards provisions of the Environmental and Social Management Plans of each of the sub-project activities, which will be developed after wider consultation with the Indigenous and Local Communities (IPLCs) of the project area in the first year of project commencement. Further, the project will ensure a strong participatory approach, transparency, and capacity development of more marginalized groups to mitigate the potential for elite capture of benefits. The government is committed to ensuring this, and through strong partnership with other partners and CSOs, the project is expected to mitigate this threat. Strong gender assessment and involvement of women will be promoted to ensure that women have an equitable share of benefits and are not bearing additional costs/burdens.	PSC, PMU, local governments

Description of risk	Impact	Probability of occurrence <sup>3</sup>	Mitigation actions	Responsible party
Climate variability and Change impacts	H	M	Shorter term climate variability is affecting local conservation and rehabilitation efforts. To address this, the project will incorporate climate resilient approaches, such as resilient endemic tree species, land use practices and design of infrastructure. The project design has taken into consideration the elements in the Climate Risk Analysis that was conducted in the project area and the proposed activities will contribute to enhancing vulnerabilities of the local communities and ecosystems to increasing extreme weather events. Close cooperation with ongoing projects such as Building a Resilient Churia Region in Nepal and Developing Climate Resilient Livelihoods in the Vulnerable Watersheds in Province One will inform climate resilience perspectives of the project.	PSC, PMU, ongoing projects in Province One
Restrictions due to the COVID-19 pandemic	M	M	<p>The COVID-19 pandemic began at the early stages of project design and continued till the end. The impact of the COVID-19 pandemic on the economy, forests, and biodiversity is yet to be clearly known, but it is most likely that at the project level the impact may include an increase in deforestation and ecosystem degradation and loss of employment and income. Forest dependent rural poor, women, disadvantaged groups, and indigenous people are among the worst affected.</p> <p>The Provincial government has proposed skill development programs for impacted people. The Project will adapt its intervention to support this activity.</p> <p>The Project will carry out a rapid assessment of the impact of the COVID-19 pandemic at landscape level and adjust its activities as far as practical.</p>	PSC, PMU

<sup>[1]</sup> H: High; M: Moderate; L: Low.

[2] See the climate risk assessment undertaken for the project.

[3] <https://www.thegef.org/council-meeting-documents/gefs-response-covid-19>

### **Challenges and risks related to COVID-19 and building back better**

The total number of COVID-19 cases reported in Nepal, till 16 August 2021, was 734,838 with 1469 deaths. In Province 1, the total number of cases for the same period was 93,776. The health system and infrastructure in Nepal was severely stretched during the second wave of COVID-19 that hit the country from March 2021 onwards. The project design was undertaken during the first wave of COVID-19 in Nepal. At time of project submission to GEF, the Government had warned of a third wave.

The impact of the COVID-19 pandemic on the economy, forests, and biodiversity is yet to be clearly known, but it is most likely that at the project level the impact may include a) ongoing challenges for government and project staff to move freely within the Province including project sites, b) restrictions on meetings, workshops and gatherings, and c) loss of economic opportunity due to market and employment challenges and as a result of loss of productivity due to mortality and morbidity. At the time of project design there was insufficient evidence to identify the extent to which COVID-19 will positively or negatively affect biodiversity. However, given the long history with community forestry in the Province, deforestation or ecosystem degradation is probably not very likely. Government plans for post COVID-19 were not available at time of project design, although the Provincial government has proposed skill development programs for impacted people. The Project will adapt its intervention to support this activity and remain flexible. This will be reflected in the project inception reports, PIRs, as well as the Annual Work Plans and budgets that will continue to be results-based.

To mitigate these risks, the project will a) include a review of COVID-19 impacts, and post COVID-19 plans and budgets (e.g., impacts on co-funding and the ability of partners to collaborate with the project) as part of the baseline update in year 1 and include ongoing monitoring activities in the project's M&E strategy, b) identify any likely ongoing challenges to accessing field sites and/or communities and, as necessary, propose changes to project activities and their timing to the PSC, c) identify opportunities for and risks to biodiversity-positive COVID-19 economic recovery, promote policies and strategies that address these issues, and adjust planning and capacity development activities of the project to support biodiversity-positive COVID-19 economic recovery; and d) develop and apply a COVID-19 safe plan that clearly identifies risks to stakeholders and project staff and partners, applies procedures to minimize these risks and requires regular reporting to the PSC. The project will support indigenous peoples that have suffered socio-economic impacts of COVID-19 by way of their inclusion as beneficiaries, facilitating their inclusion in the provincial social protection measures, where possible, while respecting the FPIC during the confinement and recovery activities.

### **Section B: Environmental and Social risks from the project.**

**Environmental and Social Risk Classification:** Moderate risk X

The environmental and social risks of the project depend not just on the nature and scale of the activities, but also on the local geography of the area, climate conditions, soil and forest types and their condition, as well as the socio-economic condition of the people living in and around the project sites.

Because of COVID-19 restrictions it was not possible for ESM consultant to go to the field for consultations. However, an Environment and Social Analysis has been prepared based on the project's baseline and knowledge of the consultant and is provided in Annex I1 and an Indigenous Peoples' Plan

(IPP) is provided in Annex J. ESMPs for each of the subproject activities will be developed after specific project sites are identified as required by the Environmental and Social Screening of the subproject activities and after wider consultations with the IPLCs and other stakeholders. This is expected in the first year of project implementation

The project is considered a moderate risk from an Environmental and Social Safeguards perspective. There are indigenous communities in the project area and the project will aim to ensure their rights are protected. The project includes explicit rights-based and pro-poor approaches. The project design proposes strengthening participation and social inclusion in forest management, leading to an overall positive impact on communities. Environmental impacts are likely to be positive and involve generating improved ecosystem services leading to improved livelihoods. The enhancement of social institutions (e.g., CFUGs and LFUGs) to achieve sustainable management of forest and farm resources will be managed in an inclusive manner and promoted in ways that lead to improved social benefits.

Six of the nine FAO Environmental and Social Standards (ESSs) are applicable for this project. These are: ESS 1: Natural Resources Management; ESS 2: Biodiversity, Ecosystems and Natural Habitats; ESS 3: Plant Genetic Resources for Food and Agriculture (procurement of seedlings for plantation triggers this standard); ESS 7: Decent Work; ESS 8: Gender Equality; and ESS 9: Indigenous Peoples and Cultural Heritage (Presence of IPs in the project area triggers this standard).

Since the Project is expected to enhance the capacity of Provincial and local governments as well as Indigenous People and local communities for sustainable management of forests, biodiversity and land, there will not be any significant negative environmental and social impacts from the project activities. Project activities will help better management of natural resources (ESS 1), biodiversity, ecosystems and natural habitats (ESS 2) of the area which will ultimately help livelihood improvements of local people. As most of the project activities will be implemented by CFUGs, inflow of labor from outside is unlikely. Therefore, it should not be problem to promote decent work (ESS 7) during project implementation.

Mitigation of environmental and social impacts will be informed by local, national and international knowledge, draw on existing good practices, and take into account the specific circumstances of various locations in the project area. Project activities will adhere to regulations, environmental and social safeguard policies, procedures and measures that are used to mitigate and protect social and environmental impacts relating to programs/projects in Nepal. The project will address FAO's environmental and social safeguards (ESS) as follows:

### **Natural Resources Management**

The Project supports Natural Resources Management by promoting direct action to enhance resource use efficiency; and focusing on ways to ensure the transition to sustainable practices.

The Project will apply technically and financially feasible resource efficiency principles and techniques that are best suited to avoid, or where avoidance is not possible, minimize adverse impacts. The principles and techniques will be tailored to the hazards and risks associated with the Project and consistent with FAO sustainability principles under the precautionary approach. The Project will also systematically address gender dimensions, notably on roles to achieve sustainable natural resources management.

The Project will take into consideration existing guidelines for integrated landscape management, and forest and landscape restoration. The Project is not involved with the management of Water Resources or Small Dams. Whilst the project is not focused on climate change it will enable Climate Change

Adaptation by supporting food security and sustainable agriculture (including forestry) in the face of climate change. Climate change solutions will be incorporated into Project activities.

### **Biodiversity, Ecosystems and Natural Habitats**

The Project has a major focus on Biodiversity, Ecosystems and Natural Habitats and it includes activities designed to address agricultural, livestock, and forestry practices that have adverse impacts on biodiversity, ecosystems, ecosystem services or critical habitats, notably forest corridors between protected areas.

The project will support activities leading to the sustainable management of ecosystems to maintain the services and the benefits they provide. Landscape approaches promoted by the Project will ensure that off-site and upstream - downstream impacts are planned, managed and monitored within acceptable environmental and social standards. A key focus is on community and leasehold forest and nearby agricultural lands. The Project does not involve financing or activities that involve significant conversion or degradation of critical habitats, critical forest areas, natural areas of cultural or religious value, areas that are legally protected, officially proposed for protection, or of high conservation or biodiversity value.

The Project will apply a precautionary approach to the use, development and management of natural habitats, the ecosystem services of such habitats, and living natural resources. The Project will not be involved in promoting infrastructure or other types of physical investments involving land use, water space in or around protected areas or natural habitats. The Project will result in the conservation of the genetic base used for food and agriculture production as well as a negative impact on ecosystem functions this biodiversity provides ? both in the project footprint and the wider area-of-influence of the project.

The Project's focus on critical habitats and threatened species will reduce further deterioration, maintain or enhance biodiversity and ecosystem functionality, and be environmentally appropriate, socially beneficial and economically viable. The Project will not involve the use of alien species known to be invasive. The Project will exercise diligence through its biosecurity protocols to avoid spreading invasive species into areas in which they have not established.

The project will not be involved in access and benefit-sharing for genetic resources (ABS) for research and development on their genetic and/or biochemical composition. The Project includes activities to incorporate biodiversity guidelines into existing standards and plans.

### **Plant Genetic Resources and Animal Genetic Resources for Food and Agriculture**

The Project will support some activities that protect Plant Genetic Resources for Food and Agriculture (PGRFA) and Animal Genetic Resources notably by promoting their effective in-situ conservation, safeguarding against actions resulting in unintended environmental and social consequences and encouraging sustainable crop improvements and production and enhanced productivity.

The Project will use the Voluntary Guidelines on Planted Forests as a basis for managing E&S risks in plantations. It will recognize and support the implementation of existing national forest programmes and strategies. A key focus is on incorporating the maintenance and conservation of biological diversity as fundamental in planning, management, utilization and monitoring of planted forest.

### **Pest and Pesticides Management**

The Project will not be involved in pest and pesticide management but if the opportunity arises it will encourage farmers and farmer groups to apply Integrated Pest Management (IPM), reduce reliance on

pesticides and avoid adverse impacts from pesticide use on the health and safety of farming communities, consumers and the environment.

### **Involuntary Resettlement and Displacement**

The Project will not involve involuntary resettlement or economic displacement. It will avoid, and when avoidance is not possible, minimize adverse social and economic impacts from restrictions on land or resource use or from land and resource acquisition. It will also support efforts to improve or at least restore living conditions of persons who are physically or economically displaced, through improving and restoring their productive assets and security of tenure, should this occur.

The Project will prohibit forced evictions and avoid and mitigate physical and economic displacement, although such displacement is unlikely to occur given the scope of the Project.

### **Decent Work**

The Project document includes a focus on decent work. The activities of the Project will seek to promote direct action through improved land use planning and forest and agricultural management to foster decent rural employment and promote fair treatment, non-discrimination and equal opportunity for all workers.

The PMU and partners will consider and apply principles, practices and techniques that are best suited to avoiding the violation of, and promoting the application of core international labour standards, other international labour standards relevant to the agri-food sector and national employment and labour laws.

Efforts will be made to focus project interventions on actions that create more and better employment opportunities, especially for more disadvantaged and vulnerable workers including as far as practical the creation of more and better employment opportunities, especially for youth and women?

The Project includes an assessment of potential of agricultural and forestry value chain development, to create more and better employment opportunities for the poor. All employment relationships established will be based on the principle of equal opportunity and fair treatment and will not discriminate with respect to any aspects. The Project will not increase existing discrimination at work and, on the contrary, empower and prioritize disadvantaged categories of workers, including small-scale agricultural producers. The Project will undertake an Occupational Safety and Health (OSH) risk assessment and identify appropriate means of mitigating the risks.

The project will avoid engaging children in child labour and ensure that no children engage in project-related work that could negatively affect their health and personal development or interfere with their compulsory education. The Project will guarantee that any children under the age of 18 who are involved in the project's activities will not be employed under hazardous working conditions. The Project will ensure that no forced labour is employed. The Project will support appropriate producers? and workers? organizations, and seek to empower rural youth and women to join such organizations or organize in specific groups.

### **Gender Equality**

A Gender Action Plan (GAP) has been prepared for the Project. The project will ensure equal access to and control over productive resources, services and markets. It will seek to strengthen women and men's participation in decision-making in rural institutions and policy processes, notably related to forest and agricultural management and land use planning.



The Project will ensure that all stakeholders benefit equally from development interventions and that inequality is not reinforced or perpetuated. The GAP is gender-responsive and requires the Project to identify the different needs, constraints, contributions and priorities of women, men, girls and boys. The Project will ensure there is no discrimination against women or girls or reinforcement of gender-based discrimination and/ or inequalities.

The Project is based on the principle of equal opportunity and fair treatment and will empower and prioritize vulnerable women and men. It will also seek to identify measures to avoid, minimize, and/or mitigate adverse gender-related impacts. The Project will use gender-sensitive stakeholder analyses to ensure that women's and men's different interests, roles and responsibilities are assessed in project activity planning and implementation and potential risks, benefits and impacts are identified and managed.

The Project will track and report on progress on gender results and measure changes over time, inducing by collecting and analyzing sex-disaggregated data and formulate gender sensitive indicators for the Project's results framework.

### **Indigenous Peoples and Cultural Heritage**

The Project has identified Indigenous Peoples in the targeted areas and an IPP has been prepared. The project will ensure that the UN Declaration on the Rights of Indigenous Peoples is respected in all project activities. It will guarantee the application of the principle of Free, Prior and Informed Consent (FPIC) of any indigenous peoples affected by the project.

The Project will not have adverse impacts on or limit access to culture or heritage, both physical and non-physical or intangible. If during Project Implementation the Project identifies any potential adverse impacts to cultural heritage, then qualified and experienced external independent experts will be sought to assess the project potential impacts on cultural heritage and propose project alternatives and/or a mitigation plan.

The project is expected to improve gender equality (ESS 8). More than 60 per cent of the population of the project area are indigenous people. The project will be implemented in wider consultations with IPLCs of the area and will follow the FPIC principles while implementing subproject activities.

### **Environmental and Social Impact of Activities**

During the project design phase two potential risks were identified in relation to the activities proposed in the project, these were:

- ? Selection of partner organizations, staff, local resource persons, CBOs, local conservation groups or CFUGs may not be transparent or inclusive
- ? Indigenous peoples and other marginalized groups could be left beyond or neglected in participatory assessment process.

Within the first six months of project commencement, the project will develop a clear set of criteria for the selection of partner organizations, staff, local resource persons, CBOs, local conservation groups and CFUGs. Once approved by the PSC, the PMU will ensure that the relevant selection criteria are made readily available to stakeholders and that the criteria are used in all selection processes. Preference will be given to local community members and indigenous people to work as local resource persons.

At least 50 per cent of the trainees from forest user groups will be from indigenous and marginalized communities.

Within the first year of project commencement, the project will

- ? Update the Environment and Social Analysis and use this to prepare an Environmental and Social Management Plan (ESMP). The ESMP will be developed through robust, effective, and meaningful consultation with all stakeholders and carefully consider risks and mitigating actions for proposed activities.
- ? Update the IPP should after consultations with indigenous people.
- ? If necessary, update the GAP.

Safeguard training will be provided by the Project to the relevant agencies and communities through an environment and social training program to be delivered during the first two years of program implementation. Training will ensure adequate knowledge of national regulations as well as FAO's safeguard requirements in order to make sure safeguards are duly implemented in compliance with the requirements. In addition, specific training will be undertaken at the PMU level including:

- ? FPIC.
- ? Indigenous peoples.
- ? Gender equity and gender analyses.
- ? Stakeholder engagement.
- ? Effective collaborative management.
- ? Grievance redress mechanism.

Of the three components of the project, activities within Component 3 to be implemented in 34 local levels in Province 1 may have some local environmental and social impacts. Activities in Component 1 (mainly policy and capacity related interventions) and Component 2 (relating to Project management, monitoring and evaluation) are unlikely to be local environmental or have social impacts, although some activities e.g., policy-level changes may have some indirect impacts.

On the basis of available baseline information, existing practices and indicative project activities, the most likely environmental and social impacts of the project components and suggested mitigation measures to address negative environmental and social impacts are discussed in this section. This assessment needs to be revised after site specific activities and their scale are finalized and effective and meaningful consultations with the potential project affected people and communities are conducted in the field within one year of project commencement. An ESMP that takes into consideration project activities will need to be developed after implementation sites are identified and consultations with the IPLCs and other stakeholders including people that will potentially be affected by the project area are completed.

**Component 1** will deliver capacity-building support for Provincial government and local levels and other local stakeholders for adaptive and collaborative landscape planning and management to support biodiversity conservation, ecosystem restoration and achieving land degradation neutrality. The project activities will be focused on capacity building of the stakeholders to develop and implement policy and planning frameworks for landscape level biodiversity sensitive forest management.

Capacity development activities will have mostly positive environmental and social impacts as enhanced capacity of stakeholders will help in the design, implementation and monitoring of development projects in more environmentally friendly ways, taking account of various social issues related to the project including gender, social inclusion, culture, labor management and issues related to indigenous and vulnerable communities and engagement of all stakeholders throughout the project

cycle with meaningful consultations following the principles of FPIC and the Environmental and Social Management Guidelines of FAO.

Activities supporting the development of policies, strategies, Acts and Regulations as well as plans will also have mostly positive environmental and social impacts as it is expected that new policies, strategies, Acts and Regulations, good implementable plans that will be developed and revision of existing policies, strategies Acts and Regulations will have positive environmental and social provisions to ensure safeguards and social inclusion and support in creating enabling environment to the stakeholders associated with forestry sectors. They will also be more gender sensitive, socially inclusive and will address issues related to the labor management, indigenous and vulnerable communities, culture as well as meaningful stakeholder engagement in implementation. Since this component supports development of policies, plans, acts, and regulations, a Strategic Environmental and Social Assessment (SESA) is a more appropriate tool to assess risks and impacts.

There may be some risk of conflicts among the CFUGs and other local stakeholders in the process of selecting beneficiaries for training and involvement in other processes. If consultations are conducted without adequate planning, there may be a risk of elite capture in the process and in decision making. The poorest and disadvantaged groups could be left behind and not included in decision making processes if meaningful inclusive consultation following the principles of FPIC is not followed. To mitigate this risk, it must be ensured that meaningful inclusive consultation processes are organized following the principles of FPIC.

