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Country Results Report

The Biodiversity Finance Initiative (**BIOFIN**) programme in **NEPAL**
REPORTING PERIOD: January to December 2025

16 January 2026

Report

BIOFIN COUNTRY PROGRAMME

W: https://www.biofin.org/index.php/Nepal

BIOFIN
The Biodiversity Finance Initiative

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BIOFIN COUNTRY PROGRAMME PROFILE

Country: Nepal

Geographic coverage: Countrywide

Programme period Phase II/Phase II Extended funds)January 2019 to December 2030

Budget:

Phase I: US$ 532,847 (January 2019 to June 2024)

Phase II: US$ 1,572,738 (June 2024 to December 2030)

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Executive summary

Progress toward targeted results

Nepal has been engaged in BIOFIN processes since January 2019. It began implementing finance solutions in July 2023. Below are the key results achieved toward validating a Biodiversity Finance Plan (BFP) and implementing finance solutions.

Validated BFP (following the validation of a PIR, BER, and FNA)

- The Biodiversity Expenditure Review (BER) is updated for the 2019 to 2024 period, and the Finance Need Assessment for the NBSAP period (2025-2030) is being conducted. BER provided a baseline for the revised national biodiversity strategy and action plan. The data analysis is complete, and the report has been drafted and is under discussion. The BER report will be validated by February 2026. The FNA is ongoing and will be completed by January 2026, after which it will be integrated into the NBSAP.
- The Ministry of Forests and Environment (MoFE) endorsed the 11 prioritized finance solutions in the BFP, including three finance solutions for piloting: mainstreaming biodiversity in community forests, piloting an insurance scheme for addressing human-wildlife conflict, and financing biodiversity through corporate social responsibility. Likewise, discussions are underway with MOFE and other stakeholders to prioritize the two additional finance solutions for piloting, especially focusing on “greening of subsidies, focusing on monitoring impacts of existing subsidies: upscaling positive incentives and mainstreaming biodiversity in local government. A feasibility study is underway to develop a roadmap and an implementation action plan.
- The validated biodiversity finance plan (2024-2030) intends to mobilize an additional US$26.7 million annually for biodiversity conservation through 11 prioritized finance solutions. The finance plan is being updated to align with the revised National Biodiversity Strategy and Action Plan (NBSAP). Likewise, all 11 finance solutions are fully integrated within the revised NBSAP. The finance plan is expected to be updated by December 2026, following the government's endorsement of NBSAP.
- The Steering Committee of the NBSAP endorsed the Vision Document of the NBSAP in November 2025, which included six finance-related targets, including reforming harmful subsidies, upscaling positive incentives, increasing public expenditure, mobilizing alternative finance, and nature-related disclosure.

Finance Solution 1: Mainstreaming Biodiversity in Community Forestry

- This solution was piloted from December 2022 onwards and aims to increase the accountability, transparency, and efficiency of forest user groups’ investment in biodiversity conservation. The draft guidelines for integrating biodiversity into the Community Forestry Operational Planning Processes were validated with provincial

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stakeholders in October 2023. Taxonomy of finance solutions, including mapping and prioritization guidelines for community forestry, was prepared and validated.

- Biodiversity-friendly planning and financing mechanisms are now being integrated into the operational plan revision of fifty forest user groups from three biological corridors. The service provider is working on revising the operational plan and preparing the financial plan, which is expected to be completed by March 2026. The draft Biodiversity Integrated Operation Plan and Biodiversity Finance Plan were prepared for a community forestry project and validated at the Provincial Level under the leadership of the Province Secretary, Ministry of Industry, Tourism, Forests, and Environment, with the participation of the Divisional Forest Officials, the Directorate, and other stakeholders in November 2025**.** In addition, the service provider is engaged to prepare an additional financing plan for forest user groups in 70 community forests.
- Biodiversity Mainstreaming Approach in the Community Forestry was validated at the national level and sub-national level, in collaboration with the Federation of Forest User Groups Nepal (FECOFUN). Four workshops, one at the national level and three at the sub-national level, were conducted to sensitize the federation leaders on BIOFIN approaches for integrating biodiversity into community forestry and identify areas for collaboration. A total of 22 participants (5 women) at the national level and 150 participants (65 women) at the subnational level participated in the workshops.
- A road map for piloting is prepared and disseminated to the stakeholders. Furthermore, UNDP and the BIOFIN team briefed the UK Minister, Ms. Baroness Hayman, and her team on ongoing work on biodiversity finance in general and on the mainstreaming of biodiversity and finance in community forestry in particular.

During the upcoming period, the project will:

- Complete revision of 120 operational plans, integrating biodiversity finance components and providing technical support for their implementation
- Prepare 120 finance plan for community forest user groups
- Organize workshops to build the capacity of forest officials on biodiversity-friendly operational plans.
- Train 300 forest users (50% women) on the implementation of the plan, including finance solutions implementation
- Endorsement of biodiversity-friendly operational plan preparation guidelines
- Build the capacity of forest user groups to implement prioritized finance solutions (based on the operation plan preparation)
- Monitor the financial results of the forest user groups, including knowledge-sharing

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Finance Solution 2: Piloting Insurance schemes for addressing human-wildlife conflict.

- This solution is being implemented from November 2023. It aims to pilot insurance-based schemes to mitigate the effects of human-wildlife conflict related to crop raiding and livestock depredation, thereby promoting coexistence between humans and wildlife.
- Four sites comprising two protected areas, one biological corridor, and one high wildlife conflict-prone area were selected for in-depth study and piloting insurance schemes. A detailed feasibility analysis was conducted to assess the feasibility of piloting insurance schemes, and potential schemes were discussed with stakeholders across all four sites. The findings were validated between February and March 2025 in all four sites, and “upscaling agriculture-based insurance schemes was identified as a feasible option. In March 2025, 50 participants (14 women) attended a validation workshop to design the insurance schemes, where they appreciated the upscaling of agricultural insurance for HWC, noting that agricultural insurance already covers wildlife-related losses and that the government provides an 80% subsidy on insurance premiums. The policy options for piloting insurance schemes were validated, with a focus on insurance modalities and premium financing. The detailed action plan is developed and validated with the local government.
- Of the four sites chosen for study, three are being selected for piloting insurance, which includes (a) Jhapa Elephant Complex, (b) Bardia National Park, and (c) Mohana Laljahdi Biological Corridor, based on the stakeholders' willingness to participate in the piloting processes, especially of local government. A Series of meetings with the insurance companies, local government, and government officials is conducted to finalize the insurance modalities. As a result, all local governments are willing to collaborate with the project to pilot insurance schemes in their constituencies and have agreed to provide the necessary support. Likewise, all park officials and the local government unit have expressed their commitment to supporting the implementation. A service provider is being recruited to roll out insurance on selected sites.
- A learning exposure for the government officials, Nepal Insurance Authority, and BIOFIN team was conducted in India in September 2025 on insurance schemes. The MOFE's joint secretary led the mission, which included 11 participants from the Ministry of Agriculture and Livestock Development and officials from the MOFE and the Nepal Insurance Authority (NIA). The learnings from the mission were integrated into the design of a roadmap for piloting insurance.
- BIOFIN contributed to developing a knowledge document for How Insurance Can Address Nature-related Risks: A Summary Guide, prepared by the BIOFIN global team. Likewise, it produced a documentary video on Human-Wildlife Co-existence Insurance for sharing at the BIOFIN regional workshop in Africa.
- BIOFIN collaborated with the Nepal Insurance Authority to design and develop insurance products, especially targeting Human Wildlife Conflicts. Field visits to four

