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

Part I: Project Information

GEF ID

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
- ☐ CBIT
- ☐ NGI

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 Forests and Environment (MoFE)

Executing Partner Type
Government

GEF Focal Area

Multi Focal Area

Taxonomy

Focal Areas, Biodiversity, Species, Threatened Species, Protected Areas and Landscapes, Community Based Natural Resource Mngt, Biomes, Temperate Forests, Influencing models, Strengthen institutional capacity and decision-making, Demonstrate innovative approache, Stakeholders, Civil Society, Community Based Organization, Type of Engagement, Consultation, Partnership, Participation, Private Sector, SMEs, Individuals/Entrepreneurs, Gender Equality, Gender Mainstreaming, Beneficiaries, Capacity, Knowledge and Research, Capacity Development, Learning, Adaptive management

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 0

Climate Change Adaptation

Climate Change Adaptation 0

Duration

48 In Months

Agency Fee($)

397,850

Submission Date

10/11/2019

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount($)	Co-Fin Amount($)
BD-1-1	GET	944,792	6,429,600
BD-1-5	GET	1,715,363	11,670,750
LD-1-3	GET	1,527,745	10,399,650
	Total Project Cost ($)	**4,187,900**	**28,500,000**

B. Indicative Project description summary

Project Objective

To deliver multiple biodiversity and sustainable livelihood benefits through adaptive, collaborative management and restoration in the Middle hill landscapes of Province One, Nepal.

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
1: Instruments and capacities for biodiversity-sensitive landscape planning	Technical Assistance	**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 1, 34 Municipalities and at least 200 CFUGs equipped with data, maps, plans and access to guidance and information for biodiversity conservation)	**Output 1.1.:** A policy and planning framework for biodiversity-sensitive land use and forest management owned by Province One and 34 Municipalities. **Output 1.2:** Province, forestry/wildlife staff and 34 municipalities have capacities, mechanisms and instruments to sustainably coordinate and support biodiversity conservation (i.e. via land use planning and community forestry). **Output 1.3:** 200 priority CFUGs selected for biodiversity conservation based on rapid municipality-level assessments, trained and conducting biodiversity monitoring (PAMEB) **Output 1.4:** 34 Municipality landscape maps (covering 7,600 km2) of critical ecosystems and biodiversity hotspots locations produced through participatory processes with at least 1000 CFUGs and other CBOs **Output 1.5**: Development and land use plans (LUP) of 34 municipalities (7,600 km2,	GET	1,595,114	11,670,750

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
2: Knowledge management, monitoring and adaptive management	Technical Assistance	**Outcome 2**: Local to national stakeholders have access to information needed for forest management, sustainable land use and biodiversity conservation planning, management and implementation (MoFE, FRTC, Province, Municipalities, CFUGs access KMIS shared information for adaptive management)	**Output 2.1**: Nepal National Forest research and training centre (FRTC) Forestry Information System (FIS) upgraded and linked to the knowledge and adaptive management support (KMIS) portal where CFUG, municipality, Province, and MoFE can share and access biodiversity and CFM data. **Output 2.2**: Mechanism for the systematic creation and sharing of KMIS linked to national and international databases, developed, tested and operational **Output 2.3**: 200 CFUGs, 34 Municipalities, Province and MoFE trained, coached and monitored in KMIS operation and use	GET	972,714	6,429,600

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
3: Implementation of community-based conservation and sustainable production, management and restoration practices	Technical Assistance	**Outcome 3**: Local stakeholders apply community-based conservation and sustainable production, management and restoration practices for biodiversity and local livelihoods. (34 municipalities, 200 CFUGs and 30,000hh benefit from enhanced biodiversity through implemented LUPs and BD-oriented SFM, and enhanced livelihoods)	**Output 3.1**: 34 Municipalities (7,600 km2) implement land use interventions that strengthen biodiversity conservation and avoid interventions that negatively affect biodiversity **Output 3.2**: 300 CFUGs and other CBOs and 30,000 hh implement forest, livestock, agriculture and other livelihoods practices that strengthen biodiversity conservation and sustainable management of forest landscapes **Output 3.3**: At least ten (10) community-based anti-poaching and fire control networks established to protect ecosystem services and conserve flagship species. **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	GET	1,420,648	10,399,650

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fin Amount($)
				Sub Total ($)	**3,988,476**	**28,500,000**
Project Management Cost (PMC)						
				GET	199,424	
				Sub Total($)	**199,424**	**0**
				Total Project Cost($)	**4,187,900**	**28,500,000**

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Government	MoFE, Provincial Ministry (MoITFE) and Local Government	Public Investment	Investment mobilized	26,050,000
CSO	Bird Conservation Nepal	In-kind	Recurrent expenditures	150,000
Beneficiaries	Community Forest Users' Groups	In-kind	Recurrent expenditures	1,000,000
GEF Agency	FAO	Unknown at this stage	Recurrent expenditures	1,300,000
			Total Project Cost($)	**28,500,000**

Describe how any "Investment Mobilized" was identified

The investment was identified during consultations with the Government (meetings, workshops).

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

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
FAO	GET	Nepal	Biodiversity	BD STAR Allocation	2,696,219	256,140	2,952,359
FAO	GET	Nepal	Land Degradation	LD STAR Allocation	1,491,681	141,710	1,633,391
				Total GEF Resources($)	**4,187,900**	**397,850**	**4,585,750**

E. Project Preparation Grant (PPG)

PPG Amount ($)
150,000

PPG Agency Fee ($)
14,250

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
FAO	GET	Nepal	Biodiversity	BD STAR Allocation	100,000	9,500	**109,500**
FAO	GET	Nepal	Land Degradation	LD STAR Allocation	50,000	4,750	**54,750**
				Total Project Costs($)	**150,000**	**14,250**	**164,250**

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)
40000.00	0.00	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)
40,000.00			

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)
760000.00	0.00	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)
74,100.00			

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

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

Type/Name of Third Party Certification

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

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
685,900.00			

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)

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

Title	Submitted

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	356,000			
Male	344,000			
Total	700000	0	0	0

Part II. Project Justification

1a. Project Description

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

Context

Most of Nepal's protected areas are either in the high mountain or lowland Terai areas. The middle hills (sometimes called the Middle Mountains), form 30% of Nepal's territory and support 50% of the population, and serve critical connecting landscape between and are in and of themselves vital and diverse ecosystems, forests and agroecosystems[1][1]. This proposed project will work in the Middle hills of Province One (1), the most eastern of Nepal's seven new Provinces. The global importance of the Eastern middle hills is very high due to its high biodiversity, e.g. of birds, mammals, butterflies, rhodondendrons, orchids and other plant species unique to eastern Nepal and the world (see examples below). Biodiversity mainstreaming is critically important to help local communities and municipalities mainstream biodiversity conservation within their forest management, farm systems and land use planning.