The Community Forestry Guideline 2014 includes various provisions to address issues related to elite capture in CFUGs. Project activities that are implemented through CFUGs are required to follow the guidelines as well as safeguard provisions of the Environmental and Social Management Plan in relation to each of the sub-project activities, which will be developed after wider consultation with Indigenous and Local Communities (IPLCs) in the project area in the first year of the project. This will help ensure the potential for elite capture is significantly reduced. Furthermore, all IPLCs, including marginalized groups, will have opportunity to express their concerns and be involved in project decision making processes through the FPIC process. Furthermore, the project will use the power mapping tool during preparation of the ESMP to understand power structures and influence of different stakeholders within the project area so that the project can develop appropriate strategies to address environmental and social safeguards including the issue of elite capture in project implementation.

**Component 2** is mostly focused on development of an effective and functional Forest Management Information System (FMIS) or Knowledge Management Information System (KMIS). The idea is that a robust and functional FMIS will be established at the federal Ministry which can be linked to the Provincial Ministry and institutions (DFOs) and local governments and CFUGs. The FMIS can be used for strategic, tactical and operational planning and implementation, and operational control in and across administrative units and levels of the organizational hierarchy.

The Forest Management Information System (FMIS) is envisaged as an integrated system which will be used to support the planning, implementation, and monitoring of multi-objective forest management activities. The FMIS can be used for strategic, tactical, and operational planning and implementation, and operational control in and across administrative units and levels of the organizational hierarchy. Besides the databases and models required to support decision-making in the many programs of the Department, the FMIS also has the ability to maintain current forest inventories and generate maps of spatially oriented data (e.g., attributes of entities depicted on a map, such as population of a village, whose location can be fixed on a map). The components of the FMIS, which will necessarily be linked,

are a Monitoring Information System (MIS), a Geographic Information System (GIS), and an Image Processing System.

FAO and other agencies including UNFCCC use the term National Forest Monitoring System (NFMS), therefore, it could be better to use this terminology for the FMIS as the purpose and function of both are same. FAO has supported more than 50 countries in their development of robust National Forest Monitoring Systems (NFMS) and assessments, with the goal of developing reliable forest resource information for application in creating national forest policies, planning and sustainable development. Forest monitoring systems include measurement, reporting and verification (MRV) functions and aim to produce high-quality, reliable data on forests, including forest-carbon estimates, that are critical to the battle against climate change caused by among others deforestation and degradation of forests.

This component is highly technical. However, meaningful, and effective consultations with all stakeholders are especially important for this component. The kind of information that needs to be included in the system, how these can be accessed, what are the technical skills that are needed to operate the system at local level should be clearly identified, disclosed to all stakeholders and openly discussed in the consultation process before any decision is made about the development, establishment and running the FMIS or KMIS. The decision-making process should be fully transparent.

This component in general does not have any environmental impacts. However, there may be some indirect environmental impacts of the system. For example, wrong or misleading data and information on forest encroachment, forest fire, poaching and so on provided from the field in the system can have significant negative environmental impacts. This can also cause some social unrest in the long run. For example, some individuals or communities may be prosecuted based on wrong information that they were involved in excessive forest products harvesting, wildlife poaching etc. Therefore, there should be extremely strict and robust protocol on when, how and who will be responsible to upload the data and information in the system.

**Component 3** is focused on implementation of activities at Local level. Therefore, there may be some negative environmental as well as social effects/impacts because of this intervention if appropriate mitigation measures are not implemented. Component 3 activities will mostly have positive environmental effects/impacts.

Activities related to the **Output 3.1** may be too focused on biodiversity conservation without considering their impacts on livelihoods, access to forest resources and agricultural production which may affect food security in the area.

Activities in **Output 3.2** may require participating households to change their traditional agricultural practices; their access to forests may also be restricted to some extent due to SFM practices. Similarly, there may be some control on open grazing practices.

Formation of community-based anti-poaching and fire control networks (**Output 3.3**) certainly will have many positive environmental impacts. However, it will not be risk free from a social viewpoint. Anti-poaching activities will help increase wildlife population in the area. This may also increase human-wildlife conflicts in the area. There may be conflicts among the CFUGs and individuals related to who benefits and who will be included in the groups if specific criteria are not used for selection of the individuals for the groups.

Pro poor biodiversity enhancing livelihood opportunities and value and service chains will not be successful if the private sector is not involved in the process. Pro-poor leasehold forestry groups or

CFUGs should be working as the producers, but businesses and trading should be done by the individual (not from the groups as suggested by the private sector. During the discussion with the private sector (Agriculture Enterprise Centre of the Federation of Nepal Chambers of Commerce and Industry) they emphasized that private sector with profit motive and good intention can better invest, manage and run the business sustainably and therefore private sector needs to be involved in the process. Their view was that CFUGs cannot run any big forest-based industry or business sustainably because of various reasons. However, they can manage the sustainable supply of raw materials from the forests needed for the big industries. Therefore, Production base for value chains should be enhanced through community-based organizations. It is important that chambers also have sufficient capacity to work with this project. Strengthening value chains should include private sector capacity enhancement.

Summary of potential social risks of the indicative project activities and suggested mitigated measures are provide in Table 10. Most of the proposed activities will have positive environmental impacts and environmental risks of the activities if any are mostly insignificant. However, there could be some environmental risks of the proposed activities under the outcome 3.2 (Assist CFUGs and other LFUGs/CBOs in planning and implementing restoration activities including procurement of seedlings; and Support CFUG members and farmers in implementing agroforestry, soil conservation, stall feeding, conservation farming, soil moisture retention activities, and water source protection measures) that need to be taken account while implementing them. Potential environmental risks of these activities and suggested mitigation measures are provide in Table 9.

#### DEVELOPING AN ESMP AND UPDATING THE ESA AND IPP

An ESMP requires a robust, effective, and meaningful consultation with all stakeholders of the project area including project affected people and communities after details of the proposed activities (specific activities, location, and scale) are finalized. Because of restrictions due to the COVID-19 pandemic it was not possible to go to the field for the required consultations. An Environment and Safeguards Analysis has been prepared and provided in Annex I1 (Page 110). A full ESMP has not been prepared at this stage. An Indigenous Peoples? Plan (IPP) has been prepared for the project and provided in Annex J. Some other safeguards documents such as Environmental and Social Management Plans (ESMPs) may also need to be prepared for some specific subproject activities if required by the Environmental and Social Screening of the subproject activities that present potential environmental and social risks. Some of the project documents including the IPP shall be further improved upon and finalized after wider consultations with local people and communities in the first year of commencement of the project.

**Table 10 Summary of potential environmental risks of some of the proposed activities under output 3.2 and suggested mitigation measures.**

Indicative project activities	Potential environmental risks	Suggested mitigation measures
<b>Output 3.2.</b>		

Indicative project activities	Potential environmental risks	Suggested mitigation measures
<p>Support CFUG members and farmers in implementing agroforestry, soil conservation, stall feeding, conservation farming, soil moisture retention activities, and water source protection measures. Assist CFUGs and other LFUGs/CBOs in planning and implementing restoration activities including procurement of seedlings.</p>	<p>There may be a risk of procuring genetically modified seeds and seedlings for different agroforestry activities and other livelihood activities.</p> <p>Risk of using non-native species in plantation activities could not be ruled out.</p> <p>Use of pesticides in plantation activities and in the nurseries where seedlings are produced for plantation may cause some environmental risk.</p>	<p>Forest Act 2019 has provisions that restrict plantation of non- native species. Similarly, Cancun REDD+ Safeguards do not support plantation of non-native species. The project will therefore not support for plantation of non-native species. Avoid undermining local seed &amp; planting material production and supply systems.</p> <p>Ensure that the seeds and planting materials are from locally adapted crops and varieties that are accepted by farmers and consumers.</p> <p>Ensure that the seeds and planting materials are free from pests and diseases according to agreed norms, especially the International Plant Protection Convention (IPPC).</p> <p>Internal clearance from NSPGD is required for all procurement of seeds and planting materials. Clearance from NSPCD is required for chemical treatment of seeds and planting materials.</p> <p>Clarify that the seed or planting material can be legally used in the country to which it is being imported. Clarify whether seed saving is permitted under the country's existing laws and/or regulations and advise the counterparts accordingly.</p> <p>Ensure, according to applicable national laws and/or regulations, that farmers' rights to Plant Genetic Resources for Food and Agriculture (PGRFA) and over associated traditional knowledge are respected in the access to PGRFA and the sharing of the benefits accruing from their use.</p>

[1] H: High; M: Moderate; L: Low.

[2] See the climate risk assessment undertaken for the project.

[3] <https://www.thegef.org/council-meeting-documents/gefs-response-covid-19>

[4] <http://www.fao.org/redd/areas-of-work/national-forest-monitoring-system/en/>

## 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.**

### •6. Institutional Arrangements and Coordination.

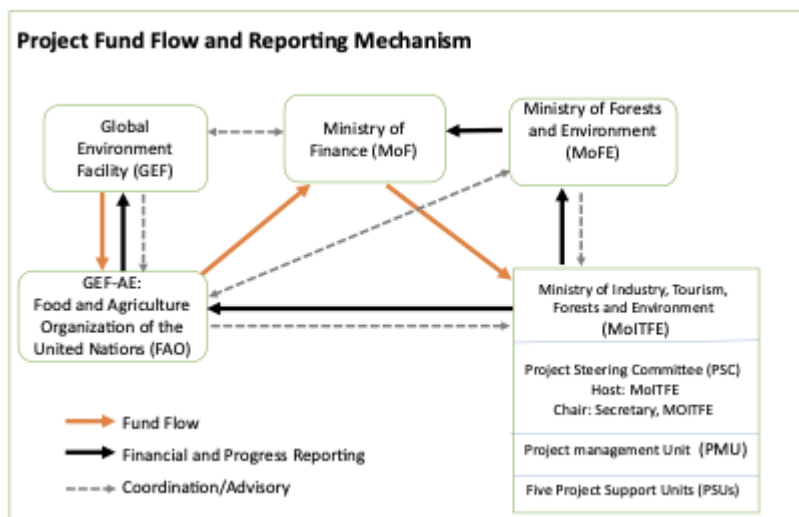
## 6.a Institutional arrangements for project implementation.

The Ministry of Industry, Tourism, Forest, and Environment (MoITFE) in Province One will have the overall executing and technical responsibility for the project, with FAO providing oversight and critical technical support as the GEF Implementation Agency.

The MoITFE, through the PMU, will be responsible for the day-to-day management of project results entrusted to it in full compliance with all terms and conditions of the Operational Partnership Agreement signed with FAO. It should be noted that the identified Operational Partner(s) or OP, results to be implemented by the OP and budgets to be transferred to the OP are non-binding and may change due to FAO internal partnership and agreement procedures which have not yet been concluded at the time of submission. As Operational Partner (OP) of the project the MoITFE is responsible and accountable to FAO for the timely implementation of the agreed project results, operational oversight of implementation activities, timely reporting, and for effective use of GEF resources for the intended purposes and in line with FAO and GEF policy requirements.

As shown in the diagram, GEF will make available funds to the Government of Nepal represented by the Ministry of Finance (MoF) through FAO. MoF will transfer the project fund to MoITFE as conditional grant through the Provincial government of Province One. MoITFE of Province One will host the project steering committee which will be chaired by the Secretary of MoITFE. A Project Management Unit (PMU) will be set up at MoITFE comprising concerned MoITFE official and consultants to be recruited by MoITFE. A project support unit in each of the five project districts will be set up as part of project management unit. The PMU will prepare financial progress report and submit it to FAO and MoFE. FAO will submit it to GEF, and MoFE to MoF. FAO and MoFE will provide advisory support to MoITFE on matters related to project implementation. Similarly GEF and MoF, and MoFE and FAO will maintain close communication as well as coordinate with each other for the successful implementation of this project.

The project organization structure is as follows:



Key execution partners include:

- MoFE and the Forest Research and Training Centre (FRTC) for the design and operation of the FMIS and FIS.

- b) Province One Forest Directorate for supporting and monitoring the project, to ensure that it is synchronized with the MoITFE's policies and regulations and to provide technical guidance so that (S)DFOs can provide adequate support to the project.
- c) Province One MoITFE for the design and operation of the KMIS and to coordinate and monitor its day-to-day implementation and provide support to users
- d) Province One Divisional Forest Offices and Sub-divisional Forest Offices (Panchthar, Ilam, Taplejung, Terhathum, Sankhuwasabha) and Soil and watershed management divisions to provide technical support to stakeholders and with regulatory role for CFUGs and stakeholders involved in forest and land management
- e) Province One local level municipalities (34) to coordinate, support and monitor all local level development, develop and implement land use plans, coordinate with other local levels and stakeholders in the landscapes and report progress and results to the PMU of MoITFE

In addition, the project will contract few specific elements of the project activities through letters of agreement (LOA)/contracts. These include the following:

- LOA/contracts- Preparation of safeguards, IP and GESI action plan support.
- LOA/contracts- Capacity development (PAMEB, KMIS, FMIS) support.
- LOA/contracts - CFUG/LFUG support.
- Mid-term Evaluation by FAO
- Final Evaluation by FAO

MOITFE will establish and host a project steering committee (PSC) at provincial level, which will include central level stakeholders (MoFE, FRTC, FAO, BCN), FECOFUN, NEFIN and representatives of Provincial Policy and Planning Commission, relevant line ministries and the private sector, to ensure overall effectiveness of the project through regular monitoring and evaluation of implementation progress. Representatives from other institutions will be invited to participate in the PSC as observer, on needs basis.

The Secretary of MoITFE will chair the Project Steering Committee (PSC) which will be the governing body of the project and provides technical and policy guidance. The PSC will approve Annual Work Plans and Budgets on a yearly basis and will provide strategic guidance to the Project Management Unit and to all executing partners.

The members of the PSC will each hold the role of a Focal Point for the project in their respective agencies. Hence, the project will have a Focal Point in each concerned institution. As Focal Points in their agency, the concerned PSC members will: (i) technically oversee activities in their sector; (ii) ensure a fluid two-way exchange of information and knowledge between their agency and the project; (iii) facilitate coordination and links between the project activities and the work plan of their agency; and (iv) facilitate the provision of co-financing to the project.

MoITFE will establish a Project Management Unit (PMU) comprising of relevant experts recruited by the OP. The MoITFE will designate a Project Coordinator (PC) on deputation on full-time basis for entire project period who will be responsible for coordinating overall activities with the project executing bodies related to the different project components, as well as with the project partners. The PC (see below) will be the member-secretary to the PSC. The PSC will meet at least twice a year and also organize ad hoc meetings if required, to ensure: i) Oversight and assurance of technical quality of outputs; ii) Close linkages between the project and other ongoing projects and programmes relevant to



the project; iii) Timely availability and effectiveness of co-financing support; iv) Sustainability of key project outcomes, including up-scaling and replication; v) Effective coordination of governmental partners work under this project; vi) Submission of the six-monthly Project Progress and Financial Reports, the Annual Work Plan and Budget; vii) provide management decisions when guidance is sought by the National Project Coordinator of the PMU.

The PC will oversee day-to-day management and administration, and technical supervision of the project, on behalf of the MoITFE (operational partner) and within the framework delineated by the PSC. S/he will be responsible, among others, for:

- i) Coordination with relevant initiatives.
- ii) Ensuring a high level of collaboration among participating institutions and organizations at the national and local levels.
- iii) Ensuring compliance with all Operational Partners Agreement (OPA) provisions during the implementation, including on timely reporting and financial management.
- iv) Coordination and close monitoring of the implementation of project activities.
- v) Tracking the project's progress and ensuring timely delivery of inputs and outputs.
- vi) Providing technical support and assessing the outputs of the project national consultants hired with GEF funds, as well as the products generated in the implementation of the project,
- vii) Approving and managing requests for provision of financial resources using provided format in OPA annexes.
- viii) Monitoring financial resources and accounting to ensure accuracy and reliability of financial reports.
- ix) Monitoring and tracking project co-financing and providing relevant information to evaluators, or when requested
- x) Ensuring timely preparation and submission of requests for funds, financial and progress reports to FAO as per OPA reporting requirements.
- xi) Maintaining documentation and evidence that describes the proper and prudent use of project resources as per OPA provisions, including making available this supporting documentation to FAO and designated auditors when requested.
- xii) Implementing and managing the project's monitoring and communications plans.
- xiii) Organizing project workshops and meetings to monitor progress and preparing the Annual Budget and Work Plan.
- xiv) Submitting the six-monthly Project Progress Reports (PPRs) with the AWP/B to the PSC and FAO.
- xv) Preparing the first draft of the Project Implementation Review (PIR).
- xvi) Supporting the organization of the mid-term and final evaluations in close coordination with the FAO Budget Holder and the FAO Independent Office of Evaluation (OED) and FAO-GEF Coordination Unit.
- xvii) Submitting the OP six-monthly technical and financial reports to FAO and facilitate the information exchange between the OP and FAO, if needed.

xviii) Informing the PSC and FAO of any delays and difficulties as they arise during the implementation to ensure timely corrective measure and support.

The **Project Management Unit (PMU)** will be co-funded by the GEF grant and established within MoITFE. The main functions of the PMU, following the guidance of the PSC, are to ensure overall efficient management, coordination, implementation, and monitoring of the project through the effective implementation of the annual work plans and budgets (AWP/Bs). FAO, as the GEF accredited agency, is responsible and accountable to GEF for overall project efficiency and will be closely involved in the recruitment process of the PMU staff, including formulation of the detailed ToRs and the selection procedure, performance assessment, etc to ensure that highest standards are followed. The Project Coordinator will be part of the PMU that comprises of the following experts whose ToRs are provided in an attachment (Annex P).

The proposed operational partner of the project - MoITFE - was established in Feb 2018 under the new federal system of the government. The capacity assessment of MoITFE's programme, financial and operations management policies, procedures, systems and internal control framework resulted in an overall moderate risk rating, with its sub-partner management rated as significant risk. The assessment noted some limitations of the OP, including a) absence of policies and procedures for selection and monitoring downstream sub-partners, increasing the risk that fund transferred may not be properly monitored and/or spent in line with the project's objectives; b) OP has never received funding support from the UN and lacks knowledge of UN Agency procurement requirements; c) lack of documented formal internal control framework; d) absence of templates for workplans and project development checklists, basic monitoring template and lack of M&E framework for its programmes to monitor project results; e) significant turnover in key positions in the MoITFE, staff shortages and staff positions remaining vacant for long periods.

The MoITFE will recruit experts/consultant to support in mitigating the identified risks and bridging the overall capacity gaps in programme management and establishing effective systems and procedures for smooth project implementation that sustain beyond the project period. The team will comprise the following:

**PMU Consultants to be recruited by the operational partner (More details in the ToR ? Annex P)**

**Biodiversity Expert (full-time)** ? will support biodiversity monitoring and ensure that biodiversity is mainstreamed across policy and programmes at province, local levels and with user groups; provide capacity building and training support to the project team and MoITFE on key tools and methodologies in the area of forest and biodiversity monitoring, including those developed by FAO; lead the designing and developing of training curriculum with content, structure and format, and methods in specific trainings (biodiversity monitoring and land use planning); develop tools for integrating landscape and biodiversity and LDN related information in land use mapping and planning; identify and provide examples of best practices on LDN and biodiversity, which are relevant to Nepal; support development and operationalization of knowledge management information system (KMIS) at the Ministry of Industry, Tourism, Forest and Environment and work with the PAMEB expert on inputs to the KMIS

**Land use Planning Expert (part time)** will support provincial and local levels in preparing biodiversity sensitive land use plans, facilitate technical meetings, workshops, and training on land use planning, support the implementation of land use plans, facilitate stakeholder networking related to

land use plans, organize two-way learning events among local levels, document land use planning processes including the effectiveness of implementation, contribute to the achievement of outputs of the project under Outcome 1, contribute to project progress reporting, and any other tasks as required.