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protected areas in Nepal were conducted in November and December 2025, and discussions are underway to design and implement innovative products, with a focus on wildlife-related losses. Likewise, a discussion is underway about integrating the technology-based loss assessment procedures within the insurance products and piloting it

During the next period, the project will

- Collaborate with the Nepal Insurance Authority for developing insurance products especially targeting wildlife-related losses
- Roll out insurance schemes in selected sites, in collaboration with stakeholders
- Develop a mechanism for premium financing in collaboration with the local government and management authorities of selected sites
- Pilot insurance schemes for piloting Pilot technology-based claim verification processes in collaboration with the Nepal Insurance Authority

Finance Solution 3: Financing Biodiversity through Corporate Social Responsibility (CSR)

- The solution was implemented in May 2024, which aimed to recognize and mobilize the Corporate Social Responsibility fund of the private sector, especially of the finance sector, for biodiversity conservation.
- The stock-take on the finance sector's current practices in mobilizing CSR funds, including their investment in biodiversity, is completed, covering 29 financial institutions in the country. Financial analysis of these 29 financial institutions showed that they mobilized NPR 407 million for CSR-related activities, with investment in biodiversity-related activities negligible (less than 0.5%). Major CSR activities undertaken by the finance sector include urban planting and greening, and the celebration of special days, such as World Environment Day.
- A national workshop was conducted in June 2025, on Financing Biodiversity through Corporate Social Responsibility: Building partnerships for people, planets, and profits with Banks and Financial Institutions (BFIs). A roadmap was shared to solicit feedback and suggestions from these agencies. A total of 75 participants from the central bank, financial institutions, government agencies, and conservation partners attended the workshop and provided feedback. They appreciated the idea and look forward to collaborating with BIOFIN. A road map for piloting CSR is developed and validated with stakeholders.
- The BIOFIN finalized the TOR for the recruitment of the service providers to roll out the finance solutions, and the service provider is being selected.

During the upcoming period, the project will

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- Develop a catalogue for biodiversity-relevant expenses for the private sector
- Launch the finance solutions in collaboration with the finance sector
- Sensitize to 30 private sector institutions on biodiversity-friendly investment
- Train 21 local non-government organizations to prepare the proposal for biodiversity finance
- Conduct national launching ceremony in 2026.

Nature-related financial disclosure

- A scoping study on the nature-related financial disclosure (TNFD) was validated in March 2025, which conducted an in-depth policy, regulatory, and institutional assessment to establish an enabling environment and incentives/disincentives to increase uptake. The action plan was prepared, and a national workshop was conducted to validate the findings. The findings from the TNDF study are integrated into NBSAP to establish an enabling policy environment for its implementation

Positive Incentives

- BIOFIN recruited the service providers to map and identify positive incentives for biodiversity and prepare an action plan for upscaling. The study is being undertaken, and the inception report is being prepared.

During the upcoming period, the project will

- Undertake assessment and validate the study findings at the national and sub-national levels (2 provinces and six local governments)

Mainstreaming Biodiversity in Local Government

- Mainstreaming biodiversity in local government is one of the 11 prioritised finance solutions for implementation. BIOFIN recruited service providers to conduct a scoping study to mainstream biodiversity into local government planning, with the aim of developing a financing solution proposal for piloting. The study is being conducted across six local governments to understand current efforts to integrate biodiversity into existing expenditure and to identify pathways for reform. The study is expected to be completed by June 2026. Based on the findings, the pathway will be identified and a financing solution proposal drafted.

During the upcoming period, the project will

- Develop a finance solution and validate with stakeholders, especially with local government (six field study sites), including willingness to collaborate
- Obtain approval from the BIOFIN global team and MOFE for piloting

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Other Results and Looking Ahead

BIOFIN-Nepal contributed to the preparation of the NBSAP vision document and result framework. Of the 36 national targets, five targets were directly related to biodiversity finance, which include (a) increasing public sector expenditure on biodiversity, (b) reforming harmful subsidies, (c) operationalizing nature-related financial disclosure, (d) mobilizing alternative finance for biodiversity, and (e) providing positive incentives for conservation. Likewise, BIOFIN supported the preparation of the NBSAP vision document and the integration of the biodiversity finance plan into the revised NBSAP. The NBSAP vision document was endorsed by the NBSAP steering committee in November 2025.

BIOFIN-Nepal contributed to the baseline for biodiversity expenditure in Nepal, which is now being integrated into the revised NBSAP. Furthermore, the BIOFIN processes, in general, and all prioritized finance solutions, in particular, are fully integrated into the revised NBSAP, either through the result indicators or through action targets.

BIOFIN Nepal participates in various international and national conferences in Nepal, where it shares its research findings, including the biodiversity finance plan, harmful subsidies, and the integration of biodiversity finance into policy processes, particularly about the NBSAP. More importantly, BIOFIN was represented at the DFO workshop in June 2025, where it shared updates on its processes. Likewise, it sensitized the FECOFUN leaders and other stakeholders on biodiversity mainstreaming on community forestry for policy lobbing and systemic change. More than 421 stakeholders were sensitized to BIOFIN work, particularly insurance and CSR.

BIOFIN will prioritise engagement with youth, women, indigenous people, and local communities while implementing targeted finance solutions. In this regard, they will be actively involved in the processes through periodic communication, information sharing, and collaboration on implementation studies. Moreover, BIOFIN adopts

An indicative work plan for using the NORAD and GER2 fund is being developed, which aims to implement the fourth and fifth prioritized finance solutions. Discussion underway to select an additional two prioritized finance solutions for piloting.

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A. Country factsheet: the country's biodiversity finance profile and the programming approach

A.1. Biodiversity finance profile

Nepal ranks 49th in the world for biological diversity. The government of Nepal has made commendable progress in biodiversity conservation, where the population of mega wildlife species such as Bengal tigers, Greater one-horned rhinoceros, Asian elephants, and Snow leopards has increased along with the forest cover. Supportive policy and legal environment, expansion of the protected area networks, community-based forest management practices, and demographic transformation are plausible reasons. Despite this, drivers of the biodiversity threats are increasing rapidly, which include land use conversions, especially fringe encroachment and conversion of agricultural land; direct exploitation of natural resources, including unsustainable management practices; climate change; pollution, unplanned infrastructure development; spread of invasive alien species, and human-wildlife conflict. Indirect causes include inadequate policy coherence among sectors, increasing agricultural incentives, expanding the market, and wildlife trade.

