



MAINSTREAMING BIODIVERSITY CONSERVATION

INTO THE TOURISM SECTOR IN BHUTAN







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United Nations Development Programme

Project Document template for projects financed by the various GEF Trust Funds

Project title: Mainstreaming biodiversity conservation into the tourism sector in Bhutan		
Country: Bhutan	**Implementing Partner (GEF Executing Entity):** Tourism Council of Bhutan (TCB)	**Execution Modality***:* National Implementation (NIM)
Contributing Outcome (UNDAF/CPD, RPD, GPD)*:* Outcome 4: By 2023, Bhutan's communities and its economy are more resilient to climate-induced and other disasters and biodiversity loss as well as economic vulnerability (Output 4.1: Inclusive, risk-informed systems and capacities in place to enable people to benefit from conservation and sustainable management of natural resources, and reduced environmental and health risks; Output 4.2: National policies foster innovative financing, an inclusive business environment, and improved livelihoods through climate-resilient and nature-based solutions)		
UNDP Social and Environmental Screening Category: Moderate	**UNDP Gender Marker:** 2	
Atlas Award ID: 00094492	**Atlas Project/Output ID:** 00098610	
UNDP-GEF PIMS ID number: 6319	**GEF Project ID number:** 10234	
LPAC meeting date: 14 September 2020		
Latest possible date to submit to GEF: 14 December 2020		
Latest possible CEO endorsement date: 14 June 2021		
Planned start date: 1 August 2021	**Planned end date:** 30 July 2026 (60 months)	
Expected date of Mid-Term Review: 1 February 2024	**Expected date of Terminal evaluation:** 30 April 2026	
Brief project description: This project seeks to mainstream biodiversity conservation into tourism development in Bhutan as a long-term strategy for mitigation of threats to biodiversity and to generate sustainable conservation financing and livelihoods. The project will achieve this through establishing Bhutan as a model ecotourism destination, to generate livelihood opportunities, sustainable financing for landscapes within and outside protected areas, facilitate human-wildlife coexistence, and mitigate the negative impacts of increasing tourism on Bhutan's socio-cultural heritage and globally significant biodiversity. The project demonstration approaches will focus on landscape-scale covering two protected areas (PAs) of Bumdeling Wildlife Sanctuary (BWS) and Sakteng Wildlife Sanctuary (SWS) in eastern Bhutan as well as in the five Dzongkhags (districts) of		

Lhuentse, Mongar, Trashigang, Trashi Yangtse and Zhemgang. These locations represent the eastern and south-central parts of Bhutan.

Given the astounding biodiversity and prevalence of high Human-Wildlife Conflict (HWC) incidences in the project demonstration landscape, ecotourism will be used as a tool for long-term conservation gains through the management of co-benefits and trade-offs. Livelihood benefits will be enhanced through ecotourism products and services that mitigate HWC, offset its financial impact on farmers, reduce threats to biodiversity, generates sustainable financing for biodiversity conservation (including PAs) and promote the sustainable wildlife-based economy. Doing so will help the government to address the current challenges by showcasing ecotourism as a strategy to strengthen biodiversity conservation across the landscape through inclusive community engagement, ecotourism enterprise development, and employment generation. However, barriers to establishing ecotourism in Bhutan that effectively incentivizes and mainstreams biodiversity conservation include a) inadequate enabling national policy environment and weak institutional coordination and governance for ecotourism development that facilitates the integration of biodiversity considerations within tourism development; b) Lack of sustainable financing, innovation, and diversification of ecotourism products and limited integration of ecotourism value chains into local community engagement and development and overall limited consideration of sustainable financing structures; c) Insufficient ecotourism knowledge, capacity, and awareness at national and local levels on ecotourism best practices.

The project strategies are as follows *1) Effective policy and institutional framework for ecotourism that incentivizes and integrates biodiversity conservation into the tourism sector; 2) Introduce biodiversity-friendly ecotourism strengthens biodiversity conservation, livelihoods, and enhances human-wildlife co-existence; 3) Institute Effective capacity, marketing, and knowledge exchange to establish Bhutan as a model ecotourism destination.* The project is a child project of the GEF-7 Global Wildlife Program.

(1) FINANCING PLAN	
GEF Trust Fund	USD 4,854,128
UNDP TRAC resources	USD 0
Confirmed cash co-financing to be administered by UNDP	USD 0
(1) Total Budget administered by UNDP	**USD 4,854,128**
(2) CONFIRMED CO-FINANCING	
Tourism Council of Bhutan	USD 2,938,000
Ministry of Agriculture and Forests	USD 524,000
Bhutan for Life	USD 3,756,500
Bhutan Trust Fund for Environmental Conservation	USD 500,000
WWF	USD 1,195,884
UNDP	USD 158,178
(3) Total confirmed co-financing	**USD 9,072,562**
(4) Grand-Total Project Financing (1)+(2)	**USD 13,926,690**

SIGNATURES:		
Signature: print name below	**Agreed by Government Development Coordination Authority**	**Date/Month/Year:** *within 25 days of GEF CEO endorsement*
Signature: print name below	**Agreed by Implementing Partner**	**Date/Month/Year:** *within 25 days of GEF CEO endorsement*
Signature: print name below	**Agreed by UNDP**	**Date/Month/Year:** *within 25 days of GEF CEO endorsement*
Key GEF Project Cycle Milestones: **Project document signature**: within 25 days of GEF CEO endorsement **First disbursement date**: within 40 days of GEF CEO endorsement **Inception workshop date**: within 60 days of GEF CEO endorsement **Operational closure:** within 3 months of posting of TE to UNDP ERC **Financial closure:** within 6 months of operational closure		

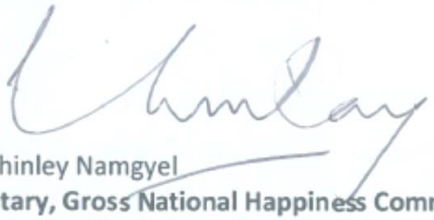
SIGNATURES:		
Signature:  Mr. Thinley Namgyel Secretary, Gross National Happiness Commission	Agreed by Government	Date/Month/Year: 11/08/2021
Signature:  Mr. Dorji Dhradhul Director General, Tourism Council of Bhutan	Agreed by Implementing Partner	Date/Month/Year: 11/08/2021
Signature:  Azusa Kubota Resident Representative, UNDP Bhutan	Agreed by UNDP	Date/Month/Year: 11/08/2021

TABLE OF CONTENTS

TABLE OF CONTENTS 4
COMPLETE LIST OF ANNEXES 5
I. DEVELOPMENT CHALLENGE 8
II. STRATEGY 21
III. RESULTS AND PARTNERSHIPS 10
(i) Expected Results: 10
(ii) Partnerships: 35
(iii) Risks: 39
(iv) Stakeholder Engagement and South-South Cooperation: 48
(v) Gender Equality and Women's Empowerment: 53
(vi) Innovativeness, Sustainability and Potential for Scaling Up: 56
IV. PROJECT RESULTS FRAMEWORK 60
V. MONITORING AND EVALUATION (M&E) PLAN 66
VI. GOVERNANCE AND MANAGEMENT ARRANGEMENTS 68
VII. FINANCIAL PLANNING AND MANAGEMENT 73
VIII. TOTAL BUDGET AND WORK PLAN 77
IX. LEGAL CONTEXT 87
X. RISK MANAGEMENT 87
XI. MANDATORY ANNEXES 91
Annex 1: GEF Budget Template 92
Annex 3: Project map and Geospatial Coordinates of project sites and demonstration landscape 109
Annex 4: Multi-Year Work Plan 117
Annex 5: Monitoring Plan 122
Annex 6: UNDP Social and Environmental Screening Procedure (SESP) 143
Annex 7: UNDP Atlas Risk Register 170
Annex 8: Overview of technical consultancies/subcontracts 180

COMPLETE LIST OF ANNEXES

Mandatory Annexes

A. The following Annexes are included within this Project Document that is signed by the relevant parties:

1. GEF budget template
3. Project Map and geospatial coordinates of the project area
4. Multiyear Workplan
5. Monitoring Plan
6. Social and Environmental Screening Procedure (SESP)
7. UNDP Atlas Risk Register
8. Overview of technical consultancies/subcontracts

B. The following Annexes are included in the Project Document that is signed by the relevant parties, but annexed as separate documents:

9. Stakeholder Engagement Plan
10. Gender Analysis and Gender Action Plan

12a. GEF7 BD Tracking Tool METT

14. Procurement Plan – for first year of implementation

17a. Co-financing letters

17b. Letters of intent to collaborate from private sector

18. Climate Risk Screening
20. GEF Audit Checklist

C. The following Annexes have been prepared as separate documents for submission by entry line-by-line into the GEF Portal. These annexes do <u>not</u> need to be part of the Project Document that is signed:

11. GEF Core indicators
13. GEF Taxonomy

D. The following Annexes have been prepared as separate documents and made available to the LPAC members. They do <u>not</u> need to be submitted to the GEF and do not need to be part of the Project Document that is signed:

15. Partners Capacity Assessment Tool and HACT assessment
16. UNDP Project Quality Assurance Report

<u>Optional Annexes</u> included in the Project Document, but annexed as separate documents:

2. Assessment of COVID-19 risks and opportunities

12b. Demonstration Landscape Profile Report

12c. Report on Mainstreaming Biodiversity Conservation into the Tourism Sector

12d. Situational Analysis, Ecotourism Visioning, and Market Analysis *(available on request)*[1]

12e. Situational Analysis of International Best Practices, Standards and Governance Frameworks *(on request)*

12f. Branding, Marketing Strategy, Resource Mapping and Ecotourism Business Models *(on request)*

12g. Ecotourism PPP framework, Investment Financing Strategy, Financial Sustainability Plan and Policy Brief *(on request)*

12h. Ecotourism Value Chain Analysis *(on request)*

12i. KAP (Knowledge, Attitudes and Practices) Framework

12j. Capacity development report and UNDP Capacity Development Scorecard

12k. List of Enabling Approvals Required

12l. List of stakeholders consulted during project development

[1] Annexes 12d-h were developed in 2017-2018 to inform the initial project concept and the type of interventions needed to support the implementation of the tourism flagship project. These are included as ProDoc Annexes for the PMU and TCB to capture all relevant background assessments informing the concept note and project development. They are available to GEF Secretariat upon request.

12m. Relevant laws and policies of Bhutan related to ecotourism
19a. FAO-EXACT worksheet
19b. Summary of FAO-EXACT assumptions

List of acronyms and abbreviations

ABTO	Association of Bhutanese Tour Operators
BFL	Bhutan for Life
BTFEC	Trust Fund for Environmental Conservation
BWS	Bumdeling Wildlife Sanctuary
CR	Critical
CSI	Cottage and Small Industries
CSO	Civil Society Organization
CTA	Committee of Tourism Associations
DCSI	Department of Cottage and Small Industries
DoFPS	Department of Forest and Park Services
DPO	Dzongkhag Planning Officers
EcOB	Economic Census of Bhutan
EN	Endangered
FGD	Focus Group Discussion
FSP	Full-Sized Project
FYP	Five Year Plan
GAB	Guide Association of Bhutan
GEF	Global Environment Facility
GSTC	Global Sustainable Tourism Council
GNHC	Gross National Happiness Commission
GEFSEC	Global Environment Facility Secretariat
GWP	Global Wildlife Program
HAB	Handicrafts Association of Bhutan
HACT	Harmonized Assessment to Cash Transfer
HRAB	Hotel Association of Bhutan
HWC	Human-Wildlife Conflict
IWT	Illegal Wildlife Trade
IUCN	International Union for Conservation of Nature
KAP	Knowledge Attitude and Practice
LECT	Landscape Ecotourism Coordination Taskforce
MSP	Medium-Sized Project
METT	Management Effectiveness Tracking Tool
MTAC	Multi sector Technical ASdvisory Committee
NBSAP	National Biodiversity Strategy and Action Plan
PAs	Protected Areas
PHCB	Population and Housing Census of Bhutan
PIF	Project Identification Form
PIR	GEF Project Implementation Report
POPP	Programme and Operations Policies and Procedures

PPG	Project Preparation Grant
RGoB	Royal Government of Bhutan
RSPN	Royal Society for the Protection of Nature
SAWEN	South Asian Wildlife Enforcement Network
SESP	Social and Environmental Screening Procedure
SRCWP	Strengthening Regional Cooperation for Wildlife Protection in Asia
STAP	GEF Scientific Technical Advisory Panel
SWS	Sakteng Wildlife Sanctuary
TCB	Tourism Council of Bhutan
UNDP-GEF	UNDP Global Environmental Facility
VU	Vulnerable
WWF	World Wildlife Fund

Glossary for Bhutanese terms

Chiwog	A group of households
Dzongkhag	District
Dzongdag	District Administrator
Dzongkhag Tshogdu	District Council
Gewog	County, consisting of a block or villages
Gewog Tshogde	County Committee
Gup	Head of a Gewog
Nye	Sacred pilgrimage site
Tshogpas	Chiwog Representatives

I. DEVELOPMENT CHALLENGE

1. Bhutan's mountain terrains spread across alpine, temperate, and subtropical agro-ecological zones. Despite its small size (38,394 km²), the country harbors almost 6,000 species of vascular and non-vascular plants of which 144 are endemic, 739 species of birds, and 200 species of mammals, 27 of which are globally threatened. These include Bengal tiger (IUCN Red-List: EN), snow leopard (VU), clouded leopard (VU), Red panda (EN), Asian elephant (EN), Himalayan black bear (VU), takin (VU), golden langur (EN), capped langur (VU), Himalayan musk deer (EN) and the critically-endangered pygmy hog (CR). The entire country is encompassed within one of WWF's 35 global priority ecoregions (the Eastern Himalayas), and hosts 23 Important Bird Areas covering 26% of the country[2] and three Ramsar sites have been identified or declared. The formal review of Key Biodiversity Areas for Bhutan has just begun, but over half of Bhutan is already set aside as protected areas (PAs) connected by biological corridors (See **Annexes 3g, 3h, 12b, 12c**).

2. With 70% forest cover and an additional 10% under shrub cover, the country can be considered as a tiger landscape almost in its entirety[3]. Human-wildlife conflict (HWC) threatens wildlife and livelihoods[4] as 70% of the total population reside in rural areas depending heavily on natural resources. Bhutan's NBSAP[5] recognizes the loss of livestock and crop damages as major problems caused by wildlife. HWC results in retaliatory killings, resentment against policies, and lack of support towards conservation initiatives. Poaching and trafficking of wildlife is an increasing threat. Key species poached include tiger, leopard, musk deer and Himalayan black bear.

3. Bhutan faces challenges in sustaining high economic growth and improving living standards while protecting its rich natural resources. Complex challenges of ecosystem degradation, biodiversity losses, and climate change need to be addressed to avoid higher economic and human costs, and ecotourism is seen as a potential green solution to these problems. Due to rich cultural and natural heritage, Bhutan is considered as one of the top travel destinations in the world. However, despite nature being one of two main attractions for tourists coming to Bhutan (the other being culture), nature-based tourism is under-developed and has accounted for only 12% of tourism activities.

4. The tourism sector of Bhutan has been heavily impacted by COVID-19 (See **Annex 2** for an assessment of COVID-19 risks and opportunities). The global community has experienced the impact of shutting down international borders and air transport and inbound international tourism in Bhutan has come to a standstill across much of 2020. Although the tourism sector does not make the highest contribution to GDP (estimated to contribute 9% of GDP) it is one of the most important growth sectors for Bhutan and earns the highest amount of hard currency reserves. This cessation of tourism has therefore been a key part of the negative GDP growth observed during 2020. A rapid socio-economic impact assessment[6] supported by UNDP during the PPG phase confirmed that COVID-19 has had a significant impact on the tourism sector from early stages of lockdown, with most survey respondents outlining negative impacts on individual and household livelihoods. The ongoing importance of tourism to the economy remains well-recognized and strengthening tourism resilience is a core part of the government's COVID-19 recovery strategy. Policy recommendations in the socio-economic impact assessment

[2] http://datazone.birdlife.org/country/bhutan/ibas

[3] The National Tiger Survey was conducted from 2014 to 2015 to reliably estimate tiger abundance and density in the country. The survey estimate occurrence of 103 tigers in the country within a survey area of 28,225 km².

[4] The NBSAP, 2011 identifies land use conversion, over exploitation of timber and fuel wood, forest offences and wildlife poaching, unsustainable agricultural practices, pollution, invasive species, human wildlife conflict, climate change, population, over grazing, waste and poverty as the overall threats to natural resources and biodiversity conservation in Bhutan. It reports that over half of crop damage in Bhutan is attributed to wildlife depredation, and livestock predation exceeds 200 head per year. Households are estimated to spend an average of 110 nights a year guarding crops in addition to loss of human lives to wildlife attacks.

[5] National Biodiversity Strategies and Action Plan of Bhutan, 2014. National Biodiversity Centre, Ministry of Agriculture and Forests, Royal Government of Bhutan.

[6] https://www.bt.undp.org/content/bhutan/en/home/library/environment_energy/rapid-socio-economic-impact-assessment-of-covid-19-on-bhutan-s-t.html

include building resilience and sustainability into the future of tourism and using Bhutan's long-standing aspiration for ecotourism as a competitive advantage in this regard. Prior to the COVID-19 pandemic, Bhutan was listed at the top of Lonely Planet's countries to visit in 2020 on the justification "with green travel and overtourism on the minds of many travellers, it may be no surprise that Bhutan tops the list of best countries to visit".

5. . This project applies the following tourism terminology in accordance with the Bhutanese national policy context:

    - **Tourism:** Bhutan's National Tourism Policy (2021) defines tourism as 'the activity of a visitor and includes trips away from one's usual environment (residence), for less than a year, for any main purpose other than to be employed by a resident entity in the place visited'. Bhutan's tourism slogan has been High Value, Low Volume Tourism further reinforced by the Policy. The High Value refers to targeting mindful and responsible high-end visitors, creating good value for money experiences, high revenue and yield, quality infrastructure and tourism products and services and Brand Bhutan. In parallel, Low Volume ensures that the number of tourists visiting Bhutan are as per the absorptive carrying capacity of our natural, sociocultural and infrastructure.

    - **Sustainable tourism:** Bhutan's National Tourism Policy promotes the tenets of sustainable tourism as 'Promoting tourism in a manner that will meet the needs of the present tourists and destinations while protecting and enhancing opportunities for the future'. While Bhutan's overall High Value, Low Volume approach to tourism is built on a more sustainable form of tourism, the term sustainable tourism is used to confirm that sustainability is explicitly considered.

    - **Ecotourism**: The National Tourism Policy adopts the definition of ecotourism proposed by the Department of Forests and Park Services, "high-value low-impact travel that supports the protection of natural and cultural heritage; provides positive and enriching experiences for visitors and hosts; assures tangible benefits to local people, and contributes to the Gross National Happiness". Indeed, ecotourism has long been recognized to realize Bhutan's sustainable tourism goals and the Policy recommends the promotion of ecotourism to contribute towards sustainable tourism and inclusive development. By this nature, ecotourism is recognized as a sub-type of sustainable tourism and implicitly considers sustainability.

6. This project will seek to promote ecotourism development in Bhutan as a tool to strengthen biodiversity conservation and reduce threats to biodiversity including human-wildlife conflict. This strategy remains feasible under a COVID-19 context and will capitalize on the opportunity for the government to mainstream biodiversity conservation into its green tourism recovery and resilience strategies through ecotourism development. The project will focus on a demonstration landscape in Eastern Bhutan that contains globally significant biodiversity, including two protected areas, namely the Bumdeling Wildlife Sanctuary (BWS) and the Sakteng Wildlife Sanctuary (SWS), both of which are recognized globally as Key Biodiversity Areas (See **Annex 3h, Annex 12b**). These two wildlife sanctuaries serve as a biodiversity repository of the Eastern Himalayan Indomalayan ecoregions. The demonstration landscape includes five Dzongkhags of Lhuentse, Mongar, Trashiyangtse, Trashigang and Zhemgang, that together cover all three eco-floristic or climatic zones – subtropical, temperate, and alpine zones, including at least 12 different forest/vegetation types from pine and warm broadleaved forests (1000-1500m) to alpine pastures and scrubs and meadows (4500m). This demonstration landscape has 22 mammals, 13 birds, 4 butterflies and one medicinal plant that are globally threatened (See **Annex 12b and Annex 12c**).

Threats, Root causes, and Impacts:

7. The many direct pressures on biodiversity identified in the NBSAP include land-use conversion, forest fires, over-extraction of timber and fuelwood, overgrazing, forest offenses and wildlife poaching, unsustainable agricultural practices, pollution, invasive species, and human-wildlife conflict. Indirect pressures include climate change, population, and poverty. These direct and indirect pressures result in ecosystem losses, reductions in species and genetic diversity and resonate weak community-custodianship of the environment and biological resources. In

2018 alone, there were 39 fire incidences across the country out of which Mongar Dzongkhag (in the project landscape) recorded 1,199 ha of area burnt, the highest extent that year (See **Annex 12C**, Figure 3).

8. Despite the predominant Buddhist ethic in Bhutan, human-wildlife conflicts (HWC) remain the main threat to the conservation of biodiversity. While Bhutan is globally reputed for richness in biodiversity and for promoting sound conservation policies, HWC has been recognized as one of the biggest challenges for conservation and proving to be costly for the security and sustainability of farming and livelihoods[7]. Indeed, national stakeholders and media have recently started criticizing the government on over-conserving due to increasing cases of human-wildlife conflicts in the country. Drivers of HWC include habitat fragmentation, encroachment, clearing, selective logging, new infrastructure and human settlements that bring people and wildlife closer together in the landscape, increasing the chance for conflict. Recurrent financial and livelihood loss faced by farmers due to livestock predation and crop depredation, along with a lack of other viable sustainable livelihood opportunities to offset these losses contribute to HWC. The Gross National Happiness Survey 2015 revealed HWC as one of the main reasons inhibiting happiness. The five project districts are among the most affected districts in Bhutan, with Zhemgang rated as the highest (see **Annex 12C**, Figure 4).

9. Crop losses due to pests and diseases, and wildlife and natural disasters like storms, earthquakes, and drought make communities vulnerable to poverty, with the principal risk in agricultural communities being wildlife attacking both food and cash crops[8]. The recent agriculture census indicated 33.9% of farmers' stated an inability to prevent crop damage by wildlife is a major reason for leaving land idle. Livestock depredation by wild predators equates to an average annual financial loss of 17% of total per capita cash income. The annual mean livestock loss per household was 1.29 head of stock, which is the equivalent of more than two-thirds of annual cash income (See **Annex 12C**). In the project demonstration landscape, crop losses of farmers are mostly from wild boar, porcupine, barking deer, monkeys, and rodents; while livestock depredation is mostly by tiger, common leopard, wild dog, red fox, and Himalayan black bear. The increased level of HWC across Bhutan has cultivated a negative community attitude towards wildlife and conservation agendas by frustrated farmers that can lead to increased local engagement in retaliatory killing of wildlife, poaching and trafficking. Retaliatory killings through poisoning of dholes (Asiatic wild dog) a few decades ago almost eliminated the species from the wild[9].

10. Poaching is a particular threat to areas with easy access to national borders and markets for illegal wildlife products. For example, in one year (2013-14), 159 wildlife products were seized and 1477 traps were dismantled. While wildlife offences occur throughout the country, eleven of twenty districts are marked as poaching hotspots, including Mongar and Trashigang in the project demonstration landscape. Of 44 cases of poaching of medicinal plants recorded in 2019, 12 cases pertain to the project demonstration landscape (See **Annex 12C**). The major wildlife products poached and illegally traded include Himalayan Black Bear, Common Leopard, hornets, Asiatic Golden Cat, musk deer, tigers and leopards. The main methods of poaching include retaliatory killing due to HWC and through snares/traps set for problematic species. Other forms of offence are illegal harvesting of timber and non-wood forest products and encroachment. Last year, there were 924 offences related to timber of which 193 cases were recorded in the five districts of the project demonstration landscape. Similarly, 64 cases out of 357 cases related to illegal harvesting of non-wood forest products. These include poaching of important medicinal plants such as *Paris polyphylla*, *Aconitum* spp., Rhododendrons, *Swertia chirata*, *Gentiana* spp., and *Panax pseudogensing*.

11. Because of the high degree of connectivity of PAs, biological corridors, and government-reserved forest, these threats apply across the landscape requiring a landscape approach in response. Studies have recommended careful management of HWC if the dual goals of wildlife conservation and economic livelihood are to be met[10].

[7] 12th Five Year Plan, MoAF prioritizes Reduction and Management of Human Wildlife Conflict (HWC) as one of the key strategies of the sector's development plan during the 12FYP period.
[8] Bhutan Poverty Assessment, 2014. World Bank.
[9] Bhutan NBSAP 2014
[10] Tiger Sangay & Karl Vernes, Human-wildlife conflict in Kingdom of Bhutan: Patterns of livestock predation of large mammalian carnivores, 2008.

12. While Bhutan's ecotourism is underdeveloped, tourism as a whole is geographically concentrated in Western Bhutan and this and a short tourist visitation season results in over-crowding at key sites and risk of environmental degradation from overtourism. Prior attempts at ecotourism have not fully considered biodiversity conservation and the potential for tourism activities to have negative impacts on sensitive habitats. Most of Bhutan's trekking routes have very basic amenities that are substandard and are poorly maintained. These factors exert pressure on sensitive ecosystems and impede the extent to which tourism can provide a sustainable and viable alternative livelihood for local communities (see **Annexes 12c, 12d** and **12h** for further details). Over 3,500 tourists trek on 23 trekking routes annually in the country, including the popular Jomolhari base camp and the Druk Path. These tourists generate a considerable amount of waste, as they carry mostly packaged foods and drinks. Besides, transport animals (yaks and horses) are used with the ratio of tourists to transport animals increasing to as high as 1: 6[11] for long treks, trampling vegetation and soil along the way. Visitation increases pressures on biodiversity through trampling of vegetation and soil and cutting of trees and shrubs near campsites. Trekking usually occurs at higher altitudes, where plant growth is slower, putting more pressure on plant vigour. Often, out-of-place tourism structures in the middle of natural settings — those that do not blend with local structures and landscape — can clash with and spoil the beauty of a place. For example, Phobjikha valley is a Ramsar site and the winter roosting ground for Black-necked cranes. It has become a popular tourist destination and the valley is sprawling with many high-end resorts. However untreated sewage and wastewater drain directly into the wetland altering its ecosystem (See **Annex 12C**). While impacts have been mainly observed in the more heavily visited Western region, this is an increasing threat for sensitive ecosystems in Eastern Bhutan that are targeted by the government for increased tourism development.

Current barriers to establishing ecotourism that incentivizes biodiversity conservation and facilitates the mainstreaming of biodiversity into tourism are:

13. *Inadequate enabling national policy environment and weak institutional coordination and governance*; Ecotourism in the past has not been captured under a cohesive national framework, leading to weak coordination and clarity in policy, planning, and mandates between key stakeholders and fragmentation in approaches between governments at different levels as well as between government and the private sector[12]. Despite nature being one of the two principal attractions for tourists coming to Bhutan, there are no coordination mechanisms and policies that provide safeguards to unhealthy growth and development in tourism infrastructure, development of tourism products and services and overall standards. The Department of Forests and Parks Services prepare and implement their conservation-oriented plans and programs as does the tourism sector from their business perspective. There is an absence of common standards and guidelines for managing environmental risks, and limited monitoring and enforcement of existing rules and standards[13]. While certification is an accepted tool to ensure conformity to proper standards and safeguards, there is no formal requirement for certification of ecotourism as a 'green product'. Overall, there is very limited consideration of biodiversity conservation in planning, development and operation of tourism activities, including ecotourism. There is now a good opportunity to achieve this policy development as part of the government's overall recovery to COVID-19 through accelerated reform towards ecotourism, and it will be an essential foundation of such reform. While nature is the bedrock of a sustainable and resilient ecotourism future, the environmental and natural resources sector is not currently represented on the key tourism body, the Tourism Council of Bhutan (TCB). Similarly, TCB does not have representation from the health sector, which in view of the COVID-19 experience is paramount for pandemic diseases prevention and health safety within tourism sector.

14. Biodiversity considerations are not adequately considered in the process of planning and development of tourism and tourism potential is not well considered in the planning and implementation of conservation activities. This

[11] Ecotourism as a mechanism for sustainable development, Rinzin et.al (2007)

[12] See UNDP, 2018: Bhutan Tourism Value Chain Analysis, Boxes 1, 2 and 3; page 29,31 and 42 respectively and Table 34 (external constraints), page 59.

[13] Bhutan Tourism Value Chain Analysis, 2018 reported a support institution stating, "waste problem is growing in the tourist visited places inside PAs and along the trekking routes; no particular agency is responsible for managing the waste."

poses a risk to the sustainability of ecosystems from mass tourism without adequate safeguards while at the same time species and ecosystem-oriented conservation without consideration of livelihoods could impede long-term sustainability (See **Annex 12C**, Figure 7). Lack of coordination also exists at local levels. For instance, the evaluation report on the implementation of homestays and campsites across the country has identified a lack of proper coordination among the community and the tour operators in terms of accessibility and market affecting the overall performance of these facilities (See footnote, 20). The Tourism Council of Bhutan, therefore, envisages the need for sound and robust tourism policies, strategies and master plans that are based on inclusiveness and sustainability principles.

15. Reducing threats to biodiversity through appropriate tourism policies and plans will have to be accompanied by appropriate measures to address HWC given the severe situation of HWC and the resultant antagonistic attitude of rural communities towards wildlife. For Bhutan's rural communities, which bear the daily brunt of strict conservation policies in HWC, ecotourism holds tremendous potential to improve their livelihoods. The Department of Forests and Park Services has prepared a national HWC Management Strategy and Zero Poaching Strategy[14]. However, some elements of these strategies have not been tested, some implementation and coordination roles are not defined, and there are limited area and wildlife-specific data available as the baseline for such strategic actions and progress reporting.

    Lack of sustainable financing for biodiversity from tourism, innovation, and diversification of ecotourism products and limited integration of ecotourism value chains into local community engagement and development and support for HWC management. Biodiversity conservation financing in Bhutan has been mostly project-based[15]. Despite the government's political commitment to address environmental challenges, there are many competing demands for limited resources. There is an estimated Nu. 5,046 million (USD 75 million) financing gap for meeting the 12th FYP's biodiversity and climate-related targets. Ecotourism is a green product that could contribute to meeting the financing needs and targets (See **Annex 12C**). The BIOFIN assessment has recommended policy and laws related to biodiversity conservation to consider market-based instruments as an integral element of biodiversity conservation initiatives for sustainability and in integrating implementation ownership[16]. Currently, there are limited mechanisms for revenue generation in parks and other nature recreational areas in Bhutan. Only Sakteng Wildlife Sanctuary imposes park entry fees (as exclusivity fees). Besides this there are three recreational areas - the Royal Botanical Park at Lampleri, botanical Park at Serbithang, and Takin preserve that have entry fees for both domestic and international visitors. A few camping sites in the country have user fees for the services provided. The only other direct means of generating revenue is through issuance of licences for fishing. Therefore, the overall accumulation of revenue generation from visitor fees is minimal although opportunities exist. Further, while the impact both in terms of revenues and jobs including social progress can be significant, there is no formal mechanism to enable the enable the flow of funds from ecotourism to biodiversity conservation. A clear plough-back mechanism designed to help protected areas retain revenues in the park's conservation activities is needed to enable the sustainability of biodiversity conservation activities. Compounding these challenges, there are no systematic investment facilitation processes that consider sustainable financing structures and few identified opportunities for high-value private investment and public-private partnerships. An initial concessions framework has been drafted but not finalized or implemented. The draft Tourism Policy of Bhutan, 2019 recognizes that the success of tourism as a driver of sustainable development depends on the presence of a conducive business environment for trade and investment to promote growth[17]. Initial COVID-19 response strategies further recognize the importance of a resilient business

[14] National Human-Wildlife Conflict Management Strategy of Bhutan (2018 – 2028), DoFPS 2019; Bhutan National Zero Poaching Strategy 2017-2021, WWF Bhutan 2018

[15] National Action Plan – Biodiversity Perspectives and Climate Change, 2011, p 25. The CD score report indicates that due to resource constraints majority of the implementing institutions for mainstreaming biodiversity into tourism are severely underfunded although some small funding is made available from donor agencies.

[16] Climate Policy and Institutional Review for BIOFIN.

[17] The Draft Tourism Policy, 2019 envisages creating conducive environment for investments in tourism with targeted incentives, and to simplify processes for tourism businesses.

environment, and in using the current tourism 'down time' to put in place necessary infrastructure, business processes and digitization to support further private sector investment.

16. The Business Infrastructure Policy, 2014 Tourism development zone included the types of business infrastructure that will receive policy support with benefits including exemption from customs duty and the sales tax on imports of capital goods, raw materials, consumables, spares used for the construction of business infrastructure and tax holiday for 20 years from the date of commercial operations. The benefits will be eligible upon the designation of an area as a Business area by the National Land Commission (NLC). However, there are no tourism development zones identified and designated by the NLC that will enable the private sector to avail of the above benefits and promote sustainable and eco-friendly tourism infrastructure. The proposed master plan developed through this project is expected to contribute towards filling this gap. The financial incentives Policy, 2014 identifies tourism as a priority sector. Financial incentives provided through this policy are limited to tour operators such as sales (ST) tax & customs duty (CD) exemption on buses for tour operators, ST & CD exemption on camping, trekking, rafting, kayaking, boating for tour operators ST & CD exemption for tourist standard hotels.

17. The financial incentives do not include ecotourism enterprise and product development. The draft concessions framework, a guideline to encourage and enhance the provision of services and opportunities of ecotourism development, developed by the DoFPS defines the environmental, social, and economic conditions that investors should meet but does not define the benefits and incentives (concessions) that the investors will avail[18]. Further, The Public Finance Act, 2007 (Amended, 2012) requires local authorities to seek approval from its governing bodies for expenses to be defrayed from local revenues and requires raising of revenues (including taxes, fees, charges, and income from sales) to be authorized by the Parliament. There are no formal mechanisms to enable investments into ecotourism development or the required mechanisms to enable retention of revenue from such investments for sustaining biodiversity conservation at local levels. The Bhutan For Life programme aims to enable that 80% of all households within PAs have increased access to nature-based employment and income-generating opportunities including ecotourism by year 9 of operation (coinciding with 2027). However, appropriate mechanisms and tools will need to be in place for BFL's ecotourism enterprises and partnership with the private sector and local communities to take off.

18. *Insufficient knowledge and capacity on ecotourism, biodiversity conservation, and HWC management at national and local levels, and poor gender and youth mainstreaming;* There is limited knowledge among the local tourism sector on ecotourism best practices, leading to the limited application of best practices within the private sector. Most of the agencies involved in activities related to campsites and homestays in Bhutan are not able to understand the purpose and the objectives of ecotourism. Weak understanding of business opportunities at local levels inhibits growth in ecotourism businesses and to the sustainability of biodiversity conservation. Targeted ecotourism and sustainable tourism practices are not included in training and hospitality courses[19]. The evaluation of ecotourism commissioned by the GNHC in 2018 with a focus on village homestays and campsites has recommended advocacy and awareness, strengthening stakeholders' partnerships, capacity building, and developing promotional materials as important areas for improving ecotourism services in the country. The May 2020 socio-economic impact assessment of COVID-19 on the tourism sector identified an urgent need for re-skilling and upgrading skills across the tourism sector particularly in nature guiding, ecotourism and farm tourism – and training partnerships and programs need to be put in place to support this.

19. Coordination and learning are impeded by a lack of networks to consolidate and share experiences from ecotourism pilots, boost marketing and business opportunities, and facilitate the establishment of Bhutan as a preferred ecotourism destination. Knowledge management mechanisms to share best practices and lessons learned between key stakeholders involved in ecotourism, biodiversity conservation, HWC, and protected area management do not meet current needs, and do not allow for ready access to best practices and lessons from

[18] Concessionaire Framework, NCD, DoFPS

[19] The Capacity Development Plan and score card report (see Annex 12j) carried out during the PPG report that human resources for mainstreaming biodiversity conservation into tourism are not well qualified or motivated as presently there are few opportunities to build up and use skills.

other countries grappling with HWC or successfully leveraging sustainable biodiversity financing and livelihoods from nature-based tourism. Information sharing between different units, departments, and agencies of (local) government – and with the public – is limited and not systematically organized, hindering collective learning and action from best practices on common issues. Past studies confirm that HWC results in resentment against conservation policies and retaliatory killings. Community attitudes can be antagonistic towards wildlife and conservation due to substantial HWC impacts on livelihoods, and communities generally make little contribution to biodiversity conservation. There is a limited and fragmented application of sustainable tourism (including ecotourism) practices within the private sector, in part because of a lack of awareness, skills, and equipment[20].

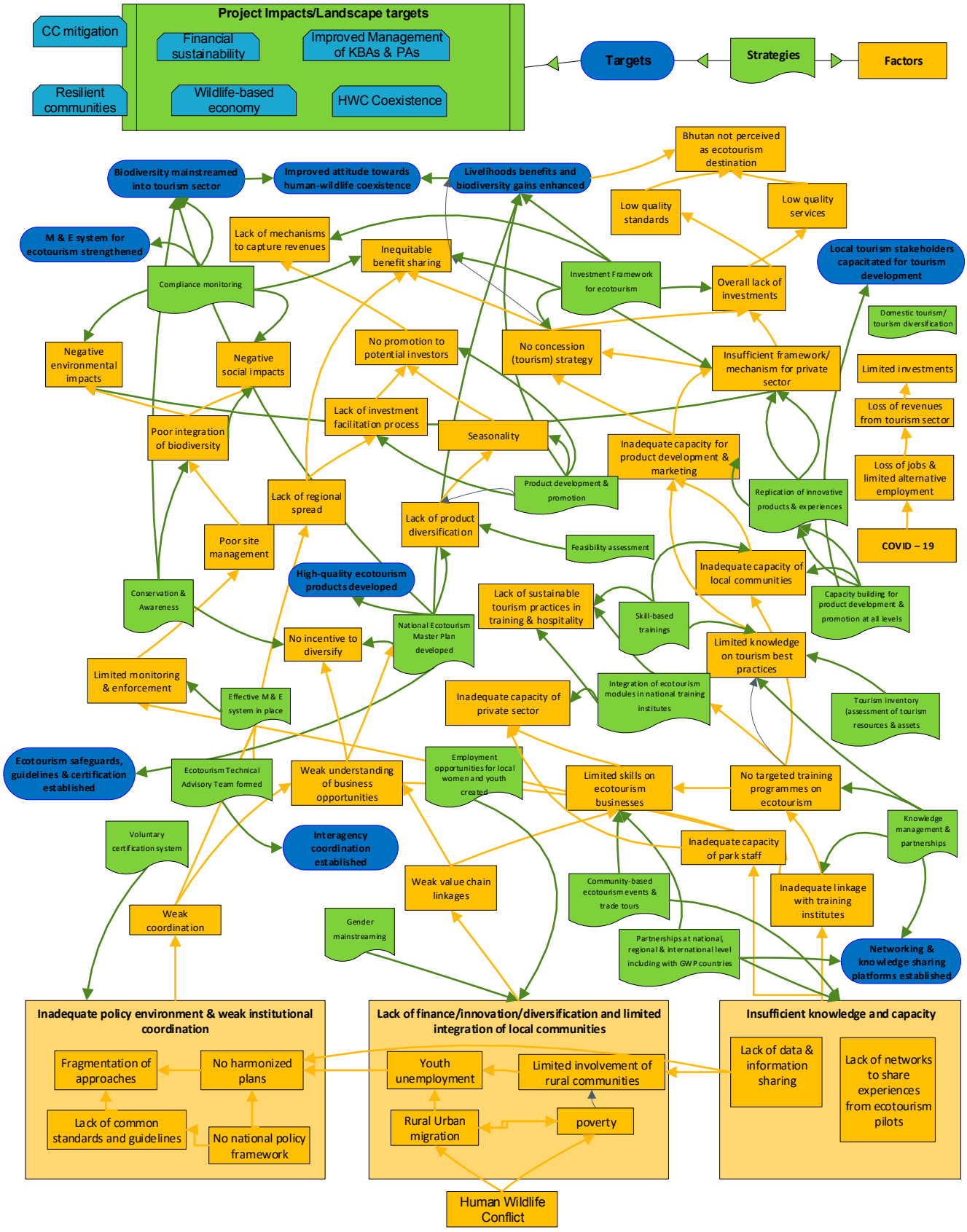
20. **Project conceptual model:** The interacting web of factors that threaten the globally significant biodiversity in Bhutan particularly, and overall environmental conservation in general, as well as the strategies and targets to minimize these threats, is illustrated in a conceptual model that was developed during the PPG with a wide range of key stakeholders **(Figure 1)**. This indicates the key factors and the points where project interventions can contribute towards a reduction in threats to biodiversity, and therefore lead to the conservation of biodiversity and landscape resilience. The main project strategies are summarized in the following section which includes the project's Theory of Change (**Figure 2**).

Alignment with National Policies, strategies and priorities:

21. The project's approach to mainstream biodiversity conservation into the tourism sector through model ecotourism development, demonstrating benefits for globally significant biodiversity, human-wildlife co-existence and livelihoods, is consistent with the Gross National Happiness principles. GNH is based on the pillars of good governance, equitable socio-economic development, cultural preservation, and environmental sustainability. Accordingly, national development policies and programs accord a high priority to environmental conservation.

[20] UNDP (PPG), 2020, Report on Mainstreaming Biodiversity Conservation

Figure 1: Project conceptual Model



22. The project fully aligns with the 12th Five Year Plan[21] (FYP) (2018-2023). Sustainable tourism development is a national flagship program in the 12FYP under the coordination of the Tourism Council of Bhutan. Three main result areas of the flagship program are enhancing an 'Enabling Environment', developing 'New Destinations', and strengthening and promoting 'Unique Products'. The 12th FYP coincides with Bhutan's 'last mile' to LDC graduation in 2023. Out of the 17 National Key Result Areas (NKRAs) of the plan, 6 have strong relevance to the project: NKRA 2: Economic diversity and productive capacity; NKRA 3: Poverty eradication and inequality; NKRA 5: Healthy ecosystem services; NKRA 6–Carbon neutral, climate and disaster-resilient development; NKRA 8: Food and nutrition security ensured and NKRA 11: Productive and gainful employment.

23. The 13th and 14th Round Table meetings between Bhutan and its development partners discussed the implications of Bhutan's imminent LDC graduation and prospects of development financing. While ODA and domestic revenue generation will remain critical for financing development needs, the meetings prioritized leveraging new, innovative and green finance. The government is developing a 21st Century Economic Roadmap for the next 10 years. Tourism is forecast as a major component of economic diversification including ecotourism development. Priorities for ecotourism includes development of public-private partnership models, wildlife viewing and high-end nature-based products. In the context of implications of LDC graduation, opportunities for tourism-derived revenue to deliver biodiversity conservation outcomes are significant.

24. The National Tourism Policy, 2021, based on the guiding principles consistent with the national development philosophy of GNH and High value, Low volume tourism, the policy envisions Bhutan as a Green, sustainable, inclusive and a high-value competitive tourism destination. The policy emphasizes:
    - Adequate research and consultations to consider values, significance, and sentiments of the local communities and sites in opening new areas and sites tourism.
    - Integration of tourism considerations in the sector policies and plans and identification of tourism zones across the country to conserve, preserve/protect and maintain places of scenic beauty, villages, towns, and tourist sites as well as procedures, guidelines, regulations, and standards to ensure systematic and planned development of sustainable products and services.
    - Investment facilitation, enabling frameworks, capacities, benefit-sharing mechanisms, etc.
    - Eco-friendly tourism infrastructure, amenities, and support services including accessibility for the differently-abled.
    - Brand Bhutan strategies to differentiate Bhutan from competing destinations including developing a unique market position, image, and brand.

25. The importance of tourism to diverse sectors of the economy is recognized in the Royal Government of Bhutan's Economic Contingency Plan 2020[22] in response to the COVID-19 pandemic. Tourism resilience is one of three programs under the economic contingency plan, aiming to professionalize the tourism sector, strengthen tourism governance and enhance Bhutan's image as an 'exclusive high-end and sustainable tourism destination'. Thus, green and sustainable remain a key part of the brand vision under COVID-19, and could be seen as an increasing market advantage for Bhutan if global tourism reboots with a stronger interest in remote, 'socially-distanced' destinations – a form of tourism that is strongly-aligned to the government's long-term 'high-value, low impact' tourism policy and the ecotourism development potential. The government is developing a 21st Century Economic Roadmap for the next 10 years. The ideas around ecotourism include PPP models, wildlife viewing and high-end nature-based products. Current government strategies to enhance tourism resilience in response to COVID-19 include:
    - Infrastructure and product development focusing on the upgrading/development of new trails, roadside amenities, campsite and beautification works.
    - Updating of the tourism resource inventory and google street view imagery.

[21] Bhutan's national development plans are prepared, implemented and evaluated on a five-yearly planning cycle. The 12th Five Year Plan extends from 2018-2023. The 12FYP for tourism sector is packaged in the form of a Tourism Flagship program document.

[22] https://www.pmo.gov.bt/wp-content/uploads/2019/09/ECP-2020-1-1.pdf

- Developing Standard Operating Procedures to implement a Sustainable Development Fee for regional tourists, establish new entry points, assessment of non-TCB certified hotel and system integration to ease business processes like transferring of tour payments and refunds.

26. Green economic recovery including the tourism sector, and support to new approaches and strategies for the future of tourism, is captured within the draft UN Bhutan COVID-19 Socio-Economic Response Plan.

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

28. The project will use ecotourism development to strengthen financing for biodiversity and reduction of biodiversity threats. These themes are well-aligned with the following relevant national policies and priorities:
    - The Constitution of Bhutan which has a full Article on Environmental Conservation and requires maintenance of 60% of the country's geographical area under forest cover for all times.
    - The National Forest Policy (2011) promulgates maintaining species persistence and ensuring long term sustainability of biodiversity, ecosystem services, natural habitats and cultural heritage through a network of Protected Areas, biological corridors and management of other parts of the forest landscape for positive environmental outcomes. Today, the country has five national parks, four wildlife sanctuaries, one strict nature reserve, one recreational park, and nine biological corridors that cover 51.4% of the country. The policy articulates the provision of an enabling environment for the promotion of nature-based tourism to bring benefits to local communities and enhance conservation.
    - The Economic Development Policy, 2016 seeks to take advantage of the country's unique cultural and spiritual heritage as well as the natural environment and to minimize negative impacts in the pursuit of sustainable tourism. The policy states that sustainable tourism will be promoted, and that product diversification will emphasize competitive nature-based activities and community-based tourism products (among others).
    - Biosecurity Policy of the Kingdom of Bhutan 2008 aims to preserve Bhutan's rich biodiversity and natural environment, enable sustainable use of natural resources and facilitate safe and sustainable trade and tourism.
    - National Human Resource Development Policy, 2010 identifies the pursuit of entrepreneurship in the different sectors of the economy, such as manufacturing, construction, and tourism.
    - The 2008 Bhutan National HWC Management Strategy (and 2018 revision, see below) recognizes ecotourism as an integrated strategic approach to address HWC.
    - National Environment Strategy of Bhutan, 2020, calls for improved coordination between all sectors involved in the tourism sector and to initiate new tourism products that do not result in pollution threat to endangered species and that develop positive linkages with HWC through ecotourism. Objective 27 of the strategy identifies the need to assess the absorptive carrying capacity at national, dzongkhag and site-level; encourages the spread of tourists geographically beyond the hotspots in the west and north and to enhance livelihoods through ecotourism.
    - The Economic Development Policy (2016) identifies tourism as one of the 'Five Jewels' that has the potential for export, revenue generation, and employment creation.

29. Relevant laws of Bhutan that relate to ecotourism and biodiversity safeguards are listed in **Annex 12m.**

30. The project will promote wildlife-based ecotourism that minimizes the negative impacts of increasing tourism on Bhutan's environment and socio-cultural heritage, generates employment, sustainable finance for conservation and promotes human-wildlife coexistence. Thus, the project is expected to make a significant contribution to the

local and national economy of Bhutan, as well as helping achieve: a) the UNDAF/Country Programme Outcome 1: *Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded*; and b) the UN Sustainable Development Partnership Framework for Bhutan 2019-2023 Outcome 4: *By 2023, Bhutan's communities and its economy are more resilient to climate-induced and other disasters and biodiversity loss as well as economic vulnerability*.

31. Alignment with relevant Conventions, SDGs and Aichi Targets**:** At the global level, Bhutan is a signatory and active party to all the international Conventions relevant to this project, including the Convention on Biological Diversity (CBD); the UN Framework Convention on Climate Change (UNFCCC), including the Kyoto Protocol; the Ramsar Convention on Wetlands; Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); South Asian Wildlife Enforcement Network (SAWEN) and UNESCO World Heritage Convention. The project will assist the Government in implementing its obligations under these conventions and provide opportunities for synergies in their implementation.

32. Bhutan's National Biodiversity Strategy and Action Plan (NBSAP, 2014) is a tool to implement the Convention of Biological Diversity (CBD) and is a national guiding document for effective biodiversity management. The NBSAP envisages that Bhutan's biodiversity is valued, conserved and sustainably used to provide essential ecosystem services for the economic, environmental and social well-being of the present and future generations through a holistic, concerted and effective approach. Seven of the 20 national targets, strategies and actions in Bhutan's NBSAP are directly related to ecotourism as a source of revenue as well as a tool for biodiversity conservation. This project will contribute to the implementation of the following NBSAP National Targets:
    - National Target 1: At least 60 percent of the population is aware of the values of biodiversity and steps they can take to conserve and use it sustainably.
    - National Target 2: national capacity is established for the valuation of biodiversity and ecosystem services to integrate into national development planning and policy-making process and national accounting system, as appropriate.
    - National Target 4: relevant stakeholders adopt the principles of sustainable production and consumption of natural resources and have kept the impacts of the use of natural resources well within safe ecological limits and National Target
    - National Target 8: pollution from different sources, including from use of fertilizers and agrochemicals affecting biodiversity and ecosystem functions are maintained within the national environmental standards.
    - National Target 7: Areas under agriculture and forestry, including rangeland, are managed through the adoption of sustainable management practices, ensuring conservation of biological diversity.
    - National Target 11: The current Protected Area System is maintained with enhanced management effectiveness and financial sustainability.
    - National Target 14: key ecosystems and ecosystem services are identified, assessed, and safeguarded for human well-being
    - National Target 15: priority degraded ecosystems and habitats are identified and rehabilitated through a landscape approach.
    - National Target 20: funding requirement for the implementation of the NBSAP is identified and funds mobilized.

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

including identifying and sharing best practices at regional level. Through these efforts the project will contribute to regional action on wildlife enforcement and support Bhutan's participation within the South Asia Wildlife Enforcement Network (SAWEN).

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

35. SDGs**:** The project will contribute directly to the achievement of Sustainable Development Goal (SDG) 15 Life on Land: to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss, supporting activities that address a number of its targets. It will also contribute substantially to SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all. It will make secondary contributions towards SDG 5: Gender equality, SDG 11: Sustainable cities & communities, SDG 12: Responsible consumption & production, and SDG 13: Urgent action on climate change.

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

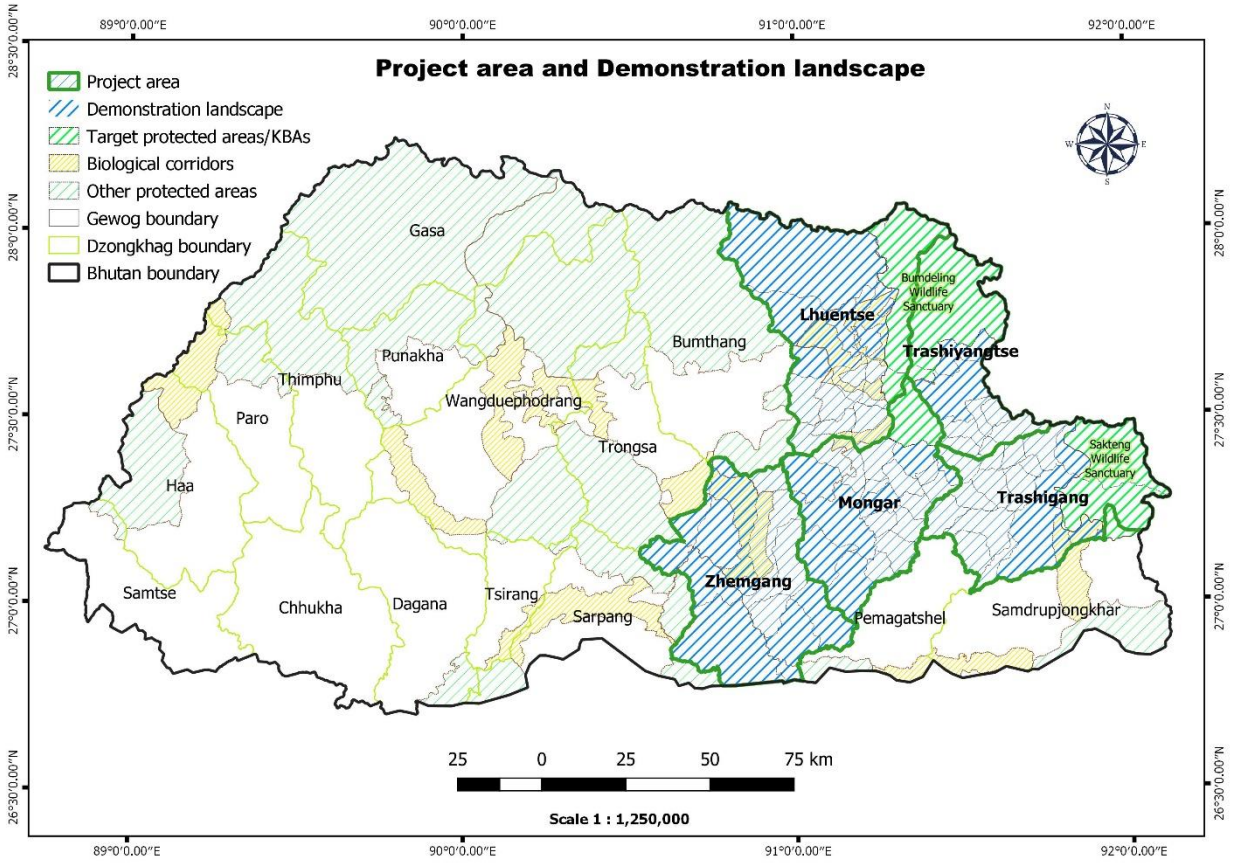
Project demonstration landscape and intervention sites

37. Given these barriers and government policy priorities, the project will focus on a demonstration landscape within the eastern circuit of the national tourism development strategy. This will enable a more balanced geographical spread of visitation, tourism investment, employment, and revenue across Bhutan, with strong alignment to the government's vision for tourism sector recovery. The project's demonstration activities will focus on a project area in eastern and south-central Bhutan encompassing the five Dzongkhags of Lhuentse, Mongar, Trashigang, Trashiyangtse and Zhemgang (see **Figure 3**), which have a total area of 951,884 ha. The identified demonstration landscape within this broader area is a landscape of 274,344 ha. This includes 132,543 ha within Bumdeling Wildlife Sanctuary (BWS) and Sakteng Wildlife Sanctuary (SWS) as well as 141,802 ha outside these PAs. Both these PAs are included in the global database of Key Biodiversity Areas (KBAs). The profile report for the demonstration landscape and the related PAs is provided in **Annex 12b**, while **Figure 3b** provides more detailed maps and a list of the project activity sites (e.g. for tourism product development) in each Dzongkhag.

38. The criteria used for selection of the demonstration landscape included two primary criteria and four secondary criteria. The primary criteria were: 1) G*lobal Environmental Benefits* - the presence/extent of globally significant biodiversity, and 2) The presence and level of *threat to biodiversity* particularly through HWC, poaching and/or IWT that ecotourism development can help address. The secondary criteria were: 3) *Bed nights* - to enable the spread of tourism to areas that received fewer tourists in the past (Government priority); 4) *Under Protected Area* - to ensure that the project works within areas that include PA management and provide better scope for mainstreaming biodiversity conservation into tourism and supporting PA financing sustainability through

ecotourism-generated revenue; 5) *Accessibility and Security* – since physical access (roads) and at the same time security and safety are critical considerations for tourism; 6) *Potential for Circuit* - the five Dzongkhags also fit with the eastern circuit of the national approach for circuit-based tourism development.