**GESI and Safeguards Expert (part time)** will provide overall support in mainstreaming gender and social inclusion issues in the project, facilitate training, workshops and seminars related to GESI and safeguards, support implementation of the gender action plan and indigenous people plan, provide coaching to stakeholders and targeted communities on gender, inclusion and safeguards, contribute to preparing gender disaggregated data processing, and project progress reporting including for project mid-term reporting, and any other tasks as required.

**Participatory Assessment, Monitoring and Evaluation of Biodiversity (PAMEB) expert (part time)** will provide overall support to establishing participatory approaches for assessment, monitoring and evaluation of biodiversity. In close coordination with other experts and CFUGs, the expert will identify potential PAMEB users, train them in biodiversity monitoring tools, and develop appropriate formats for data collection and reporting. S/he will facilitate the selected PAMEB users to conduct monitoring of biodiversity, LDN targets and other relevant parameters. S/he will contribute to uploading biodiversity monitoring data to the KMIS portal and any other tasks as required.

**Community forest management and agroforestry expert (part time)** will be responsible for supporting CFUGs, LFUGs/CBOs and farmers to implement forest, agriculture and other livelihood support practices that strengthen biodiversity conservation, LDN and sustainable management of forest landscapes. The expert will facilitate forest users networking, capacity building and knowledge exchange for strengthening community/leasehold forestry and agroforestry management and any other tasks as required.

**Forest and farm product value chain expert (part time)** will lead implementation of livelihood enhancing and enterprise development activities, identify and prioritize product and service value chains, carry out market assessment and value chain analyses, facilitate linking of different actors for improved products management and market access and any other tasks as required.

**Finance Assistant (full-time)** will build capacity of provincial and local levels and is responsible for supporting project administrative and financial management and day-to-day project operations. More specifically, s/he will be maintaining records of receipts and disbursements, drafting administrative correspondence, documentation of procurement, payments, maintaining up-to-date office inventories, timely preparation of travel authorizations, maintaining petty cash, coordinating mailing services and communication with project stakeholders and any other tasks as required.

**Knowledge Management and Communication Expert (part time)** will support the operation of the knowledge management information system (KMIS), develop capacity of project stakeholders on KMIS, undertake data uploading, prepare KMIS data management protocols, implement the communication and knowledge management strategy of the project, maintain effective communications with project stakeholders and partners, collect/compile learning of the project and prepare communication materials for wider dissemination, support preparation of project progress reports, contribute to the achievement of the relevant Outputs 2.1, 2.2 2.3, and any other tasks as required.

**Operations and M&E Expert (full-time)** will provide capacity building support to OP on overall project operations and management, and administrative related matters specifically, as identified by the

Capacity Assessment report; provide training and guidance to MoITFE staff, project personnel and district support unit staff. The expert will support the OP in establishing written policies and procedures in sub-partner management, including a thorough pre-award capacity assessment, due diligence screening and selection and support the OP in ensuring that legally binding agreements are made with sub-partners prior to transfer of funds; help build a database of service providers and their performance evaluation records to help the MoITFE to strengthen its institutional memory on procurement processes; support the design, adoption and implementation of procedures for the management of contracts post award, including overseeing supplier performance and ensuring safeguards in case of sub-par performance.

### **Project support units in 5 project districts**

Under the guidance of the PMU and the concerned DFOs, five project support units (PSU) will be established in each of the project districts by the operational partner. Project support units will include land use planning support officers, forest and biodiversity support officers and enterprise and livelihood support officers. They will support DFOs, forest users and other stakeholders in timely planning and effective implementation of project activities. As Panchthar and Terhathum districts are completely covered by the project, they will have a three-member PSUs, whereas Taplejung, Ilam and Sankhuwasabha districts being partially covered by the project will have two-member PSUs.

The PSUs will be responsible for planning and organizing meetings with the stakeholders and community members, coordinating with local levels on biodiversity friendly sustainable land use planning, support revision of operational plans of FUGs from biodiversity, LDN and sustainable land management perspective, participate in biodiversity monitoring and identifying ecosystem hotspots. They will also engage in collecting and documenting best practices and lessons learnt on ecosystem restoration, LDN, watershed management and help upload data to the KMIS portal.

### **FAO's role**

The Food and Agriculture Organization (FAO) of the United Nations is the GEF Implementing Agency (IA) for the Project, providing project cycle management and technical support services as established in the GEF Policy. As the GEF IA, FAO holds overall accountability and responsibility to the GEF for delivery of the results. In the IA role, FAO will utilize the GEF fees to deploy three different actors within the organization to support the project (see Annex J for details):

- The Budget Holder, which is usually the most decentralized FAO office, will provide oversight of day-to-day project management and implementation.
- The Lead Technical Officer(s), drawn from across FAO will provide oversight/support to the projects technical work in coordination with government representatives participating in the Project Steering Committee and provide technical support to the PMU.
- The Funding Liaison Officer(s) within FAO will monitor and support the project cycle to ensure that the project is being carried out and reporting done in accordance with agreed FAO and GEF requirements.

FAO responsibilities, as GEF agency, will include:

- ? Administrate funds from GEF in accordance with the rules and procedures of FAO.
- ? Oversee project implementation in accordance with the project document, work plans, budgets, agreements with co-financiers, Operational Partners Agreement(s) and other rules and procedures of FAO.
- ? Provide technical guidance to ensure that appropriate technical quality is applied to all activities concerned.

- ? Conduct at least one supervision mission per year; and
- ? Reporting to the GEF Secretariat and Evaluation Office, through the annual Project Implementation Review, the Mid Term Review, the Terminal Evaluation, and the Project Closure Report on project progress.
- ? Financial reporting to the GEF Trustee.

In addition, given the risk rating of the MoITFE it is also envisaged that FAO will have responsibility for management of the contracts budget lines, to be disbursed through a limited number of specific Letters of Agreement (LOAs), supported by the Budget Holder (BH) through the agency fee, with technical support provided by FAO.

### **Project Stakeholders? Role**

The project will emphasize technical support and capacity development to implement the plans and policies through designated key stakeholders, including private sector.

The Agricultural Enterprise Centre of the Federation of Nepalese Chamber of Commerce and Industries (FNCCI) will play the central role in dealing with the private sector, providing technical knowhow, value chain coordination and capacity development. How much of that is needed depends on the (review of existing) value chain bottleneck assessments that the project will start with. For most value chains some type of stakeholder coordination mechanisms already exists, but for others new one might have to be established.

The monitoring system will enable CFUGs, Local levels and Districts Forest Offices to upload progress and result indicator information on the project's MIS (which is linked to but separate from the KMIS)/ the information will be used by project staff to prepare reports at provincial level. As part of participatory monitoring, the progress and result indicators will be refined in consultation with CFUGs, LFUGs and local levels

The project will closely coordinate and liaise with other relevant projects at central level (Forest Farm Facility Project-FFF (FAO/MoFE/FECOFUN), the Forest Investment Program (WB), BCN's other efforts in mainstreaming biodiversity and ecosystem services into Community Forestry, the REDD+ Implementation Centre (RIC) of MoFE, IUCN, WWF, ICIMOD, and the FAO-GCF project 'Building a Resilient Churia Region in Nepal') and at provincial and local level (Red Panda Conservation Network, and ICIMOD's Kanchenjunga Landscape Initiative).

In addition, the project will ensure strong coordination with projects supporting community forestry and natural resources management being supported through the World Bank, USAID, and other donors/ partners. It will ensure strong coordination with ongoing GEF projects such as the WWF-GEF Integrated Landscape Management to Secure Nepal's Protected Areas and Critical Corridors and Sustainable Land Management in the Churia Range; GEF's Small Grants Programme; UNDP-LDCF Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal; UNEP-LDCF Catalysing Ecosystem Restoration for Climate Resilient Natural Capital and Rural Livelihoods in Degraded Forests and Rangelands of Nepal.

### **6.b Coordination with other relevant GEF-financed projects and other initiatives.**

**The project will learn from the following closed projects**

Sustainable Land Management in the Churia Range (5596)	This project aimed to empower local communities to sustainably manage the Churia range in central Nepal. The project established a coordination mechanism at central level comprising four concerned Ministries.
Reducing Vulnerability and Increasing Adaptive Capacity to Respond to Impacts of Climate Change and Variability for Sustainable Livelihoods in Agriculture Sector in Nepal. (5111)	The project aimed to strengthen institutional and technical capacities for reducing vulnerability and promoting climate-resilient practices, strategies and plans for effectively responding to the impacts of climate change and variability in the agriculture sector.
Integrating Traditional Crop Genetic Diversity into Technology Using a BD Portfolio Approach to Buffer Against Unpredictable Environmental Change in the Nepal Himalayas (4464)	This project worked with local communities to mainstream the conservation and use of agricultural biodiversity in the mountain agricultural production landscapes of Nepal to improve ecosystem resilience, ecosystem services and access and benefits sharing capacity in mountain ecosystems.
Integrating Traditional Crop Genetic Diversity into Technology Using a BD Portfolio Approach to Buffer Against Unpredictable Environmental Change in the Nepal Himalayas (4464)	This project worked with local communities to mainstream the conservation and use of agricultural biodiversity in the mountain agricultural production landscapes of Nepal to improve ecosystem resilience, ecosystem services and access and benefits sharing capacity in mountain ecosystems.
National Adaptation Programme of Action to Climate Change (3142)	This project was instrumental in preparing a comprehensive National Adaptation Programme of Action (NAPA) for Nepal
<b>The project will work with the following projects</b>	
Strengthening Capacities for Implementation of the Nagoya Protocol in Nepal (9352)	This project is working to build capacity of key stakeholders at national, sub-national and local level to implement access and benefit sharing mechanism in Nepal. It established a multi-stakeholder mechanism to work with national, provincial and local governments.
Integrated Landscape Management to Secure Nepal's Protected Areas and Critical Corridors (ILM) (project 9437)	This project seeks to strengthen integrated landscape management to conserve globally significant forests and wildlife through national capacity development; integrated planning; forest and human-wildlife conflict management and knowledge management, monitoring and evaluation.
Ecosystem-Based Adaptation for Climate-resilient Development in the Kathmandu Valley, Nepal (8009)	This project aims to increase capacity of communities living in the Kathmandu Valley to adapt to the negative effects of climate change using an ecosystem-based approach (EbA).
Developing Climate Resilient Livelihoods in the Vulnerable Watershed in Nepal (6989)	This project aims at building capacities of Local Levels of Province One in watershed-based land use planning and implementation to strengthen climate resilient livelihoods.

Catalyzing Ecosystem Restoration for Climate Resilient Natural Capital and Rural Livelihoods in Degraded Forests and Rangelands of Nepal (5203)	This project is working to enhance the capacity of the Government and local communities to adapt to climate change by implementing ecosystem-based adaptation (EbA) in degraded forests and rangelands in the Middle Hills and High Mountain areas.
<b>The project will work with the following projects that are under development</b>	
Restoring the degraded watershed and livelihoods of Lakhadei river basin through Sustainable Land Management (10469)	The project will work to achieve land degradation neutrality in dryland landscapes of Province Two and Bagmati province by creating enabling environment to support scaling up and mainstreaming of sustainable land management and land degradation neutrality.

## 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.

### 7. Consistency with National Priorities.

The following section describes how the project is consistent with national and provincial strategies and plans and with commitments under international conventions.

#### The Constitution of Nepal

Following the adoption of a new Constitution in 2015, the GoN established a new political/administrative structure throughout the country comprising three tiers: federal, provincial, and local. The rights and authorities of the three levels of government are listed in Schedules 5 to 9 of the Constitution.

The restructure process saw 3,276 Village Development Committees (VDCs) merged into 753 local level bodies within seven provinces.

The Constitution includes nine policy statements related to the conservation, management and use of natural resources, including policies on sustainable use of biodiversity through conservation and management of forests, fauna and flora and legal provisions to adopting appropriate ways of minimizing or stopping negative effects on the environment.

Schedules 5 to 9 of the Constitution cover Federal, Province, and local level rights:

? Schedule-5 lists Federal powers including for national and international environment management, national parks, wildlife reserves and wetlands, national forest policies, carbon services.

? Schedule-6 lists State [Provincial] powers including use of forests and waters and management of environment within the State.

? Schedule-7 lists concurrent Powers of Federation and States including state boundary river, waterways, environment protection, biological diversity; and utilization of forests, mountains, forest conservation areas and waters stretching in inter-state form.

? Schedule-8 lists of Local Level powers including for local market management, environment protection and biodiversity, and protection of watersheds, wildlife, mines and minerals.

? Schedule-9 lists concurrent powers of Federation, State and Local Levels for forests, wildlife, birds, water uses, environment, ecology and biodiversity.

How these direct and concurrent powers are to be implemented in the new federal structure is yet to be fully determined, but the local level and provincial (state) levels will have considerable responsibility for natural resources.

The proposed project will work closely with the provincial and local levels to support the development and application of policy and institutional arrangements that support biodiversity conservation and improved land use within the province.

The proposed project will also ensure its activities are consistent with key elements of the Constitution including:

? That each person shall have the right to live in a healthy and clean environment.

? The ending of all forms of discrimination and oppression relating to class, caste, region, language, religion and gender discrimination including all forms of racial untouchability, to protect and promote unity in diversity, social and cultural solidarity, tolerance and harmonious attitudes.

? Equal rights for women, the poor, the vulnerable and people from different social groups.

? The fundamental right of citizens to food.

### **Periodic Plans**

The GoN's National Planning Commission is responsible for formulating basic development policies and preparing periodic development plans within the framework of a long-term development perspective.

### **15th Five-year Periodic Plan**

This plan includes a 25-year vision of *Prosperous Nepal: Happy Nepali* and the need for coordination among federal, provincial and local levels for the implementation of the Constitution.

The proposed project supports several outcomes of the 15th Periodic Plan including:

? The role of forestry agriculture and natural resources as economically productive sectors that make a significant contribution to national prosperity.

? Maintaining quality health and education, healthy and balanced environment, social equity, responsible public services, strengthening federal system and assuring respectful and quality lifestyle of citizens.

? The sectoral strategy on conservation and utilization of natural resources and resilience building that highlights integrated use of natural resources for sustained flow of ecosystem goods and services, climate change mitigation and adaptation, watershed management and disaster risk reduction and management.

The 15th Periodic Plan's focus on the forest, biodiversity and watershed sector embraces a vision of contributing to prosperity and happiness through sustainable management of forest resources and entrepreneurship. The plan includes four objectives for this sector:

? To enhance the production, productivity and environmental services of forests, biodiversity and watershed resources.

? To conserve, restore and sustainable use of forests, biodiversity and watersheds.

? Equitable sharing of benefits generated from forests, biodiversity and watersheds.

? To promote forest, biodiversity and watershed related research and utilize the results for forest-based enterprise.



The proposed project will support the Periodic Plan's need to mainstream forest, biodiversity and watershed management for sustainable livelihoods in plans and programs of provincial and local government.

### **Periodic Plan of Province One (2019-2024)**

The Periodic Plan of Province One aims to transform the province into clean, happy and prosperous one. It includes a focus on agriculture, tourism, industry, infrastructure and has identified the following opportunities: special and biodiversity based organic agriculture, expansion of high value crops - tea and cardamom, agro-based industry and processing, utilization of water resource.

Of the eight strategies in the plan, three strategies are related to forests, agriculture and environment, these are: development and conservation of forests, environment and biodiversity, promotion of climate change adaptation and effective disaster management, and increase in production and productivity of agriculture and non-agriculture sector.

The plan recognizes the large number of users of community forests and the opportunities for integration of soil conservation and watershed management that will lead to increased income from agriculture and forestry.

The proposed project will facilitate the province and local level in strengthening planning capacity aimed at integrated forest, biodiversity and land management on a sustainable basis.

The proposed project will support elements of the periodic plan related to the conservation of environment, biodiversity and watersheds, and the equitable benefit sharing of environmental services as described in the plan.

More specifically, the project will support ? provision of knowledge to local community in the management and utilization of forests and biodiversity for increased productivity, income generation and employment, including through tourism, and high value medicinal plants. In addition, the project will support improvements in food production through organic farming systems.

### **Biodiversity-related policies**

#### **National Biodiversity Strategy and Action Plan, (NBSAP 2014-20)**

The proposed project will contribute to several priority actions of the NBSAP including:

- 1) Forest Biodiversity Strategy A: Improvement in forest governance and management
  - ? Improving forest productivity, biodiversity conservation and climate change resilience of forests through sustainable management. At least 50 percent of the production forests to be brought under sustainable management by 2020.
  - ? Development and implementation of NTFPs/MAPs management plan by all districts forest offices and relevant community-based forest user groups, especially targeting conservation of over-harvested and threatened species.
- 2) Forest Biodiversity Strategy C: Improvement in conservation of biodiversity in community-managed forests
  - ? By 2020, all the community managed forests to include a biodiversity chapter in their management or operational plans and respective user groups to effectively implement those plans.
- 3) Forest Biodiversity Strategy D: Improvement in biological connectivity of forest ecosystems, particularly in the Middle Mountains
  - ? Promoting the concept of biological corridors and connectivity among community managed forests. By 2020, at least the five priority areas shown in Figure 15 to have conservation-friendly management.
  - ? Establishment of protection forest where necessary and feasible.
- 4) Forest Biodiversity Strategy E: Enhancing conservation of species and genetic diversity

? Promoting mixed forests of indigenous plant species in community managed forests with due consideration to NTFPs and biodiversity

5) Forest Biodiversity Strategy F: Enhancing forest-based livelihoods

? Promoting NTFP-based and other green micro-enterprises, and culture and environment-based tourism in community managed forest sites to enhance local livelihoods and income.

? Replicating and expanding the successful leasehold forestry model in feasible areas. At least 5,000 hectares additional degraded forests to be covered by 2020.

6) Mainstreaming Biodiversity Strategy A: Improved mainstreaming of biodiversity across government, society and economy

? Development and implementation of biodiversity management programmes by local level in accordance with the provisions of this NBSAP.

7) Landscapes Management Strategy A: Improving landscapes management

? Effective implementation of the National Land Use Policy (2012). This includes identification and promotion of appropriate land use and land management systems to improve biodiversity conservation, control watersheds degradation and reduce pressure on forests.

? Taking a more programmatic and integrated approach in local level development planning, including promotion of participatory land evaluation and land use planning at the local level.

? Establishment and management of a network of biological corridors to enhance connectivity of habitats across the landscapes and beyond.

**Nature Conservation National Strategic Framework for Sustainable Development**

The GoN adopted the Nature Conservation National Strategic Framework for Sustainable Development in July 2015, with the vision of making prosperous, inclusive and just Nepal that values and conserves nature for sustainable Development. This document provides guidance for sustainable development. It has the long-term goal of contributing to sustainable development by integrating nature conservation in all development efforts. It has five pillars: i) mainstreaming nature conservation into development efforts, ii) harmonization between sectoral strategies, iii) coordination between agencies concerned, iv) valuing and accounting ecosystem goods and services and v) accountability of sectoral agencies in conservation results.