Nepal is highly committed to the conservation and sustainable utilisation of biodiversity for the prosperity of its people and the nation in the spirit of the Convention on Biological Diversity (CBD) and other relevant multilateral environmental agreements. The government of Nepal enacted the National Biodiversity Strategy and Action Plan (NBSAP) in 2014 with a long-term vision of conserving biodiversity for sound and resilient ecosystems and national prosperity. It aimed to provide a strategic planning framework for the conservation and sustainable use of biodiversity and biological resources to enhance local livelihoods, eco-friendly national development, and equitable sharing of the benefits of utilising biological resources among all sections of society. In addition, the government of Nepal has formulated several policies and strategies for the conservation and wise use of biological resources in all priority thematic areas of the strategy and different sectors. However, effective implementation of these policies is a challenge. According to the Sixth National Report to CBD, two-thirds of the national biodiversity targets (38 out of 56) are in progress but at an insufficient rate. Likewise, half of the (10 out of 20) Aichi targets are progressing at an insufficient rate. The primary reasons were inadequate investment, poor sectoral integration, and drivers of biodiversity losses.

Biodiversity expenditure is negligible, even though more than half of the national income directly or indirectly depends on ecosystem services. The BIOFIN assessment shows that biodiversity expenditure is nearly 1% (0.97%) of the government budget. During the NBSAP period (2014-2020), total biodiversity attributable expenditure was US$545 million, of which more than half is made on recurrent expenditure, followed by programmatic and capital expenditure. The NBSAP estimated the programmatic expense to be US$672 million for the plan period, whereas the total expenditure for the same period was US$171 million at a 2014

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constant price. This resulted in a financial gap of US$502 million during the plan period, which is less than 1.5% of the 2019 national income.

Recognizing this, BIOFIN-Nepal aims to contribute to effective and efficient biodiversity management by strengthening national capacity to design and implement finance solutions to assure long-term and steady financial flows to biodiversity with the active participation of government, conservation partners, the private sector, and civil society. More specifically, BIOFIN aims to contribute to the achievements of Nepal's Biodiversity Vision, i.e., "***Conservation of biodiversity for sound and resilient ecosystems and national prosperity***", **by reducing the investment gap by implementing sustainable and innovative finance solutions.**

A.2. National implementation context

BIOFIN-Nepal aims to contribute to effective and efficient biodiversity management by strengthening the national stakeholders' capacity to implement financing solutions to assure long-term and steady financial flows to conservation. This will be achieved through three specific outcomes, with the active participation of government, conservation partners, the private sector, and civil societies.

- **Develop a Biodiversity Finance Plan (BFP):** Develop a comprehensive biodiversity finance plan, including identifying prioritised finance solutions and business cases for implementation involving government, the private sector, and civil society.
- **Leverage finance for biodiversity:** Piloting/implementing the selected finance solutions to reduce the finance gap and contribute to national biodiversity targets.
- **Enhanced knowledge on innovative finance mechanisms (**e.g., Harmful subsidies, disclosure framework, positive incentives, etc)

The BIOFIN Global programme has developed, piloted, and continuously improved a methodology for designing comprehensive finance plans to help countries to mobilise sufficient resources to achieve national biodiversity targets. Complying with the BIOFIN methodology, the BIOFIN-Nepal will follow the "3 Cs approach", i.e., communication, coordination, and collaboration for engaging conservation partners, the private sector, and civil society in the BIOFIN-related work under government leadership.

BIOFIN-Nepal developed a biodiversity finance plan (BFP) based on insights from the policy and institutional review, biodiversity expenditure review, and financial gap analysis, following a consultative process at national and subnational levels, with engagement from the public, private sector, civil society, and conservation partners. The plan has prioritised 11 finance solutions for implementation, endorsed by the steering committee and the Ministry of Forests and Environment (MOFE) in September 2023 (Table 1). These financial solutions are expected to generate $26.7 million annually. The finance solutions integrated gender and social considerations into their design and implementation, particularly by assessing political and

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economic implications and incorporating affirmative actions throughout implementation. The BIOFIN-Nepal is now collaborating with the MOFE to implement these finance solutions. Of the 11 prioritized finance solutions, three are selected for implementation to support evidence-based policy reforms, whereas scoping studies are underway to implement additional finance solutions.

Table 1: Finance Solutions

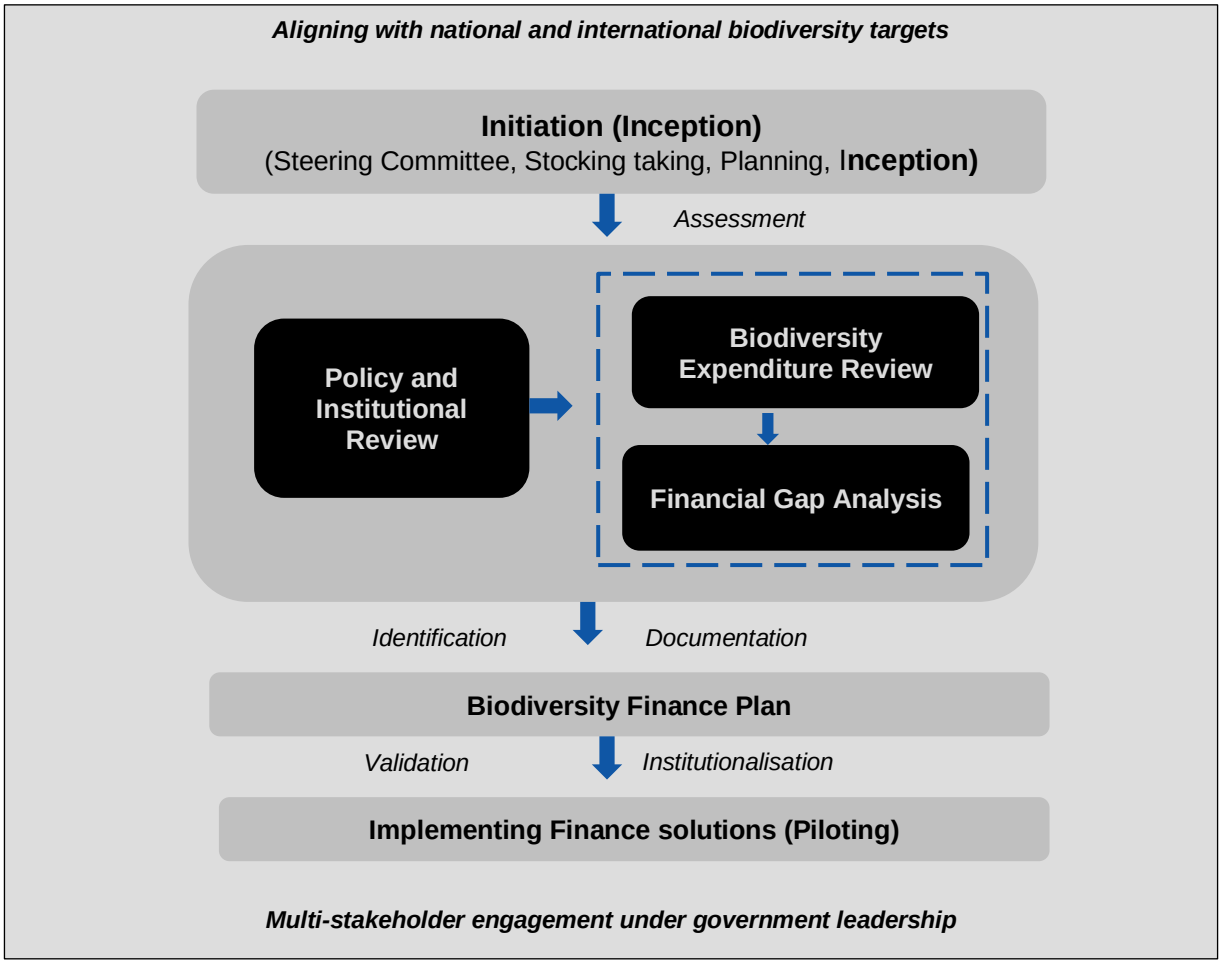
SN	Finance Solutions	Finance Results			Finance source	Finance value (USD million/year)
		Additional Finance	Improve efficacy	Avoid future		
1	Mainstreaming Biodiversity in Community-based Forestry in Biological Corridors of Nepal	■	■		Community	7.3
2	Piloting insurance-based schemes in human-wildlife conflict mitigation		■	■	Government	-
3	Integrating Biodiversity in Corporate Social Responsibility Activities of Private Sector	■	■	■	Private	1.0
4	Greening agricultural subsidies		■	■	Government	5.2
5	Mitigating adverse impacts of development projects on environment at watershed/protected area		■	■	Private	1.3
6	Mainstreaming biodiversity conservation in local development (local government	■	■	■	Government (Local)	6.1
7	Institutionalizing access & benefits Sharing (ABS)	■	■	■	Government	0.5
8	Introducing ecological criteria on fiscal transfers at the national and sub-national level		■	■	Government	
9	Mobilizing Environment Protection Fund	■	■	■	Private	4.6
10	Operationalizing Strategic Environment Assessment (EIA) / Strengthening environment compliance mechanism		■	■	Government	
11	Operationalizing Forest Development Fund		■	■	Private	0.9
	Total		■	■		**26.7**