Figure 2: Project area and location of the demonstration landscape



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

39. Within this area, targeted geographic priorities have been informed by government priorities reflected in the Tourism Flagship Program, which have been identified and prioritized through an inclusive bottom-up planning process required for the national 12th FYP preparation. These have been further discussed and validated during the PPG field visits which confirmed the feasibility and potential benefits of the activities as well as stakeholder support for the project activities. As a result, demonstration activities were identified in 19 Gewogs and the boundaries of these gewogs were used to delineate the project demonstration landscape. Ongoing feasibility and support for these activities given COVID-19 impacts and emerging government economic recovery policy will be confirmed during the inception phase based on the current situation at that time. The validation process happened during COVID-19 pandemic and at that stage (mid-2020) there was still strong community support for product development given COVID-19 impacts on tourism, and strong alignment with government policy for economic recovery has been confirmed. These areas have high potential for ecotourism due to the intact cultural and environmental conditions, rich biodiversity, and the national priority to strengthen tourism in these areas. The RGoB's priority to enable geographical expansion of tourism into the traditionally less-visited areas of the country would mean that without the project this biodiversity hotspot would remain exposed to increasing threats of habitat loss, disturbance, poaching and overall environmental degradation. Further detail on the selection process is described in **Annex 12b**.

II. STRATEGY

40. The **Project Objective** is: *Ecotourism development mainstreams biodiversity conservation into the tourism sector in Bhutan*. To achieve this Objective, the project will implement three project Components with intervention pathways as shown in the Theory of Change in **Figure 2** below.

41. The Theory of Change outlines the problem the project is trying to address and the causal logic that has informed the project design to ensure the objective is achieved. This can be summarized as follows: in order to address the serious threats to biodiversity in Bhutan arising from HWC, the project will mainstream biodiversity into the tourism sector through ecotourism development and enable local communities to benefit from ecotourism-related livelihoods so that they value biodiversity and contribute to its conservation including through a reduction in HWC and poaching. This will also help prevent and mitigate threats to biodiversity from tourism development. Theory of Change considerations include:
    - Putting in place national policy enablers and local capacity to support ecotourism development, leveraging and strengthening ties between tourism, health and biodiversity policies and priorities;
    - Building the infrastructure and ecotourism products/experiences to provide a quality attraction for tourists and enhance revenue generation potential;
    - Ensuring appropriate financial mechanisms for ecotourism revenue collection and retention of funds for local biodiversity conservation, including an adopted concessions framework to stimulate private sector investment and public-private partnerships for ecotourism and government-agreed policy enabling the reinvestment of ecotourism revenues in biodiversity conservation and PA management; along with provision of resilient and attractive local livelihood opportunities;
    - Raising awareness of the link between biodiversity conservation, ecotourism development, and livelihoods.

42. Ecotourism, hence, can be a lever of change, by promoting the sustainable use of natural features and biodiversity as tourism attractions (e.g. wildlife, forests, wetlands, rivers, mountains, etc.) that generate employment and entrepreneurial opportunities for local people and that provide sustainable flows of financing for biodiversity conservation including ongoing management of the PA system. The creation of unique ecotourism sites and experiences will attract tourists (domestic and international) generating revenue through the ecotourism sector. Where tangible and meaningful economic benefits to local people are realized, and the conceptual link between jobs and conservation is understood, pressures on protected and natural areas for conversion to agriculture or wildlife poaching can be reduced (See **Annex 12C**). Further, the establishment of practical mechanisms to capture a portion of ecotourism revenue for biodiversity conservation and its reinvestment in management of the PA system and the mitigation of threats to wildlife will generate a new sustainable financing source for biodiversity conservation.

43. This will be achieved by: strengthening the enabling framework at the national level for low-impact ecotourism development, financing for biodiversity and reduction of HWC and poaching; building the capacity of tourism providers, government officials and communities through training and knowledge sharing; and bringing these elements together in a landscape-scale demonstration of environmentally-friendly ecotourism products and services that benefit globally significant biodiversity, human-wildlife co-existence, and livelihoods.

44. The key assumptions that have been made in the Theory of Change and designing the project are detailed in **Table 1**. These include assumptions related to the interconnection of ecotourism development, livelihoods improvement and biodiversity threat reduction; and COVID-19 related assumptions such as restarting of international travel, increased interest of travelers in ecotourism or 'remote' tourism, and the continued/strengthened marketing potential of Bhutan in this adjusted tourism operating context. Given its focus on ecotourism development, there are a number of COVID-19 linked assumptions underpinning the Theory of Change, including assumptions about the recovery of tourism that underpin the project objective. COVID-19 impacts on the tourism sector are substantial and while there are signs that the global tourism sector is reopening

things could shift dynamically over coming months. Therefore, these COVID-19 related assumptions will be reassessed during the project inception phase and updated based on new information available at that time.

Figure 3:Theory of Change Diagram

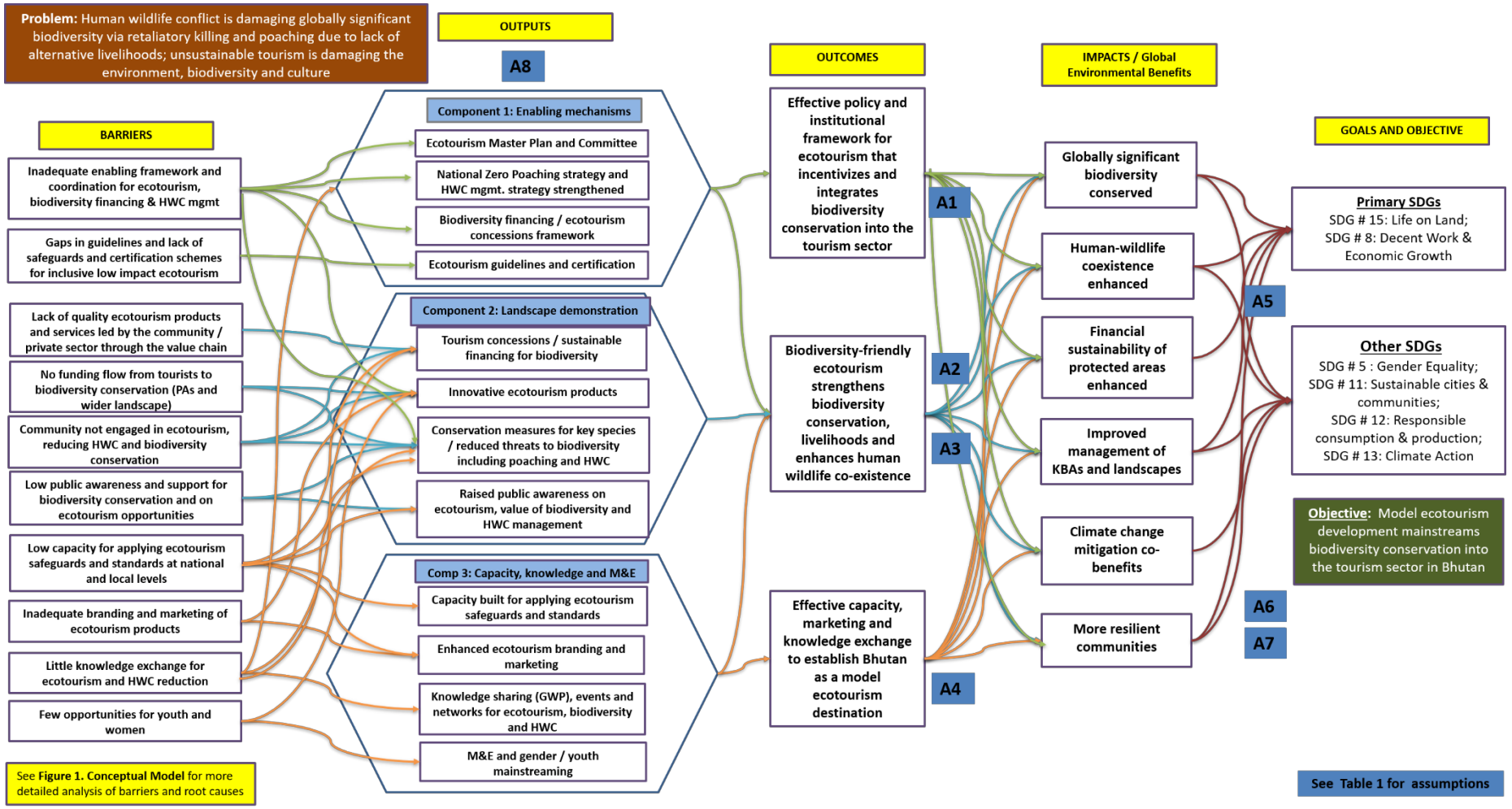


Table 1: Assumptions for Theory of Change Diagram

Ref Fig. 2	Assumption	Questions for Monitoring Assumptions	Notes and References
A1	There is political and institutional support for mainstreaming biodiversity conservation into tourism development via ecotourism and for reducing threats to biodiversity, particularly HWC and the impacts of unsustainable tourism.	- How do different policies consider biodiversity as an asset and mainstream it in their plans and programmes? - To what extent has the implementation of the Economic Development Plan 2016 and Tourism Policy considered biodiversity mainstreaming? - What measures have been put in place to determine and mitigate the impacts and tourism development on biodiversity? - What are good examples of green recovery activities in post-COVID or LDC graduation economic plans? - How have different Ministries and stakeholders engaged in project implementation? *(links to results framework indicators 1, 4, 5, 6)*	Bhutan has already made huge commitments towards environmental conservation. Over half of the country's geographical area is designated as protected areas and Biological corridors[23]. Conservation of the natural environment is one the pillars of GNH, Bhutan's national development philosophy which considers the country's rich biodiversity to be regarded as a development asset without compromising environmental conservation. Article 5 of the Constitution of Bhutan mandates the Royal Government to: (a) Protect, conserve and improve the pristine environment and safeguard the biodiversity of the country (b) Prevent pollution and ecological degradation (c) Secure ecologically balanced sustainable development while promoting justifiable economic and social development (d) Ensure a safe and healthy environment. Both the Economic Development Policy of Bhutan, 2016, and the draft Tourism Policy, 2019 require tourism development to be based on the carrying capacity of the country's physical, socio-cultural, and natural environment. The draft Tourism Policy recognizes tourism as an important sector for the realization of the Gross National Happiness (GNH) and Sustainable Development Goals (SDG). It requires the Royal Government to create a conducive business environment for tourism investment promotion with targeted incentives to promote visitations, investments and tourism business growth. These policies (both existing and draft) demonstrate aspiration of the government to further ecotourism and broadly tourism development in the country, including its relevance in the context Bhutan's imminent graduation from LDC status noting the industry's linkages to economic diversification. It has become even more relevant now in this context of COVID-19 recovery. Royal Government of Bhutan has approved the implementation of Economic Contingency Plan 2020 (ECP 2020)– Redesigning Development: Attaining Greater Heights[24] focusing on three key sectors, one being Tourism Resilience with an objective to professionalize the tourism sector, strengthen tourism governance and enhancing Bhutan's image as an "exclusive high end and sustainable tourism destination".
A2	Greater participation of communities in ecotourism activities and biodiversity	- To what extent are communities aware of the concept of ecotourism? - What are the levels of community and	Threat to biodiversity resources, particularly emerging from human wildlife conflict is a major conservation issue in Bhutan leading to both crop and livestock depredation leading to retaliatory killing of wild animals including poaching (of key endangered big cat species). It has therefore become important to put "people" at the front and center of

[23] DoFPS, Forestry Facts and Figures, 2016, reports that 51.44% of the country comprises of the National Parks, Wildlife Sanctuaries, Strict Nature Reserves, Biological Corridors and the Royal Botanical Park.
[24] https://www.pmo.gov.bt/wp-content/uploads/2019/09/ECP-2020-1-1.pdf

	conservation (within and outside protected areas), as a result of improved livelihoods potential, will reduce locally specific threats to biodiversity including HWC.	participation and engagement in ecotourism? - To what extent are communities aware of their rights to local laws and benefits? - What are the livelihood and economic benefits the participating communities have received? - How do plans ensure that the tourism activities increase appreciation of the flagship species? *(links to results framework indicators 1, 4, 7, 9)*	the conservation effort by providing attractive and viable livelihoods options to communities. The project aims to change the mindset of communities and stakeholders on the value of biodiversity and to consider wildlife and biodiversity as a resource base for tourism with strategic and local benefits. Under this project ecotourism will be introduced/strengthened as livelihood option for local communities and the concessions framework for ecotourism enterprises will provide financial incentives for the private sector and stakeholders to participate in biodiversity conservation. The benefits from wildlife and nature-based ecotourism enterprises is expected to motivate the communities and stakeholders to support conservation programs including biodiversity threat reduction including HWC management, and habitat enrichment for flagship species supporting ecotourism. The use of flagship species will help draw a direct link between species conservation and ecotourism potential to help facilitate this shift in mindset and greater participation in conservation activities.
A3	The tourism stakeholders, local government, local communities and private sector support the development of demonstration ecotourism products that generate sufficient improvement in livelihoods to result in biodiversity threat reduction and strengthen human-wildlife co-existence within the landscape.	- How do local plans align with national policies and plans? - What is the level of participation in ecotourism and HWC mitigation interventions in targeted communities? - How do the government, stakeholders and local communities ensure harmonization of activities? - What actions are in place to ensure the sustainability of the livelihood activities? - How do livelihood activities help in reducing threats for biodiversity? *(links to results framework indicators 2, 3, 8, 9, 10, 12)*	Tourism development is a Flagship program in the 12th FYP of Bhutan which is based on a geographical circuit/cluster approach and considers local priorities for tourism development. The project demonstration sites and activities are aligned with the tourism flagship program from the perspective of biodiversity conservation and wildlife-based economy; therefore, there is expected to be strong support for activities across the demonstration landscape and this was confirmed through PPG consultations which showed strong local support for the project. The project activities have been identified and developed through participatory consultations including the local governments, community representatives, and PAs management in the project landscape areas which reflect the full support and commitment of the local stakeholders. As per the Local Government Act of Bhutan, 2009 (Amended, 2014), the local Dzongkhag Tshogdu (Dzongkhag Council) has the power to promote balanced socio-economic development in the Gewogs and Thromdes in the Dzongkhag. Project activities include the development of domestic tourism and there is strong stakeholder support for these, including under COVID-19 context. Although domestic tourism in Bhutan is popular, it is not organized to ensure safeguards and local benefits. Due to this Mongar and Lhuentse Dzongkhags have proposed for enabling better organized domestic tours in the form of pilgrimage to Aja Nye and Singye Dzong through the project. The promotion of domestic tourism will enhance alternative livelihoods among those that work in the industry and safety measures (like hand washing, use of masks, maintaining social distance) that are already part of the norm is expected to enhance safety and regain the confidence of international tourists.
A4	Effective capacity, marketing, and knowledge exchange will enhance the sharing of lessons	- What examples are there of increased access to knowledge on landscape conservation including the use of	Modern technology to gather and interpret information and share knowledge is widely available and social media has become a powerful tool accessible to all Bhutanese. With enhanced tools, coordination, and targeting delivered by the project, this is likely to have a positive effect - even though direct quantification of the desired outcome will be hard to demonstrate. COVID-19 impact assessment has recommended for

	and experiences leading to upscaling and mainstreaming of biodiversity conservation in tourism activities in the long term.	technology for flagship species at targeted locations? - How has increased access to knowledge informed conservation planning and local action? *(links to results framework indicators 12, 14, 15)*	investments in building capacity and expertise in nature-guides, ecotourism and farm-tourism[25]. The project activity includes training on ecotourism product development, nature guides, concession-based investment opportunities, management and business plan development, digital marketing and marketing impact assessment.
A5	Partnerships and synergistic efforts help enable the project outcome to deliver strategic global SDGs.	- What partnership tools or agreements exist to ensure effective collaboration in implementing the project activities? - What are examples of good partnership outcomes through the national and landscape committees? - What and where do targets overlap across different plans and programmes to realize the co-financing and partnership commitments? *(links to results framework indicators 5, 7, 8)*	The project has been developed to integrate with other relevant activities. Bhutan for Life recognizes ecotourism as the key financing solution to increase government revenues to match the commitment of the transition fund. Indeed, a key milestone targets up to 80% of households access to employment and income-generating opportunities including through tourism. The PPG consultations have been timed to ensure logical interventions between Bhutan for Life and the project. Similarly, the project builds on existing GEF-6 and BIOFIN project to follow the recommendations and to invest. At the national level, integration and coordination will happen through the Multi-Sector Technical Advisory Committee (MTAC) which will coordinate and mainstream biodiversity into tourism and their sectoral plans. At the landscape level, the members of Landscape Ecotourism Coordination Committee (LECT) will support the local authorities to mainstream biodiversity into tourism and their sectoral plans and coordinate with relevant stakeholders, programmes and projects.
A6	There is sufficient demand from national, regional and international tourists for ecotourism in Bhutan to deliver meaningful economic benefits to the ecotourism product and service providers, and this demand is expected to remain under COVID-19 context.	- How does national tourism marketing attract tourists to the project landscape? - What measures are in place to boost domestic tourism in the project landscape? - What trends are there in domestic tourism products and domestic tourism interest in the project landscape?	Tourism in Bhutan has achieved unprecedented growth since its inception in 2014. Tourism market includes national, regional and international tourists. In 2016, visitor arrivals to Bhutan crossed the 200,000 marks for the first time. Out of the 254,704 tourists in 2017, 62,272 consisted of international leisure arrivals while 156,275 constituted of regional leisure travelers. In 2018, Bhutan received 274,097 arrivals (an increase of 7.61% over 2017). Of the total arrivals, there were 71,807 internationals of which 63,367 were international leisure arrivals and 202,290 regional arrivals. In 2019, 46.82% of Bhutanese have engaged in domestic overnight travels with a mean domestic overnight trip expenditure of Nu.7, 960 (about US$ and 17.27% have undertaken domestic excursion trips with a mean trip expenditure of Nu.4, 015. The total expenditure recorded for domestic overnight travels is Nu.5, 913 million which is a significant contribution/spending given the relatively unknown or informal domestic tourism situation in

[25] Rapid Socio-economic impact assessment of COVID-19 on Bhutan's tourism sector, 2020

		(links to results framework indicators 9, 11, 13)	the country[26]. Singye Dzong in Lhuentse receives about 10,000 domestic visitors annually[27]. The impact of global pandemic with the coronavirus has significantly affected tourism in 2020. Tours booked for Bhutan are have been cancelled or postponed. However, the prognosis for future demand for Bhutan tourism looks positive. Early data on continuation of global tourism indicate an enhanced interest in adventure tourism in online travel-related search patterns[28] and that nature destinations are early beneficiaries of demand in countries that have reopened domestic tourism[29]. Market intelligence from Euromonitor International suggests that traveller priorities will include sustainability in addition to health, social wellbeing and contributions to local priorities[30]. This could provide a strong marketing advantage for Bhutan and suggests that the current proposal around ecotourism remains valid under COVID-19 context. Further, 2021 could experience an increased visitation due to additional numbers from the postponement of booking from 2020 while domestic tourism is expected to continue to remain at historical numbers or perhaps increase due to closure of international borders. Many of the ecotourism destinations are combined with cultural heritage location that are of religious significance, which is the main attraction of domestic tourists. The product diversification that are being proposed through this project with necessary safeguards and assured services is expected to also formalize the existing informal domestic tourism business. Strength of the tourism offering on international markets may also be supported by the country's management of COVID-19. To date Bhutan has not suffered a single casualty from the pandemic. The united national effort implementing science-based safeguards in the form of contact tracing, testing and following restrictions and safeguards norms (wearing masks, facilitating handwashing and sanitation and maintaining social distancing and practical zoning based movement restrictions) has delivered dividend and gained further confidence of the general public. The incorporation of health safety measures and protocols in the safeguard guidelines (such as SoPs for social distancing in tour operations, sanitation amenities in the tourism infrastructure and reduced crowding) would regain the confidence of visitors.
A7	International and regional tourists are able to visit Bhutan in the future with the government re-opening to tourism as COVID-19 is managed and necessary systems, procedures and SOPs are in place to	- What are examples of national post-COVID tourism plans that encourage tourists to visit Bhutan and the landscape? - What systems and procedures are in place to prevent and	While between January and May this year all destinations had restricted travel, by the end of July 40% of all worldwide destinations had eased restrictions on international tourism[31]. Already a number of countries have reopened to international tourism and are accepting tourists under a variety of schemes, including bubble schemes, green/red-listing of destinations depending on COVID-19 infection rates, and requirements for COVID-19 testing, insurance and quarantine. The situation is volatile, and measures may change rapidly over the next few years as vaccine(s) are developed and rolled out, and/or as COVID-19 outbreaks emerge and are managed, and/or the pandemic disappears.

[26]The Domestic and Outbound Tourism Survey 2019

[27] Data provided by Lhuentse Dzongkhag during the PPG consultations in Lhuentse

[28] https://wttc.org/Initiatives/Recovery-Dashboard

[29] www.tripadvisor.com/Covid19WhitepaperMay2020

[30] Travel and Tourism: Embracing Transformation to Move Beyond Coronavirus, Caroline Bremner, Head of Travel Research at Euromonitor. Webinar, August 2020. https://hub.wtm.com/travel-and-tourism-embracing-transformation-to-move-beyond-coronavirus/

[31] https://www.iatatravelcentre.com/world.php

	prevent and control potential COVID-19 spread.	control COVID-19 spread?	Currently the Royal Government of Bhutan is expected to open its international terminals to tourists by March 2021. While it expected to be gradual with 'bubble tourism' options to start with, it is expected that necessary SOP, mechanisms and facilities will be in place to augment existing COVID-19 measures.
A8	Effective project management	- What measures in place to measure and track the project indicators? - What measures in place to manage project risks including those related to COVID-19? - How effective are risk response plans?	Successful delivery of the project Objective will depend on effective project management, including ongoing monitoring of progress in delivery against result-based targets, regular evaluation through annual PIRs and the Midterm Review, and adaptive management. Future management of COVID-19 will make it viable to implement the project and the PMU will be able to work effectively with a mix of virtual measures and support from local execution partners if field travel is not possible. These measures are captured in the risk mitigation plan.

45. The baseline situation, incremental reasoning, and global environmental benefits are summarized in **Section II** (Development Challenge) and **Tables 3, 6 & 8** in **Section IV** (Results and Partnerships). The project Components, as the GEF project alternative, aim to remove the barriers to achieving the project Objective (see **Figure 3, Section II, and Annexes 12c, d, e, f, g, h, j** for more information on the barriers), and can be summarized as follows:

46. Component 1: Enabling and coordinated policy and institutional framework for ecotourism**:** This Component is designed to improve the enabling framework for mainstreaming biodiversity into tourism through a national ecotourism master plan. An inclusive Multi-sector Technical Advisory Committee with the representation of the environment and health sectors will be established to mainstream biodiversity across relevant tourism sectors and to enable intersectoral coordination. In order to ensure that inclusiveness and sustainability principles are adequately considered within tourism development, several existing guidelines will be revised and new guidelines developed. These guidelines will develop standards and protocols to safeguard biodiversity and communities (particularly women) from inappropriate tourism development, ensure human health and safety and enhance community benefits. The guidelines will incorporate safety measures like hand washing, use of masks, maintaining social distance and other norms to gain and maintain visitor confidence as the tourism sector re-opens. As part of these sets of standards, an ecotourism certification scheme will be developed to institute mandatory basic standards and voluntary green certification standards for tourism accommodations, operators and other tourism-related service providers. To reduce the threats to wildlife and biodiversity, the component will provide targeted support to strengthen the implementation of the National Zero Poaching Strategy and HWC Management Strategy including improved M&E, information-sharing and coordination, better recognition of the links to livelihoods and other policies such as ecotourism development, and analysis and uptake of local, regional and global experiences and lessons on HWC management and anti-poaching. This Component will also deliver a new mechanism for sustainable financing for biodiversity conservation through the nature-based economy by developing an ecotourism concession framework. Component 1 will apply at the national level.

47. Component 2: Demonstration of innovative and diversified ecotourism landscapes that support human-wildlife coexistence**:** This component will simultaneously demonstrate the application of the enabling mechanisms developed through Component 1, and the knowledge sharing and capacity building mechanisms of Component 3, in at least 274,345 ha of demonstration landscape in eastern Bhutan, of which 132,542 ha (around half) lies within two PAs. It will achieve this by engaging local communities, private sector entities, protected area management, and local governments in integrated ecotourism development with an overarching purpose of reducing threats to globally significant biodiversity in the area. Firstly, it will support the establishment of model ecotourism products and services that enhance community livelihoods through wildlife and nature-based enterprise development within the project landscape. Community/youth-owned enterprises will be established

to enable organized domestic tourism to diversity tourism offerings beyond those targeting international tourists, to diversify tourism value chains and to benefit from sustainable use and harvesting of biodiversity. These actions will help develop resilient local livelihoods under a COVID-19 context. Secondly, it will test and demonstrate the operation of the concessions framework to enable part of the revenues from the ecotourism enterprises to be retained for local conservation financing both within and outside of the PAs. Thirdly, the project will support interventions to reduce the threats to globally significant biodiversity including flagship species of tourism products by engaging stakeholders in participatory approaches to biodiversity conservation and threat reduction. Finally, awareness raising and campaigns will be conducted to raise awareness on biodiversity conservation, ecotourism opportunities, and HWC management. Component 2 will be implemented at landscape scale, including to demonstrate some of the national mechanisms progressed under Component 1 and provide field-tested findings and lessons that will then be fed back into Component 1 implementation.

48. To support government COVID-19 responses and recovery, and manage potential COVID-19 risks, the project aims to support capacity and standards in the project landscape in the form of:
    - Enabling resilience of biodiversity by focusing on landscape restoration and habitat enrichment of flagship wildlife species; supporting HWC management and anti-poaching activities;
    - Enabling safety measures through guidelines that incorporate health safety measures, reducing the spread of zoonotic diseases by enabling control of wildlife trade, reducing overcrowding in the western region by focusing on Dzongkhags that have received minimal tourism in the past, use of technologies such a virtual meetings and development of digital contents of products and services that will enable virtual tours in the future;
    - Enabling resilience of the tourism sector by diversifying into nature-based ecotourism from the traditional focus of cultural tourism; capacity building of stakeholders; building safeguards by way of developing several guidelines and tools, and putting in place a well-defined plan at the national and local levels on ecotourism development and by enabling organized domestic tourism and stakeholder participation;
    - Building community resilience through the creation of employment and incomes to local communities from the enterprises to manage different ecotourism products and services and gender safeguards.

49. Component 3: Ecotourism capacity, promotion, knowledge management, and M&E: This component will support capacity building for the other two components and develop mechanisms for sharing of knowledge and best practices, experiences and lessons learned through project implementation with project stakeholders at local and national as well as at the international level - particularly through the GWP network and knowledge-sharing platform. It will support systematic monitoring and evaluation of progress in mainstreaming biodiversity and innovation that brings about sustainability in biodiversity conservation and ecotourism development in Bhutan including for important globally significant wildlife species and their habitats. It will also ensure gender mainstreaming, which has been integrated throughout the project design based on gender analysis and action plan (see **Annex 10**). Component 3 will apply at the national and landscape levels, and help tie together Components 1 and 2 through supporting national upscaling and replication of demonstration landscape activities progressed under Component 2, and through using the findings of those demonstrations to inform the finalization of national-level policy and procedural mechanisms.

50. The project components and outcomes are described in greater detail in the Results and Partnerships section, which also includes the outputs and related activities (see also Annex 4 for the multi-year work plan). Indicators and assumptions for the achievement of expected outcomes under each component are described in the Project Results Framework (Section V), and the assumptions indicated in the Theory of Change diagram (Figure 2) are described in Table 1).

Alignment with GEF-7 and Global Wildlife Program

51. Through its efforts to mainstream biodiversity into the tourism sector in Bhutan and promote ecotourism as a long-term strategy to achieve human-wildlife coexistence and generate sustainable biodiversity financing and livelihoods, the proposed project is aligned to GEF-7 focal area objectives *BD-1-1 Mainstream biodiversity across*

sectors as well as landscapes and seascapes through biodiversity mainstreaming in priority sectors, *BD-1-2a Mainstream biodiversity across sectors as well as landscapes and seascapes through global wildlife program to prevent the extinction of known threatened species*, and *BD-2-7 Address direct drivers to protect habitats and species and improve financial sustainability, effective management, and ecosystem coverage of the global protected area system*. These issues are thematically integrated within the Global Wildlife Program (GWP).

52. As a child project of the GWP, the project makes the following links to the GWP Theory of Change: i) increased and diversified financing for biodiversity conservation arising from ecotourism investment will result in improved management of PAs and improved biodiversity management across landscapes, supporting wildlife populations; ii) community-based ecotourism development will be an effective strategy to improve local livelihoods and mitigate HWC; iii) improved policies that provide increased individual and community benefits from nature-based tourism will promote human-wildlife coexistence and strengthen public-private-community partnerships and support for PAs and landscape conservation agendas; iv) reduced/offset farmer economic losses caused by wildlife along with targeted outreach will shift community attitudes towards wildlife conservation and reduce local retaliatory killing and poaching of wildlife, helping to disrupt local and regional markets for illegal wildlife products. The GWP programmatic approach will support coordinated knowledge management and learning with other GWP child projects. With its focus on linking ecotourism and HWC, this child project offers particular opportunities for replication and learning with a range of thematically-aligned projects across all continents contributing to the GWP. The project will contribute towards the GWP program outcomes as shown in Table 2.

Table 2: Contribution of the project to GWP Program Outcomes

GWP Component	Relevant GWP program outcomes to this project	Key project contributions to relevant GWP outcomes	Relevant project targets (not exhaustive; see Results Framework for all indicators and targets)
Component 1 **Conserve wildlife and enhance habitat resilience**	-Areas of landscapes and terrestrial/marine protected areas under improved practices and management effectiveness (METT for PAs)	- Effective, multi-stakeholder demonstration of ecotourism product development over PAs and outside of PAs, with links to revenue generation mechanisms for biodiversity conservation	- 368,002 hectares under improved management for ecotourism and biodiversity conservation a) 226,200 hectares of landscape within PAs b) 141,802 hectares of the landscape outside PAs *(GEF Core Indicator #1.2 and #4.1)* - METT score of at least 86 in Bumdeling and Sakteng Wildlife Sanctuaries (from baseline of 67 and 72) -Capacity of national and local stakeholders to mainstream BD into ecotourism development and operations increases from 29% to 72% for national-level and 27% to 63% for local-level (UNDP Capacity Development Scorecard)
	-Strengthened long-term partnerships, governance, and finance frameworks for PAs	-Strengthened partnerships and governance between biodiversity conservation and tourism sector through ecotourism master plan development, ecotourism guidelines and establishment of multi-sector coordination mechanisms	- Ecotourism Master Plan under implementation across Bhutan, with MTAC fully functional with clear governance and operational mechanisms -Landscape-level Ecotourism Coordination Taskforce applying safeguarding guidelines and standards to ecotourism businesses, and lessons learned shared with national level MTAC for upscaling - 18 enhanced tourism guidelines integrating biodiversity, safeguards and gender under implementation (6 existing without revision; 6 existing with revision and 6 new guidelines)
	-Increased revenues for protected areas and landscapes	-Finalized concessions framework and its demonstration in Eastern Bhutan - Operational guidelines for the establishment of Park Fees, Activity Fees and other user fees for ecotourism products and services and retention of fees/revenue for biodiversity conservation at local level implemented	- At least two concession- based initiatives operational in the demonstration landscape with lessons shared for national replication and upscaling - At least $200,000 per year generated in BWS and SWS and outside PAs through new mechanisms on financial flows for biodiversity conservation *(*
Component 2 **Promote wildlife-based and resilient economies**	-Increased Human-Wildlife Conflict (HWC) strategies and site interventions deployed	*(for NBT and WBE policy, finance and capacity development links, see Component 1)* - Deployment of ecotourism as a strategy for long-term HWC mitigation and resilient local livelihoods -Targeted support for implementation of national HWC management strategy, including advocacy and policy briefs, development of SOPs to outline roles and improved M&E process -Awareness-raising and outreach with local communities to build positive attitudes towards human-wildlife coexistence and increased participation in practical measures to reduce HWC and other threats to biodiversity conservation	- Knowledge, Attitudes, and Practices (KAP) towards wildlife conservation and mainstreaming biodiversity conservation into tourism: a) 20% improvement at the national level b) 20% improvement at the local level - At least 50% reduction in annual HWC incidences in target communities - Livelihoods improvement: a) 50% (1,230) of local households within the demonstration landscape communities benefitting from ecotourism b) 468 new jobs in ecotourism created c) 60 new nature/wildlife-based local economic enterprises established d) At least 20% increase in household income
Component 3 **Combat wildlife trafficking**	-Improved access to and use of actionable information, data, and intelligence through secure sharing mechanisms -Decreased number of target species poached (i.e. use of SMART tools)	- Targeted support for implementation of national Zero Poaching Strategy through enhanced advocacy, national-local coordination, use and sharing of information, and application of technologies.	- PA Wildlife Conservation Committees established at BWS and SWS providing a model for national replication - Reduction in the loss of wildlife through snares in BWS and SWS by >90%%

Component 4 **Reduce demand**	n/a	n/a *(Project awareness-raising will aim to build human-wildlife coexistence and reduce participation in poaching, but as this is not addressing demand it is captured under Component 2)*	
Component 5 **Coordinate and enhance learning**	-Improved coordination among countries, donors, and other key stakeholders engaged in the implementation of the GWP -Enhanced GWP management and monitoring platform	- Active participation in GWP global knowledge platform, including offer to host a thematic/regional exchange -Bilateral knowledge exchanges with relevant GWP projects (tourism, HWC) -Establishment of national knowledge platform to share GWP-obtained knowledge across Bhutan - Active participation and contributions to GWP coordinated M&E and reporting	- At least 6 project best practices documented and 800 downloads of project documents, results and lessons learned from TCB and project website etc

III. RESULTS AND PARTNERSHIPS

(i) Expected Results:

53. The Project Objective is: "Ecotourism development mainstreams biodiversity conservation into the tourism sector in Bhutan".

54. The GEF funding requested by the Royal Government of Bhutan will be used to achieve the Objective through three inter-related component outcomes (the respective Objective and Outcome level indicators, baselines and targets are detailed in **Section V: Results Framework**):
    - Outcome 1: Effective policy and institutional framework for ecotourism that incentivizes and integrates biodiversity conservation into the tourism sector;
    - Outcome 2; Biodiversity-friendly ecotourism strengthens biodiversity conservation, livelihoods and enhances human-wildlife co-existence;
    - Outcome 3: Effective capacity, marketing, and knowledge exchange to establish Bhutan as a model ecotourism destination.

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

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

Total Cost: **$2,019,386**; GEF project grant requested: **$648,700**; Co-financing: **$1,370,686**

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

56. The key deliverables under Outcome 1 are: National Ecotourism master plan developed and inclusive Multi-sector Technical Advisory Committee established to mainstream biodiversity across tourism sectors (Output 1.1); Provide policy briefs to strengthen National Zero Poaching strategy and HWC management strategy through local and international lessons (Output 1.2); Investment framework and sustainable financing mechanisms developed and operational including a private sector concessions framework for PAs and wider landscape conservation (Output 1.3); Ecotourism guidelines and certification system established to safeguard biodiversity and communities (particularly women) from inappropriate tourism development, and reduce human-wildlife conflict

(Output 1.4). Table 3 summarises the baseline situation and incremental reasoning behind the GEF investment for Outcome 1.

Table 3: Summary of baseline and incremental reasoning for Component 1

*Note: See **Annexes 4, 9, 10, 12 c, d, e, f, g & h** for further details on baseline activities*

Summary of Baseline Situation	Incremental Reasoning
Component 1: Enabling and coordinated policy and institutional framework for ecotourism and wildlife conservation	
Output 1.1: National Ecotourism Master Plan developed and inclusive Multi-Sector Technical Advisory Committee established to mainstream biodiversity across tourism sectors	
The development of ecotourism as a strategy to strengthen biodiversity conservation and its financing, reduce HWC, preserve the culture and boost local livelihoods is widely recognized, and the government is emphasizing its development and promotion, including under a COVID-19 context. Ecotourism has not been captured under a cohesive national framework, leading to weak coordination and clarity in policy, planning and mandates between key stakeholders and fragmentation in approaches between governments at different levels, as well as between government and the private sector. While the draft Tourism Strategy has been developed in 2019, this needs more operational planning to underpin it. Viable development sites for ecotourism within and outside of PAs have not been systematically identified and are not being actively promoted to potential investors. Biodiversity considerations are not adequately considered in the process of planning and development of tourism and tourism potentials are not well considered in the planning and implementation of conservation activities. This poses risk on the sustainability of ecosystems from mass tourism without adequate safeguards in some places while at the same time species and ecosystem-oriented conservation could lead to an intact ecosystem with limited livelihood options to local communities and to long term sustainability (See **Annex 12c**, Figure 7). The Tourism Council of Bhutan (TCB) has representation from the Ministry of Home and Cultural Affairs, Local Government Administrations, the Guides Association of Bhutan, Hotels and Restaurants Association of Bhutan, Association of Bhutanese Tour Operators, and Bhutan Sustainable Tourism Society. It lacks representation from the naturals resources sector and the protected areas which are the main asset for nature-based tourism. With the experience of the COVID-19 pandemic, it has become imperative that the health sector should also be part of the strategic coordination of tourism.	Through the GEF investment, a national Ecotourism Master Plan will be developed to provide a strategic road map for ecotourism development during and beyond the project period building on the situational analyses, reviews of best practices and recommendations from the PPG phase (**Annexes 12 c, d, e, f, g, h**). It will identify and map national and landscape-level ecotourism development priority locations as well as no-go areas and provide clear and costed actions for implementation and mainstreaming into sectoral development plans. A fully functional national level Multi-Sector Technical Advisory Committee (MTAC) will be established under the TCB to advise the Tourism Council on ecotourism and mainstreaming biodiversity into the tourism sectors and broaden representation to include environment and health sectors. The global COVID-19 pandemic in 2020 has impacted the tourism sector heavily. Building a stronger, more sustainable, and resilient tourism economy would require coordination mechanisms that will enable integrating the ability for the tourism sector to respond to and contain future shocks and restore traveler confidence. This would require adequate consideration of the health sector in the tourism product development strategies and plans. The MTAC will be mandated to support mainstreaming biodiversity into the Ecotourism Master Plan, enable its mainstreaming into the relevant sector plans, and support the implementation of this Master Plan. The MTAC will have clearly defined governance and operating mechanisms including membership from the environment and health sectors, NGOs, protected areas, private sector, and local governments and communities. This will provide an important new institutional mechanism for mainstreaming biodiversity throughout the sectors relevant to tourism. This government-led alternative strategic approach to ecotourism development will strengthen the conservation economy, generate revenues for the government, mobilise resources for biodiversity conservation and PA management and enable viable conservation-compatible livelihood opportunities for communities that help to reduce practices with environmental costs (such as HWC and poaching).
Output 1.2: National Zero Poaching strategy and HWC management strategy implementation strengthened through enhanced advocacy, coordination and monitoring, and analysis and incorporation of best practices and lessons learned	
Recent national strategies have been adopted to combat poaching (National Zero Poaching Strategy 2017, developed with support of WWF Bhutan) and mitigate HWC (HWC Management Strategy 2018-2028, developed with support of NAPA-3 project). The potential for ecotourism to provide an integrated strategy approach to HWC has been recognized since the 2008 national HWC strategy. The WWF-supported 2016 HWC SAFE Strategy recognizes the development of community-based ecotourism as a key first step in creating a positive link between wildlife and communities to reduce and prevent HWC impacts on wildlife,	The GEF investment will support enhanced implementation of these key national strategies through targeted attention to address identified gaps in implementation and monitoring. This will focus on review of progress and gaps in implementation, including gaps in the ability to reliably assess progress and implementation, along with improvements in coordination and monitoring. Roles for implementation will be clarified, and supported by development of SOPs as needed. Advocacy for the enhanced implementation of these strategies will be developed through policy briefs including enhanced recognition of the links between these strategies and other policy areas including ecotourism development.

Summary of Baseline Situation	Incremental Reasoning
habitats, and people. This has been piloted in four Dzongkhags (including Zhemgang). While these key strategies are in place, their implementation can be strengthened through targeted improvements to enhance coordination and clarity on implementation roles and responsibilities. For example while the HWC management strategy identifies local government bodies as an important stakeholder, their specific roles are not defined. With regards to anti-poaching, there is a National Wildlife Crime Committee with representatives from the Royal Bhutan Army, Royal Bhutan Police, Judiciary, Customs and Department of Forests and Park Services. While this is operational, overall coordination could be improved through putting in place landscape-level coordination and improved reporting at local levels to provide better information to this national-level body. Strengthening M&E strategies/processes to monitor implementation progress and impact is another area that could be improved.	A model for improved local to national coordination and reporting will be established and demonstrated in the project landscape under Output 2.3, prior to promotion for uptake across other regions of Bhutan. Local, regional and global experiences and lessons on HWC management and anti-poaching will be assessed and used to inform policy briefs and national responses. The regional and global experiences and lessons will include lessons from Global Wildlife Program (GWP), South Asian Wildlife Enforcement Network (SAWEN) and Strengthening Regional Cooperation for Wildlife Protection in Asia (SRCWP).
Output 1.3: Investment framework and sustainable financing mechanisms developed and operational including a private sector concessions framework for PAs and wider landscape conservation	
In 2018, the Royal Government of Bhutan launched Bhutan for Life Project including partnerships through GEF-6/LDCF NAPA 3. The mechanism is to permanently finance and effectively manage Bhutan's protected area system and biological corridors, initially with resources from a transition fund of US$43 million, which will be then substituted by Government revenues. Both BIOFIN and Bhutan for Life recognizes ecotourism as the key financing solution to increase government revenues to match the commitment. The government and UNDP-led BIOFIN assessment identify ecotourism as a key biodiversity financing solution with the potential to generate US$108 million annually in revenues and create 1,400 new jobs through community-owned businesses and public-private partnerships. Ecotourism in the PA system is also recognized as part of the Bhutan for Life long-term PA financing strategy. However, the lack of financial capacity and mechanisms for private sector investment still constrain government efforts. A conceptual framework for a tourism concessions mechanism for protected areas and state reserved forests in Bhutan has been developed by the Department of Forest and Park Services (DoFPS). It contains broad aspects of planning, awarding and monitoring concessions. While terms and conditions for conservation and compliance are considered, incentives for investors (concessions that the state will provide) and investment options are not articulated. The document is not yet operational and there are no formal mechanisms to enable investments into ecotourism development or the required mechanisms to enable retention of revenue from such investments for sustaining biodiversity locally. Currently, there is an estimated USD 75 million financing gap for meeting the 12th FYP's biodiversity and climate-related targets. Although the government collects taxes from tourism businesses and a minimum fixed tariff from international tourists, this is not returned directly for biodiversity financing. As part of its output on developing a sustainable financing system for the biological	The GEF investment will build on the analyses from BIOFIN and the PPG and provide the required technical and financial support to develop the draft private sector ecotourism concessions framework from its current conceptual state to a full framework which can be demonstrated both inside protected areas and across the wider landscape under Component 2. It will complement the efforts of GEF-6 (NAPA 3) in developing a sustainable financing system for the biological corridor and PA system and enable activities under the Bhutan For Life initiative to promote private investment and partnerships in protected areas. The framework for ecotourism concessions will be developed in alignment with the government's Public-Private Partnership (PPP) policy and the project will create an enabling environment for new capital investment in PPPs for accommodations, visitor facilities and other forms of wildlife and nature-based enterprises on concessions both within and outside PAs. In addition to the aspects of planning, awarding, and monitoring process from a conservation perspective alone, the framework will cover implementation aspects including the concessions that the state will provide investors in these stages. For each of the stages of planning, awarding, implementation and monitoring regulations and processes will be defined. The whole aspect of revenue management and linking such revenues to location and national level biodiversity conservation will be spelled out. The project will also develop and implement operational guidelines for the establishment of Park Fees, Activity Fees, and other user fees for ecotourism products and services and collecting, managing, and distributing funds from such investments and initiatives for biodiversity conservation at local levels. The result will be a model approach to running concessions which incorporates international best practices. The completed package will provide clarity to potential investors, setting out the range of ecotourism products and the schedule of fees that can provide financing solutions.

Summary of Baseline Situation	Incremental Reasoning
corridor and PA system, the GEF 6 (NAPA 3) project is exploring several financing mechanisms including HWC insurances, PES, and other key services. The PPG for this project in collaboration with BIOFIN has identified possible investment options such as Park Fees, Activity Fees and other user fees.	
Output 1.4: **Ecotourism guidelines and certification system established to safeguard biodiversity and communities (particularly women) from inappropriate tourism development, and reduce human-wildlife conflict**	
The PPG has revealed that at least 12 TCB and government-adopted guidelines exist for the tourism sector covering registration and assessments of homestays, restaurants and hotels and tour operator's offices and guidelines for commercial rafting and tour guides, etc. (see **Annexes 12c** and **10e**). One of the principles of the draft Tourism Policy of Bhutan is to develop and promote tourism in a manner that respects the country's natural and cultural resources, its people, and its core values [32]. However, as described in the SESP (**Annex 6**) and Gender Analysis and Action Plan (**Annex 10**) many environmental, social (particularly for gender and youth) and cultural risks are identified. Significant gaps in the existing guidelines include the lack of standards, safeguards measures and protocols for feasibility assessments and require strengthening biodiversity conservation.	The GEF investment will allow existing regulatory guidelines for tourism to be brought up to high standards so they fully mainstream biodiversity and gender safeguards. GEF investment will also support the development of new guidelines for ecotourism. This will result in a comprehensive suite of guidelines for mainstreaming biodiversity (and gender) into the tourism sector. An on-line voluntary green certification system for ecotourism accommodation and tour operators will be developed encompassing biodiversity conservation and awareness, low-carbon technologies, waste management, health and safety aspects for the travellers as well as destinations. This will allow visitors to choose green providers and stimulate a shift to greener businesses. Following endorsement by the TCB the guidelines and certification scheme will be implemented in the demonstration landscape under Component 2, supported by capacity development under Component 3.

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

Intermediate Outcome (Result of the Output): *Agreed national plan for ecotourism development with coordination mechanism and clear responsibilities allocated between sectors.*

57. This Output supports the delivery of: a) a National Ecotourism Master plan developed, adopted and under implementation and b) establishing a national level Multi-Sector Technical Advisory Committee (MTAC) for ecotourism with clear governance and operational mechanisms by the end of the project. For the preparation of the Ecotourism Master Plan, the project will provide technical support from an Ecotourism Planning Expert to prepare drafts leading to the finalization and adoption of the Master Plan by TCB before the mid-term review. The plan will be based on an inventory of existing ecotourism sites (drawn from the overall tourism inventory which TCB is preparing in 2020) as well as GIS-based mapping of existing ecotourism products, hotspots for biodiversity, threats to biodiversity from HWC and environmental threats arising from tourism. These will be used to define priority zones for ecotourism as well as no-go areas. COVID-19 impacts and consideration of tourism resilience in accordance with government COVID-19 response and UNWTO guidance on tourism recovery will be considered as part of a broader consideration of defining tourism resilience and future in Bhutan based on ecotourism. This analysis will feed into the drafting of the Master Plan, which will also address ecotourism product development (including assessments of ecological capacity), mechanisms for livelihood support, and application of the ecotourism concessions framework (developed under Output 1.3). The plan will include costed actions and responsibilities for each stakeholder. An operational framework for implementation of the master plan for mainstreaming it into development plans of concern and into local landuse planning and zoning efforts will be developed. Implementation of the plan will also be supported by specialized training on data analytics and strategic tourism planning to TCB staff.

58. A SESA approach will be applied to the development of the National Ecotourism Master Plan, such that potential social and environmental downstream impacts arising from the development of the policy and policy directions

[32] Draft Tourism Policy of the Kingdom of Bhutan. November 2019

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

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

60. Indicative activities under Output 1.1 include:

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

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

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

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

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

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

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

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

Intermediate Outcome (Result of the Output): *Improved implementation progress with National Zero Poaching strategy and HWC management strategy.*

61. This Output will contribute to strengthening implementation of the National Zero Poaching strategy (2017) and HWC Management Strategy (2019) through participatory review of progress and challenges including broader policy interconnections and linkages, advocacy on the broader impacts of HWC and IWT, and promoting, testing and generating feedback on identified priority interventions to support implementation of these national strategies. These include better understanding and measurement of progress (and M&E/metrics for reporting on progress), clearer definition of institutional roles at different levels to support implementation, and enhanced coordination and reporting from local and district levels up to existing national coordination mechanisms. These

actions will be supported by piloting of targeted measures in the demonstration landscape under the guidance of the Nature Conservation Division of the DoFPS with support of the Divisional Forest Offices and the local authorities (see Output 2.3). Improvements in implementation of these national strategies will also be supported through advocacy and sharing of best practices and knowledge on local, regional and global experiences in managing HWC, poaching and IWT.

62. Indicative activities under Output 1.2 include:

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

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

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

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

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

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

Intermediate Outcome (Result of the Output): *Tools for enhancing revenue generation for biodiversity through ecotourism. This will include an ecotourism concessions framework to deliver biodiversity conservation financing from the private sector and operational guidelines for the establishment of Park Fees, Activity Fees and other user fees.*

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

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

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

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

67. Indicative activities under Output 1.3 include:

    1.3.1 Building off the PPG analysis and international best practices, identify sustainable financing options (including product-specific concessions arrangements) that can deliver new support to biodiversity conservation through ecotourism and develop a prospectus for ecotourism investments in Bhutan.

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

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

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

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

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

Intermediate Outcome (Result of the Output): *Comprehensive set of national-level guidelines in place for reducing socio-environmental impacts of tourism and favouring ecotourism development including voluntary green certification system for ecotourism accommodations (hotels and homestays), tour operators and suppliers.*

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

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

70. The output will also support the development and demonstration of an Ecological Capacity toolkit based on a review of existing best practices and selection/adaptation of existing tools to Bhutanese context, in close consultation with relevant stakeholders. This will be applied to the demonstration landscape via Component 2 and to key ecotourism locations in Bhutan through co-financing and partnerships, under the overall guidance of the Ecotourism Master Plan developed under Output 1.1.

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

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

73. Indicative activities under Output 1.4 include:

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

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

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

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

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

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

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

1.4.8 Develop guidelines for campsites and routes management.

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

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

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

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

Total Cost: **$8,099,953**; GEF project grant requested: **$2,697,680**; Co-financing: **$5,402,273**

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

74. The key deliverables under Outcome 2 are: Ecotourism concessions framework and sustainable financing mechanisms demonstrated in landscapes (including PAs), providing local livelihood benefits and increased financing for PA management and biodiversity (Output 2.1); High-quality ecotourism products and services developed across the demonstration landscape through an integrated plan and value chain approach delivering local livelihood benefits and biodiversity gains (Output 2.2); Conservation of biodiversity including flagship species for nature-based tourism enhanced through habitat improvement and threat reduction (Output 2.3); and Local communities are aware of biodiversity values resulting in positive attitudes towards human-wildlife coexistence and engaged in practical measures to reduce HWC, poaching, forest offences and other threats (Output 2.4).

75. Given the astounding biodiversity in the demonstration landscape, five flagship species that are representative of overall conservation needs have been chosen to enhance the conservation of biodiversity and promote wildlife-based economy through ecotourism (**Annex 12c**). This, in line with the GWP, will support valuing wildlife in national and local plans and garner community support towards conservation. Table 4 describes the selected flagship species and their conservation threats and ecotourism opportunities.

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

Flagship species	Threats	Tourism potential	Conservation priorities	Area
Black-necked Crane	Habitat destruction, disturbance in roosting areas, decreasing	Major tourist attraction in Bhutan	Habitat enrichment and improvement	BWS, Trashiyangtse

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

76. The project continues the wildlife-based economy concept by identifying ten ecotourism products (**Annex 12b; Table 5**) built around the five flagship species and key biodiversity assets of the demonstration landscape. These provide opportunities to demonstrate the integration of biodiversity conservation, social safeguards, community livelihoods, PA financing, and human-wildlife co-existence into ecotourism product development. Products were identified by a participatory process during the PPG phase. Supporting documents for the process included the RGoB Tourism Flagship program to align with RGoB's priorities, the Ecotourism Value Chain Report (**Annex 12h**), the Demonstration Landscape Baseline Report (**Annex 12b**) and the Gender Analysis and Action Plan Report (**Annex 10**). The consultations included several PPG meetings, the National Task Force meetings (in September and December 2019), the stakeholder consultation in Trashiyangtse, Lhuentse, Mongar, Trashigang and Zhemgang Dzongkhags (in October 2019), consultations with Dzongkhag Planning Officers and Economic Development Officers on activity costing and timelines, and the Validation Workshop in February 2020. Each stakeholder group prioritized potential ecotourism activities based on local priorities, potential to mainstream biodiversity into the tourism sector, potential for generating PA revenue and strengthening financial sustainability of PAs, possibility to bring about economic benefits for local livelihoods through wildlife-based tourism and the likelihood of reducing HWC. The proposals from each group were prioritized at a plenary Chaired by the Dzongdag (Governor) in each Dzongkhag. Maps for ecotourism products and further information on the selection process and co-financing partnerships are detailed in **Annex 12b**. Table 6 summarises the baseline situation and incremental reasoning behind the GEF investment for Outcome 2.