The priority program under the Biodiversity and Ecosystem Sector listed are most relevant to the project.

1. Develop traditional knowledge and skills on biodiversity conservation.
2. Develop a specific plan of conservation of flagship species.
3. Give priority to ensuring biological corridors for unhindered movement between major habitats.
4. Promote agro forest, private forest and unconventional energy sources in order to reduce pressure on natural habitats.
5. Establish a National Biodiversity Information and Management System and strengthen a National Clearing House mechanism.
6. Resolve conflict between humans and wildlife.

**Environment Protection Act, 2019**

The Environment Protection Act aims to protect the rights of citizens to live in a clean and healthy environment. With a view to maintaining the balance between conservation and development, the Act includes issues related to environmental study, pollution control, hazardous material management, climate change, protection of natural heritage and environmental conservation area, establishment of

an environment conservation fund, and formation of the environmental protection and climate change management council.

The provision for brief environment assessments, complementary environmental impact assessments and strategic environmental analysis are introduced for the first time. The Act seeks to address issues related to environment protection and climate change in a holistic manner.

The proposed project will support provincial government and local level in implementing environment management provisions of this act through landscape level land use planning.

### **National Environment Policy, 2019**

The National Environment Policy targets pollution control, waste management and promoting a green environment to ensure the constitutional rights of citizens to live in clean and healthy environment. Its 10 objectives include integrating environmental concerns in development agenda, minimizing all types of pollution, promoting greenery in cities and urban areas, encouraging people's participation in environment management and adopting the principle of reduce, reuse and recycle. The role of the three levels of government in implementation are elaborated in the policy.

### **Forest policies**

#### **The National Forest Policy, 2019**

The National Forest Policy guides forest-related policies, strategies and legal frameworks of all Province government and Local levels as well as the management of national forests and the protected area (PA) system.

This National Forest Policy vision is to contribute to economic, social and cultural prosperity through forest resource management and ecological balance. The policy has a target of generating forests-based goods and services through sustainable and participatory management of forest, protected area, watershed, biodiversity, wildlife and plant resources and ensuring the equitable distribution of benefits.

The policy highlights the role of federal government in policy coordination and the need for coordination, cooperation and communication of all three tiers of government.

The proposed project will support, to varying degree, the following objectives of the National Forest Policy:

- ? Enhancing production, productivity and environmental services of the forestry sector,
- ? Contributing to tourism through the management of wetlands and forest resources,
- ? Conserving, restoring and sustainably utilizing forests, plant resources, wildlife and biodiversity,
- ? Developing forest sector as a means of economic growth through agro-forestry and horticulture,
- ? Contributing to carbon emission reduction,
- ? Improving forestry sector governance and equitable distribution of benefits and
- ? improving capacity in study, research and forest education.

#### **The Forest Act, 2019**

This Act replaces the Forest Act of 1992 and is framed in the spirit of federal structure of governance. Provisions of The Forest Act that are particularly relevant to the proposed project include:

- a) Management of community and leasehold forests
- b) Management of forest conservation area (from ecotourism, watershed and biodiversity points of view)

- c) Management of private forest
- d) Management of environment services

The proposed project will assist Province One to implement the above provisions, notably by supporting the role of CFUGs.

### **Land and land degradation policies**

#### **Land Use Policy, 2015**

The goal of this policy is to manage lands in a sustainable manner by developing a specific land use system through land use plans. The policy classifies land into different land use zones including forest, agriculture, rivers, lakes, reservoirs, residential, commercial, industrial, mines and minerals, cultural and archaeological, public use and open space zones and building materials. The policy aims to ensure conservation and optimum use of forests and calls for the development of an information system on land use plans.

This project will support implementation of relevant provisions of this policy related to knowledge management and land use plans.

#### **Nepal's Land Degradation Neutrality (LDN) targets for the United Nations Convention to Combat Desertification (UNCCD), 2018**

The proposed project will support Nepal's LDN targets. It will directly contribute to the following targets:

- By 2030, halt the conversion of forests to other land cover classes and maintain the forest cover at the most recent baseline figure of National Forest Reference Level, 2017 (44.70 per cent, as of 2014).
- By 2030, increase the Soil Organic Carbon (SOC) stock in forest and cropland by 1.0 per cent per year. The current baselines are 132.4 t/ha for forest and 86.1 t/ha for cropland, and an average rate of SOC loss was estimated at -0.01 per cent per annum (default global data/ UNCCD).

It will indirectly contribute to the following targets:

- By 2030, increase the agricultural growth by 6 per cent per annum. The current baseline is 3 per cent as of 2010 (Agriculture Development Strategy, ADS 2015-2035).
- By 2030, out of 26277 hectares of wetlands (Lakes, Reservoirs, Ponds and Marginal swamps) 10 per cent of wetland ecosystems will be restored. Their resilience and the contribution of biodiversity to carbon stock will be enhanced by conservation and restoration of degraded ecosystems, focusing on degraded forests, protected areas, and conservation areas which will contribute to climate change mitigation and adaptation, and to combat desertification/land degradation.

#### **National Capacity Self-Assessment (NCSA), 2008**

The NCSA action plan has recommended various capacity development activities at individual, institutional and systemic functional level. These include:

- ? Biodiversity monitoring
- ? Strengthening environmental planning capacity of local governments
- ? Data/knowledge management
- ? Strengthening capacity of CFUGs and LFUGs/CBOs in biodiversity conservation, land management and climate change adaptation

This project will contribute to implementing the recommended actions as outlined in NCSA.

#### **National Action Program (NAP), 2004 under UNCCD**

The National Action Program (NAP) shows national commitment in addressing land degradation and desertification in Nepal. It also provides a platform for concerned stakeholders for collaboration in issues of land degradation and desertification through integrated natural resource management, and soil and water conservation.

This project will contribute to implementing key thematic interventions of the NAP including soil and water conservation and degraded land rehabilitation.

### **Agriculture policies**

#### **Agriculture Development Strategy, (2015-2035)**

The Agriculture Development Strategy (ADS) is the guiding document for the agriculture sector for the next 20 years. The ADS has identified the forestry sector as a key sub sector supporting agriculture production. The ADS vision is for "A self-reliant, sustainable, competitive, and inclusive agriculture sector that drives economic growth and contributes to improved livelihoods and food and nutrition security leading to food sovereignty."

The proposed project will support the ADS by strengthening capacity of Local Levels in integrated land management.

#### **The National Agroforestry Policy, 2019**

The policy aims to contribute to national prosperity through the development, extension and commercialization of agroforestry systems. It aims to conserve biodiversity, maintain soil quality and develop climate resilient ecosystem reducing pressure on the forests. It suggests tree-based agroforestry in the Churia hills and fragile sloping areas; fruit tree-based agroforestry in the Middle Hills; medicinal plants and herbs-based agroforestry in the high mountain areas and livestock-based agroforestry in unproductive hilly areas.

The project activities will contribute to implementing recommended actions of this policy.

### **Climate-related policies**

#### **National Adaptation Plan (NAP) Process under UNFCCC, 2015**

Nepal has identified seven thematic and two cross cutting areas for the NAP process. The NAP's priority is adaptation to protect climate vulnerable communities from accelerated climate change impacts.

The project activities will be compliant with NAP objectives to address medium and long-term adaptation needs, and to reduce climate vulnerability.

#### **Nationally Determined Contributions (NDC), 2016**

The NDC recognizes the need to:

- ? Promote economic development through low carbon emissions including through a focus on forests.

- ? Maintain 40 per cent of the total area of the country under forest cover and increase forest productivity and products through sustainable management of forests.

The proposed project will support the above.

#### **Nepal National REDD+ Strategy, 2018**

Nepal's REDD+ strategic goals include reversing deforestation and forest degradation, conservation of existing forest and enhancing forest carbon stocks, while addressing livelihoods concerns.

The REDD+ strategy includes the following actions:

- ? Enhancing carbon stocks, increasing the supply of forest products and reducing carbon emission from the existing forest and shrub land area
  - ? Promoting enterprise, livelihoods and employment opportunities to forest dependent poor, women, Indigenous Peoples and dalits
  - ? Promoting forest and climate-friendly infrastructure planning, construction and maintenance
- The proposed project contributes to several REDD+ actions mentioned above.

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[1] <http://doinepal.gov.np/uploads/20170309121229.pdf>

[2] [http://www.npc.gov.np/images/category/rajpatra\\_74.pdf](http://www.npc.gov.np/images/category/rajpatra_74.pdf)

## 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.**

Knowledge management will be fundamental for the success of the project. Lessons learned from the mid-term evaluation of the NBSAP in 2018 highlighted the need for increased mainstreaming of biodiversity, and knowledge management and communication will be essential for doing that. Component 2 of this project focuses specifically on knowledge management. This project proposes knowledge management activities under each of its 3 components under the following outputs:

- ? Output 1.2 ? training materials will be developed and made available to participants of trainings as well as online in Nepali on biodiversity conservation.
  - ? Output 1.3 ? tools and materials will be developed on PAMEB, with dedicated dissemination plan to deliver the materials to local level and amongst CFUGs.
  - ? Output 1.4 ? maps and a guide for the integration of information into maps will be developed under this output and made available online.
  - ? Output 1.5 ? resources and communications material including social media will be developed and disseminated relating to biodiversity sensitive planning.
  - ? Output 2.1 ? documentation of knowledge management information system will be a key deliverable under this output, including a user manual.
  - ? Output 2.3 ? key deliverable under this Output is the KMIS.
  - ? Output 3.2 ? a guiding framework document will be developed for sustainable forest management.
  - ? Output 3.3 ? guides and or action plans for responses to poaching and fire will be made available.
- As part of project monitoring and evaluation, a lesson learned document will be prepared and made available online by project end.

Importantly, in addition to the knowledge material to be developed, disseminated and made available openly online, the project includes the development of communities of practice, which are fundamental for the continued development and updating of knowledge. Through capacity development activities and the KMIS, groups will be empowered to create and share information, and communities of practice involved in PAMEB and anti-poaching and fire control will be developed through the organization of participatory discussions, group trainings and online networks.

The project, in consultation with its implementing partners and local communities, will develop a detailed communication and knowledge management strategy in the inception phase and will be

periodically reviewed and updated. Besides the points highlighted above, the knowledge management strategy will emphasize:

- ? Production and dissemination of knowledge in a coordinated manner to all key stakeholders to inform the inclusion of biodiversity and livelihood concerns in policy and planning processes.

- ? Development and dissemination of communication, awareness-raising and training materials and tools to target stakeholders including Provincial and Local level policymakers, CFUGs, LFUGs/CBOs and farmers, and

- ? Development of the KMIS and the use of existing knowledge and knowledge management platforms in the country and internationally through FAO and the GEF to ensure the project activities build on the existing knowledge and best practices and new knowledge generated by the project is shared widely and effectively within the country and internationally.

The knowledge management strategy will be guided by a commonly accepted delivery framework consisting of four key areas: knowledge generation (through action learning, partner institutions, and individual experts), knowledge delivery (through policy briefs, policy dialogues, audio visual medias, reports and publications), enabling environment (supportive policy and legal framework), and new frontier (local users and general communities). The knowledge management strategy will align with the project strategy and be used to create, organise, share and apply forest, land and biodiversity related knowledge to enhance capacity for sustainable management of natural resources. The strategy will have the following objectives.

- ? Enhancing knowledge generation and dissemination through effective communication.

- ? Enhancing the translation of knowledge into policy and actions.

- ? Using power of partnership to disseminate knowledge for effective implementation of the project activities.

- ? Resourcing and capacity development for knowledge management.

The project will be implemented through a partnership with a range of stakeholders (government and non-government institutions), and it is anticipated that an extensive body of knowledge related to land, biodiversity and forests will be generated through individuals, partner institutions, and other stakeholders at federal, provincial and local levels.

The project is designed to optimize synergies amongst stakeholders to generate the most relevant and useable knowledge, keeping in mind the need for sustainability of knowledge management efforts within the limited resources that are likely to be available after the project ends. The project also includes a focus on communicating knowledge to relevant audiences through appropriate communication channels and language.

The project will support strategies that enable the three spheres of government to function as a knowledge chain and will identify the strategies, key knowledge needs, and the process of generating, organising, and communicating knowledge at all levels. The adoption of policies and legal framework related to land, forests and biodiversity during the implementation of the project will enable to generate knowledge at all levels and such knowledge will be shared amongst stakeholders to further strengthen effectiveness of the project interventions. In addition, knowledge management approaches will follow the process of planning, implementation, monitoring and evaluation and will cover all three spheres of government.

The project will develop/adapt a wide range of knowledge products including the landscape approach to planning for sustainable land management practices (integrated management of forest, farmland, livestock and biodiversity) and rural livelihoods. The project will also produce planning tools and guidelines, training manuals, extension materials and other materials to be used for training,

awareness, and capacity development activities. Collection and dissemination of best practices will constitute an important part of knowledge generation and management. Knowledge products generated will be disseminated both within and beyond the project area.

National, regional, and international platforms including FAO-relevant platforms will be utilized to communicate and share project knowledge products. The project's annual workplans and budgets will ensure adequate financial resources allocated to knowledge management.

The digital online KMIS will be primarily aimed at national and Provincial/ sub-provincial planners to integrate biodiversity conservation and LDN targets into local development and land use plans. It is expected that the MoFE and Province One will maintain and update the KMIS. The KMIS will contribute to Nepal's ability to report to international conventions, including the CBD and UNCCD.

The project's communication strategy will involve the creation of a dedicated webpage with visual identity to update stakeholders about project progress and make available the above-described knowledge management deliverables. The project will utilize social media as appropriate, such as Facebook or Twitter, for this purpose. Communication to engage participants for training will be done in close collaboration with local levels and CFUGs and will involve face-to-face communication at the local level. At the local level, physical copies of short documents such as project flyers and guides will be made available for example during capacity development events with CFUGs. The language of communication will be Nepali, with English being used for international communications. The project website will have both a Nepali and English version.

For the development of communities of practice, e-newsletters or similar will be shared with mailing lists/groups of participants to ensure continued engagement throughout the project and beyond, as well as organization of regular (at least twice a year) face-to-face meetings with such communities of practice such as those engaged in biodiversity monitoring, fire control, anti-poaching, ecosystem restoration and value chain development. Engagement with local/provincial/national media outlets will be explored. The communication strategy will be reviewed annually.

## **9. Monitoring and Evaluation**

### **Describe the budgeted M and E plan**

#### **9. Monitoring and Evaluation.**

For the purposes of the project, monitoring is defined as the continuous or periodic process of collecting and analyzing data to measure the performance of the project and its associated activities. Evaluation is defined as the systematic and independent assessment of the project, along with their design, implementation, and results, with the aim of determining the relevance, efficiency, effectiveness, impact, and sustainability of the project.

The project monitoring and evaluation plan will follow the policies and guidelines of GEF and FAO. The monitoring and evaluation plan will be prepared by the project M&E personnel in the inception phase, validated through stakeholder consultation and endorsed by the project steering committee.

The plan will comprise an updated results framework including baseline and indicators, description of report types and evaluation schedule. A monitoring and evaluation matrix prepared as part of the M&E plan will include M&E activities, monitoring responsibilities, timing and budget.

The project will ensure transparency in the preparation, conduct, reporting and evaluation of its activities. This includes full disclosure of all non-confidential information, and consultation with major groups and representatives of local communities. The disclosure of information shall be ensured



through posting on websites and dissemination of findings through knowledge products and events. Project reports will be broadly and freely shared, and findings and lessons learned made available.

The day-to-day monitoring of the project's implementation will be the responsibility of the Project Coordinator and will be driven by the preparation and implementation of an Annual Work Plan and Budget (AWP/B) followed up through six-monthly Project Progress Reports (PPRs). The preparation of the AWP/B and six-monthly PPRs will represent the product of a unified planning process between the main project stakeholders. The AWP/B will identify the actions proposed for the coming project year and provide the necessary details on output and outcome targets to be achieved, and the PPRs will report on progress with implementation of actions and the achievement of output and outcome targets. Specific inputs to the AWP/B and the PPRs will be prepared based on participatory planning and progress reviews with relevant stakeholders and coordinated and facilitated through project planning and progress review workshops. These contributions will be consolidated by the Project Coordinator in the draft AWP/B and the PPRs.

An annual project progress review and planning meeting should be held with the participation of the project partners to finalize the AWP/B and the PPRs. Once finalized, the AWP/B and the PPRs will be submitted to the FAO LTO for technical clearance, and to the Project Steering Committee (PSC) for revision and approval. The AWP/B will be developed in a manner consistent with the Project Results Framework to ensure adequate fulfillment and monitoring of project outputs and outcomes.

Following the approval of the Project, the AWP/B will be adjusted (either reduced or expanded in time) to synchronize it with the annual reporting calendar. In subsequent years, the AWP/Bs will follow an annual preparation and reporting cycle. Adjustments may be required because of the impact of the COVID-19 pandemic and any necessary social distancing requirements.

**Reporting schedule.** Specific reports to be prepared under the monitoring and evaluation plan include: (i) a Project inception report; (ii) Annual Work Plans and Budgets (AWP/B); (iii) Project Progress Reports (PPRs); (iv) Annual Project Implementation Reviews (PIR); (v) Technical reports; (vi) Co-financing reports; and (vii) A Final Report. In addition, the GEF-7 Core Indicator Worksheet will be updated and used to compare progress against the baseline.

**Project Inception Report.** After FAO internal approval of the project, an inception workshop will be held. Immediately after the workshop the PC will prepare a project inception report in consultation with the FAO Representation in Nepal and project partners. The report will include a narrative on the institutional roles and responsibilities and coordinating action of project partners, progress to date on project establishment and start-up activities and an update of any changed operating conditions that may affect project implementation (including the impact of COVID-19 and any opportunities to promote biodiversity-positive COVID-19 economic recovery and avoid loss of ecosystems). It will also include a detailed first year AWP/B. The draft inception report will be circulated to FAO Representation in Nepal and the PSC for review and comment before finalization, but no later than three months after project start-up. The report will be cleared by the FAO BH, LTO and the FAO/GEF Coordination Unit. The BH will upload it to the FPMIS.

**Annual Work Plan and Budget(s) (AWP/Bs).** The PC will present a draft AWP/B to the PSC no later than 10 December of each year. The AWP/B should include detailed activities to be implemented by project Outputs using monthly timeframes and including target and milestone dates for Output and Outcome indicators to be achieved during the year. A detailed project budget for the activities to be implemented during the year should be included together with all monitoring and supervision activities required during the year. The FAO Representation in Nepal will circulate the draft AWP/B and consolidate and submit FAO comments. The AWP/B will be reviewed by the Provincial Project

Technical Committees (PPTCs) and Project Technical Committee (PTC) and will incorporate any comments. The final AWP/B will be provided to the PSC for approval and to FAO for final no-objection. The BH will upload the AWP/Bs to the FPMIS

**Project Progress Reports (PPR).** The PPRs are used to identify constraints, problems or bottlenecks that impede timely implementation, and opportunities that arise, along with proposed actions. PPRs will be prepared based on the systematic monitoring of output and outcome indicators identified in the Project Results Framework (Annex A), AWP/Bs and the M&E Plan, as well as monitoring of any relevant external factors that may affect the project (e.g., COVID-19). Each semester the PC will prepare a draft PPR and will collect and consolidate comments from the FAO PTF. The PC will submit the final PPRs to the FAO Representation in Nepal every six months, prior to 10 June (covering the period between January and June) and before 10 December (covering the period between July and December). The July-December report should be accompanied by the updated AWP/B for the following Project Year (PY) for review and no-objection by the FAO PTF. The Budget Holder has the responsibility to coordinate the preparation and finalization of the PPR, in consultation with the PIU, LTO and the FLO. After LTO, BH and FLO clearance, the FLO will ensure that project progress reports are uploaded to the FPMIS in a timely manner.

