

Darwin Initiative Main Annual Report

To be completed with reference to the “Project Reporting Information Note”:
(<https://www.darwininitiative.org.uk/resources-for-projects/information-notes-learning-notes-briefing-papers-and-reviews/>).

It is expected that this report will be a **maximum** of 20 pages in length, excluding annexes)

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Darwin Initiative Project Information

Project reference	28-026
Project title	Himalayan plants for people: sustainable trade for biodiversity and development
Country/ies	Nepal
Lead partner	TRAFFIC International
Project partner(s)	ANSAB Nepal, Ministry of Forests and Environment, Federation of Community Forestry Users Nepal (FECOFUN), ProFound - Advisers in Development, University of Oxford, University of Copenhagen, Royal Botanic Garden Edinburgh, Nepal Herbs and Herbal Products Association (NEHHPA), FairWild Foundation, China Association of Traditional Chinese Medicine (CATCM)
Darwin grant value	£ 498,129
Start/end dates of project	1 July 2021 to 30 June 2024
Reporting period (e.g., Apr 2021 – Mar 2022) and number (e.g. Annual Report 1, 2, 3)	1 July 2021 to 31 March 2022 Annual Report 1
Project Leader name	Anastasiya Timoshyna
Project website/blog/social media	www.traffic.org https://www.traffic.org/news/world-health-day-2022-celebrating-the-himalayan-plants-supporting-local-livelihoods-health-and-biodiversity/ https://ansab.org.np/projects/himalayan-plants-for-people--sustainable-trade-for-biodiversity-and-development
Report author(s) and date	Puspa Ghimire, Sudarshan Khanal, Anastasiya Timoshyna, Audrey Plyler, Bryony Morgan, Emily King, Jolanda van Hal, Rebecca Homes 29 April 2022

1. Project summary

Nepal’s alpine Himalayan forests and rangelands are exceptional biodiversity hotspots, home to keystone species, including snow leopard. They are a source of >40 key NTFPs harvested and traded internationally, providing critical contributions to the incomes of the rural poor.

These NTFPs, and associated high-altitude landscapes, face multiple threats of overharvesting, fire and uncontrolled grazing. Overharvesting is driven by increased and diversified international trade: to India, increasingly to China for TCM, and elsewhere. Strengthened sustainable harvesting practices are urgently needed. Challenges include inadequate information on sustainable harvest volumes, lack of simple procedures for high-altitude decentralised resource management, and an inadequate centralised approach to resource monitoring and trade regulation, leaving species vulnerable to excessive commercial harvesting and threatening rural household incomes and government revenues.

These challenges are particularly relevant for high-value NTFPs with established trade-driven conservation concerns, including CITES Appendix-II/IUCN CR Jatamansi/Spikenard (*Nardostachys jatamansi*), Himalayan Fritillary (*Fritillaria cirrhosa*), and Kutki (*Neopicrorhiza scrophulariiflora*). These species are among the top six most vulnerable commercial medicinal species traded in/from Nepal. Whenever market demand increases, risks of premature/over-harvesting grow. Local income potential is held back by low rates of value addition and a lack of direct access to international markets. It is also undercut by large-scale illegal export of lower quality, unmanaged products to India and increasing trade with China for TCM (including COVID-19 treatments). Community Forest User Groups (CFUGs) lack simple and transparent guidelines for decentralised alpine NTFP management. Nepal lacks a framework to facilitate and support a transition to sustainable management of commercial medicinal plant species.

The five targeted project districts (population c.575,000) are all in the remote mountains on or adjacent to the furthest north-west Nepal-China border, in Karnali (Humla, Jumla and Mugu), Bajhang and Sudur Paschim provinces (Darchula and Bajhang). Over half the population of Karnali and one-third of Sudur Paschim live below the poverty line. Despite the efforts of government and development agencies, poverty is not declining as expected. These provinces rank lowest for development indices on per-capita income, life expectancy, and basic infrastructure (roads, schools, and banks/financial institutions). (Human Development report 2020, Economic Survey 2019/20 -MoF 2020). Figure 1. Map of the project area in Nepal shows the project districts, and Table 1 presents the names of the selected municipalities and the number of CFUGs. The detail of the 38 selected CFUGs is presented in SD 1.