Table 5: Identified high-quality ecotourism products

Proposed ecotourism product	Flagship species	PA
Ludlow's Bhutan Glory Trail within Bumdeling Wildlife Sanctuary to promote butterfly tours along ancient expedition trail and sightings of Black-necked cranes in a Ramsar site in two separate trails. The Ludlow's Bhutan Glory Trail will connect two Dzongkhags that will upgrade and develop new trails through co-financing from Bhutan for Life, develop campsites and basic infrastructure in partnership with Bhutan for Life and Dzongkhags and promote local enterprise development through the project. PA revenue generation and retention will be enhanced through activity fees and concession fees.	Black-necked crane, Ludlow's Bhutan Glory	BWS
Singye Dzong domestic pilgrimage in Lhuentse and Aja ney pilgrimage in Mongar will build domestic tourism in the east to promote post-COVID tourism recovery by the Dzongkhag and develop associated bio-cultural trails that will upgrade existing trails through Dzongkhag co-	General biodiversity focus	BWS

financing and establish homestays, campsites and local enterprises through the project. Additional revenue and employment generation will be supported, with provisions for some retention of revenue by Bumdeling Wildlife Sanctuary for conservation activities.		
High-end birding trails including **Sengor to Yongkola Bird trail**, a popular birding hotspot in Asia, and **Latongla – Zhongar trail**, an ancient trail through a national highway (that will be protected), enhanced through the development of birding decks and associated visitor facilities and local enterprises through the project, and road and trail maintenance by the Dzongkhag.	Birds	
Yangbari-Manas Rafting and **high-end Mahseer fly-fishing** along the mahseer migratory route associated with the endangered golden mahseer to promote post-COVID tourism recovery that will establish local enterprises and campsites with support from the project and co-financing from Dzongkhag and private sector.	Golden Mahseer	
Jomo-Panda Trails along the habitat of the endangered red panda and the sacred mountains within Sakteng Wildlife Sanctuary to explore the bio-cultural diversity that will upgrade existing trails through Bhutan for Life; establish campsites and wildlife watchtowers with project support in partnership with Bhutan for Life and Dzongkhag, and enhance local enterprises and homestays through the project. Revenues will be generated and retained through entry, user and concession fees.	Red Panda	SWS
Run for Biodiversity Trail along ancient and different ecological zones to celebrate biodiversity through adventure sports connecting two districts that will establish trails and campsites within Sakteng Wildlife Sanctuary through Bhutan for Life co-financing and outside Sakteng Wildlife Sanctuary with project support.	General biodiversity focus	SWS
Golden Langur Trail along Zhemgang highway associated with golden langur habitat that will establish and promote wildlife viewing through the project, with conservation of golden langur habitat in partnership with WWF-IKI.	Golden Langur	
Community-based Birding and Butterfly Tour in Berti to promote community-based and youth-led birding tours along a birding hotpot that includes the endangered white-bellied heron with campsites and community-owned enterprises established through the project, and protection of high conservation value forests in partnership with WWF-IKI.	Birds	
Hornbill and Nuthatch Trail and homestays along Dakpai-Tali route to birding tours along a birding hotpot that will establish birding decks, campsites and community-owned enterprises with project support and protection of high conservation value forests in partnership with WWF-IKI.	Birds	
Biodiversity Immersion Trail along Tingtibi-Manas route traversing sub-tropical forests for wildlife viewing that will establish campsites and community-owned enterprises with project support, and protection of high conservation value forests in partnership with WWF-IKI.	General biodiversity focus	

Table 6: Summary of baseline and incremental reasoning for Component 2

*Note: See **Annexes 9, 10, 12 a, b, c, d, e, f, g, h, I, j** for further details on baseline activities*

Summary of Baseline Situation	Incremental Reasoning
Component 2: Demonstration of innovative and diversified ecotourism landscapes that support human-wildlife coexistence	
Output 2.1: Ecotourism concessions framework and sustainable financing mechanisms demonstrated at the landscape level (including PAs), providing local livelihood benefits and increased financing for PA management and biodiversity	
There are limited examples of high-value private investment and public-private-partnerships to stimulate ecotourism development in the demonstration landscape, and an absence of agreed mechanisms to retain any tourism revenues for local biodiversity conservation. Consequently, the opportunity for ecotourism to contribute to biodiversity conservation is almost entirely lacking. There is low awareness and capacity in the community of how to develop ecotourism businesses to serve the tourism market. The lack of local employment opportunities and economic benefits to offset human-wildlife conflict means that pressures on protected areas	The process will apply the PPP policy (2016) and new concession framework for Bhutan's national parks in the project landscape. The GEF investment aims to demonstrate how the ecotourism concessions framework can enable sustainable business development through PPPs that contribute to the local economy by creating new jobs and local procurement while generating funds to support biodiversity conservation and PA management. Such an approach will enable communities (particularly women and youth) to benefit from alternative conservation-compatible livelihood opportunities through the development of tourism products. This will include the development of community-owned, nature-based enterprises both inside (in coordination with BFL) and outside of PAs and competitive grants processes to facilitate innovative diversified livelihoods from ecotourism and other nature-based

through poaching of wildlife and other forms of biodiversity threats will continue. BFL has committed to invest in nature-based tourism business models for PAs and provide capacity development for PA communities to manage these enterprises and will provide important co-financing for this Output.	livelihoods. A mechanism will be emplaced for a portion of revenues from ecotourism activities and partnerships will be retained for conservation.
Output 2.2: High-quality ecotourism products and services developed across the demonstration landscape through an integrated plan and value chain approach delivering local livelihood benefits and biodiversity gains	
With tourism investment (and therefore tourist expenditure) concentrated in the west of the country, there are very limited facilities in the demonstration landscape (both inside PAs or in the wider landscape) to attract or receive visitors and limited opportunities for the involvement of local people in the tourism value chain. There has been limited development of tourism products and infrastructure and hence there is little to attract new visitors. Existing ecotourism products and services have developed in an *ad-hoc* way without defined safeguards, service standards, management, and business plans and conservation rationale. Accommodation standards are better in Mongar and Trashigang compared to Lhuentse, Trashiyangtse, and Zhemgang although there are more tourist products in these areas. Because of its rich biodiversity, Zhemgang has more potential for nature-based tourism products while the other areas seem to have more culture-based attractions intertwined with nature-based products. Three Circuit Tourism Development Plans for the eastern dzongkhags were developed by TCB in 2013-2015 and provide a spatial framework for tourism development and marketing strategies, including the identification of potential flagship tourism development projects, the formulation of tourism management committees and implementation of key priority interventions. However, there has been only limited implementation to date.	The GEF investment will support model ecotourism development based on the application of best practices, aligning investment frameworks with national strategies and plans, and with PA management plans. Coupled with local consultation processes and visitor management plans this will ensure effective management of tourists (local, domestic, regional and international) consistent with ecological capacity. Identified high-quality tourism products (including basic tourism infrastructure such as trail construction/maintenance, and construction of basic campsites, resting facilities, wildlife viewing facilities) will be developed in full consultation with local communities and alignment with the guidelines and certification system developed under Output 1.4 to demonstrate the integration of biodiversity and social safeguards, community livelihoods, human-wildlife co-existence, and end-to-end ecotourism product development. Through the development of ecotourism, it will demonstrate how Bhutan's rural communities, which bear the daily brunt of strict conservation policies in human-wildlife conflict, can benefit from new livelihood opportunities centered on nature-based tourism enterprises in the form of new jobs and local procurement while generating funds to supporting biodiversity conservation and PA management.
Output 2.3: Conservation of biodiversity including flagship species enhanced for the promotion of wildlife-based economy through habitat improvement and threat reduction	
Despite the strong national legislative framework and an extensive network of PAs, biodiversity in the landscape faces many threats and many species are listed as globally threatened. Direct threats include high incidences of HWC in the form of crops and livestock depredation leading to negative community attitude towards wildlife and conservation agendas, poaching of wildlife and medicinal plants through retaliatory killing or snares/traps and degradation and loss of wildlife habitat (See section on Threats, Root Causes and Impacts as well as **Annex 12c**). There are existing interventions to address these threats through regular SMART patrolling, and HWC prevention and mitigation approaches such as fencing, trenches, traditional approaches, alarms, community insurances, awareness programmes, habitat enrichments etc. However, these existing mechanisms are insufficient to adequately manage the threats. Additional efforts are needed to enhance information and knowledge, on-ground conservation action and	The GEF investment will support DoFPS and the local authorities to improve landscape-level coordination and reporting to strengthen implementation of national HWC and zero poaching strategies, for example by strengthening information and reporting from the demonstration landscape to the National Wildlife Crime Control Committee through local partnerships and tapping local networks and knowledge base to strengthen informal enforcement. A landscape-level baseline on poaching, IWT and HWC incidences will provide information to enable targeting for SMART patrolling under BFL. The project will develop and test an intelligence database which will enable surveillance, monitoring, and information sharing among partner agencies on wildlife crime and rescue efforts. A PA level Wildlife Conservation Committee will be established among partner agencies within the jurisdiction of BWS and SWS, with coordination line up to national level. The use of technologies will be promoted to support anti-poaching and surveillance efforts. The success of such a landscape-level organizational framework will be upscaled in other PAs through BFL.

coordination across a range of players. Further, there is an opportunity to progress conservation of flagship species for tourism to show the link to the ongoing sustainability of the tourism products they support. This will in turn support the local implementation of the national HWC Management Strategy and Zero Poaching Strategy and build community support for conservation of biodiversity as the foundation of tourism development.	The GEF investment will also help enhance the conservation of five globally threatened species selected as the flagships of ecotourism products under Output 2.2 because they will provide an excellent demonstration of how community-led nature conservation can support improved livelihoods through a wildlife-based economy, helping achieve a shift in community attitudes towards wildlife and more support for conservation. GEF investment will support targeted conservation planning with community and local stakeholder input, and implementation and technical demonstration of priority measures in adopted plans. Further, the potential for a nature-based economy to support local livelihoods will be continued through the support for local community enterprises based on sustainable use and harvesting of biodiversity, building resilience in local livelihoods and showing the economic potential of biodiversity beyond tourism alone.
Output 2.4: Awareness campaigns, educational materials, and outreach with local communities on biodiversity values result in positive attitudes towards human-wildlife coexistence and increased participation in practical measures to reduce HWC, poaching, forest offences and other threats to biodiversity conservation	
Although most Bhutanese feel a positive responsibility towards the conservation of the environment, communities (particularly farmers) have developed an antagonistic view towards wildlife conservation due to the crop and livestock depredation by wildlife[33]. In this context, there is a great need to help communities understand the potential benefits/value of a wildlife-based economy based on ecotourism that can provide economic benefits and jobs. While there are some awareness-raising activities for the general public from the local authorities, NGOs, schools, and the media, these are not coordinated or targeted in a way that can help to harness public support for ecotourism and biodiversity conservation and raise understanding of the connections with human-wildlife coexistence.	The GEF alternative aims to bring about a positive shift in attitudes towards wildlife and PAs, and to bring the power of community and private sector participation through ecotourism to provide more support for biodiversity conservation across the demonstration landscape. This requires high attention to raising public awareness around valuing biodiversity and all aspects of a wildlife-based economy and how this can bring jobs and help reduce threats to biodiversity. Education is needed on the value that conservation can bring to the economy via ecotourism. Through the preparation and implementation of a detailed communications plan, the GEF investment will deliver targeted communications and campaigns and support the establishment of local biodiversity information centres to provide public access to information on biodiversity and its significance, ecotourism, HWC and the importance of co-existence and a space for education, training and other events.

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

Intermediate Outcome (Result of the Output): *Private sector tourism investments are contributing to biodiversity conservation and local livelihoods, both inside PAs and across the landscape.*

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

78. The project will demonstrate the integration of enhanced revenue generation for PA management and biodiversity conservation, environmental and social sustainability, community livelihoods, and human-wildlife coexistence through implementation of the concessions framework and other mechanisms identified under

[33] 2015 GNH Survey Report, CBS & GNH Research

Output 1.3. Information will be disseminated on the opportunities provided through the concessions framework and businesses and entrepreneurs will be supported to enter into PPPs in full consultation with the local communities as outlined in the Stakeholder Engagement Plan (**Annex 9**), under the guidance of the Nature Conservation Division or Divisional Forest Offices of DoFPS and the relevant Dzongkhag authorities depending on whether they fall within or outside PAs. Eventually the financing mechanism will be upscaled across the PA system through partnership with BFL.

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

80. Indicative activities under Output 2.1 include:

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

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

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

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

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

- Youth/community-owned tour operator groups for domestic tourism in Khoma to operate tours to Singye Dzong, with homestay facilities;
- Youth/community tour operator groups for domestic tourism in Shermuhung to operate domestic tours to Aja Nye, with homestay facilities;
- Youth/community tour operator groups to operate Jomo-Panda Trails in Trashigang for domestic and international visitors.

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

2.1.7 Issue grants to support the establishment of homestays and enterprises across the demonstration landscape to support post-COVID local economic recovery and offset losses to HWC as per prevailing TCB policy. Grants will be issued by the Government in accordance with UNDP Low Value Grants guidance.

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

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

Intermediate Outcome (Result of the Output): *Model ecotourism products demonstrated through the demonstration landscape, supporting employment and biodiversity.*

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

82. During the PPG 10 ecotourism products were identified with local communities and stakeholders to demonstrate the integration of biodiversity conservation, community livelihoods, human-wildlife co-existence and social safeguards into ecotourism product development. Products will be developed in full consultation with local communities as outlined in the Stakeholder Engagement Plan (**Annex 9**). The Demonstration Landscape Ecotourism Plan will provide the overall framework and strategic guidance and support for product development and marketing. Each product will have a site-specific management plan (to ensure adherence to sustainability criteria and guidelines developed under Output 1.4) and enterprise-specific business plan (to support sustainable revenue generation as part of Bhutan's tourism resilience recovery from COVID-19). Marketing of products and experiences will be supported under Output 3.2.

83. GEF funds will support the establishment and upgrading of basic ecotourism infrastructure to increase the attractiveness of the region to visitors and enhance revenue generation potential. Examples of site-specific ecotourism infrastructure to be supported include eco-trail upgrading/maintenance, visitor signage, campsites, resting points/facilities, walkways, viewpoints, observation/birding decks, safety infrastructure, garbage and sanitation facilities for low-impact tourism. GEF investment in infrastructure development will be supported by substantial co-financing commitments by local partners, including commitment for ongoing maintenance and operation of tourism infrastructure (as detailed in **Annex 12b**). For example, all trail development activities within the PAs will be co-financed by the BFL. Technical design and site supervision will be co-financed by the RGoB (Dzongkhag or PA staff), the cost for maintenance of facilities developed will be borne by enterprises, and the cost of activities of committees (LECT, MTAC, local PA conservation committee) by RGoB.

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

85. Indicative activities under Output 2.2 include:

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

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

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

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

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

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

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

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

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

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

Intermediate Outcome (Result of the Output): *Improved habitats and reduced threats for Bhutan's globally threatened biodiversity in the demonstration landscape.*

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

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

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

diversify nature-based livelihoods beyond tourism and enhance community resilience to shocks such as the COVID-19 pandemic). The conservation measures will be developed and implemented under the guidance of the Nature Conservation Division (inside PAs) or Divisional Forest Offices of DoFPS (outside PAs) and with support of the relevant Dzongkhag authorities depending on whether they fall within or outside PAs. The project will develop management plans that will map the critical habitats for each species (for inclusion in the relevant local authority development plans) and detail the conservation measures to be undertaken, and any technical standards/guidelines to be adhered to (mitigating potential safeguards risks from their implementation). An indicative list of priorities identified during the PPG is shown in Table 7.

89. Indicative activities under Output 2.3 include:

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

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

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

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

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

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

- Surveys and community consultations to identify and map critical habitats (e.g. spawning grounds of golden mahseer, salt licks and water holes for golden langur) and agree protection measures;
- Effective prevention (e.g. awareness, biosecurity and quarantine measures), containment, risk assessment and control of invasive species (with co-financing support for IAS removal/eradication);
- Targeted planting/revegetation with native species (e.g. for erosion control, provision of native food plants);
- Community awareness-raising and advocacy to reduce key threats to flagship species (e.g. to curb growth in stray dogs and discourage winter cropping in roosting areas to reduce threats to cranes).

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

- Wild daphne (Ludlow forage vegetation) sustainable harvesting and plantation, nursery and environmentally-safe Deysho (indigenous paper) enterprise at Womanang;
- Herbal tea enterprise to promote sustainable management of *Hibericum* and *Viscum* species at Bamdhir.

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

Flagship species	Habitat improvement and threat reduction priorities	Area
Black-necked Crane	Improve restoration of winter roosting and feeding area by planting local plant species along the riverbank in areas affected by flooding in Bumdeling valley to prevent further erosion; stemming growth of stray dogs to curb threat to the crane population and discouraging winter cropping in the roosting area	BWS, Trashiyangtse

Red Panda	Plantation of native palatable plants and bamboo species, technical support/demonstration for the effective containment and control of invasive species	SWS, Trashigang
Ludlow's Bhutan Glory	Curb habitat loss and disturbance, maintain Ludlow habitat near settlements through strengthening/capacitating sustainable community-managed forests and demonstration of nature-based economy from sustainable habitat management.	BWS, Trashiyangtse
Golden Langur	Mapping and establishing protection measures for salt licks and water holes, and restoring native food plants along the Zhemgang-Tingtibit-Wangdigang stretch	Zhemgang
Golden Mahseer	Protection of critical spawning grounds of golden mahseer along the Yangbari-Manas river stretch, and identification of sustainable areas for catch and release angling	Mongar, Zhemgang

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

Intermediate Outcome (Result of the Output): *More people are aware of and engaged in biodiversity conservation including measures to address HWC and poaching.*

90. This Output will contribute towards the achievement of a 20% improvement in Knowledge, Attitudes, and Practices by the end of the project. The KAP baseline for communities and private sector in the demonstration landscape levels will be established in Year 1 and will be reassessed in Year 5 to measure impact (see **Annex 12i**). Public awareness activities will be coordinated through a communications plan, under the responsibility of the PMU Communications Officer working closely with TCB, NCD, and local authorities. The overall aim is to deliver a concerted effort to raise public awareness of the benefits to livelihoods of ecotourism and biodiversity conservation and to deliver a shift in public attitudes that helps reduce threats to globally significant biodiversity, particularly from HWC and poaching.

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

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

93. Indicative activities under Output 2.4 include:

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

    2.4.2 Prepare and disseminate education and awareness materials on biodiversity (global and local biodiversity values), threats to biodiversity, drivers of HWC and poaching and national strategies to prevent them, and

benefits of ecotourism, conservation and co-existence, including through use of TV and radio channels, film clips, social media, printed media.

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

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

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

Total Cost: **$2,612,243**; GEF project grant requested: **$1,276,600**; Co-financing: **$1,335,643**

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

94. The key deliverables under Outcome 3 are: Key actors (national and Dzongkhag governments, private sector and local communities) capacitated and equipped to support ecotourism development and apply ecotourism safeguards and standards (Output 3.1); Tourism marketing and promotional strategy for ecotourism products and activities developed and implemented (Output 3.2); Knowledge sharing platforms, events and networks established at local and national levels to enhance ecotourism collaborations and best practice exchanges including with regional and international networks, particularly the Global Wildlife Program (Output 3.3); and M&E system incorporating gender, youth, and vulnerable groups developed and implemented for adaptive project management (Output 3.4). Table 8 summarizes the baseline situation and incremental reasoning behind the GEF investment for Outcome 3.

Table 8: Summary of baseline and incremental reasoning for Component 3
*Note: See **Annexes 4, 5, 6, 10, 12c, d, e, f, g, h & j** for further details on baseline activities*

Summary of Baseline Situation	Incremental Reasoning
Component 3: Ecotourism capacity, promotion, knowledge management and M&E (GWP Component 1: Sub-C. 1.3; Component 5: Sub-C. 5.1, 5.2)	
Output 3.1: Key actors (national and Dzongkhag governments, private sector and local communities) capacitated and equipped to support ecotourism development and apply ecotourism safeguards and standards.	
There is limited knowledge in the tourism sector at both national and local levels on environmental and social safeguards, standards and best practices, leading to inadequate practices, particularly related to biodiversity conservation and gender issues. At the national level, 18 training institutions offer courses on tourism and hospitality; however, although several cover issues relating to cultural aspects of tourism, few provide any training on biodiversity aspects. Human resources for mainstreaming biodiversity conservation into tourism are therefore not well qualified or motivated. Most of the agencies involved in activities related to campsites and homestays in Bhutan do not understand the purpose and objectives of ecotourism. Low capacity contributes to weak enforcement of the existing regulations and guidelines. Without such capacity, stakeholders cannot be relied upon as effective partners for ecotourism development. The PPG Capacity Development report (**Annex 12j**) concluded that there was a lack of human resources with professional	The GEF investment will result in a transformational improvement in capacity among national and demonstration landscape-level stakeholders (including government, private sector and local communities) for applying the ecotourism safeguards and standards (focusing particularly on biodiversity and gender mainstreaming) as recommended in the PPG Capacity Development report (see **Annex 12j**). Training will be provided directly to national level stakeholders from key governmental and private sector organizations as well as to local stakeholders in the demonstration landscape. Under this Output, the GEF investment will support building capacity and knowledge of local tourism stakeholders for implementing the main enabling plans and tools described under Outcome 1. General training on these issues for communities in the demonstration landscape will be supported through the establishment of a mobile training unit at TCB, and supported by series of technical training workshops for professionals held in each Dzongkhag and

capacity (as well as practical experience) at the local level among the key local institutional stakeholders to implement frameworks, strategies and plans such as those developed under Outcome 1, for mainstreaming biodiversity into tourism, including for conservation financing. Similarly, local communities lack the basic understanding of ecotourism development and potential in order to be able to make informed decisions that could improve their livelihoods.	domestic and international experiential knowledge transfers as a part of capacity development.
Output 3.2: Ecotourism marketing and promotional strategy developed and implemented, including the capacity for promotion, branding and marketing for ecotourism products and activities	
Only low levels of nature-based tourism are taking place in Bhutan[34], and the agenda for mainstreaming biodiversity conservation into tourism and particularly for ecotourism products and services is not being actively driven forward (**Annex 10j**). The PPG assessment of Branding, marketing strategy, resource mapping and ecotourism business models (**Annex 12f**) revealed *inter alia* the following weaknesses for stimulating more market interest for ecotourism: local operators devise itineraries with little regard for market demand; tourists have limited opportunity to make informed choices; there is a lack of incentives for professionalism or quality services; there is little time in itineraries to spend money on local products; and there are disincentives to take tourists to remote locations. The weak understanding of business opportunities inhibits growth in ecotourism businesses. Since the COVID-19 pandemic there is increasing recognition of the potential marketing of ecotourism in Bhutan in a recovering tourist market (including in key government policies for socioeconomic recovery), and of the importance of digitizing and upgrading technology across Bhutan's tourism sector (e.g. UNDP, UNWTO and TCB partnership). This is an opportunity that can be supported by the GEF investment.	Bhutan offers huge potential for developing adventure and nature-based tourism activities[35]. Research suggests that international tourists would like to see Bhutan's unique nature, as well as its culture and that tourism has been effective in incentivizing sustainable environmental practices in some remote parts of Bhutan (e.g. reducing encroachment on protected forests), while providing an alternative source of income[36]. The remote nature and individualized tourism of Bhutan may prove particularly appealing to tourists as a safe destination under COVID-19. The GEF investment will build on existing efforts to carry out digital content development and online marketing and support better integration of ecotourism and nature across existing TCB marketing efforts. The project will support development of a landscape-level ecotourism marking deck, digital contents and marketing and branding strategy. Product-specific and site-specific marketing decks for the demonstration products developed under Output 2.2 will enable product marketing and provide digital content for use in virtual tours which would be an alternative way of promoting the experience of Bhutan's ecotourism experience in the wake of the COVID-19 pandemic.
Output 3.3: Knowledge sharing platforms, events and networks established at local and national levels to enhance ecotourism collaborations and best practice exchanges including with regional and international networks, particularly the Global Wildlife Program	
Knowledge management mechanisms to share best practices and lessons learned between key stakeholders involved in ecotourism, biodiversity conservation, HWC and protected area management are generally lacking and do not meet current needs. Information sharing between different units, departments and agencies of (local) government – and with the private sector and public – is limited and not systematically organized, hindering collective learning and action from best practices on common issues. There are examples of good practices across the country, but too many projects re-create wheels and do not learn from earlier successes and failures. For ecotourism in general and HWC management specifically, there is a wealth of good practices	The GEF investment aims to significantly increase the capacity and knowledge of local and national stakeholders working to promote ecotourism and biodiversity conservation through the sharing of local, national, regional and international best practices. This will be achieved via e-platforms, social media, events (e.g. site exchanges, knowledge transfers), publications and networks at local, national and international levels. An innovation / lessons-learning forum will be established in the demonstration landscape. Participation in the GWP and engagement in the global knowledge platform provides a particular opportunity to share lessons and best practices on the wildlife-based economy and

[34] TCB (2016) Bhutan Tourism Monitor, Annual report 2016.

[35] ABTO (2016) Bhutan Tourism Review and recommendations 2016, Association of Bhutanese Tour Operators, p66

[36] Ritsma N, Hummel J, Gyeltshen P. 2010. Tourism and payments for environmental services: the outlook for a stronger business case to develop rural tourism in Bhutan. Mountain Forum Bulletin (January), cited in Suntikul, W. and Dorji, U. (2016) Tourism Development: The Challenges of Achieving Sustainable Livelihoods in Bhutan's Remote Reaches, International Journal of Tourism Research, 18: 447–457

across the globe (including through the GWP), however, Bhutan has yet to make the most of these opportunities. The scale and duration of the project mean that an investment in knowledge-sharing should pay rich dividends.	mitigating HWC with other participating countries. Such knowledge-sharing can be both upstream from Bhutan to the global GWP community, and downstream from GWP to project stakeholders in Bhutan. There will also be opportunities for South-South Cooperation through bilateral knowledge-sharing with other GWP child projects.
Output 3.4: M&E system incorporating gender, youth and vulnerable groups developed and implemented for adaptive project management	
This Output concerns project implementation and project-specific monitoring and evaluation, so there is no current baseline beyond the PPG phase baselines included in the results framework. At both national and local levels, a systematic baseline for M&E concerning ecotourism development and related landscape-scale benefits for biodiversity conservation is lacking.	The effectiveness of project implementation and utilization of GEF funds will be evaluated using indicators defined in the Results Framework, and more detailed annual work plans. Gender will be factored into project M&E through the gender action plan (see **Annex 10)** as an integral part of the M&E framework. The SESP will be implemented and adherence regularly monitored. Project achievements, knowledge and lessons learned will be documented through annual PIRs, mid-term review and terminal project evaluation.

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

Intermediate Outcome (Result of the Output): *Social and environmental standards for tourism are being applied by stakeholders at national and demonstration landscape levels and are being promoted through the Capacity Development Unit of TCB in collaboration with partner institutes in the market. The capacity for ecotourism development by the public and private sectors and the community in the demonstration landscape has increased.*

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

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

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

98. Indicative activities under Output 3.1 include:

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

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

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

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

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

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

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

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

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

Intermediate Outcome (Result of the Output): *Partnerships, tools and capacity for branding and marketing of tourism, particularly ecotourism products has increased leading to effective ecotourism marketing and promotion.*

99. This Output will contribute to increasing to 20% the proportion of international tourists who have opted for nature-based tourism products including trekking, homestays, birding, rafting, endurance/adventure sports, from the pre-COVID baseline of 12.9%. This will be supported by GEF investment in innovative branding and marketing for ecotourism products to increase the market presence and demand for ecotourism in Bhutan, including in a recovering COVID-19 tourism market. The PPG report on branding and marketing (**Annex 12f**) indicated that Bhutan's promotion of ecotourism should integrate lessons learned from recent research on

practices that are effective in communicating sustainability to tourists, including: a) focus on high-value market segments that are more likely to behave sustainably[37]; b) provide desirable experiences with strong sustainability credentials (e.g. 3rd party verified sustainable hotels and access to local foods)[38]; c) integrate sustainability messages in promotional materials, including practical information and details of 3rd party verification (e.g. certification scheme to be developed under Output 1.4)[39]; d) educate high-end travel agents selling Bhutan in originating markets about sustainable tourism products and destinations, incorporating familiarisation visits and reports on sustainable tourism actions[40]; e) use online platforms to promote sustainability credentials and messages (e.g. Facebook, TripAdvisor, Wayn, HolidayCheck)[41]. Initial data emerging from COVID-19 tourism recovery (e.g. TripAdvisor and World Travel and Tourism Council analysis of online travel search terms, Euromonitor International market research) indicate an enhanced interest in adventure/nature-based tourism and sustainable tourism confirming the viability of the Bhutan tourism value proposition around sustainable, high-value/low-impact ecotourism.

100. Comprehensive marketing packages will be prepared for the tourism products and services established in the demonstration landscape under Component 2, including production of digital/film assets (including in-house development by TCB and specialized content by contractors using innovative equipment/technologies). These product-specific digital content development and marketing decks will provide the materials for the development of a landscape-level digital content and marketing strategy. Such an online marketing approach is appropriate and effective in COVID-19 pandemic scenario. The strategy will consider potential virtual tourism offerings (e.g. virtual tours) that could be developed using landscape products and digital content, and that could offer further revenue generation opportunities and tourism promotion under the COVID-19 situation of restricted travel. GEF funds will support implementation of the strategy and build capacity for its implementation. The project will conduct specialized training on branding, content development, marketing strategies and tools for tour operators. GEF funds will also be used to prepare materials on branding content development, marketing strategies and tool distribution on-line for wider up-scaling. The PMU's Behaviour Change and Communications Officer will further support these activities by preparing awareness and outreach materials. In addition, with a focus on digitizing and digitalizing the tourism sector in partnership with UNWTO, this Output will support the redesigning of business processes, operations and tourism diversification through increased online marketing and virtual tours.

101. Indicative activities under Output 3.2 include:

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

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

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

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

[37] Cvelbar, L. K., Brun, B. and Dolnicar, S. (2017) Which hotel guest segments reuse towels? Selling sustainable tourism services through target marketing, Journal of Sustainable Tourism, 25 (7), 921-934

[38] Font, X. and McCabe, S (2017) Sustainability and marketing in tourism: its contexts, paradoxes, approaches, challenges and potential, Journal of Sustainable Tourism, 25 (7), 869-883

[39] Ponnapureddy, S., Priskin, J., Ohnmacht, T, Vinzenz, F. and Wirth, W. (2017) The influence of trust perceptions on German tourists' intentions to book a sustainable hotel: a new approach to analysing marketing information, Journal of Sustainable Tourism, 25 (7), 970-988

[40] Font, X. and McCabe, S (2017) Sustainability and marketing in tourism: its contexts, paradoxes, approaches, challenges and potential, Journal of Sustainable Tourism, 25 (7), 869-883

[41] Gossling, S (2017) Tourism, information technologies and sustainability: an exploratory review, Journal of Sustainable Tourism, 25 (7), 1024-1041

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

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

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

Intermediate Outcome (Result of the Output): *Stakeholders within and beyond the project have increased knowledge of best practices in ecotourism and biodiversity conservation (particularly HWC reduction) as a result of project implementation.*

102. This Output will support effective knowledge sharing. By the end of the project, results and lessons will have been shared through TCB, and UNDP CO websites and social media, including technical reports, awareness materials and technical meetings. In addition, knowledge-sharing mechanisms will be established through links to the GWP global knowledge platform, including GWP resources, virtual and in-person events (e.g. knowledge exchanges and study tours), news and lessons. The project will actively participate in GWP knowledge sharing and though national and landscape knowledge-sharing, facilitate learning and access to the best practices and lessons gained through engagement in the GWP. An innovation / lesson-learning forum will be established at the national level and among landscape dzongkhags, PAs and national stakeholders from year 2 to ensure maximum dissemination of knowledge. The PMU Communications Officer will lead the work under this Output through a knowledge management plan developed in Year 1.

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

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

105. Indicative activities under Output 3.3 include:

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

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

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

3.3.4 Disseminate lessons via awareness materials in the demonstration landscape.

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

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

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

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

Intermediate Outcome (Result of the Output): *Project has effective M&E and the objective including gender and other safeguards targets are achieved.*

106. This Output provides the mechanisms for effective and structured monitoring and evaluation so that adaptive management measures are incorporated into the project strategy as implementation proceeds. The project's Results Framework (see **Section V**) which was elaborated and checked with stakeholders during the PPG phase, enables project performance to be reliably monitored using measurable indicators. Several of these indicators do not currently exist within government and will contribute towards more effective planning, monitoring and evaluation of biodiversity conservation and ecotourism development in Bhutan. Monitoring and evaluation activities will include the regular review and updating of the M&E plan (see **Section VI**), the GEF-7 core indicators (e.g. see **Annex 11**, **Annex 12a**), Results Framework, and annual work plans and budgets, leading to the generation of comprehensive monitoring and progress reports. The project's approach to M&E and adaptive management will also incorporate assessment of the questions for monitoring the assumptions underpinning the Theory of Change. Many of these are already aligned to existing results framework indicators; others can be collated through expert stakeholder assessment. This process will be integrated into the annual participatory project review workshops budgeted to take place prior to the completion of each PIR, and the results used to refine the project TOC, the listed TOC assumptions, risks, and adaptive management of project approaches and activities as needed.

107. Gender mainstreaming and SESP requirements, particularly for vulnerable groups, will be met as an integral part of the project planning, implementation and M&E cycle. Regular Project Steering Committee meetings will enable key stakeholders to be actively involved in a participatory M&E process. Additionally, the project will conduct annual project implementation reviews, and an independent mid-term review and final terminal evaluation to assess progress and achievements in accordance with GEF requirements. The results of the mid-term review will be used to formulate remedial measures to ensure optimal implementation efficiency and knowledge generation.

108. Indicative activities under Output 3.4 include:

3.4.1 Convene project inception workshop within the first 60 days of the project to review, update and elaborate project plans and management arrangements. As part of this process, update and re-assess relevant project

information and PPG assessments in light of COVID-19 impacts and confirm feasibility and alignment to government recovery strategies and international guidance and best practices on building tourism resilience.

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

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

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

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

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

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

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

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

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

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

(ii) Partnerships:

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

110. <u>National level partnerships</u>:

a. The government has taken full ownership of the project through the GNHC as the GEF Operational Focal Point. GNHC has delegated responsibility for implementation to the TCB which will be the Implementing Partner. At the highest level, strategic tourism matters such as the Ecotourism Master Plan (Output 1.1) and guidelines (Output 1.4) and concessional framework (Output 1.3) and most items included in the list of enabling activities (**Annex 12k**) will be reviewed and decided upon by the Tourism Council of Bhutan. The TCB membership includes the Association of Bhutanese Tour Operators (ABTO), The Hotels and Restaurants Association of Bhutan (HRAB), The Guides Association of Bhutan (GAB) and the Bhutan Sustainable Tourism Society. The role of the private sector (ABTO and HRAB) and the civil society (GAB and BSTS) will be integrated into the strategic matters related to the project. Further, a new Multi-Sector Technical Advisory Committee will be established (Output 1.1) to guide implementation of the Ecotourism Master Plan and to coordinate and align mandates across institutions with a role in ecotourism.

b. Recognizing that development of ecotourism products and services in the project landscape will provide a market for the handcrafts and the promotion of handcrafts will provide attraction to visitors, Handicrafts Association of Bhutan (HAB) will focus their promotion of handicraft product and skills development activities in the Dzongkhags that comprise of the project landscape. The Executive Director of the HAB has

been engaged in local PPG consultations of this project, further strengthening partnerships with the private sector.

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

111. Landscape-level partnerships:

a. Component 2 will promote partnership at the demonstration landscape-level amongst the Dzongkhag and Gewog administrations, the PA management, local communities, and the private sector. A Landscape Ecotourism Coordination Committee (LECT) will be established (under Output 2.2) to enable coordination across the five dzongkhags and the two PAs.

b. A PA level Conservation Committee will be established (under Output 2.3) to coordinate surveillance of poaching and wildlife trade including members from the Department of Customs, Royal Bhutan Police, the Department of Forests, and Department of Immigrations at the local level. These will be fostered by the respective role of each stakeholder in the implementation of the project activities and through meetings, workshops, awareness and advocacy campaigns, training, grievance management as well as through the process for monitoring and evaluation. The aim is to engage all relevant stakeholders in a model participatory approach to ecotourism development that delivers solutions that will turn current threats into opportunities for biodiversity improvement and the local economy. These local partnerships will be supported by the capacity building and knowledge sharing support provided under Component 3.

112. Partnership with the private sector:

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

b. The second level will include private individuals or firms from beyond the project demonstration landscape who can be engaged in the commercial operation of or investments into ecotourism products and services (e.g. investors in accommodations, transports, supplies) within the demonstration landscape but those that local private individuals or groups are unable to operate either due to requirement for high investments or standards that the micro, -enterprises at local local-level cannot match up. These could include products such as the operation of golden mahseer catch and release fishing and rafting journeys along Yangbari-Manas river stretch or opportunities for investments in new eco-lodges within the demonstration landscapes. The partnership model for the private sector will be based on the adopted Concessions Framework or the lease or basis of fees developed under Component 1. It is aimed that this form of private sector engagement would result into creating around 179 operational local nature/wildlife-based economic enterprises and generate 2,027 jobs including 1,013 women. UNDP private sector due diligence processes will be adhered to for all project private sector partnerships, including potential co-financers.

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

114. This project is a child project of the GEF-7 Global Wildlife Program. As such, it will participate in GWP knowledge-sharing events and platforms under Component 3 to disseminate lessons learned and project results and experiences globally, and use national platforms and processes (e.g. PSC, Technical Advisory Committee to TCB, Landscape Ecotourism Task Force, project events, communications) to disseminate GWP lessons across Bhutan. The support provided by the GWP will extend project partnerships to the international level and bring lessons and best practices to Bhutan through the GWP global knowledge platform. The project will also seek to have bilateral exchanges and partnerships with other GWP national projects as relevant (e.g. projects working on ecotourism, such as lessons learned from South Africa, and experience exchange with Cambodia; coordination with the GEF-7 India small cats project which will be working in Eaglenest Sanctuary in Arunachal Pradesh, close to Sakteng).

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

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

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

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

119. The Bhutan Trust Fund for Environmental Conservation (BTFEC) provides $1.5 million for conservation annually. The current BFTEC-financed projects do not operate in the project demonstration landscape. However, the BTFEC projects work in thematic areas of HWC management, watershed management, waste management across other Dzongkhags which provide an opportunity for lesson learning. However, the new Strategic Plan is under finalization that focusses on broader conservation issues including research and innovation. In addition to

being part of the PSC, BTFEC will participate in the annual planning exercise of the project to ensure alignment and harmonization of project activities with the relevant partners and initiatives.

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

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

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

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

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

125. UN Environment's Vanishing Treasures Programme supports climate change adaptation of vulnerable mountain species such as Royal Bengal tiger in the Hindu-Kush Himalayas (Bhutan). The Programme is funded by the Grand Duchy of Luxembourg and aims to generate maximum synergy between climate change adaptation and biodiversity conservation by improving the adaptive capacity of mountain ecosystems while maintaining related ecosystem services, protecting mountain flagship species that are key to ecosystem functioning, and promoting alternative livelihoods for local communities. The Programme is implemented in the tiger landscape including Zhemgang with linkages to this Project.

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

mitigation. The Project will use lessons on ecotourism strategy development supported by ICIMOD in Haa district in Western Bhutan.

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

128. By successfully implementing and completing these projects, RGoB has accumulated many experiences for environmental management in Bhutan and a strong partnership has been established at national and local levels, which will benefit the implementation of this project. Many lessons can be learned from these and the previously completed projects, including the progress made in participatory management approaches, capacity development, financing mechanisms, biodiversity conservation, and livelihood improvements. During the PPG information relating to the above projects was gathered, including through stakeholder workshops, field visits, and bilateral consultations, and the results were used to inform the project design. Table 9 lists the main ongoing related initiatives that offer strong partnerships and shows their connections with the components and outputs of this project. Close attention will be paid to emerging new projects, to optimise opportunities for synergy.

Table 9: Intersection of Related Initiatives with Project Outputs

Related initiatives	Intersections with Project Outputs		
	Component 1	**Component 2**	**Component 3**
Bhutan Trust Fund for Environmental Conservation		2.3	3.4
RGoB/WWF/GCF) Bhutan for Life project	1.1, 1.2, 1.3	2.2, 2.3, 2.4, 3.1	3.1, 3.4
Biodiversity Finance Initiative (BIOFIN)	1.3	2.2	3.4
UNDP/GEF-LDCF Enhancing Sustainability and Climate Resilience of Forest and Agricultural Landscape and Community Livelihoods in Bhutan project (2017-2023)		2.1, 2.2	3.4
UNDP/GCF Supporting Climate Resilience and Transformational Change in the Agriculture Sector project		2.2	3.4
GWP global knowledge platform and exchanges with national GWP projects	All Outputs	All Outputs	All Outputs
WWF/IKI (Germany) -Living Landscapes - Securing ecological connectivity of high conservation value areas in Bhutan	1.1, 1.4	2.2, 2.3	3.1
UN Environment's "Vanishing Treasures"	1.2	2.3, 2.4	
IUCN's Asia-Pacific Protected Areas Partnership	1.1, 1.2	2.3	3.3
Kanchenjunga landscape initiative, ICIMOD			3.3
IFAD-funded project Commercial Agriculture and Resilient Livelihood Enhancement Program (CARLEP)		2.1	3.3

(iii) Risks:

129. **Table 10** lists the identified project risks, their overall rating and the mitigatory actions that either have been taken through project design or will be taken during project implementation. The high-level assumptions on which these project risks depend are listed in the project's Theory of Change (**Figure 2**). Risks are only shown if their rating is considered to be Moderate or above, except for risks identified in the Social and Environmental Screening Procedure (SESP), for which are all listed (**Annex 6** provides further details for SESP risks and their associated management measures). Additional detail for COVID-19 related risks are captured in **Annex 2**. As per standard UNDP requirements, the National Project Manager will monitor risks quarterly and report on the status of risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probability are high (i.e. when the impact is rated as 5, and

when the impact is rated as 4 and probability is rated at 3 or higher). Management responses to critical risks will also be reported to the GEF in the annual PIR.

130. The SESP (**Annex 6**) was finalized during project preparation, as required by UNDP's Social and Environmental Standards. The SESP identified 14 risks for this project that could have potential negative impacts in the absence of safeguards, with 12 rated as Moderate and two as Low. The overall SESP categorization is Moderate. Based on this specific combination of risks, all three Principles in the UNDP SES (and all standards under Principle 3) have been triggered as they relate to Moderate-rated risks.

131. Key SES requirements and measures that will be taken to mitigate Moderate risks include:

- Implementation of Stakeholder Engagement Plan which includes elements of Indigenous Peoples Plan including processes for securing FPIC (prior to commencement of any activities that require FPIC);
- Implementation of the gender analysis and gender action plan;
- Scaled impact screening/ESIA for infrastructure development under Output 2.2, along with adherence to national/international standards for low-impact design and construction;
- Capacity development program for local authorities and tour operators, including on gender and safeguards requirements;
- Consideration of potential safety risks in guidelines under Output 1.4, and consideration of safety risks during infrastructure construction process;
- Climate risk screening and risk mitigation plan elaborated during inception, and measures integrated into climate-sensitive project design and annual work planning;
- SESA approach incorporated in Output 1.1 (ecotourism master plan) and 1.4 (ecotourism guidelines);
- Completion of UNDP private sector due diligence process and screening for potential private sector partners including concessionaires. Implementation of Stakeholder Engagement Plan;
- Detailed, community-led management plans for habitat improvement activities, and screening for safeguards risks, along with use of technical experts to develop/guide activities;
- Provision of PPE safety equipment (goggles, gloves) for snare removal and training on appropriate and safe removal of snares;
- Full adherence to government rules and restrictions related to COVID-19 movement/social distancing, provision and use of PPE for local communities/stakeholders, and a flexible approach to stakeholder consultations including use of social distancing and virtual measures as needed.

132. Grievance redress and stakeholder response. As required in the SESP, stakeholders who may be adversely affected by the project need to be able to communicate their concerns about the project's social and environmental performance. UNDP will ensure that an effective project-level grievance mechanism is available. The Project Steering Committee will take responsibility for ensuring grievances are addressed, through a project-level grievance mechanism, which has been included in the TOR of the PSC. As part of the stakeholder engagement process, project-affected people should be informed of processes for submitting concerns, including through the project level grievance mechanism and UNDP's Accountability Mechanism, which has two key components: 1) A Compliance Review to respond to claims that UNDP is not in compliance with applicable environmental and social policies; and 2) A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes.

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

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

Description of Risk (Brief description of the risk)	**Type** (Risk category)	**Impact and Probability** [42]	**Mitigation Measures** (What actions have been/will be taken to counter this risk)	**Owner** (Person to monitor)
1. Approval of the Ecotourism Master Plan, regulations, safeguards, standards, and guidelines (ecological, social, and cultural) may be delayed, which will result in a lack of strategic direction for the project	*Operational*	I = 3; P =2 **MODERATE**	A list of required enabling approvals was prepared during the PPG (see **Annex 12k**). This list will be regularly reviewed by the Project Steering Committee, and the NPD and NPM will regularly engage senior government officials to ensure that the required approvals are processed promptly and effectively. TCB will address the issues in close coordination with GNHC and expedite adoption and endorsement required policy documents and their instruments. In the event of significant delays, UNDP will be requested to raise the issue at a high level with TCB and GNHC.	*PM*
2. Government agencies at different levels do not fully cooperate and coordinate activities effectively for mainstreaming biodiversity into tourism and their sectoral agendas dominate	*Institutional*	I = 3; P = 3 **MODERATE**	The project design has been guided by a working group that has provided a mechanism for coordination and communication between key stakeholders, in full collaboration with GNHC and managers from the key sectors, particularly tourism and biodiversity. The momentum created by the project aims to strengthen and institutionalize the coordination and joint action mechanisms for landscape-scale ecotourism development that supports biodiversity conservation. Collaborative work will be demonstrated in the demonstration landscape and the necessary systemic and institutional capacities will be strengthened to ensure sustainability. The Project Steering Committee will help to integrate the efforts of multiple stakeholders at the national level, and to promote coordination between local authorities and the community. The members of the Multi-Sector Technical Advisory (MTAC) Team will coordinate and mainstream biodiversity into tourism and their sectoral plans. At the landscape level, the members of the Landscape Ecotourism Coordination Committee (LECT) will support the local authorities to mainstream biodiversity into tourism and their sectoral plans.	*PM*
3. The RGoB priority for tourism development through its flagship programme has more momentum for tourism development than for ecotourism causing serious conflicts with the project	*Political*	I = 3; P = 2 **MODERATE**	The government is committed to high-value low volume tourism (and this continues to be emphasized in COVID-19 socioeconomic recovery), and the current project has been developed in full coordination with the highest policy-making organ of government – the Gross National Happiness Commission. The proposed MTAC for overseeing the implementation of the Ecotourism Master Plan will be established under the Tourism Council of Bhutan, ensuring excellent coordination at the national level and LECT for similar functions at the local level.	*PM*
4. Unrealistic expectations or failure to generate sufficient economic benefits for the community from ecotourism (due to insufficient market demand and COVID-19 impacts) leads to disillusion and limited community participation and hinders resolution of the threats arising	*Socio-cultural*	I = 3; P = 2 **MODERATE**	RGoB's decentralization policy will help to ensure there is strong local stakeholder participation in the project. The project is fully integrated with the Tourism Flagship Programme and therefore has strong support from governmental stakeholders at national and local levels. During the PPG, the communities expressed their strong interest in participating in the project and this will be reconfirmed during the inception phase, with validation of landscape ecotourism product development. Ecotourism development will be targeted at domestic, regional and international markets to reduce vulnerability to particular market segments, such as emerged through the COVID-19 related restrictions on international travel. Investment in new high-value ecotourism products will be associated with business	*PM*

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

Description of Risk (Brief description of the risk)	**Type** (Risk category)	**Impact and Probability** [42]	**Mitigation Measures** (What actions have been/will be taken to counter this risk)	**Owner** (Person to monitor)
from HWC, poaching and wildlife trade			planning and market demand studies, coupled with improved branding and promotion of Bhutan's ecotourism offerings.	
5. Ongoing/prolonged social distancing restrictions and measures related to COVID-19 result in implementation delays and challenges (e.g. challenging recruitment, stakeholder consultation, training, demonstration)	*Operational*	I = 3; P = 3 **MODERATE**	Potential COVID-19 risks to implementation have been elaborated in Annex 2. To mitigate these, flexibility and adaptation has been incorporated across the project. The Inception Workshop will review the logical sequence of studies and assess the field visits including options for virtual discussions. The Inception Workshop will review the Stakeholder Engagement Plan, Gender Action Plan, SESP and all project outputs requiring consultations and meetings. Based on the situation, stakeholder consultation and engagement processes including the number of participants will be further agreed upon during the Inception meeting. Use of virtual measures has been incorporated into the Stakeholder Engagement Plan. For community consultations, COVID-19 norms and all government requirements based on prevailing situations will be followed.	*PM*
6. Long term impacts of the COVID-19 pandemic lead to a dramatic fall in the demand for ecotourism visits to Bhutan or ability of tourists to travel to Bhutan	*Economic*	I = 4; P = 2 **MODERATE**	Towards the end of the PPG phase, the global tourism industry was dramatically affected by the unprecedented COVID-19 pandemic. The project is expected to start implementation in mid-2021, and the first 18-24 months will focus on developing the enabling mechanisms and starting to design and develop ecotourism products under Component 2. The project will only begin to depend upon a significant recovery in demand for ecotourism from the Spring-Summer season of 2023 by which time there is greater chance of recovery in the tourism sector. Recent marketing research suggests an enhanced increase in remote/nature-based offerings aligned with the Bhutan experience. As outlined in Bhutan tourism sector economic contingency plan, the project will reassess the situation during the first year of implementation and continue to work with other national projects and partners in addressing longer-term policy issues and focussing on infrastructure, capacity enhancement and domestic tourism. The review at inception could also prioritize demonstration of products on domestic tourism, however this is also an effective downtime to engage in development of tourism policy (frontloaded in project workplan) and additional tourism infrastructure while tourism numbers are low. The project will support resilient, diversified local livelihoods that are not fully reliant on international tourism.	*PM*
7. While the government has contingency plans to boost the economy, a worst case scenario projects Bhutan's GDP plunging to negative 6.7 percent which would affect government co-financing contributions	*Financial*	I = 3; P = 2 **MODERATE**	The project remains well-aligned to government COVID-19 socioeconomic recovery priorities and proposed activities have been adjusted during PPG to maximize this alignment. The government has placed the utmost importance on the tourism sector with frontloading of investments as part of the economic recovery. In addition, this project will focus on sustainable financing that can help generate additional revenues for tourism and the government. Any short-term risk to realization of government co-finance will be offset by the diversity of secure co-financing sources. The project's major co-financing are from the approved projects with assured co-financing: WWF IKI and Bhutan for Life.	

Description of Risk (Brief description of the risk)	**Type** (Risk category)	**Impact and Probability** [42]	**Mitigation Measures** (What actions have been/will be taken to counter this risk)	**Owner** (Person to monitor)
8. The take-up of concession mechanisms by the private sector does not generate sufficient funds to contribute meaningfully to biodiversity conservation outcomes, and continued (or recurring) downturn in tourism may limit the interest of the private sector in investing in ecotourism products	*Financial*	I = 3; P = 2 **MODERATE**	The PPG phase has not been able to quantify the extent of funds that will be generated for meaningful biodiversity conservation through the private sector. However, the project will establish concession-based initiatives that will ensure the generation of funds. COVID-19 impacts and scenario will be considered in the development of the concessions framework. Under Component 2, 2-3 of the 10 ecotourism products identified focus on domestic tourism, to attract private sector investments and diversify their business base beyond international tourism arrivals.	*PM*
9. Potential confusion or lack of coordination in safeguards responsibilities between this project and co-financed activities that have their own safeguards processes (e.g. BFL, IKI, BTFEC)	*Operational*	I = 3; P = 2 **MODERATE**	Tourism infrastructure development and other activities will be closely planned and arranged between this project and co-financers such as WWF-supported BFL. BFL will be represented on the Project Steering Committee to ensure this close alignment. Safeguards coordination and responsibilities between this project and co-financed activities will by the PM and the project safeguards/M&E officer – this will include mapping during Year 1 of responsibilities on safeguards related to GEF and co-financed activities and ongoing coordination on safeguards. These tasks are included in the PMU TORs as relevant.	*PM*
Risks from Social and Environmental Screening Procedure (Annex 6) – see SESP for comments and detailed assessment and management measures to address potential risks				
SESP risk 1: FPIC could be required for local ecotourism development activities due to potential impacts on rights and interests, lands, territories, resources, and/or traditional livelihoods. This has not yet been obtained and there is the risk that FPIC might not be fully secured by the project	*SESP*	I = 3; P = 2 **MODERATE**	The requirements of an Indigenous People's plan have been incorporated into the Stakeholder Engagement Plan (Annex 9), including the proposed processes for securing FPIC as needed during project implementation and required procedures for further assessment and management of potential impacts. These processes will be confirmed during the project inception phase with local communities and then the Stakeholder Engagement Plan updated. Any activities requiring FPIC under Output 2.2 or other outputs will not take place until FPIC has been secured. Policy development that could impact on local communities' use of land or resources (e.g. Outputs 1.1, 1.4) will follow a SESA approach, as further reflected in Risk 9 below. Required standards for community consultation and obtaining of local consent will be included in the national guidelines to be developed on ecotourism planning, development and operation, as well as standards for ecotourism. Moreover, the project will apply participatory processes and approaches to all activities relevant to local communities where principles of FPIC will be further emphasized and demonstrated through providing timely information related to opportunities and risk of the proposed interventions for the beneficiaries to enable them to make decisions. These processes have been integrated into project activities and budget (e.g. regular local consultation workshops).	*PM*

Description of Risk (Brief description of the risk)	**Type** (Risk category)	**Impact and Probability** [42]	**Mitigation Measures** (What actions have been/will be taken to counter this risk)	**Owner** (Person to monitor)
			Should community concern or inability to secure FPIC emerge the following mechanisms would be applied as adaptive management: • Conduct additional stakeholder consultations/workshops as needed to further discuss, develop and refine project activities and approaches; • Revise proposed project activities or approaches to respond to any identified concerns, in accordance with UNDP-GEF policies on allowable changes to projects during implementation. Any such changes would be captured in the annual work planning process and summarized in PIRs; • If a situation were to arise where FPIC could not be obtained despite these adaptive management measures, any activities requiring FPIC under Output 2.2 or other outputs would not take place and/or project sites would be adjusted or replaced with other sites offering similar biodiversity outcomes. In addition, a project GRM has been defined in the Stakeholder Engagement Plan and all local communities will be made aware of this process and the UNDP accountability mechanism during project inception.	
SESP Risk 2: Development of ecotourism products and experiences could lead to conflict within communities if there are differing opinions on their establishment, governance and/or benefit-sharing mechanisms, and/or conflict between communities if economic benefits are not shared equitably	*SESP*	I = 2; P = 2 **LOW**	The project will engage local communities and stakeholders in accordance with the Stakeholder Engagement Plan. Consultation with communities within the demonstration sites will be carried out throughout project implementation, and the GRM established as per the SEP.	*PM*
SESP Risk 3: Ecotourism development might not fully incorporate or reflect views of women and youth and ensure equitable opportunities for their involvement and benefit	*SESP*	I = 3; P = 2 **MODERATE**	A Gender Analysis and Action Plan was prepared during the PPG phase (see Annex 10), as well as a comprehensive Stakeholder Engagement Plan (see Annex 9). These define measures for gender mainstreaming within both national and demonstration landscape level activities to ensure ecotourism opportunities and economic benefits also flow to women and youth. The Gender Action Plan will be implemented by the project and revised and monitored via Output 3.4.	*PM*
SESP Risk 4: Ecotourism infrastructure development in the demonstration landscape could damage environmental and cultural values	*SESP*	I = 3; P = 3 **MODERATE**	As detailed under Output 2.2, the project will: i) prepare a tourism business development and livelihoods framework in year 1 assessing potential safeguards risks and responses (activity 2.2.4); and ii) apply a scaled impact screening/ESIA to all infrastructure development activities taking place in ecologically sensitive areas or culture sites (activity 2.2.5). Infrastructure development will be designed in an ecologically sensitive manner and apply best practices in low-impact, ecologically sensitive design and construction. Moreover,	*PM*

Description of Risk (Brief description of the risk)	**Type** (Risk category)	**Impact and Probability** [42]	**Mitigation Measures** (What actions have been/will be taken to counter this risk)	**Owner** (Person to monitor)
			project infrastructure will be developed/scoped in accordance with specific tourism guidelines developed under Output 1.4.	
SESP Risk 5: Ecotourism product operation and increased visitation could pose activity-specific risks and potential damage to ecological and cultural values if not managed and operated carefully	*SESP*	I = 3; P = 2 **MODERATE**	Ecotourism activities will be guided by the tourism policy and standards of Bhutan in order to avoid impacts at religious or sacred sites and culturally sensitive locations. National guidelines for ecotourism will be developed/updated under Output 1.4. A SESA approach will be applied to guideline revision and development, and all guidelines will be screened for potential downstream social, cultural and environmental impacts prior to their adoption. Government standards for community consultation, governance and benefit-sharing will be adhered to in guideline development. This will include policy actions under the new National Tourism Policy (2021) which requires levying a sustainable development fee including to those from the region to compensate for the negative environmental impacts from over-tourism. These measures to help overall mitigate impacts from tourism through careful control of numbers will be captured under TCB co-financing efforts. In the demonstration landscape, identification and development of ecotourism activities will take place in accordance with national guidelines developed under Output 1.4. Further, depending on relevancy, each demonstration activity is required to include additional measures in the design and development of ecotourism as confirmed by assessments/screenings under Output 2.2.	*PM*
SESP Risk 6: Local communities, governments and tour operators may not have the capacity to manage and oversee tourism development and operations to adhere to established standards and benchmarks for ecotourism planning, development and operations, including adherence to safeguards requirements and standards	*SESP*	I = 3; P = 3 **MODERATE**	A detailed capacity development program has been designed into the project to address the needs of communities, local tour operators, local governments and national authorities to enhance their capacity to manage and oversee ecotourism development and operation. Capacity development training and awareness-raising has been built into the project design and budget (Outputs 1.4, 2.1, 2.2., 3.1). Repeat capacity assessments and regular consultations with local communities will be used to validate and assess that local stakeholders have the required capacities to implement the project, and make adaptive changes as needed to correct for any identified capacity caps. Visitor controls at site levels to ensure numbers of tourists and types of tourism are sustainable and do not result in environmental impacts will be enacted via the development of an ecological capacity assessment toolkit for tourism destinations (activity 1.4.1). The toolkit will support the establishment of thresholds of visitor numbers to each destination or type of activity across different seasons as needed to enact appropriate restrictions and measures to avoid and mitigate negative environmental and social impacts from over-tourism. Targeted specialist support has been budgeted on safeguards/gender sensitization and training to enhance capacity for adherence to safeguards and gender.	*PM*

Description of Risk (Brief description of the risk)	**Type** (Risk category)	**Impact and Probability** [42]	**Mitigation Measures** (What actions have been/will be taken to counter this risk)	**Owner** (Person to monitor)
SESP Risk 7: Development and operation of ecotourism adventure activities (e.g. trekking, rafting, mountain biking) in remote environments could pose safety risks to communities during construction and maintenance and to communities, local tourism operators and tourists during operation	*SESP*	I = 4; P = 1 **MODERATE**	The project will adhere to safety standards for infrastructure construction and use sub-contractors that adhere to and have good safety standards, and this will be considered as part of contracting process. Potential safety risks with product development and operation will be captured within assessments/impact screening under activities 2.2.4 and 2.2.5. Under Output 1.4, minimum standards for eco-trail siting and alignment, construction and maintenance to prevent, minimize, manage hazards will be integrated into the national guidelines. Capacity development programs for local tour operators/guides (Output 3.1) will include safety risks and considerations, including those linked to wildlife viewing and risks through human-wildlife conflict/close engagement with wildlife.	*PM*
SESP Risk 8: Project outcomes will be vulnerable to potential impacts of climate change	*SESP*	I = 4; P = 2 **MODERATE**	A climate risk screening has been completed during the PPG (Annex 18) and key risks and mitigation measures identified. This will be further elaborated during year 1 of implementation including risk mitigation plan and any updates incorporated into implementation of project activities as needed. This will include consideration of potential climate-linked nature hazards on infrastructure, tourist safety, community safety and livelihoods.	*PM*
SESP Risk 9: Unintended negative consequences from policy changes that result in increased ecotourism in Bhutan (upstream impacts)	*SESP*	I = 4; P = 2 **MODERATE**	A SESA approach will be applied to the development of the National Ecotourism Master Plan under Output 1.1, such that potential social and environmental downstream impacts arising from the development of the policy and policy directions are considered as an explicit part of policy development. Under Output 1.4 the project will develop an ecological capacity assessment for application at ecotourism sites to identify potential negative visitor impacts from ecotourism and required mitigation/management measures and visitation restrictions in response. This will be applied in the demonstration landscape to manage potential visitor impacts. The toolkit will support the establishment of thresholds of visitor numbers to each destination or for certain types of activity across different seasons as needed based on the findings of ecological capacity assessments and potential risks to ecosystems. Broader policy measures of the Government of Bhutan on tourism will also mitigate against over-tourism, such as close controls on overall tourism numbers and work under the National Tourism Policy (2021) to levy a sustainable development fee including to those from the region.	*PM*
SESP Risk 10: There could be time-bound/targeted geographic restrictions on local communities access to land/use of natural resources during ecotourism infrastructure development or during implementation of habitat management activities	*SESP*	I = 2; P = 2 **LOW**	Communities will be engaged in all stages of Component 2 project design and Implementation of activities under Outputs 2.2 and 2.3 will be guided by management plans developed with local communities and stakeholders. Should any time-bound site restrictions be needed due to safety reasons (e.g. during infrastructure construction), national standards and processes for site safety will be followed, and local communities notified in advance in accordance with agreed local measures and the Stakeholder Engagement Plan.	*PM*

Description of Risk (Brief description of the risk)	**Type** (Risk category)	**Impact and Probability** [42]	**Mitigation Measures** (What actions have been/will be taken to counter this risk)	**Owner** (Person to monitor)
SESP Risk 11: Potential private sector partnerships/interest in ecotourism development could conflict with community interests or overall project outcomes	*SESP*	I = 3; P = 2 **MODERATE**	Any corporate partnerships that will be likely co-financers will be screened as per UNDP's exclusionary criteria and the private sector partnership due diligence process applied. Any concessions supported by the project will be in accordance with the concessions framework developed under Output 1.3. This will establish bidding criteria including environmental safeguards and a due diligence process for potential private sector partnership/investment. Under Output 2.1 in the demonstration landscape businesses and entrepreneurs will be supported to enter into PPPs in full consultation with the local communities as outlined in the Stakeholder Engagement Plan. Any investment activities in the demonstration sites (as in the case of any development activity) will require community consent in accordance with government processes. A screening mechanism will be built into issuance of grants to local enterprises to ensure due diligence is applied for private sector partnerships and businesses being supported.	*PM*
SESP Risk 12: Habitat management/improvement or species protection measures could have perverse ecological impacts if not planned and implemented in a technically/ecologically-sound manner	*SESP*	I = 3; P = 2 **MODERATE**	Project activities will be carefully planned in consultation with relevant experts, officials and local communities (activity 2.3.5). These management plans will be completed prior to any technical demonstration activities taking place and potential perverse impacts and safeguards will be considered as part of this process, along with required standards and guidelines such as mandating use of native species for plantings, measures for IAS control and management, adherence with established SOPs and guidelines of national/local authorities. Local training activities/consultations will be conducted to support the effective implementation of management plans.	*PM*
SESP Risk 13: PA surveillance activities and the process of snare removal in protected areas could put project staff/rangers at risk of accidental injury or confrontation with local poachers	*SESP*	I = 3; P = 2 **MODERATE**	Any use of technologies for snare removal or other surveillance under Output 2.3 will include the provision of training and appropriate equipment on the proposed methods including proper handling of snares during removal. This is explicitly captured in activity 2.3.4 which notes that training workshops and appropriate equipment will be provided. Project support to facilitate enhanced surveillance and information sharing on wildlife poaching, crime and rescue has been designed to focus on database and ICT aspects, not on the actual process of surveillance and monitoring. Nevertheless, these discussions under activity 2.3.3 will consider potential safety aspects for PA and project staff and reinforce the importance of such activities adhering to DoFPS and other agency SOPs for patrolling/surveillance activities.	*PM*
SESP Risk 14: Project staff, consultants or tourists travelling to the demonstration landscape in Eastern Bhutan could potentially bring COVID-19 infection risk to remote communities	*SESP*	I = 4; P = 1 **MODERATE**	Project staff and consultants will abide by all government restrictions and SOPs regarding COVID-19 social distancing and movement restrictions. The potential need for virtual measures has been noted in the Stakeholder Engagement Plan and virtual measures will be considered right up to the level of Project Board meetings as deemed necessary. PPE for PMU/communities has been included in the project budget. For tourists, project will adhere to all government requirements and social distancing/movement restrictions on tourism facilities and operations. COVID-19 hygiene and safety considerations has been integrated across project Outputs,	*PM*

Description of Risk (Brief description of the risk)	Type (Risk category)	Impact and Probability [42]	Mitigation Measures (What actions have been/will be taken to counter this risk)	Owner (Person to monitor)
			including in the delivery of activities that might pose a higher risk of transmission/breaches of hygiene protocols such as the establishment and promotion of homestays. Hygiene protocols and training will be included in the project's support to develop homestays and other local experiences for tourists. Implementation of any tourism activities in the demonstration landscape will abide by any government social distancing restrictions that may be in place at this time. Given the current pandemic risk, Component 2 demonstration has been pushed back to year 2 of the project and national policy development frontloaded in year 1.	