**Annual Project Implementation Review (PIR).** The PC, under the technical supervision of the LTO and BH and in coordination with the national project partners, will prepare a draft annual PIR report covering the period July (the previous year) through June (current year) no later than July 1st every year. The LTO will finalize the PIR and will submit it to the FAO-GEF Coordination Unit for review by July 10th. The FAO-GEF Coordination Unit, the LTO, and the BH will discuss the PIR and the ratings. The LTO is responsible for conducting the final review and providing the technical clearance to the PIR(s). The LTO will submit the final version of the PIR to the FAO-GEF Coordination Unit for final approval. The FAO-GEF Coordination Unit will then submit the PIR(s) to the GEF Secretariat and the GEF Independent Evaluation Office as part of the Annual Monitoring Review of the FAO-GEF portfolio. The PIR will be uploaded to FPMIS by the FAO-GEF Coordination Unit

**Technical reports.** Technical reports will be prepared as part of the project outputs and will document and disseminate lessons learned. Drafts of all technical reports are to be submitted by the PC to the PSC and FAO Representation in Nepal, which in turn will be shared with the LTO for review and approval and to the FAO-GEF Coordination Unit for information and comments before finalization and publication. Copies of the technical reports will be distributed to the PSC and other project stakeholders, as appropriate. These reports will be uploaded to the FAO FPMIS by the BH.

**Co-financing reports.** The PC will be responsible for collecting the required information and reporting on in-kind and cash co-financing provided by all the project co-financiers and other new partners not foreseen in the Project Document. Every year, the PC will submit the report to the FAO Representation in Nepal before July 10th covering the period July (the previous year) through June (current year). This information will be used in the PIRs.

**Core Indicators worksheet.** In compliance with GEF policies and procedures, at project mid-term and completion, the PC will report results achieved against the core indicators and sub-indicators used at CEO Endorsement/ Approval.

**Mid-term Review (MTR):** An independent Mid-term Review (MTR) will be undertaken in the third year of project operation by FAO. The MTR will serve a dual purpose of accountability and learning. It will document lessons and identify good practices and challenges that can inform the implementation of the project for the remaining period.

The MTR will provide guidance on issues requiring decisions and actions. It will also provide initial lessons learned on project design, implementation, and management. As far as practical, the findings of the MTR will be considered in the implementation of the project for the remaining period.

The organization, terms of reference, and timing of the MTR will be decided after consultation between the parties to the project document. The Terms of Reference for the MTR will be prepared by FAO and the review process will be managed by FAO Office of Evaluation Division (OED). The relevant GEF Focal Area Tracking Tools will be completed during the mid-term review cycle.

**Final Evaluation (FE):** An independent Final Evaluation (FE) will take place prior to the final PSC meeting. The GEF evaluation policy foresees that all medium and large size projects require a separate terminal evaluation. Such evaluation provides: i) accountability on results, processes, and performance; ii) recommendations to improve the sustainability of the results achieved and iii) lessons learned as an evidence-base for decision-making to be shared with all stakeholders (government, execution agency, other national partners, the GEF and FAO) to improve the performance of future projects.

The BH will be responsible to contact the Regional Evaluation Specialist (RES) within six months prior to the actual completion date (NTE date). The RES will manage the decentralized independent terminal evaluation of this project under the guidance and support of OED and will be responsible for quality assurance. Independent external evaluators will conduct the terminal evaluation of the project taking into account the 'GEF Guidelines for GEF Agencies in Conducting Terminal Evaluation for Full-sized Projects.' FAO Office of Evaluation (OED) will provide technical assistance throughout the evaluation process, via the OED Decentralized Evaluation Support team. In particular, it will also give quality assurance feedback on: selection of the external evaluators, Terms of Reference of the evaluation, draft and final report. OED will be responsible for the quality assessment of the terminal evaluation report, including the GEF ratings.

After the completion of the terminal evaluation, the BH will be responsible to prepare the management response to the evaluation within 4 weeks and share it with national partners, GEF OFP, OED and the FAO-GEF Coordination Unit.

Both the MTR and FE will adopt a consultative and transparent approach with internal and external stakeholders. Triangulation of evidence and information gathered will underpin its validation and analysis and will support the conclusions and recommendations. An evidence-based approach will be used, taking into consideration the project's Theory of Change (ToC) when assessing the extent to which the implementation of activities is leading to the achievement of the results.

The MTR will focus on evaluating relevance and effectiveness, including:

- ? The assumptions underpinning the ToC, including the causal pathways that link Project activities to impacts.
- ? Effectiveness - The extent to which the planned outputs have been achieved and the strengths and weaknesses of the project M&E plan and its implementation.
- ? Efficiency - The extent to which project and co-funding resources were used effectively.
- ? Impact ? Recognizing that assessing impact is often complicated and it is difficult to attribute cause and affect relationships, the evaluation will attempt to assess the changes in conditions of people and ecosystems that result from the project.
- ? Sustainability - The extent to which conditions in Nepal supports replication (scaling up) and continuity of activities in the country.
- ? The level of country ownership of Project outcomes, stakeholder involvement, and partnership/co-financing.

The Terms of Reference for the FE will be prepared by FAO. The PSC will consider the findings and recommendations of the evaluations and propose any adjustments to the project design and implementation strategy for the remaining duration of the project.

**Final Report:** Within two months prior to the project's completion date, the PC will submit a draft final report to the PSC and FAO Representation in Nepal. The main purpose of the final report is to give guidance to authorities (ministerial or senior government level) on the policy decisions required for the follow-up of the Project, and to provide the GEF with information on how the funds were utilized. The final report should provide a concise account of the main products, results, conclusions, and recommendations of the Project, without unnecessary background, narrative or technical details. The target readership consists of persons who are not necessarily technical specialists but who need to understand the policy implications of technical findings and needs for ensuring sustainability of project results. Work is assessed, lessons learned are summarized, and recommendations are expressed in terms of their application to the integrated landscape mosaic management in the four project districts, as well as in practical execution terms. This report will specifically include the findings of the final evaluation. A project evaluation meeting will be held to discuss the draft final report with the PSC before completion by the Project Coordinator and approval by the BH, LTO, and FAO-GEF Coordination Unit.

Timing and the frequency of reporting and field supervision will be aligned with the budgeting and reporting timing of the GoN at federal and province level to ensure that findings and recommendations of those reports could help in improved project planning. The monitoring and evaluation matrix with indicative budget and activity is presented in Table 11. Note that the budget for midterm review and end of project evaluation are included as budget lines in the project budget and other items are included within budgeted activities.

**Table 11 Project Monitoring and Evaluation Matrix**

**Budget in USD**

Activity	Outputs	Responsibility	Timing	Revised Budget
Update project baseline report	Updated baseline data/report of the project area (Biodiversity, Land use/degradation and socio economic aspects)	PMU	Within 6 months of the project launching	10,000
Inception workshops/meetings with at province and local level	1. Consent of stakeholders at province and local level obtained on project framework-including work plan, M&E plan, Gender action Plan and Indigenous Peoples plan 2. Project Inception Workshop proceedings	PMU, PTC	Within 3 months of the project launching	15,000

Activity	Outputs	Responsibility	Timing	Revised Budget
National Inception workshop	1. Consent of stakeholders at federal level obtained on project framework-including work plan, M&E plan, Gender action Plan and Indigenous Peoples plan 2. Project Inception Workshop proceedings	PMU	Within 4 months of project launching	5,000
Provincial Steering Committee meetings	1. Project Oversight; 2. Project Progress Monitoring; 3. Project related decision-making	PSC	Twice a year	8,000
Project monitoring and supervision visits	1. Understanding built on real field scenario by PSC/PTC members through spot visits and interaction with beneficiaries 2. BTORs/ Monitoring visit Reports	PSC, PTC	Every six months	6,000
Field monitoring (project staff, stakeholders)	1. Field interventions monitored against work plans  2. Back-to-office Reports (BTOR) with planned activity status, issues, recommendations  3. Learnings /success stories	PMU/Project Support Units	Continuous-through out project period	39,874

Activity	Outputs	Responsibility	Timing	Revised Budget
Four monthly and annual progress review (provincial steering committee, technical committee)	<p>1.PSC: Strategic guidance for effective and efficient project implementation to PMU; Approval of annual workplan and budget; Review of progress/outputs/outcomes along with issue challenges (6 monthly)-PSC minutes</p> <p>2.PTCC: Technical recommendation on specific technical issue to PSC - PTCC meeting minutes</p> <p>3. Four monthly and Annual review: Review the progress/outcomes/outputs and challenges faced; Four monthly Progress Review Workshop reports at province level</p>	PMU, project partners	<p>1. PSC-6 monthly</p> <p>2. PTCC- 6 monthly and as needed</p> <p>3. Project progress Review meeting- Four monthly, annual</p>	26,000
Mid-term review	<p>1. Review of project performance, issues and challenges and recommend for improvements to overcome problems</p> <p>2. ToR for independent MTR developed</p> <p>3. MTR report with management response</p>	FAO	Beginning of third year of the project implementation	35,000

Activity	Outputs	Responsibility	Timing	Revised Budget
Terminal (Final) evaluation	<p>1. Terminal evaluation will provide i) accountability on results, processes, and performance ; ii) recommendations to improve the sustainability of the results achieved and iii) lessons learned as an evidence-base for decision making to be shared with all stakeholders (government, executive agency, other national partners, the GEF and FAO) to improve the performance on the future projects</p> <p>2. Terminal Evaluation report with management response</p>	FAO: The BH will be responsible to contact the Regional Evaluation Specialist (RES) within six months prior to the actual completion date (NTE date). The RES will manage the decentralized independent terminal evaluation of this project under the guidance and support of OED	To be launched at least 6 months ahead of the NTE	40,000
Project Terminal Report	1. This includes overall progress on project implementation and financial progress; good practices and learnings; and evaluation on Relevancy, Achievements, Effectiveness, Efficiency, Sustainability (Environmental and financial) and GESI along with recommendations for sustainability of project initiatives to concerned stakeholders (GoN, FAO, GEF and other national partners)	FAO	Last quarters of the fourth year of the project but before project completion	6,550
Learning sharing workshop	<p>1. Sharing of overall project achievements, physical and financial progress, Good initiatives/practices, Learnings and phase out strategy/plans</p> <p>2. Proceeding of Learning Sharing Workshop</p>	FAO	Last quarters of the fourth year of the project but before project completion	8,000
Total				199,424

## 10. Benefits

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

## 10. Benefits

The project will contribute to the following outcomes of the GEF:

- ? **BD-1-1** - Mainstream biodiversity across sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors; and
- ? **LD-1-3** - Maintain or improve flows of ecosystem services, including sustaining livelihoods of forest-dependent people through Forest Landscape Restoration (FLR) through efforts targeted at policy and planning, knowledge generation and management and strengthening conservation-based livelihoods opportunities.

Project intervention will help provincial government in improved land use planning at landscape level covering 3575 sq.km. area. In addition, all 34 local levels will have their land use plan ready which further guides them in judicious allocation of public finances for ecosystem restoration, degraded land rehabilitation and natural resource-based community enterprise development.

Project support to the establishment and operation of knowledge management portal at province and federal level with access to data, information, maps and best practices ensures that budget allocation and implementation of land use plan follows informed decision making.

Targeted CFUGs and households will benefit from incentive mechanisms that will strengthen community resilience to shocks and stresses, such as the COVID-19, through a) Improved food security resulting from sustainable and resilient production of agricultural and livestock products, and b) Enhanced livelihoods through participation in income generating activities based on increased and sustainable flows of ecosystem goods and services.

Livelihood enhancement of targeted communities is one of the important aspects of the project intervention. Under this, support will be provided to 10 biodiversity enhancing pro-poor business services that will focus poorer section of community members and help 1000 entrepreneurs benefit from sustainable value chain intervention.

As indicated in the project's theory of change, implementation of biodiversity-sensitive landscape policies and land use plans will enhance stakeholder capacity to manage natural resources in a sustainable manner. In the long run, this contributes to ecosystem restoration, biodiversity conservation and achieving land degradation neutrality. Resilient ecosystems will help ensure a sustained flow of ecosystem services and contribute to improved livelihoods of forest-dependent communities.

At project area level, landscape policy and land use plans supported by a knowledge management system, community-based ecosystem restoration and land management initiatives will demonstrate environmental and socio-economic benefits on the ground and facilitate scaling up. Economic benefits generated through the promotion of product- and service-based value chains engaging women, poorer sections of the community and private sector will incentivize communities to adopt biodiversity conservation friendly forestry and farming practices beyond the project duration.

At province and national level, governments will benefit from enabling policy environment for integrated land management based on land use plans. In addition, enhanced capacities of the



governments to manage data and information system for effective planning will have positive impact in other sectors as well for biodiversity conservation and sustainable land management.

Through these changes at local, provincial, and national level, the project will contribute to achieve global environmental benefits in mainstreaming biodiversity and forest landscape restoration generating socio-economic benefits that strengthens resilience of communities to impacts of COVID-19.

Specifically, the project supports the following (through component one and two):

- ? Field level reaffirmation of newly enacted policies and legal frameworks and their implications for enhancing capacity for sustainable management of forests, lands, and biodiversity.
- ? The application of new policies and regulations under the new governance structure will enable government institutions to identify policy practice gaps which will eventually facilitate policy reform and help to improve effectiveness on the ground.
- ? An analysis of existing policies and regulations in relation to institutional capacity, and resource need (human and financial) for effective policy implementation.
- ? Enable all three spheres of government to readjust institutional arrangements and make them compatible with the provisions of current policies and regulations.
- ? Support Local levels to identify the elements necessary for effective local policy and law formulation, including data needs, decision support systems and knowledge management (the exclusive power of local level), that are based on the real needs and aspiration of the people.

Component 3 focuses on the implementation of community-based conservation and sustainable production, management and restoration practices at community and household level which strengthens biodiversity conservation and sustainable management of forest landscapes.

Project interventions that focus on biodiversity enhancing activities by involving poorer sections of society in livelihood improvement opportunities through value chains and market linkages will help to sustainably increase incomes. The Project has accorded high priority to support women, poor and marginalized groups in value chains.

Components 1 and 2 lay the foundation to creating an enabling environment at policy and programme level and Component 3 makes investment in enterprise promotion. These interventions together help to derive environmental as well as socioeconomic benefits by ensuring productive employment and decent work at local level.

### **Decent Rural Employment**

In rural Nepal, decent work is predominantly associated with livelihoods based on agriculture, livestock, and forests.

Decent work can be considered to include ?opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.?

The project has a strong focus on improving rural livelihoods through community forestry and agriculture by generating and distributing livelihood benefits through commercial activity and linking smallholders to financial institutions and markets which will incentivize local communities to manage forests and other natural resources sustainably and improve community-level resilience.

Table 12 provides a summary of how the project will support decent rural employment, based on the four pillars described in FAO?s guidance material.

### **Table 12 Project Support to Decent Rural Employment**

<b>Prioritized Groups</b>
<ul style="list-style-type: none"> <li>- Small-scale farm and forest producers, including contributing family workers.</li> <li>- Small-scale processors and aggregators of farm and forest products</li> <li>- Women and youth within the above categories</li> <li>- Specific vulnerable groups (e.g., land poor and landless people, disabled people, elderly people, and single-adult households)</li> </ul>
<b>Pillar 1: Employment-creation and enterprise-development</b>
<ul style="list-style-type: none"> <li>- Participatory analyses with vulnerable groups on specific rural employment issues related to farms and forests.</li> <li>- Consider the impact of technology options on the number and quality of jobs created.</li> <li>- Ensure that relevant groups within the targeted rural areas are involved effectively in consultations.</li> <li>- Women and men small-scale farm and forest producers supported in accessing fair markets and sustainable value chains.</li> <li>- Women and men small-scale farm and forest producers and supported in accessing training, financial services, and other productive assets, with priority to rural businesses owned by women and youth.</li> <li>- Provide Market Analysis and Development training on how to develop viable market options for forest and farm products.</li> <li>- Implement training for government agencies and project partners to enable them to undertake participatory approaches with local target communities and CFUGs</li> </ul>
<b>Pillar 2: Social protection</b>
<ul style="list-style-type: none"> <li>- Assess, document and disseminate institutional innovations and good practices of organized collective action, including through CFUGs, with strong impacts on social protection</li> </ul>
<b>Pillar 3: Standards and rights at work</b>
<ul style="list-style-type: none"> <li>- Socially responsible agricultural and forest production supported, specifically to reduce gender and age-based discrimination.</li> <li>- Promote compliance with national labour legislation in the rural areas.</li> <li>- Address the constraints of women, youth, and other specific groups workers in getting organized, notably through community forestry</li> </ul>
<b>Pillar 4: Governance and social dialogue</b>
<ul style="list-style-type: none"> <li>- Promote the inclusive participation of local people, particularly women.</li> <li>- Support local communities in strengthening democratic organizations and networks of producers and workers, particularly in the informal food and forest economy.</li> <li>- Build capacity of Province and Local Levels to empower forest and farm producers to organize into legalized associations and women to undertake leading positions.</li> <li>- Undertake knowledge exchange events to refine and endorse the most promising approaches for climate-resilient forest and agricultural landscape management.</li> </ul>

[1] <https://www.ilo.org/global/topics/decent-work/lang--en/index.htm>

[2] FAO, 2010. *Rural Employment, Guidance Material #1: Guidance on How to Address Decent Rural Employment in FAO Country Activities (2nd ed.)*. <http://www.fao.org/3/i1937e/i1937e.pdf>

## 11. Environmental and Social Safeguard (ESS) Risks

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

### Overall Project/Program Risk Classification \*

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate			

#### Measures to address identified risks and impacts

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

The environmental and social risks of the project depend not just on the nature and scale of the activities, but also on the local geography of the area, climate conditions, soil and forest types and their condition, as well as the socio-economic condition of the people living in and around the project sites.

Because of COVID-19 restrictions it was not possible for ESM consultant to go to the field for consultations. However, an Environment and Social Analysis has been prepared based on the project's baseline and knowledge of the consultant and is provided in Annex I1 and an Indigenous Peoples' Plan (IPP) is provided in Annex J. ESMPs for each of the subproject activities will be developed after specific project sites are identified as required by the Environmental and Social Screening of the sub-project activities and after wider consultations with the IPLCs and other stakeholders. This is expected in the first year of project implementation

The project is considered a **moderate risk from an Environmental and Social Safeguards perspective**. There are indigenous communities in the project area and the project will aim to ensure their rights are protected. The project includes explicit rights-based and pro-poor approaches. The project design proposes strengthening participation and social inclusion in forest management, leading to an overall positive impact on communities. Environmental impacts are

likely to be positive and involve generating improved ecosystem services leading to improved livelihoods. The enhancement of social institutions (e.g., CFUGs and LFUGs) to achieve sustainable management of forest and farm resources will be managed in an inclusive manner and promoted in ways that lead to improved social benefits.