Figure 1: Map of the project area in Nepal



Table 1: List of project districts and municipalities

S N	Name of District	Name of Municipality	No of selected CFUGs
1	Jumla	Patarashi Rural Municipality, Tatopani Rural Municipality	8
2	Mugu	Mugum Karmarong Rural Municipality, Rara Chhayanath Municipality	8
3	Humla	Namkha Rural Municipality, Simikot Rural Municipality, Kharbunath Rural Municipality	11
4	Bajhang	Bungal Municipality	6
5	Darchula	Api Himal Rural Municipality	5
	Total	9 municipalities	38

In the project districts, 928 CFUGs manage 117,307ha of forests and meadows and represent over 80% of the total population. The project focuses on 38 CFUGs (including eight CFUGs involved/targeted by the previous Darwin Initiative project) with 25,000ha of forests and meadows and a population of around 27,500. The lack of viable livelihood options beyond seasonal labour out-migration, socio-economic constraints, and limited infrastructure creates a strong reliance on local biodiversity, particularly wild NTFPs from these common-property forests and meadows. These are the only accessible sources of livelihoods for the most disadvantaged, including Dalit, indigenous, and poor households, and are fundamental for economic development in the region.

Previous Darwin Initiative project (ended March 2021) pilot combined market-oriented and CITES-based approaches to improve conservation and livelihood outcomes from Jatamansi trade. The project identified opportunities to scale up and achieve long-lasting change. One example is the need for a national framework to tackle policy issues including quota-setting for CITES-listed species tailoring Community Forestry guidance to Himalayan forests and meadows (all forests are currently treated equally).

2. Project stakeholders/ partners

The project has a strong partnership bringing together organizations with a range of expertise in conservation, botany, trade in wild resources, community and value-chain development, and market access. These organizations are located both in Nepal and outside (working globally), combining the necessary footing to deliver field-level activities, as well as use the international best-practices, and the potential of dissemination of the project progress at policy, industry and research arena.

The project contract has been issued to TRAFFIC International, and subsequently, sub-contract agreements have been finalized with the Asia Network for Sustainable Agriculture and Bioresources (ANSAB) and other project partners. All project partners have completed the recruitment of their teams for the project. ANSAB recruited three new field staff members with technical forestry education backgrounds and relevant field-based work experience. Other staff were recruited internally. One field project coordinator is based in Jumla, and two forest enterprise facilitators are based in Humla and Darchula. The field staff received a project orientation in Kathmandu and then mobilized to their respective fields in October. Other part-time staff are based in Kathmandu and provide technical support to the field team virtually and through field visits.

Contracts between TRAFFIC International (lead partner) and University of Copenhagen, and University of Oxford were also signed. Consultancy contract has also been set-up with ProFound - Advisers In Development. The collaboration is also ongoing with the FairWild Foundation.

TRAFFIC International has advertised and completed the recruitment for the position of project manager, whose contract will start from 1 May 2022, supporting the Project leader on day-to-day project management, as well as the technical elements of partners' capacity-building, in issues including traceability.

Within Nepal, ANSAB Nepal is the implementing partner, leading on the implementation of all activities within Nepal. It also engages directly with the project partner Ministry of Forests and Environment. Within the Ministry, the Department of Plant Resources and Department of Forests and Soil Conservation have been on board and engaged since the project inception. Ministry of Forests and Environment is the partner of the project and have been actively involved in project activities mainly in policy modification/development. Private sector institutions such as Jadibuti Association of Nepal (JABAN),

Herbal Entrepreneurs Association of Nepal (HEAN), and Nepal Herbs and Herbal Products Association (NEHHPA) have been involved in policy and trade related discussions organized by the project.

During this period, project implementation permission letters have been supplied from each of the districts, and the project has successfully been registered by the Social Welfare Council (SWC) of Nepal, a regulatory organization of NGOs. In October and November 2021, ANSAB organized various meetings and consultation workshops to build rapport with district-level key stakeholders including the Divisional Forest Office (DFO), Federation of Community Forest Users (FECOFUN), Api Nampa Conservation Area, District Coordination Committee (DCC), District Chamber of Commerce and Industry (DCCI), Municipalities, and JABAN. Inception workshops were carried out for each of the five districts, with a **total of 115 participants**. The participants included Chief District Officers (CDO), NTFP collectors/harvesters/traders, and representatives from DCC, DFO, FECOFUN, DCCI, Municipalities, the Nepal Police, the Nepalese Army, JABAN, CFUGs and NGOs. The list of the participants of each workshop is presented in SD 2. During the workshops, project staff provided detailed presentations on the project and received feedback from participants. A discussion session allowed workshop participants to commit to supporting the project team in achieving the anticipated outputs and outcomes of the project.

Project partners' inception workshop took place virtually, through MS Teams, and its focus was on the development and confirmation of the detailed work-plan and project communications plan, as well as the monitoring and evaluation (M&E) plan. Regular partner communications were supported, via MS Teams monthly calls.