(iv) Stakeholder Engagement and South-South Cooperation:

133. Project implementation will involve extensive engagement with stakeholders at all levels, and particularly in the demonstration landscape. **Table 11** outlines the roles and responsibilities for various project stakeholders at all levels during project implementation, while the Stakeholder Engagement Plan (**Annex 9**) describes how stakeholders will be engaged in more detail, and **Table 9** describes intersections with those organizations and initiatives providing partnership opportunities. At a broad level, participation and representation of stakeholders will be conducted through the governance structures put in place by the project as outlined and depicted in the organogram in the Governance and Management Arrangements section (**Figure 4**), namely the Project Steering Committee and the Landscape Ecotourism Task Force in the demonstration landscape. TCB will coordinate closely with other governmental and non-governmental (CBOs, NGOs, private sector) stakeholders via the existing governance structures at national and Dzongkhag levels and through the ecotourism committee established under Output 1.1. Stakeholders will be consulted, engaged and informed throughout the project implementation phase to: (i) promote understanding of the project's outcomes; (ii) promote stakeholder ownership of the project through engagement in planning, implementation and monitoring of the project interventions; (iii) build public awareness; and (iv) to maximize linkage and synergy with other ongoing projects.

Table 11: Summary stakeholder analysis indicating main roles and responsibilities

Stakeholder	Mandate	Role in the Project
National level stakeholders		
Gross National Happiness Commission	GNHC is the central government body responsible for coordinating and spearheading policy formulation to ensure cohesion between sectoral policies, and alignment with national development objectives and Gross National Happiness (GNH). It is responsible for coordinating the preparation, implementation and monitoring of Five-Year Plans and functions as the official organization through which development assistance is channeled. As the apex policy and planning coordination body and GEF Operational Focal Point, GNHC will provide overall coordination, facilitation and monitoring of delivery of GEF financing and co-financing.	The Commission has delegated the responsibility for project execution to the Tourism Council of Bhutan. However, GNHC will continue to provide strategic oversight and support coordination and facilitation as required as well as monitoring and ensuring that the project framework remains aligned with national priorities and other relevant initiatives and programs. The GNHC will be represented on the PSC.
Tourism Council of Bhutan (TCB)	TCB is the apex decision making body in the government responsible for tourism development. TCB works independently and is not placed under any Ministry. TCB's Vision is to promote Bhutan as a green, sustainable, inclusive and a high-value competitive tourism destination guided by the principles of developing and promoting tourism in alignment with;	As the national executing agency/Implementing Partner of the project, the TCB will house the PMU and provide project oversight, coordination and administration, ensuring linkages and partnerships. Specifically, the TCB will • support to ensure the development of high-quality ecotourism product;

Stakeholder	Mandate	Role in the Project
	• the national development philosophy of Gross National Happiness (GNH) • High value, Low volume tourism • respects the country's natural and cultural resources, its people and core values. • regional and seasonal spread with equitable growth and benefit-sharing. The mandate of TCB is to oversee tourism development and promotion by way of tourism planning & policy development, implementation of tourism regulations, tourism monitoring, facilitation and coordination of stakeholders, strategic marketing and promotion, support development of tourism products and services and undertake human resource development for the sector.	• support the landscape dzongkhags, gewogs and communities in product identification, development, packaging and improving quality of service; • coordinate developing market strategy, through stakeholder involvement, ensuring sustainability; and brand Bhutan as a premier ecotourism hotspot • provide technical support on capacity development and knowledge management on ecotourism among the stakeholders The Director General of TCB will chair the Project Steering Committee. TCB will be the main government partner to develop strategies, plans and regulations for ecotourism development (Outputs 1.1, 1.3, 1.4), to provide technical support for demonstrating ecotourism in the demonstration landscape (Outputs 2.1, 2.2) and raising awareness (2.4) as well as training and branding (Outputs 3.1, 3.2, 3.3) and knowledge sharing and M&E (Outputs 3.4, 3.5). The TCB will provide and appoint the Project Manager and the project's Monitoring and Evaluation Officer through co-financing.
Ministry of Agriculture and Forest (MoAF) Department of Forest and Park Services (DoFPS)	The MoAF is mandated to ensure conservation and sustainable use of renewable natural resources, comprising agriculture, forest resources, and livestock, and is the focal ministry for the Convention on Biological Diversity. The Policy & Planning Division of MoAF coordinates and facilitates matters related to the development of policy and institutional frameworks for an integrated approach to the management of agricultural and forested landscapes. Within the MoAF, the Department of Forests and Park Services (DoFPS) has overall authority for the management of forest resources and biodiversity, through the creation and management of a protected area system; protection and management of forest and wildlife resources; and education and public awareness. The Nature Conservation Division (NCD), one of the five functional divisions of DoFPS, is responsible for strengthening conservation of biological diversity through effective management of the protected areas system for the harmonious co-existence of people and nature. It is also responsible for issuing tourism permits and licenses for tourism activities in protected are. The Forest Resources Management Division (FRMD) coordinates and provides technical backstopping to the Divisional Forest Offices for preparation and Implementation forest management plans.	DoFPS, through its NCD and FRMD will be the main government partner for delivering all policy and planning related activities related to nature conservation and threat reduction aspects of ecotourism development (Outputs 1.1, 1.2, 1.3, 1.4), to provide technical support for demonstrating ecotourism in the demonstration landscape (Outputs 2.1, 2.2), for biodiversity enhancement (Output 2.3) and raising awareness (Output 2.4) as well as training (Output 3.12) and knowledge sharing (Output 3.4) The Nature Conservation Division will lead activities in protected areas (SWS and BWS administrations), while work in the wider landscape will be supported through the FRMD via its Divisional Forest Offices.
Bhutan Agriculture and Food Regulatory Authority	Within the MOAF, Bhutan Agriculture and Food Regulatory Authority (BAFRA) is the competent authority for biosecurity and food safety systems to promote the quality and safety of food and agricultural related products.	BAFRA will provide technical support on local food sourcing and quality control for ecotourism businesses (Outputs 1.1 and 2.1) and training (Output 3.1). The Director of DoFPS will be a member of the PSC.
Ministry of Home and Cultural Affairs	MoHCA leads the efficient functioning of decentralized administration, upholding the principles of democratic governance which ensure maintenance of law and order; preserves and promote cultural and spiritual	MoHCA will be a key organization in ensuring that social and cultural safeguards, as well as appropriate immigration services, are developed and integrated into ecotourism development through planning (Outputs 1.1, 1.4),

Stakeholder	Mandate	Role in the Project
	values contributing towards the realization of Gross National Happiness (GNH). It has the following responsibilities: a) Preservation, promotion, development and protection of culture and heritage; b) Provide professionalized immigration services to public; c) Guide and Support local governments in the efficient and effective delivery of services; d) Provide efficient service delivery in the issuance of citizenship and other related documents; e) Ensure stable law and order situation in the country; f) Efficient management of civil administration.	supporting decentralized activities by the Dzongkhag and Gewog administrations in the demonstration landscape (Outputs 2.1, 2.2, 2.3, 2.4) and in capacity building and knowledge sharing (Outputs 3.1, 3.2, 3.3, 3.4). The role of MoHCA is crucial in mobilizing the participation of local governments, and linkage with Dzongkhags, Gewogs and Communities as well as in the implementation of ecotourism standards.
Department of Cottage & Small Industries	DCSI plays a major role in supporting aspiring entrepreneurs to start cottage and small businesses. The Cottage and Small Industry Policy 2012 forms the basis for DCSI. The vision is to "develop a dynamic, competitive and innovative CSI sector, in harmony with GNH philosophy, thus promoting employment, poverty reduction and balanced economic development". The DCSI has instituted programs for human development and inculcation of entrepreneurship culture.	DCSI will be a key organization in ensuring entrepreneurship in support on the cottage and small businesses for ecotourism development through planning (Outputs 1.1, 1.4), supporting decentralized activities by the Dzongkhag and Gewog administrations in the demonstration landscape (Outputs 2.1, 2.2, 2.4) and in capacity building and knowledge sharing (Outputs 3.1, 3.2, 3.3, 3.4).
Other national-level partners		
Bhutan Trust Fund for Environmental Conservation	The BTFEC is an independent grant-making organization that uses its annual investment income to finance conservation activities. Grants are awarded to eligible Bhutanese individuals and institutions for biodiversity conservation and community livelihood initiatives including research for discovery and inventories of flora and fauna and traditional knowledge related to conservation. BTFEC provides $1.5 million annually for biodiversity-related activities.	BTF will be a key collaborator for providing sustainable financing for following up some of the project's biodiversity outcomes (Outputs 1.2, 2.3) and for knowledge sharing (Output 3.4).
Bhutan for Life (BFL)	BFL is an innovative funding initiative by RGoB and WWF and aims to provide a sustained flow of finance to maintain the country's PAs and BCs in perpetuity. The goal of BFL is to "mobilize, in a single agreement, all the governmental, financial and other commitments needed to develop Bhutan's protected areas system and maintain it in perpetuity".	The project will collaborate with the BFL for its activities relating to sustainable financing, providing direct inputs into identifying and establishing new domestic streams of financing. The BFL initiative also aims to promote ecotourism as an innovative mechanism to generate financing for conservation and to enhance the livelihoods of local communities. The ecotourism safeguards, guidelines and voluntary certification system established to conserve socio-cultural values and biodiversity developed through this project will enable BFL to mainstream biodiversity concerns in their project areas in all other PAs. The strategic partnership with BFL through co-financing will therefore enable the application of these guidelines across all PAs. Dialogue during the PPG phase helped to define complementarity of outputs and activities as well as geographic thematic and geographic synergies. As Bhutan for Life provides a funding mechanism that will continue until 2030, it will enable continued support and enhance post-project sustainability and replication potential.
Royal Society for the Protection of Nature (RSPN)	RSPN is dedicated to nature conservation and has a potentially key role in terms of raising community awareness and understanding of environmentally sustainable tourism and innovative approaches of integrated conservation and development including community-based eco-tourism.	RSPN will be a key NGO partner in all policy and planning related activities related to nature conservation and threat reduction aspects of ecotourism development (Outputs 1.1, 1.2, 1.3, 1.4), for ecotourism development and biodiversity enhancement (Outputs 2.1, 2.2, 2.3) and raising awareness (Output 2.4) as well as training (Outputs 3.1) and knowledge sharing (Output 3.4).

Stakeholder	Mandate	Role in the Project
Tarayana Foundation	TF is dedicated to the socio-economic upliftment of the poor and marginalized communities. It has implemented a project for the promotion of women's economic and livelihood activities by facilitating the establishment of women self-group with livelihood activities to generate income and linking groups to various resorts, hotels and handicraft shops. Such initiatives already established indicate a commitment to women's economic empowerment. The ecotourism project can build upon such initiatives to create small and cottage enterprises related to ecotourism products and services.	Will be a key partner for safeguards (Output 1.4), social mobilization and outreach to local communities for improved livelihoods related to ecotourism. (Outputs 2.1, 2.2, 2.4) and training (Output 3.1) and knowledge sharing (Output 3.4)
WWF Bhutan Program	WWF has provided longstanding support to biodiversity conservation in Bhutan especially in the protected areas and biological corridors. Particular areas of technical support from, and partnership with, WWF include enhancement of management effectiveness of protected areas, conservation management planning and human-wildlife conflict management. WWF plays a key role in the Bhutan for Life Initiative.	WWF will be a key NGO partner in all policy and planning related activities related to nature conservation and threat reduction aspects of ecotourism development (Outputs 1.1, 1.2, 1.3, 1.4), for biodiversity enhancement (Output 2.3) and raising awareness (Output 2.4) as well as training (Output 3.1) and knowledge sharing (Output 3.4). The WWF will also be a key partner in the context of their pipeline project on Living landscapes which has the potential to apply ecotourism guidelines in their project areas that fall mostly in non-PA areas on the southern and western part of Bhutan.
International development partners working at the national level		
United Nations Development Programme (UNDP)	UNDP works in about 170 countries and territories, helping to achieve the eradication of poverty and the reduction of inequalities and exclusion. UNDP helps countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results. UNDP focuses on helping countries build and share solutions in three main areas: • Sustainable development • Democratic governance and peacebuilding • Climate and disaster resilience UNDP-Bhutan country office (CO) is a close development partner of RGoB	UNDP is the GEF Agency for the project, responsible for quality assurance, oversight and monitoring project implementation and ensuring adherence to UNDP and GEF policies and procedures. The UNDP CO as well as UNDP Asia-Pacific Regional Centre will provide project assurance and oversight functions.
Other development partners	There are several other development partners that are providing support in the natural resources, poverty and livelihoods sectors in Bhutan. These include (but are not limited to): Asian Development Bank, European Union, FAO, ICIMOD, IFAD, Japan International Cooperation Agency, Swiss Development Cooperation, SNV-Netherlands Development Organization, UNCDF, UNEP	The project will maintain regular dialogue with these DPs and seek linkages and synergies during implementation.
World Bank	World Bank is the lead agency for the GWP, in which this project will participate.	The World Bank hosts the GWP knowledge platform and convenes coordination, M&E and technical support activities for GWP national projects. The project will maintain regular dialogue with the World Bank through GWP coordination meetings and processes.
Private Sector stakeholder associations		
Association of Bhutanese Tour Operators (ABTO)	ABTO represents the local tour operators and acts as their official voice. Membership by tour operators is voluntary. ABTO has over 750 members from a total of 1750 registered tour companies in the country. ABTO, engages in promoting sustainable tourism growth by	ABTO will have a key role in development and implementation of the Ecotourism Master Plan and the safeguarding guidelines (Outputs 1.1, 1.4), in supporting tour operators in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4) and in capacity building and marketing (Outputs 3.1, 3.2).

Stakeholder	Mandate	Role in the Project
	developing and implementing several small-scale donor-assisted projects.	
Guide Association of Bhutan (GAB)	GAB is the single collective voice of the local tour guides in the country with the mission to represent and promote the professional growth of the guides.	ABTO will have a key role in development and implementation of the Ecotourism Master Plan and the safeguarding guidelines (Outputs 1.1, 1.4), in supporting tour guides in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4) and in capacity building and marketing (Outputs 3.1, 3.2).
Handicrafts Association of Bhutan (HAB)	HAB was established in 2005 to build an integrated, entrepreneurial and vibrant handicraft sector in Bhutan, actively supported by international and local stakeholders that contribute increasingly to the creative, cultural and economic life of Bhutan. Its membership consists of the individual, organized, institution, associate, and honorary members.	HAB will have a key role in development and implementation of the Ecotourism Master Plan and the safeguarding guidelines (Outputs 1.1, 1.4), in supporting the handicrafts sector in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4) and in capacity building and marketing (Outputs 3.1, 3.2).
Hotel and Restaurant Association of Bhutan (HRAB)	HRAB is a confederation of hotels and restaurants from across the country. It was established in 2007 with the mission to represent the interest of its members and foster professional growth by uplifting standards of hotels and contributing towards sustainable tourism development in the country.	HRAB will have a key role in development and implementation of the Ecotourism Master Plan and the safeguarding guidelines (Outputs 1.1, 1.4), in supporting hotels and restaurants in the demonstration landscape and in raising awareness (Outputs 2.1, 2.2, 2.4) and in capacity building and marketing (Outputs 3.1, 3.2)
Dzongkhag and Demonstration landscape-level stakeholders		
Dzongkhag /Gewog Administrations	The local governments have the mandate for the delivery of local community development programs and associated public services. The Economic Development Officers (EDOs) and the Planning Officers (POs) of the Dzongkhags are the direct focal points of the TCB.	Key role in mainstreaming tourism and environmental sustainability needs in the local development plans. Mobilization of local participation in matters related to the ecotourism and management of protected areas and addressing local conservation issues, particularly in the demonstration landscape areas falling outside the PAs (Outputs 2.1, 2.2, 2.3, 2.4). The local authorities will also support and participate in capacity building and knowledge sharing (Outputs 3.1, 3.2, 3.3, 3.4). The EDOs and POs will function as Dzongkhag level focal points of coordination of the project activities within the concerned Dzongkhags.
Local communities	Some 34,537 people live within the 19 Gewogs and 5 Dzongkhags of the project demonstration landscape. Communities were widely consulted during project preparation in support of components that support ecotourism development, biodiversity conservation (particularly HWC reduction), gender mainstreaming and livelihood support. Project interventions will be implemented directly at the community and household levels based on a participatory approach that is gender-sensitive and responsive to the needs of the poor and marginalized sections of the local communities.	Local communities will be the direct beneficiaries and participants involved in all aspects of project implementation in the demonstration landscape (Outputs 2.1, 2.2, 2.3) and will be the recipients of awareness-raising (Output 2.4), capacity development and knowledge sharing (Outputs 3.1, 3.4).
Religious leaders	Religious leaders can play a key role in disseminating messages to the community	Religious leaders will be engaged play a key role in awareness building (Output 2.4).
Private Individuals and Groups (Local)	Investments and enterprises in accordance with the concession framework or modalities for PA fees and activity fees	Local individuals or youth or community groups will participate as entrepreneurs. Groups based entrepreneurs will include the Youth/Community owned enterprise in Khoma (to operate the Singye Dzong domestic tours); in Shermuhung (to operate the Aja Nye domestic tours); in Sakteng and Merak (to operate the domestic and international Jomo Panda Trail journeys) and Community-owned eco-lodges in Zhemgang. Individuals within the demonstration landscape can also avail opportunities to

Stakeholder	Mandate	Role in the Project
		operate the campsites, birding decks, or any other service opportunities that may emerge within demonstration sites.
Private individuals beyond demonstration landscape	Investments and enterprises in accordance with the concession framework or modalities for PA fees and activity fees	Opportunities for commercial operation of ecotourism products and services within the demonstration landscape can also be availed by individuals or firms form outside the demonstration landscape. These could include products such as the operation of golden mahseer catch and release fishing and rafting journeys along Yangbari-Manas river stretch or opportunities for investments in new eco-lodges within the demonstration landscapes

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

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

(v) Gender Equality and Women's Empowerment:

136. Unlike many countries around the region, Bhutan is recognized to have no overt gender discrimination; favourable conditions on gender equality such as inheritance custom favour women and at household level men and women hold an equal position. The Government has consistently provided a strong commitment towards achieving gender equality by promoting the participation of women in governance, as reflected in the Constitution, including rights to vote and to equal pay for work. The National Commission for Women and Children (NCWC) was established in 2004 and every ministry and Dzongkhag has a gender focal person who among other responsibilities ensures gender equality and elimination of discrimination against women. Despite

this, the 2017 Global Gender Gap Index ranked Bhutan 124/144 countries on their progress towards gender parity[43].

137. The RNR Census of Bhutan (RNR Census 2019) of the Ministry of Agriculture and Forest show that human wild life conflict is the top three issues affecting farming communities, leading to the fallowing of agriculture land and reduced opportunity for income and livelihood improvement from crop depredation and livestock predation. This situation has particular impacts on women in rural Bhutan, in part because of the feminization of agriculture and compounded responsibilities women have to shoulder such as taking care of household food security concerns in addition to unpaid home care responsibilities. The farming population in Bhutan is dominated by slightly by women (55.12%) compared to men (44.88%). However, most of the men seek contractual or other jobs during the main agriculture season to augment overall household income, leaving agriculture responsibility to women, including guarding of crops and livestock from wild animal attacks. For instance, Business Bhutan has reported that in one of the farming villages called Gidakom, the majority of the farmers are women and are responsible to guard paddies from wild boar attack[44]. These women spend their night sleepless. This adds to the overburden of unpaid household and care work which women perform 2.5 times[45] more than men. The demonstration and promotion of viable wildlife-based economy through this project therefore can leverage local socioeconomic development through wildlife-based economy where wildlife is seen as an economic asset as opposed to a menace leading to retaliatory killing and increased economic opportunities add to household income and reduce women workload burden through more men and youth remaining in rural homesteads.

138. Although Bhutan has a strong political will and commitment to address social relations to gender by creating an enabling legal and policy environment, gender gaps exist in education, employment, representation in decision-making and gender-based violence in both rural and urban areas[46]. A growing gender concern is an increase in the rise of domestic violence, with about 24% of women aged 15-49 experiencing violence at some point in their lives[47], with those living in rural areas, with less education and from poor background seeming to have more tolerance toward domestic violence. The rising incidence of domestic violence against women led to the enactment of the Domestic Violence Prevention Act of Bhutan 2013. Many studies reveal women's workload to be heavier than men, with work both outside and inside the home[48],[49]. Further, the GNH report 2015, highlights that a higher proportion of males (55%) are either 'deeply' or 'extensively' happy compared to females (39%)[50]. Although the Labour and Employment Act of Bhutan (2007) spells out provisions against sexual harassment, women working in the tourism sector are vulnerable to exploitation and harassment.

139. Tourism as a thriving sector provides substantial opportunities for both men and women. Unlike other sectors, tourism has proven to substantially benefit women socially and economically and provides significantly for women's advancement through formal, informal and supply chain employment[51]. Some of the benefits include: a) low barriers to entry and greater likelihood to employ women and minority groups than other industries; b) homegrown entrepreneurship opportunities in handicrafts, food products, tour guiding, homestays, etc.; c) part-time and shift work that can be helpful to women with household responsibilities. Similarly, tourism displays huge potential to absorb unemployed youth as "widespread agreement exists that

[43] Ibid

44 Business Bhutan, Nation's first financial newspaper, Female farmers guard their crops against wild boars in Bjemina, https://www.businessbhutan.bt/2019/09/04/female-farmers-guard-their-crops-against-wild-boars-in-bjemina/

45 NCWC (2019), Accounting for Unpaid Care Work in Bhutan, Royal Government of Bhutan, https://www.ncwc.gov.bt/publications/UNPAID_CARE_WORK_IN_BHUTAN%20_20191570788312.pdf

[46] ADB, UNDP & NCWC, March 2014, Gender Equality Diagnostic of Selected Sectors

[47] National Statistics Bureau, 2010, Bhutan Multiple Indicator Survey

[48] The World Bank Group, 2013, Bhutan Gender Policy Note

[49] Gender Pilot Study. Planning Commission, 2001

[50] Center for Bhutan Studies and GNH Research, 2015, GNH Survey Report, A Compass towards Just and Harmonious Society

[51] UN Global Report on Women and Tourism. UNWTO and UN Women, 2010

labour turnover is characteristic of tourism employment"[52] and tourism relies "heavily on youth employment"[53]. Tourism is extremely labour intensive and a significant source of employment, making it the "world's top creator of jobs requiring varying degrees of skills and allows for quick entry into the workforce for youth, women and migrant workers"[54]. Tourism development can help improve infrastructure for residents and communities. Improving road, water supply, health facilities, electricity and communications can make a major difference in the lives of poor, particularly women[55]. Despite this, women still face risks and inequality within the sector including over-representation in low-status jobs, unequal treatment or placement in stereotypical occupations and vulnerability to sexual discrimination and exploitation. Clearly not all tourism employment results in empowerment particularly in the informal sector[56]. The COVID-19 socio-economic assessment of the tourism sector supported by UNDP found that women were particularly vulnerable to job losses arising from COVID-19 and that they did not have the same level of coping strategies, or interest in alternative employment, as men.

140. The PPG phase included a broad-based consultative process both in the field and through workshops held at national, project area and demonstration landscape levels, and included women at all levels – both in community consultations and discussions with local and national authorities. Focus group discussions were held with communities of the landscape area, including with various women's and youth groups, to understand the socio-economic opportunities and challenges they face (see **Annex 12 l** for the list of participants). These revealed that most owners of homestays and ecolodges belonged to women. While some homestays were successful, others were not due to poor maintenance, standards, skills and low visitation rates. Despite this, there was widespread recognition of the great potential ecotourism can provide for both women and youth throughout the supply chain (tour operation, hospitality, handicrafts, guides, services, etc).

141. These inputs informed completion of the Social and Environmental Screening Process (SESP – see **Annex 6**) and gender analysis, both of which provided a basis for the Gender Action Plan for the project (see **Annex 10**) which aims to ensure that women and men benefit equitably from the project. The project design, therefore, includes specific safeguards and approaches, which will ensure that gender issues relating to ecotourism and biodiversity conservation are adequately addressed. These include: a) the hiring of a gender specialist in Year 1 to train the PMU, consultants and key stakeholders in gender mainstreaming and to ensure that more detailed gender-specific data on the project beneficiaries is collected; b) appointment of the National Project Manager as Gender focal point; c) ensuring special attention to good participation by all people – men and women, rich and poor, young and old – and to bringing the most vulnerable people in the community into decision-making, particularly female-headed households.

142. Gender mainstreaming will be a prominent consideration for the successful implementation of the project (see **Annex 10**) and measures have been designed into the project to ensure that women and youth benefit from all activities in a way that enhances equity. Gender considerations have been mainstreamed across all project activities, and gender-disaggregated indicators have been incorporated to ensure that women are proportionately consulted, included and benefit from project interventions. Thus, women's focus groups or other appropriate methods will be used to capture gender issues during community consultation and planning meetings to avoid different obstacles for women. Community trainings, workshops and awareness-raising programmes will aim to ensure that at least half of the target participants are women. Activities geared towards mobilizing local communities into organized groups for the demonstration landscape will encourage women to

[52]Walmsley, A. (2015) "Chapter 3 The Nature of Youth Employment" In: Walmsley, A. (ed). Oxford: Goodfellow Publishers https://dx.doi.org/10.23912/978-1-910158-36-4-3352

[53] Youth Career Initiative, Youth Employment in Tourism and Hospitality, May 2016, retrieved on 27th November 2017 from http://www.youthcareerinitiative.org/youth-employment-in-tourism-and-hospitality/

[54] ILO, 2010, Development and Challenges in the Hospitality and Tourism Sector, Issues Paper for Discussion in the Global Dialogue Forum for the Hotels, Catering, Tourism Sector

[55] Ibid

[56]UNWTO and UN Women, 2010, UN Global Report on Women and Tourism

participate and will aim to have women in key governance roles. Gender-sensitive mechanisms will be used to increase information dissemination and participation for women.

(vi) Innovativeness, Sustainability and Potential for Scaling Up:

143. Innovation: At the national level as well as the landscape-level, the management of co-benefits, trade-offs, balancing conservation and development has always been a challenge. The project will address this by applying the GEF's innovative approaches to mainstreaming biodiversity for the first time in Bhutan to the tourism sector through ecotourism development. As a complex sector, ecotourism provides avenues for multipronged innovative approaches. With end-to-end interventions from conducive policies and skill-building to product development and marketing, the project will have more focused and innovative interventions that will also attract responsible investing from the public and private sector. To ensure SME business innovation in the tourism sector, which at the moment is dominated by the "cultural" sector, college graduates will be engaged in the design of this project – the objective being to promote young, local and next business entrepreneurship and leadership. The project will attempt to address issues facing the tourism sector using ecotourism as "niche, unique and exceptional" sets of economic pathways for different regions of the country to engage communities and youth in ecotourism businesses to promote biodiversity conservation and climate change mitigation. The business model innovation will be demonstrated through support to local business entrepreneurs within the demonstration landscape for model ecotourism products throughout the ecotourism value chain that has the potential for long-term financial returns and high social and environmental benefits. Through these, the plan is to expand these PPP models – eco-lodges, homestay, adventure and nature exploration - to promote truly "Bhutanese expression through the experience of a way of life" which has high regard to its surrounding environment, nature, culture, custom and deep-rooted belief system. The project will help support a transition from ecotourism based around local homestays to integrated landscape-scale programmes of ecotourism that cluster products and experiences and help transform socio-economic landscapes for human-wildlife coexistence and reduced threats to biodiversity. These innovations will help to reduce threats to biodiversity both in PAs and in the wider landscape in ways that have not been done to date and are urgently needed.

144. A key component will be innovative and sustainable financing mechanisms. Tourism receipts can contribute to biodiversity targets through effective utilization such as through retention of earnings in relevant PAs and or/districts. Through this, it is expected that protected areas and other natural areas can generate additional revenues through tourism product diversification. Another key component will be facilitating new capital investment in public-private partnerships for high-end and mid-range accommodation and visitor facilities concessions in the two selected protected areas. The process will apply the PPP policy (2016) and new concession framework for Bhutan's national parks, and bidding criteria should incorporate biodiversity conservation targets, environmental safeguards, and for investors to specify likely local economic benefits. An ecotourism concession framework will be developed and its implementation modality demonstrated in the project demonstration landscape which will provide a new and sustainable conservation financing mechanism and local livelihood benefits that help to generate new funds for biodiversity conservation engaging new partners (private sector and communities). Importantly these mechanisms will be applied across the landscape given the connectivity of habitats – and of landscape-wide threats to biodiversity, such was HWC. In addition to these mainstreaming measures, and as a child project of the Global Wildlife Program, the project will bring and share innovative global best practices to help ensure that local communities that are living inside and outside of protected areas benefit from economic development that strengthened wildlife tourism can deliver, while enhancing human-wildlife coexistence, habitat enrichment for key wildlife species and in the monitoring of poaching and illegal wildlife trade. The project will help support a transition from ecotourism based around local homestays to integrated landscape-scale programmes of ecotourism that cluster products and experiences and help transform socio-economic landscapes for human-wildlife coexistence and reduced threats to biodiversity. These innovations will be applied both in PAs and in the wider landscape in ways that have not been done to date and are urgently needed.

145. Sustainability: An important contribution to sustainability will be through the GEF investment in capacity building for all the national and local stakeholders (government, community and private sector) and Project Steering Committee and PMU team who are involved in some way in project delivery (direct beneficiaries =17,199 people including 7,648 female). The investment in these individuals is expected to give long-lasting benefits on the ground, well beyond the end of the project.

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

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

148. Financial and institutional sustainability will be achieved by working through existing government agencies and community groups and strengthening existing multi-sectoral coordination mechanisms to secure the engagement of policy-makers and decision-makers across multiple government agencies. **Figure 4** shows how the project management arrangements have been designed to engage existing stakeholders at national and demonstration landscape levels. At the demonstration landscape-level these include community groups and Dzongkhag and Gewog level local authorities. These stakeholders will be empowered with improved capacity to exercise their mandates in relation to sustainable tourism and biodiversity conservation, such that the outcomes

are mainstreamed into their regular operations, planning and budgets. At the national level, TCB, DoFPS and other stakeholders who already collaborate on environmental and tourism issues through formal mechanisms such as the Annual Planning and Budgeting Exercise, Annual Performance Agreements at various levels and will be able to use the experiences of the project to deliver more effective and sustainable use of their budgets. The mainstreaming of ecotourism master plan in concerned sector plans will ensure sector-wide mainstreaming of biodiversity.

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

150. Financial sustainability will further be achieved through supporting the government (at national and local levels) to develop and demonstrate sustainable financial mechanisms to generate new flows of funding for biodiversity conservation from the tourism sector via the proposed concessions framework, minimising the need for international or governmental financing in the long term.

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

152. Furthermore, this will be supported by capacity building and engaging national training institutions, as well as establishing new platforms where key tools, documents and lessons learned from the most successful approaches to tourism, biodiversity conservation and livelihoods development can be shared. Additionally, demonstration visits for community groups and government officials will be organized to upscale successes within the project area, and nationally.

IV. PROJECT RESULTS FRAMEWORK

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

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

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

	tourism management plans with standard environmental and social safeguards in place to benefit biodiversity) *(GEF Core Indicator #1.2 and #4.1)*			
	Indicator 3: Management effectiveness (METT) at Bumdeling and Sakteng WS a) Overall METT score *(GEF Core Indicator 1.2)* b) Tourism specific score (Maximum = 39). Specific improvements related to better ecotourism management (particularly on revenue generation, visitor management, community engagement and threat reduction). NB. Applies to questions 3, 10, 14, 15, 18, 20, 23, 24, 24a, 24b, 24c, 25, 27, 28, 29 of GEF-7 METT	a) Bumdeling WS = 67 Sakteng WS = 72 b) Bumdeling WS = 22 Sakteng WS = 24	a) Bumdeling WS = 78 Sakteng WS = 80 b) Bumdeling WS = 28 Sakteng WS =28	a) Bumdeling WS = 86 Sakteng WS = 86 b) Bumdeling WS = 31 Sakteng WS = 31
	Indicator 4: Number of indirect project beneficiaries indirectly benefitting from improved ecotourism or biodiversity conservation: a) Total b) People in local communities c) Private sector personnel d) RGoB Officials	a) 0 b) 0 c) 0 d) 0	a) 50,129 (24,445 female) b) 48,816 (23,952 female) c) 889 (416 female) d) 425 (77 female)	a) 101,444 (49,444 female) b) 97,631 (47,903 female) c) 2,963 (1,387 female) d) 850 (154 female)
Project Component 1:	**Enabling and coordinated policy and institutional framework for ecotourism and wildlife conservation**			
Project Outcome 1: Effective policy and institutional framework for ecotourism that incentivizes and integrates biodiversity conservation into the tourism sector	Indicator 5: Extent to which biodiversity conservation is integrated into tourism policy: a) Status of establishment of National Ecotourism Master Plan with national level Multi-sector Technical Advisory Committee (MTAC) for mainstreaming biodiversity conservation into the tourism sector b) Number of guidelines for ecotourism incorporating biodiversity conservation	a) No strategic direction on ecotourism development. Tourism policy under development. TCB does not include representation from the environment sector and protected areas b) 12 guidelines are under the implementation of which 6 need revision to include ecotourism principles and safeguards	a) Ecotourism Master Plan adopted by the TCB and being piloted in the demonstration landscape, with MTAC established b) 6 existing guidelines revised and adopted by TCB; 6 new guidelines developed and adopted (see **Annex 5**)	a) Ecotourism Master Plan under implementation across Bhutan, with MTAC fully functional with clear governance and operational mechanisms b) 18 Guidelines under implementation (6 existing without revision; 6 existing with revision and 6 new guidelines). See **Annex 5**
	Indicator 6: Extent of operationalized mechanisms and guidelines t for enhancing revenue generation for biodiversity through ecotourism:	a) A conceptual framework for concessions mechanism developed and under discussion	a) Concessions mechanism finalized and adopted by Cabinet and operational guidelines for concessionary	a) At least two concession-based initiatives operational in the demonstration landscape with lessons shared for

	a) Status of establishment and implementation of ecotourism concessions framework b) Status of adoption and implementation of operational guidelines for Park Fees, Activity Fees and User Fees	(see **Annex 5)** b) Operational mechanisms for sustainable financing for biodiversity conservation at local levels do not exist except for visitor fees collected at the Royal Takin Preserve in Thimphu and a certain percent of cordyceps collection permit fees are deposited in the HWC endowment fund. No formal mechanism in place for retaining such revenues for local biodiversity conservation	licensing arrangements within and outside PAs developed b) Operational guidelines for the establishment of Park Fees, Activity Fees and other user fees for ecotourism products and services and retention of a portion of such fees and a certain portion of revenue from concession-based enterprises for biodiversity conservation at local level developed and approved	national replication and upscaling b) Operational guidelines for the establishment of Park Fees, Activity Fees and other user fees for ecotourism products and services and retention of a portion of such fees and a certain portion of revenue from concession-based enterprises for biodiversity conservation at local level implemented
	Indicator 7: Number of entities certified under ecotourism certification schemes delivering environmental and social safeguards: a) Number of tour operators certified under Voluntary Green Certification system for certifying accommodation, tour operators and other tourism service providers. b) Number of accommodation operators certified (eco-lodges/hotels/homestays)	a) 0 tour operators certified b) 0 hotels certified as green hotels; 0 homestays certified as green homestays	a) 20 tour operators certified in demonstration landscape b) 20 hotels and lodges certified as green; 5 homestays certified as green in demonstration landscape	a) 50 tour operators certified across Bhutan b) 70 hotels and lodges and 30 homestays certified as green across Bhutan
Outputs to achieve Outcome 1:	1.1 Ecotourism master plan developed and inclusive Multi-sector Technical Advisory Committee established to mainstream biodiversity across tourism sectors. 1.2 National Zero Poaching strategy and HWC management strategy implementation strengthened through enhanced advocacy, coordination and monitoring, and analysis and incorporation of best practices and lessons learned 1.3 Investment framework and sustainable financing mechanisms developed and operational including a private sector concessions framework for PAs and wider landscape conservation 1.4 Ecotourism guidelines and certification system established to safeguard biodiversity and communities (particularly women) from inappropriate tourism development, and reduce human wildlife conflict			
Project component 2:	**Demonstration of innovative and diversified ecotourism within the landscape that supports human-wildlife coexistence**			
Outcome 2 *Wildlife-based ecotourism strengthens biodiversity conservation, enhances*	Indicator 8: The status of establishment of multi-sector coordination mechanisms for: a) The integration of biodiversity conservation (including safeguarding guidelines and	No such multi-sector mechanism exists	a) Landscape-level Ecotourism Coordination Taskforce established and trained in the application of	a) Landscape-level Ecotourism Coordination Taskforce applying safeguarding guidelines and standards to ecotourism businesses, and

livelihoods and human-wildlife co-existence, reduces HWC and deters poaching and illegal trade and other biodiversity threats	standards) into ecotourism development and operation b) Cross-agency cooperation across nature conservation and law enforcement sectors to combat poaching and human-wildlife conflict		safeguarding guidelines and standards b) Landscape PA Wildlife Conservation Committees established and landscape-level baseline on HWC and poaching provides information for SMART patrolling	lessons learned shared with national level MTAC for upscaling b) Landscape PA Wildlife Conservation Committees fully operational and providing a model for national replication
	Indicator 9: Extent of livelihoods improvement from ecotourism: a) % of local households within the demonstration landscape communities benefitting from ecotourism b) Number of jobs through ecotourism in landscape Gewogs, segregated by gender (total including baseline employment; number of new jobs created) c) Number of local nature/wildlife-based economic enterprises related to ecotourism d) Average annual household income (U)	a) *TBC in Year 1* b) 1,559 (estimated as 30% of employment baseline) c) 119 (estimated as 50% of tourism related enterprises baseline) d) *TBC in Year 1*, with indicative baseline of $2,000 (as defined by the Bhutan Living Standards Survey)	a) 30% (369 households) b) 1,715 (857 = women) (includes 156 new jobs created; 78 = women) c) 137 (18 new) d) At least 10% increase in household income	a) 50% (1,230 households) b) 2,027 (1,013 = women) (includes 468 new jobs created; 234 = women) c) 179 (60 new) d) At least 20% increase in household income
	Indicator 10: Targeted reduction of threats to biodiversity and human-wildlife coexistence: a) % reduction in annual incidences of HWC impacting crops, livestock and people in targeted communities within the demonstration landscape b) Habitats improved for flagship species in the demonstration landscape c) Reduction in the incidence of wildlife loss through snares	a) Local communities in the demonstration landscape are currently not implementing measures according to the national HWC Management Strategy. *(HWC incidences in target communities to be established in Year 1)* b) Habitats are under threat with no conservation measures c) Snares are difficult to locate and wildlife is often caught by poachers through snare devices *(Baseline for loss of wildlife through snares will be*	a) At least 15% reduction in annual HWC incidences in the target communities b) Habitat enrichment plans prepared for Ludlow butterfly, red panda, black-necked crane, golden langur and golden mahseer c) Reduction in the loss of wildlife through snares by 50%	a) At least 50% reduction in annual HWC incidences in the target communities b) Habitats improved for Ludlow butterfly, red panda, black-necked crane, golden langur and golden mahseer c) Reduction in the loss of wildlife through snares by >90%

		determined in Year 1 through HWC baseline)		
	Indicator 11: Extent of revenues / financial flows generated for biodiversity conservation from ecotourism: a) Status of established financial mechanisms and financial flows ($US) for biodiversity conservation inside PAs b) Status of established financial mechanisms and financial flows ($US) for biodiversity conservation outside PAs	a) Entry fees implemented in Sakteng Wildlife Sanctuary only which is deposited in general government revenue and not retained for local biodiversity conservation (local collection in 2019 estimated at US $ 700) b) Khoma Gewog started collecting Nu. 50 from each visitor to Singye Dzong which is maintained within the Gewog Administration for waste management along the Singye Dzong trail (collection in the second half of 2019 estimated at US$ 300)	a) New mechanisms developed under Component 1 ready to be piloted in BWS and SWS b) New mechanisms developed under Component 1 ready to be piloted outside PAs and at least 2 Youth/community enterprises established demonstrating sustainable nature-based business operational and contributing to the sustainable management of domestic tourism within the demonstration landscape	a) At least $45,000/year generated in BWS and SWS through new mechanisms on Financial flows for biodiversity conservation inside PAs b) At least $155,000/year generated in demonstration landscape areas outside PAs through new mechanisms on financial flows for biodiversity conservation outside PAs including nature-based ecotourism
	Indicator 12: Level of Knowledge, Attitudes and Practices (KAP) of target stakeholders towards wildlife conservation and mainstreaming biodiversity conservation into tourism, as measured by KAP surveys: a) KAP score for communities in the demonstration landscape (gender-disaggregated) b) KAP score for private sector in the demonstration landscape (gender-disaggregated)	a) XX% for communities (Male = XX%, Female = XX%) b) XX% for private sector (Male = XX%, Female = XX%) *(KAP baseline to be completed in Year 1)*	(No mid-term target. KAP survey will not be repeated at mid-term)	a) 20% improvement from baseline b) 20% improvement from baseline
Outputs to achieve Outcome 2:	2.1 Ecotourism concessions framework and sustainable financing mechanisms demonstrated at the landscape level (including PAs), providing local livelihood benefits and increased financing for PA management and biodiversity. 2.2 High-quality Ecotourism products and services developed across the demonstration landscape through an integrated plan and value chain approach delivering local livelihood benefits and biodiversity gains. 2.3 Conservation of biodiversity including flagship species enhanced for the promotion of wildlife-based economy through habitat improvement and threat reduction.			

	2.4 Awareness campaigns, educational materials and outreach with local communities on biodiversity values result in positive attitudes towards human-wildlife coexistence and increased participation in practical measures to reduce HWC, poaching, forest offences and other threats to biodiversity conservation.			
Project component 3:	**Ecotourism capacity, promotion, knowledge management and M&E**			
Outcome 3: Effective capacity, marketing and knowledge exchange to establish Bhutan as a model ecotourism destination	Indicator 13: % of international tourists who have opted for nature-based tourism products including trekking, homestays, birding, rafting, endurance/adventure sports – as measured by the National Tourism Monitor	12.86% international tourists (actual as per Tourism Monitor 2018)	15% international tourists	20% international tourists
	Indicator 14: Capacity of national and local stakeholders to mainstream biodiversity into ecotourism development and operation as measured by the UNDP Capacity Development Scorecard (see **Annex 12j**) a) National level (Relevant National laws and policies; Agencies include TCB, DoFPS, RSPN): b) Local level: (BWS, SWS, Five landscape Dzongkhags)	a) 29% b) 27 %	a) 36 % b) 31 %	a) 72 % b) 63%
	Indicator 15: Number of best practices and key project lessons documented and shared through TCB and project website and social media for upscaling including on gender mainstreaming and socio-cultural benefits	0	At least 3 best practices developed and at least 250 downloads of project documents and initial results and lessons learned (Ecotourism Master Plan, Ecotourism Concessional Framework, Ecotourism Guidelines, HWC policy briefs)	At least 6 best practices developed and at least 800 downloads of project documents, results and lessons learned (MT target list, plus management plans for products and services in the demonstration landscapes, flagship species habitat enrichment plans, HWC reduction reports, documents on gender mainstreaming etc
Outputs to achieve Outcome 3:	3.1 Key actors (national and Dzongkhag governments, private sector and local communities) capacitated and equipped to support ecotourism development and apply ecotourism safeguards and standards. 3.2 Ecotourism marketing and promotional strategy developed and implemented. 3.3 Knowledge sharing platforms, events and networks established at local and national levels to enhance ecotourism collaborations and best practice exchanges including with regional and international networks, particularly the Global Wildlife Program. 3.4 M&E system incorporating gender, youth and vulnerable groups developed and implemented for adaptive project management.			

V. MONITORING AND EVALUATION (M&E) PLAN

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

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

155. Additional mandatory GEF-specific M&E requirements will be undertaken in accordance with the GEF Monitoring Policy and the GEF Evaluation Policy and other relevant GEF policies[57] The costed M&E plan included below in Table 12, and the Monitoring plan in **Annex 5** will guide the GEF-specific M&E activities to be undertaken by this project.

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

Additional GEF monitoring and reporting requirements:

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

a. Familiarize key stakeholders with the detailed project strategy and discuss any changes that may have taken place in the overall context since the project idea was initially conceptualized that may influence its strategy and implementation.
b. Discuss the roles and responsibilities of the project team, including reporting lines, stakeholder engagement strategies and conflict resolution mechanisms.
c. Review the results framework and monitoring plan.
d. Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP and other stakeholders in project-level M&E.
e. Update and review responsibilities for monitoring project strategies, including the risk log; SESP report and other safeguard requirements; project grievance mechanisms; gender action plan; knowledge management strategy, and other relevant management strategies.
f. Review financial reporting procedures and budget monitoring and other mandatory requirements and agree on the arrangements for the annual audit.
g. Plan and schedule PSC meetings and finalize the first-year annual work plan.
h. Formally launch the Project.

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

[57] See https://www.thegef.org/gef/policies_guidelines

159. GEF Core Indicators: The GEF Core indicators included as **Annex 11** will be used to monitor global environmental benefits and will be updated for reporting to the GEF prior to MTR and TE. Note that the project team is responsible for updating the indicator status. The updated monitoring data should be shared with MTR/TE consultants prior to the required evaluation missions, so these can be used for subsequent ground-truthing. The methodologies to be used in data collection have been defined by the GEF and are available on the GEF website. The required Protected Area Management Effectiveness Tracking Tool (METTs) has been prepared and the scores are included in the GEF Core Indicators.

160. Independent Mid-term Review (MTR): The terms of reference, the review process and the MTR report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the UNDP Evaluation Resource Center (ERC). The evaluation will be 'independent, impartial and rigorous'. The evaluators that will be hired to undertake the assignment will be independent of organizations that were involved in designing, executing, or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project under review. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the evaluation process. Additional quality assurance support is available from the BPPS/GEF Directorate. The final MTR report and MTR TOR will be publicly available in English and will be posted on the UNDP ERC by 1 February 2024. A management response to MTR recommendations will be posted in the ERC within six weeks of the MTR report's completion.

161. Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance for GEF-financed projects available on the UNDP Evaluation Resource Center. The evaluation will be 'independent, impartial and rigorous'. The evaluators that will be hired to undertake the assignment will be independent of organizations that were involved in designing, executing, or advising on the project to be evaluated. Equally, the evaluators should not be in a position where there may be the possibility of future contracts regarding the project being evaluated. The GEF Operational Focal Point and other stakeholders will be actively involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the BPPS/GEF Directorate. The final TE report and TE TOR will be publicly available in English and posted on the UNDP ERC by 30 April 2026. A management response to the TE recommendations will be posted to the ERC within six weeks of the TE report's completion.

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

163. Agreement on intellectual property rights and use of the logo on the project's deliverables and disclosure of information**:** To accord proper acknowledgment to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgment to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy[58] and the GEF policy on public involvement[59].

[58] See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/
[59] See https://www.thegef.org/gef/policies_guidelines

Table 12: Mandatory GEF M&E Requirements and M&E Budget

Monitoring and Evaluation Plan and Budget:			
GEF M&E requirements	**Responsible Parties**	**Indicative costs (US$)**	**Time frame**
Inception Workshop	TCB/PMU	15,000	Within 60 days of CEO endorsement of this project.
Inception Report	PM	None	Within 90 days of CEO endorsement of this project.
Monitoring of GEF Core indicators and other project results framework indicators (including KAP baseline)	PM	38,300	Annually prior to GEF PIR (core indicators will be monitored prior to MTR and TE – see below; KAP baseline will only be monitored at TE. See Annex 5 for indicator-specific details).
GEF Project Implementation Report (PIR)	PMU UNDP Country Office RTA	14,000	Annually typically between June-August
Monitoring all risks (UNDP risk register)	PMU UNDP CO	None	On-going.
Monitoring of activity annual plan implementation	M&E Officer & Project Manager	None	On-going.
Monitoring of Safeguards (SESP)	Safeguards Expert	7,000	On-going.
Supervision missions	UNDP Country Office	None[60]	Annually
Oversight/ troubleshooting missions	RTA and BPPS/GEF	None	Troubleshooting as needed
Mid-term GEF Core indicators and METT or other required Tracking Tools	PMU/Consultants	7,825	Before mid-term review mission takes place.
TE GEF Core indicators and METT or other required Tracking Tools	PMU/Consultants	30,375	Before TE mission takes place.
Independent Mid-term Review (MTR)	Independent evaluators	44,750	1 February 2024
Independent Terminal Evaluation (TE)	Independent evaluators	55,750	30 April 2026
TOTAL indicative COST		**213,000**	

VI. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Roles and responsibilities of the project's governance mechanism:

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

- Project planning, coordination, management, monitoring, evaluation, and reporting. This includes providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will

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

strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.

- Risk management as outlined in this Project Document;
- Procurement of goods and services, including human resources;
- Financial management, including overseeing financial expenditures against project budgets;
- Approving and signing the multiyear workplan;
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.
- Preparing a multiyear work plan;
- Endorsing and co-signing combined delivery report at the end of the year; and,
- Preparing the financial report or the funding authorization and certificate of expenditures.