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The Environment and Biodiversity Division of the Ministry of Forests and Environment (MOFE) leads the BIOFIN process (Figure 1). Under the leadership of the Joint Secretary, MOFE, a twelve-member steering committee is formed, with representation from the Ministry of Finance, the Ministry of Agriculture and Livestock Development, Divisions, and Departments of MOFE, to provide strategic guidance to the BIOFIN process and mainstreaming in the policy process. The Ministry hosts a dedicated team of experts to undertake technical work and coordinate day-to-day management.

The Joint Secretary of the Environment and Biodiversity Division of MOFE is the focal point, while the Undersecretary of the Biodiversity section is the contact point. The UNDP country office provides technical assistance to the BIOFIN Process. A part-time project coordinator manages the BIOFIN-Nepal-related activities together with the part-time project assistant, who supports project-related financial activities. BIOFIN receives support from the UNDP country office for the project's technical and administrative aspects, particularly quality assurance, procurement, and project administration. BIOFIN mostly worked with the service providers and consultants to deliver project results.

Figure 1: BIOFIN Process



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B. Overview of key results

B.1. Biodiversity Finance Plan

The Ministry of Forests and Environment endorsed the 11 prioritized finance solutions, including those for implementing the Biodiversity Finance Plan. The steering committee endorsed the biodiversity expenditure, finance gap, and 11 prioritised finance solutions in September 2023. Likewise, the Ministry of Forests and Environment endorsed these reports in October 2023. The priority of the BIOFIN has been to share and disseminate the finance plan across various forums to raise awareness among stakeholders and garner support for implementation, including identifying areas for mutual collaboration and participation. At the steering committee meeting, prioritised finance solutions, including a draft plan, were endorsed. The Ministry of Forests and Environment endorsed the plan, including resource mobilization and implementation mechanisms. The Biodiversity Finance Plan aimed to reduce the financial gap in biodiversity conservation by implementing finance solutions in collaboration with the public, private, community, and conservation partners (Box 1).

Box 1: Biodiversity Finance Plan of Nepal (2023-2030)

Vision: Contribute to achieving the National Biodiversity Vision 2050 by "institutionalising innovative and sustainable financing mechanisms."

Goal: Reduce the financial gap for biodiversity conservation by implementing finance solutions, collaborating with public, private, community and conservation partners

Objectives (Results):

- Leverage additional finance for biodiversity conservation.
- Improve the efficacy of existing financial resources.
- Avoid future expenditure for biodiversity restoration.

During this reporting period, BIOFIN-Nepal participated in national and consultative workshops and shared learnings from the BIOFIN processes.

- Delivered a talk on "Result-based Planning: Financing Biodiversity through Forest User Groups, organized by Federation of Community Forestry User Groups Nepal (FECOFUN)

- Organized three sub-national workshops at the sub-national level in August 2025 to disseminate "Result-based Planning: Financing Biodiversity through Forest User Groups:

- Delivered a presentation on "Financing Nature: Securing Future" in the Divisional Forest Officer Workshop in May 2025, focusing on the BIOFIN work on piloting different finance solutions, including NBSAP

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- Presented on the technical and steering committee of the NBSAP on “Biodiversity and Finance”, including working as the Lead Expert, Biodiversity Management and Conservation Finance, and mentoring around 30 consultants working on biodiversity and allied sectors.

BIOFIN-Nepal participated in the 6th BIOFIN global workshop in Chile and 11th Eurasia-Pacific Regional Dialogue on Biodiversity Finance and sharing learnings on insurance and working on community-based forest management.

In addition, the BIOFIN organized a series of consultative workshops/meetings during this reporting period (January to December 2025) aiming to enhance stakeholders’ awareness of biodiversity finance, along with strengthening the capacity of the government counterparts’ officials and other stakeholders on the implementation of finance solutions and building partnership for the implementation of finance solutions. BIOFIN-Nepal organized 23 consultative meetings, with 729 participants (187 women), including government officials, conservation partners, the private sector, UNDP personnel, project officials, and service providers. The participants provided input on the effective implementation of the financial solutions. These workshops supported building awareness and enabled collaboration in our endeavours.

During the reporting period, the project achieved the following results towards updating the biodiversity finance plan to align with the revised NBSAP.

Integration of biodiversity finance into the NBSAP vision document: MOFE is revising the NBSAP to adopt a whole-of-government, whole-of-society approach aligned with human rights. It has identified seven strategic objectives and 36 action targets to be achieved by 2030, aligning with the country's 2050 Biodiversity vision and the Kunming-Montreal Global Biodiversity Framework. The vision document identified conservation finance as an objective. Of the 36 national targets, five targets were directly related to biodiversity finance, which include (a) increasing public sector expenditure on biodiversity, (b) reforming harmful subsidies, (c) operationalizing nature-related financial disclosure, (d) mobilizing alternative finance for biodiversity, and (e) providing positive incentives for conservation (Box 2).