3. Project progress

3.1 Progress in carrying out project Activities

The project has four Outputs, which have been seen solid progress but are not yet fully achieved.

Output 1 is the sustainable management of at least three species of high-value NTFPs.

The detailed resource inventory of three prioritized species (Jatamansi, Kutki, and Himalayan Fritillary) and other associated NTFPs in 19 community forests (CFs) – two in Jumla, seven in Humla, five in Darchula and five in Bajhang district - have been accomplished (**Activity 1.1**) (SD 3). The project team also has detailed inventory reports with improved management plans for eight CFs (four in Jumla and four in Mugu), where we have been working on forest and supply chain management activities in this period. The Toolkit on “Participatory Inventory of Non-Timber Forest Products (NTFPs), 2010”, developed by ANSAB, (SD 4) and the “NTFPs Inventory Guideline, 2012”, developed by the Department of Forests, Government of Nepal (SD 5) were the primary guiding documents used to carry out the detailed resource inventories of NTFPs.

During this process, the project staff identified potential municipalities through a review of maps and other research. A visit and meetings were also held with key stakeholders (mainly DFO, FECOFUN and local traders) before developing the list of potential municipalities in the five districts (SD 6). The potential municipalities were shared at the inception workshops for validation. Based on feedback from the workshop participants, the municipalities for each district were finalized.

Within the selected municipalities, 60 CFUGs were identified, based on the potential for NTFP collection. With the participation of representatives from the municipalities, DFOs, FECOFUN, and the Conservation Area authority (in case of Darchula), further prioritization of the CFUGs was completed and 30 CFUGs (SD 1) were identified for the resource inventories. The criteria for prioritization were: i) availability of prioritized NTFPs; ii) commercially harvestable amount; iii) collection, processing and marketing potential; iv) biodiversity status; and v) dependency of local people on the forests.

After selecting the CFs, the project team carried out participatory resource mapping of each CF with the users of the forests. This process delineated potential NTFP habitats and areas for detailed resource inventories using Google Earth. The participatory resource map provides information on the various resources within CFs, such as forest types, habitat of NTFPs and their effective area, river and water resources and their approximate area, and the location and condition of different topographic and physical features. Nineteen resource mapping processes have been conducted with 245 participants during this reporting period (SD 7).

Before surveying the NTFPs in each CF, local resource persons (LRPs) were identified and trained on inventory methods and support. Four training events were organized, one each for Humla, Bajhang, and Darchula, and one jointly for Jumla & Mugu, for a total of 65 potential LRPs (SD 8). The training included biophysical data collection & data entry; handling of survey tools such as GPS, Silva compass, Vertex & Transponder; sample collection, and measurement of weights using a digital weighing machine. The

project team completed the data cleaning, validation and entry; the data analysis and interpretation are still underway.

To understand the resource governance in target areas and the status of forest management plans, the project team reviewed the management plans of 21 CFUGs (two in Jumla, eleven in Humla, three in Mugu, and five in Darchula) (**Activity 1.2**). Based on FairWild Standard and performance indicators, ANSAB developed a gap analysis format in Nepali and provided an orientation on its use to the field team (SD 9).

Some of the significant gaps identified in the management plans include: i) lack of detailed NTFP resource inventory records, ii) inconsistency between the area mentioned in management plans and actual area managed by communities; iii) lack of NTFP harvesting area maps; iv) no specific list of NTFP harvesters (although there is a list of total members in each CF management plan); v) detailed methods and practice of sustainable harvesting of NTFPs, vi) no clear provision on occupational health and safety measures for harvesters and workers; and vii) absence of specific capacity building activities on sustainable harvesting of NTFPs. Furthermore, while visiting the CFUG offices and reviewing their records, the project team couldn't find proper documentation of capacity building activities, records of NTFP collection, processing and sales, or records of traditional NTFP use.

The gap analysis findings will be shared by organizing district level workshops seeking stakeholder opinions and contributions. The agreed gaps will be addressed while revising the management plan of each CFUG (**Activity 1.3**). While reviewing the CFUG management plans, the project team also collected socio-economic data such as number of households and family members, gender, ethnicity, primary occupation, and economic well-being. Detailed information on socio-economic conditions within the project area has been presented in a household baseline survey report that will be finalized in April.

Building on the documents from a previous project phase, three training packages have been developed, including a training strategy, curriculum, and materials (**Activity 1.4**). The packages are: i) NTFP resource inventory; ii) Fairwild and organic standards; iii) sustainable forest management - including NTFPs (SD 10).