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

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

Agencies	Engagement in decision making of the Project
GNHC	Director of GNHC is a member of the project PSC
Department of Forest and Park Services (DoFPS)	Director of DoFPS is a member of the project PSC
Department of Public Health (DoPH)	The DoPH is recommended to be a member of MTAC
Departments of Culture (DoC) and Immigration (DoI), Ministry of Home and Cultural Affairs (MoHCA	The Secretary of MoHCA is a member of the Tourism Council. DoC and DoI representatives will be members of MTAC
Department of Cottage & Small Industries (DCSI)	DCSI representative will be members of MTAC

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

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

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

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

171. Bhutan Trust Fund for Environment Conservation (BTFEC) will be a member of the MTAC in their capacity as a source of co-financing.

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

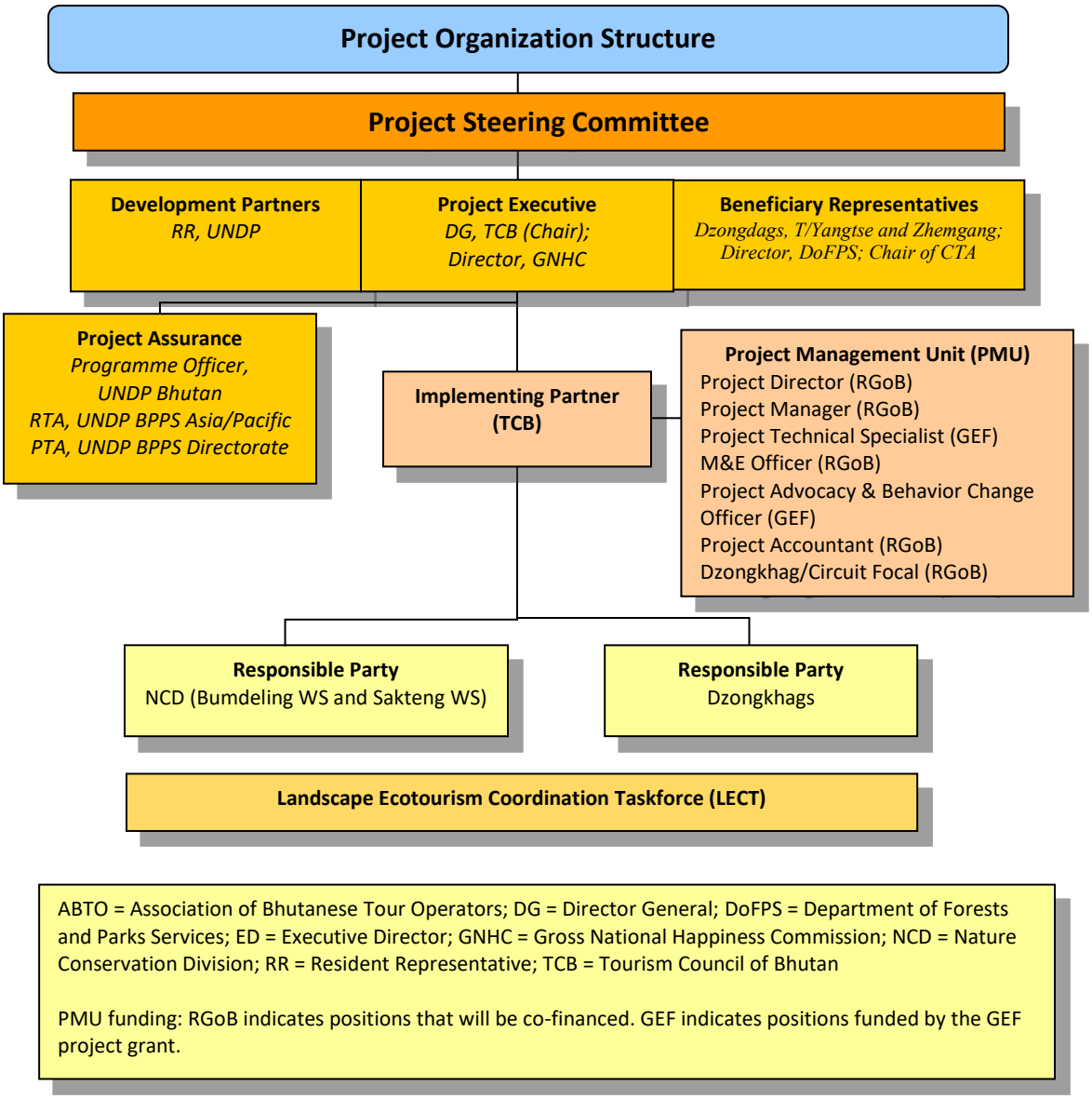
173. Project Steering Committee (PSC). The PSC is responsible for taking corrective action as needed to ensure the project achieves the desired results. In order to ensure UNDP's ultimate accountability, PSC decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case of consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will make the final decision to ensure project implementation is not unduly delayed.

Specific responsibilities of the PSC include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the project manager;
- Provide guidance on new project risks, and agree on possible mitigation and management actions to address specific risks;
- Agree on project manager's tolerances as required, within the parameters set by UNDP-GEF, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded;
- Advise on major and minor amendments to the project within the parameters set by UNDP-GEF;
- Ensure coordination between the various donor and government-funded projects and programmes;
- Ensure coordination with various government agencies and their participation in project activities;
- Track and monitor co-financing for this project;
- Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
- Appraise the annual project implementation report, including the quality assessment rating report;
- Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;
- Review combined delivery reports prior to certification by the implementing partner;

- Provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Address project-level grievances;
- Approve the Project Inception Report, Mid-term Review and Terminal Evaluation reports and corresponding management responses;
- Review the final project report package during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up.
- Ensure highest levels of transparency and take all measures to avoid any real or perceived conflicts of interest.

Figure 4: Project Organizational Structure



The PSC meeting will be held for at least two times in a year following the September and January cycle with provision for session in between as and when required. The PSC will require a 100% attendance for its essions to convene with provision for members to nominate their immediate deputy representatives, in writing, under unavoidable circumstances. The PSC meetings will be held in the Landscape Dzongkhags.

The composition of the Project Board must include the following roles:

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

175. The Director General of TCB will be the Chair of the PSC and is ultimately responsible for the project, supported by the Beneficiary Representative and Development Partners. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher-level outcomes. The executive has to ensure that the project gives value for money, ensuring a cost-conscious approach to the project, balancing the demands of beneficiary and suppler. Specific Responsibilities (as part of the above responsibilities for the PSC) are to;
    - Ensure that there is a coherent project organization structure and logical set of plans;
    - Set tolerances in the AWP and other plans as required for the Project Manager;
    - Monitor and control the progress of the project at a strategic level;
    - Ensure that risks are being tracked and mitigated as effectively as possible;
    - Brief relevant stakeholders about project progress;
    - Organise and chair PSC meetings.

176. Beneficiary Representative(s): Individuals or groups representing the interests of those who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. These Beneficiary representatives are: the Dzongdags (Governors) Trashi Yangtse and Zhemgang, to ensure the realization of project results from the perspective of the demonstration landscape Dzongkhags; the Director of Department of Forests and Parks Services (DoFPS) to ensure the realization of project results from the perspective of the Nature Conservation Division of the DoFPS, the PAs and the DFOs; the Chairman of the Committee of Tourism Associations (CTA)to ensure the realization of project results from the perspective of tour operators and the perspective of the private sector of the tourism sector.

177. Development Partner(s): Individuals or groups representing the interests of the parties concerned that provide funding, co-financing and/or technical expertise to the project (designing, developing, facilitating). The Development Partners are the Resident Representative of UNDP Country Office in Bhutan to ensure the realization of project results from the perspective of GEF and UNDP as well as the GWP; the Country Representative of World Wildlife Fund (WWF) in Bhutan to ensure co-financing and as agreed and to facilitate the harmonization of activities related to this project and that of the WWF supported project on Sacred Landscapes; Director Bhutan Trust Fund for Environmental Conservation (BTFEC) to ensure co-financing and as agreed and to facilitate with BTEFC supported projects; Executive Director of BFL to ensure co-financing and as agreed and to facilitate the harmonization of activities related to this project and that of the BFL. Specific Responsibilities (as part of the above responsibilities for the PSC);
    - Make sure that progress towards the outputs remains consistent from the development partner perspective;
    - Promote and maintain focus on the expected project output(s) from the point of view of development partners;
    - Ensure that the development partner resources required for the project are made available;
    - Contribute development partner opinions to PSC decisions on whether to implement recommendations on proposed changes;

- Arbitrate on, and ensure resolution of, any development partner's priority or resource conflicts.

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

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

180. Landscape Ecotourism Coordination Taskforce (LECT): a landscape-level coordination taskforce will be formed to facilitate coordination of field issues pertaining to project interventions. The LECT will have the responsibility to plan and implement the integrated landscape-level ecotourism under Output 2.2. The LECT will comprise of members from PAs, DFOs, Dzongkhag Economic Development Officers (EDOs) or the Dzongkhag Planning Officers (DPOs), the Dzongkhag/Circuit Focal person from the PMU and the Project Manager. The LECT will meet on a quarterly basis chaired by the Project Manager and harmonize implementation issues, standards, timelines of project activities in the field. They will also identify issues that need to be escalated for consideration by the PMU or the PSC. LECT is deemed necessary given the technical intricacy of various project interventions and spatial distribution of the project interventions across five Dzongkhags, 19 Gewogs and 2 PAs.

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

VII. FINANCIAL PLANNING AND MANAGEMENT

182. The total cost of the project is USD 13,926,690. This is financed through a GEF grant of USD 4,854,128 administered by UNDP and USD 9,072,562 in other co-financing. UNDP, as the GEF Implementing Agency, is responsible for the oversight of the GEF resources and the cash co-financing transferred to the UNDP bank account only.

183. Confirmed Co-financing: The actual realization of project co-financing will be monitored during the mid-term review and terminal evaluation process and will be reported to the GEF. Note that all project activities included in the project results framework that will be delivered by co-financing partners (even if the funds do

not pass through UNDP accounts) must comply with UNDP's social and environmental standards. Co-financing will be used for the following project activities/outputs:

Table 13. Parallel Financing

Co-financing source	Co-financing type	Co-financing amount	Planned Co-financing Activities/Outputs	Risks	Risk Mitigation Measures
Tourism Council of Bhutan	In-kind/ Public Investment	2,938,000 *(1,111,000 in kind and 1,827,000 investment)*	Ecotourism development and marketing (all Components) Project management, office space, co-financed PMU positions (PMC). Support for development and maintenance of tourism infrastructure (including Dzongkhag contributions) (Component 2).	COVID-19 impacts on tourism flagship and tourism sector, and potential co-financing support.	COVID-19 impacts and government and TCB priorities for rebuilding tourism sector integrated into design.
Ministry of Agriculture and Forests, Department of Forests and Park Services	In-kind	524,000	PA management strengthening and HWC/Zero poaching strategy implementation. Support for ongoing maintenance of tourism infrastructure in PAs (all Components).	COVID-19 impacts on potential for in-kind contributions.	Member of PSC and LECT and engagement in design/delivery of activities to ensure alignment to priorities.
Bhutan Trust Fund for Environmental conservation	In-kind	500,000	HWC initiatives to reduce impacts on community livelihoods and lessons sharing/exchange (all Components).	Strategic Plan and priority areas and locations are being finalized and subject to change.	Co-financing estimate has been reduced from concept note stage to be more realistic. Included in PSC.
Bhutan for Life	In-kind/ Public Investment	3,756,500 *(1,792,500 in kind and 1,964,000 investment)*	Ecotourism strategy in PAs, development, lobbying and implementation of new sustainable financial mechanisms, design and develop eco-tourism infrastructure (treks and trails) in BWS and SWS and expand such infrastructure in other PAs, capacity development of communities (all Components).	BFL is already under implementation. However, due to its long project duration (14 years) priorities may shift over time. Potential risk of duplication of effort if not closely aligned.	Executive Director of BFL is included in PSC. BFL will be invited to participate in the annual planning and review sessions of the project.
WWF	Grant	1,195,884	Upscaling ecotourism and High Conservation Value initiatives in areas beyond the project landscape (all Components).	Potential risk of duplication of effort if not closely aligned.	WWF Bhutan is included in PSC. Close engagement in work planning.
UNDP	Grant	158,178	PA financing solutions and ecotourism (Components 1 and 2).	None foreseen. Funds are secured.	N/A

184. Budget Revision and Tolerance: As per UNDP requirements outlined in the UNDP POPP, the Project Steering Committee will agree on a budget tolerance level for each plan under the overall annual work plan allowing the project manager to expend up to the tolerance level beyond the approved project budget amount for the year without requiring a revision from the Project Steering Committee.

185. Should the following deviations occur, the Project Manager and UNDP Country Office will seek the approval of the BPPS/GEF team to ensure accurate reporting to the GEF:
    a) Budget re-allocations among components in the project budget with amounts involving 10% of the total project grant or more;
    b) Introduction of new budget items that exceed 5% of original GEF allocation.

186. Any over expenditure incurred beyond the available GEF grant amount will be absorbed by non-GEF resources (e.g. UNDP TRAC or cash co-financing).

187. Audit: The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies. The audit cycle and process must be discussed during the Inception workshop. If the Implementing Partner is a UN Agency, the project will be audited according to that Agencies applicable audit policies.

188. Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP. All costs incurred to close the project must be included in the project closure budget and reported as final project commitments presented to the Project Steering Committee during the final project review. The only costs a project may incur following the final project review are those included in the project closure budget.

189. Operational completion: The project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities have been completed. This includes the final clearance of the Terminal Evaluation Report (that will be available in English) and the corresponding management response, and the end-of-project review Project Steering Committee meeting. **Operational closure must happen with 3 months of posting the TE report to the UNDP ERC**. The Implementing Partner through a Project Steering Committee decision will notify the UNDP Country Office when operational closure has been completed. At this time, the relevant parties will have already agreed and confirmed in writing on the arrangements for the disposal of any equipment that is still the property of UNDP.

190. Transfer or disposal of assets: In consultation with the Implementing Partner and other parties of the project, UNDP is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the Project Steering Committee following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project. In all cases of transfer, a transfer document must be prepared and kept on file[61]. The transfer should be done before the Project Management Unit completes its assignments.

191. Financial completion (closure): The project will be financially closed when the following conditions have been met: a) the project is operationally completed or has been cancelled; b) the Implementing Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).

192. The project will be financially completed **within 6 months of operational closure or after the date of cancellation**. Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to the BPPS/GEF Unit for confirmation before the project will be financially closed in Atlas by the UNDP Country Office.

193. Refund to GEF: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the BPPS/GEF Directorate in New York. No action is required by the UNDP Country Office on the actual refund from the UNDP project to the GEF Trustee.

[61] See https://popp.undp.org/_layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Project%20Management_Closing.docx&action=default.

VIII. TOTAL BUDGET AND WORK PLAN

Total Budget and Work Plan			
Atlas Award ID:	00094492	Atlas Output Project ID:	00098610
Atlas Proposal or Award Title:	Mainstreaming biodiversity conservation into the tourism sector in Bhutan		
Atlas Business Unit	BTN10		
Atlas Primary Output Project Title	Mainstreaming biodiversity conservation into the tourism sector in Bhutan		
UNDP-GEF PIMS No.	6319		
Implementing Partner	The Tourism Council of Bhutan		

Atlas Activity (GEF Component)	Atlas Implementing Agent	Atlas Fund ID	Donor Name	Atlas Budgetary Account Code [3]	ATLAS Budget Account Description [3]	Amount Year 1 *[2021]* (USD)	Amount Year 2 *[2022]* (USD)	Amount Year 3 *[2023]* (USD)	Amount Year 4 *[2024]* (USD)	Amount Year 5 *[2025]* (USD)	Total (USD)	*See Budget Note:*
COMPONENT 1:	**Tourism Council of Bhutan**	**62000**	**GEF**	71200	International Consultants	21,000	7,000			7,000	**35,000**	*1*
				71300	Local Consultants	262,450	5,250	-	-	-	**267,700**	*2*
			GEF	71800	Contractual Services-IP	4,000	4,000	4,000	4,000	4,000	**20,000**	*3*
			GEF	72800	Information Technology Equipment	5,500	4,500	-	-	-	**10,000**	*4*
			GEF	74200	AV & Print Production Costs	6,000	4,000	-	-	-	**10,000**	*5*
			GEF	71600	Travel	10,000	5,000	4,500	-	-	**19,500**	*6*
			GEF	75700	Training, Workshops and Conference	142,500	120,000	8,000	8,000	8,000	**286,500**	*7*
					Total Outcome 1	**451,450**	**149,750**	**16,500**	**12,000**	**19,000**	**648,700**	
COMPONENT 2:	**Tourism Council of Bhutan**	**62000**	**GEF**	71200	International Consultants	14,000	28,000	10,500	-	-	**52,500**	*8*
			GEF	71300	Local Consultants	26,400	91,800	34,050	6,800	-	**159,050**	*9*
			GEF	71800	Contractual Services-IP	16,440	16,440	16,440	16,440	16,440	**82,200**	*10*
			GEF	71600	Travel	4,500	60,000	19,500	6,000	4,000	**94,000**	*11*
			GEF	72100	Contractual services - Companies	-	679,600	469,000	270,400	40,000	**1,459,000**	*12*

			GEF	72300	Materials and Goods	-	62,500	10,000	20,000	15,000	**107,500**	*13*
			GEF	72600	Grants	-	44,800	292,100	100,000	-	**436,900**	*14*
			GEF	72800	Information Technology equipment	21,000	10,000	-	-	-	**31,000**	*15*
			GEF	74200	Audio Visual & Printing Prod Costs	3,000	23,500	23,500	23,500	-	**73,500**	*16*
			GEF	74500	Miscellaneous expenses	2,400	1,500	1,500	1,500	1,430	**8,330**	*17*
			GEF	75700	Training, Workshops and Conference	18,000	94,750	64,750	11,200	5000	**193,700**	*18*
					Total Outcome 2	105,740	1,112,890	941,340	455,840	81,870	**2,697,680**	
COMPONENT 3:	**Tourism Council of Bhutan**	**62000**	**GEF**	71200	International Consultants	-	-	14,000	-	21,000	**35,000**	*19*
			GEF	71300	Local Consultants	41,850	12,850	41,500	8,200	52,750	**157,150**	*20*
			GEF	71800	Contractual Services-IP	4,240	4,240	4,240	4,240	4,240	**21,200**	*21*
				71600	Travel	7,500	7,500	17,000	7,500	17,000	**56,500**	*22*
			GEF	74200	Audio Visual & Printing Prod Costs	-	200,000	93,500	53,750	7,500	**354,750**	*23*
			GEF	75700	Training, Workshops and Conference	48,200	170,700	187,950	132,200	112,950	**652,000**	*24*
					Total Outcome 3	**101,790**	**395,290**	**358,190**	**205,890**	**215,440**	**1,276,600**	
Project management costs	**Tourism Council of Bhutan**	**62000**	**GEF**	71600	Travel	13,000	13,000	13,000	13,000	13,000	**65,000**	*25*
			GEF	71800	Contractual Services-IP	4,520	4,520	4,520	4,520	4,520	**22,600**	*26*
			GEF	72200	Equipment and Furniture	57,400	-	-	-	-	**57,400**	*27*
			GEF	72400	Communication & Audio Visual Equip	1,800	1,800	1,800	1,800	1,800	**9,000**	*28*

			GEF	72500	Supplies - stationeries	3,548	3,400	3,400	3,400	3,400	**17,148**	*29*
			GEF	72800	Information Technology Equipment	20,000	-	-	-	-	**20,000**	*30*
			GEF	74100	Professional Services	1,200	1,200	1,200	1,200	1,200	**6,000**	*31*
			GEF	75700	Training, Workshops and Conference	6,800	6,800	6,800	6,800	6,800	**34,000**	*32*
					Total PMC	**108,268**	**30,720**	**30,720**	**30,720**	**30,720**	**231,148**	
					PROJECT TOTAL	**767,248**	**1,688,650**	**1,346,750**	**704,450**	**347,030**	**4,854,128**	

Summary of Funds:

	Amount Year 1	Amount Year 2	Amount Year 3	Amount Year 4	Amount Year 5	Total
GEF	**767,248**	**1,688,650**	**1,346,750**	**704,450**	**347,030**	**4,854,128**
Tourism Council of Bhutan	436,541	1,018,135	823,908	439,387	220,029	2,938,000
Ministry of Agriculture and Forests, Department of Forests and Park Services	77,858	181,587	146,946	78,366	39,243	524,000
Bhutan for Life	558,583	1,301,605	1,053,300	561,722	281,290	3,756,500
Bhutan Trust Fund for Environment Conservation	74,292	173,270	140,216	74,777	37,445	500,000
WWF	177,690	414,422	335,363	178,848	89,561	1,195,884
UNDP	23,503	54,815	44,358	23,656	11,846	158,178
TOTAL	**2,115,715**	**4,832,484**	**3,890,841**	**2,061,206**	**1,026,444**	**13,926,690**

Budget notes

Budget note no.	Budget Note
Component 1	
1	**International consultants:** International tourism specialist to support development of the National Ecotourism Master Plan (including best practices and strategies on green tourism recovery/resilience under COVID-19) under Output 1.1, and tourism guidelines, standards and ecological capacity toolkit under Output 1.4 (50 days * $700 = $35,000)
2	**Local consultants:** - Ecotourism Planning Expert for formulation on National Ecotourism Master Plan and operational frameworks for its implementation and mainstreaming into sectoral development plans and material development and training of TCB staff on data analytics and strategic tourism planning under Output 1.1 and for development of Ecological Capacity Assessment toolkit for tourism destinations under Output 1.4 (12 weeks * $2,350 = $28,200);

	- Biodiversity and Ecological Expert for development of Ecotourism inventory; Database, maps by ecotourism zones and hotspots of biodiversity threats and HWC trends and report on actions/Solutions to address biodiversity threats and HWC through ecotourism under Output 1.1 (120 days * $350 = $42,000); - Ecotourism/Biodiversity Expert to update PPG assessments on tourism development/feasibility/risks/opportunities given COVID under Output 1.1 (30 days * $350 = $10,500); - Safeguards Expert to provide a framework and guidance on incorporation of a SESA approach and safeguards standards in development of National Ecotourism Master Plan and tourism guidelines/standards under Outputs 1.1 and 1.4 (50 days * $350 = $17,500); - Livelihoods and Business Development Expert for development of options for ecotourism investments to address biodiversity threats and HWC; Concessions framework; Procedures for awarding of concessions and for monitoring concession arrangements; List of viable local fees and service charges; Modalities to retain such charges for local biodiversity conservation; Operational guidelines for concessionary licensing arrangements within and outside PAs and operational guidelines for establishment of local fees and service charges within and outside PAs under Output 1.3 (20 weeks * $2,350 = $47,000); - Gender Expert to guide and integrate gender elements under guidelines development/revision under Output 1.4 (20 days * $350 = $7,000); - National Ecotourism Expert to support the revision and development of guidelines for Tourism Product Development Guidelines under Output 1.4 (30 days * $350 = $10,500); - National Ecotourism Expert to review the guideline for the operation and monitoring of commercial rafting under Output 1.4 (30 days * $350 = $10,500); - National Ecotourism Expert to review the guideline for registration of village home stays under Output 1.4 (20 days * $350 = $7,000); - National Ecotourism Expert to support the revision of Procedures for assessment and classification of hotels and new Tour Operator's Office under Output 1.4 (60 days * $350 = $21,000); - National Ecotourism Expert to support the revision of Planning and Management of Ecotourism Development in the Protected Areas Network of Bhutan under Output 1.4 (30 days * $350 = $10,500); - National Ecotourism Expert to develop new Guidelines for assessment and green certification of accommodations under Output 1.4 (60 days * $350 = $21,000); - IT/website developer to design an online system for application of green certification under Output 1.4 (30 days * $350 = $10,500); - National Ecotourism Expert to support the development of campsites and routes management and Ecotourism product siting and feasibility assessment under Output 1.4 (70 days*$350 = $24,500). ***Total $267,700***
3	**Contractual Services -Implementing Partner:** Project Technical Specialist technical inputs and coordination to all Outputs under Component 1 (5 years * $16,000,25% contribution to Component 1 = $20,000)
4	**Information Technology Equipments:** Software and hardware for the online system for application for green certification under Output 1.4 (lumpsum $10,000)
5	**Audio Visual & Printing Prod Costs**: Print production and publication cost for Bhutan Tourism Development Guidelines, estimated 10 guidelines will be published under Output 1.4 ($10,000)

6	**Travels**: Travel expenses of PMU and national consultants to delivers activities under Component 1 ($19,500)
7	**Training, Workshops and Conferences:** - Validation workshop for national and local level actions for ecotourism development under Output 1.1 ($10,000); - A Training of Trainers for TCB officials on data analytics and strategic tourism planning under Output 1.1 ($32,500); - Stakeholder consultations and meetings to establish Structure, governance framework, ToRs and functional protocols for the MTAC under Output 1.1 (5 workshops/meetings * $2,500 = $12,500), along with annual operating costs for meetings ($2,500 per year) = $22,500; - Sub-national regional workshops on overall national ecotourism planning including investments, biodiversity threats and product mapping under Outputs 1.1 and 1.3 (4 regional workshops with estimated of 50 participants per region = $50,000); - National Workshop to review progress with the National Zero Poaching strategy and HWC management strategy based on internal best practices and local lessons under Output 1.2 ($50,000): - Partner agency national workshops on wildlife intelligence database, surveillance and monitoring and information sharing, and institutional roles and coordination under Output 1.2. (2 workshops X $10000 = $20,000); - Regional and national consultations and lesson sharing workshops on national regulations and penalties, provisions of IPPC, CBD, CITES and WEN under Output 1.2 (3 workshops in 3 years X $5,500 = $16,500); - National stakeholder consultations for establishment of local fees and service charges under Output 1.3 ($37,500); - Stakeholder consultations for revision or development of ecotourism guidelines under Output 1.4 ($37,500); - Training of 10 assessors to assess green certification of accommodations, tour operators and suppliers under Output 1.4 ($10,000); ***Total = 286,500***
Component 2	
8	**International consultants**: International Tourism Management/Development Specialist to develop frameworks for best practice ecologically-sensitive tourism infrastructure development, and product and site-specific management and business plans, and provide mentoring/guidance to plan and product development under Output 2.2 (75 days* $700 = $52,500).
9	**Local Consultants:** - Ecotourism Planning Expert Management to develop landscape ecotourism plan and site-specific management plans for tourism products and enterprises under Outputs 2.1, 2.2 and 2.3 (30 weeks * $2,350 = $70,500); - Livelihoods and Business Development expert to prepare product-specific business plans for tourism products under Output 2.2 and community enterprises under Outputs 2.1 and 2.3 (28 weeks * $2,350 = $65,800); - Safeguards expert to provide a framework and guidance to incorporate safeguards into tourism product development including scaled screening/EIA for infrastructure development under Output 2.2 (40 days * $350 = $14,000); - Gender Expert to guide and integrate gender elements in ecotourism development under Output 2.2 (25 days * $350 = $8,750). ***Total = $159,050***
10	**Contractual Services – Implementing Partners:**

	- Project Technical Specialist technical coordination and inputs for nature-based tourism development and demonstration towards human-wildlife coexistence under Component 2 (5 years * $16,000, 45% contribution to Component 2 = $36,000); - Advocacy and Behavior Change /Communication Officer technical delivery of landscape awareness raising and advocacy under Output 2.4 (60 months * $1,100 = $66,000, 70% contribution to Component 2 = $46,200); ***Total = $82,200***
11	**Travel**: Local travels and Daily Subsistence Allowance for consultants and field staff for the delivery of activities and local consultations across demonstration landscape ($94,000)
12	**Contractual Services - Companies:** - Design/establishment of a model campsite at Thangkarmo to support community/Youth group at Khoma for domestic tour operations under Output 2.1 ($45,000); - Ecologically-sensitive design, impact screening/EIA, and construction of basic, essential ecotourism infrastructure to increase visitor attraction, including trail establishment and upgrading, basic campsites, walkways and viewing decks, fencing and safety infrastructure under Output 2.2: Sakteng Wildlife Sanctuary & Tashigang ($200,300), Bumdeling Wildlife Sanctuary, Tashiyangtse & Lhuentse ($250,000), Mongar Dzongkhag & ($353,200), Zhemgang Dzongkhag ($166,500) (Total: $970,000); - Development of site-specific management plans for 10 ecotourism sites under Output 2.2 (10 sites * $6,250 = $62,500); - Undertaking mapping of critical spawning spots of mahseer along the Yangbari-Manas river stretch ($18,500) and resource survey of community forest areas in Bamdhir and Womanang ($6,500) under Output 2.3 (Total = $25,000); - Contractual Services issued by Protected Areas and Dzongkhag Administration for habitat improvement and threat reduction works under output 2.3.: Sakteng Wildlife Sanctuary ($31,500), Bumdeling Wildlife Sanctuary, Tashiyangtse (4 locations * $ 32,500 = $130,000): Zhemgang-Tingtibi road stretch (2 locations * $ 22,500 = $ 45,000), Crane habitat improvement and threat reduction in Bumdeling ($50,000) Total = $ 256,500 - Design, planning and exhibit construction of Biodiversity information centers in Sakteng and Zhemgang under Output 2.4 (2 centers * $50,000 = $100,000). ***Total = $1,459,000***
13	**Materials & Goods:** - Materials and equipment cost for the establishment of community enterprise to promote traditional paper making under Output 2.3 (US $27,500); - Materials cost for establishment of Daphney plant nursery for sustainable production of raw materials under Output 2.3 ($17,500); - Material cost for processing equipment for the community to promote green tea production under Output 2.3 ($17,500); - Seedling cost for revegetation with native species along the riverbank in Bumdeling and Zhemgang-Tingtibi road stretch under Output 2.3 (2 locations * $22,500 = $45,000); ***Total = $107,500***
14	**Grants**:

	- Grants to support the establishment of innovative post-COVID youth/community led local businesses linked to ecotourism value chain under Output 2.1 (6 groups * $22,400 = $134,000). Grants will be issued in accordance with UNDP Low Value Grants Policy; - Grants to support the establishment of homestays across the demonstration landscape to support post-COVID local economic recovery and offset losses to HWC as per prevailing TCB policy under Output 2.1 (55 households * $5,500 = $302,500). Grants will be issued in accordance with UNDP Low Value Grants Policy. Detail and process will be discussed and agreed during Inception Workshop. ***Total = $436,900***
15	**Information Technology Equipment:** - Purchase of snare/metal detectors and maintenance cost under Output 2.3 (20 snare detectors * $1,500 = $30,000): - Purchase of camera equipment for supporting community awareness-raising and outreach under Output 2.4 ($1,000). ***Total = $31,000***
16	**Audio Visual & Printing Prod Costs:** - Printing of site-specific management plans for field users for ecotourism products under Outputs 2.1, 2.2 and 2.3 ($10,500); - Printing maps of HWC and poaching baseline within BWS and SWS under Output 2.3 (2 baseline maps * $1,500 = $3,000); - Production and printing cost for leaflets and audio-visual materials on local and global biodiversity values, benefits of co-existence to ecology, economy and culture and on the causes of HWC, national policies and strategies to prevent HWC, ecotourism concessions framework and guidelines under Output 2.4 ($60,000); ***Total = $73,500***
17	**Miscellaneous expenses**: miscellaneous expenses for Component 2, including purchase of PPE as needed for local staff and communities ($8,330).
18	**Training, Workshops and Conferences:** - Local consultations for the establishment and operation of sustainable financing and revenue generation mechanisms under Output 2.1 ($36,000); - Field consultations on lesson learning from the demonstration sites under Outputs 2.1 and 2.2 ($10,200); - Field workshops on mapping habitats, HWC hotspots, sustainable financing mechanisms and investments under Output 2.2 ($5,500); - Local level workshops for the Ecotourism Planning Expert to develop conducive local government policies, regulations, standards and protocols for local tour operations, homestay management, health and safety at the local government level under Output 2.2 ($25,000); - Local consultations for the preparation of site-specific management plans and product-specific business plans for ecotourism products under Outputs 2.1 and 2.2 (20 workshops * $2,500 = $50,000); - Training and information workshops on mobile-based and other technologies for wildlife identification under Output 2.3 ($19,500); - Local consultations to establish baseline for HWC and poaching for BWS and SWS under Output 2.3 ($7,500); - Community workshop for technical demonstration of sustainable harvesting and protection of Hibericum and Viscum vegetation under Output 2.3 ($15,000); - Meetings of Landscape Ecotourism Coordination Committee under Output 2.2 ($5,000 per year * 5 years = $25,000) ***Total = $193,700***

Component 3	
19	**International consultants:** International consultant for MTR (20 days * $700 = $14,000) and TE (30 days * $700 = $21,000) under Output 3.4 (Total = $35,000).**
20	**Local Consultants:** - Ecotourism Planning Expert to train and sensitize key staff on the tourism guidelines, national tourism policy and Ecotourism Master Plan and to develop ToT materials on ecotourism planning, management under Output 3.1 (6 weeks * $2,350 = $14,100); - Livelihoods and Business Development Expert to develop ToT materials on ecotourism enterprise development, finance, risk management under Output 3.1 (8 weeks * $2,350 = $18,800); - Safeguards expert to provide safeguards training and sensitization to PMU and national and local stakeholders and complete review of SESP implementation to ensure adherence to UNDP SES requirements and national standards under Output 3.4 (20 days * 350 = $7,000);** - Gender Expert to provide training on gender safeguards under Output 3.1 and to carry out annual review of gender action plan implementation under Output 3.4 (25 days * $350 = $8,750); - M&E Expert to carry out surveys and report on status of indicators in the Results Framework prior to PIR, MTR and TE under Output 3.4, including monitoring of core indicators prior to MTR and TE (90 days * $350 = $31,500);** - Community Engagement Expert to complete KAP survey during project start and at TE under Output 3.4 (2 surveys * $22,500 = $45,000);** - Nature Experts to provide trainings on bird watching, flora and fauna in Zhemgang under Output 3.1 (20 days * $350 = $7,000); - Local consultant for MTR under Output 3.4 (30 days * $350 = $10,500);** - Local consultant for TE under Output 3.4 (40 days * $350 = $14,500).** ***Total = $157,150***
21	**Contractual Services -Implementing Partner:** - Project Technical Specialist technical contributions for effective capacity, marketing and knowledge exchange under Component 3 (5 years * $16,000, 10% contribution to Component 3 = $8,000); - Advocacy and Behavior Change /Communication Officer technical contributions to marketing under Output 3.2 and project communications and knowledge management under Output 3.3 (60 months * $1,100 = $66,000, 20% contribution to Component 3 = $13,200). ***Total = $21,200***
22	**Travel**: - International travel for the international consultants for MTR and TE under Output 3.4 (2 consultants * $5,000 = $10,000);** - Domestic travel for the national and international consultants for MTR and TE under Output 3.4 ($9,000);** - Travel for additional government and local stakeholder participation in thematic and regional GWP knowledge exchange events relevant to the project (5 years * 7,500 = $37,500). ***Total $56,500***
23	**Audio Visual & Printing Prod Costs:**

	- Publication of landscape-level ecotourism marketing and branding strategy under Output 3.2 ($20,500); - Publication for marketing package/deck and target market information for 2 parks and 10 ecotourism sites for online promotion and posters for national and international tourism fairs under Output 3.2 (12 packages * $12,000 = $144,000); - Production for digital contents and narratives for promotion of post-COVID virtual tourism and marketing for 10 ecotourism products, 2 parks and overall landscape under Output 3.2 (13 productions * $12,500 = $162,500); - Production/printing of communication materials on lessons learnt related to ecotourism product demonstrations, concessions frameworks implementation, zero poaching and HWC strategy at the landscape level, implementation of tourism safeguards etc Output 3.3 ($7,250); - Mass communication materials for Zhemgang Bird/biodiversity festival and Biodiversity Run in Sakteng under Output 3.3 ($20,500). ***Total = $354,750***
24	**Trainings, Workshops & Conferences:** - Provision of hands-on technical training for 180 local communities and youth by TCB's mobile training unit on ecotourism development, enterprise management, governance, tour operations, safeguards standards across the demonstration landscape under Output 3.1 (10 trainings * $8,500 = $85,000 and cost for the mobile training unit 10 * $3,500 = $35,000) (Total = $112,000); - Training of 45 national and provincial government officials and tour operators on tourism guidelines and gender mainstreaming in tourism activities under Output 3.1 (2 workshops * $10,000 = $20,000); - Training of 45 local government officials, private sector and local communities on concessions framework, national tourism policy and Ecotourism Master Plan under Output 3.1 ($10,000); - Training of 120 potential local entrepreneurs to take up ecotourism-related commercial enterprises across the demonstration landscape under Output 3.1 (17 workshops * $6,500 = $110,500); - Local sensitization workshops on gender and social safeguards for landscape stakeholders under Output 3.4 (10 workshops * $1,000 = $10,000); - Stakeholder consultation workshops for MTR and TE under Output 3.4 (10 local workshops * $800 and 2 national workshops * $6,750. Total = $21,500);** - Training of local guides on bird watching, flora and fauna under Output 3.1 ($15,000); - Annual stakeholder workshops for participatory review of annual work plan implementation progress, assessment of progress towards targets and monitoring questions for TOC assumptions, adaptive management of project activities and capturing of lessons learned prior to annual PIR/GWP qualitative review under Outputs 3.3 and 3.4 (5 workshops * $5,600 = $28,000);** (50% M&E) - Domestic and international knowledge transfer trainings as part of capacity development program under Output 3.1 ($50,000 in year 3 and 4, $45,000 in year 5; Total = $145,000); - Coordination and innovation forums on ecotourism to showcase project best practices and support knowledge exchange and replication at Zhemgang bird festival, Yangtse artisan festival and highland festival of Merak/Sakteng under Output 3.3 (2 events/year * 4 years * $7,500 = $60,000); - Annual planning and budgeting workshop from year 2 onwards under Output 3.4 (4 workshops * $7,500 = $30,000); - Local, landscape-level and national level lessons learning workshops and consultations under Output 3.3 (15 local consultations @ $1,200 and 5 workshops * $7,500 = $55,500);

	- Inception workshop under Output 3.4 ($15,000);** - Project technical advisory meetings under Output 3.4 (4 workshops * $5,000 = $20,000). ***Total = $652,000***
Project Management Costs	
25	**Travel:** Travel cost for PMU (5 years * $13,000 = $65,000).
26	**Contractual Services -Implementing Partner:** - Project Technical Specialist contributions to project management (5 years * $16,000, 20% contribution to PMC = $16,000); - Advocacy and Behavior Change (Communication) Officer contributions to project management (60 months * $1,100 = $66,000, 10% contribution to PMC = $6,600. ***Total = $22,600***
27	**Equipment and Furniture**: Office furniture for the establishment of PMU office ($6,400); Purchase of vehicle for PMU use ($51,000). The PMU and project technical support will need to regularly travel from Thimphu to the demonstration landscape in Eastern Bhutan. However, the distance between Thimphu and the demonstration landscape, along with the extensive need for local community consultations and local stakeholder engagement workshops and training, necessitate the need for a stand-alone vehicle for project use. Vehicle use for local travel in Thimphu and project sites will be co-financed by TCB and Dzongkhag partners.
28	**Communic & Audio Visual Equip:** Communication Costs (Internet, phone) for the PMU office (60 months * $150 = $9,000).
29	**Supplies:** Supply of office stationeries for PMU ($17,148).
30	**Information Technology Equipmt:** 7 laptops ($15,400); 1 desktop ($2,000); 1 printer ($600); 2 projectors ($2,000) for PMU ($20,000).
31	**Professional Services**: Annual audit expenses (5 years * $1,200 = $6,000).
32	**Trainings, Workshops, Conferences:** - PMU meetings cost (60 months * $150 = $9,000); - Project Steering Committee meetings (5 workshops * $5,000 = $25,000). ***Total =$34,000***

IX. LEGAL CONTEXT

194. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Royal Government of Bhutan and the UNDP, signed on 14th July 1978. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

195. This project will be implemented by the Tourism Council of Bhutan ("Implementing Partner") in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure the best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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

X. RISK MANAGEMENT

197. Consistent with Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
b) assume all risks and liabilities related to the Implementing Partner's security and the full implementation of the security plan.

198. UNDP reserves the right to verify whether such a plan is in place and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

199. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

200. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of

activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

201. In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

a) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
b) Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;
c) Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;
d) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
e) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

202. The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner and each of its sub-parties referred to in paragraph 4, to comply with the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

203. Social and environmental sustainability will be enhanced through the application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

204. The Implementing Partner shall: (a) conduct project and program-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

205. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

206. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud, or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

207. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

208. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

209. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

210. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

211. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document. Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. *Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

212. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or contract execution and that the recipient of funds from the Implementing Partner shall cooperate with any investigations and post-payment audits.

213. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

214. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

XI. MANDATORY ANNEXES

Annex 1: GEF Budget Template

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
Goods	Information Technology Equipments: Software and hardware for the online system for application for green certification under Output 1.4 (lumpsum $10,000)	10,000			10,000			10,000	The Tourism Council of Bhutan
Goods	Materials & Goods: - Materials and equipment cost for the establishment of community enterprise to promote traditional paper making under Output 2.3 (US $27,500); - Materials cost for establishment of Daphney plant nursery for sustainable production of raw materials under Output 2.3 ($17,500); - Material cost for processing equipment for the community to promote green tea production under Output 2.3 ($17,500); - Seedling cost for revegetation with native species along the riverbank in Bumdeling and Zhemgang-Tingtibi road stretch under Output 2.3 (2 locations * $22,500 = $45,000); Total = $107,500		107,500		107,500			107,500	The Tourism Council of Bhutan
Goods	Information Technology Equipment: - Purchase of snare/metal detectors and maintenance cost under Output 2.3 (20 snare detectors * $1,500 = $30,000): - Purchase of camera equipment for supporting community awareness-raising and outreach under Output 2.4 ($1,000). Total = $31,000		31,000		31,000			31,000	The Tourism Council of Bhutan
Goods	Equipment and Furniture: Office furniture for the establishment of PMU office ($6,400). Purchase of vehicle for PMU use ($51,000).				-		57,400	57,400	The Tourism Council of Bhutan
	Communic & Audio Visual Equip: Communication Costs (Internet, phone) for the PMU office (60 months * $150 = $9,000).				-		9,000	9,000	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
Goods	Information Technology Equipmt: 7 laptops ($15,400); 1 desktop ($2,000); 1 printer ($600); 2 projectors ($2,000) for PMU ($20,000).				-		20,000	20,000	The Tourism Council of Bhutan
Grants	Grants: Grants to support the establishment of innovative post-COVID youth/community led local businesses linked to ecotourism value chain under Output 2.1 (6 groups * $22,400 = $134,000). Grants will be issued in accordance with UNDP Low Value Grants Policy; Grants to support the establishment of homestays across the demonstration landscape to support post-COVID local economic recovery and offset losses to HWC as per prevailing TCB policy under Output 2.1 (55 households * $5,500 = $302,500). Grants will be issued in accordance with UNDP Low Value Grants Policy. Detail and process will be discussed and agreed during Inception Workshop. Total = $436,900		436,900		436,900			436,900	The Tourism Council of Bhutan
Contractual Services – Individual	Contractual Services -Implementing Partner: Project Technical Specialist technical inputs and coordination to all Outputs under Component 1 (5 years * $16,000,25% contribution to Component 1 = $20,000)	20,000			20,000			20,000	The Tourism Council of Bhutan
Contractual Services – Individual	Contractual Services – Implementing Partners: - Project Technical Specialist technical coordination and inputs for nature-based tourism development and demonstration towards human-wildlife coexistence under Component 2 (5 years * $16,000, 45% contribution to Component 2 = $36,000); - Advocacy and Behavior Change /Communication Officer technical delivery of landscape awareness raising and advocacy under Output		82,200		82,200			82,200	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	2.4 (60 months * $1,100 = $66,000, 70% contribution to Component 2 = $46,200); Total = $82,200								
Contractual Services – Individual	Contractual Services -Implementing Partner: - Project Technical Specialist technical contributions for effective capacity, marketing and knowledge exchange under Component 3 (5 years * $16,000, 10% contribution to Component 3 = $8,000); - Advocacy and Behavior Change /Communication Officer technical contributions to marketing under Output 3.2 and project communications and knowledge management under Output 3.3 (60 months * $1,100 = $66,000, 20% contribution to Component 3 = $13,200). Total = $21,200			21,200	21,200			21,200	The Tourism Council of Bhutan
Contractual Services – Individual	Contractual Services -Implementing Partner: - Project Technical Specialist contributions to project management (5 years * $16,000, 20% contribution to PMC = $16,000); - Advocacy and Behavior Change (Communication) Officer contributions to project management (60 months * $1,100 = $66,000, 10% contribution to PMC = $6,600. Total = $22,600				-		22,600	22,600	The Tourism Council of Bhutan
Contractual Services – Company	Contractual Services - Companies: - Design/establishment of a model campsite at Thangkarmo to support community/Youth group at Khoma for domestic tour operations under Output 2.1 ($45,000); - Ecologically-sensitive design, impact screening/EIA, and construction of basic, essential ecotourism infrastructure to		1,459,000		1,459,000			1,459,000	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	increase visitor attraction, including trail establishment and upgrading, basic campsites, walkways and viewing decks, fencing and safety infrastructure under Output 2.2: Sakteng Wildlife Sanctuary & Tashigang ($200,300), Bumdeling Wildlife Sanctuary, Tashiyangtse & Lhuentse ($250,000), Mongar Dzongkhag & ($353,200), Zhemgang Dzongkhag ($166,500) (Total: $970,000); - Development of site-specific management plans for 10 ecotourism sites under Output 2.2 (10 sites * $6,250 = $62,500); - Undertaking mapping of critical spawning spots of mahseer along the Yangbari-Manas river stretch ($18,500) and resource survey of community forest areas in Bamdhir and Womanang ($6,500) under Output 2.3 (Total = $25,000); Contractual Services issued by Protected Areas and Dzongkhag Administration for habitat improvement and threat reduction works under output 2.3.: Sakteng Wildlife Sanctuary ($31,500), Bumdeling Wildlife Sanctuary, Tashiyangtse (4 locations * $ 32,500 = $130,000): Zhemgang-Tingtibi road stretch (2 locations * $ 22,500 = $ 45,000), Crane habitat improvement and threat reduction in Bumdeling ($50,000) Total = $ 256,500 - Design, planning and exhibit construction of Biodiversity information centers in Sakteng and Zhemgang under Output 2.4 (2 centers * $50,000 = $100,000). Total = $1,459,000								
International Consultants	International consultants: International tourism specialist to support development of the National Ecotourism Master Plan (including best practices and strategies on green tourism recovery/resilience under COVID-	35,000			35,000			35,000	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	19) under Output 1.1, and tourism guidelines, standards and ecological capacity toolkit under Output 1.4 (50 days * $700 = $35,000)								
International Consultants	International consultants: International Tourism Management/Development Specialist to develop frameworks for best practice ecologically-sensitive tourism infrastructure development, and product and site-specific management and business plans, and provide mentoring/guidance to plan and product development under Output 2.2 (75 days* $700 = $52,500).		52,500		52,500			52,500	The Tourism Council of Bhutan
International Consultants	International consultants: International consultant for MTR (20 days * $700 = $14,000) and TE (30 days * $700 = $21,000) under Output 3.4 (Total = $35,000).**			-	-	35,000		35,000	The Tourism Council of Bhutan
Local Consultants	Local consultants: - Ecotourism Planning Expert for formulation on National Ecotourism Master Plan and operational frameworks for its implementation and mainstreaming into sectoral development plans and material development and training of TCB staff on data analytics and strategic tourism planning under Output 1.1 and for development of Ecological Capacity Assessment toolkit for tourism destinations under Output 1.4 (12 weeks * $2,350 = $28,200); - Biodiversity and Ecological Expert for development of Ecotourism inventory; Database, maps by ecotourism zones and hotspots of biodiversity threats and HWC	267,700			267,700			267,700	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	trends and report on actions/Solutions to address biodiversity threats and HWC through ecotourism under Output 1.1 (120 days * $350 = $42,000); - Ecotourism/Biodiversity Expert to update PPG assessments on tourism development/feasibility/risks/opportunities given COVID under Output 1.1 (30 days * $350 = $10,500); - Safeguards Expert to provide a framework and guidance on incorporation of a SESA approach and safeguards standards in development of National Ecotourism Master Plan and tourism guidelines/standards under Outputs 1.1 and 1.4 (50 days * $350 = $17,500); - Livelihoods and Business Development Expert for development of options for ecotourism investments to address biodiversity threats and HWC; Concessions framework; Procedures for awarding of concessions and for monitoring concession arrangements; List of viable local fees and service charges; Modalities to retain such charges for local biodiversity conservation; Operational guidelines for concessionary licensing arrangements within and outside PAs and operational guidelines for establishment of local fees and service charges within and outside PAs under Output 1.3 (20 weeks * $2,350 = $47,000); - Gender Expert to guide and integrate gender elements under guidelines development/revision under Output 1.4 (20 days * $350 = $7,000); - National Ecotourism Expert to support the revision and development of guidelines for Tourism Product Development								

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	Guidelines under Output 1.4 (30 days * $350 = $10,500); - National Ecotourism Expert to review the guideline for the operation and monitoring of commercial rafting under Output 1.4 (30 days * $350 = $10,500); - National Ecotourism Expert to review the guideline for registration of village home stays under Output 1.4 (20 days * $350 = $7,000); - National Ecotourism Expert to support the revision of Procedures for assessment and classification of hotels and new Tour Operator's Office under Output 1.4 (60 days * $350 = $21,000); - National Ecotourism Expert to support the revision of Planning and Management of Ecotourism Development in the Protected Areas Network of Bhutan under Output 1.4 (30 days * $350 = $10,500); - National Ecotourism Expert to develop new Guidelines for assessment and green certification of accommodations under Output 1.4 (60 days * $350 = $21,000); - IT/website developer to design an online system for application of green certification under Output 1.4 (30 days * $350 = $10,500); - National Ecotourism Expert to support the development of campsites and routes management and Ecotourism product siting and feasibility assessment under Output 1.4 (70 days*$350 = $24,500). Total $267,700								
Local Consultants	Local Consultants: - Ecotourism Planning Expert Management to develop landscape ecotourism plan and site-specific management plans for tourism products and enterprises under Outputs 2.1, 2.2 and 2.3 (30 weeks * $2,350 = $70,500);		159,050		159,050			159,050	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	- Livelihoods and Business Development expert to prepare product-specific business plans for tourism products under Output 2.2 and community enterprises under Outputs 2.1 and 2.3 (28 weeks * $2,350 = $65,800); - Safeguards expert to provide a framework and guidance to incorporate safeguards into tourism product development including scaled screening/EIA for infrastructure development under Output 2.2 (40 days * $350 = $14,000); - Gender Expert to guide and integrate gender elements in ecotourism development under Output 2.2 (25 days * $350 = $8,750). Total = $159,050								
Local Consultants	Local Consultants: - Ecotourism Planning Expert to train and sensitize key staff on the tourism guidelines, national tourism policy and Ecotourism Master Plan and to develop ToT materials on ecotourism planning, management under Output 3.1 (6 weeks * $2,350 = $14,100); - Livelihoods and Business Development Expert to develop ToT materials on ecotourism enterprise development, finance, risk management under Output 3.1 (8 weeks * $2,350 = $18,800); - Safeguards expert to provide safeguards training and sensitization to PMU and national and local stakeholders and complete review of SESP implementation to ensure adherence to UNDP SES requirements and national standards under Output 3.4 (20 days * 350 = $7,000);** - Gender Expert to provide training on gender safeguards under Output 3.1 and to carry out annual review of gender action plan			48,650	48,650	108,500		157,150	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		**(Executing Entity receiving funds from the GEF Agency)[1]**
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	implementation under Output 3.4 (25 days * $350 = $8,750); - M&E Expert to carry out surveys and report on status of indicators in the RF prior to PIR, MTR and TE under Output 3.4 (90 days * $350 = $31,500);** - Community Engagement Expert to complete KAP survey during project start and at TE under Output 3.4 (2 surveys * $22,500 = $45,000);** - Nature Experts to provide trainings on bird watching, flora and fauna in Zhemgang under Output 3.1 (20 days * $350 = $7,000); - Local consultant for MTR under Output 3.4 (30 days * $350 = $10,500);** - Local consultant for TE under Output 3.4 (40 days * $350 = $14,500).** Total = $157,150								
Trainings, Workshops, Meetings	Training, Workshops and Conferences: - Validation workshop for national and local level actions for ecotourism development under Output 1.1 ($10,000); - A Training of Trainers for TCB officials on data analytics and strategic tourism planning under Output 1.1 ($32,500); - Stakeholder consultations and meetings to establish Structure, governance framework, ToRs and functional protocols for the MTAC under Output 1.1 (5 workshops/meetings * $2,500 = $12,500), along with annual operating costs for meetings ($2,500 per year) = $22,500; - Sub-national regional workshops on overall national ecotourism planning including investments, biodiversity threats and product mapping under Outputs 1.1 and 1.3 (4 regional workshops with estimated of 50 participants per region = $50,000);	286,500			286,500			286,500	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	- National Workshop to review progress with the National Zero Poaching strategy and HWC management strategy based on internal best practices and local lessons under Output 1.2 ($50,000): - Partner agency national workshops on wildlife intelligence database, surveillance and monitoring and information sharing, and institutional roles and coordination under Output 1.2. (2 workshops X $10000 = $20,000); - Regional and national consultations and lesson sharing workshops on national regulations and penalties, provisions of IPPC, CBD, CITES and WEN under Output 1.2 (3 workshops in 3 years X $5,500 = $16,500); - National stakeholder consultations for establishment of local fees and service charges under Output 1.3 ($37,500); - Stakeholder consultations for revision or development of ecotourism guidelines under Output 1.4 ($37,500); - Training of 10 assessors to assess green certification of accommodations, tour operators and suppliers under Output 1.4 ($10,000); Total = 286,500								

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
Trainings, Workshops, Meetings	Training, Workshops and Conferences: - Local consultations for the establishment and operation of sustainable financing and revenue generation mechanisms under Output 2.1 ($36,000); - Field consultations on lesson learning from the demonstration sites under Outputs 2.1 and 2.2 ($10,200); - Field workshops on mapping habitats, HWC hotspots, sustainable financing mechanisms and investments under Output 2.2 ($5,500); - Local level workshops for the Ecotourism Planning Expert to develop conducive local government policies, regulations, standards and protocols for local tour operations, homestay management, health and safety at the local government level under Output 2.2 ($25,000); - Local consultations for the preparation of site-specific management plans and product-specific business plans for ecotourism products under Outputs 2.1 and 2.2 (20 workshops * $2,500 = $50,000); - Training and information workshops on mobile-based and other technologies for wildlife identification under Output 2.3 ($19,500); - Local consultations to establish baseline for HWC and poaching for BWS and SWS under Output 2.3 ($7,500); - Community workshop for technical demonstration of sustainable harvesting and protection of Hibericum and Viscum vegetation under Output 2.3 ($15,000); - Meetings of Landscape Ecotourism Coordination Committee under Output 2.2		193,700		193,700			193,700	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	($5,000 per year * 5 years = $25,000) Total = $193,700								