Biodiversity in the middle hills has benefited from increased forest cover resulting from community forest management, and is at the same time threatened by multiple issues (e.g. forest fires, neglect, human-wildlife conflict, and agriculture production/encroachment). Community forest management, farming systems and land use in the mid-hills are at a cross roads due to a combination of both new threats and opportunities, standing to complicate the management of these issues. By example: a) decreased forest use and theavailability of forest labour due to negative population growth in the hills; b) increased economic development centered around NTFPs and plywood production; c) a new government structure of municipalities and provincial institutions with new mandates impacting biodiversity, farming and community forests (notably land use plans and revenue collection); d) increased local access to technology, information and the internet, and; e) the increased prioritisation of biodiversity by the government. If Community Forest User Groups (CFUGs) and municipalities are not assisted in coping with the emerging situation and issues, threats might become disasters and opportunities will be squandered. The government of Nepal has therefore requested assistance to develop guiding frameworks, strategy and solutions forr CFUGs and municipalities in key buffer zone, corridor and other biodiverse but unprotected areas of the biodiversity rich eastern Middle hills.

The government has proposed Province 1 in the eastern Middle hills as the target area for the proposed project. Province 1 has an area of 2,610,970 ha and 4.5 million inhabitants. The Province has high levels of biodiversity and is important for biological connectivity (e.g. for species including *Ailurus fulgens, Moschus moschiferus,* and *Gallinago*

nemoricola), particularly near the protected areas in the east (Sagarmatha National Park (NP), Makalu-Barun NP, Kanchenjunga Conservation Area (CA), and the Singhalila range). Apart from the protected areas in the higher elevations, the target mid-hills remain largely devoid of formal protection designations, and are not yet well covered by non-government and other biodiversity conservation initiatives.

Consultation with resource persons and central and provincial government officials resulted in a proposed project area that covers the biodiversity-rich *Milkedanda-Tinjure* and *Singhalila-Mahabharat ranges* and the *Tamur valley*. Key criteria used to select this area included current and potential biodiversity corridors, habitat ranges of indicator species (seebelow), livelihood linkages, presence of developing peri-urban areas and/or threatened by infrastructure development, as well, the manageability, potential for institutional and community ownership and the replicability of a project in the location.

The project will work in 34 of the 88 rural municipalities within Province 1. The 34 municipalities cover 7,600 km2 and are home to approximately 70,000 people (146,422 households (hh). More than 60% are indigenous persons, with a majority Limbu, Rai and Tamang, but also smaller and more marginalised groups like the Bhote, Bhujel, Sunuwar, Lepcha, Kumal, Yakkha, and Walung. The most marginalised are the Dalits (10-15%) occupational caste groups, which still face caste-based discrimination, and are often landless.

Altitudes in the area range from 300 to 3300m, but the core area with most biodiversity and the most relevant issues for the proposed project lies between 2000-3000m asl (3700 km2). The proposed project area includes all of Panchthar (8 municipalities) and Terhathum (6), and parts of 9 municipalities in Taplejung, parts of 6 in Ilam, and parts of 5 in Sankhuwasabha. The area is covered by five of the Province's 15 (Sub-) Divisional forest offices that are responsible to manage forestry and wildlife outside Protected areas. There are 1,011 Community Forest User Groups (CFUGs, 741km2 forest) in the area; with 285 CFUGs above 2000m (285 km2).

Forest size in the eastern Middle hills varies with altitude, steepness of the terrain, accessibility, and the levels of infrastructure, population, employment opportunities and education. The *Sal* forests (*Shorea robusta*) of the hot, dry valleys of the Arun and Tamur river give way at higher altitudes to broadleaved and conifer forests (e.g. with oak and rhododendron, hemlock, fir, spruce and cedar). Unique for Nepal are the forests with eastern tree species including *Lithocarpus pachyphylla, Magnolia campbellii* and *Acer campbellii*, and most notably the rhododendron forests that are found in Milke Danda, Pathibhara and Maipokhari. These rhododendron forests are globally significant; 20 of Nepal's 30 rhododendron species can only be found in Eastern Nepal, and the Milke Danda area has some of the highest concentrations of this diversity. These forests and surrounding areas are also home to many species of mammals[2][2] (including bats[3][3]), birds[4][4] and plants (e.g. hundreds of orchid species) that are absent or rare elsewhere in Nepal and in the world. For example, Nepal's Eastern mid-hill habitats include the highest current population of the globally important Red Panda (EN).

Middle hill forests are subject to a range of management regimes including Government Managed Forest (GMF), Religious Forests (RF) and Conservation Areas, but most hill forests are managed as Community Forest (CF).

Government-approved operational plans allow CFUGs to extract timber, firewood, fodder and Non-Timber Forest Products (NTFPs) in a controlled way. The focus on timber and 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 operationalised in plans or action, especially not in the hills, because of a lack of understanding and guidance[5][5].

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 water and NTFPs), c) conflict between community forest management and the indigenous Kipat system (communal land of the Limbu community) generating adverse outcomes, 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.

Keeping in mind the context described above, there are four socio-economic changes taking place in Nepal that provide opportunity and urgency for the proposed intervention:

New local government structures: Following the introduction of a new constiution in late 2015, new local government structures were introduced in 2016. The prevoious local government structure included 3500 Village Development Committees (each including one junior official and no elected councils) and 75 Districts (that included government offices but no elected council). Most decision making was done by the national government in Kathmandu. This adminsitarive arrangement was replaced by a strongly decentralized structure involving seven Provinces (with parliaments and ministries) and 293 Municipalities (with staff and sizeable budgets, and an elected council).

Under the new system, only the largest projects are planned and decided by the central government, leaving projects and activities like the proposed project to the Province and Municipalities.

This change brings higher levels of governmental direction, capacity, oversight, and funding closer to land users and CFUGs. Most importantly, the municipalities are expected to raise local revenue for which, amongst other things, they are considering the potential of community forests. Municipalties are also in the process of developing and implementing land use plans that have the potential for far-reaching impacts on biodiversity hotspots and community forests.