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Box 2: National Targets related to Biodiversity Finance in draft NBSAP vision document

- **Nature disclosure:** By 2027, take legal, administrative or policy measures to encourage and enable businesses (industry, especially multinational companies) and the finance sector to assess, disclose, and reduce biodiversity-related risks and negative impacts
- **Harmful subsidy reforms:** By 2030, initiate policy and administrative measures to reform subsidies and incentives harmful to biodiversity in a fair, effective, and equitable way
- **Positive incentives:** By 2030, increase positive incentives for biodiversity conservation and sustainable use by 5% annually
- **Biodiversity expenditure:** By 2030, Mobilize (finance/expenditure) US$150 million per year from public (government) and international sources
- **Innovative finance:** By 2030, Mobilize US$100 million from innovative and sustainable financing solutions

In addition, several financial solutions are already integrated into the NBSAP, particularly for insurance related to human-wildlife coexistence, mainstreaming biodiversity in local government. In addition to the above, the revised vision document had included some of the finance solutions as a key performance indictors within the national targets, which include (a) mainstreaming biodiversity in infrastructural development and industry (b) operationalizing access and benefit sharing mechanisms, (c) recognizing contribution of forest user groups on biodiversity conservation and (d) addressing the human wildlife conflicts in Nepal and (e) development of biodiversity friendly expenditure. Box 3 presents the national targets, where the finance solutions are integrated as one of the key priorities or performance areas.

Box 3: National Targets which integrated the prioritized finance solutions

- **Human-wildlife conflict:** By 2030, Manage human-wildlife interactions effectively to address human-wildlife conflict for co-existence
- **Biodiversity-friendly infrastructure:** By 2026, Integrate biodiversity considerations into infrastructure development (linear infrastructures), especially in biological corridors/biodiversity hotspots
- **Access and benefit sharing:** By 2028, Develop effective legal, policy, administrative, and capacity-building measures at all levels to ensure the fair and equitable sharing of benefits from the utilization of genetic resources and associated traditional knowledge
- **Biodiversity mainstreaming:** By 2030, Integrate biodiversity and its values into economic and development processes (policy, plan, and program) across all sectors and all levels of government
- **Inter-sector coordination and collaboration:** By 2026, Establish institutional arrangements at all levels of government for inter (Sectoral) and intra-government communication, coordination, and collaboration for biodiversity management

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Validation of the biodiversity expenditure report: BIOFIN is working with the NBSAP preparation team, particularly the UNDP Early Action Support Project, to update the country's biodiversity expenditure, aligning it with the Global Biodiversity Taxonomy. The data analysis is completed, and the report is drafted and under discussion. The BER report will be validated by February 2026.

Finance needs estimation for NBSAP: BIOFIN contributed to the preparation of the NBSAP, where it specifically contributed to developing a technical note for estimating the finance need by adopting the "result-oriented planning and budgeting approach". Likewise, it mentors a national team of consultants recruited for the NBSAP to ensure the NBSAP is a fully costed, results-oriented plan. BIOFIN will continue to work in this endeavour in collaboration with the NBSAP team. The FNA is ongoing and will be completed by January 2026, after which it will be integrated into the NBSAP.

Updating the biodiversity finance plan (BFP): BIOFIN is updating the BFP to align with the revised NBSAP and mobilize additional finance for biodiversity. The following activities are planned for the report.

- Estimation of the finance gap of biodiversity by March 2026
- National workshop to validate 21 finance solutions to leverage additional finance by July 2026
- Revise the finance plan by December 2026, after endorsement of NBSAP

B.2. Implementation of Finance Solutions

BIOFIN, together with the technical team from the ministry, selected three finance solutions considering (a) the urgency of actions, likely financial value, (c) the possibility of engaging a wide range of stakeholders, (b) the possibility of implementation within the existing policy environment, i.e., within the existing operational mechanism of stakeholders. The steering committee meeting in September 2023 endorsed these three finance solutions for piloting, with the aim of broader policy influence. Likewise, MOFE, through the secretary-level decisions of October 2023, approved the implementation of the detailed finance proposals submitted to MOFE. Three prioritised finance solutions selected for implementation include (a) Mainstreaming biodiversity in the community forestry of the biological corridors, (b) Piloting insurance-based schemes for mitigating human-wildlife conflict, and (c) Integrating biodiversity in Corporate Social Responsibility (see Table 2).

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Table 2: Selected Finance Solutions for Piloting

SN	Name	Objective/Purpose
1	Mainstreaming biodiversity in the community forestry of the biological corridors	Increase accountability and investment of forest user groups on biodiversity management in selected corridors
2	Piloting insurance-based schemes for addressing human-wildlife conflict	Design and implement poor insurance schemes to mitigate the human-wildlife conflict or cover losses of livestock and crops from wildlife
3	Integrating Biodiversity in Corporate Social Responsibility Activities of Private Sector	Increase investment of the private sector, especially bank an financial institutions on biodiversity friendly activities and interventions

The following section highlights progress on each of the prioritised finance solutions.

Finance solution I: Mainstreaming biodiversity in the community forestry of the biological corridors:

This solution will increase accountability, transparency, and efficiency of forest user groups' investment in biodiversity conservation by establishing a biodiversity-friendly community forest management planning mechanism, strengthening the capacity of forest user groups/forest officials to mainstream biodiversity, operationalizing financing mechanisms for investing in biodiversity at forest user groups, and strengthening monitoring and learning practices. This finance solution aimed to increase forest user groups' expenditure on biodiversity conservation by 15% by

- Developing a framework for biodiversity-friendly forest management planning guidelines and biodiversity screening of the forest user groups programme
- Strengthening the capacity of 120 forest user groups (400 people, 50% women) and government officials on biodiversity-friendly intervention
- Supporting the capacity of the 120 forest user groups to design and implement finance solutions to reduce their investment gap by integrating them into the operational plan
- Strengthening the capacity of forest officials (50 people) for biodiversity-friendly forest management plan preparation and implementation.
- Strengthening the biodiversity-friendly management practices around 2500 ha of the community forests of the biological corridors

Building on the lessons from piloting, BIOFIN will develop guidelines for wider replication across the biological corridors, based on these lessons and institutionalised biodiversity-friendly practices in all community forests within the corridors. Hence, the expected impact would be (a) biodiversity-friendly community forest management practices institutionalized in all community forests by 2027, along with a 15% annual increase in investment by forest user

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groups in biodiversity-friendly activities, achieved by implementing at least one finance solution.