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
Trainings, Workshops, Meetings	Trainings, Workshops & Conferences: - Provision of hands-on technical training for 180 local communities and youth by TCB's mobile training unit on ecotourism development, enterprise management, governance, tour operations, safeguards standards across the demonstration landscape under Output 3.1 (10 trainings * $8,500 = $85,000 and cost for the mobile training unit 10 * $3,500 = $35,000) (Total = $112,000); - Training of 45 national and provincial government officials and tour operators on tourism guidelines and gender mainstreaming in tourism activities under Output 3.1 (2 workshops * $10,000 = $20,000); - Training of 45 local government officials, private sector and local communities on concessions framework, national tourism policy and Ecotourism Master Plan under Output 3.1 ($10,000); - Training of 120 potential local entrepreneurs to take up ecotourism-related commercial enterprises across the demonstration landscape under Output 3.1 (17 workshops * $6,500 = $110,500); - Local sensitization workshops on gender and social safeguards for landscape stakeholders under Output 3.4 (10 workshops * $1,000 = $10,000); - Stakeholder consultation workshops for MTR and TE under Output 3.4 (10 local workshops * $800 and 2 national workshops * $6,750. Total = $21,500);** - Training of local guides on bird watching, flora and fauna under Output 3.1 ($15,000); - Annual stakeholder workshops for participatory review of annual work plan implementation progress,			601,500	601,500	50,500		652,000	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	adaptive management of project activities and capturing of lessons learned prior to annual PIR/GWP qualitative review under Outputs 3.3 and 3.4 (5 workshops * $5,600 = $28,000);** (50% M&E) - Domestic and international knowledge transfer trainings as part of capacity development program under Output 3.1 ($50,000 in year 3 and 4, $45,000 in year 5; Total = $145,000); - Coordination and innovation forums on ecotourism to showcase project best practices and support knowledge exchange and replication at Zhemgang bird festival, Yangtse artisan festival and highland festival of Merak/Sakteng under Output 3.3 (2 events/year * 4 years * $7,500 = $60,000); - Annual planning and budgeting workshop from year 2 onwards under Output 3.4 (4 workshops * $7,500 = $30,000); - Local, landscape-level and national level lessons learning workshops and consultations under Output 3.3 (15 local consultations @ $1,200 and 5 workshops * $7,500 = $55,500); - Inception workshop under Output 3.4 ($15,000);** - Project technical advisory meetings under Output 3.4 (4 workshops * $5,000 = $20,000). Total = $652,000								
Trainings, Workshops, Meetings	Trainings, Workshops, Conferences: - PMU meetings cost (60 months * $150 = $9,000); - Project Steering Committee meetings (5 workshops * $5,000 = $25,000). Total =$34,000				-		34,000	34,000	The Tourism Council of Bhutan
Travel	Travels: Travel expenses of PMU and national consultants to delivers activities under Component 1 ($19,500)	19,500			19,500			19,500	The Tourism Council of Bhutan

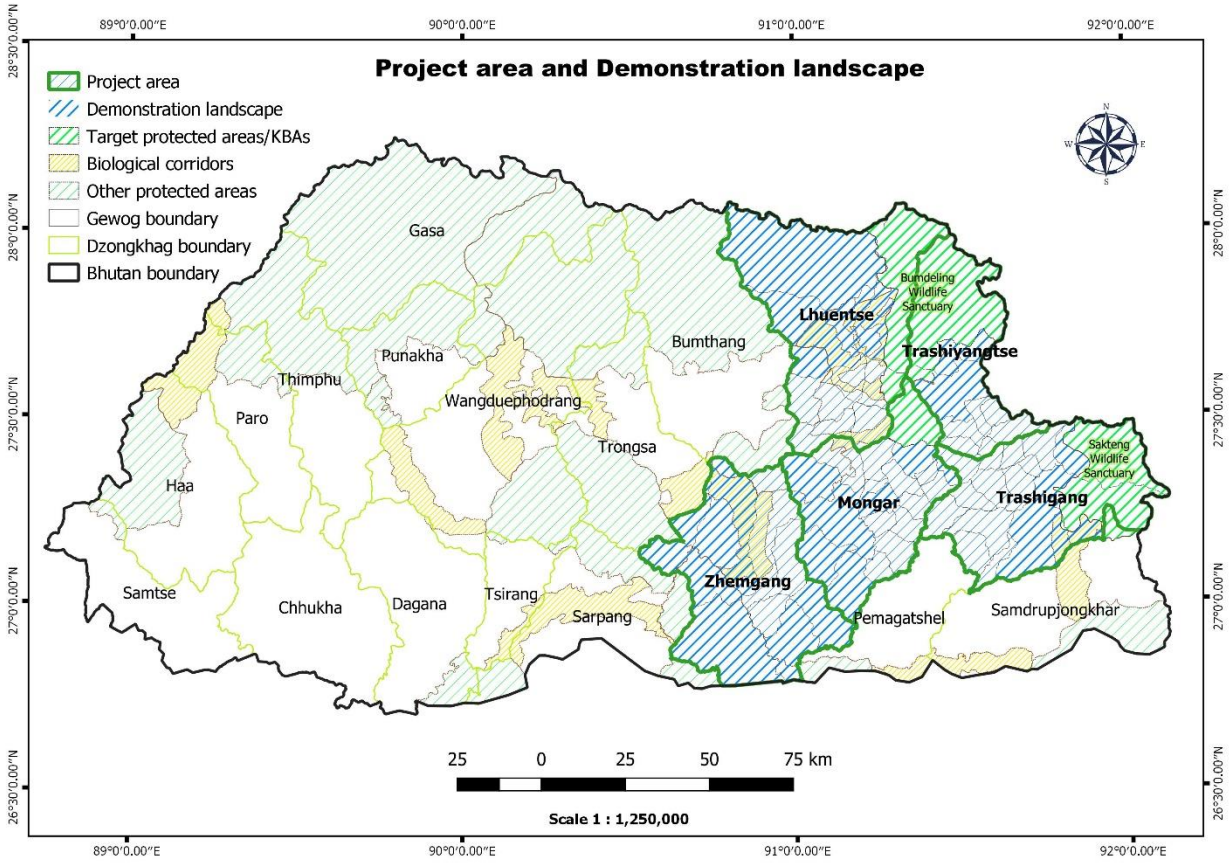
Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
Travel	Travel: Local travels and Daily Subsistence Allowance for consultants and field staff for the delivery of activities and local consultations across demonstration landscape ($94,000)		94,000		94,000			94,000	The Tourism Council of Bhutan
Travel	Travel: - International travel for the international consultants for MTR and TE under Output 3.4 (2 consultants * $5,000 = $10,000);** - Domestic travel for the national and international consultants for MTR and TE under Output 3.4 ($9,000);** - Travel for additional government and local stakeholder participation in thematic and regional GWP knowledge exchange events relevant to the project (5 years * 7,500 = $37,500). Total $56,500			37,500	37,500	19,000		56,500	The Tourism Council of Bhutan
Travel	Travel: Travel cost for PMU (5 years * $13,000 = $65,000).				-		65,000	65,000	The Tourism Council of Bhutan
Office Supplies	Supplies: Supply of office stationeries for PMU ($17,148).				-		17,148	17,148	The Tourism Council of Bhutan
Other Operating Costs	Audio Visual & Printing Prod Costs: Print production and publication cost for Bhutan Tourism Development Guidelines, estimated 10 guidelines will be published under Output 1.4 ($10,000)	10,000			10,000			10,000	The Tourism Council of Bhutan
Other Operating Costs	Audio Visual & Printing Prod Costs: - Printing of site-specific management plans for field users for ecotourism products under Outputs 2.1, 2.2 and 2.3 ($10,500); - Printing maps of HWC and poaching baseline within BWS and SWS under Output 2.3 (2 baseline maps * $1,500 = $3,000); - Production and printing cost for leaflets and audio-visual materials on local and global biodiversity values, benefits of co-existence to ecology, economy and culture and on the causes of HWC, national		73,500		73,500			73,500	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
	policies and strategies to prevent HWC, ecotourism concessions framework and guidelines under Output 2.4 ($60,000); Total = $73,500								
Other Operating Costs	Miscellaneous expenses: miscellaneous expenses for Component 2, including purchase of PPE as needed for local staff and communities ($8,330).		8,330		8,330			8,330	The Tourism Council of Bhutan
Other Operating Costs	Audio Visual & Printing Prod Costs: - Publication of landscape-level ecotourism marketing and branding strategy under Output 3.2 ($20,500); - Publication for marketing package/deck and target market information for 2 parks and 10 ecotourism sites for online promotion and posters for national and international tourism fairs under Output 3.2 (12 packages * $12,000 = $144,000); - Production for digital contents and narratives for promotion of post-COVID virtual tourism and marketing for 10 ecotourism products, 2 parks and overall landscape under Output 3.2 (13 productions * $12,500 = $162,500); - Production/printing of communication materials on lessons learnt related to ecotourism product demonstrations, concessions frameworks implementation, zero poaching and HWC strategy at the landscape level, implementation of tourism safeguards etc Output 3.3 ($7,250); - Mass communication materials for Zhemgang Bird/biodiversity festival and Biodiversity Run in Sakteng under Output 3.3 ($20,500). Total = $354,750			354,750	354,750			354,750	The Tourism Council of Bhutan
Other Operating Costs	Professional Services: Annual audit expenses (5 years * $1,200 = $6,000).				-		6,000	6,000	The Tourism Council of Bhutan

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 3*	*Sub-Total*	*M&E*	*PMC*		(Executing Entity receiving funds from the GEF Agency)[1]
		Sub-component 1.1	*Sub-component 2.1*	*Sub-component 3.1*					
Grand Total		**648,700**	**2,697,680**	**1,063,600**	**4,409,980**	**213,000**	**231,148**	**4,854,128**	

Annex 3: Project map and Geospatial Coordinates of project sites and demonstration landscape

Annex 3a: Project landscape area comprising the eastern circuit of overall tourism development



Geospatial coordinates of the Demonstration landscape

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

The project area comprises the five dzongkhags of Lhuentse, Mongar, Trashigang, Trashigyangtse and Zhemgang. This area was selected based on the following criteria:

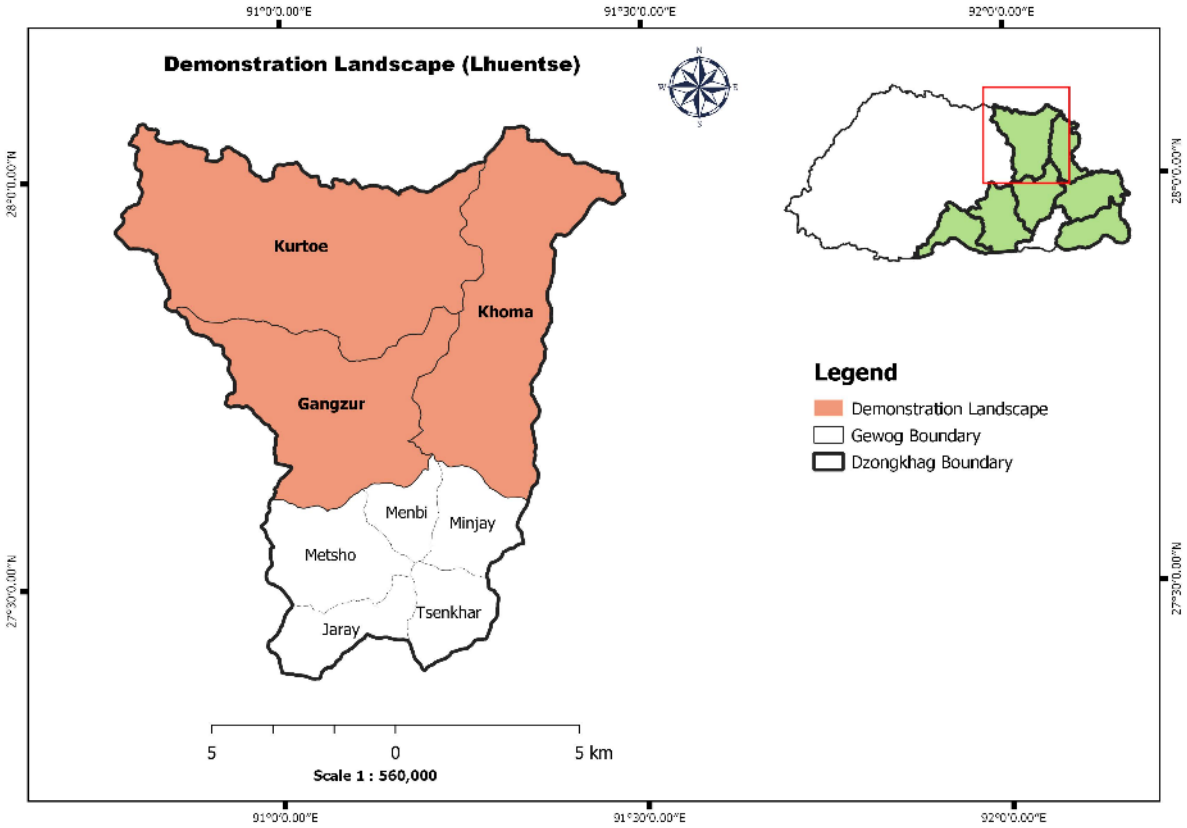
- *Bed nights;* The application of criteria to select all dzongkhags with less than national average bed nights (22,116.2 bed nights) per year enabled inclusion of 12 dzongkhags. They comprise Dagana (37), Tsirang (91), Pema Gatshel (250), Sarpang (309), Zhemgang (931), TrashiYangtse (1031), Lhuentse (1,120), SamdrupJongkhar (2,144), Gasa (3,341), Chukha (3,141), Mongar (4,404), Trashigang (4,489). This criterion was applied to enable spread of tourism to areas that received less tourists in the past (Government priority)
- *Under Protected Area;* The application of this criterion removed 3 dzongkhags of Dagana, Tsirang and Chukha since they do not have any association with PAs. This criterion was applied to ensure that the project works within areas that have PAs management and provide better scope for mainstreaming biodiversity conservation into tourism. This reduced the project area selection base to 9 Dzongkhags.
- *Accessibility and Security;* The application of this criterion removed 4 dzongkhags of Gasa, Sarpang, Samdrupjongkhar and Pema Gatshel. These areas either have accessibility issues (Gasa, which has more than half of the Dzongkhag with access road) and the rest are in in international border areas in the south which face uncertainties in their security situation due to geo-political situations. This criterion has been applied since the proposed project will not focus on physical access (roads) and at the same time security

and safety are critical considerations for tourism. This leaves the five dzongkhags of Mongar, Lhuentse, Trashigang, Trashiyangtse and Zhemgang.

- *Potential for Circuit;* The five dzongkhags also fit with the eastern circuit of the national approach for circuit-based tourism development.

The five dzongkhags and the two PAs of Bumdeling WS and Sakteng WS form the project area. The 19 gewogs that have been selected by the stakeholders to be included for project demonstration sites comprise the project demonstration landscape. Each Gewog of the project demonstration landscape includes one or more demonstration sites.

Annex 3b: Project demonstration landscape within Lhuentse Dzongkhag showing the 3 demonstration gewogs (sites) within Lhuentse



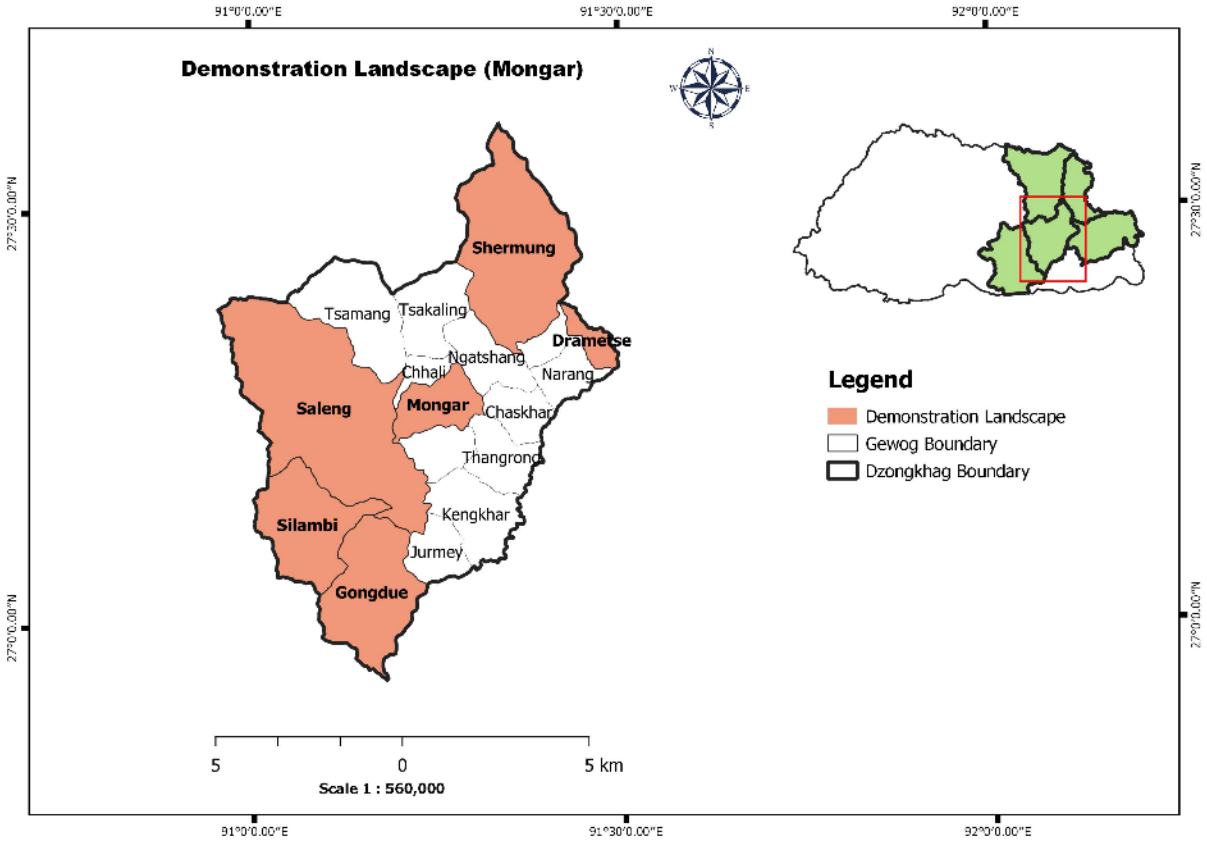
Geospatial coordinates of Lhuentse Project Site

Latitude 27° 35' 32" to 28° 4' 21" N and Longitude 90° 46' 21" to 91° 28' 17" E

Project sites in Lhuentse will be spread over three gewogs of Khoma, Kurtoe, and Gangzur. The activities within these gewogs are:

1. Singye Dzong Trail (domestic tourism)
2. Ludlow Expeditions Trail from Lhuentse to Yangtse
3. Establishment of Youth/Community enterprise in Khoma to operate domestic tourism to Singye Dzong
4. Homestay experiences in Khoma and Tsikhang

Annex 3c: Project demonstration landscape within Mongar Dzongkhag showing the 6 demonstration gewogs (sites) within Mongar



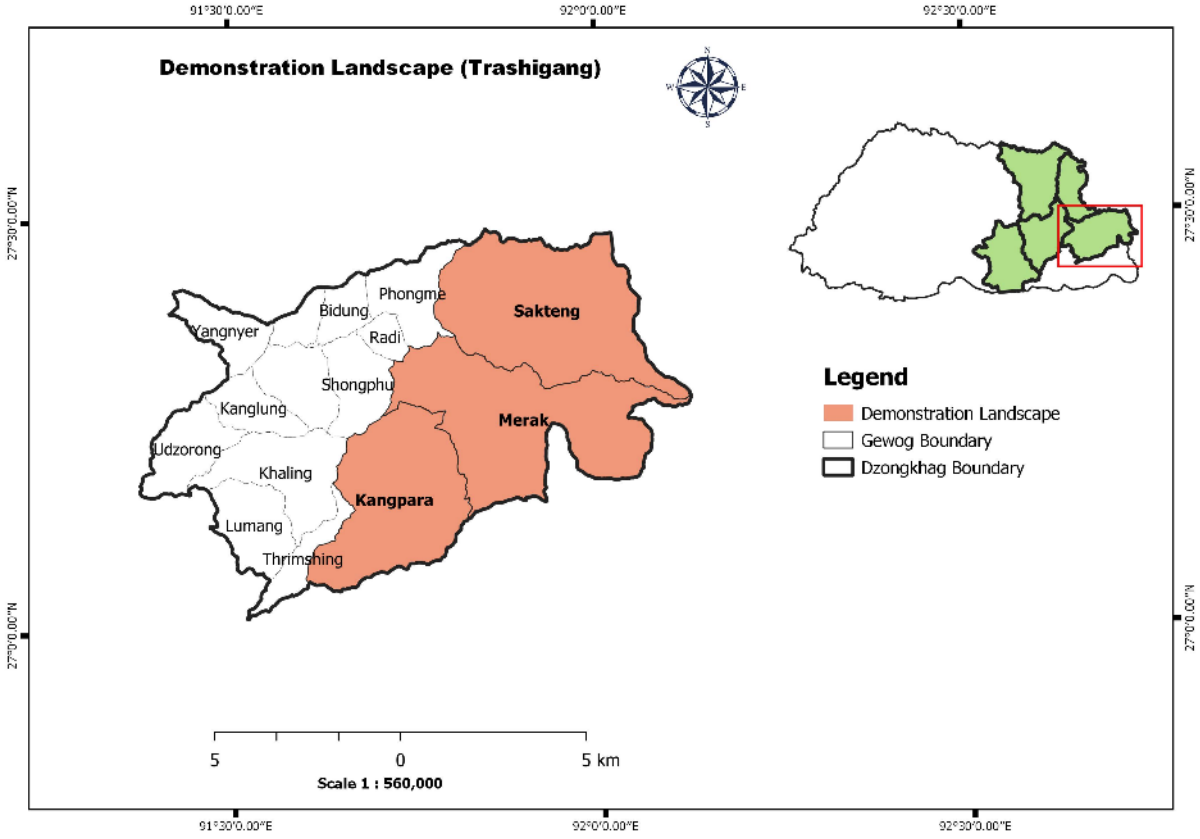
Geospatial coordinates of Mongar Project Site:

Latitude 26° 55' 50" to 27° 36' 32" N and Longitude 90° 57' 28" E to 91° 29' 31" E

Project sites in Mongar will be spread over five gewogs of Saleng, Silambi, Shermung, Gongdue, and Drametse. The activities within these gewogs are:

1. Latongla Zhongar Dzong Botanical and Bird watching Trek
2. Yonkola to Sengor Bird watching
3. Establishment of Youth/Community enterprise in Shermuhung to operate local tourism
4. Yangbari Manas Rafting
5. Homestay Experience
6. Habitat enrichment of Golden Masheer

Annex 3d: Project demonstration landscape within Trashigang Dzongkhag showing the 3 demonstration gewogs (sites) within Trashigang



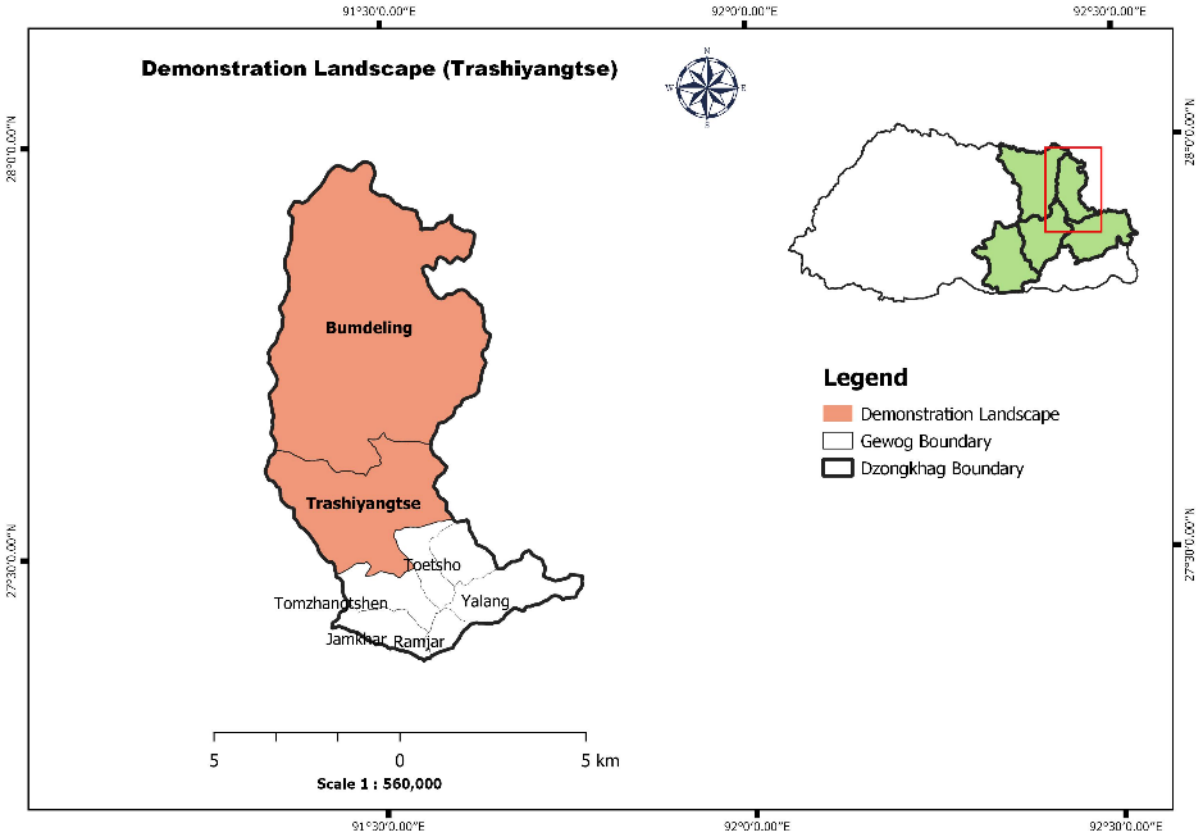
Geospatial coordinates of Trashigang Project Site

Latitude 27° 2' 34" to 27° 29' 21" N and Longitude 91° 36' 18" to 92° 7' 13" E

Project sites in Trashigang will be spread over three gewogs of Merak, Sakteng, and Kangpara. The activities within these gewogs are:

1. Jumo Panda Trail
2. Run for Biodiversity
3. Red Panda habitat enrichment

Annex 3e: Project demonstration landscape within Trashiyangtse Dzongkhag showing the 2 demonstration gewogs (sites) within Trashiyangtse



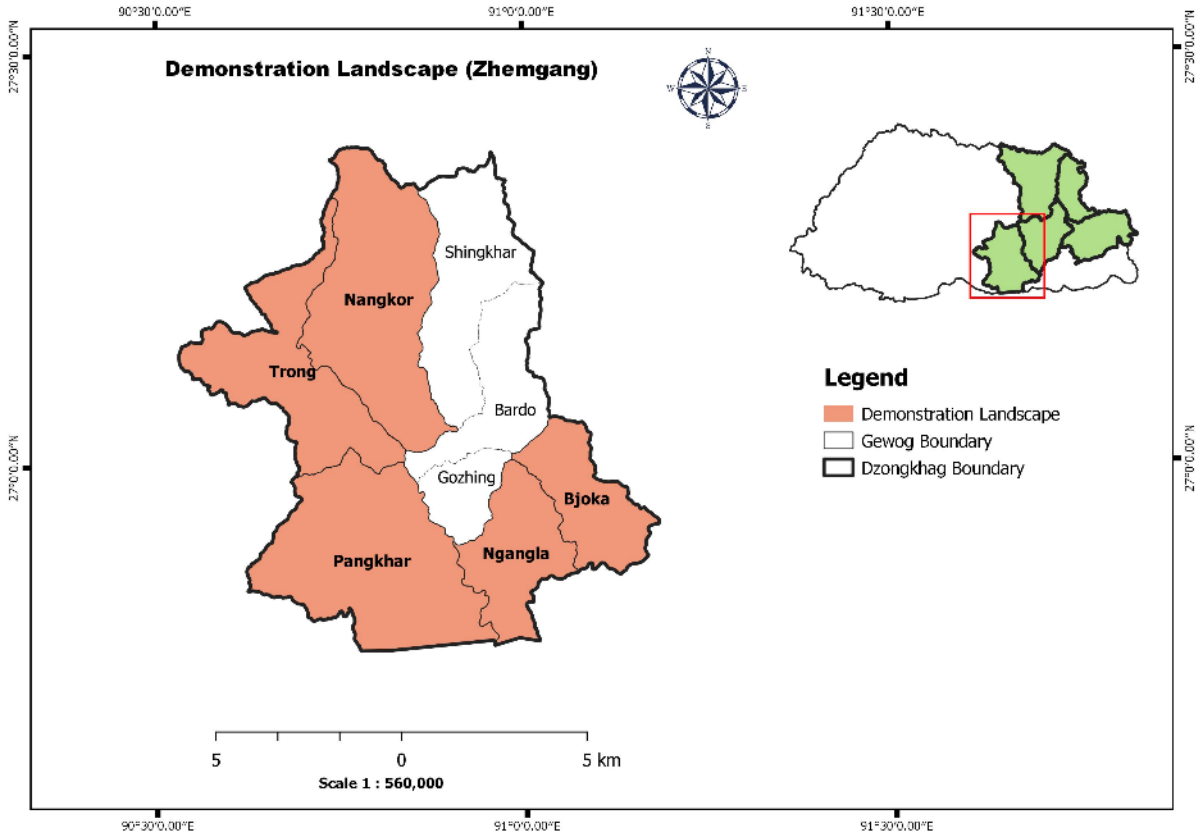
Geospatial coordinates of Trashiyangtse Project Site

Latitude 27° 58' 55" to 27° 28' 26" N and Longitude 91° 20' 31" to 91° 38' 30" E

Project sites in Trashiyangtse will be spread over two gewogs of Bumdiling, and Yangtse. The activities within these gewogs are:

1. Ludlow's Bhutan Glory Tour
2. Traditional paper enterprise
3. Green tea enterprise
4. Ludlow expeditions from Lhuentse to Yangyse
5. Habitat enrichment of Bhutan Glory and Black-necked crane

Annex 3f: Project demonstration landscape within Zhemgang Dzongkhag showing the 5 demonstration gewogs (sites) within Zhemgang



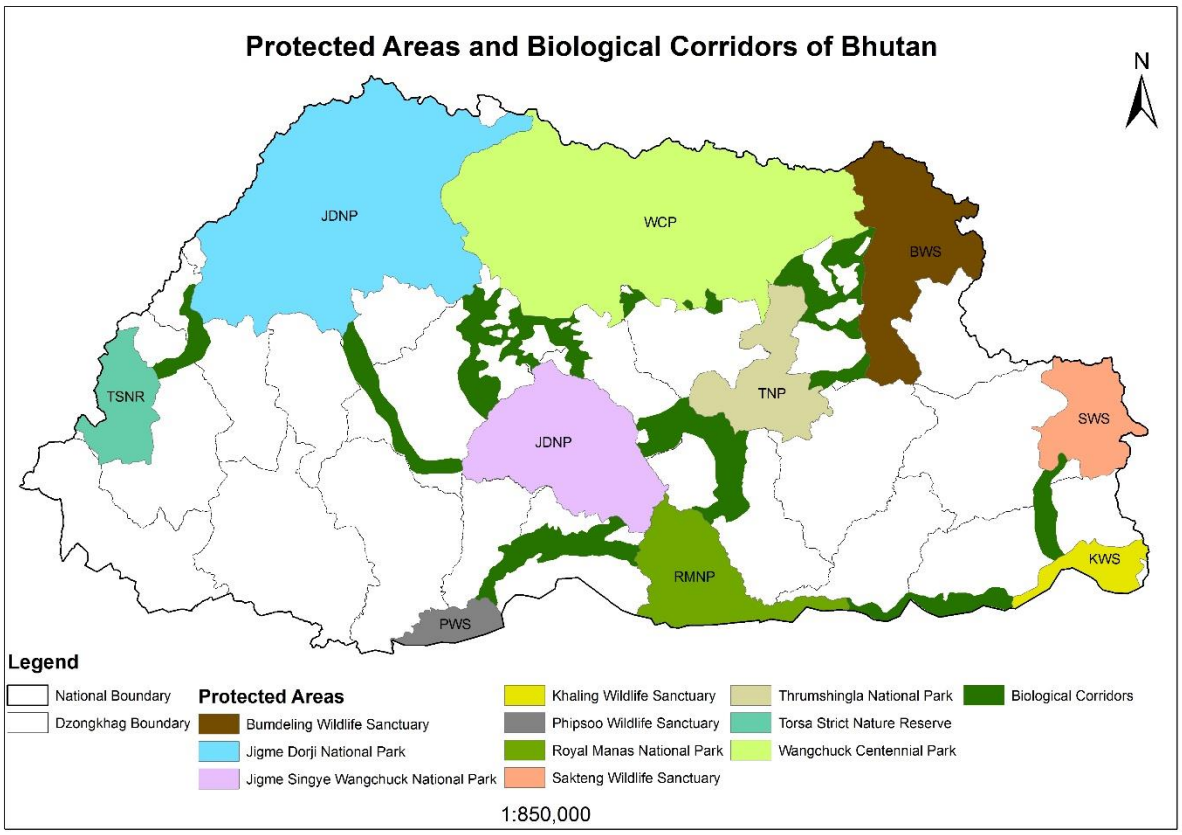
Geospatial coordinates of Zhemgang Project Site

Latitude 26° 46' 23" to 27° 23' 23" N and Longitude 90° 31' 55" to 91° 10' 50" E

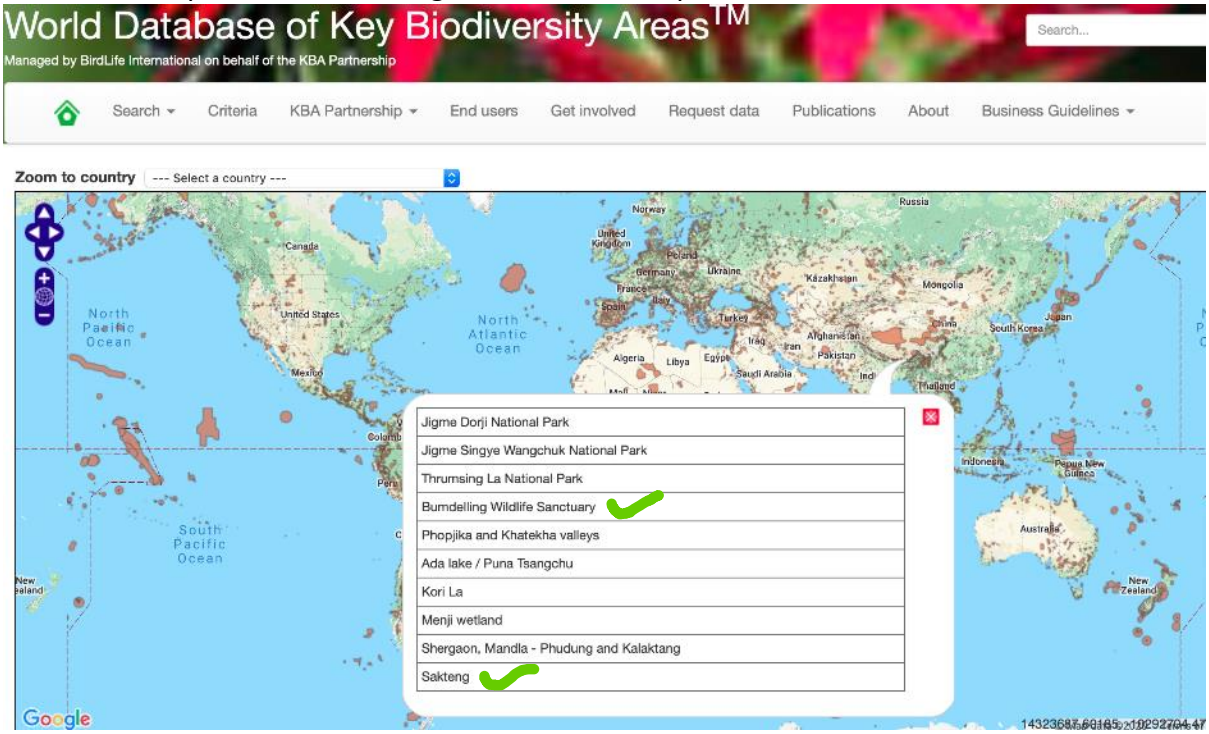
Project sites in Zhemgang will be spread over five gewogs of Bjoka, Nangla, Pangkar, Trong, and Nangkar. The activities within these gewogs are:

1. Yangbari Manas Rafting
2. Golden Langur Trail along Zhemgang-Dakphel-Tingtibi-Wangdigang-Zhemgang
3. Hornbill and Nuthatch Trail and homestays (Dakpai-Tali- Buli)
4. Berti Community-based Birding and Butterfly Tour
   (Berti -Tingtibi -Tama -Berti)
5. Biodiversity Immersion Trail (Tingtibi-Pantang)
6. Habitat enrichment of Golden Langur and Golden Masheer

Annex 3g: Spatial coverage of Protected Areas of Bhutan connected by Biological corridors



Annex 3h: Map database showing BWS and SWS as part of KBAs



Note: Key Biodiversity Areas (KBAs) sites are sites that contribute significantly to the global persistence of biodiversity.

a. Bumdeling Wildlife Sanctuary is the only place where Ludlow's Bhutan Glory is found. The butterfly was thought to be extinct after its first discovery in 1933 and rediscovered in 2009. It also an important winter roosting habitat for the vulnerable Black Necked Cranes. BWS is home to the Royal Bengal Tiger, Snow Leopard, Himalayan Musk Deer, Rufous-necked Hornbill, Chestnut-breasted Partridge, Wood Snipe and Palla's Fish Eagle. It is one of the few locations where the endemic species of East Himalayan Pine (Pinus bhutanica) is found.

b. Sakteng Wildlife Sanctuary is home to the Red panda, Himalayan black bear, Wild dog, Snow leopard, Barking deer, and Himalayan red fox add to the mammal richness of the park. Avifaunal species like Assamese macaque, Blood pheasant, Grey backed shrike, Grey headed woodpecker, Common hoopoe, Rufous vented tit and Dark breasted rose finch are found here too. Bhutan's national flower, Blue poppy is also found here as well as Rhododendrons, Primulas, Gentiana and *Cordyceps*, a plant ranking high in its medicinal value. Communities living in the SWS landscape are called *Brokpas* or nomads rearing yaks and herds of cattle for sustenance.

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Annex 4: Multi-Year Work Plan

Outputs	Activities		Year 1				Year 2				Year 3				Year 4				Year 5			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outcome 1: Effective policy and institutional framework for ecotourism that incentivizes and integrates biodiversity conservation into the tourism sector																						
1.1 National Ecotourism master plan developed and inclusive Multi-sector Technical Advisory Committee established	1.1.1	Establish Multi-Sector Technical Advisory Committee																				
	1.1.2	Extract ecotourism inventory																				
	1.1.3	Identify and map hotspots to select priority zones for ecotourism (and no-go areas)																				
	1.1.4	Identify appropriate ecotourism solutions																				
	1.1.5	Draft National Ecotourism Master Plan																				
	1.1.6	Develop operational frameworks for implementation																				
	1.1.7	Training in data analytics and strategic tourism planning																				
1.2 National Zero Poaching strategy and HWC management strategy implementation	1.2.1	Review progress with National Zero Poaching Strategy and HWC Management Strategy																				
	1.2.2	Advocacy and policy briefs																				
	1.2.3	Define institutional roles and SOPs for implementation																				
	1.2.4	Develop and test model for local-national coordination																				
	1.2.5	Analysis and sharing of local, regional and global experiences																				
1.3 Investment framework and sustainable financing mechanisms developed and operational	1.3.1	Identify sustainable financing options and prospectus																				
	1.3.2	Develop the ecotourism concessions framework																				
	1.3.3	Operational guidelines for concessionary licensing arrangements																				
	1.3.4	Develop MoU to retain tourism revenues for biodiversity																				
	1.3.5	Draft and finalize operational guidelines for activity/user fees for ecotourism																				
1.4 Ecotourism guidelines and certification system established	1.4.1	Develop Ecological Capacity Assessment toolkit																				
	1.4.2	Bhutan Tourism Product Development Guidelines (2018)																				
	1.4.3	Guidelines on the Operation and Monitoring of Commercial Rafting (2019)																				

Outputs	Activities		Year 1				Year 2				Year 3				Year 4				Year 5			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	1.4.4	Guidelines for Registration of Village Home Stays (2019)																				
	1.4.5	Procedures for Assessment and Classification of Hotels																				
	1.4.6	Procedures for the Assessment of New Tour Operator's Office (2017)																				
	1.4.7	Guidelines for Planning and Management of Ecotourism Development in the Protected Areas Network of Bhutan																				
	1.4.8	Develop Guidelines for assessment and green certification of accommodations																				
	1.4.9	Develop new Guidelines for campsites and routes management																				
	1.4.10	Develop guidelines for ecotourism product siting and feasibility assessment																				
	1.4.11	Establish on-line system for certification at TCB and train assessors																				
Outcome 2: Wildlife- based ecotourism strengthens biodiversity conservation, livelihoods and enhances human wildlife co-existence																						
2.1 Ecotourism concessions framework and sustainable financing mechanisms demonstrated at landscape level	2.1.1	Technical support on PPP and concessions framework																				
	2.1.2	Assess local fees and services charges																				
	2.1.3	Demonstrate mechanisms for retention of fees/revenues																				
	2.1.4	Operationalize institutional mechanisms for licensing concessions																				
	2.1.5	Establish and capacitate nature-based local enterprises																				
	2.1.6	Grants for innovative post-COVID businesses																				
	2.1.7	Issue grants for homestays																				
	2.1.8	Capture lessons learned																				
2.2 High quality ecotourism products and services developed	2.2.1	Establish Landscape Ecotourism Coordination Taskforce																				
	2.2.2	Develop landscape ecotourism plan																				
	2.2.3	Feasibility/validation of proposed tourism products																				
	2.2.4	Prepare business development / livelihoods framework																				
	2.2.5	Scoping and design of tourism products																				

Outputs	Activities		Year 1				Year 2				Year 3				Year 4				Year 5			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	2.2.6	Develop and upgrade tourism infrastructure																				
	2.2.7	Develop management plans and business plans																				
	2.2.8	Develop local government policies, regulations, standards for local tour operations																				
	2.2.9	Review experiences and document lessons																				
2.3 Conservation of biodiversity enhanced through habitat improvement and threat reduction	2.3.1	Develop landscape baseline on HWC / poaching																				
	2.3.2	Establish PA level Wildlife Conservation Committee																				
	2.3.3	Improved PA level intelligence database, surveillance and monitoring																				
	2.3.4	Facilitate increased use of mobile-based and other technologies																				
	2.3.5	Prepare habitat management and enrichment plans																				
	2.3.6	Implementation/demo of habitat management and improvement																				
	2.3.7	Establish and capacitate nature-based local enterprises																				
2.4 Awareness campaigns, educational materials and outreach with local communities	2.4.1	Information, Education and Communications Plan																				
	2.4.2	Prepare and disseminate communication materials																				
	2.4.3	Conduct awareness raising and educational activities																				
	2.4.5	Establish biodiversity information centers																				
Outcome 3: Effective capacity, marketing and knowledge exchange to establish Bhutan as a model ecotourism destination																						
3.1 Key actors (national and Dzongkhag governments, private sector and local communities) capacitated and equipped to support	3.1.1	Finalize capacity development plan																				
	3.1.2	Train key staff on tourism guidelines																				
	3.1.3	Train key staff on gender equality and integration																				
	3.1.4	Sensitize tourism stakeholders on Concessional Framework, National Tourism Policy and Ecotourism Master Plan																				
	3.1.5	Support the establishment and operation of a mobile training unit at TCB																				

Outputs	Activities		Year 1				Year 2				Year 3				Year 4				Year 5			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
ecotourism development	3.1.6	Develop ecotourism training materials and train the trainer materials																				
	3.1.7	Train local guides on bird watching, flora and fauna																				
	3.1.5	Deliver domestic and international knowledge transfer trainings																				
3.2 Ecotourism marketing and promotional strategy developed and implemented	3.2.1	Develop site specific and product specific marketing decks																				
	3.2.2	Develop a landscape level ecotourism marketing and branding strategy																				
	3.2.3	Conduct specialized training on branding, content development, marketing																				
	3.2.4	Review/revise TCB marketing strategy																				
	3.2.5	Integrate ecotourism and biodiversity into TCB marketing material																				
	3.2.5	Integrate biodiversity into marketing partnerships																				
3.3 Knowledge sharing platforms, events and networks established	3.3.1	Develop KM/Communications Plan																				
	3.3.2	Establish knowledge exchange platform																				
	3.3.3	Identify and review lessons learnt from demonstration landscape																				
	3.3.4	Disseminate lessons through awareness materials																				
	3.3.5	Conduct annual coordination and innovation forum																				
	3.3.6	Participate in GWP virtual and face-to-face knowledge events																				
	3.3.7	Facilitate knowledge exchange/transfers between project sites/gewogs and with GWP countries																				
3.4 M&E system incorporating gender, youth and vulnerable groups developed and implemented	3.4.1	Convene project inception workshop																				
	3.4.2	Update climate risk mitigation plan																				
	3.4.3	Annual work plan preparation																				
	3.4.4	Complete PIR																				
	3.4.5	Complete GWP qualitative review																				
	3.4.6	Hold Project Steering Committee meetings																				
	3.4.7	Review Gender Action Plan, SESP and SEP																				
	3.4.8	Conduct KAP survey																				
	3.4.9	Surveys to update indicators																				

Outputs	Activities		Year 1				Year 2				Year 3				Year 4				Year 5			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	3.4.10	Conduct independent Mid-term Review																				
	3.4.11	Conduct independent Terminal Evaluation																				

Annex 5: Monitoring Plan

This Monitoring Plan and the M&E Plan and Budget in Section VI of this project document will both guide monitoring and evaluation at the project level for the duration of project implementation.

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
Project objective-level indicators	**Indicator 1** Indicator 1: Number of direct project beneficiaries disaggregated by gender a) Total	EOP: 16,467 people (50% female) benefiting directly from the project MT: 8,233 people (50% female) benefiting directly from the project	See below – indicator is the sum of sub-indicators	See below	Annual PIR MTR and TE	See below	See below	See below
	b) People living in demonstration landscape Gewogs	EOP: 10,361 (5,185 female) MT: 5181 (2592 female)	30% of total population of the demonstration landscape Gewogs (project sites) 50% of the EOP target	Source for baseline: Population and. Housing Census of Bhutan (PHCB),2017 Extracted data from PHCB, 2017 projections	Annual PIR MTR and TE	Project Manager/ M&E officer	Reports from consultation processes Monitoring progress reports PHCB,2017	Risks: Labour shortage in rural communities could hamper participation by local communities in planned project activities. Assumptions: 30% of people living in demonstration landscape Gewogs who participate in project activities do actually benefit in terms of capacity, livelihoods or well-being
	c) Local private sector personnel	EOP: 227 (152 Female) MT: 114 (76 Female)	50% of individuals likely to be employed by local enterprises (established, supported or influenced by	Source of Baseline; Economic Census of Bhutan, 2018/2019. Source of MT and EOP;	Annual PIR MTR and TE	Project Manager/ M&E officer, Economic Development Officer (EDO)/Dzong	Reports from consultation processes Monitoring progress reports, Register of	Risks: Heavy workload of local staff might hamper adequate maintenance of monthly register or beneficiaries which

[62] Data collection methods should outline specific tools used to collect data and additional information as necessary to support monitoring. The PIR cannot be used as a source of verification.

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
			project) related to tourism within the demonstration landscape as defined by the Economic Census of Bhutan, 2018-19. These include related to Travel agency; hospitality service; Creative, arts and entertainment; Event catering; Museums and operation of historical sites and buildings; Organization of conventions and trade shows; Other amusement and recreation; Other reservation service and related activities; Other transportation support activities; Passenger air transport; Renting and leasing of motor vehicles; Renting and leasing of recreational and sports goods; Restaurants and mobile food service activities; Short term accommodation; Tour operator	Register of project beneficiaries. All Project sites will maintain a register of beneficiaries (Annex 5a) Monitoring Officer will compile quarterly list of beneficiaries as per Annex 5a.		khag Planning Officer (DPO) (in the case of Dzongkhag) and Park Manager (PM) in the case of PAs will compile monthly report on Annex 3a and submit to M&E Officer at PMU. M&E Officer at PMU to compile register of beneficiaries on a quarterly basis disaggregated by gender, local and central levels as per sub-indicator and provide the compiled data to the consultant during MTR and TE.	project beneficiaries	(Annex 5a) is not part of the Annual Performance Agreement of the concerned local officials Assumptions: Local private sector personnel who participate in project activities do actually benefit in terms of capacity, livelihoods or well-being

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
			activities; Other passenger land transport)					
	d) National private sector personnel	EOP: 5550 (3128 female) MT: 2775 (1564 female)	50% of estimated of individuals employed by enterprises related to tourism across the country as defined by the Economic Census of Bhutan, 2018-19. 50% of EOP target	Source of Baseline; Economic Census of Bhutan, 2018/2019. Source of Mid-term and TE; Register of project beneficiaries. All Project sites will maintain a register of beneficiaries (Annex 5a) .	Annual PIR MTR and TE	EDO/PO (in the case of Dzongkhag) and PM in the case of PA will compile monthly report on Annex 3a and submit to M&E Officer at PMU. PMU will compile quarterly data on the Annex 5a disaggregated by gender, local and central levels as per sub-indicator.	Reports from consultation processes Monitoring progress reports, Register of project beneficiaries	Risks: Heavy workload of local staff might hamper adequate maintenance of monthly register or beneficiaries which is not part of the Annual Performance Agreement of the concerned local officials Assumptions: As for local private sector
	e) Local RGoB Officials	EOP: 210 (25 Female) MT: 105 (12 Female)	50% of Local RGoB officials of project landscape - Park staff, Divisional Forest Offices (DFOs), Economic Development Officers (EDO), Dzongkhag Planning Officers (DPO), Gup, Gewog Administrative	Source of Baseline; Staff list of local officials Source of MT and EOP; Register of project beneficiaries. All Project sites will maintain a register of beneficiaries (Annex 5a)	Annual PIR MTR and TE	Consultant EDO/DPO (in the case of Dzongkhag) and PM in the case of PA will compile monthly report on Annex 5a and	Reports from consultation processes Monitoring progress reports, Register of project beneficiaries	Risks: Lack of access to staff list and related document of local government offices. Heavy workload of local staff might hamper adequate maintenance of monthly register or beneficiaries which is not part of the

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
			Officers (GAO), Dzongkhag Culture Officer, Gender Focal/Legal, Beautification Officer 50% of EOP target	Monitoring Officer will compile quarterly list of beneficiaries		submit to M&E Officer at PMU. PMU will compile quarterly data on the Annex 5a disaggregated by gender, local and central levels as per sub-indicator.		Annual Performance Agreement of the concerned local officials Assumptions: Local RGoB officials who participate in project activities do actually benefit in terms of capacity and effectiveness and Project team and evaluators will have access to staff list of government offices
	f) National RGoB Officials	EOP: 119 (Female = 44) MT: 60 (Female = 22)	50% of Officials at national level related to project. 50% of MT Target	Source of Baseline; Economic Census of Bhutan, 2018/2019. Source of MT and EOP: Register of project beneficiaries. All Project sites will maintain a register of beneficiaries (Annex 5a) Monitoring Officer will compile quarterly list of beneficiaries	Annual PIR MTR and TE	Consultant EDO/PO (in the case of Dzongkhag) and PM in the case of PA will compile monthly report on Annex 5a and submit to M&E Officer at PMU. PMU will compile quarterly data on the Annex 5a disaggregated by gender, local and	Consultant report Register of beneficiaries	Risks: Lack of access to staff list and related document of national government offices. Heavy workload of local staff might hamper adequate maintenance of monthly register or beneficiaries which is not part of the Annual Performance Agreement of the concerned local officials Assumptions: National RGoB officials who participate in project activities do actually

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
						central levels as per sub-indicators		benefit in terms of capacity and effectiveness
	Indicator 2 Area of landscapes under improved management for ecotourism and biodiversity conservation a) Total	EOP: 368,002 hectares MT: 297,101 hectares	See below	See below – indicator is the sum of sub-indicators	MTR and TE	Consultant	Consultant reports	See below
	b) Terrestrial protected areas: Area under improved management effectiveness (Bumdeling Wildlife Sanctuary and Sakteng Wildlife Sanctuary)	EOP: 226,200 ha within PAs of BWS and SWS MT: 226,200 ha (as METT target increase is expected by MT the full size of PAs would be counted aligning with GEF rules)	EOP Target = Full METT PA area, Note activities will focus on 5 gewogs that fall within the PAs of Khoma, Bumdeling and Shermuhoong under BWS + Sakteng and Meraag under SWS Mid-Term Target = Same as EOP as a METT increase is set by this time (see below).	Data source for baseline, MT and EOP; METT scores, Land cover and mapping project, 2010. Methodology; Confirm METT scores. Check that project activities have been implemented in all 5 gewogs of Khoma, Bumdeling and Shermuhoong under BWS + Sakteng and Meraag under SWS.	MTR and TE	Consultant	Consultant reports	Risks: Difficulty identifying area of completion Assumptions: The RGoB continues to provide strong political and financial support for ecotourism development in PAs, project activities result in improved management for biodiversity
	c) Area outside of PAs under improved management to benefit biodiversity (qualitative assessment, non-certified): Project	EOP: 141,802 hectares MT 70,901 hectares	EOP Target = 30 % of total terrestrial area of the demonstration landscape (472,675 hectares) comprising	Data source for baseline, MTR and TE; LCMP, 2010. Methodology;	Annual PIR MTR and TE	Consultant	Consultant reports	

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
	demonstration landscape Gewogs that fall outside PAs		14 gewogs that fall outside the PAs. They include Gewogs of Kurtoe and Gangzur under Lhuentse Dzongkhag; Drametse, Gongude, Mongar, Saling and Silambe under Mongar Dzongkhag; Kangpar gewog of Trashigang; Yangtse Gewog of Trashiyangtse; Bjoka, Nangkor, Ngangla, Phangkar and Trong Gewogs of Zhemgang Dzongkhag 50% of EOP Target	Check that project activities have been implemented in all 14 gewogs of Kurtoe under Lhuentse Dzongkhag; Drametse, Gongude, Mongar, Saling and Silambe under Mongar Dzongkhag; Kangpar gewog of Trashigang; Yangtse Gewog of Trashiyangtse; Bjoka, Nangkor, Ngangla, Phangkar and Trong Gewogs of Zhemgang Dzongkhag Estimate 30% of the land area of the concerned gewog using LCMP, 2010				
	Indicator 3: Management effectiveness at Bumdeling and Sakteng WS as measured by METT a) Overall METT score (GEF core indicator 1.2)	EOP: Overall score Bumdeling WS = 86 Sakteng WS = 86 MT: Overall score Bumdeling WS = 78 Sakteng WS = 80	METT score for protected areas – pertaining to revenue generation, visitor management, community engagement and threat reduction (questions 3, 10, 14, 15, 18, 20, 23, 24, 24a, 24b, 24c, 25,	Administrative data and consultation-based assessment by the PA management	MTR and TE	PA management	METT report	Risks: Delay with completion of METT Assumptions: METT will be an accurate indicator of management effectiveness including for ecotourism improvements

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
			27, 28, 29 of METT). Max. score = 39.					
	b) Specific improvements related to better ecotourism management (particularly on revenue generation, visitor management, community engagement and threat reduction) NB. Applies to questions 3, 10, 14, 15, 18, 20, 23, 24, 24a, 24b, 24c, 25, 27, 28, 29 of METT	EOP: Tourism specific score (Max = 39) Bumdeling WS = 31 Sakteng WS = 31 MT: Tourism specific score Bumdeling WS = 28 Sakteng WS =28	Scores based on questions 3, 10, 14, 15, 18, 20, 23, 24, 24a, 24b, 24c, 25, 27, 28, 29 of METT	METT assessment	MT and TE	Consultant	PA records and consultation	
	Indicator 4: # of indirect project beneficiaries disaggregated by gender a) Total (Sum of those indirectly benefitting from improved ecotourism or biodiversity conservation)	EOP: 101,444 (Female = 49,444) MT: 50,129 (Female = 24,445)	People who will benefit from the project outputs indirectly although they do not participate in the project activities People living in demonstration landscape Dzongkhags or the population of Lhuentse, Mongar, Trashigang, Trashigyangtse and Zhemgang (66,986 males and 65,186 females = 132, 168 individuals) excluding those	See below – sum of sub-indicators	MTR and TE	Consultant	Consultant reports	See below

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
			living in demonstration landscape gewogs or the demonstration gewog population (17,254 males and 17,283 females = 3,4537). This total is 2,963 individuals (with 1,387 females) based on PHCB, 2017;					
	b) People in local communities	EOP: 97,631 (Female = 47,903) MT: 48,816 (Female = 23,952)	EOP Target = 100% of population of the project area Dzongkhags (Lhuentse, Mongar, Trashigang, Trashigyangtse and Zhemgang) excluding those living in demonstration landscape gewogs MT Target = 30% of population of the project area Dzongkhags (Lhuentse, Mongar, Trashigang, Trashigyangtse and Zhemgang) excluding those living in demonstration landscape gewogs	Source for baseline, MT and EOP = PHCB, 2017 Use projections of PHCB for the MTR and TE.	MTR and TE	Consultant	Consultant reports	Risks: none Assumptions: Projections of PHCB are not accurate

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
	c) Private sector personnel	EOP: 2,963 (Female = 1,387) MT: 889 (Female = 416)	EOP Target = 100% of estimate of population within the landscape area excluding those in demonstration landscape gewogs engaged in tourism related economic section as defined by the Economic Census of Bhutan, 2018-2019 MT Target = 30% of estimate of population within the project area excluding those in demonstration landscape gewogs engaged in tourism related economic section as defined by the Economic Census of Bhutan, 2018-2019	Baseline source; Economic Census of Bhutan, 2018/2019. Source for monitoring; Tourism Employment Survey	Annual from 2020 onwards	M&E Officer to extract the estimate of people engaged in ecotourism activities from the annual tourism employment survey.	Tourism employment survey reports (starts from 2020)	Risk: The Tourism employment survey may not take place as planned. The PMU must liaise with the research division of TCB to ensure that the Tourism Employment Survey takes place as planned in 2020 onwards and to include tourism enterprises and employment data by gender in the tourism survey including people associated with the industry
	d) RGoB Officials	EOP: 850 (Female = 154) MT: 425 (Female = 77)	EOP Target = all staff of Dzongkhags, PAs, DFOs within the project area MT Target = 50% of all staff of Dzongkhags, PAs, DFOs within the project area	Data Source; List of staff of Dzongkhags, PAs, DFOs within the project area	MTR and TE	M&E Officer at PMU level; PM at PAs; CFO at DFOs and EDO/PO at Dzongkhags	Staff list/Websites of concerned agencies	Risks: none Assumptions: all staff will indirectly benefit

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
Outcome 1 indicators	**Indicator 5:** Extent to which biodiversity conservation is integrated into tourism policy: a) Status of establishment of National Ecotourism Master Plan with national level Multi-sector Technical Advisory Committee (MTAC) for mainstreaming biodiversity conservation into the tourism sector	EOP: Ecotourism Master Plan under implementation across Bhutan, with MTAC fully functional with clear governance and operational mechanisms MT: Ecotourism Master Plan adopted by the TCB and being piloted in the demonstration landscape, with MTAC established	Eco-tourism master plan document	TCB annual report	Annual	M&E Officer, PMU	TCB Annual report Plan Document	Risks: Lack of financing may constrain implementation of the master plan, delay in adoption Assumptions: TCB adopts the Master Plan and tourism development remains to be RGoB's priority in the 13th FYP
	b) Number of Guidelines for ecotourism incorporating biodiversity conservation	EOP: 18 Tourism Guidelines under implementation (6 existing; 6 revised and 6 new) MT: 6 existing guidelines revised and adopted by TCB 6 new guidelines developed and adopted by TCB	6 existing guidelines to be revised are; Bhutan Tourism Product Development Guidelines, 2018; Guidelines on the operation and monitoring of commercial rafting, 2019; Guidelines for registration of village home stays, 2019; Procedures for assessment and classification of hotels; Procedures for the assessment of new Tour Operator's Office, 2017.	Progress reports and publications	Semi-annual	M&E Officer, PMU	Publication of Guidelines	Risks: Too many guidelines may create confusion and loss of clarity on policy intentions, delay in development of some guidelines Assumptions: The national level guidelines are able to adequately address all site specific safeguards

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
			6 new guidelines developed and adopted are: Ecological Capacity Assessment toolkit for tourism destinations; Guidelines for assessment and green certification of accommodations tour operators and suppliers; Guidelines for campsite and routes management; Guidelines on ecotourism product siting and feasibility assessment; Operational Guidelines for concessionary licensing arrangements within and outside PAs; Operational Guidelines for establishment of Park Fees, Activity Fees and other user fees for ecotourism products and services and retention of a portion of such fees for biodiversity conservation at local levels.					