From a review of the Province 1 Periodic Plan and through interactions with the Province's Ministry of Industry, Tourism, Forest and Environment (MoITFE), CFUGs and municipalities during project identification, it is evident that stakeholders prioritise land use planning, biodiversity conservation and equitable benefit distribution (ecosystem service, NTFP value chain, eco-tourism).

Natural resource management committees often have specific budgets for environment, natural resource management and biodiversity management. 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 CF,

plantations, river training and erosion control. They are also well-placed to support the development and operation of NTFP value chains (processing), but they generally lack the overview, knowledge and instruments for comprehensive and adequate implementation. Development and land use planning is often left in the hands of poorly informed and unguided officials which can result in very poor decisions on infrastructure development (e.g. roads being poorly built by bulldozers with no proper planning or engineering controls) and missed opportunities to incorporate/account for biodiversity conservation within investment planning.

Demographic change: In recent years there has been an increasing trend for large scale out-migration from the rural Middle hills to urban areas and overseas. The population of most project area districts decreased between 2001 and 2011 (MoPE Nepal Population Report, 2016) and is still decreasing. Educated young men and women are moving to urban areas, and the number of men going overseas for labour migration is increasing. This trend has left many communities with populations largely comprising women, children and the elderly. As a consequence, 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 is also changing with less reliance on labor intensive crops and animals. Reduced availability or male labour and cultural norms that preclude women from some roles in agriculture is having a profound impact. 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 plantations, forest harvesting, fire line creation, fire control, and poaching control. Moreover, wealthier families in more accessible areas are able 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 being self sufficient from 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 utilised.

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 Chiraito (*Swertia chirayita*, a Medicinal/Aromatic Plant (MAP)), Large Cardamom, Lokta and Argeli (paper) and ringal bamboo) and b) increased linkages to foreign markets (notably China and India), including the possibility of a road being built along the Tamur river linking the Terai to China. These trends not only 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).

Government priorities for biodiversity conservation. The Government of Nepal (GoN) has been placing increasingly higher priority on biodiversity conservation, and is, step by step, operationalising the National Biodiversity Strategy and Action Plan: 2014-2020 (NBSAP), for which CFUGs and municipalities are key actors. The Provincial government has adopted the national NBSAP priorities, although these priorities will need more detailed assessments and improved capabilities to be realised.

Threats[6][6]***:***

Biodiversity in the eastern Middle hills is under threat from neglect, poor management and overexploitation.. Annual deforestation rates in the Middle hills slowed around 1990 and have since reversed, initially due to the success of community forestry, and since about 2000 more due to the demographic and economic changes and their impact on forest use[7][7]. In general, ecosystem degradation and loss of biodiversity are more serious problems than deforestation.

The most significant direct drivers of biodiversity loss and ecosystem degradation vary in intensity between the inaccessible high and more accesible low altitude areas, but apply in general to both:

· **Exscessive removal of low-value biomass** by CFUGs that are focused on timber, firewood and fodder production. Documentation of the Mainstreaming Biodiversity and Ecosystem Services into Community Forestry project (DoF/BCN/FECOFUN) highlighted this issue. It observed in many community forests that 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).

· **Unsustainable forest management**: In general, the introduction of community forestry has resulted in substantial regeneration of forests, but an over-emphasis on protection, limited use of forest productivity, and lack of silviculture and other forest management practices has seen a decline in forest health. Overuse of grass and shrub layers and overharvesting of timber and dry firewood can lead to forests becoming biologically poorer as habitats are degraded. Poor management can also worsen other direct drivers, for example, increase the risk of harmful fires and invasive species.

· **Forest fire**: Lack of sound forest and 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) shows 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.

· **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 inspection and increased market national and international demand for forest products contributes to rising illegality.

· **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 yet. Increased HWC may be related to complex combinations of factors including increased forest area and denisty, 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 municipality centres can all 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 municipalities) built without proper engineering or maintenance leading to landslides, erosion, fragmentation of biological corridors and damage to water springs and streams.

· **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-side 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.

· **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 favourable conditions for invasive species.

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

Remaining gaps/barriers:

Key barriers to delivering improved biodiversity conservation and improved livelihoods in the eastern Middle hills include:

- A lack of systems to manage and share data and information sharing to enable national, provincial and municipal governments and CFUGs to provide the evidence needed to guide decisions on adjusting approaches and plans to meet current and future challenges. This will be addressed by outputs 2.1-2.3.
- Limited implementation of national, provincial and municipal biodiversity- and land degradation-related plans and policies. This will be addressed by outputs 1.1-1.5, 3.1 and 3.2.
- Low capacity of municipalities to undertake Land Use Planning potentially leading to missed opportunities for ecosystem restoration, biodiversity conservation, land restoration and development of forest-based livelihoods through the effective engagement of CFUGs. This will be addressed by outputs 1.2-1.5.

- Weaknesses with CFUG planning and operations including:
- CFUG operational plans do not currently incorporate ecosystem restoration, biodiversity conservation, or clear measures to mitigate direct pressures on biodiversity and skills and knowledge within CFUGs are inadequate to address these issues. This will be addressed by outputs 1.3, 3.2.
- Very limited ability of CFUGs to address emerging issues including demographic change (e.g. labor shortage), economic change (e.g. market demand for illegal forest products), and ill-planned infrastructure (e.g. road construction). This will be addressed by outputs 3.2-3.5.
- Lack of leasehold forest, a pro-poor income generation instrument, in an estimated 50% of CFUGs. This will be addressed by output 3.5.
- Inadequate representation of socially excluded groups in CFUG leadership (e.g. 1% Dalit in CFUG committee compared to 10% Dalit membership of the CFUG). This will be addressed by outputs 1.2 and 3.5.
- A 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 skills and capabilities. This will be addressed by outputs 3.4 and 3.5.

2) Baseline Scenario and Associated Baseline Projects

There are numerous policies and initiatives by the Government of Nepal that are relevant to the proposed project. The project will review all relevant on-going initiatives in the country, including those described below, and build on these baseline investments by applying relevant knowledge, tools and lessons.