Major progress under this finance solution is (a) Selection of corridors for piloting finance solutions for integrating biodiversity conservation and finance in the operational (management) plan of the community forests (b) Drafting of guidelines for integrating biodiversity conservation and finance solutions for effective implementation of the plan aligning with the community forestry operational plan Guidelines, 2014 (c) Sharing of the draft guidelines and finance solutions at the national and provincial workshop and (d) field data collection for revision of the plan and identify capacity building areas for implementing the prioritised finance solutions.

The project prepared a guidelines for integrating biodiversity conservation and finance within the forest user groups, focusing on (a) integrating biodiversity in the operational plan, especially addressing the drivers of the biodiversity losses (b) estimating the financial needs for implementing the plan, including finance gap and (c) preparing a catalogue of finance solutions for forest user groups focusing on increasing/mobilising internal resources, such as membership fee, fine, fees and penalties; increasing fees and selling of the ecosystem services (forest products, water and tourism) and leverage resources with the external agencies, especially with the local government. The guideline was validated in October 2023 to incorporate biodiversity into the community forestry management plan.

The service provider was recruited to support the work and was expected to complete it by June 2026. The service provider prepared the inception report and validated it with the stakeholders. The following progress was made on the implementation of this finance solution during the reporting period.

- Revision of the 120 operational plans, integrating biodiversity-friendly planning and financing mechanisms, is ongoing, of which 43 are completed, and the rest are underway, expected to be completed by June 2026.
- Expenditure review and finance plan preparation of 120 forest user groups is being initiated, of which 43 completed aligning with the Catalog of Biodiversity Finance Solutions for Forest User Groups, which is expected to be completed by June 2026.
- Shared the mechanism for integrating biodiversity in community forestry with the Federation of Forest User Groups (FECOFUN) in March 2025 (20 participants) to validate and identify areas for collaboration.
- A road map for the implementation of finance solutions was prepared and disseminated
- The draft Biodiversity Integrated Operation Plan and Biodiversity Finance Plan were prepared for one community forestry and validated at the Provincial Level under the leadership of the Province Secretary, Ministry of Industry, Tourism, Forests, and Environment, with the participation of the Divisional Forests Officials, Directorate, and other stakeholders in November 2025.

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- Biodiversity Mainstreaming Approach in the Community Forestry was validated at the national level and sub-national level, in collaboration with the Federation of Forest User Groups Nepal (FECOFUN). Four workshops, one at the national level and three at the sub-national level, were conducted to sensitize the federation leaders on BIOFIN approaches for integrating biodiversity into community forestry and identify areas for collaboration. A total of 22 participants (5 women) at the national level and 150 participants (65 women) at the subnational level participated in the workshops.
- UNDP and the BIOFIN team briefed the UK Minister, Ms. Baroness Hayman, and her team regarding ongoing work on biodiversity finance in general and mainstreaming biodiversity and finance in community forestry in particular.
- Service provider recruited to prepare an additional financing plan for forest user groups in 70 community forests. The work is expected to be completed by June 2026.

During the upcoming period, the project will:

- Complete revision of 120 operational plans, integrating biodiversity finance components and providing technical support for their implementation
- Prepare 120 finance plan for community forest user groups
- Organize workshops to build the capacity of forest officials on biodiversity-friendly operational plans.
- Train 300 forest users (50% women) on the implementation of the plan, including finance solutions implementation
- Endorsement of biodiversity-friendly operational plan preparation guidelines
- Build the capacity of forest user groups to implement prioritized finance solutions (based on the operation plan preparation)
- Monitor the financial results of the forest user groups, including knowledge-sharing

Finance solution II: Piloting insurance-based schemes for mitigating human-wildlife conflict.

The finance solution aims to pilot insurance-based schemes to mitigate the effects of human-wildlife conflict related to crop raiding and livestock depredation, thereby promoting co-existence between humans and wildlife. This solution will

- Assess the feasibility of implementing insurance-based products to compensate victims of human-wildlife conflict assessed at the farm (individuals) and group level (Communities)

- Develop and pilot insurance schemes/products with the Insurance Board of Nepal/private insurance companies, and the community

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- Upscale insurance-based schemes and mainstream within existing government schemes.

- Improve access of wildlife victims' households (1000) to insurance schemes

This finance solution aimed to institutionalize insurance-based schemes to address human-wildlife conflict related to crop raiding and livestock depredation in selected areas of Nepal. Collaborating with private and/or community institutions, this finance solution aimed to cover US$100,000 in annual crop and livestock losses from wildlife-related damage and to benefit 1000 households, with a focus on women and poor and marginalized people.

BIOFIN played a catalytic role, especially by sensitizing stakeholders at the different events and highlighting the potential of insurance-based schemes to address wildlife-related losses. The insurance concepts have now been highly prioritised among stakeholders and are replicated in the federal, provincial, and local government policies. Some of the prominent examples include:

- The project shared the concept of piloting insurance schemes with the Department of National Parks and Wildlife Conservation in 2023. They are now revising the compensation guidelines, which include the insurance mechanism as a potential means of providing relief or compensation. The guideline is under review at the Ministry for final approval.

- The local government from pilot sites is giving high priority to promote insurance schemes within their jurisdiction in collaboration with the different conservation partners and other agencies.

Feasibility studies and design insurance schemes were completed, identifying appropriate policy options for piloting insurance-based schemes, focusing on community, private, or mixed insurance approaches. The study has estimated risks and mitigation measures related to human-wildlife conflict, policy options for insurance schemes, stakeholders' willingness to participate in such schemes, potential methods for financing insurance premiums, and mechanisms for operationalizing insurance schemes.

- The findings were validated between February and March 2025 in all four sites, and at the national level, for "upscaling agriculture-based insurance schemes was identified as a feasible option. The policy options for piloting insurance schemes were validated, with a focus on insurance modalities and premium financing. The detailed action plan is developed and validated with the local government.
- Of the four sites chosen for study, three are being selected for piloting insurance, which includes (a) Jhapa Elephant Complex, (b) Bardia National Park, and (c) Mohana Laljahdi Biological Corridor, based on the stakeholders' willingness to participate in the piloting processes, especially of local government.

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- In March 2025, 50 participants (with 14 women) participated in a validation workshop on potential modalities for the implementation of insurance schemes. The participants appreciated the expansion of agricultural insurance for HWC, as the existing policy already covers wildlife-related losses and the government provides an 80% subsidy on premiums. However, they argued to increase insurance literacy and engage local government in the process.
- BIOFIN contributed to developing a knowledge document for How Insurance Can Address Nature-related Risks: A Summary Guide, prepared by the BIOFIN global team. Likewise, it produced a documentary video on Human-Wildlife Co-existence Insurance for sharing at the BIOFIN regional workshop in Africa.
- A Series of meetings with the insurance companies, local government, and government officials is conducted to finalize the insurance modalities. As a result, all local governments are willing to collaborate with the project to pilot insurance schemes in their constituencies and have agreed to provide the necessary support. Likewise, all park officials and the local government unit have expressed their commitment to supporting the implementation.
- A short video documentary was prepared and shared with the participants at the Human Wildlife Co-Existence Insurance 11th Regional Dialogue in Africa. Likewise, collaboration with the Insurance and Risk Finance Facility is underway to implement the insurance.
- A learning exposure for the government officials, Nepal Insurance Authority, and BIOFIN team was conducted in India in September 2025 on insurance schemes. The MOFE's joint secretary led the mission, which included 11 participants from the Ministry of Agriculture and Livestock Development and officials from the MOFE and the Nepal Insurance Authority (NIA). The learnings from the mission were integrated into the design of a roadmap for piloting insurance.
- BIOFIN collaborated with the Nepal Insurance Authority to design and develop insurance products, especially targeting Human Wildlife Conflicts. Field visits to four protected areas in Nepal were conducted in November and December 2025, and discussions are underway to design and implement innovative products focused on wildlife-related losses. Likewise, a discussion is underway about integrating the technology-based loss assessment procedures within the insurance products and piloting it
- A service provider is being recruited to roll out insurance on selected sites