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
	Indicator 6: Extent of operationalized mechanisms and guidelines for enhancing revenue generation for biodiversity through ecotourism: a) Status of establishment and implementation of Ecotourism concessions framework	EOP: At least two concession-based initiatives operational in the demonstration landscape with lessons shared for national replication and upscaling MT: Concessions mechanism finalized for approval by Cabinet and operational guidelines for concessionary licensing arrangements within and outside PAs developed	Ecotourism concessions framework document that describes concessions to be provided by the State for private/community-based initiatives to build, operate and demonstrate sustainable financing for biodiversity conservation	Project reports	Annual	M&E Officer	Progress report; Publication of the concession's framework	Risks: delay in adoption Assumption: Cabinet adopts the concession framework
	b) Status of adoption and implementation of operational guidelines for Park Fees, Activity Fees and User Fees	EOP: Operational guidelines for establishment of Park Fees, Activity Fees and other user fees for ecotourism products and services and retention of a portion of such fees and certain portion of revenue from concession-based enterprises for biodiversity conservation at local level implemented MT: Operational guidelines for establishment of Park Fees, Activity Fees and other user fees for ecotourism products and services and retention of a portion of such fees and certain portion of revenue	Products and services for which fees will be collected, how and by whom including how much can be retained at local levels for local conservation financing	Project reports	Annual	M&E Officer	Progress report;	Risks: delay in guidelines Assumption: TCB adopts the guidelines

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
		from concession-based enterprises for biodiversity conservation at local level developed and approved						
	Indicator 7: Number of entities certified under the ecotourism certification schemes delivering environmental and social safeguards a) Number of tour operators certified under Voluntary Green Certification system for certifying accommodation, tour operators and other tourism service providers.	EOP: 50 tour operators certified across Bhutan MT: 20 tour operators certified in demonstration landscape	No. of tour operators, accommodations and service providers listed for green certifications, assessed and been issues green certificates Certification Schemes that enables certification of accommodations, tour operators and other tourism service providers with minimum mandatory environment friendly practices. Voluntary Green Certification Scheme for certifying accommodation, tour operators and other tourism service providers.	Project reports and M&E	Annual	M&E Officer	TCB progress reports	Risk: Accommodations, tour operators and service providers, homestays and eco-lodges may not be keen to participate in the scheme Assumptions: Incentives and value of green certification makes green certification attractive for private operators. Green certification scheme approved by the Government.
	b) Number of accommodation operators certified	EOP: 70 hotels and lodges and 30 homestays certified as green across Bhutan	Homestays and eco-lodges listed for green certifications,	Project reports and M&E	Annual	M&E Officer	TCB progress reports	

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
	(eco-lodges/hotels /homestays)	MT: 20 hotels and lodges certified as green; 5 homestays certified as green in demonstration landscape	assessed and been issued certificates					
Outcome 2 indicators	**Indicator 8:** The status of establishment of multi-sector coordination mechanisms for: a) The integration of biodiversity conservation (including safeguarding guidelines and standards) into ecotourism development and operation b) Cross-agency cooperation across nature conservation and law enforcement sectors to combat poaching and human-wildlife conflict	EOP: a) Landscape-level Ecotourism Coordination Taskforce applying safeguarding guidelines and standards to ecotourism businesses, and lessons learned shared with national level MTAC for upscaling b) Landscape Wildlife Conservation Committees functional and Landscape-level baseline on HWC provides information for SMART patrolling MT: a) Landscape-level Ecotourism Coordination Taskforce established and trained in application of safeguarding guidelines and standards b) Landscape Wildlife Conservation Committees functional and Landscape-level baseline on HWC provides information for SMART patrolling	Landscape level coordination is taking place	Landscape coordination meeting records and actions taken at landscape level	Quarterly	Project Manager	Progress report of TCB Organizational structure and Mandate of the coordination mechanism Number of meetings and record of meetings	Risks: delay in establishing LECT, operational challenges Assumption: Landscape level coordination improves issues and coordination issues in ecotourism development and HWC management

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
	Indicator 9 Extent of Livelihoods improvement as measured by: a) % of local households within the demonstration landscape communities benefitting from ecotourism	EOP: 50% (1,230 Households) MT: 30% (369 Households)	% of household of the communities engaged in project activities within the 19 demonstration landscape gewogs.	Field data from concerned communities. Not possible to confirm baseline of household % benefitting. TBC in year 1.	MTR and TE	EPOs/Pos/ PAs	Record of community Households at the Dzongkhags	Risks: Low number of visitors Assumption: 50% households of communities where project activities will be implemented will be directly engaged in the project activities.
	b) Number of jobs through ecotourism in landscape Gewogs, segregated by gender (total including baseline employment; number of new jobs created)	EOP: 468 (234 women). Giving overall jobs total of 2,027 (1,013 = women) including baseline jobs MT: 156 (78 = women). Giving overall jobs total of 1,715 (857 = women)	EOP target = Number of jobs created through tourism related enterprises in the demonstration landscape gewogs (30% of the baseline) plus the baseline. MT target = 10% increase over baseline Baseline = Estimated employment within landscape gewogs in tourism sector by ECoB, 2018-19. Baseline jobs is 1,559.	Source of data of baseline = ECoB, 2018-19 Source of data for MTR and TE = Tourism employment survey - starts from 2020	MTR and TE	M&E Officer to extract the estimate of people engaged in ecotourism activities from the annual tourism employment survey.	Tourism employment survey	Risk: The Tourism employment survey may not take place as planned. The PMU must liaise with the research division of TCB to ensure that the Tourism Employment Survey takes place as planned in 2020 onwards and to include tourism enterprises and employment data by gender in the tourism survey. Low number of visitors Assumptions: baseline and data are reliable
	c) number of operational local economic enterprises nature/wildlife-based related to ecotourism	EOP: 179 (60 new) MT: 137 (18 new) (including baseline enterprises)	EOP target = Number of enterprises related to tourism across the demonstration	Source of data of baseline = ECoB, 2018-19. 119 (estimated as 50% of tourism related	MTR and TE	M&E Officer to extract the estimate of people engaged in	Tourism employment survey of starts from 2020	

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
	(defined by ECoB, 2018-2019)		landscape (as defined by the Economic Census of Bhutan, 2018-19) which is an increase by 50% over the baseline. MT Target = 30% of the end of project target	enterprises baseline). Source of data for MT and EOP = Tourism employment survey of starts from 2020		ecotourism activities from the annual tourism employment survey.		
	d) average annual household income (US$)	EOP: at least 20% increase in household income over the baseline or $2400 MT: at least 10% increase in household income over the baseline or $2200	Average annual household income for targeted household increased over the baseline TBC in Year 1 with indicative baseline of $2000 (as defined by the Bhutan Living Standards Survey)	Where available, collated from the Bhutan Living Standards Survey, and/or supplemented through survey during MTR and TE	MTR and TE	M&E Officer and MTR/TE consultants	Bhutan Living Standards Survey and MTR/TE Reports	Risks: The Bhutan Living Standards Survey is done every 5 years with the next one slated for 2022. Only one Survey report will be available for the project duration. For the TE, a survey will be conducted.
	Indicator 10: Targeted reduction of threats to biodiversity and human-wildlife coexistence a) % reduction in annual incidences of HWC impacting crops, livestock and people in targeted communities within the demonstration landscape	EOP: At least 50% reduction in annual HWC incidences in the target communities MT: At least 15% reduction in annual HWC incidences in the target communities	Record of HWC incidences in the PAs	HWC baseline in target communities to established in Year 1 Compilation of HWC incidences	Continuous	PAs	Progress reports	Risks: poor collection of records, low reporting of incidences Delayed establishment of baseline Assumptions: records are a reliable measure of incidences
	b) Habitats improved for flagship species in the demonstration landscape	EOP: Habitats improved for Ludlow butterfly, red panda, black-necked	Area of habitat improved	Progress reports	Annual	PAs	Progress reports	Risks: potential negative impacts of measures

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
		crane, golden langur and golden mahseer MT: Habitat enrichment plans prepared for Ludlow butterfly, red panda, black-necked crane, golden langur and golden mahseer						Delay in preparation of habitat improvement plans Assumption; Use of native species for replenishment of vegetation, measures lead to habitat improvement
	c) Reduction in incidence of wildlife loss through snares	EOP: Reduction on loss of wildlife through snares by >90% MT: Reduction on loss of wildlife through snares by 50%	Count of wildlife trapped by snares and count of wildlife lost through snare	HWC baseline in target communities established in Year 1 Administrative records indicating the HWC status compared to the baseline	MT and TE	HWC baseline by consultant	HWC baseline Progress report	Risks: not foreseen Assumptions: Snare detectors are effectively supported and successful in Bhutan context
	Indicator 11: Extent of Revenues / financial flows generated for biodiversity conservation a) Status of established financial mechanisms and financial flows ($US) mechanisms inside PAs	EOP: At least $45,000/year generated in BWS and SWS through new mechanisms on Financial flows for biodiversity conservation inside PAs (target TBC) MT: As New mechanisms developed under Component 1 ready to be piloted in BWS and SWS	Record of revenues from ecotourism enterprises and flow of funds for local conservation	Financial target to be determined in Year 1 based on progress and indication from products within the demonstration landscape Revenue records	MTR and TE	PMU	Concessions framework document	Risks: failure to finalize mechanisms and confirm targets Assumption: Cabinet endorses the concession framework Revenue data sharing accepted by stakeholders

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
	b) Status of established financial mechanisms and financial flows ($US) mechanisms outside PAs	EOP: At least $155,000/year generated in demonstration landscape areas outside PAs through new mechanisms on Financial flows for biodiversity conservation outside PAs including nature-based MT: New mechanisms developed under Component 1 ready to be piloted outside PAs and at least 2 Youth/community enterprises established demonstrating sustainable nature-based business operational and contributing to the sustainable management of domestic tourism within the demonstration landscape.	Record of revenues from ecotourism enterprises and flow of funds for local conservation	Revenue records	MTR and TE	PMU	Concessions framework document	
	Indicator 12: Level of Knowledge, Attitudes and Practices (KAP) of target stakeholders towards wildlife conservation and mainstreaming biodiversity conservation into tourism, as measured by KAP surveys	EOP: a) 20% improvement on baseline b) 20% improvement on baseline MT: KAP survey will not be repeated at mid-term due to cost of survey and small time-gap from setting baseline	% of population with awareness on Knowledge, Attitudes, Practices at the national level and at the demonstration landscape level (measured separately for elected representatives and the public (gender-	KAP assessment guideline was prepared during PPG. Quantitative questionnaire survey administered on elected representatives For the public: Qualitative information form	Baseline set in Year 1; re-measured at TE	Independent KAP Survey Team (outsourced)	KAP Survey report	Risks: Communities fail to accept ecotourism development approaches due to lack of perceived improvements to livelihoods or wellbeing Assumptions: KAP is a reliable assessment of

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
			disaggregated)	key informant's interviews, direct observation and Focus group discussions				attitudes; single use at TE will detect a reliable increase
	a) KAP score for Communities in the demonstration landscape (gender-disaggregated)	EOP: 20% improvement from baseline MT: No MT assessment	KAP Survey assessment by gender	KAP Survey (see above)	Only at TE	Consultant	KAP Survey report	
	b) KAP score for Private sector in the demonstration landscape (gender-disaggregated)	EOP: 20% improvement from baseline	KAP Survey assessment by gender	KAP Survey (see above)	Only at TE	Consultant	KAP Survey report	
Outcome 3 indicators	**Indicator 13:** % of international tourists who have opted for nature-based tourism products including trekking, homestays, birding, rafting, endurance/adventure sports – as measured by the National Tourism Monitor	EOP: 20% international tourists MT: 15% international tourists	% of international tourists who have opted for nature-based tourism products including trekking, homestays, birding, rafting, endurance/adventure sports	Annual tourism monitor	MTR and TE	Tourism monitor is conducted by independent survey team	Tourism Monitor Report	Risks: disruption of annual tourism monitor assessments Assumptions: survey is a reliable estimate
	Indicator 14: Capacity of national and local stakeholders to mainstream biodiversity into ecotourism development and operation as measured by the UNDP's Capacity Development Scorecard (see **Annex 10j**)	EOP: 72 % MT: 36 %	Measurement of capacity among national public sector stakeholders to support ecotourism development and mainstream biodiversity into ecotourism development	UNDP's Capacity Development Scorecard	MTR and TE	M&E Officer	CD Scorecard assessment report	Risks: not foreseen Assumptions: scorecard is a reliable assessment and can be completed accurately

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
	a) National level (Relevant National laws and policies; Agencies include TCB, DoFPS, RSPN)							
	b) Local level: (BWS, SWS, Five landscape Dzongkhags)	EOP: 63% MT: 31%	Measurement of capacity among local public sector stakeholders to support ecotourism development and mainstream BD into ecotourism development	UNDP's Capacity Development Scorecard	MTR and TE	M&E Officer	CD Scorecard assessment report	
	Indicator 15: Number of best practices including those from GWP, and key project lessons documented and shared through TCB and UNDP CO website and social media for upscaling including on gender mainstreaming and socio-cultural benefits	EOP: At least 800 downloads of project documents, results and lessons learned (MT target list, plus management plans for products and services in the demonstration landscapes, flagship species habitat enrichment plans, HWC reduction reports, documents on gender mainstreaming etc. MT: At least 250 downloads of project documents and initial results and lessons learned (Ecotourism Master Plan, Ecotourism Concessional Framework, Ecotourism Guidelines, HWC policy briefs)	Extent of best practices including those from GWP, and key project lessons documented and shared	Project website, UNDP CO & government website assessment, GWP website etc	MT and TE	PMU		Risks: not foreseen Assumption: Project website and others hosts best practices including those from GWP, and key project lessons

Monitoring	Indicators	Targets	Description of indicators and targets	Data source/Collection Methods[62]	Frequency	Responsible for data collection	Means of verification	Risks/Assumptions
Questions for TOC assumptions	N/A Refer to Table 1 for specific monitoring questions that will be assessed to evaluate the validity and accuracy of assumptions underpinning the TOC	N/A Questions are used to monitor TOC assumptions and refine assumptions and TOC as part of adaptive management	N/A	Questions will be assessed as part of annual stakeholder participatory workshops on project progress and adaptive management completed prior to each PIR. Process for monitoring questions will include document review, expert assessment, and quantitative data collation as needed. Findings will be recorded as part of workshop reports and summarized in PIRs.	Annual, prior to each PIR	PMU	Document review – project reports, government policies, Expert stakeholder assessment	Risks: not foreseen Assumptions: Project review workshops are held as scheduled; Strong and diverse participation in stakeholder progress review workshops; Availability of required documents for document review

Annex 5a: Register of direct project beneficiaries (for Indicator 1) – to be compiled on a Quarterly basis by the Dzongkhags and PAs and updated at the PMU by M&E Officer

CID No.	Gender (M/F)	Participation in Project activity (Specify project activity)	Organization/entity (Community/private/RGoB)	Level of Organization/entity (Local/National)
CID = Citizen identity card no (to be used only to avoid double counting – not to be reflected in the final M&E report)				

Annex 6: UNDP Social and Environmental Screening Procedure (SESP) NEEDS UPDATING

Project Information

Project Information	
1. Project Title	Mainstreaming biodiversity conservation into the tourism sector in Bhutan
2. Project Number	PIMS 6319
3. Location (Global/Region/Country)	Bhutan

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

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

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

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

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

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

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

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

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

- Gender mainstreaming and capacity building within GEF project staff to improve socio-economic understanding of gender issues: Gender awareness and capacity of the project PMU (Project Management Unit) staff (national and local) and consultants will be enhanced through induction and training conducted by a Gender Mainstreaming Specialist who will be hired by the project. The Project Manager will take overall responsibility for ensuring effective gender mainstreaming.
- A designated focal point for gender issues to support development, implementation, monitoring and strategy on gender mainstreaming internally and externally: The Dzongkhag Legal Officer will act as Gender focal point in the landscape areas. He/she will be designated with the overall goal to help the project to promote gender equality through effective and efficient implementation of the actions and provide advice when needed. The project local staff will also have responsibilities for local gender mainstreaming. The project will be implemented with strong support and guidance from the local level Mainstreaming Reference Group members (GECDP[63]) and Dzongkhag Officials.
- Working with experts in gender issues to utilize their expertise in developing and implementing GEF projects: The project will give special attention to ensure good participation by all people – men and women, rich and poor, young and old and to bringing the most vulnerable people in the community into decision-making, including single female-headed households and women-headed households. The project manager along with the officers and consultants in charge of different Outputs should work closely with the gender focal point to develop gender-disaggregated data for the demonstration landscape during the 1st year of project implementation, as required in the Results Framework and Gender Action Plan.

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

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

The project is seeking to ensure that further tourism development in Bhutan takes place in a manner that is environmentally sustainable and avoids, manages and mitigates potential environmental impacts. The project design phase has included reviews of best practices from both national and international ecotourism initiatives, and wide consultations with national and local stakeholders (including at the PPG Inception workshop and validation meeting). Successful approaches have been included in the consultant's reports and the full

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

project document. Further details are provided in the Project Document and its annexes. The PPG has concluded that a number of new guidelines and safeguards are required to ensure that this happens for all stages of planning, design, development and operation of ecotourism activities. In addition, it will be necessary to develop standards for tourism operations to adhere to, along with a reporting and monitoring process. The guidelines, safeguards and standards will be tested and demonstrated across a selected landscape in Eastern Bhutan. In addition, the project will establish inter-sectoral stakeholder coordination and governance mechanisms for ecotourism development at both national and demonstration landscape levels, bringing together key sectors to ensure that environmental sustainability is fully mainstreamed through the tourism value chain. These mechanisms will consider biodiversity mainstreaming for ecotourism both within protected areas and across the wider landscape.

Part B. Identifying and Managing Social and Environmental Risks

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

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

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			aware of their rights as they have engaged in many development projects in the past. In general communities are also aware of the Royal Government of Bhutan's policies and guidelines for environmental clearance and impact assessment and its participatory process (e.g. Royal Government's Environmental Assessment Act 2000 and Regulation for Environment Clearance for Project 2016) which require conducting public consultation including with government departments, and to secure no objection certificate or clearance before issuing environmental clearances or other approval for implementation. Most of the activities such as trail development, ecolodge, birding deck and other community infrastructure will not be developed in private or community owned land, but on State land. However, FPIC could be required for ecotourism development activities under Output 2.2 as this development could impact on use of land and resources, therefore requiring FPIC in accordance with UNDP SES Standard 6. This consent (including FPIC as required) has not yet been obtained from local communities.	where principles of FPIC will be further emphasized and demonstrated through providing timely information related to opportunities and risk of the proposed interventions for the beneficiaries to enable them to make decisions. These processes have been integrated into project activities and budget (e.g. regular local consultation workshops). Should community concern or inability to secure FPIC emerge the following mechanisms would be applied as adaptive management: • Conduct additional stakeholder consultations/workshops as needed to further discuss, develop and refine project activities and approaches; • Revise proposed project activities or approaches to respond to any identified concerns, in accordance with UNDP-GEF policies on allowable changes to projects during implementation. Any such changes would be captured in the annual work planning process and summarized in PIRs; • In a situation were to arise where FPIC could not be obtained despite these adaptive management measures, any activities requiring FPIC under Output 2.2 or other outputs would not take place and/or project sites would be adjusted or replaced with other sites offering similar biodiversity outcomes. In addition, a project GRM has been defined in the Stakeholder Engagement Plan and all local communities will be made aware of this process and the UNDP accountability mechanism during project inception.
Risk 2: Development of ecotourism products and experiences could lead to conflict within communities if there are differing opinions on their	I = 2 P = 2	**LOW**	PPG consultations were carried out with communities and local governments in the Eastern Bhutan demonstration landscape to seek views and inputs on ecotourism development including matters of governance	The project will engage local communities and stakeholders in accordance with the Stakeholder Engagement Plan. Consultation with communities within the demonstration sites will be carried out throughout project implementation, and the GRM established as per the SEP.

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establishment, governance and/or benefit-sharing mechanisms, and/or conflict between communities if economic benefits are not shared equitably. (Principle 1, 1.8)			and benefit-sharing. The consultations revealed that the communities are highly supportive of the ecotourism project and the risk of conflict or violence among project affected communities and individuals is low. The RGoB's rules, regulations and prevailing policies are inherently inclusive to manage such disputes including on benefit sharing mechanism, and communities are aware of these mechanisms to resolve any issues. However, some possibility of differing opinions among communities remains if opportunities and benefits are not shared equally (e.g. for the harvesting of NWFPs, carrying capacity restrictions) or if there are differing views on ecotourism development activities or perceptions that these are restricting or impeding local community access to or benefits from land and resources.	Community consent and FPIC (see Risk 1) will be applied as required by local rules/regulations and UNDP SES. With regard to access and benefit-sharing the national guidelines as per the principle of Rule 44 of FNCRR[64], 2017 will be applied.

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

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Risk 3: Ecotourism development might not fully incorporate or reflect views of women and youth and ensure equitable opportunities for their involvement and benefit. (Principle 2, 2.2)	I = 3 P = 2	**MODERATE**	Existing assessments indicate that there is relatively balanced division of labour and both men and women are engaged in household income, although the distribution and roles are different. Women carry more of the burden associated with human-wildlife conflict, such as more time spent guarding crops and livestock from potential impacts. This adds to their existing unpaid work burden that is higher than men. There are also differing natural resource use roles for men and women and different potential economic opportunities linked to ecotourism development. These differing roles, needs and opportunities were explored to ensure that the project provides equitable opportunities for the involvement and benefit of women and girls.	A Gender Analysis and Action Plan was prepared during the PPG phase (see Annex 8), as well as a comprehensive Stakeholder Engagement Plan (see Annex 9). These define measures for gender mainstreaming within both national and demonstration landscape level activities to ensure ecotourism opportunities and economic benefits also flow to women and youth. Measures will be supported by a) capacity building for gender mainstreaming within PMU staff and consultants by a gender specialist; b) the appointment of a gender focal point in the PMU (the Project Manager), to ensure gender mainstreaming is effective; c) the Dzongkhag Legal Officers to act as Gender focal points in the landscape areas. The key aims are to ensure: • Stronger involvement of women in all consultations and decision-making. • Fair representation of the poor and women. • Enterprises encouraged to be led by girls/women. including to focus on specific income development/diversification opportunities for women. • Setting up and strengthening women groups in the demonstration landscape.
Risk 4: Ecotourism infrastructure development in the demonstration landscape could damage environmental and cultural values. (Standard 1, 1.1, 1.2, 1.3, 1.4, 1.5; Standard 4, 4.1)	I = 3 P = 3	**MODERATE**	The project will support ecotourism development in Eastern Bhutan including in 2 PAs that contain globally significant biodiversity. Under Output 2.2 the project will support infrastructure development for trails, campsites, viewing platforms, resting facilities etc. While the level of infrastructure development is relatively minor/restricted in scale, its development could have negative localized impacts on important ecologically sensitive areas (including PAs/KBAs) if it is	As detailed under Output 2.2, the project will: i) prepare a tourism business development and livelihoods framework in year 1 assessing potential safeguards risks and responses (activity 2.2.4); and ii) apply a scaled impact screening/ESIA to all infrastructure development activities taking place in ecologically sensitive areas or culture sites (activity 2.2.5). The project will hold consultations with concerned communities and local government before, during and after construction of the route to enable their participation in decisions, construction, maintenance and management (with FPIC secured prior to construction in accordance with Risk 1).

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			not planned, sited, scoped and constructed carefully. Some sites could be important areas for cultural heritage (e.g. Aja Nye, Singye Dzong trail) and thus cultural values could be impacted. For example, poorly-sited trails could raise the risk of trail alignment passing through sacred sites, private land or ecologically sensitive areas; or infrastructure development could cause localized physical damage to habitats and cultural sites. Some linked trail/infrastructure development will take place under co-financing from WWF-supported Bhutan for Life or WWF-supported IKI project. These projects have their own adopted ESMFs which will apply to these co-financed activities.	Infrastructure development will be designed in an ecologically sensitive manner and apply best practices in low-impact, ecologically sensitive design and construction. Moreover, project infrastructure will be developed/scoped in accordance with specific tourism guidelines for different activities developed under Output 1.4. These will be applied in the demonstration landscape and any feedback used to finalize the specifics of guidelines as required. Additional restrictions will be applied as needed to infrastructure development in accordance with the findings of activities 2.2.4/2.2.5. For example: • Ensure that camps are located at least 100 metres away from the existing streams, rivers, water sources and no discharge from such establishments should follow their path into nearby water bodies. • Integrate with traditional trails and maintain them as eco-trails so that new routes are not constructed. • Minimize area of ground clearance. Avoiding sensitive alignments, such as those which include steep hillsides and ecologically sensitive areas. • Balance filling and cutting requirements through route choice. • Maintain trail surface and alignment with vegetation and where possible install slope protection; plant trees in steep areas and erect retention wall wherever needed. • Identify camp site area to curtail forest fire. • In order to safeguard the loss of the aesthetic values of the landscape, use of ecofriendly design, local architecture and materials will be encouraged. • Birding deck should maintain adequate distance from the road as well as nesting areas and canopies. • Design of the birding deck should be ecofriendly, with the use of local materials.

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				• Proper safety measures such as installation of railings need to be in place. • Installation of appropriate and adequate number of signages. • Avoid sites that are in close proximity to dzongs, monasteries or other sacred sites. Clearances from relevant government authorities for acquiring 'user rights' for land inclusive of requirement for Community and forestry clearance. • Ensure that sites identified for camps are beyond 500 meters from monastery, Dzong or any cultural monument. Any infrastructure development co-financed by partners such as BFL will take place under those co-financer adopted ESMFs/safeguards standards. The potential for confusion or failure to take an integrated approach to managing safeguard risks of infrastructure development has been added to the ProDoc as an operational risk.
Risk 5: Ecotourism product operation and increased visitation could pose activity-specific risks and potential damage to ecological and cultural values if not managed and operated carefully. (Standard 1, 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7; Standard 4, 4.1, 4.2; Standard 6, 6.9; Standard 7, 7.1, 7.2)	I = 3 P = 2	**MODERATE**	The project will support ecotourism development in Eastern Bhutan that does not currently receive many tourists including in sensitive habitats that contain globally significant biodiversity. There is a risk that poorly planned, constructed or operated ecotourism activities (including poor tourist behavior) could lead to impacts on critical habitats or threatened species, including from poorly-sited/managed/maintained trails, waste and sewage generation from tourists, and/or unsustainable harvesting and inadvertent disruption of biodiversity. For example:	The government already places strict control on tourists and the project will develop further national guidelines and standards to minimize the environmental impacts of ecotourism development. Ecotourism activities will be guided by the tourism policy and standards of Bhutan in order to avoid impacts at religious or sacred sites and culturally sensitive locations. National guidelines for ecotourism will be developed/updated under Output 1.4, covering up to 18 types of activities and requirements (e.g campsites and routes management, ecotourism product siting, rafting, registration of home stays). Safeguards considerations will be an integral part of the development of all guidelines as noted in Output 1.4. A SESA approach will be applied to guideline revision and development, and all guidelines will be screened for potential downstream social, cultural and environmental impacts prior

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			• Trails/camp sites: waste management and sewage issues; aesthetic value of the landscape will be affected; health risk with the waste generated. • Roadside bird watching decks: traffic congestion along the road; wildlife disturbance through noise pollution and proximity to nesting areas; spread of diseases and change in wildlife behaviours through wildlife feeding. • Overcrowding visitor impacts: habitat destruction and/or disturbance; increased harvesting/use for/by tourists. Further, the operation of the ecotourism activities will result in increased human activities in the areas of human habitation as well as along treks and trails, which could result in increased risk of disturbances and conflicts between wildlife and humans. • Sacredness of the revered site could be disturbed due to poor behaviour and mass/uncontrolled visitation eg: Aja Nye, Singye Dzong trail and the Dzong. Inflow of tourist could adversely affect the local culture and traditions Eg: Merak and Sakteng. The probability of this occurring is low as all tourists must be accompanied by a tour guide.	to their adoption. Government standards for community consultation, governance and benefit-sharing will be adhered to in guideline development. This will include policy actions under the new National Tourism Policy (2021) which requires levying a sustainable development fee including to those from the region to compensate for the negative environmental impacts from over-tourism. These measures to help overall mitigate impacts from tourism through careful control of numbers will be captured under TCB co-financing efforts. Implementation of Output 1.4 should include: to avoid sensitive habitats, use of traditional trails for trekking instead of development of new trails, limiting damage and over-use, avoiding introduction of alien species and genetically modified organisms, and ensure tourism operation within ecological capacity of habitats. The guidelines should include SOPs to ensure avoidance of disruption to biodiversity and include standards for ecotourism development and operations to reflect best practices on all stages of ecotourism development and avoid, mitigate and manage the range of potential environmental impacts including mitigation measures for reduction of human wildlife conflict. In the demonstration landscape, identification and development of ecotourism activities will take place in accordance with national guidelines developed under Output 1.4. Further, depending on relevancy, each demonstration activity is required to include the following measures in the design and development of ecotourism (as confirmed by assessments/screenings under Output 2.2): • Waste management in accordance with Waste Management Act and its Regulations and as per FNCRR, 2017, rule no. 49 (2).

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				• Ensure that there are appropriate and separate areas for campsites, toilet and washing areas, grazing areas for horses or yaks (transport). • Make arrangements for environment friendly toilet and washing facilities. • Make arrangements for solid waste to be carried out of the area. • Train Community tour guides to manage tourist in order to avoid and minimize adverse impacts of visitation on the biodiversity. • Ensure that the tour guides brief visitors on "DOs and DONTs" in the project area and adhere to it. • Birding deck management protocol should prohibit carrying of food items to the birding deck and define carrying capacity of each deck • Visitations to cultural heritage sites to fulfil local cultural requirements. Capacity development training and awareness-raising for local stakeholders, communities and tour operators on the guidelines and their application has been built into the project design and budget (Outputs 1.4, 2.1, 2.2., 3.1).
Risk 6: Local communities, governments and tour operators may not have the capacity to manage and oversee tourism development and operations to adhere to established standards and benchmarks for ecotourism planning, development and operations, including adherence to safeguards requirements and standards. (Principle 1, 1.5)	I = 3 P = 3	**MODERATE**	Capacity assessment and needs of local communities, tour operators, local governments and national authorities were identified during numerous PPG consultation meetings and capacity development scorecard assessment. The assessments revealed that the capacity to manage and oversee ecotourism activities among local service providers, stakeholders and the communities is inadequate and needs strengthening. Local communities and tour operators do not always have the capacity to develop and operate ecotourism activities in adherence to	Ecotourism policy and guidelines will be developed and advocated to the policy makers, tour operators and communities to increase their awareness of potential benefits and impact of ecotourism, as well as the required safeguards and standards and to enhance government support in local capacity development. A detailed capacity development program has been designed into the project (mainly through Component 3) to address the needs of communities, local tour operators, local governments and national authorities to enhance their capacity to manage and oversee ecotourism development and operation. This program will cover capacity development to manage their ecotourism business, financing, adhere to sustainable

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			the guidelines and standards that the project will develop under Output 1.4. Further, there is the risk that local governments (Gewog, Dzongkhag) do not have the capacity to oversee compliance with these guidelines and standards. This risk exacerbates the probability of other identified risks such as environmental impacts of ecotourism (Risk 4) and impacts to cultural sites (Risk 5), hence the rating of 3 given for potential impact.	ecotourism guidelines and standards, and to oversee compliance and enforcement. Capacity development training and awareness-raising for local stakeholders, communities and tour operators on the guidelines and their application has been built into the project design and budget (Outputs 1.4, 2.1, 2.2., 3.1). Repeat capacity assessments and regular consultations with local communities will be used to validate and assess that local stakeholders have the required capacities to implement the project, and make adaptive changes as needed to correct for any identified capacity caps. Visitor controls at site levels to ensure numbers of tourists and types of tourism are sustainable and do not result in environmental impacts will be enacted via the development of an ecological capacity assessment toolkit for tourism destinations (activity 1.4.1). The toolkit will support the establishment of thresholds of visitor numbers to each destination or type of activity across different seasons as needed to enact appropriate restrictions and measures to avoid and mitigate negative environmental and social impacts from over-tourism. Targeted specialist support has been budgeted on safeguards/gender sensitization and training to enhance capacity for adherence to safeguards and gender.
Risk 7: Development and operation of ecotourism adventure activities (e.g. trekking, rafting, mountain biking) in remote environments could pose safety risks to communities during construction and maintenance and to communities, local tourism operators and tourists during operation. (Standard 3, 3.1, 3.4, 3.5, 3.6, 3.7)	I = 4 P = 1	**MODERATE**	The project demonstration landscape in Eastern Bhutan is subject to natural hazards (e.g. steep slopes subject to landslide) that could pose safety risks during ecotrail construction or operation (e.g. trekking in remote, extreme environments). These risks could be exacerbated by climate change and increased frequency and severity of natural hazards and extreme climatic events. The PPG consultations have confirmed that there are potential specific safety risks that	The project will adhere to safety standards for infrastructure construction and use sub-contractors that adhere to and have good safety standards, and this will be considered as part of contracting process. Potential safety risks with product development/construction and operation will be captured within assessments/impact screening under activities 2.2.4 and 2.2.5. Under Output 1.4, minimum standards for eco-trail siting and alignment, construction and maintenance to prevent, minimize, manage hazards will be integrated into the national guidelines. All the activities will be delivered based on the

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			could arise from operation of ecotourism adventure activities, e.g. fall of tourist from mules, slips from the cliffs, accidents in the rivers, wildfire and its consequences, wildlife viewing activities could put humans in close contact with nature risking potential human-wildlife conflict and/or potential zoonotic disease transmission.	above guidelines, including adherence to national/international safety standards as applicable. Capacity development programs for local tour operators/guides (Output 3.1) will include safety risks and considerations, including those linked to wildlife viewing and risks through human-wildlife conflict/close engagement with wildlife.
Risk 8: Project outcomes will be vulnerable to potential impacts of climate change. (Standard 2, 2.2; Standard 3, 3.5)	I = 4 P = 2	**MODERATE**	PPG assessments and consultations to consider potential climate change impacts on project activities in short-term and longer-term concluded that the most likely impacts are landslides, earthquakes, excessive rainfall and flooding, flash flood, forest fire etc. Climate change could increase the frequency and severity of natural hazards such as landslides and flood risk that could damage ecotourism trails, disrupting tourism and economic benefits to communities, and potentially put the safety of those using them at risk, including tourists. Climate change could lead to more extreme climatic events/temperature extremes that pose a risk to tourists and tour operators (e.g. trekkers and trek operators) in remote, high-altitude environments. While likely to be limited in scale and duration, the impact is assessed as severe due to the potential risk to life in extreme events. However, the probability is not likely during the project implementation timeframe, with risks potentially increasing over the longer term.	A climate risk screening has been completed during the PPG (Annex 18) and key risks and mitigation measures identified. The assessment shows the project will not exacerbate climate change hazards and impacts, nor will it contribute to net greenhouse gas emissions. The project aims to reduce climate-related vulnerabilities both for landscapes and for livelihoods through adaptation measures (e.g. improved landscape management) and through mitigation measures (e.g. eco-friendly designs). Diversification of livelihoods through ecotourism will also reduce the vulnerability of communities to individual impacts of climate change. The project will therefore help enhance the resilience of landscapes and communities to the impacts of climate change. To ensure the long-term sustainability of the project outcomes, in Year 1, the project will elaborate on the climate risks under Output 3.4 and integrate these risks into annual work plan and risk management, specifically, those associated with the demonstration activities under Output 2.2. In addition, a SESA approach will be applied to the development of the National Ecotourism Master Plan (Output 1.1) and the Guidelines (Output 1.1), which will capture potential downstream climate risks associated with the development of the plan and the guidelines (including potential climate-linked nature hazards on infrastructure, tourist safety, community safety and livelihoods). Climate-related risks will also be

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				considered in the implementation of ecotourism in the demonstration landscape. Initial climate risk screening will be included in the feasibility assessments for potential products, and potential climate-related hazards/vulnerabilities captured within the targeted ESIA process completed for any infrastructure development with associated climate-proofing measures defined and built into infrastructure and product development.
Risk 9: Unintended negative consequences from policy changes that result in increased ecotourism in Bhutan (upstream impacts) (Principle 3, Standard 1: 1.1, 1.11; Standard 5: 5.2)	I = 4 P = 2	**MODERATE**	Project will support the introduction of the government's policy agenda to promote ecotourism development and sustainable tourism growth (as opposed to mass tourism), including increased ecotourism development in Eastern Bhutan, an area that currently receives low visitation. This will include the development of an ecotourism master plan for Bhutan under Output 1.4 that will include the identification of areas for tourism development and no-go areas. There are potential negative social, cultural and environmental consequences from these upstream policy changes, including potential ecological/cultural impacts/damage as outlined under earlier risks as the policy on ecotourism development is played out. Further, identification of areas for ecotourism development or no go areas could potentially impact on use/access of natural resources/land by local communities, e.g. if existing ecotourism were no longer allowed or restricted; if new ecotourism development led to changes in access to local resources or increased use by other parties that could lead to perceptions of changed use, with potential community conflict resulting. For example,	A SESA approach will be applied to the development of the National Ecotourism Master Plan under Output 1.1, such that potential social and environmental downstream impacts arising from the development of the policy and policy directions are considered as an explicit part of policy development. The tourism master plan will be developed with broad stakeholder input, including via the Multi-Sector Technical Advisory Committee (MTAC). The Stakeholder Engagement Plan sets out processes for stakeholder engagement. Under Output 1.4 the project will develop an ecological capacity assessment for application at ecotourism sites to identify potential negative visitor impacts from ecotourism and required mitigation/management measures and visitation restrictions in response. The toolkit will support the establishment of thresholds of visitor numbers to each destination or for certain types of activity across different seasons as needed based on the findings of ecological capacity assessments and potential risks to ecosystems. This will be applied in the demonstration landscape to manage potential visitor impacts and promoted for broader adoption and replication. Broader policy measures of the Government of Bhutan on tourism will also mitigate against over-tourism, such as close controls on overall tourism numbers and work under the National Tourism Policy (2021) to levy a sustainable

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			increasing access to tourists or increased use by tourists could lead to communities perceiving that their current levels of access and/or resource use have been impeded or disrupted. The impact of this would be limited in scale and duration (e.g. peak tourist seasons) and the probability slight given that tourist numbers and activities will remain closely regulated by government.	development fee including to those from the region to compensate for the negative environmental impacts from over-tourism. For mitigation measures for potential direct ecological/cultural damage risks from ecotourism development within the project landscape see risks 4 and 5.
Risk 10: There could be time-bound/targeted geographic restrictions on local communities access to land/use of natural resources during ecotourism infrastructure development or during implementation of habitat management activities. (Standard 5, 5.2; Standard 6, 6.3, 6.6)	I = 2 P = 2	**LOW**	The project is developing ecotourism in Bhutan and supporting new tourism infrastructure development. Through this process, no ongoing restrictions on current access or use by local communities are expected. However, there is still the risk (assessed as low rating) that the implementation of specific activities could result in geographically targeted/time-bound restrictions, e.g. reduced access during construction process, reduced access during habitat management activities. Under Output 2.2, ecotourism development will take place on State land not private land, but there is a chance that this could impact on time-bound restrictions on trails that are used by local communities while trails are upgraded or new campsite/viewing facilities are constructed. Under Output 2.3, habitat management and improvement activities will be supported. These could similarly impact on short/targeted site closures if they pose a safety risk and communities are advised to keep out (e.g. during snare removal, IAS removal). Impacts would be geographically	Communities will be engaged in all stages of Component 2 project design and management as set out in the Stakeholder Engagement Plan. The project implementation will be guided by various regulations like Forest and Nature Conservation Rules and Regulations of Bhutan, 2017, The Land Act of Bhutan 2007 etc as regards to community consultation and consent. Implementation of activities under Outputs 2.2 and 2.3 will be guided by management plans developed with local communities and stakeholders. Should any time-bound site restrictions be needed due to safety reasons (e.g. during infrastructure construction), national standards and processes for site safety will be followed, and local communities notified in advance in accordance with agreed local measures and the Stakeholder Engagement Plan. As relevant to different tourism activities (e.g. product siting, development), the guidelines developed under Output 1.4 will set out specific requirements for managing/mitigating any potential restrictions on access/use. A SESA approach will be applied to their development. A GRM will be implemented as specified in the Stakeholder Engagement Plan, with the Project Board taking overall responsibility.

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Risk Description	***Impact & Probability (1-5)***	***Significance (Low, Mod, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design.***
			restricted and cover specific time periods only if they did arise.	
Risk 11: Potential private sector partnerships/interest in ecotourism development could conflict with community interests or overall project outcomes. (Principle 1, 1.8; Standard 1, 1.1)	I = 3 P = 2	**MODERATE**	The project will be in partnership with the private sector, especially in establishing PPPs and concessions (Output 1.3) including in the demonstration landscape (Output 2.1). Potential private sector partners for concessions have not yet been identified/tendered concluded and thus UNDP due diligence for project private sector partners have not yet been completed. There is a potential risk that private sector partners could have interests in conflict with the local communities/project outcomes due to their focus on profits or the risk that they might not have a good environmental/CSR track record or pay due diligence to these areas.	Any concessions supported by the project will be in accordance with the concessions framework developed under Output 1.3. The project's support for operationalizing the concessions framework will establish bidding criteria including environmental safeguards and a due diligence process for potential private sector partnership/investment. Under Output 2.1 in the demonstration landscape businesses and entrepreneurs will be supported to enter into PPPs in full consultation with the local communities as outlined in the Stakeholder Engagement Plan. Any investment activities in the demonstration sites (as in the case of any development activity) will require community consent in accordance with government processes. Technical business support will be provided by the project, including to establish and capacitate new businesses and community/youth groups in enterprise management, governance, and tour operations based on standards and safeguards etc. Competitive low-value grants will be issued to local entrepreneurs. A screening mechanism will be built into these processes to ensure due diligence is applied for private sector partnership and businesses being supported by the project. Any corporate partnerships that will be likely co-financers under the project will be screened as per UNDP's exclusionary criteria and the private sector partnership due diligence process applied.
Risk 12: Habitat management/improvement or species protection measures could have perverse ecological impacts if not planned and implemented in	I = 3 P = 2	**MODERATE**	Under Output 2.3 the project will support targeted activities to improve habitats for endangered species and reduce threats to biodiversity. This could include IAS management/control activities and targeted	Project activities will be carefully planned in consultation with relevant experts, officials and local communities (activity 2.3.5). These management plans will be completed prior to any technical demonstration activities taking place and potential perverse impacts and safeguards will be considered

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Risk Description	***Impact & Probability (1-5)***	***Significance (Low, Mod, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design.***
a technically/ecologically-sound manner. (Standard 1, 1.1, 1.2, 1.4, 1,5, 1.6; Standard 7, 7.4)			planting/revegetation with native species (e.g. for erosion control, provision of native food plants). There is the risk that these activities could result in perverse ecological impacts if they are not planned wisely and carried out effectively, e,g. potential revegetation with non-native species, excessive IAS removal that could result in bare land and enhanced erosion, flooding risk, improper use of pesticides for IAS with ecological/safety impact.	as part of this process, along with required standards and guidelines such as mandating use of native species for plantings, measures for IAS control and management, adherence with established SOPs and guidelines of national/local authorities. Technical experts and consultants will be engaged to develop management plans. Local training activities/consultations will be conducted to support the effective implementation of activities in accordance with management plans.
Risk 13: PA surveillance activities and the process of snare removal in protected areas could put project staff/rangers at risk of accidental injury or confrontation with local poachers. (Standard 3, 3.7)	I = 2 P = 3	**MODERATE**	Under Output 2.3 the project will support targeted activities to enhance the local implementation of the national Zero Poaching Strategy and HWC Management Strategy. This is proposed to include measures to improve coordinated surveillance and monitoring on wildlife poaching, and increased efforts to remove snares from protected areas including through use of metal detectors etc. These activities could bring project staff and rangers into contact with local poachers with potential conflict arising or result in accidental physical injury through the process of snare removal. Conflicts and potential injury are not expected to be major given that these are not organized poaching gangs but rather opportunistic local poachers.	Any use of technologies for snare removal or other surveillance under Output 2.3 will include the provision of training and appropriate equipment on the proposed methods including proper handling of snares during removal. This is explicitly captured in activity 2.3.4 which notes that training workshops and appropriate equipment will be provided. Training will include safety aspects including on potential interaction with people that have set snares while undergoing snare removal activities. Equipment will include safety/PPE equipment to be used during snare removals, e.g. gloves, safety goggles. Project support to facilitate enhanced surveillance and information sharing on wildlife poaching, crime and rescue will focus on database and ICT aspects, not on the actual process of conducting surveillance and monitoring. Nevertheless, these discussions under activity 2.3.3 will consider potential safety aspects for PA and project staff through project activities and reinforce the importance of such activities adhering to DoFPS and other agency SOPs for patrolling/surveillance activities.
Risk 14: Project staff, consultants or tourists travelling to the demonstration landscape in Eastern Bhutan could potentially	I = 4 P = 1	**MODERATE**	Project activities will result in the travel of national/international consultants and PMU to the demonstration landscape in Eastern Bhutan. The overall project aims are to support	Project staff and consultants will abide by all government restrictions and SOPs regarding COVID-19 social distancing and movement restrictions. PPE and social distancing measures will be used for all project activities and consultations in

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Risk Description	***Impact & Probability (1-5)***	***Significance (Low, Mod, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design.***
bring COVID-19 infection risk to remote communities. (Standard 3, 3.6)			enhanced ecotourism in Bhutan and particularly increase visitation to Eastern Bhutan, including through homestay development. This carries the risk of potential spread of COVID-19 or other pandemic disease to these parts of Bhutan, including local communities in the targeted Gewogs. The Bhutan Government instituted early and strict lockdowns when the first COVID-19 cases were found in the country, and on subsequent cases, including strict lockdown domestically. It is expected that such lockdowns will be continued if/as further cases emerge, and that the government's response to re-opening for tourism will be cautious. This reduces the probability that this risk would occur as it is more likely that government restrictions and lockdowns would impede potential travel to Eastern Bhutan.	accordance with these restrictions, with use of virtual consultations and meetings as needed. The potential need for virtual measures has been noted in the Stakeholder Engagement Plan and virtual measures will be considered right up to the level of Project Board meetings as deemed necessary. PPE for PMU/local communities has been included in the project budget. For tourists, project will adhere to all government requirements and social distancing/movement restrictions on tourism facilities and operations. COVID-19 hygiene and safety considerations will be considered across project Outputs, from the ecotourism master plan (Output 1.1), to ecotourism guidelines (Output 1.4), to implementation of ecotourism in the demonstration landscape (Outputs 2.1, 2.2) including in the delivery of activities that might pose a higher risk of transmission/breaches of hygiene protocols such as the establishment and promotion of homestays. Hygiene protocols and training will be included in the project's support to develop homestays and other local experiences for tourists. Implementation of any tourism activities in the demonstration landscape will abide by any government social distancing restrictions that may be in place at this time. Given the current pandemic risk, Component 2 demonstration has been pushed back to year 2 of the project and national policy development frontloaded in year 1. Moreover, potential resilience of activities to COVID-19 restrictions has been captured, e.g. virtual tours/tourism.

	QUESTION 4: What is the overall Project risk categorization?		
	Select one (see SESP for guidance)	**Comments**	
	Low Risk	☐	
	Moderate Risk	☑	A total of 14 risks have been identified, with 12 rated as MODERATE and two as LOW. The overall SESP categorization is MODERATE.

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Risk Description	***Impact & Probability (1-5)***	***Significance (Low, Mod, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design.***	
					Based on these risks, the following have been triggered: Principles 1, 2; Principle 3: Standards 1, 2, 3, 4, 5, 6, 7. Key SES requirements and measures that will be taken to mitigate these moderate risks include (see specific risks for more detail): • (Risk 1) Implementation of Stakeholder Engagement Plan which includes elements of Indigenous Peoples Plan including processes for securing FPIC. • (Risk 3) Implementation of the gender analysis and gender action plan, and Stakeholder Engagement Plan. • (Risk 4) Scaled impact screening/ESIA for infrastructure development under Output 2.2. Adherence to national/international standards for low-impact design and construction. • (Risk 5) Development of tourism guidelines with a SESA approach. Adherence to national/international standards. Capacity development program for tourism operators/guides. • (Risk 6) Capacity development program for local authorities and tour operators, including on gender and safeguards requirements. • (Risk 7) Consideration of potential safety risks in guidelines under Output 1.4. Consideration of safety risks during infrastructure construction process. Capacity development program for tourism operators and guides. • (Risk 8) Climate risk screening and risk mitigation plan. Climate-sensitive project design.

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Risk Description	***Impact & Probability (1-5)***	***Significance (Low, Mod, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design.***	
					• (Risk 9) SESA approach incorporated in Output 1.1 (ecotourism master plan) and 1.4 (ecotourism guidelines). • (Risk 11) Completion of UNDP private sector due diligence process and screening for potential private sector partners including concessionaires. Implementation of Stakeholder Engagement Plan. • (Risk 12) Detailed, community-led management plans for habitat improvement activities, and screening for safeguards risks. Use of experts and adherence to national SOPs and processes. • (Risk 13) Provision of PPE safety equipment (goggles, gloves) for snare removal and training on appropriate and safe removal of snares. • (Risk 14) Full adherence to government rules and restrictions related to COVID-19 movement/social distancing. Provision and use of PPE for local communities/stakeholders. Flexible approach to stakeholder consultations including use of social distancing and virtual measures as needed. The project‘s safeguard measures will be implemented under supervision of GECDP (Gender, Environment, Climate change, Disaster risk reduction and Poverty) Mainstreaming Reference Group in the Dzongkhags and support from specific Dzongkhag officials like Planning Officer, Economic Development Officer, Environment Officer, Legal Officer (who is also a Gender Focal Person), Cultural Officer and the LG officials like Gups and Tshogpas will be sought to ensure that the risks are fully avoided or mitigated.

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Risk Description	***Impact & Probability (1-5)***	***Significance (Low, Mod, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design.***	
					Defined M&E and adaptive management procedures will be applied during project implementation, including implementation of the Stakeholder Engagement Plan and Gender Action Plan. SESP risks and mitigation measures will be reviewed at least annually as part of the PIR process. The independent Mid-Term Review and Terminal Evaluation will be tasked to assess implementation as it relates to safeguards.
			High Risk	☐	
	QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?				
	Check all that apply			**Comments**	
	Principle 1: Human Rights			☑	(Risk 1) (Risk 6) (Risk 11)
	Principle 2: Gender Equality and Women's Empowerment			☑	(Risk 3)
	Principle 3: Environmental Sustainability				
	1. Biodiversity Conservation and Natural Resource Management			☑	(Risk 4) (Risk 5) (Risk 9) (Risk 11) (Risk 12)
	2. Climate Change Mitigation and Adaptation			☑	(Risk 8)
	3. Community Health, Safety and Working Conditions			☑	(Risk 7) (Risk 13) (Risk 14)
	4. Cultural Heritage			☑	(Risk 4) (Risk 5)
	5. Displacement and Resettlement			☑	**(Risk 9**
	6. Indigenous Peoples			☑	(Risk 1)

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Risk Description	***Impact & Probability (1-5)***	***Significance (Low, Mod, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design.***	
	7. Pollution Prevention and Resource Efficiency			☑	(Risk 5)

Final Sign Off

Signature	***Date***	***Description***
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
Principles 1: Human Rights	**Answer (Yes/No)**
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	N
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups?[65]	N
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	N
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	N
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	**Y**
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	**Y**
7. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	N
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	**Y**
Principle 2: Gender Equality and Women's Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	N
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	**Y**
3. Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	N
4. Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	N
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below	
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	
1.1 Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats)and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	**Y**
1.2 Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	**Y**

[65] Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	**Y**
1.4	Would Project activities pose risks to endangered species?	**Y**
1.5	Would the Project pose a risk of introducing invasive alien species?	**Y**
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	**Y**
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	**Y**
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	N
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	N
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	N
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? *For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.*	**Y**
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant[66] greenhouse gas emissions or may exacerbate climate change?	N
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	**Y**
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? *For example, changes to land use planning may encourage further development of flood plains, potentially increasing the population's vulnerability to climate change, specifically flooding*	N
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	**Y**
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	N
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	N
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	**Y**
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	**Y**
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	**Y**

[66] In regards to CO_2, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	**Y**
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	N
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	N
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	**Y**
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	**Y**
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	N
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	**Y**
5.3	Is there a risk that the Project would lead to forced evictions?[67]	N
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	N
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	**Y**
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	N
6.3	Would the proposed Project potentially affect the rights, lands and territories of indigenous peoples (regardless of whether Indigenous Peoples possess the legal titles to such areas)?	**Y**
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	**Y**
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	N
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories and resources?	**Y**
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	N
6.8	Would the Project potentially affect the traditional livelihoods, physical and cultural survival of indigenous peoples?	N
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	**Y**
Standard 7: Pollution Prevention and Resource Efficiency		

[67] Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or trans-boundary impacts?	**Y**
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	**Y**
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol*	N
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	**Y**
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	N

Annex 1. Technical documents consulted during preparation

1. Chhewang Rinzin,Walter J. V. Vermeulen & Pieter Glasbergen, 2013. Ecotourism as a mechanism for sustainable development: The case of Bhutan.
2. Dorji, T. 2001. Sustainability of tourism in Bhutan. *J Bhutan Stud*, 3: 84–104.
3. Gyamtsho, P. 1996. *Assessment of the condition and potential for improvement on high altitude rangelands of Bhutan. Natural Science*, Zurich: Swiss Federal Institute.
4. Hon. Pema Tenzin, Chairperson – Chhukha Hon. Sonam Dorji , Dy.Chirperson – Dagana Hon. Sangay Khandu, Member - Gasa Hon. Pema Drakpa, Member - Zhemgang Dasho. Tashi Wangyel - Eminent Member Dec-2016 Review Report on Tourism Policy and Strategies; Economic Affairs Committee: National Council, RGOB.
5. Nepal, S. & Karst, H. 2017. Tourism in Bhutan and Nepal. In Hall, C.M & Page, S.J. (Eds.) The Routledge Handbook of Tourism in Asia. Oxon and New York: Routledge, pp. 187-197 Tourism in Bhutan and Nepal.
6. Ngawang Gyeltshen; 2019. Concept of Ecotourism; Druk Tourism Journal.
7. Nyaupane, G. and Timothy, D. 2010. Power, regionalism and tourism policy in Bhutan. Annals of Tourism Research 37(4), 969-988.
8. Phuntsho Thinley, 2013. Human-Wildlife Conflicts in Bhutan: Promoting Biodiversity Conservation and Rural Livelihoods; : Conservation Bridge: Case Study No. 02:, Affiliation: Cornell University, New York, USA.
9. Siok Sian Pek-Dorji 2019. Overwhelming Sacred Spaces, Growing Trends in Tourism. The Druk Journal.
10. Tandi Dorji, 2000, Sustainability of Tourism in Bhutan; Journal of Bhutan Studies.
11. Tiger Sangay, Karl Vernes, 2008. Human–wildlife conflict in the Kingdom of Bhutan: Patterns of livestock predation by large mammalian carnivores; Biological Conservation 141(5):1272 - 1282 · April 2008.