Overall, the proposed project is guided by the following:

- The policies and procedures of the MoFE that has a national mandate for forest management and biodiversity conservation. It is staffed with professional teams dealing with CFUGs down to divisional level, and has well-established policies and strategies, including the Forest Policy (2015).
- Nepal's Biodiversity Strategy and Action Plan: 2014-2020 (NBSAP) which provides the basis for the initiatives proposed in this project.
- The work of the Forest Research and Training Centre which has five professionals to manage the National Forest Monitoring System (NFMS), the National Forest Database (NFD), the National Forest Information System (NFIS) and the CBFM Monitoring system (which have 5-yearly updates), the National REDD+ Safeguards Information Systems (SIS) and the FAO future projects. They have the capacity to manage the proposed KMIS, through a portal that can be accessed by CFUGs, municipalities and the Province, if the government adds an IT professional staff member.
- The opportunities provided by the changes to governance and administrative arrangements, with devolution of authority to new provinces and municipalities:
- Province 1 has recently produced its first Periodic Plan which outlines detailed biodiversity and land degradation objectives. However, the Province has low capacity and know-how needed for effective implementation.
- The 34 Municipalities are relatively new and energetic. They are equipped with new roles and funding and a mandate to develop Land Use Plans, but they are still building relations with CFUGs and they lack the skills, knowledge for the integration of land restoration and biodiversity in land use plans

- There are 1011 CFUGs (750 km2) in the project target area that are managing their forest with various degrees of intensity, skill and success as per their government-approved operational plans. However, in general, the CFUGs have inadequate or no knowledge, skills and measures for biodiversity conservation, land restoration, fire control and anti-poaching. Moreover, because they are not yet well linked to municipalities or to other CFUGs they are missing opportunities to generate enhanced landscape-level impacts. 284 of these CFUGs are in areas with high levels of biodiversity, i.e. above 2000m asl
- A series of national policies, plans and strategies including: The Agriculture Development Strategy (2014), the National Land Use Policy (2012), the Local Governance Act (2017), Nepal National REDD+ Strategy 2018, the First Periodic Plan 2019-2024 of Province 1.

There are numerous national projects and initiatives that have provided relevant lessons for the PIF and the project. The following projects are relevant to the proposed project:

- The project will, through workshops and publications, share with and learn from GoN's NTFP Development Program (33 Districts), the Wildlife Conservation Program (18 Districts), the Community Forest Development Program (in 76 Districts), and the National Forestry Program (76 Districts) and advocate for these national programs to incorporate the proposed project's lessons, tools and approaches.
- The Forest Farm Facility Project-FFF (FAO/MoFE/FECOFUN) provides a platform on which the project can build approaches to link CFUG households to markets for NTFPs (Output 3.5)
- The Forest Investment Program (FIP) (MoFE/WB) includes a target to improve environmental services in 161,000 ha of community-managed forest areas
- Participatory Monitoring of Biodiversity (PAMEB) in the Churia Forest Development Project (GTZ, BCN, FECOFUN) and in Mainstreaming Biodiversity and Ecosystem Services into Community Forestry in Nepal (2015-2018, Birdlife International, BCN, FECOFUN, MoFE), the latter of which produced Biodiversity Supplement to CFDP Guidelines.
- The FAO-GCF pipeline project "Building a Resilient Churia Region in Nepal" (to be implemented in the Churia Region of Provinces 1, 2 and 3).
- Projects in neighboring and sometimes overlapping municipalities of Province 1 with which the project intends to cooperate include: Red Panda Conservation Network's work in Panchthar-Ilam-Taplejung (PIT) forest landscape and the ICIMOD Kanchenjunga Landscape Initiative in Taplejung, Panchthar, and Ilam.
- Value chain development initiatives by the Chambers of Commerce and entrepreneur associations for various NFTP and other products (Large Cardamom, plywood, Medicinal Herbs)

In addition, there exist functional value chains for multiple products (e.g. Large Cardamom, Chiraito and other Medicinal herbs, tea, plywood, ringal bamboo, Nepalese paper (*lokta*), dairy products, spices, broomgrass, 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 target area, however, this situation is changing with increasing numbers of larger processing plants located outside the area (espcially in the Terai) because of more favourable climate (e.g. for drying products) and better access to labour, transport, power and equipment[8][8]. The value chains need streamlining (addressing of bottlenecks), expansion, innovation, and greater inclusion of poor, socially excluded and remote communities.

3) Proposed Alternative Scenario, Objective and Expected Outcomes:

The expansion of community forests and the more recent increase in trees on private land in the proposed target area has provided increased habitat for threatened and endangered species. However, improving habitat connectivity and integrating biodiversity-sensitive approaches, that also improve livelihoods, to farm and forest management remains largely elusive. Moreover, direct drivers of biodiversity loss continue to threaten biodiversity and in some cases (e.g. infrastructure development and climate change) the threat posed by the drivers is increasing.

An alternative scenario involves mitigating the barriers described above whilst enabling approaches to planning and management of forests and farms at both site and landscape level that are biodiversity sensitive and support the sustainable use of natural resources for improving livelihoods.

Accordingly, the objective of the project is 'To deliver multiple biodiversity and sustainable livelihood benefits through adaptive, collaborative management and restoration in the Middle hill landscapes of Province One, Nepal.' To achieve the objective the project will:

- Support the development and use of an integrated Knowledge Management Information System that enables stakeholders to access and share information
- Support Province 1, and targeted municipalities and CFUGS to integrate land use and biodiversity conservation (with a focus on threatened species and critical ecosystems) planning with efforts to improve rural livelihoods by improving ecosystem resilience and increasing the flow of ecosystem services.
- 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 municipality land use plans, forest operational plans and farming systems that integrate biodiversity conservation.
- Enhance capacity of households, CFUGs and municipalities to assess, monitor, plan and implement improved approaches to biodiversity conservation.
- Assist targeted households, CFUGs and municipalities to improve livelihoods thorugh the sustanable use of natural resources and the development of viable value chanis.

GEF incremental support will build on ongoing investments by local governments and civil society in forest management and conservation. It will aim to remove the barriers described above by mainstreaming biodiversity conservation and sustainable land use into local level planning and production practices. The project will work at two levels:

- **Landscape level**: Promoting approaches and capacities by municipalities and CFUGs for integrated landscape planning and management on 7,600 km2 of municipality area, 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 and deliver improved livelihood benefits (initially on 200 km2 (200 upper area CFUGs).

The project comprises the following three components and corresponding outcomes, outputs and activities.

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

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

This component will focus on building the capacity of targeted stakeholders at Province, municipality and CFUG levels to manage plan for integrated land use and biodiversity conservation.