During the next period, the project will

- Collaborate with the Nepal Insurance Authority for developing insurance products especially targeting wildlife-related losses
- Roll out insurance schemes in selected sites, in collaboration with stakeholders
- Develop a mechanism for premium financing in collaboration with the local government and management authorities of selected sites

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- Pilot insurance schemes for piloting Pilot technology-based claim verification processes in collaboration with the Nepal Insurance Authority
- Monitor the implementation of insurance schemes for piloting in collaboration with stakeholders
- Establish a mechanism for collaboration with the NIA and insurance companies on piloting
- Develop information, communication, and education materials on HWC and insurance products, including use of digital media technology

Finance Solution III: Integrating Biodiversity in Corporate Social Responsibility Activities of the Private Sector

The solution will increase private-sector investment in biodiversity by integrating biodiversity conservation into corporate social responsibility (CSR) activities. Specifically, it will identify areas of mutual collaboration and cooperation in mobilising CSR funds, develop policy instruments/institutional mechanisms for mobilising CSR funds, build the capacity of the private sector for implementing biodiversity-friendly CSR activities and strengthen monitoring and learning practices.

This financial solution will

- Build the capacity of the private sector to increase its investment in biodiversity-friendly activities by preparing a taxonomy of biodiversity-friendly activities for the finance/industry sector.

- institutionalize a mechanism to recognize and reward the private sector for their investment in biodiversity from the CSR funds by developing appropriate guidelines for attribution and reward; and

- establish business linkages between the private sector and non-government organizations on biodiversity-friendly investment.

The solutions will institutionalize mechanisms for mobilizing CSR funds for biodiversity in the private sector at the national level, along with mobilizing US$0.5 million annually on biodiversity-friendly activities from 2025 onwards.

The implementation of this finance solution started in May 2024 which aimed to recognize and mobilize the Corporate Social Responsibility fund of the private sector, especially of the finance sector, for biodiversity conservation.

- The stock-take on the finance sector's current practices in mobilizing CSR funds, including their investment in biodiversity, is completed, covering 23 financial institutions in the country. Financial analysis from these 23 financial institutions showed that they

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mobilized S$3.1 million in 2023 for CSR activities, where investment in biodiversity-related activities is negligible (0.9%). Major CSR activities undertaken by the finance sector include urban planting and greening and the celebration of special days, such as World Environment Day.

- A national workshop was conducted in June 2025, on Financing Biodiversity through Corporate Social Responsibility: Building partnerships for people, planets, and profits with Banks and Financial Institutions (BFIs). A roadmap was shared to solicit feedback and suggestions from these agencies. A total of 75 participants from the central bank, financial institutions, government agencies, and conservation partners attended the workshop and provided feedback. They appreciated the idea and are looking forward to collaborating with the BIOFIN.
- A road map for piloting CSR is developed and validated with stakeholders. policy brief. Furthermore, a series of meetings with commercial banks, national banks, and other financial institutions was held to explore areas for mutual collaboration.
- Terms for references for recruiting four experts were developed and finalized (Finance Sector Engagement Expert, Capacity Building Expert, Biodiversity Expert, and Data Analysis Specialists). Development and recruitment processes initiated.

During the upcoming period, the project will

- Sign the memorandum of understanding with financial institutions to share information
- Develop a taxonomy for biodiversity-relevant expenses for the private sector
- Launch the finance solutions in collaboration with the finance sector
- Sensitize to 30 private sector institutions on biodiversity-friendly investment
- Train 15 local non-government organizations to prepare the proposal for biodiversity finance
- Conduct national award ceremony for the finance sector in May 2026.

Finance solution IV - Nature-Positive Incentives:

The project is conducting a study on “Assessment of the Efficacy of Positive Incentive Mechanisms for Biodiversity across different sectors[1] at the National and selected Sub-National levels.[2] The study will assess the efficacy of positive incentives for biodiversity and suggest measures to increase the scale and effectiveness of selected incentives for promoting biodiversity conservation and sustainable use. BIOFIN has recruited the service providers; the study is underway, and the inception report is being prepared.

During the upcoming period, the project will

[1] Agriculture, Forestry, Fishery, Water Resources, Energy, Waste Management, Manufacturing, Tourism and Transports
[2] Sudurpashchim and Lumbini Provinces, and three local governments from each province

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- Undertake assessment and validate the study findings at the national and sub-national levels (2 provinces and six local governments)

Finance solution V - Mainstreaming Biodiversity in Local Government: Mainstreaming biodiversity in local government is one of the 11 prioritised finance solutions for implementation. BIOFIN recruited service providers to conduct a scoping study to mainstream biodiversity into local government planning, with the aim of developing a financing solution proposal for piloting. The study is being conducted across six local governments to understand current efforts to integrate biodiversity into existing expenditure and to identify pathways for reform. The study is expected to be completed by June 2026. The study will specifically assess the extent of biodiversity mainstreaming in local development processes (local government)

- Map plans and programs of local government that support biodiversity
- Estimate the annual expenditure of the local government on biodiversity
- Assess the mechanism adopted by the local government for mainstreaming biodiversity conservation

Based on the findings, the pathway will be identified and a financing solution proposal drafted. During the upcoming period, the project will

- Develop a finance solution and validate with stakeholders, especially with local government (six field study sites), including willingness to collaborate
- Obtain approval from the BIOFIN global team and MOFE for piloting

B.3. Implementation of activities under the “Enabling and Scaling up Nature-related Financial Disclosures” (TNFD) project

A scoping study on the nature-related financial disclosure (TNFD) was conducted, which conducted an in-depth policy, regulatory, and institutional assessment to establish an enabling environment and incentives/disincentives to increase uptake. The action plan is prepared, and a national workshop is conducted to validate the findings. The project validated the TNFD action plan, particularly with the Central Bank of Nepal, and integrated TNFD findings into the NBSAP to establish an enabling policy environment for TNFD implementation.