A four-day training of trainers (ToT) on Sustainable Forest Management, FairWild, and Organic Standard (**combined with Activity 2.2**) was organized in Jumla from the 10th to 13th of March 2022 (**Activity 1.5**). Nineteen participants (eight male and eleven female) representing potential LRPs, DFO, FECOFUN, and a local NGO were present for all four days (SD 11). Additionally, eight participants (seven male and one female) representing CFUGs, processing facility workers, and local traders participated in the FairWild and organic standards session on days 3-4 of the training. The training was organized and delivered based on the training strategy and curricula (SD 10) developed by ANSAB and facilitated by the project team and a DFO staff member. The overall training method was a mix of lectures, case discussions, group work, and video presentations. To make the training effective, the project team used a real CF management plan in a case discussion and involved participants in reviewing the plan, finding gaps and developing a strategy to address the identified gaps, considering FairWild and organic certification standards. The practical exercise on NTFP inventories was organized in a CF near the training venue in Jumla.

The training covered the concept of certification, Fairwild and organic certification standards, sustainable forest management, sustainable harvesting techniques for NTFPs, the concept of NTFP inventories, practical exercises, and Occupational Health and Safety (OHS). At the end of the training, DFO, FECOFUN, and traders made commitments to collaborate on the successful implementation of the project. The LRPs committed to being available for the future CFUG trainings.

There has so far been no progress on Activity 1.6, scheduled for later in the project design plans.

Output 2 is at least 5,000 harvesters and their communities in five target districts having clear benefits from long-term sustainable, equitable, and traceable trade in NTFPs.

Through an open call for proposals, a consultant has been hired to establish harvester/households and producer-enterprise level baselines, and establish the methodology for the end-of-project evaluation (**Activity 2.1**). The project partners provided their input to the consultant's terms of reference (ToR) and on the survey tools – questionnaire and checklists.

As a part of the data collection, the consultant trained thirteen LRPs in five project districts to operate the KoBo Collect data collection tool before sending them into the field. The first draft report of the baseline survey has been finalized and shared with the project team for their review. The project team have established household and producer groups' income baselines and completed a final evaluation in the target districts (**Activity 2.1**) in combination with **Activity 1.5** (see above for detail).

ANSAB updated the harvesters' registration format (SD 12) and provided orientation training to field staff on the updated registration system. After the training, ANSAB's Humla field staff provided orientation training on the harvesting system to an LRP and 21 CFUG executive committee members and harvesters

(Activity 2.2). As a result of the training, two CFUGs in Humla have started maintaining a harvesters' registry (**Activity 2.3**).

There has so far been no progress on **Activity 2.4**, scheduled for later in the project design plans. However, building on the protocol (FW premium fund operational guideline: SD 13) developed in the previous project, HBTL has allocated a 5% premium fund to the harvesters of Baghjale CFUG and Lamteli CFUG for the trade of 500 Kg Kutki (**Activity 2.5**).

Output 3 is sustainable supply chains in place, led by producers/exporters in Nepal, and 'matched' to manufacturers in consumer markets, based on sustainable production systems following the FairWild Standard.

The market potential check was drafted for seven species (5 priority species and Aconitum and Juniperus genus, SD18) (**Activity 3.1**). All species were checked for authorized use in the following categories: General information and sustainability issues; Food supplements (Europe); Herbal medicine (EU, US and China Pharmacopoeia); Food (Europe); Cosmetics (Europe and China positive list). A market research format was developed to consolidate the market information needs for the priority species: Neopicrohiza scrophulariiflora (Kutki), Fritillaria cirrhosa (Himalayan Fritillary), Nardostachys jatamansi (Jatamansi), Delphinium himalayae (Atis) and Polygonatum cirrhifolium (Setochini). As the market potential check indicated, the main use for these species is in the health and cosmetic segments, with no authorized use for these species in food on the European market, the market report focuses on health and cosmetics segments. The consultant has included main information on the European/US market as well as some general information on the Chinese market and access requirements for pharmaceuticals, TCM and cosmetics, to be verified by the partners in China. In addition, an interview with HBTL was conducted for inputs on the main markets for these species. Results of this interview have been integrated in the report. The market engagement plan has been included as a separate chapter in the market research report, as Market Entry chapter which includes information on how to enter the EU/US markets for health products, market entry strategy, steps for matchmaking and relevant networking events (trade fairs).