This component draws on the combined experiences of the MoFE, Birdlife and FAO with implementing community forestry and landscape level approaches. FAO will support the project with expertise on forest use and management, biodiversity conservation and livelihoods.

Output 1.1.: A policy and planning framework for biodiversity-sensitive land use and forest management that is owned by Province and Municipalities.

Target: At least one policy and planning framework developed for Province 1, to be tested in project area (7,600km2)

Indicative activities:

- Consultative meetings with stakeholders – Technical Support.
- Facilitation support in policy and planning framework development.

Output 1.2: Province, forestry/wildlife staff and 34 municipalities that have capacities, mechanisms and instruments to sustainably coordinate and support biodiversity conservation through land use planning and support to community forestry

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

Indicative activities:

- Training/workshop on biodiversity conservation for staff and municipalities.
- Multi-stakeholder workshop on provincial and local policy and planning framework for biodiversity.
- Facilitation support in local level annual planning process.
- Support to establish local stakeholder coordination mechanism in 34 municipalities.
- Networking and linkage with various stakeholders.

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

Target: 200 priority CFUGs conducting biodiversity monitoring using PAMEB.

Indicative activities:

- Develop/adapt tools and materials relevant to local context on Participatory Assessment, Monitoring and Evaluation of Biodiversity (PAMEB), which uses indicator bird lists, fixed-point photos, forest floor surveys, and NTFP use records.
- Develop and familiarize CFUGs and Municipalities with PAMEB process and methods.
- Institutional capacity development including sharing (IT) infrastructure.
- Field-testing and piloting of PAMEB.
- Local level capacity building to roll out PAMEB across 300 CFUGs.
- Information/data quality control and data analysis.
- Dissemination of information at various levels.

Output 1.4: 34 Municipality landscape and land use maps with critical ecosystems and biodiversity hotspots locations made through highly consultative, participatory processes.

Target: 34 Municipality landscape and land use maps produced (7,600 km2).

Indicative activities:

- Assessment of how municipality land use planning can contribute to biodiversity conservation at landscape level.
- Develop tools for integrating landscape and biodiversity-related information in land use mapping and planning.
- Facilitation support to integrate biodiversity in land use mapping, in coordination with concerned authorities.
- Intergovernmental coordination and experience exchange meetings/workshops.
- Capacity building (update/upgrade landscape and land use maps) including infrastructure.

Output 1.5: Development, operational and land use plans of 34 municipalities, 200 CFUGs and other CBOs adequately integrate land use and biodiversity conservation priorities

Target: Land use and biodiversity conservation priorities are integrated into the plans of 34 municipalities, 200 CFUGs and other CBOs.

Indicative activities:

- Strengthen CFUG networks and cooperation with municipalities.
- Develop/adapt tools and resource materials to facilitate biodiversity-sensitive local level land use planning process based on the existing guidelines (Ministry of Federal Affairs and General Administration – MoFAGA).
- Orientation / familiarisation on municipality level biodiversity-sensitive local level land use planning and prioritisation processes.
- Support/facilitate to strengthen network/coordination between CFUGs and municipalities.
- Support and facilitate incorporation of land use plans elements in CF operational plans and the municipality's annual development planning and prioritisation process.

Component 2: Knowledge management, monitoring and adaptive management.

Expected Outcome: Local-National stakeholders have access to information needed for forest management, land use and biodiversity conservation planning, management and implementation

This component will focus on building the capacity of targeted stakeholders at Province, municipality and CFUG levels to generate and share knowledge for improved land use and biodiversity conservation planning, management and implementation.

Output 2.1: Nepal's National Forest Research and Training Centre (FRTC) Forestry Information System (FIS) upgraded and linked to the knowledge and adaptive management support (KMIS) portal where CFUG, municipality, Province, and MoFE can share and access biodiversity and CFM data

Target: The Forestry Information System (FIS) upgraded and linked to the knowledge and adaptive management support (KMIS) portal.

Indicative activities:

- Multi-stakeholder workshop on the purpose and design of KMIS.
- Design and establishment of KMIS infrastructure, sharing protocols, including for information generated through PAMEB under Component 1.

Output 2.2: Mechanism for the systematic creation and sharing of KMIS linked to national and international databases, developed, tested and operational.

Target: The KMIS developed and linked to national and international databases.

Indicative activities:

- Multi-stakeholder workshop on which information to share and on sharing protocols.

- Agreements with all linked agencies, networks, Information systems.
- Testing the KMIS.
- Design and develop how KMIS information will be processed and shared for wider learning.

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

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

Indicative activities:

- Planning the rollout of the KMIS across the project area.
- Training in KMIS provided to government officials, FECOFUN, BCN, Municipalities and CFUGs.
- Mechanisms for continuous user coaching and support established.
- Support dissemination of analysed information at various levels, e.g. through schools, weekly markets.

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

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

This component will focus 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.

Output 3.1: 34 Municipalities implement land use interventions that strengthen biodiversity conservation and avoid interventions that negatively affect biodiversity.

Target: 34 Municipalities implementing biodiversity-sensitive land use interventions.

Indicative activities:.

- Support and facilitate municipality level decision making process
- Strengthen and capacity building of municipality particularly of committee or sub-committee responsible for forest, environment and biodiversity.
- Support municipalities to develop land use plan-based tools and advice packages for planners, officials, enterprises, CFUGs and other CBOs and individual households.

· Support and facilitate learning exchange activities between and among municipalities.

Output 3.2: 200 CFUGs and other CBOs and 30,000 hh implement forest, livestock, agriculture and other livelihoods practices that strengthen biodiversity conservation and sustainable management of forest landscapes.

Target: 34 Municipalities implementing biodiversity-sensitive land use interventions.

Indicative activities:

- Facilitate and support training and workshops on bio-diversity sensitive land use intervention for CFUGs, CBOs and farmers.
- Support CFUGs and other CBOs in translating land use planning results into community forest operations.
- Train and coach farmers in biodiversity-sensitive farming.
- Support and strengthen CFUG internal monitoring and governance system.
- Support and establish tools and guiding framework for sustainable forest resource management.

Output 3.3: At least 10 community-based poaching-, human-wildlife conflict- and fire control networks established to protect ecosystem services and conserve flagship species.

Target: At least 10 community-based anti-poaching and fire control networks operating.

Indicative activities:

- Needs assessment.
- Support and facilitate users' networks.
- Awareness creation on control of poaching, human-wildlife conflict and fire.
- Creation and capacity building of control units or networks, information systems and warning systems.