Six of the nine FAO Environmental and Social Standards (ESSs) are applicable for this project. These are: ESS 1: Natural Resources Management; ESS 2: Biodiversity, Ecosystems and Natural Habitats; ESS 3: Plant Genetic Resources for Food and Agriculture (procurement of seedlings for plantation triggers this standard); ESS 7: Decent Work; ESS 8: Gender Equality; and ESS 9: Indigenous Peoples and Cultural Heritage (Presence of IPs in the project area triggers this standard).

Since the Project is expected to enhance the capacity of Provincial and local governments as well as Indigenous People and local communities for sustainable management of forests, biodiversity and land, there are no significant negative environmental and social impacts foreseen from the project activities. Project activities will help in better management of natural resources (ESS 1), biodiversity, ecosystems and natural habitats (ESS 2) of the area which will ultimately help livelihood improvements of local people. As most of the project activities will be implemented by CFUGs, inflow of labor from outside is unlikely. Therefore, it should not be problem to promote decent work (ESS 7) during project implementation. Community based forest management groups have been practicing gender equality for long time and therefore, the project is expected to improve the condition of gender equality (ESS 8). More than 60 per cent of the population of the project area are indigenous people. The project will be implemented in wider consultations with IPLCs of the area and will follow the FPIC principles while implementing subproject activities.

Mitigation of environmental and social impacts will be informed by local, national and international knowledge, draw on existing good practices, and take into account the specific circumstances of various locations in the project area. Project activities will adhere to regulations, environmental and social safeguard policies, procedures and measures that are used to mitigate and protect social and environmental impacts relating to programs/projects in Nepal. The project will address FAO's environmental and social safeguards (ESS) as follows:

### **Natural Resources Management**

The Project supports Natural Resources Management by promoting direct action to enhance resource use efficiency; and focusing on ways to ensure the transition to sustainable practices.

The Project will apply technically and financially feasible resource efficiency principles and techniques that are best suited to avoid, or where avoidance is not possible, minimize adverse impacts. The principles and techniques will be tailored to the hazards and risks associated with the Project and consistent with FAO sustainability principles under the precautionary approach. The Project will also systematically address gender dimensions, notably on roles to achieve sustainable natural resources management.

The Project will take into consideration existing guidelines for integrated landscape management, and forest and landscape restoration. The Project is not involved with the management of Water Resources or Small Dams. Whilst the project is not focused on climate change it will enable Climate Change Adaptation by supporting food security and sustainable agriculture (including forestry) in the face of climate change. Climate change solutions will be incorporated into Project activities.

## **Biodiversity, Ecosystems and Natural Habitats**

The Project has a major focus on Biodiversity, Ecosystems and Natural Habitats and it includes activities designed to address agricultural, livestock, and forestry practices that have adverse impacts on biodiversity, ecosystems, ecosystem services or critical habitats, notably forest corridors between protected areas.

The project will support activities leading to the sustainable management of ecosystems to maintain the services and the benefits they provide. Landscape approaches promoted by the Project will ensure that off-site and upstream - downstream impacts are planned, managed and monitored within acceptable environmental and social standards. A key focus is on community and leasehold forest and nearby agricultural lands. The Project does not involve financing or activities that involve significant conversion or degradation of critical habitats, critical forest areas, natural areas of cultural or religious value, areas that are legally protected, officially proposed for protection, or of high conservation or biodiversity value.

The Project will apply a precautionary approach to the use, development and management of natural habitats, the ecosystem services of such habitats, and living natural resources. The Project will not be involved in promoting infrastructure or other types of physical investments involving land use, water space in or around protected areas or natural habitats. The Project will result in the conservation of the genetic base used for food and agriculture production as well as a negative impact on ecosystem functions this biodiversity provides ? both in the project footprint and the wider area-of-influence of the project.

The Project's focus on critical habitats and threatened species will reduce further deterioration, maintain or enhance biodiversity and ecosystem functionality, and be environmentally appropriate, socially beneficial and economically viable. The Project will not involve the use of alien species known to be invasive. The Project will exercise diligence through its biosecurity protocols to avoid spreading invasive species into areas in which they have not established.

The project will not be involved in access and benefit-sharing for genetic resources (ABS) for research and development on their genetic and/or biochemical composition. The Project includes activities to incorporate biodiversity guidelines into existing standards and plans.

## **Plant Genetic Resources and Animal Genetic Resources for Food and Agriculture**

The Project will support some activities that protect Plant Genetic Resources for Food and Agriculture (PGRFA) and Animal Genetic Resources notably by promoting their effective in-situ conservation, safeguarding against actions resulting in unintended environmental and social consequences and encouraging sustainable crop improvements and production and enhanced productivity.

The Project will use the Voluntary Guidelines on Planted Forests as a basis for managing E&S risks in plantations. It will recognize and support the implementation of existing national forest programmes and strategies. A key focus is on incorporating the maintenance and conservation of biological diversity as fundamental in planning, management, utilization and monitoring of planted forest.

## **Pest and Pesticides Management**

The Project will not be involved in pest and pesticide management but if the opportunity arises it will encourage farmers and farmer groups to apply Integrated Pest Management (IPM), reduce

reliance on pesticides and avoid adverse impacts from pesticide use on the health and safety of farming communities, consumers and the environment.

### **Involuntary Resettlement and Displacement**

The Project will not involve involuntary resettlement or economic displacement. It will avoid, and when avoidance is not possible, minimize adverse social and economic impacts from restrictions on land or resource use or from land and resource acquisition. It will also support efforts to improve or at least restore living conditions of persons who are physically or economically displaced, through improving and restoring their productive assets and security of tenure, should this occur.

The Project will prohibit forced evictions and avoid and mitigate physical and economic displacement, although such displacement is unlikely to occur given the scope of the Project.

### **Decent Work**

The Project document includes a focus on decent work. The activities of the Project will seek to promote direct action through improved land use planning and forest and agricultural management to foster decent rural employment and promote fair treatment, non-discrimination and equal opportunity for all workers.

The PMU and partners will consider and apply principles, practices and techniques that are best suited to avoiding the violation of, and promoting the application of core international labour standards, other international labour standards relevant to the agri-food sector and national employment and labour laws.

Efforts will be made to focus project interventions on actions that create more and better employment opportunities, especially for more disadvantaged and vulnerable workers including as far as practical the creation of more and better employment opportunities, especially for youth and women?

The Project includes an assessment of potential of agricultural and forestry value chain development, to create more and better employment opportunities for the poor. All employment relationships established will be based on the principle of equal opportunity and fair treatment and will not discriminate with respect to any aspects. The Project will not increase existing discrimination at work and, on the contrary, empower and prioritize disadvantaged categories of workers, including small-scale agricultural producers. The Project will undertake an Occupational Safety and Health (OSH) risk assessment and identify appropriate means of mitigating the risks.

The project will avoid engaging children in child labour and ensure that no children engage in project-related work that could negatively affect their health and personal development or interfere with their compulsory education. The Project will guarantee that any children under the age of 18 who are involved in the project's activities will not be employed under hazardous working conditions. The Project will ensure that no forced labour is employed. The Project will support appropriate producers' and workers' organizations and seek to empower rural youth and women to join such organizations or organize in specific groups.

### **Gender Equality**

A Gender Action Plan (GAP) has been prepared for the Project. The project will ensure equal access to and control over productive resources, services and markets. It will seek to strengthen women and men's participation in decision-making in rural institutions and policy processes, notably related to forest and agricultural management and land use planning.

The Project will ensure that all stakeholders benefit equally from development interventions and that inequality is not reinforced or perpetuated. The GAP is gender-responsive and requires the Project to identify the different needs, constraints, contributions and priorities of women, men, girls and boys. The Project will ensure there is no discrimination against women or girls or reinforcement of gender-based discrimination and/ or inequalities.

The Project is based on the principle of equal opportunity and fair treatment and will empower and prioritize vulnerable women and men. It will also seek to identify measures to avoid, minimize, and/or mitigate adverse gender-related impacts. The Project will use gender-sensitive stakeholder analyses to ensure that women's and men's different interests, roles and responsibilities are assessed in project activity planning and implementation and potential risks, benefits and impacts are identified and managed.

The Project will track and report on progress on gender results and measure changes over time, including by collecting and analyzing sex-disaggregated data and formulate gender sensitive indicators for the Project's results framework.

### **Indigenous Peoples and Cultural Heritage**

The Project has identified Indigenous Peoples in the targeted areas and an IPP has been prepared. The project will ensure that the UN Declaration on the Rights of Indigenous Peoples is respected in all project activities. It will guarantee the application of the principle of Free, Prior and Informed Consent (FPIC) of any indigenous peoples affected by the project.

The Project will not have adverse impacts on or limit access to culture or heritage, both physical and non-physical or intangible. If during Project Implementation the Project identifies any potential adverse impacts to cultural heritage, then qualified and experienced external independent experts will be sought to assess the project potential impacts on cultural heritage and propose project alternatives and/or a mitigation plan.

The project is expected to improve gender equality (ESS 8). More than 60 per cent of the population of the project area are indigenous people. The project will be implemented in wider consultations with IPLCs of the area and will follow the FPIC principles while implementing subproject activities.

### **Environmental and Social Impact of Activities**

During the project design phase two potential risks were identified in relation to the activities proposed in the project, these were:

- ? Selection of partner organizations, staff, local resource persons, CBOs, local conservation groups or CFUGs may not be transparent or inclusive
- ? Indigenous peoples and other marginalized groups could be left beyond or neglected in participatory assessment process.

Within the first six months of project commencement, the project will develop a clear set of criteria for the selection of partner organizations, staff, local resource persons, CBOs, local conservation groups and CFUGs. Once approved by the PSC, the PMU will ensure that the relevant selection criteria are made readily available to stakeholders and that the criteria are used in all selection processes. Preference will be given to local community members and indigenous people to work as local resource persons.

At least 50 per cent of the trainees from forest user groups will be from indigenous and marginalized communities.

Within the first year of project commencement, the project will

- ? Update the Environment and Social Analysis and use this to prepare an Environmental and Social Management Plan (ESMP). The ESMP will be developed through robust, effective, and meaningful consultation with all stakeholders and carefully consider risks and mitigating actions for proposed activities.
- ? Update the IPP should after consultations with indigenous people.
- ? If necessary, update the GAP.

Safeguard training will be provided by the Project to the relevant agencies and communities through an environment and social training program to be delivered during the first two years of program implementation. Training will ensure adequate knowledge of national regulations as well as FAO's safeguard requirements in order to make sure safeguards are duly implemented in compliance with the requirements. In addition, specific training will be undertaken at the PMU level including:

- ? FPIC.
- ? Indigenous peoples.
- ? Gender equity and gender analyses.
- ? Stakeholder engagement.
- ? Effective collaborative management.
- ? Grievance redress mechanism.

Of the three components of the project, activities within Component 3 to be implemented in 34 local levels in Province 1 may have some local environmental and social impacts. Activities in Component 1 (mainly policy and capacity related interventions) and Component 2 (relating to Project management, monitoring and evaluation) are unlikely to be local environmental or have social impacts, although some activities e.g., policy-level changes may have some indirect impacts.

On the basis of available baseline information, existing practices and indicative project activities, the most likely environmental and social impacts of the project components and suggested mitigation measures to address negative environmental and social impacts are discussed in this section. This assessment needs to be revised after site specific activities and their scale are finalized and effective and meaningful consultations with the potential project affected people and communities are conducted in the field within one year of project commencement. An ESMP that takes into consideration project activities will need to be developed after implementation sites are identified and consultations with the IPLCs and other stakeholders including people that will potentially be affected by the project area are completed.

The attached thematic report on **Environmental and Social Analysis** of the project summarizes the present status of environmental and social safeguard conditions of the project area, provides an environmental and social assessment of the project and offers measures to address these risks during the project design, including through the Indigenous People's Plan. Some of the potential risks that might prevent the Project objectives from being achieved and suggested mitigation measures are provided in Table 16 of the ESA and presented below.

**Table 9 Summary of potential environmental risks of some of the proposed activities under output 3.2 and suggested mitigation measures.**



Indicative project activities	Potential environmental risks	Suggested mitigation measures
<b>Output 3.2.</b>		
<p>Support CFUG members and farmers in implementing agroforestry, soil conservation, stall feeding, conservation farming, soil moisture retention activities, and water source protection measures.</p> <p>Assist CFUGs and other LFUGs/CBOs in planning and implementing restoration activities including procurement of seedlings.</p>	<p>There may be a risk of procuring genetically modified seeds and seedlings for different agroforestry activities and other livelihood activities.</p> <p>Risk of using non-native species in plantation activities could not be ruled out.</p> <p>Use of pesticides in plantation activities and in the nurseries where seedlings are produced for plantation may cause some environmental risk.</p>	<p>Forest Act 2019 has provisions that restrict plantation of non- native species. Similarly, Cancun REDD+ Safeguards do not support plantation of non-native species. The project will therefore not support for plantation of non-native species. Avoid undermining local seed &amp; planting material production and supply systems.</p> <p>Ensure that the seeds and planting materials are from locally adapted crops and varieties that are accepted by farmers and consumers.</p> <p>Ensure that the seeds and planting materials are free from pests and diseases according to agreed norms, especially the International Plant Protection Convention (IPPC).</p> <p>Internal clearance from NSPGD is required for all procurement of seeds and planting materials. Clearance from NSPCD is required for chemical treatment of seeds and planting materials.</p> <p>Clarify that the seed or planting material can be legally used in the country to which it is being imported.</p> <p>Clarify whether seed saving is permitted under the country's existing laws and/or regulations and advise the counterparts accordingly.</p> <p>Ensure, according to applicable national laws and/or regulations, that farmers' rights to Plant Genetic Resources for Food and Agriculture (PGRFA) and over associated traditional knowledge are respected in the access to PGRFA and the sharing of the benefits accruing from their use.</p>

#### Supporting Documents

Upload available ESS supporting documents.

**Title**

**Module**

**Submitted**

Title	Module	Submitted
Nepal_Environment and Social Analysis_Sept 2021	CEO Endorsement ESS	
Annex J- Indigenous Peoples Plan_FAO Nepal GEF 7	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).

**PART III: ANNEXES**

**Annex A1: Project Results Framework**

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
<b>Component 1: Instruments and capacities for biodiversity-sensitive landscape planning</b>							
Outcome 1: Provincial and local stakeholders have increased capacities for adaptive and collaborative landscape planning and management to support biodiversity conservation, ecosystem restoration and achieving land degradation neutrality	Province No. 1, 34 local levels and 200 CFUGs equipped with data, maps, plans and access to guidance and information for biodiversity conservation, ecosystem restoration and land degradation neutrality.	Province No.1, local levels and CFUGs do not have data, maps and information for biodiversity, conservation, ecosystem restoration and land degradation neutrality	200	200	Province, local level, DFO and CFUG records	Province, Local level and CFUGS follow landscape policy and planning framework as a guiding instrument for biodiversity conservation, ecosystem restoration and sustainable land management	PMU, DFO, CFUG, LFUG/CBO

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Output.1.1 A policy and planning framework for landscape level biodiversity-sensitive land use and forest management implemented by Province One and 34 Local level, including LDN targets for Province One	By the end of 2025: A landscape policy and planning framework developed and implemented by Province One. 34 landscape policy and planning frameworks developed and implemented by local levels covering 357,500 ha	No policy and planning framework is in use at province or local levels	1 provincial planning framework developed and in use. 34 local level planning frameworks developed and in use	1 provincial planning framework in use 34 local level planning frameworks in use	Province progress reports Copies of Province cabinet decisions Copies of local level planning frameworks Project reports on use of provincial and local level planning frameworks	Provincial and local levels willing and able to develop and use a planning framework for landscape level biodiversity-sensitive land use and forest management. Divisional forest office and watershed management offices support local level land use planning framework development	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Output.1.2 Province, forestry/wildlife staff and 34 local levels have capacities, mechanisms and instruments to sustainably coordinate and support biodiversity conservation and SLM	Number of officials (MoITFE, Directorate, Divisions, Sub-divisions, Soil and Watershed Management Office, GESI focal persons) at province level trained in biodiversity conservation and sustainable land management	X	X+40 (20 men and 20 women)	X+80 (40 men and 40 women)	Training records disaggregated data by sector (forestry/wildlife /GESI), gender, and social groups	Provincial officials are willing to undertake training	Province FRTC, PMU
	Number of officials at local level trained in land use planning	Local level officials do not have skills in land use planning	204 (50% women)	408 (50% women)	Training records	Local level officials are willing to undertake training	Province FRTC, PMU
	Number of stakeholder networks established/strengthened and operational at provincial and local level	There is no stakeholder network	35	35	Stakeholder meeting records	Stakeholder networks will facilitate biodiversity conservation and SLM	PMU, stakeholder networks

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Output 1.3: 200 priority CFUGs selected for biodiversity conservation based on rapid local level-level assessments, trained and conducting biodiversity and LD monitoring (PAMEB)	Number of CFUG members trained in monitoring and evaluation (biodiversity conservation and land degradation neutrality)	CFUG members have not been trained in BD or LDN monitoring	400(50% women)	800 (50% women)	Training reports (including data on the no. of CFUG members, trained disaggregated by gender and social group)	Local levels support BD and LDN assessments and monitoring	PMU
Output 1.4 34 Local level landscape maps produced (covering 3,575 km2) of critical ecosystems, biodiversity and LD hotspot? locations produced through participatory processes with at least 500 CFUGs and other LFUGs/CBOs	No. of local level landscape maps produced showing critical ecosystem, biodiversity and land degradation hotspots.	0	34	34	Assessment reports, maps	The local levels will support the production of landscape maps and use them in planning. Divisional forest office and watershed management offices will support the preparation of landscape maps	PMU

[illegible]

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Outcome 2: Local, provincial and national stakeholders have access to information needed for forest management, sustainable land use and biodiversity conservation planning, management and implementation (MoFE, FRTC, Province, Local level, CFUGs access KMIS shared information for adaptive management)	Effective use of KMIS for forest management, sustainable land use and biodiversity conservation planning, management and implementation	Data and information for adaptive management are scattered, and largely unavailable.	Data and information required for adaptive management are available in the KMIS	Data and information required for adaptive management are available in the KMIS and accessed by MoFE, FRTC, Province 1, 34 local levels and 200 CFUGs	Data access and download records of MoFE, Province, local level and CFUGs)	Local to national stakeholders can access KMIS facilities.	PMU



Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Output 2.1. Nepal National Forest Research and Training Centre (FRTC) Forestry Information System (FIS) and Ministry of Forests and Environment (MoFE) Forest Management Information System (FMIS) upgraded and linked to the knowledge and adaptive management support (KMIS) portal where CFUG, local levels, Province, and MoFE can share and access biodiversity and CFM data.	FIS (FRTC) upgraded, FMIS (MoFE) established, linked to KMIS portal and operational.	The FIS and FMIS are not operational.	FIS/FMIS is operational	FIS/FMIS is operational	FRTC/MoFE reports, MoITEF reports	Local levels and provincial line agency offices will regularly update data in the portal and data will be accessible to stakeholders.	PMU, DFO, FRTC