In Nepal, there is no legal requirement to disclose nature-related risks in a comprehensive and standardized manner. However, Nepal Rastra Bank (NRB), the central bank, has issued the Guidelines on Environmental and Social Risk Management (ESRM), which require banks and financial institutions (BFIs) to assess environmental and social risks in their lending processes, thereby indirectly promoting accountability for nature-related risks. There is limited awareness and inadequate capacity among BFIs for nature-related risk disclosure, including insufficiently qualified human resources. The finding reveals that nine commercial banks expressed interest in follow-up work on nature disclosures; however, they requested capacity-

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building support, an enabling policy environment, and incentives to adopt the framework. More importantly, the Central Bank of Nepal is willing to integrate the TNFD into Nepal's existing disclosure framework and has requested collaborative action. The study recommends for (a) Building the capacity of the finance sector in the disclosure framework, (b) Encouraging the finance sector to consider integrating nature-related considerations in business practices by developing standard operating procedures, establishing a governance structure for oversight, disclosing risks, implementing risk mitigation plans, and sharing results on risk mitigation, including lessons and Creating an enabling policy and institutional measures for voluntary disclosure, including non-financial incentives to the finance sector.

C. Social inclusion stories

Gender and Social Inclusion are integrated into the annual work plan (AWP) 2025, where priority is given to forming a gender and socially inclusive team. BIOFIN-Nepal adopts inclusive approaches in selecting service providers and consultants, prioritizing and recruiting consultants from marginalized communities and women. The gender action plan of the project is being implemented, which is largely focused on assessing the political and economic consequences of the project's implemented activities and taking appropriate actions to address those challenges.

BIOFIN-Nepal prioritizes gender-responsive planning and women's participation in various consultative events to design and implement financial solutions. BIOFIN ensures engagement with youth, women, indigenous peoples, and local communities through the implementation of targeted finance solutions. In this regard, they were actively involved in the processes through periodic communication, information sharing, and collaboration on implementation studies. Of the 729 participants, one-fifth (25.7%) are women. Likewise, 22.2% are from marginalized groups, including Dalits, Janajatis, and Madhesi. BIOFIN-Nepal has also assessed the likely consequences of the financial solutions for gender and social inclusion. Moreover, gender and social inclusion issues are mainstreamed in all finance solutions. Likewise, Insurance Scheme feasibility studies identified gender as a cross-cutting issue, and the likely political and economic implications are being analyzed, with a primary focus on measures to safeguard rights.

The project adopts affirmative action, with particular attention to women, the poor, and marginalized groups, throughout the intervention planning and decision-making process. It ensured that women were consulted and that their rights were recognized in the design of various plans and consultative processes.

D. Lessons learned and adaptive measures:

The active engagement of all actors is crucial to the success of BIOFIN's work. There is a need for periodic communications to raise awareness and build ownership. The project periodically interacts with stakeholders to share information about the piloting activities. BIOFIN-Nepal has

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organised a series of formal and informal meetings, especially with conservation partners such as WWF, IUCN, and ICIMOD, and with government departments such as the Department of Plant Resources, Department of Forests and Soil Conservation, and Department of National Park and Wildlife Conservation, and soliciting their views and concerns on different studies. Moreover, the final outputs are being shared with all conservation partners working in Nepal and requested to provide input on the draft report. This has been quite instrumental in building ownership and partnership in our work.

Stakeholders' engagement has supported the development of capacity and ownership. However, it is often time-consuming and impacts the timely delivery of the outputs. Nevertheless, stakeholders, particularly government officials and conservation partners, strongly support these endeavours. However, the private sector often regards this as a new form of taxation. There is a need for frequent dialogue and communication with the private sector to build their ownership and commitment towards BIOFIN initiatives in Nepal.

BIOFIN has accorded high priority to policy integration. The BIOFIN team closely worked with the NBSAP team to integrate biodiversity finance in the NBSAP. Likewise, lessons learned from BIOFIN were widely shared with government stakeholders, thereby contributing to policy integration. All tiers of the government are now giving high priority to insurance schemes to address the human-wildlife conflict problems in Nepal, where different policy integration has occurred

Change management is a time-consuming process where resistance is often high. There is a need to establish periodic communication to raise awareness, build ownership, and maintain close engagement throughout the processes. Likewise, stakeholders demand hardware support where policy measures alone are insufficient. **Thus,** a blended approach is necessary

Piloting may contribute to evidence-based reforms, thereby ensuring sustainability. Stakeholders need to be engaged from the outset through multi-stakeholder mechanisms, and stakeholders should also co-learn with them to motivate participation and foster ownership.

Catalyzing finance is very challenging and needs a "new perspective. A mechanism should be established to recognize and incentivize mechanisms, motivating through "frequent interactions," and encouraging disclosures/sharing information. More importantly, look for alternative financing sources, where the Future is now: local (Private and community) funding.

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E. Risks

E.1. Programmatic risks (risks *to* the programme)

Table 3 below presents the programmatic risks related to the project. The risks were first identified in July 2019 and have been periodically revised and updated.

Table 3: Risk register for BIOFIN Nepal

	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Stakeholders, especially the private sector and conservation partners, are less interested in the processes.	June 2020	*Operational*	*Probability: 4* *Impact: 3* *Risk factor: 12*	Round table meetings/ consultative workshop One-to-one visit and communication with key stakeholders	Project Coordinator	Project Coordinator	December 2025	Same
2	State re-structuring processes along with the tenure completion of the Biodiversity Strategy and Action Plan of the country	June 2020	Political	*Probability: 4* *Impact:4* *Risk factor: 16*	Integrating the BIOFIN processes within the revised NBSAP Supported the preparation of the revised NBSAP	Project Coordinator	Project Coordinator	December 2025	*Reducing*
3	Resistance of stakeholders to policy reforms, especially resource mobilization for piloting	August 2023	*Operational*	*Probability: 3* *Impact:3* *Risk factor: 9*	Support on piloting activities for creating awareness Support on evidence-based policy processes	Project Coordinator	Project Coordinator	Dec 2025	Same

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	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
4	Frequent transfer of senior government officials and political instability of the country impacted on policy integrations	Jan 2024	*Political*	*Probability: 5* *Impact:4* *Risk factor: 20*	Frequent interactions and briefing Joint progress and reflection meeting	Project Coordinator	Project Coordinator	Dec 2025	Increasing
5	Limited technical capacity at the national level, especially with the service providers impacting on timely and quality delivery of results	Jan 2024	*Operation*	*Probability: 5* *Impact:4* *Risk factor: 20*	Frequent interactions and briefings with experts Write shop workshops Third-party review and revision Working collaboratively with service provider	Project Coordinator	Project Coordinator	Dec 2025	Increasing

E.2. Social and Environmental Risks (of the programme)

The BIOFIN country program does not generate additional social and environmental risks. Indeed, the programme works to mitigate existing risks by integrating UNDP's programming principles for strengthening social and environmental sustainability (SESP), and the programme is directly aligned with Standard 1 of the project-level standards therein, viz., Biodiversity Conservation and Sustainable Natural Resource Management.

List of annexes and related notes

The following annexes are included in this report:

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Annex 1: Indicator Tracking Table (in Excel)

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