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

Target: 10 pro-poor biodiversity enhancing livelihood opportunities developed.

Indicative activities:

- Multi-stakeholder workshop that:
- reviews existing suitable value chain assessments (NTFP and ecotourism)
- assess and prioritizes value chain development bottlenecks for entrepreneurs and producers.
- reviews value chain coordinating mechanisms (ideally platforms where. processors, traders and producers come together, or otherwise separate platforms for producers and processors, if the latter are located down in the Terai).
- decides on whether new value chain assessments and/or coordination mechanisms are needed.
- proposes actions that address the identified value chain bottlenecks.
- Conduct newly required value chain assessments, if needed.
- Strengthen existing value chain coordination mechanism or create new ones.
- Support the meetings and workings of the coordination mechanisms.
- Undertake actions to address bottlenecks, e.g. technical or business development training for entrepreneurs, infrastructure interventions (e.g. collection centres, or proposing bridge or road connection to municipality), linkage events between business services and producers or other customers, or how to deal effectively with marginal groups.

Output 3.5: 20,000 hh (5,000 new) and 100 CFUGs 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, remote or socially excluded groups.

Target: 20,000 hh (5,000 new) and 100 CFUGs sustainably increase incomes from engagement in value and service chains, whereby 25% of households with income increases are from poor, remote or socially excluded groups.

Indicative activities:

- Assist CFUGs, farmer groups and communities to select feasible livelihoods/value chains.
- Select and support CFUGs and beneficiaries for Leasehold Forestry (a government and NBSAP priority, see Consistency with National Policies in section 7) or leasing private production land.
- Training of Trainers of CFUGs/Producers for entrepreneurs and local resource persons.
- Provide technical or business development coaching and training to CFUGs and individual producers
- Provide support for marginal groups or women (numeracy or market negotiation training or extra coaching on production technology adjusted to their situation and education levels).
- Organize linkage events with entrepreneurs.

•Support and strengthen CFUGs internal monitoring and governance including benefit sharing process.

Alignment to GEF-7 Focal area and 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.

· BD 1-5: Mainstream biodiversity across sectors as well as landscapes and seascapes through inclusive conservation.

The project contributes to the following GEF activities aimed at advancing the mainstreaming of 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 municipalities), 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 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 form 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 will include a focus on improving the management of landscapes by supporting targeted community forests to provide an improved, sustainable flow of ecosystem services and linking this to value chains that enhance livelihoods.

4) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing

The project will directly support the implementation of Nepal's NBSAP, including the following strategic approaches:

1. Adoption of programme-based, adaptive and multi-stakeholder approaches in the management of biodiversity.

3. Promoting participation, cooperation and collaboration of stakeholders.

4. Mainstreaming of biodiversity into relevant sectoral plans, policies and programmes.

7. Development and implementation of appropriate incentive measures for conservation and sustainable use of biodiversity.

8. Strengthening the knowledge base regarding biodiversity and ecosystems through scientific research and innovations.

11. Promotion of landscape conservation and climate resilient approaches for ecosystems and biodiversity management.

12. Broadening the conservation constituencies by effectively involving local governments and private sector in conservation and sustainable use of biological resources.

The Government of Nepal has committed substantial co-financing to the project, representing a 6.1 ratio of co-funding to GEF funding.

Nepal has relatively modest operational and technical capacities at provincial and municipality level to realize its goals under the NBSAP. Whilst these capacities as expected to improve over time as the new provinces and municipalities 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 municipalities 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 municipal (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 local knowledge at municipality level.

In addition, the impact of demographic change and economic development on forest use and management and agriculture presents substantial challenges to 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.

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

5) Global Environmental Benefits

The project will help the recently formed Province 1 and 34 municipalities to mainstream biodiversity conservation into development and land use planning. The new political/administrative structures provide an unprecedented opportunity to incorporate a landscape approach to planning and to include the concepts of biological corridors and connectivity into plans, policies and actions. The interventions with possible national implications (e.g. BD in LUP, KMIS, PAMEB in CFUG), will be designed in consultation with stakeholders from national level and other Provinces, to ensure that successes can be owned and replicated nationally.

The project will also support targeted CFUGs and households to integrate biodiversity sensitive approaches into forest and farm management. These approaches will enable CFUGs and households to plan and invest in forest and farm activities that generate income without negative impacts on biodiversity.

The benefits of the proposed approach include improved management of community forests and farms and the development of connectivity between habitats. Linking fragmented forest areas within the project target area will enable expansion of critically important habitats and help conserve threatened species.

The project will support households, CFUGs and municipalities to increase the area of landscapes in the eastern Middle hills under improved management to benefit biodiversity and communities.

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.

In addition, the project will assist targeted CFUGs and households to generate the following:

- Improved food security through the sustainable and resilient production of agricultural and livestock products.

· Increased and stabilised livelihoods through participation in income generating activities based on increased and sustainable flows of ecosystem services.

· Reduced exposure to climate change-related risks, due to improved resilient landscape management.

6) Innovation, sustainability and potential for scaling up

a. Innovation

The project will apply the following innovative approaches:

· Participatory Assessment, Monitoring and Evaluation of Biodiversity (PAMEB): The PAMEB concept involves communities developing monitoring indicators together with the project and then monitoring to assess the biodiversity status in their forests. PAMEB has been tested before in Churia Forest Development Project (GTZ, BCN, FECOFUN, MoFE, 2003-5) and Mainstreaming Biodiversity and Ecosystem Services into Community Forestry in Nepal (2015-2018, Birdlife International, BCN, FECOFUN, MoFE). The approach helps to motivate communities and creates data, awareness, ownership, and 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.

· Knowledge and Adaptive Management Support (KMIS): The relatively recent expansion of the 3G mobile internet network into communities throughout the project area has created the opportunity to develop and implement a forestry KMIS that includes biodiversity data and shares data and information with all stakeholders. The FRTC currently maintains the National Forest Information System (NFIS) but this is not accessible to all stakeholders. The NFIS is part of other initiatives including like Forest Investment Project (WB) and REDD+, for which a broad range of data are collected and maintained, but not readily accessible for stakholders of all levels. The KMIS will provide a portal for the direct sharing of data by CFUGs (including data generated through PAMEB), Municipalities 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.