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Output 2.2: Mechanism for the systematic creation and sharing of Provincial KMIS linked to national database, developed, and operational (Corresponds to Core Indicator 11)	A section/unit is established for KMIS and functional at MoITFE	Currently there is no dedicated unit	KMIS section functional	KMIS section functional	KMIS portal	Province will mainstream this section within its organizational structure	PMU
	Provincial KMIS is linked to FIS(FRTC)/FMIS (MoFE)	KMIS does not exist/not operational	KMIS is developed, linked to FIS/FMIS and in use	KMIS in use	Records of FIS/FMIS and KMIS functioning	FRTC/MoFE and MOITFE will invest in FIS/FMIS, KMIS development, operation, and maintenance. FRTC/MoFE, MoITFE (P1) invest in maintenance of the system. FRTC/MoFE expand such system in other provinces	PMU
	Number of stakeholder agencies using KMIS	0	100 CFUGs, 5 DFOs, 17 local levels and MoITFE	200 CFUGs, 5 DFOs, 34 local levels and MoITFE	Record of KMIS operation and use	Local levels and provincial agency will regularly update data in the portal and data will be accessible to stakeholders.	PMU

[illegible]

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Outcome 3 Local stakeholders apply community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods	Number of people benefitting from community-based conservation and local livelihoods interventions.	X	X+ 75,000	X+ 150,000	Project progress reports comprehensive (qualitative) analysis of data disaggregated (quantitative) by gender and social groups	Individual households are willing and able to adopt sustainable NRM practices	PMU
	Number of CFUGs applying community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods	CFUGs do not apply sustainable production, management or restoration practices for biodiversity and local livelihoods	100	200	CFUG record (disaggregated data by marginalized groups, women, dalits, janajati) Project progress report	CFUGs and local communities willing and able to adopt sustainable NRM practices	PMU
Output 3.1 34 Local levels implement land use interventions that strengthen biodiversity conservation and avoid	Number of local levels implementing land use interventions that strengthen biodiversity conservation and avoid interventions that negatively affect biodiversity	Local levels do not have biodiversity sensitive land use plans	25	34	Local level progress reports Project progress reports	Local level willing to invest in biodiversity friendly land use intervention	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
interventions that negatively affect biodiversity (Corresponds to Core Indicators 4.1; 4.4; 6 and 11)	Percentage of project area applying interventions that strengthen biodiversity conservation (out of total area of 3,575 km <sup>2</sup> )	Biodiversity strengthening interventions are not applied in the project area	At least 5% of the project area (14,000 ha. of community forest and 4,000 ha. of government managed forest) is brought under improved management that strengthens biodiversity conservation	At least 11% of the project area (31,000 ha. of community forest (involving an estimated 405 CFUGs) and 10,000 ha. of government managed forest) is brought under improved management that strengthens biodiversity conservation	Community forest operation plan implementation reports	CFUGs are willing to invest in biodiversity friendly land use intervention	PMU, Local level, CFUGs
	Number of people benefitting from community-based conservation and sustainable production	Target population do not benefit from community-based conservation and sustainable production	100,000 (50% women)	150,000 (50% women)	Project progress report (disaggregated data by marginalized groups, women, dalits, and janajati) Monitoring reports		PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Output 3.2 300 CFUGs and other LFUGs/CBOs and 30,000 household implement forest, livestock, agriculture and other livelihoods support practices that strengthen biodiversity conservation and sustainable management of forest landscapes (Corresponds to Core Indicators 4.3; 4.4; 6 and 11)	Number of CFUGs/ LFUGs/CBOs implementing biodiversity friendly NRM based livelihood practices	X	X+150	X+300	Project progress report	CBNRM groups, local levels and province provide support in planning and implementing NR based livelihoods practices and plans. CBNRM groups, Local level and province support planning and implementing NR based livelihoods practices	CFUGs, Local level, PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
	Percentage of project area implementing forest, livestock, agriculture and other livelihoods practices that strengthen biodiversity conservation and sustainable management of forest landscapes (total area-3,575 km2)	0	At least 5% of the project area (20,000 ha. farmland) is brought under sustainable land management systems through agriculture, livestock and forest-based livelihoods practices	At least 5% of the project area (20,000 ha. farmland) is brought under sustainable land management systems through agriculture, livestock and forest-based livelihoods practices	Land use plan implementation reports	Local level will invest in biodiversity friendly land use intervention and communities will adopt sustainable land management options	PMU, Local level
	Number of households benefiting from biodiversity friendly NRM based livelihood practices	X	X+15,000	X+30,000	Project progress reports (disaggregated by marginalized groups, women, dalits, and janajati) CFUG/LFUG reports, records	Target households will have access to resources (such as land, technology, finance) to implement livelihood practices	CFUGs, Local level, PMU
	Area of degraded ecosystem restored	X	20% of degraded ecosystems restored	50% of degraded ecosystems restored	DFO, CFUG records, project progress report	Local communities and CFUGs value ecosystem restoration	PMU, DFO, CFUG

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
Output 3.3: At least ten (10) community-based anti-poaching and fire control networks established to protect ecosystem services and conserve globally threatened species such as the Red Panda and highly exploited floral species	Number of community based anti-poaching (CBAP) networks established, strengthened and operational	X	X+5	X+5	CBAP records, Project progress reports	Communities are motivated to take the lead in CBAP operation	PMU CBAP networks
	Number of community-based firefighting (CBFF) networks established, strengthened and operational	X	X+5	X+5	CBFF records Project progress reports DFO records	Communities are motivated to take the lead in CBFF operation	PMU CBFF networks
	Number of forest fire incidences and area affected by forest fires	Cases of forest fires in the project area	50 per cent reduction in forest fire incidences	75 per cent reduction in forest fire incidences	CBFF records Project progress reports DFO records		PMU CBFF networks
	Percent and number of threatened fauna species and exploited flora species illegally killed and or collected	Anecdotal reports of illegal killing of Red Panda and other target species and collection of threatened flora (species to be agreed through management planning processes)	50% reduction in number of target species killed illegally/collected	80% reduction in number of target species killed illegally/collected	DFO and CFUG records in no. of cases reported, Project progress report	Local communities and CFUGs are motivated to engage in anti-poaching initiatives	PMU, DFO, CFUG



Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
	Area of forest containing targeted exploited fauna and flora species under effective control by anti-poaching units	0 ha currently under anti-poaching controls	50% of total area of targeted forests have effective anti-poaching	100% of total area of targeted forests have effective anti-poaching	DFO, CFUG records, project progress report	Local communities and CFUGs values ecosystem restoration	PMU, DFO, CFUGs
	Number of sightings of illegal actors or activities	Anecdotal reports of illegal killing of Red Panda and other target species of flora and fauna	50% reduction in sightings of illegal actors reported to CFUGs	80% reduction in sightings of illegal actors reported to CFUG	DFO, CFUG records, project progress report	Local communities and CFUGs values ecosystem restoration	PMU, DFO, CFUGs
Output 3.4: Ten (10) pro-poor biodiversity enhancing livelihood opportunities identified and developed through value chain assessments, establishment of value chain coordination networks, and	Number of pro-poor biodiversity enhancing livelihood opportunities for forest and farm producer organizations (FFPOs) developed and operational	Biodiversity enhancing livelihood opportunities for FFPOs are not available	5	10	Value chain reports	Local levels provide additional support for value chain development	PMU
	Number of inclusive value chain coordination networks established and operational	Value chain coordination networks are not formed	Value chain coordination networks for 5 value chain products operating	Value chain coordination networks for 10 value chain products operating	Meeting records (disaggregated by gender, sectors/themes, social group)	Communities and private sector are willing to work together. Local levels will support network development	PMU

Results chain	Indicators	Baseline	Mid-term target	Final target	Means of verification	Assumptions	Responsible for data collection
strengthening of key business services (e.g., traders, collection centres, processors, technicians, input suppliers) (Corresponds to Core Indicator 11)	Number of business services strengthened	0	5	10	Project progress reports	Local levels provide regular support for business services	PMU
Output 3.5: 100 FUGs linked to markets and business services and sustainably increase incomes from	Number of CFUGs/LFUGs benefitting from market linkages and business services	0	50	100	CFUG/LFUG progress report, business development report	CFUG/LFUG members including marginalized groups are interested in value and service chains	PMU, CFUG/LFUG
engagement in value and service chains (e.g., NTFP, eco-tourism) with extra support for poor producers (Correspond to Core Indicator 11)	Number of people benefitting from sustainable value chains	X	X+ 500 (50% women)	X+1000 (50% women)	CFUG/LFUG progress reports, employment, and income statements with disaggregated data on gender and social group	CFUGs provide regular support to their members in product and service value chains with preference given to marginalized groups - women, dalits, janajati	PMU, CFUG/LFUG

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[1] Note: in several places in the results framework the mid-term and final targets are the same. The reason for this is that such activities are undertaken in the first half of the project duration. These activities are generally pre-requisites for other project activities. The final targets are listed to enable the end of project review to understand what should be in place at close of project.

[2] (MoITFE-3, Forest Directorate-2 and Soil and Watershed Management Office-2), 5 each from Divisions; Gender Focal person (8)- total 40

[3] (400) (2 from each CFUG)

[4] (800) (including follow up training)

[5] (CFUG-200, Local level -2\*34, MoITFE-2, Province-2)=272

[6] =272\*2

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

### **Annex B: Response to Project Reviews (page 104 onwards in project document)**

<b>GEFSec and STAP comments</b>	<b>PPG action</b>
Please ensure to include a more complete assessment of associated baseline projects includes ongoing and previous organizations, and projects, including WWF Nepal's in the project geographies as this will be critical in assuring the GEF increment, need for this investment and robust coordination of activities on the ground.	A baseline was undertaken, as far as COVID-19 restrictions allowed, during full project preparation and relevant details on projects and programs added.

GEFSec and STAP comments	PPG action
<p>?. please include ? a strong TOC clearly articulating linkages between livelihood/enterprise activities in BD outcomes.</p>	<p>The ToC was completely revised in the full project preparation phase and the alternative scenario clarified. The ToC was revised in the full project preparation phase and the alternative scenario clarified.</p> <p>Both biodiversity and livelihoods are impacted by a number of threats in Nepal including poor management of ecosystems, production systems and infrastructure. The project is designed to simultaneously address both biodiversity and livelihoods in Province 1 of Nepal. It does this in two main ways ? by direct intervention in developing value chains and providing training, knowledge sharing and networking opportunities, and indirectly by boosting ecosystem provisioning services through ecosystem restoration and enhancing sustainable management, thereby improving opportunities for livelihoods. Output 3 focuses on livelihood development, with Output 3.4 identifying at least 10 opportunities through consultation and value chain assessment and strengthening, and Output 3.5 linking at least 100 forest user groups to markets and business services, with the aim of increasing incomes from existing value chains; while Outputs 1 and 2 focus on collaboratively improving management practices and planning and restoration of degraded ecosystems, which will support rural livelihoods and contribute to resilience.</p> <p>The rural population of Province 1 largely rely on semi-subsistence agriculture, with limited access to finance, markets and information, and limited knowledge of value addition through processing e.g. of forest products and of livelihood and biodiversity benefit of sustainable management. There is also weak capacity to address emerging issues and to participate meaningfully in forest use and management decisions, particularly among the large sectors of the population that are marginalized such as women and Dalits. The project will act to address these barriers by providing business development training/coaching particularly for women and marginalized groups on market negotiation and production technologies, local knowledge exchange and developing linkages with sustainable markets and business services, promoting pro-poor biodiversity-enhancing livelihood opportunities. The project will build</p>

GEFSec and STAP comments	PPG action
<p>Please clearly articulate the GEBs for BD and LD that are expected via this investment.</p>	<p>Details have been provided in the GEB section of the project document. This project is expected to contribute to multiple global environmental benefits as well as socioeconomic benefits. Biodiversity mainstreaming will be improved in Province One and 34 local levels through landscape level approaches. 31,000 ha. of community forest and 10,000 ha. of government managed forest will be under improved management for biodiversity conservation and 25,000 hectares of degraded forest land restored.</p> <p>By supporting sustainable management and restoration of ecosystems, it is anticipated that the proposed project will generate global environmental benefits in the areas of biodiversity conservation and land restoration, with climate change mitigation as a co-benefit. Details are provided in the project document section on global environmental benefits</p>

GEFSec and STAP comments	PPG action
<p>Please share how sustainability of capacity building impacts will be addressed under the project</p>	<p>Capacity developed by the project will be sustained, and potentially expanded, through four mechanisms. The first mechanism is via the anticipated continued improvements to provincial and district level government agency arrangements as the Province One develops its policies, procedures, structures and staffing, particularly within the MoITFE. The second mechanism is via the numerous NGO and CSO partners of the project that have an ongoing commitment to improving biodiversity conservation and livelihoods in the Province. These NGOs and CSOs already have considerable experience with developing capacity and the guidelines and systems developed by the project will further enhance the ability of NGOs and CSOs to provide training and share knowledge. The third, and emerging, mechanism, is via private sector actors who are interested in supporting the development of sustainable forestry and agriculture. It is anticipated that some private sector actors will adopt and further develop capacity approaches related to sustainable markets. The fourth and critically important mechanism is through community forestry networks and organisations such as FECOFUN that have a common interest in ensuring CFUGs have the capacity to both manage and benefit from community forests.</p>
<p>Please include a description of stakeholder engagement in this project concept to date-what has happened up to this point in term of stakeholder engagement? (or provide explanatory justification). Please include information about proposed means of future stakeholder engagement (how?).</p>	<p>The full engagement of stakeholders during project development was hampered by strict COVID-19 restrictions. Nevertheless, consultations were undertaken, and the design amended to include further consultation and as required revision of the Stakeholder engagement strategy in year one of the project. Likewise, the project proposal recommends further clarification of the baseline once COVID-19 restrictions ease.</p>

GEFSec and STAP comments	PPG action
<p>Given the changing demographic and the importance of gender issues described early in the PIF, to what extent will assessment be necessary to understand and integrate gender issues into project design during the PPG phase? How does the project intend to address this? What safeguards (or mitigation measures) will be put in place to address the issue of in equal distribution of burden and participation of women in projects/CFUGs etc. given women do much of the work associated with the home, children and in some cases farming and enterprise? Please ensure that during the PPG phase these targets are ground-truthed, adjusted as needed and explained</p>	<p>The PPG included a gender assessment as far as was permitted under COVID-19 travel restrictions. Gender targets were fully revised, and the issue of possible inequitable costs and benefits to women has been incorporated under the risk section.</p>
<p>During the PPG, please ensure that the identification and design of any enterprise activities are based on a strong theory of change linking back to conservation outcomes and impacts. ?</p>	<p>During the PPG, identification and design of enterprise activities was based on a strong theory of change linking back to conservation outcomes and impacts. The project design draws on lessons learned from decades of failures and few successes regarding positive conservation outcomes from enterprise development in Nepal and elsewhere.</p>
<p>Please clarify exactly what is meant/intended by FAO will support the execution of the project.</p>	<p>FAO will not undertake direct execution functions on behalf of the government. As GEF Implementing Agency, FAO holds overall accountability and responsibility to the GEF for delivery of the results. It will conduct quality assurance, due diligence and oversight functions in line with the project document and work plan.</p>
<p>It is possible that additional indicators will be identified during the project design. Indicators for land degradation, however, appear absent.</p>	<p>Indicators were added to the results framework</p>
<p>?the baseline section lists how a number of initiatives can link to this project. It would be valuable to describe the projects' lessons, or the experience to date, and how they will inform the project design.</p>	<p>Project descriptions were added.</p>
<p>STAP recommends developing a theory of change, describing the sequence of events that will lead to the desired outcome, and identifying the assumptions required to reach the project objective. STAP recommends that internal and external factors that may impact the project deliverables are considered during the preparation of the theory of change, and that barriers identified in the project document are included in the 'current situation' to enable identifying key stakeholders and activities that can assist in overcoming these barriers.</p>	<p>A revised ToC was developed, and the barriers were considered</p>
<p>Knowledge management, monitoring, and adaptive management appears to focus principally on monitoring biodiversity conservation. STAP suggests strengthening the sub-section on land use monitoring. Suggestions are provided below on how LDN framework could be used to monitor land use planning.</p>	<p>Nepal's land degradation neutrality (LDN) targets were reviewed and the elements of LDN were incorporated into relevant sections of the ProDoc.</p>

GEFSec and STAP comments	PPG action
<p>STAP recommends for the project developers to describe the land use planning framework to support the delivery of biodiversity benefits. In this regard, the project developers may wish to consider UNCCD's land degradation neutrality (LDN) framework, which emphasizes integrated land use planning. STAP's LDN guidelines can be used to design interventions that result in forest rehabilitation, or restoration, biodiversity conservation, and the generation of ecosystem services:  <a href="http://www.stagef.org/guidelines-land-degradation-neutrality">http://www.stagef.org/guidelines-land-degradation-neutrality</a></p>	<p>Biodiversity friendly land use policy and planning framework for the province and local levels is at the core of Component One. Nepal's land degradation neutrality (LDN) target setting has identified targets such as maintaining forest cover and halting the conversion of forest to other land cover classes.</p>
<p>STAP recommends describing the methodologies for measuring the [global environmental benefits] indicators associated with each global environmental benefit.</p>	<p>Quantitative targets were incorporated to measure the project's contribution to global environmental benefits through:</p> <ul style="list-style-type: none"> <li>a) Mainstreaming biodiversity conservation priorities within the management of forests, farms and other natural resources</li> <li>b) Addressing land degradation through sustainable land management</li> </ul> <p>The project's results framework has been improved accordingly</p>
<p>[global environmental benefits] indicators and methods for land degradation benefits need to be identified. The LDN indicators on soil carbon, land use, or land productivity could be used as land degradation indicators. STAP strongly recommends the team to adopt the International Principles &amp; Standards for the Practice of Ecological Restoration. The SER guidelines have been published in September 2019 and contain also A Companion to the Short-Term Action Plan on Ecosystem Restoration that could be useful to guide the work of component 1 and 3?. For components 3.3 and 3.4 the team may consider developing alternative livelihoods through development of payment for ecosystem services schemes. ?. This suggestions arises from the description of the current situation around the changes in demographics and the use of the land as consequence.</p>	<p>LDN indicator on land use change and forest cover was taken into account. However, LDN indicator on soil carbon was not incorporated due to the nature of project activities. NTFP based value chain and eco-tourism was identified and incorporated into component 3. Piloting the PES in biodiversity conservation could be considered during project implementation</p>
<p>The project does not describe activities to increase the project's resilience. Below, STAP recommends identifying climate risks and stressors, and designing the project with these elements in mind.</p>	<p>The project includes activities designed to improve resilience as provided in the Annex S- Climate Risk Analysis.</p>
<p>STAP suggests undertaking a climate risk analysis, or an assessment of resilience to identify the change that will be required to achieve the project's objective. One source for assessing for resilience is RAPTA 2:  <a href="https://research.csiro.au/eap/rapta/">https://research.csiro.au/eap/rapta/</a></p>	<p>Key elements of the Climate Risk Analysis (Annex S) were considered and incorporated in the project design</p>
<p>Please provide the geocoordinates for the project, and different land use types in the project area.</p>	<p>Geo coordinates provided</p>