Issue	**Title of the document**	**Key conclusions from the document that relate to potential risks**
Local community engagement/ capacity to give consent	A toolkit to support conservation by Indigenous peoples and local communities: Building capacity and sharing knowledge for Indigenous Peoples' and Community Conserved Territories and Areas (ICCAs), ICCA Toolkit_FINAL_18th May 2013, UNEP-WCMC, 2013	"Just as national governments require guidelines and benchmarks for managing their designated protected areas, Indigenous peoples and local communities need to access a set of tools and resources appropriate to their needs".
Community conflict	1. Conflicts arising from outdoor recreation and nature tourism and sustainable management of resources and environments 2. Concept of Ecotourism Ngawang Gyeltshen. Druk Tourism Journal, 2019	"There are conflicts involved in the management of natural areas, especially forests, across different parts of the world arising out of visitations". 2."Trekking groups can also come into conflict with local users of natural resources and its biodiversity on which highlanders depend".

Gender	1. Improving Women's Participation in Local Governance, Institute of GNH Studies, Royal University of Bhutan, 2013 2. Participation of women in Local Government of Bhutan. A case study of Sarpang district, November 2017, Manu Sharma and Dupthop Zangmo http:www.serialsjournals.com	1."In general, women are poorly represented in decision-making at Gewog, Dzongkhag and national levels". 2. "In a society where gender stereotype and attitude is is deep rooted,women are depicted as less capable than men and therfore a large number of women seem to believe to be the fact and hence leads to women having less self esteem'.
Tourism ecological impacts	1.Ecotourism as a mechanism for sustainable development: The case of Bhutan.Chhewang Rinzin, Walter J.V Vermeulen & Pieter Glasbergen, Journal Environmental Sciences 2007 2.Nepal, S. & Karst, H. (2017) Tourism in Bhutan and Nepal. In Hall, C.M & Page, S.J. (Eds.) The Routledge Handbook of Tourism in Asia. Oxon and New York: Routledge, pp. 187-197 Tourism in Bhutan and Nepal. 3. Concept of Ecotourism Ngawang Gyeltshen. Druk Tourism Journal, 2019	1. "As a result, some original tracks have already changed into deep gorges, making it difficult for animals to pass easily. Erosion of delicate vegetation is a visible problem associated with tourism. Although tourism activities are not solely responsible for our soil erosion in the high mountain areas, the use of horses and yaks for trekking has a significant impact." 2."Litter along trails and in local villages have disappointed trekkers who come to Bhutan to enjoy 'pristine' landscape, signalling the need for local-level waste management systems and greater community action. While MoAF has developed ecotourism guidelines for PAs, the tourism sector would greatly benefit from a similar set of universal principles and ensuing regulation". "Environmental damage occurs when visitation levels are higher than the environment's capacity to manage it's use, either through increased visitation or creation of infrastructure. In other words, when the carrying capacity of an environment is exceeded, it exerts increased pressures on natural resources". 3. "These tourists generate considerable amount of waste, as they carry mostly packaged foods and drinks".
Tourism cultural impacts	Overwhelming Sacred Spaces, Growing Trends in Tourism.Siok Sian Pek-Dorji; The Druk Journal; 2019	1."There are stories of tourists climbing on the monks' seats at monasteries to take selfies. Some walk around chhortens (stupas) in the wrong direction. All these frustrates Bhutanese pilgrims and Buddhist practitioners". 2."The tshechus (festivals), monasteries and rituals are not shows put on for tourists but real places and practices to enhance spiritual development".
Tourism impacts on livelihoods	1. Ecotourism as a mechanism for sustainable development: The case of Bhutan; Chhewang Rinzin, Walter J. V. Vermeulen & Pieter Glasbergen,Journal Environmental Sciences 2007 2. Dorji, T. 2001. Sustainability of tourism in Bhutan. J Bhutan Stud, 3: 84 –104. 3.Gyamtsho, P. 1996. Assessm-ent of the condition and potential for improvement on high altitude rangelands of Bhutan. Natural Science, Zurich: Swiss Federal Institute. http://scholar.google.com/scholar_lookup?hl=en&publication_year=1996&author=P+Gyamtsho&title=+Assessment+of+the+condition+and+potential+for+improvement+on+high+altitude+rangelands+of+Bhutan.+Natural+Science+	1."Greater demand for transport animals, such as horses and yaks, encourages people to increase the size of domestic herds for transport contracts with the tourism industry. 2.It should also be noted that one of the major causes for the loss of biodiversity is overgrazing by livestock. According to Dorji (2001) tourism is causing a shift from the original sustainable farming and crop-growing patterns towards more profitable and less sustainable livelihoods to meet the needs of affluent tourists." 3. "This in turn adds to the limited carrying capacity of the fragile mountain ecosystem."
Community capacity	Nepal, S. & Karst, H. (2017) Tourism in Bhutan and Nepal. In Hall, C.M & Page, S.J. (Eds.) The Routledge Handbook of Tourism in Asia. Oxon and New York:	Institutional development is one of the tourism sector's greatest hurdles, given the shortage of adequately trained guides and qualified professionals in hospitality and tourism-related services in an industry still largely dependent on international tour agents for arrivals.

	Routledge, pp. 187-197 Tourism in Bhutan and Nepal	
Ecological impacts of tourism	1. Ecotourism as a mechanism for sustainable development: The case of Bhutan; Chhewang Rinzin,Walter J. V. Vermeulen &Pieter Glasbergen, Journal Environmental Sciences 2007	1."Trekker's behaviour in the mountains can lead to adverse environmental consequences in the long term". 2. "Although detailed trekking regulations and monitoring mechanisms exist, some form of environmental degradation is inevitable as the intensity of trekking increases".
Climate change	1.Improving Women's Participation in Local Governance, Institute for GNH Studies, Royal University of Bhutan, 2013 2.Bhutan Climate Change Hand Book, Statement by Hon. Minister,MoAF, 2016.	1."The RGoB recognizes climate change as one of the priorities for addressing sustainable and equitable socioeconomic growth, preservation and promotion of culture & environmental development through good governance". 2."Inevitably, Bhutan is caught in this quagmire. Located in the Himalayas – dubbed the Third Pole – we are already witnessing tale-tell signs of glacier-melt and GLOF, erratic rainfall and water supply, disruptions in our agricultural practices and emergence of new pests and diseases".
Upstream impacts	1.Nepal, S. & Karst, H. (2017) Tourism in Bhutan and Nepal. In Hall, C.M & Page, S.J. (Eds.) The Routledge Handbook of Tourism in Asia. Oxon and New York: Routledge, pp. 187-197 Tourism in Bhutan and Nepal. 2. Nyaupane, G. and Timothy, D. (2010) Power, regionalism and tourism policy in Bhutan. Annals of Tourism Research 37(4), 969-988. 3.The Druk Journal; Overwhelming Sacred Spaces, Growing Trends in Tourism .Siok Sian Pek-Dorji 2019	1.1Tourism development in Bhutan, which incorporates the principles of Gross National Happiness (GNH), has been cautious and tightly controlled to mitigate negative impacts on society and environment (Rinzin 2006). 1.2 "Local hotels are unable to accommodate the influx of tourists during such events, which exhibit signs of mass tourism and arguably not low impact nor sustainable (Gurung and Seeland, 2008: 494)". 1.3 "Visitors from India, the biggest source market for Bhutanese tourism, tend to stay in cheaper hotels, bargain for food and lodging, and often travel overland in their own vehicles, yet this unbridled tourist stream jeopardizes the integrity of the policy as well as cultural and natural resources" 2."Opening the country up to mass tourism not only contradicts the values of Gross National Happiness and sustainable tourism but would have severe social and environmental consequences and undoubtedly destroy Bhutan's image as an unspoiled, exclusive niche destination. 3."When tourists outnumber pilgrims, it affects the sacredness of the environment around our sacred sites," Khenpo Phuntshok Tashi, former Director of the National Museum".

Annex 7: UNDP Atlas Risk Register

Project Title: Mainstreaming biodiversity conservation into the tourism sector in Bhutan (PIMS 6319)				Atlas Project/Output ID: 00098610	Date:
#	**Description**	**Risk Category**	**Impact & Likelihood = Risk Level**	**Risk Treatment / Management Measures**	**Risk Owner**
1	Approval of the Ecotourism Master Plan, regulations, safeguards, standards, and guidelines (ecological, social, and cultural) may be delayed, which will result in a lack of strategic direction for the project	*Operational*	I = 3; P =2 **MODERATE**	A list of required enabling approvals was prepared during the PPG (see **Annex 12k**). This list will be regularly reviewed by the Project Steering Committee, and the NPD and NPM will regularly engage senior government officials to ensure that the required approvals are processed promptly and effectively. TCB will address the issues in close coordination with GNHC and expedite adoption and endorsement required policy documents and their instruments. In the event of significant delays, UNDP will be requested to raise the issue at a high level with TCB and GNHC.	*PM*
2	Government agencies at different levels do not fully cooperate and coordinate activities effectively for mainstreaming biodiversity into tourism and their sectoral agendas dominate	*Institutional*	I = 3; P = 3 **MODERATE**	The project design has been guided by a working group that has provided a mechanism for coordination and communication between key stakeholders, in full collaboration with GNHC and managers from the key sectors, particularly tourism and biodiversity. The momentum created by the project aims to strengthen and institutionalize the coordination and joint action mechanisms for landscape-scale ecotourism development that supports biodiversity conservation. Collaborative work will be demonstrated in the demonstration landscape and the necessary systemic and institutional capacities will be strengthened to ensure sustainability. The Project Steering Committee will help to integrate the efforts of multiple stakeholders at the national level, and to promote coordination between local authorities and the community. The members of the Multi-Sector Technical Advisory (MTAC) Team will coordinate and mainstream biodiversity into tourism and their sectoral plans. At the landscape level, the members of the Landscape Ecotourism Coordination Committee (LECT) will support the local authorities to mainstream biodiversity into tourism and their sectoral plans.	*PM*
3	The RGoB priority for tourism development through its flagship programme has more momentum for tourism development than for ecotourism causing serious conflicts with the project	*Political*	I = 3; P = 2 **MODERATE**	The government is committed to high-value low volume tourism (and this continues to be emphasized in COVID-19 socioeconomic recovery), and the current project has been developed in full coordination with the highest policy-making organ of government – the Gross National Happiness Commission.	*PM*

				The proposed MTAC for overseeing the implementation of the Ecotourism Master Plan will be established under the Tourism Council of Bhutan, ensuring excellent coordination at the national level and LECT for similar functions at the local level.	
4	Unrealistic expectations or failure to generate sufficient economic benefits for the community from ecotourism (due to insufficient market demand and COVID-19 impacts) leads to disillusion and limited community participation and hinders resolution of the threats arising from HWC, poaching and wildlife trade	*Socio-cultural*	I = 3; P = 2 **MODERATE**	RGoB's decentralization policy will help to ensure there is strong local stakeholder participation in the project. The project is fully integrated with the Tourism Flagship Programme and therefore has strong support from governmental stakeholders at national and local levels. During the PPG, the communities expressed their strong interest in participating in the project and this will be reconfirmed during the inception phase, with validation of landscape ecotourism product development. Ecotourism development will be targeted at domestic, regional and international markets to reduce vulnerability to particular market segments, such as emerged through the COVID-19 related restrictions on international travel. Investment in new high-value ecotourism products will be associated with business planning and market demand studies, coupled with improved branding and promotion of Bhutan's ecotourism offerings.	*PM*
5	Ongoing/prolonged social distancing restrictions and measures related to COVID-19 result in implementation delays and challenges (e.g. challenging recruitment, stakeholder consultation, training, demonstration)	*Operational*	I = 3; P = 3 **MODERATE**	Potential COVID-19 risks to implementation have been elaborated in Annex 2. To mitigate these, flexibility and adaptation has been incorporated across the project. The Inception Workshop will review the logical sequence of studies and assess the field visits including options for virtual discussions. The Inception Workshop will review the Stakeholder Engagement Plan, Gender Action Plan, SESP and all project outputs requiring consultations and meetings. Based on the situation, stakeholder consultation and engagement processes including the number of participants will be further agreed upon during the Inception meeting. Use of virtual measures has been incorporated into the Stakeholder Engagement Plan. For community consultations, COVID-19 norms and all government requirements based on prevailing situations will be followed.	*PM*
6	Long term impacts of the COVID-19 pandemic lead to a dramatic fall in the demand for ecotourism visits to Bhutan or ability of tourists to travel to Bhutan	*Economic*	I = 4; P = 2 **MODERATE**	Towards the end of the PPG phase, the global tourism industry was dramatically affected by the unprecedented COVID-19 pandemic. The project is expected to start implementation in mid-2021, and the first 18-24 months will focus on developing the enabling mechanisms and starting to design and develop ecotourism products under	*PM*

				Component 2. The project will only begin to depend upon a significant recovery in demand for ecotourism from the Spring-Summer season of 2023 by which time there is greater chance of recovery in the tourism sector. Recent marketing research suggests an enhanced increase in remote/nature-based offerings aligned with the Bhutan experience. As outlined in Bhutan tourism sector economic contingency plan, the project will reassess the situation during the first year of implementation and continue to work with other national projects and partners in addressing longer-term policy issues and focussing on infrastructure, capacity enhancement and domestic tourism. The review at inception could also prioritize demonstration of products on domestic tourism, however this is also an effective downtime to engage in development of tourism policy (frontloaded in project workplan) and additional tourism infrastructure while tourism numbers are low. The project will support resilient, diversified local livelihoods that are not fully reliant on international tourism.	
7	While the government has contingency plans to boost the economy, a worst case scenario projects Bhutan's GDP plunging to negative 6.7 percent which would affect government co-financing contributions	*Financial*	I = 3; P = 2 **MODERATE**	The project remains well-aligned to government COVID-19 socioeconomic recovery priorities and proposed activities have been adjusted during PPG to maximize this alignment. The government has placed the utmost importance on the tourism sector with frontloading of investments as part of the economic recovery. In addition, this project will focus on sustainable financing that can help generate additional revenues for tourism and the government. Any short-term risk to realization of government co-finance will be offset by the diversity of secure co-financing sources. The project's major co-financing are from the approved projects with assured co-financing: WWF IKI and Bhutan for Life.	
8	The take-up of concession mechanisms by the private sector does not generate sufficient funds to contribute meaningfully to biodiversity conservation outcomes, and continued (or recurring) downturn in tourism may limit the interest of the private sector in investing in ecotourism products	*Financial*	I = 3; P = 2 **MODERATE**	The PPG phase has not been able to quantify the extent of funds that will be generated for meaningful biodiversity conservation through the private sector. However, the project will establish concession-based initiatives that will ensure the generation of funds. COVID-19 impacts and scenario will be considered in the development of the concessions framework. Under Component 2, 2-3 of the 10 ecotourism products identified focus on domestic tourism, to attract private sector investments and diversify their business base beyond international tourism arrivals.	*PM*
9	Potential confusion or lack of coordination in safeguards	*Operational*	I = 3; P = 2 **MODERATE**	Tourism infrastructure development and other activities will be closely planned and	*PM*

	responsibilities between this project and co-financed activities that have their own safeguards processes (e.g. BFL, IKI, BTFEC)			arranged between this project and co-financers such as WWF-supported BFL. BFL will be represented on the Project Steering Committee to ensure this close alignment. Safeguards coordination and responsibilities between this project and co-financed activities will by the PM and the project safeguards/M&E officer – this will include mapping during Year 1 of responsibilities on safeguards related to GEF and co-financed activities and ongoing coordination on safeguards. These tasks are included in the PMU TORs as relevant.	
	Risks from Social and Environmental Screening Procedure (Annex 6) – see SESP for comments and detailed assessment and management measures to address potential risks				
	SESP risk 1: FPIC could be required for local ecotourism development activities due to potential impacts on rights and interests, lands, territories, resources, and/or traditional livelihoods. This has not yet been obtained and there is the risk that FPIC might not be fully secured by the project	*SESP*	I = 3; P = 2 **MODERATE**	The requirements of an Indigenous People's plan have been incorporated into the Stakeholder Engagement Plan (Annex 9), including the proposed processes for securing FPIC as needed during project implementation and required procedures for further assessment and management of potential impacts. These processes will be confirmed during the project inception phase with local communities and then the Stakeholder Engagement Plan updated. Any activities requiring FPIC under Output 2.2 or other outputs will not take place until FPIC has been secured. Policy development that could impact on local communities' use of land or resources (e.g. Outputs 1.1, 1.4) will follow a SESA approach, as further reflected in Risk 9 below. Required standards for community consultation and obtaining of local consent will be included in the national guidelines to be developed on ecotourism planning, development and operation, as well as standards for ecotourism. Moreover, the project will apply participatory processes and approaches to all activities relevant to local communities where principles of FPIC will be further emphasized and demonstrated through providing timely information related to opportunities and risk of the proposed interventions for the beneficiaries to enable them to make decisions. These processes have been integrated into project activities and budget (e.g. regular local consultation workshops). Should community concern or inability to secure FPIC emerge the following	*PM*

				mechanisms would be applied as adaptive management: • Conduct additional stakeholder consultations/workshops as needed to further discuss, develop and refine project activities and approaches; • Revise proposed project activities or approaches to respond to any identified concerns, in accordance with UNDP-GEF policies on allowable changes to projects during implementation. Any such changes would be captured in the annual work planning process and summarized in PIRs; • If a situation were to arise where FPIC could not be obtained despite these adaptive management measures, any activities requiring FPIC under Output 2.2 or other outputs would not take place and/or project sites would be adjusted or replaced with other sites offering similar biodiversity outcomes. In addition, a project GRM has been defined in the Stakeholder Engagement Plan and all local communities will be made aware of this process and the UNDP accountability mechanism during project inception.	
	SESP Risk 2: Development of ecotourism products and experiences could lead to conflict within communities if there are differing opinions on their establishment, governance and/or benefit-sharing mechanisms, and/or conflict between communities if economic benefits are not shared equitably	*SESP*	I = 2; P = 2 **LOW**	The project will engage local communities and stakeholders in accordance with the Stakeholder Engagement Plan. Consultation with communities within the demonstration sites will be carried out throughout project implementation, and the GRM established as per the SEP.	*PM*
	SESP Risk 3: Ecotourism development might not fully incorporate or reflect views of women and youth and ensure equitable opportunities for their involvement and benefit	*SESP*	I = 3; P = 2 **MODERATE**	A Gender Analysis and Action Plan was prepared during the PPG phase (see Annex 10), as well as a comprehensive Stakeholder Engagement Plan (see Annex 9). These define measures for gender mainstreaming within both national and demonstration landscape level activities to ensure ecotourism opportunities and economic benefits also flow to women and youth. The Gender Action Plan will be implemented by the project and revised and monitored via Output 3.4.	*PM*
	SESP Risk 4: Ecotourism infrastructure development in the demonstration landscape could damage environmental and cultural values	*SESP*	I = 3; P = 3 **MODERATE**	As detailed under Output 2.2, the project will: i) prepare a tourism business development and livelihoods framework in year 1 assessing potential safeguards risks and responses (activity 2.2.4); and ii) apply a scaled impact screening/ESIA to all infrastructure development activities taking	*PM*

				place in ecologically sensitive areas or culture sites (activity 2.2.5). Infrastructure development will be designed in an ecologically sensitive manner and apply best practices in low-impact, ecologically sensitive design and construction. Moreover, project infrastructure will be developed/scoped in accordance with specific tourism guidelines developed under Output 1.4.	
	SESP Risk 5: Ecotourism product operation and increased visitation could pose activity-specific risks and potential damage to ecological and cultural values if not managed and operated carefully	*SESP*	I = 3; P = 2 **MODERATE**	Ecotourism activities will be guided by the tourism policy and standards of Bhutan in order to avoid impacts at religious or sacred sites and culturally sensitive locations. National guidelines for ecotourism will be developed/updated under Output 1.4. A SESA approach will be applied to guideline revision and development, and all guidelines will be screened for potential downstream social, cultural and environmental impacts prior to their adoption. Government standards for community consultation, governance and benefit-sharing will be adhered to in guideline development. This will include policy actions under the new National Tourism Policy (2021) which requires levying a sustainable development fee including to those from the region to compensate for the negative environmental impacts from over-tourism. These measures to help overall mitigate impacts from tourism through careful control of numbers will be captured under TCB co-financing efforts. In the demonstration landscape, identification and development of ecotourism activities will take place in accordance with national guidelines developed under Output 1.4. Further, depending on relevancy, each demonstration activity is required to include additional measures in the design and development of ecotourism as confirmed by assessments/screenings under Output 2.2.	*PM*
	SESP Risk 6: Local communities, governments and tour operators may not have the capacity to manage and oversee tourism development and operations to adhere to established standards and benchmarks for sustainable ecotourism planning, development and operations, including adherence to safeguards requirements and standards	*SESP*	I = 3; P = 3 **MODERATE**	A detailed capacity development program has been designed into the project to address the needs of communities, local tour operators, local governments and national authorities to enhance their capacity to manage and oversee ecotourism development and operation. Capacity development training and awareness-raising has been built into the project design and budget (Outputs 1.4, 2.1, 2.2., 3.1). Repeat capacity assessments and regular consultations with local communities will be	*PM*

				used to validate and assess that local stakeholders have the required capacities to implement the project, and make adaptive changes as needed to correct for any identified capacity caps. Visitor controls at site levels to ensure numbers of tourists and types of tourism are sustainable and do not result in environmental impacts will be enacted via the development of an ecological capacity assessment toolkit for tourism destinations (activity 1.4.1). The toolkit will support the establishment of thresholds of visitor numbers to each destination or type of activity across different seasons as needed to enact appropriate restrictions and measures to avoid and mitigate negative environmental and social impacts from over-tourism. Targeted specialist support has been budgeted on safeguards/gender sensitization and training to enhance capacity for adherence to safeguards and gender.	
	SESP Risk 7: Development and operation of ecotourism adventure activities (e.g. trekking, rafting, mountain biking) in remote environments could pose safety risks to communities during construction and maintenance and to communities, local tourism operators and tourists during operation	*SESP*	I = 4; P = 1 **MODERATE**	The project will adhere to safety standards for infrastructure construction and use sub-contractors that adhere to and have good safety standards, and this will be considered as part of contracting process. Potential safety risks with product development and operation will be captured within assessments/impact screening under activities 2.2.4 and 2.2.5. Under Output 1.4, minimum standards for eco-trail siting and alignment, construction and maintenance to prevent, minimize, manage hazards will be integrated into the national guidelines. Capacity development programs for local tour operators/guides (Output 3.1) will include safety risks and considerations, including those linked to wildlife viewing and risks through human-wildlife conflict/close engagement with wildlife.	*PM*
	SESP Risk 8: Project outcomes will be vulnerable to potential impacts of climate change	*SESP*	I = 4; P = 2 **MODERATE**	A climate risk screening has been completed during the PPG (Annex 18) and key risks and mitigation measures identified. This will be further elaborated during year 1 of implementation including risk mitigation plan and any updates incorporated into implementation of project activities as needed. This will include consideration of potential climate-linked nature hazards on infrastructure, tourist safety, community safety and livelihoods.	*PM*

	SESP Risk 9: Unintended negative consequences from policy changes that result in increased ecotourism in Bhutan (upstream impacts)	*SESP*	I = 4; P = 2 **MODERATE**	A SESA approach will be applied to the development of the National Ecotourism Master Plan under Output 1.1, such that potential social and environmental downstream impacts arising from the development of the policy and policy directions are considered as an explicit part of policy development. Under Output 1.4 the project will develop an ecological capacity assessment for application at ecotourism sites to identify potential negative visitor impacts from ecotourism and required mitigation/management measures and visitation restrictions in response. This will be applied in the demonstration landscape to manage potential visitor impacts. The toolkit will support the establishment of thresholds of visitor numbers to each destination or for certain types of activity across different seasons as needed based on the findings of ecological capacity assessments and potential risks to ecosystems. Broader policy measures of the Government of Bhutan on tourism will also mitigate against over-tourism, such as close controls on overall tourism numbers and work under the National Tourism Policy (2021) to levy a sustainable development fee including to those from the region.	*PM*
	SESP Risk 10: There could be time-bound/targeted geographic restrictions on local communities access to land/use of natural resources during ecotourism infrastructure development or during implementation of habitat management activities	*SESP*	I = 2; P = 2 **LOW**	Communities will be engaged in all stages of Component 2 project design and Implementation of activities under Outputs 2.2 and 2.3 will be guided by management plans developed with local communities and stakeholders. Should any time-bound site restrictions be needed due to safety reasons (e.g. during infrastructure construction), national standards and processes for site safety will be followed, and local communities notified in advance in accordance with agreed local measures and the Stakeholder Engagement Plan.	*PM*
	SESP Risk 11: Potential private sector partnerships/interest in ecotourism development could conflict with community interests or overall project outcomes	*SESP*	I = 3; P = 2 **MODERATE**	Any corporate partnerships that will be likely co-financers will be screened as per UNDP's exclusionary criteria and the private sector partnership due diligence process applied. Any concessions supported by the project will be in accordance with the concessions framework developed under Output 1.3. This will establish bidding criteria including environmental safeguards and a due diligence process for potential private sector partnership/investment. Under Output 2.1 in the demonstration landscape businesses and entrepreneurs will	*PM*

				be supported to enter into PPPs in full consultation with the local communities as outlined in the Stakeholder Engagement Plan. Any investment activities in the demonstration sites (as in the case of any development activity) will require community consent in accordance with government processes. A screening mechanism will be built into issuance of grants to local enterprises to ensure due diligence is applied for private sector partnerships and businesses being supported.	
	SESP Risk 12: Habitat management/improvement or species protection measures could have perverse ecological impacts if not planned and implemented in a technically/ecologically-sound manner	*SESP*	I = 3; P = 2 **MODERATE**	Project activities will be carefully planned in consultation with relevant experts, officials and local communities (activity 2.3.5). These management plans will be completed prior to any technical demonstration activities taking place and potential perverse impacts and safeguards will be considered as part of this process, along with required standards and guidelines such as mandating use of native species for plantings, measures for IAS control and management, adherence with established SOPs and guidelines of national/local authorities. Local training activities/consultations will be conducted to support the effective implementation of management plans.	*PM*
	SESP Risk 13: PA surveillance activities and the process of snare removal in protected areas could put project staff/rangers at risk of accidental injury or confrontation with local poachers	*SESP*	I = 3; P = 2 **MODERATE**	Any use of technologies for snare removal or other surveillance under Output 2.3 will include the provision of training and appropriate equipment on the proposed methods including proper handling of snares during removal. This is explicitly captured in activity 2.3.4 which notes that training workshops and appropriate equipment will be provided. Project support to facilitate enhanced surveillance and information sharing on wildlife poaching, crime and rescue has been designed to focus on database and ICT aspects, not on the actual process of surveillance and monitoring. Nevertheless, these discussions under activity 2.3.3 will consider potential safety aspects for PA and project staff and reinforce the importance of such activities adhering to DoFPS and other agency SOPs for patrolling/surveillance activities.	*PM*
	SESP Risk 14: Project staff, consultants or tourists travelling to the demonstration landscape in Eastern Bhutan could potentially bring COVID-19 infection risk to remote communities	*SESP*	I = 4; P = 1 **MODERATE**	Project staff and consultants will abide by all government restrictions and SOPs regarding COVID-19 social distancing and movement restrictions. The potential need for virtual measures has been noted in the Stakeholder Engagement Plan and virtual measures will be considered right up to the level of Project Board meetings as deemed necessary. PPE	*PM*

				for PMU/communities has been included in the project budget. For tourists, project will adhere to all government requirements and social distancing/movement restrictions on tourism facilities and operations. COVID-19 hygiene and safety considerations has been integrated across project Outputs, including in the delivery of activities that might pose a higher risk of transmission/breaches of hygiene protocols such as the establishment and promotion of homestays. Hygiene protocols and training will be included in the project's support to develop homestays and other local experiences for tourists. Implementation of any tourism activities in the demonstration landscape will abide by any government social distancing restrictions that may be in place at this time. Given the current pandemic risk, Component 2 demonstration has been pushed back to year 2 of the project and national policy development frontloaded in year 1.	

Annex 8: Overview of technical consultancies/subcontracts

Position	Time Input	Tasks, Inputs and Outputs
PMU: For Project Management		
Local / National contracting		
Project Director (Co-financed, RGoB)	Part-time, as needed	The Director General of Tourism Council of Bhutan will assume the role of the Project Director. This will be a RGoB financed position. The PD will have the responsibility for operational direction, supervision and management of the project. Specific responsibilities will include: • Supervise and guide the Project Manager and other project staff; • Ensure that inputs from the RGoB, GEF, UNDP and other donors to the project are forthcoming in a timely and effective manner; • Endorse annual work plans and budgets for review and approval by the Project Board; • Ensure the project is implemented in a coordinated manner and as per approved project design, work plans and budgets; • Oversee timely submission of technical and financial progress reports in accordance with the requirements specified in the Project Document; • Oversee the recruitment of project consultants, ensuring consultants recruited are technically competent for the tasks in question and the quality of consulting inputs is of the desired quality and in accordance with the approved ToR; • Represent the project as the national focal point.
Project Manager (Co-financed, RGoB)	Full Time	The overall Flagship Coordinator of Tourism Council of Bhutan will assume the role of the Project Manager. This will be a RGoB financed position. Under the overall supervision and guidance of the PD, the PM will have overall responsibility for the day-to-day management of the project, reporting the Project Board. Specific responsibilities will include: • Manage and coordinate the implementation of the project activities in accordance with the approved Project Document, annual work plans and budgets; • Examine and verify annual work plans and budgets for onward submission to the PB for perusal and approval; • Monitor project progress and oversee the preparation of technical and financial progress reports in accordance with the requirements of the Project Document and update Project Board accordingly; • Organize PB and PMU meetings, annual project review and planning meetings including the preparation and notification of agenda and circulation of documents necessary for these meetings at least two weeks in advance; • Ensure that the minutes of PB and PMU meetings are produced and circulated within a week after such meetings are held; • Manage staff and consultants assigned to the project; • Network with other relevant agencies and projects and establish linkages for learning and sharing experiences and developing synergies; • Facilitate mid-term and terminal evaluations of the project;

Position	Time Input	Tasks, Inputs and Outputs
		• Liaise with UNDP on project management matters; • Conduct annual monitoring of project sites to appraise project implementation and related issues in interaction with local project stakeholders. • Commission joint monitoring as and when required. • Liaise with broadcast and print media to disseminate project events and activities of interest.
Project Accountant (Co-financed, RGoB)	Full time	An accountant from the TCB Administration & Financial Services will assume the role of the Project Accountant. This will be a RGoB co-financed position. Under the guidance and supervision of the Project Manager, the Project Accountant will have the following specific responsibilities: • Keep records of project funds and expenditures, and ensure all project-related financial documentation are well maintained and readily available; • Review project expenditures and ensure that project funds are used in compliance with the Project Document and RGoB financial rules and procedures; • Validate and certify FACE forms before submission to UNDP; • Provide necessary financial information as and when required for project management decisions; • Provide necessary financial information during project audit(s); • Review annual budgets and project expenditure reports, and notify the Project Manager if there are any discrepancies or issues; • Consolidate financial progress reports submitted by the responsible parties for implementation of project activities; • Liaise and follow up with the responsible parties for implementation of project activities in matters related to project funds and financial progress reports.
PMU: For Project Technical Outputs		
Monitoring and Evaluation Officer (Co-financed, RGoB)	Full time	Under the overall supervision and guidance of the Project Manager and in close coordination and consultation with the Project Officer, the M&E Officer will have the responsibility for monitoring and evaluation of project activities in accordance with Output 3.4. This will be a RGoB financed position. Specific responsibilities will include: • Develop annual M&E plan for the project. • Monitor project progress and participate in the production of progress reports ensuring that they meet the necessary UNDP and GEF reporting requirements and standards; • Oversee and ensure the implementation of the project's M&E plan, including periodic appraisal of the Project's Theory of Change and Results Framework with reference to actual and potential project progress and results; • Coordinate the completion of the GEF Tracking Tools on Biodiversity and core indicators as required;

Position	Time Input	Tasks, Inputs and Outputs
		• Align the project's M&E requirements with those of RGoB, and ensure that both RGoB and UNDP M&E requirements are effectively coordinated and addressed; • Oversee and guide the design of surveys/ assessments commissioned for monitoring and evaluating project results; • Facilitate mid-term and terminal evaluations of the project; • Facilitate annual reviews of the project and produce analytical reports from these annual reviews; • Liaise with stakeholders through component managers and UNDP Bhutan and responsible parties for implementation of project activities in matters related to M&E and knowledge resources management; • Visit project sites as and when required to appraise project progress on the ground and validate written progress report.
Project Technical Specialist $16,000 * 5 years = $80,000	Full time	A full-time Project Technical Specialist will be recruited with GEF funds. This position will operate from the PMU under the direct guidance and supervision of the Project Director and in coordination with the Project Manager and UNDP Bhutan. The PTS will carry out the following tasks to support effective delivery and coordination of project technical components: • Technical leadership and coordination for technical activities on ecotourism and biodiversity conservation under Components 1 and 2, including linkages and synergies between ecotourism development, livelihoods and reduced threats to biodiversity conservation including HWC mitigation. • Technical guidance to all recruited technical consultants. • Define for each action item of the eco-tourism master plan, implementation arrangement, financing modality, coordination requirements, policies and regulations applicable and processes for inception, implementation, monitoring, and evaluation. • Design for feasibility assessment of ecotourism potentials in all Dzongkhags including resources inventory and mapping. • Technical leadership for capacity development activities and capacity assessments, integration with existing capacity development efforts, and arrangements for institutionalization within TCB capacity development program. • Take stock of existing coordination mechanisms (structure, memberships, terms of references and mandates) for ecotourism development and nature conservation and align project efforts with technical inputs of others to ensure synergies and avoid overlaps. • Together with the M&E Officer, ensure compliance with all UNDP project-level M&E requirements as outlined in the UNDP POPP. This includes ensuring the UNDP Quality Assurance Assessment during implementation is undertaken annually; that annual targets at the output level are developed and monitored and reported using UNDP corporate systems; • Together with the Project Manager, address any quality concerns flagged during M&E activities (e.g. annual GEF PIR quality assessment ratings); • In coordination with the M&E Officer, initiate and organize key GEF M&E activities including the system based annual GEF Project Implementation Report (PIR), the independent mid-term review and the independent terminal evaluation;

Position	Time Input	Tasks, Inputs and Outputs
		• In coordination with consultant safeguards support, regularly monitor environmental and social risks and corresponding management plan, gender strategy, knowledge management strategy, and other relevant strategies and safeguard requirements; • Contribute to website and relevant publications and public events on nature conservation and ecotourism development; • Ensure the optimal flow of information about initiatives, projects, and related issues; • Identify, analyse, document best practices and lessons learned from the project formulation and implementation and then share with stakeholders that might be beneficial to the implementation of the project. The PTS will also support Project Management, working closely with the Project Manager and PMU, through the completion of the following tasks • Support the regular updating of project risks, and regular updating of the ATLAS risk log; and, the updating of the UNDP gender marker on an annual basis based on gender mainstreaming progress reported in the GEF PIR and the UNDP Result Oriented Annual Report (ROAR); • Review financial reporting procedures and mandatory requirements, and agree on the arrangements for the annual audit; • Support the PMU in the development of ToRs for various consultancies required for the project implementation and the review and quality assurance of various consulting reports; • Provide technical inputs to manage finances including fund releases and ensure expenditure reporting in a timely manner; • Maintain a calendar of technical events related to the project implementation and ensure implementation and coordination of the same, as appropriate; • Prepare quarterly technical reports and updates and share the same with stakeholders; • Assist day-to-day implementation and management of the project, including networking and maintaining strategic alliances with partners in government, NGOs, private sector and academia; • Collaborate and coordinate with PMU on project-related matters.
Behaviour Change and Advocacy Officer (Project Communications Officer) $ 11,000 * 5 years = $ 66,000	Full time	Under the overall supervision and guidance of the Project Manager and in close coordination other project staff, the Advocacy and Behavior Change Officer will have the responsibility for enhancing project visibility and for leading on project technical outputs related to community awareness and outreach (Output 2.4), marketing (Output 3.2) and knowledge management (Output 3.3). The Advocacy and Behavior Change Officer will be recruited with GEF funds. Specific responsibilities will include: • Develop a project Information, Education and Communications Plan in accordance with Output 2.4 and update it annually in consultation with project stakeholders and coordinate its implementation. This will comprise of preparation and dissemination of mass communication materials on local and global biodiversity values and benefits of co-existence to ecology, economy and culture, causes of HWC and poaching and national policies and strategies to prevent them, along with a program of awareness raising and educational activities.

Position	Time Input	Tasks, Inputs and Outputs
		• Coordination of marketing/communication activities under Output 3.2 in close partnership with TCB. • Coordinate the implementation of knowledge management activities under Output 3.3 of the project including documentation of lessons learnt report on community enterprises and ecotourism products in demonstration sites and processes for dissemination of GWP lessons across Bhutan (and for sharing Bhutan lessons with GWP). • Facilitate learning and sharing of knowledge and experiences relevant to the project. • Coordinate and oversee the implementation of public awareness activities across all project components. • Develop communication materials (brochures, press releases, slideshows and other audiovisuals, leaflets) to disseminate project activities and highlight project achievements to a wider audience. This will include development of a communication deck comprising of research based digital contents for all ecotourism products in demonstration sites • Documentation of lessons learnt and provide recommendations for revenue plough back for the trail management • Liaise with broadcast and print media to disseminate project events and activities of interest.
For Technical Assistance		
International contracting		
International Tourism Management & Development Specialist $700/day	125 days	Under the overall supervision and guidance of the Project Manager and technical guidance from the Project Technical Specialist, the International Tourism Management/Development Specialist will complete the following tasks: • Provide support and review of best practices to support development of the National Ecotourism Master Plan (including best practices and strategies on green tourism recovery/resilience under COVID-19) under Output 1.1. • Develop a framework for an ecological capacity toolkit applicable to Bhutan context based on international best practices under Output 1.4. • Provide international best practices and QA review for tourism guidelines and standards under Output 1.4. • Develop frameworks for best practice ecologically sensitive tourism infrastructure development under Output 2.2 including design principles and standards and support QA/guidance on infrastructure development process. • Develop templates for product and site-specific management and business plans under Outputs 2.1 and 2.2, and support with QA of these project outputs. • Provide mentoring/guidance to local consultants to plan and product development under Component 2.
International Evaluation Specialist, MTR $700/day	20 days	The International Team leader for MTR will • Review Project Concept Note, Project Document, ESSP, Project Inception Report, PIRs, METT, Project Steering Commute meeting minutes, • Participate in MTR inception workshop • Support the Lead International Consultant in finalizing the methodology of the MTR and in producing the MTR report. • Support conducing local interviews in the field and liaise for meetings with project stakeholders, executing agencies, academia, local government and CSOs, etc. • Support in coordinating site visits to project landscape areas • Lead drafter of MTR report

Position	Time Input	Tasks, Inputs and Outputs
		Standard UNDP TOR for MTR will be used.
International Evaluation Specialist, TE $700/day	30 days	The International Team leader for TE, will; • Review Project Concept Note, Project Document, MTR, ESSP, Project Inception Report, PIRs, METT, Project Steering Commute meeting minutes, etc. • Participate in TE inception workshop • Support the Lead International Consultant in finalizing the methodology of the TE and in producing the TE report. • Support conducing local interviews in the field and liaise for meetings with project stakeholders, executing agencies, academia, local government and CSOs, etc. • Lead drafter of TE report *Standard UNDP TOR for TE will be used.*
Local / National contracting		
Safeguards Expert $350/day	110 days	Under close supervision of the Project Manager (PM) and Protect Technical Specialist (PTS) the Safeguards Expert will work closely with other project staff, consultants, field staff and other stakeholders to: • Develop a framework and guidance on incorporation of a SESA approach and safeguards standards in development of National Ecotourism Master Plan under Output 1.1. • Develop a framework and guidance on incorporation of a SESA approach and safeguards standards in development of and tourism guidelines/standards under Output 1.4. • Develop a framework to incorporate safeguards into tourism product development including scaled screening/EIA for infrastructure development under Output 2.2, and oversight/review to ensure compliance of contracting and infrastructure development with this framework and agreed standards. • Provide safeguards training and sensitization to PMU and national and local stakeholders under Output 3.4. • complete review of SESP implementation to ensure adherence to UNDP SES requirements and national standards under Output 3.4. • Oversee compliance by project stakeholders and lead the management of risks identified under SESP during the design and implementation of the activities • Annually monitor/assess environmental and social risks and corresponding management plan, gender strategy, knowledge management strategy, and other relevant strategies and safeguard requirements.
Gender Expert $350/day	70 days	Under close supervision of the Project Manager (PM) the Gender Expert (GE) will work closely with other project staff, consultants, field staff and other stakeholders to: • Guide and integrate gender elements under guidelines development/revision under Output 1.4. • Guide and integrate gender elements in ecotourism development under Output 2.2. • Provide training on gender safeguards under Output 3.1. • Carry out annual review of gender action plan implementation under Output 3.4.

Position	Time Input	Tasks, Inputs and Outputs
		• Train key staff of PMU, TCB , PAs, landscape Dzongkhags, landscape gewogs, GAB, ABTO and selected tour operators on gender equality and integration of gender into project implementation plans including protocols to enable equal participation (especially women and youth) in tourism activities and collecting gender-specific information.
Biodiversity and Ecological Expert $350/day	120 days	Under close supervision of the Project Manager (PM) and Protect Technical Specialist (PTS) the Biodiversity and Ecological Expert (BDEE) will work closely with other project staff, field staff and other stakeholders. In particular, the BDEE will work closely with the EPE to develop the Ecotourism master plan in Output 1.1 by taking up the following tasks; • Identifying and mapping hotspots for biodiversity, HWC and poaching and environmental threats from ecotourism. This will include GIS based analysis along with other relevant variables (e.g. access) to select priority zones for ecotourism (and no-go areas) which will provide the land use perspective of the ecotourism master plan. • Identify appropriate ecotourism solutions that promote human-wildlife co-existence and wildlife-based economy and define ecological capacity for project ecotourism locations based on the Ecological Capacity Assessment toolkit for tourism destinations. • Provide training to community members, field staff and local guides on overall biodiversity, bird watching, flora and fauna in support of Output 3.1.
Local Expert – MTR $350/day	30 days	Working closely with the International Team leader for MTR, the Local Expert – MTR will • Review Project Concept Note, Project Document, ESSP, Project Inception Report, PIRs, METT, Project Steering Commute meeting minutes, • Participate in MTR inception workshop • Support the Lead International Consultant in finalizing the methodology of the MTR and in producing the MTR report. • Support conducing local interviews in the field and liaise for meetings with project stakeholders, executing agencies, academia, local government and CSOs, etc. • Support in coordinating site visits to project landscape areas *Standard UNDP TOR for MTR will be used.*
Local Expert – TE $350/day	40 days	Working closely with the International Team leader for TE, the Local Expert – TE will • Review Project Concept Note, Project Document, MTR, ESSP, Project Inception Report, PIRs, METT, Project Steering Commute meeting minutes, etc. • Participate in TE inception workshop • Support the Lead International Consultant in finalizing the methodology of the TE and in producing the TE report. • Support conducing local interviews in the field and liaise for meetings with project stakeholders, executing agencies, academia, local government and CSOs, etc. • Support in coordinating site visits to project landscape areas *Standard UNDP TOR for TE will be used.*
Community Engagement Expert, KAP	30 days	Under close supervision of the Project Manager (PM) and Protect Technical Specialist (PTS) in coordination with the project staff, the local experts will carry out the following surveys and produce survey report; • Finalize a KAP framework and questionnaire for the project in accordance with Output 3.4.

Position	Time Input	Tasks, Inputs and Outputs
$350/day		• KAP Baseline survey during Q1 of 1st year of the project and during 5th year of the project prior to TE. • Survey report with status of indicators in the RF for TE Q3 of 5th year of the project.
Nature Expert $350/day	20 days	Under close supervision of the Project Manager (PM) and in coordination with the project staff, the Nature Expert will carry out the following task: • provide field-based trainings on bird watching, flora and fauna in Zhemgang under Output 3.1.
National Ecotourism Expert – Technical Guidelines $350/day	Multiple experts at 20-70 days for each assignment depending upon scope and complexity	Under close supervision of the Project Manager (PM) and Protect Technical Specialist (PTS) in coordination with the project staff, project experts and stakeholders the Local Experts – Technical Guidelines, will carry out the following tasks; • Revise Bhutan Tourism Product Development Guidelines, 2018 • Revise Guidelines on the operation and monitoring of commercial rafting, 2019 • Revise Guidelines for registration of village home stays, 2019 • Revise Procedures for assessment and classification of hotels • Revise Procedures for the assessment of new Tour Operator's Office, 2017 • Revise Guidelines for Planning and Management of Ecotourism Development in the Protected Areas Network of Bhutan • Develop Guidelines for Assessment and Green Certification of Accommodations and Tour Operators • Develop Guidelines of Campsites and Routes management • Develop Guidelines for ecotourism product siting and feasibility assessment. *Note: Multiple consultancies will be issued. Consultancies may be merged for efficient and cost-effective implementation.*
IT/website developer $350/day	30 days	Under close supervision of the Project Manager (PM) and in coordination with the project staff, project experts and stakeholders the IT/website developer, will carry out the following tasks; • Design and develop an online system for application of green certification under Output 1.4. • Guidance to TCB on establishment of the system. • Development of guidance materials and training for operationalization of the system.
Ecotourism & Biodiversity Expert $350/day	30	Under close supervision of the Project Manager (PM) and Protect Technical Specialist (PTS), the Ecotourism & Biodiversity Expert will carry out the following tasks: • Desktop review of COVID-19 impacts and situational context for Bhutan. • Consultation and liaison with project stakeholders and co-financers on COVID-19 impacts and responses. • Contributions to PPG inception workshop on consideration of COVID-19 risks and opportunities to inform revision of work plans as appropriate. • Update PPG assessments on tourism development/feasibility/risks/opportunities given COVID-19 under Output 1.1.
Ecotourism Planning Expert $2,350/week	46 weeks	Under close supervision of the Project Manager (PM) and Project Technical Specialist (PTS) the Ecotourism Planning Expert (EPE) will work closely with other project staff, field staff and other stakeholders to complete the following tasks to formulate an inclusive National Ecotourism Master Plan, develop operational frameworks for implementation of and mainstreaming the ecotourism master plan into sectoral development plans, development of Ecological Capacity Assessment toolkit for tourism destinations, support preparation of management plans for demonstration sites in the project landscape and support specialized training on data analytics and strategic

Position	Time Input	Tasks, Inputs and Outputs
		tourism planning to TCB staff. The role of the EPE relates to the project under Outputs 1.1, 1.4, 2.2, 2.3 and 3.1 and includes the following tasks: • Lead the formulation of an inclusive National Ecotourism Master to mainstream ecotourism across all relevant sectors in coordination with the Biodiversity and Ecological Expert. • Identify national and local level actions for ecotourism development including budget, timelines and responsibilities of each sector. • Define short, medium- and long-term eco-tourism development targets and actions for different sectors inclusive of costs, HR requirements, policy changes needed, standards and safeguard measures to implement the master plan through regional workshops. • Develop an Ecological Capacity Assessment toolkit for tourism destinations in coordination with the Biodiversity and Ecological Expert through stakeholder consultations and contribute to overall development and strengthening of ecotourism guidelines and certification system. • Contribute towards development of biodiversity-friendly ecotourism to enhance biodiversity conservation, livelihoods human wildlife co-existence. This will include development of management plans for ecotourism products and services within the project demonstration landscape: The Ludlow Trail in Trashiyangtse, The Ludlow Expedition Trail between Lhuntse and Trashiyangtse, The Jomo Panda trail in Trashigang, The Latongla-Zhongar Dzong and Sengor-Yongkola birding trails in Mongar. The Golden Languor Trail in Zhemgang, The Berti community lodge and ecotourism product in Zhemgang, The Hornbill and Nuthatch Trail in Zhemgang, The Tingtibi-Pantang biodiversity immersion Trail, The Yangbari-Manas Model Rafting Trail; The Run for Biodiversity Trail in Trashigang, The Singye Dzong Pilgrimage Trail in its operating enterprise and Lhuntse, The Aja Nye Pilgrimage Trail operating enterprise. • Support development of management plans for Community Deysho enterprise in Trashiyantse, community green tea enterprise in Trashiyantse, Youth/Community owned tour operator enterprises of Sakteng, Khoma and Shermuhung. • Contribute to capacity development for applying ecotourism safeguards and standards. This will include developing train the trainer materials and training key staff of on the tourism guidelines for TCB, NCD, PAs, tour operators, ABTO, GAB, BAFRA, Department of culture and EDOs/POs of landscape dzongkhags; Sensitizing tourism stakeholders including local government, private sector and communities sensitized on concessional framework, National Tourism Policy and Ecotourism Master Plan; Training the staff of TCB on data analytics and strategic tourism planning. • Support the establishment of mobile training unit at TCB to cover non-specialized trainings, awareness and sensitization on ecotourism standards and sustainable tourism operations in the landscape dzongkhags.
Livelihoods & Business Development Expert $2,350/week	56 weeks	Under close supervision of the Project Manager (PM) and Protect Technical Specialist (PTS) the Livelihoods & Business Development Expert (LBDE) will work closely will with other project staff, field staff and other stakeholders to develop the ecotourism investments framework, support development a livelihoods plan and support demonstration sites with preparation of business plans supporting Outputs 1.3, 2.1, 2.2, 3.1 and 3.2. The role of the EPE includes the following tasks: • For output 1.3, the role of LBDE will include development of options for ecotourism investments to address biodiversity threats and HWC.

Position	Time Input	Tasks, Inputs and Outputs
		• Revision and finalization of the Concessions framework defining environmental conditions (energy, water, HWC and biodiversity threats), socio-cultural conditions (cultural and sacred sites) and economic conditions (Benefit sharing, Revenue for conservation, business and employment and incentives/concessions). • Development of procedures for awarding of concessions and for monitoring concession arrangements. • Operational guidelines for concessionary licensing arrangements within and outside PAs including guidance for monitoring concession arrangements. • Develop operational guidelines for establishment of local fees and service charges within and outside PAs. • For output 2.2, the role of LBDE will include development of business plans for ecotourism products and development of business plans for the community nature-based enterprises. • For output 3.1, the role of LBDE will include development of ToT materials on ecotourism enterprise development, finance, risk and management and development of training materials on branding content development, marketing strategies and tools. • For output 3.2, the role of LBDE will include compilation of a marketing deck of all ecotourism products across the project landscape. • Development of a landscape level ecotourism marketing and branding strategy.
Sub-contracts / contractual services		
Infrastructure development/ construction company	Estimated contract value $45,000	A suitably qualified company will be contracted under Component 2 for: • Design/establishment of a model campsite at Thangkarmo to support community/Youth group at Khoma for domestic tour operations under Output 2.1.
Infrastructure development/ construction company	Estimated contract value – multiple contracts, estimated $166,000 to $350,000.	Suitably qualified companies will be contracted under Component 2 for: • Ecologically-sensitive design and impact screening/EIA for proposed basic ecotourism infrastructure to increase visitor attraction under Output 2.2. • Construction of infrastructure including trail establishment and upgrading, basic campsites, walkways and viewing decks, fencing and safety infrastructure. Multiple contracts will be issued for agreed infrastructure development under Output 2.2 for project Dzongkhags with contracts issued via Dzongkhag authorities and PAs. Indicative infrastructure development is outlined in Annex 12c and will be used to develop detailed TOR. Indicative estimated contract values are Sakteng Wildlife Sanctuary & Tashigang ($200,300), Bumdeling Wildlife Sanctuary, Tashiyangtse & Lhuentse ($250,000), Mongar Dzongkhag ($353,200), Zhemgang Dzongkhag ($166,500). *Note: where practical, contracts may be merged for cost-efficient and effective procurement/implementation.*
Tourism Development/ Management Company	Estimated contract value $62,500	A suitably qualified company will be contracted under Component 2 for: • Development of site-specific management plans for 10 ecotourism sites under Output 2.2, working under overall guidance of the National Ecotourism Planning Expert. • Coordinate stakeholder consultation and engagement process.

Position	Time Input	Tasks, Inputs and Outputs
		• Development of inputs for management plans. • Completion of management plans.
Environmental Management Company	Estimated contract value $18,500, $6,500	Suitably qualified companies will be contracted under Component 2 for: • Complete mapping of critical spawning spots of mahseer along the Yangbari-Manas river stretch under Output 2.3. • Complete resource survey of community forest areas in Bamdhir and Womanang. *Note: where practical, contracts may be merged for cost-efficient and effective procurement/implementation.*
Environmental Management Company	Estimated contract value – multiple contracts $30,000 - $50,000	Suitably qualified companies will be contracted under Component 2 for: • Complete habitat improvement and threat reduction works in support of tourism flagship species conservation under Output 2.3 in accordance with adopted management plans and in accordance with national/international best practices and standards (see SESP for related risks). Multiple contracts will be issued for agreed habitat improvement and threat reduction efforts under Output 2.3 for project Dzongkhags with contracts issued via Dzongkhag authorities and PAs. Indicative estimated contract values are Sakteng Wildlife Sanctuary ($32,500), Bumdeling Wildlife Sanctuary, Tashiyangtse (4 locations * $37,500 = $150,000), Zhemgang-Tingtibi road stretch (2 locations * $32,500 = $65,000), crane habitat improvement and threat reduction in Bumdeling ($50,000). *Note: where practical, contracts may be merged for cost-efficient and effective procurement/implementation.*
Infrastructure development/ construction company	Estimated contract value – two contracts at $50,000	Suitably qualified companies will be contracted under Component 2 for: • Design, planning and exhibit construction of Biodiversity information centers under Output 2.4. Two contracts will be issued by Dzongkhag/PA authorities for centres at Sakteng and Zhemgang. *Note: where practical, contracts may be merged for cost-efficient and effective procurement/implementation.*



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