· Supporting new governance/administrative arrangements for biodiversity conservation. The establishment of Provinces and Municipalities in 2016 provides new opportunities for the integration of biodiversity conservation in local government planning and development activities. The new institutional arrangements and their associated policies and processes open new pathways for landscapes to be configured to favour biological connectivity for threatened wildlife species and improve the flow of ecosystem services. The municipalities are geographically much larger than the Village Development Committees (VDCs) they replaced. They have elected councils, their own policies and plans, technical staff and budgets. Municipalities have the responsibility for developing land use plans. The plans provide an unprecedented opportunity to address biodiversity concerns that have so far only been expressed as vague intentions at Province and higher levels. The municipal plans also provide a pathway to address threats and capture opportunities related to biological corridors and habitats between community forests that could not be addressed effectively under the previous governance arrangements.

· Addressing CFUG-level labour shortage issues due to out-migration. Due to out-migration (mostly men), the Middle hills are in general experiencing negative population growth. Demographic change, remittances and increased use of technology (electricity and bottled gas) are resulting in major changes to the agricultural system and to the role and condition of community forests. There is evidence that the risk of wildfires has increased with the expansion of community forests and the more recent reduction in the ability of CFUGs to manage forests due to a lack of available labor. There are real risks that neighbouring CFUGs hold other CFUGs to account for allowing fires to spread beyond the boundaries of a community forest, and that the government will penalise CFUGs for neglect. In response to this situation, some CFUGs have begun cooperating with each other on wildfires. The project will expand and strengthen these collaborative intiatives and work with targeted CFUGs to explore, and as appropriate implement, fee-for-service fire control services and other fee-for-service options (e.g. silviculture, contract planning and inventory) to address labor shortages and improve access of CFUGs and municipalities to expertise, labour and equipment. The sustainable harvesting of forest products from community forests provides a substantial opprtunity for CFUGs to generate significant income that can be used to pay for fee-for-service activities, as well as for conservation, forest management and development activities.

b. Sustainability and Potential for Scaling Up

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:

Awareness, ownership and capacity for biodiversity conservation among all stakeholders

The fact that various levels of government prioritise biodiversity conservation and operationalise those priorities through plans (NSBAP, Provincial Periodic Plan) provides a firm basis for sustained efforts.

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 1.

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

The FRTC has a cadre of 5-6 MIS specialists who are confident that they can build a KMIS system 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 system will be tested in Province 1, but will fully account for the potential to replicate the KMIS across the country. During the KMIS design phase the needs and interests of other provinces will be incorporated as far as practicable.

Municipality land use plans and forest operational plans that integrate biodiversity conservation

The municipal land use plans are a new concept that, if unguided and unsupported, riks becoming a paper exercise without meaningful implementation. The support of the project will focus on helping the targeted municipalities to ensure the plans are feasibile, useful and sustainabile. The needs and interests of other provinces will be incorporated as far as practicable.

The community forestry Operational Plans are documents that CFUGs have been using and updating over many years. The quality of implementation and the sustainability of efforts varies widely between CFUGs. The project will include a focus on less active and less effective CFUGs to better understand the reasons behind their ineffectiveness and seek to draw and share lessons, and use the lessons to inform the design of project interventions.

The potential for sustainability is one of the criteria to be used in the selection of CFUGs for project support. It is expected that the integration of biodiversity concerns into community forestry operational plans will be most effective when CF management generates clear and equitable benefits for CFUG members. This expectation has been realised 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 they saw as beneficial.

Sustainability will be enhanced further through a) linking stakeholders to the KMIS, which will enhance ownership, b) building links between CFUGs and with municipalities to address wildfires, c) proving the benefits to CFUGs of fee-for forest services, d) municipalities 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), e) the project following i) the Province's plans and priorities, including the Periodic Plan, the Provincial master plan for the Koshi river basin management and ii) the natural resource management planning responsibilities of municipalities.

After an initial pilot phase, support will be adjusted to levels that can be replicated readily by business services that municipalities can afford (e.g. the first municipality in Province 1 to develop a land use plan is hiring a consultant).

Improved livelihoods that enable households, CFUGs and municipalities to sustain biodiversity conservation action

The sustainability of livelihoods depends to a considerable extent on the feasibility of income generation activities that do not damage biodiversity and the functionality of the value chain. Many of the potential value chains are fully functional and sustainable because of effective coordination mechanisms led by active entrepreneurs (e.g. Chiraito) or by associations of producers or traders (e.g. Large Cardamom, plywood). Depending on the value chain, the project will further strengthen these mechanisms or help initiate new ones. The project will support activities that are based on clear assessments of value chains and that address the most important bottlenecks to value chain development (including participation by poor and marginalised groups). The project acknowledges the challenges of promoting processing units in the Middle hills when the trend in the east is for the majority of processing to take place in the Terai lowlands. This trend will be taken into full consideration.

[1] Middle hill livelihoods are highly dependent on the natural resource base for rainfed and irrigated agriculture, livestock, forest and NTFP use. 52% of the area is covered by forest

[2] 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*

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

[4] 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.

[5] Integrating biodiversity conservation and ecosystem services into operational plan of community forest in Nepal : status and gaps, Thani et al, (MoFE's) Banko Jankari, Vol.29, 2019

[6] 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, Municipalities and projects/NGOs in areas with present and previous biodiversity-oriented community forest management

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

[8] E.g. for Lokta (paper) and Allo (nettle fiber) there are 46 processing plants scattered in the hills, often partly functional, while there are 36 large high capacity units in the Jhapa, Terai

1b. Project Map and Coordinates

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

The map shows Province 1, the total project area (light green) covered by all 34 municipalities and the core area (darker green), where the project will focus its support to CFUGs. A contour map showing the project area relative to the Himalayan protected areas (Kanchenjunga CA, Sagarmatha NP, Koshi Tappu WR, and Makalu-Barun NP is shown in the annex.