GEFSec and STAP comments	PPG action
<p>STAP recommends defining the stakeholders' roles in relation to achieving the outcomes, and the project objective. STAP strongly encourages the team to 'map the landscape of current knowledge and information in the country' by stakeholders such as centres of research, academia, NGOs. This could reduce the expenditure of information gathering, training of local communities and the establishment of the KMIS. Universities and centres like ICIMOD have infrastructure that could be used to the best to ensure sustainability of the outcomes related to information and knowledge management and transfer.</p>	<p>Stakeholders' roles were clarified. The PPG identified relevant knowledge holders and these have been included in the project as partners where feasible. The KMIS work is linked to PAMEB which has already been tested in Nepal.</p>
<p>during the project design, careful attention should be paid to whether the participation of a stakeholder group has been hindered as a result of gender considerations.</p>	<p>A gender expert was included in the PPG team and a gender analysis undertaken and is included in the ProDoc</p>
<p>STAP recommends considering the questions below on climate risks during the project design. The project document makes emphasis on the "observed effects of climate change on natural systems in Nepal, these effects result from increased frequency, duration and intensity of floods and extreme rainfall events, increased frequency, duration and intensity of droughts and drying out of water sources, more favourable conditions for invasive species". Hence all planning and interventions related to mainstreaming biodiversity should consider climatic projections. In addition, STAP recommends the project developers to include climate projection data for the target area in the project description. STAP also encourages performing a climate risk assessment, annexing the results of this assessment to the project, and developing the project based on this risk assessment. In this regard, STAP recommends for the project developers to consider: 1) the period of time the intervention is expected to contribute to global environmental benefits, and how the activities may be affected by climate change; 2) how each intervention will be impacted by climate variability, or weather-related disasters (e.g. droughts); and, 3) how might climate, and non-climate stressors (e.g. outmigration), interact to exacerbate climate risks? The project developers may wish to refer to U.S. AID's Climate Risk and Management tool: STAP also recommends that consideration be given to an assessment of current policies of the country around climate change as this can act as barrier for implementation?.</p>	<p>As mentioned, a Climate Risk Analysis was conducted, and the project design took into consideration the climate related risks and projections in the project area and how the proposed activities will contribute to reducing vulnerabilities of the local communities and ecosystems to increasing extreme weather events</p>
<p>STAP recommends describing the learning and experience from on-going, or previous projects, and how this information will be used to design the project. STAP recommends an exhaustive exercise of mapping and collating existing data and information relevant to the area of intervention of this project is undertaken to avoid duplication of data and information.</p>	<p>Details were added on past and current projects and programs. Relevant information was added to the ProDoc.</p>
<p>STAP encourages the project proponents to consider metrics for knowledge management, and developing a theory of change to facilitate adaptive management - that is, confirming, and-or revising, the theory of change based on learning and knowledge.</p>	<p>ToC was developed with adaptation in mind</p>

GEFSec and STAP comments	PPG action
The project should save funding in component 1 by building upon the extensive work that ICIMOD and other centres of research, including universities, have undertaken in Nepal over the years.	The knowledge of key stakeholders was incorporated into the project design.

Comments by council members	
Comment from United States	Agency Response and action taken
Given the significant number of similar existing projects in the region (including a diversity of projects supported by USAID), it will be very important for the donors and implementers to coordinate and deconflict with other implementors. We additionally recommend that this project include several additional biodiversity elements, including a research and monitoring component that would provide baselines, inform biodiversity-specific interventions, and be used against improvements measurements; the systematic collection of human-wildlife conflict data which is important for mitigation and long-term conservation planning, and finally a water resources/aquatic biodiversity conservation component, which would complete a robust biodiversity perspective.	This project will coordinate with number of relevant ongoing projects to build synergy, learn important lessons and minimize duplication. Section 6b (page 71) of the ProDoc has detail information on it.  Integration of biodiversity conservation in the land use plan of local Governments and community forest operational plan and participatory biodiversity monitoring is the primary focus of this project Please refer annex A1-Project Results Framework (Page 83) for further information. This project will also work with local communities in anti-poaching and will collect valuable data that can be applied in human wildlife conflict management. The project focuses terrestrial biodiversity.
Comments from United Kingdom	
Comment	Response
1) The Province 1 ? east and far eastern part of Nepal has innumerable community forestry programmes in the past -key ones include: Koshi Hill Programme and Livelihoods Forestry Programme (LFP) funded by UK, Nepal Swiss Community Forestry Project funded by SDC, Australian Forestry Programme, and many more. What will be an added value of this programme?	Previous projects have contributed significantly to strengthening the community forest management programme of the Government of Nepal. However, earlier projects were often focused on forest restoration, forest management and livelihoods as well as community forest governance, but less clearly focused on the biodiversity conservation role of community forests and user groups, as evidenced by the lack of biodiversity outcomes in community forest plans. This project builds on lessons learned from these earlier projects by seeking to improve opportunities for biodiversity conservation and livelihoods through community forest management. It will consolidate the participatory approach to empower local communities to undertake biodiversity friendly planning, management and enterprise development with a special emphasis on engaging women, indigenous people and marginalized groups. The project will improve the flow of ecosystem services for community benefit and enhance the resilience of forests and people by reducing risks associated with forests and plantations that currently have low levels of biodiversity (e.g., susceptibility of low biodiversity forests to fire and disease)

2) Mitigation objective is promising; restoration objective must be based on good science-based analysis.	Nepal has successfully showcased community based approach to forest and landscape restoration. Studies have documented and analyzed land use change in western hills of Nepal. (Paudyal, K., Baral, H., Putzel, L., Bhandari, S. and Keenan, R.J. (2017a). Change in land use and ecosystem services delivery from community-based forest landscape restoration in the Phewa Lake watershed, Nepal. International Forestry Review, 19(4), pp.88?101). Project will support community based forest landscape restoration initiatives and is elaborated in the ProDoc in general and the Project results framework in particular (annex 1)
3) Needs to be more specific on livelihoods results ? target population/beneficiaries? types of livelihoods options?	Component 3 of the project deals with conservation based livelihood outcomes. Livelihoods are primarily based on biodiversity conservation, forest and farm products. 30,000 households (150,000 population, 50% female) will benefit from livelihood intervention
4) Private sector engagement and investment - is this envisioned in the programme?	Private sector engagement is well recognized in the ProDoc. Part II, section 4 of the ProDoc explains the role of private sector mainly in value chain development
5) What are (types of) investments that are ongoing now?	There are number of public sector investments in forestry, watershed restoration, agriculture and value chain. Private sector also has strong presence in agriculture and forest product value chain. The project will build on these investment.
6) Ministry of Forests and Environment is revising ecosystem classifications and ecosystem regime with the support of DFID and other development partners ? will this revised system have any impact on the deliverables and results of this programme?	At the time of writing the ProDoc, work on forest and ecosystem classification updating has just started. There is ample opportunity to forge collaboration between the project and ecosystem classification at the later stage of project implementation.
7) A number of projects are now in operation in Nepal that aim to mainstream land use planning and climate resilience into local governments? planning process and plan, it may be useful to check programmes such as DFID funded programme ? Nepal Climate Change Support Programme (NCCSP), ASHA, EPI to name a few.	This project will coordinate with number of relevant ongoing projects to build synergy, learn important lessons and minimize duplication. Section 6b (page 71) of the ProDoc has detail information on it.

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

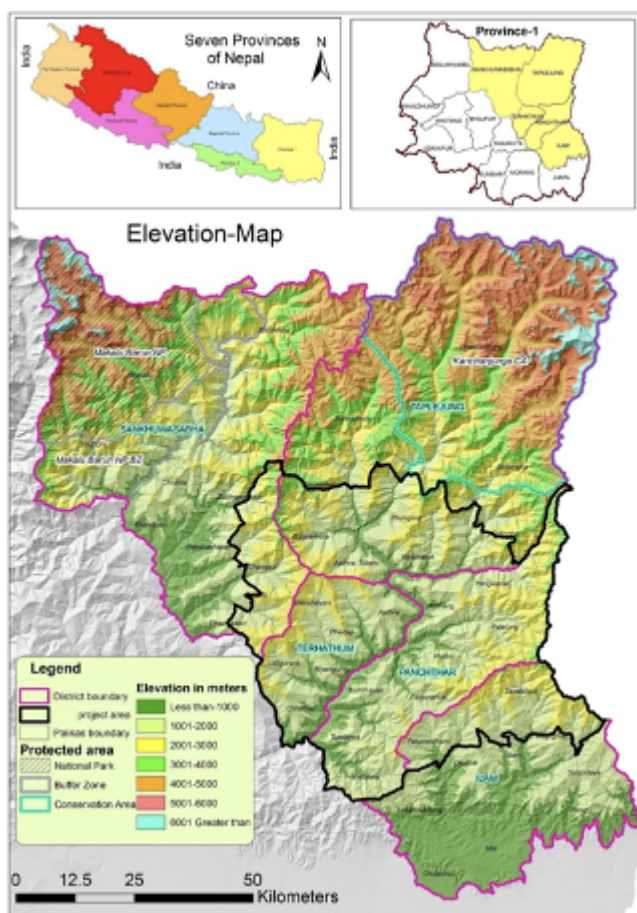
**Annex C: Status of Utilization of Project Preparation Grant (PPG) as of 13 October 2021**

PPG Grant Approved at PIF: <b>150,000</b>			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent to date</i> <b>(13 October 2021)</b>	

Consultants	90 125	93770	
Contract	45310	45231	
Travel	4000	2083	
Training	4100	3188	
Expendable procurement	2500	1971	
General Operating Expenses	3965	3757	
<b>Total</b>	150,000	150,000	?

#### ANNEX D: Project Map(s) and Coordinates

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



## ANNEX E: Project Budget Table

Please attach a project budget table.

Cost Categories/Activities	Component 1	Component 2	Component 3	M&E	PM C BD	PM C LD	Operational Partner	Other Subcontract entities	FAO TA Support	Total GEF
<b>5013 Consultants</b>										
<b>5543 National Consultants</b>										-
Land use Planning Expert (with RS & GIS expertise)	6,750	6,750	6,750				20,250			20,250
GESI and Safeguards Expert	6,750	6,750	6,750				20,250			20,250
PAMEB Expert	2,700	2,700	2,700				8,100			8,100

Community Forest Management and Agroforestry Expert	6,750	6,750	6,750				20,250			20,250
Forest and Farm product Value Chain Expert	6,750	6,750	6,750				20,250			20,250
Finance Assistant					11,000	11,000	22,000			22,000
Knowledge Management and Communication Expert	6,000	6,600	9,000				21,600			21,600
Biodiversity Expert	8,333	11,930	6,834	5,874	22,029	11,000	66,000			66,000
M&E and Operation Expert	7,713	-1,837	5,129	19,000	19,395	10,000	59,400			59,400
Land use Planning Support Officer (5*40)	72,333	70,333	72,334	5,000			220,000			220,000
Forest and Biodiversity Support Officer (5*40)	72,333	70,333	72,334	5,000			220,000			220,000
Enterprise and Livelihood Support Officer (2*40)	20,000	20,000	43,000	5,000			88,000			88,000
<b>Sub-total national Consultants</b>	<b>216,412</b>	<b>207,059</b>	<b>238,331</b>	<b>39,874</b>	<b>52,424</b>	<b>32,000</b>	<b>786,100</b>	<b>-</b>	<b>-</b>	<b>786,100</b>
<b>5013 Sub-total consultants</b>	<b>216,412</b>	<b>207,059</b>	<b>238,331</b>	<b>39,874</b>	<b>52,424</b>	<b>32,000</b>	<b>786,100</b>	<b>-</b>	<b>-</b>	<b>786,100</b>
<b>5650 Contracts</b>										-
Midterm review (FAO)				35,000					35,000	35,000

[illegible]

Inception workshops at province and local level				15,000			15,000			15,000
National inception workshop				5,000			5,000			5,000
Provincial Steering Committee meetings (2 per year)				8,000			8,000			8,000
Technical committee meetings (2 per year)	8,666	8,666	8,668	6,000			32,000			32,000
Participation in National/Regional/Global Knowledge Events		30,000					30,000			30,000
Training of partner organizations and government agencies in the planning approaches	12,000						12,000			12,000
Workshop/Review on provincial and local policy and planning frameworks for biodiversity and sustainable land management	6,000						6,000			6,000
Local level planning/Review on SLM, LDN and BD	54,400						54,400			54,400
Train local level, DFO staff, local conservation groups and forest users in SLM, LDN and BD conservation and monitoring	50,000						50,000			50,000
Multi-stakeholder coordination/Review meeting at MoITFE (province level)	1,667	8,667	1,666	20,000			32,000			32,000
Train CFUGs and local levels in PAMEB	80,000						80,000			80,000



Disseminate PAMEB related information	5,000						5,000			<b>5,000</b>
Conduct field-testing and piloting of PAMEB	20,000						20,000			<b>20,000</b>
Disseminate maps and relevant information	2,000						2,000			<b>2,000</b>
Stakeholder consultation meetings on biodiversity conservaiton, forest, LDN and sustainable land management	10,000	10,000	10,000				30,000			<b>30,000</b>
Develop/adapt tools (e.g. decision trees), resources and communication materials to facilitate gender and biodiversity-sensitive local level land use planning process	20,000						20,000			<b>20,000</b>
Train government officials, FECOFUN, BCN, Local levels and CFUGs on KMIS and FMIS		56,000					56,000			<b>56,000</b>
Learning exchange visits between and among local levels			40,000				40,000			<b>40,000</b>
Organize tailor-made thematic training to raise awareness, educate and enhance the role of women, marginalized and vulnerable groups in benefit sharing (an initiative of the government and the project)	50,000						50,000			<b>50,000</b>

Develop GESI training manual	10,000						10,000			<b>10,000</b>
Training of Trainers (ToT) for entrepreneurs and local resource persons			10,000				10,000			<b>10,000</b>
Train women and marginal groups on market negotiation, and production technologies			10,000				10,000			<b>10,000</b>
Business development training to CFUGs and individual producers			10,000				10,000			<b>10,000</b>
Update Baseline of the project				10,000			10,000			<b>10,000</b>
Develop CFUG/LFUG level data base and prepare GESI profile and GESI status reports	40,000						40,000			<b>40,000</b>
Landscape policy and land use planning contribution to LDN and biodiversity conservation	5,000						5,000			<b>5,000</b>
Develop tools for integrating landscape and biodiversity-and LDN-related information in land use mapping and planning	10,000						10,000			<b>10,000</b>
Support local levels to integrate biodiversity and LDN in 34 land use plans	17,000						17,000			<b>17,000</b>

Production of landscape and land use maps by identifying critical ecosystems and biodiversity hotspots, threats to biodiversity posed by unplanned infrastructure, translate the maps and information package into Nepali language	30,000						30,000			30,000
Support MoITFE and local levels in preparing 34 landscape policy and land use plans (local level)	250,000						250,000			250,000
Institutional capacity assessment of one (1) provincial and 34 local levels on SLM, LDN and BD conservation and mangement	11,666	11,667	11,667				35,000			35,000
Strengthen 34 local level's IT capacity and infrastructure		68,000					68,000			68,000
Develop capacity of 10 community based anti-poaching and forest fire control networks			70,000				70,000			70,000
Final results and Learning sharing workshop (Federal and provincial level)				8,000			8,000			8,000
<b>5023 Sub-total training</b>	<b>693,399</b>	<b>193,000</b>	<b>172,001</b>	<b>72,000</b>	<b>-</b>	<b>-</b>	<b>1,130,400</b>	<b>-</b>	<b>-</b>	<b>1,130,400</b>
<b>5024 Expendable procurement</b>										-
Material support for tree/NTFP/MAP nurseries			50,000				50,000			50,000

Materials, tools, small equipment support for land mangement and biodiversity consevation		50,000					50,000			<b>50,000</b>
Equipment for biodiversity mapping/monitoring		12,000					12,000			<b>12,000</b>
Materials, tools, small equipment support for landscape restoration (anti poaching and forest fire control)			30,000				30,000			<b>30,000</b>
Materials, tools, small equipment support for sustainable forest management			25,000				25,000			<b>25,000</b>
Materials, tools, small equipment support for farm interventions			70,000				70,000			<b>70,000</b>
Material, tools and small equipment for value chain and market development			89,000				89,000			<b>89,000</b>
Support CFUG members and farmers (30000 households 400 groups) in implementing sustainable land management measures			250,000				250,000			<b>250,000</b>
Assist DFOs, CFUGs and other LFUGs/CBOs in planning and implementing 5 restoration activities including production/procurement of seedlings			400,840				400,840			<b>400,840</b>
CFUG, LFUG operation plan revision support through local resource persons (LRP)	40,000						40,000			<b>40,000</b>

Promote community-based enterprises based on forest products/NTFPs (10 enterprise developments, 5 networking support)			129,550				129,550			129,550
Support 200 CFUGs in preparation and implementation of Livelihood Improvement Plans (LIP) for the poor		55,000	311,800				366,800			366,800
Communications and visibility materials production and dissemination (audio visual, leaflet, brochures)	10,000	10,000	10,000				30,000			30,000
Translation of various documents (awareness materials, manuals, reports etc)	6,000	6,000	6,000				18,000			18,000
<b>5024 Sub-total expendable procurement</b>	<b>56,000</b>	<b>133,000</b>	<b>1,372,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,561,190</b>	<b>-</b>	<b>-</b>	<b>1,561,190</b>
<b>6100 Non-expendable procurement</b>										-
Cameras, multimedia and other equipment					3,200	1,800	5,000			5,000
Computers, Laptops and Peripherals for project staff					17,920	10,080	28,000			28,000
Furniture, Fixtures and Office Equipment					6,400	3,600	10,000			10,000

Vehicles (4-WD car-1*, motorbikes-10)	33,333	33,333	23,334		5,000	5,000	100,000			100,000
<b>6100 Sub-total non-expendable procurement</b>	<b>33,333</b>	<b>33,333</b>	<b>23,334</b>	<b>-</b>	<b>32,520</b>	<b>20,480</b>	<b>143,000</b>	<b>-</b>	<b>-</b>	<b>143,000</b>
<b>5028 GOE budget</b>										-
Project Webpage			4,480				4,480			4,480
Office utilities					10,240	5,760	16,000			16,000
Other office operational expenses					6,400	3,600	10,000			10,000
<b>6300 Sub-total GOE budget</b>	<b>-</b>	<b>-</b>	<b>4,480</b>	<b>-</b>	<b>16,640</b>	<b>9,360</b>	<b>30,480</b>	<b>-</b>	<b>-</b>	<b>30,480</b>
<b>TOTAL</b>	<b>1,128,311</b>	<b>705,559</b>	<b>1,955,182</b>	<b>199,424</b>	<b>125,584</b>	<b>73,840</b>	<b>3,797,170</b>	<b>273,180</b>	<b>117,550</b>	<b>4,187,900</b>

#### 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).