2. Stakeholders

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

Indigenous Peoples and Local Communities Yes

Civil Society Organizations Yes

Private Sector Entities

If none of the above,please explain why:

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

Stakeholders	Roles in Project Preparation
Ministry of Forest and Environment (MoFE)	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 covers the project area through its local level structure i.e. Division Forest Office and Sub-division Forest Office.
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 provides training on forest resource management and the expertise of FRTC plays vital role in training and capacity building at local, provincial and federal levels.
Provincial Government	Responsible for inter-governmental coordination and policy formulation and for strategic guidance to provincial Ministries, long-term planning (preparation of 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.
Provincial Ministry – Ministry of Industry, Tourism, Forest and Environment (MoITFE)	MoIFE has coordination and advisory functions and plays important role in inter-sectoral linkage and coordination, particularly in planning and monitoring related activities. MoIFE is responsible for providing strategic guidance and technical expertise at provincial level

Division Forest Office and Sub-division Forest Office	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 Government structure, the organisational 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.
Municipalities (Local Government)	Municipalities (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, municipalities are required to develop land use plans for better management of land and other natural resources within their political boundary.
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, municipality level. It provides local level information and mobilises its network for policy dialogue and policy advocacy, training, awareness and capacity building. They also have a coordination function between municipalities 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.
Bird Conservation Nepal (BCN)/ Birdlife International	BCN is one of the proposed implementing partners. 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 building 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 district 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.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

The project will ensure gender equity and women’s empowerment through integrated forest landscape management and demonstration of biodiversity-sensitive and sustainable production technologies and techniques.

Gender-responsive activities will be integrated across activities focused on community forests and farmlands through the application of social safeguards, stakeholder engagement, institutional arrangements and capacity building. The project will aim at achieving the following gender-specific targets:

· Gender-responsive design, collection, monitoring and reporting of biodiversity and socioeconomic data.

· Provision of adequate technical and financial to support the integration of gender and women's empowerment considerations in all relevant outputs of the project.

· Meaningful 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 in project implementation.

· Women represent at least 40% of any consultation or workshop.

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

closing gender gaps in access to and control over natural resources;

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women.

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

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

The private sector will be engaged in the project as follows:

The Chamber of Commerce and Industries and representatives from relevant enterprises and producers will be engaged in (reviews of) value chain assessments (mostly NTFP 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 or 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.

5. Risks

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

Overall the project is envisioned to have only a moderate risk. However, the project may face the following Potential risks:

Risk	Risk Level	Approach to Risk Mitigation
Nepal's new governance structure is still passing through a transition stage, this may create conflict during the project in relation to legal and customary rights, roles and/or responsibilities.	Moderate	The project, in consultation with other development assistance agencies, will work closely with the government to help address any issues.
Institutions (from the center to CFUGs) lack the required capacity / knowledge for effective fulfilment of roles	Moderate	The project's tailored capacity building should help address any lack of capability
The KMIS may face startup problems	Moderate	Active securing of interest and backing from and cooperation with the government and other forestry sector actors will be sought.

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.	Moderate	The project will focus on existing functional value chains and linking these to CFUGs and poor farmers who are not yet participating in them. There will be a focus on improvements to the coordination of networks and the capabilities of value chain actors and stakeholders.
Local government and CFMGs are unable or unwilling to implement biodiversity sensitive sustainable land use planning in their planning cycles and decision making processes	Low	The project will provide capacity building and focus on change that is feasible for the stakeholder

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

FAO, as the appointed GEF agency for this project, will provide the necessary quality assurance and technical backstopping, and will work with MoFE and other national partners to execute the project. During the ppg process, the operational capacity assessment will be conducted of MoFE with the intention of MoFE being the main executing partner for the project. Other likely national executing partners include: DoF and MoITFE.

The MoFE is the lead national implementing partner. It will delegate implementation of activities to

a) MoFE's Forest Research and Training Centre (FRTC) for the design, operate and support of the KMIS

b) Department of Forestry (DoF) to support and monitor the project, to ensure that it is synchronized with the department's policies and regulations and to provide technical guidance so that (S)DFOs can provide adequate support to the project

c) Province 1's Ministry of Industry, Tourism, Forest and Environment (MoITFE) to coordinate and monitor day-to-day implementation,

d) Province 1's Division Forest Offices and Sub-division Forest Offices (Panchthar, Ilam, Taplejung, Terhathum, Sankhuwasabha) to provide technical support to all stakeholders and have a regulatory role for CFUGs and all stakeholders involved in CF and NTFP research and value chains

e) Province 1's Rural and Urban Municipalities (34) to coordinate, support and monitor all municipal level development, conduct land use plans, coordinate with other municipalities of the target area and landscapes and report progress and results to the Province

f) Federation of Community Forestry Users Nepal (FECOFUN) to support CFUGs and Municipalities with community mobilization, capacity development, advocacy, CFUG network formation, and communication

g) Bird Conservation Nepal (BCN) to provide technical support and capacity building to CFUGs and municipalities regarding biodiversity conservation in land use planning and forest management

h) Chambers of Commerce and Industry (e.g. the Federation's (FNCCI)'s Agro-Enterprise Centre (AEC)) to facilitate value chain assessments, coordination and stakeholder cooperation

The project will establish a project steering committee under the Ministry of Industry, Tourism, Forest and Environment at provincial level, which will include central level stakeholders (MoFE, FRTC, FAO, BCN), FECOFUN and a representation of municipalities, project beneficiaries and the private sector, to ensure its overall effectiveness through regular monitoring and evaluation of implementation progress.

The project will closely coordinate 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 pipeline project "Building a Resilient Churia Region in Nepal") and at provincial and local level (Red Panda Conservation Network, and ICIMOD's Kanchenjunga Landscape Initiative).

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

The Agricultural Enterprise Centre of FNCCI will play the central role in dealing with the private sector, providing technical knowhow, value chain coordination and capacity building. 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, Municipalities and District 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 formulated in consultation with CFUGs and municipalities.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

The project has been conceptualized in consultation with the lead executing Ministry and is aligned with national and Province 1 priorities.

NBSAP- National Biodiversity Action Plan **Priority Actions** (selection) and Province Periodic Plan:

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 district 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 government in accordance with the provisions of this NBSAP and the Local Self-governance Act (1999).

7) Landscapes Management Strategy A: Improving landscapes management

· Effective implementation of the National Land Use Policy (2012). This, among other, include 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.

8. Knowledge Management

Outline the Knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

The project will develop a knowledge management strategy during the PPG and this will be reviewed and adjusted as necessary in the inception phase. 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 Municipal policymakers, CFUGs, 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.

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
Mr. Shreekrishna Nepal	Under Secretary	Ministry of Finance	

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place

The map shows Province 1, the total project area (light green) covered by all 34 municipalities and the core area (darker green), where the project will focus its support to CFUGs. A contour map showing the project area relative to the Himalayan protected areas (Kanchenjunga CA, Sagarmatha NP, Koshi Tappu WR, and Makalu-Barun NP is shown in the annex.