ANSAB identified producer companies in Nepal working on the international trade of NTFPs (particularly essential oils from wild harvesting) for potential capacity building (**Activity 3.2**). FairWild also scoped out options for online auditor training in Q3/Q4 2022, which will look to engage certification bodies and auditors in Nepal, in addition to other countries. In October 2021, ANSAB's staff visited Nepalgunj to engage with Sattya Herbal & Spice Products Pvt. Ltd (one of the exporters of Jatamansi oil from Nepal) and discussed the FairWild certification process of Jatamansi. Similarly, two new companies showed their interest in FairWild certification and getting involved in the international trade of Jatamansi oil and other crude herbs. ANSAB has distributed hard copies of the Nepali-translated FairWild standards and performance indicators to these companies. A total of **fourteen** (SD 14) producer companies have been engaged for onwards collaboration on the project. Initial ideas on the development of a manual/toolkit have been discussed, which will be further coordinated and implemented in year 2.

Engagement has also been actioned concerning the trade in NTFPs itself and linking to the previous Darwin Initiative investment (**Activity 3.3**). Following the successful FairWild audit finalized in 2021 (with conditions) for Jatamansi and Kutki, HBTL has received an order for 500kg Kutki from a French Customer and 30kg Jatamansi oil from Italian, French, Swiss and Belgian customers. There has been increasing interest in FairWild certified Kutki (from Nepal) and Indian Gentian (Picrorhiza kurroa) from a few US-based companies currently testing samples. A few EU and US-based companies are also interested in buying FairWild Jatamansi oil as soon as the unfavourable EU legislation on Jatamansi has been lifted. These outcomes are credited as direct results of the previous project phase. This impact is planned to be built on during the current project via, in the first instance engagement of Nepali producer companies in the FairWild matchmaking platform, through profiling interested companies on the FairWild website (<https://www.fairwild.org/potential-operators>). Outreach to gather interest from producers is planned.

The support to the implementation of FairWild requirements, including the traceability system by target CFUGs and producer companies has been initiated (**Activity 3.4**). The project team decided to prioritise project funds for supporting FairWild audits of supply chains in 2022 so that an increased area and number of species could be added to the certification pool (**Activity 3.5**)

Output 4 is policies, legislation and strategies at federal, provincial and local levels incentivizing and enabling a long-term shift towards sustainable use and trade in NTFPs in Nepal.

University of Oxford started building a model with various 'nodes' to assess the long-term sustainability of wild species trade (**Activity 4.1**). The model can be used how the sustainability of species use can change depending on changing factors. Researcher visited Nepal harvesting sites in the reporting period, undertaking initial consultations, informally interviewing 30 harvesters, 15 traders (of various levels), and 6 CFUG presidents from 9 CFUGs in Jumla. The finalization and testing of model expected in the next reporting period.

The project team has been reviewing the current guidelines and identifying gaps from the alpine area forest perspective in order to develop a practical guideline on including sustainable NTFP management in CFUG management plans (**Activity 4.2**).

There has so far been no significant progress on **Activities 4.3, 4.4 and 4.5**, scheduled for later in the project design plans.

In order to support and facilitate the CBD and CITES Government authorities to comply with international conventions and targets (**Activity 4.6**), ANSAB developed a review report on “Policy opportunities and challenges in relation to sustainable harvesting and trade of CITES-listed species including Jatamansi from Nepal”. Draft report (SD 15) ANSAB and the Department of Forests and Soil Conservation (DFSC) jointly organized a half-day workshop on this report on the 25th of March 2022. The workshop's purpose was to share the major gaps and bottlenecks in CITES Act 2017 of Nepal, regarding the collection, transport, trade and export of CITES-listed species incl. Jatamansi from community-managed forests. Twenty-one participants attended, representing the DFSC, Department of Plant Resources, Department of National Park and Wildlife Conservation, Private sector (HBTL, Satya Herbs), Associations (Nepal Herbs and Herbal Product Associations-NEHHPA, Jadibuti Association of Nepal-JABAN, Herbal Association of Nepal-HEAN), and FECOFUN. The workshop was organized in the Park Village Resort, Kathmandu, with participants from JABAN participating virtually.

The program was chaired by the Director-General of the DFSC, Dr. Rajendra KC, with the welcome address given by Dr. Bishma Subedi, ED. A brief presentation on the review findings was delivered by Mr. Dil Raj Khanal followed by a discussion. The program was moderated by Mr. Puspa Ghimire, Programs Director of ANSAB. The representatives of the business associations raised issues related to trade and collection permits, while the representative from the FECOFUN district chapter raised issues on the collection of Jatamansi from CFUGs and its implication on the livelihood of local forest-dependent communities in the high mountains.

Dr. Buddhi Poudel, Director General, Department of the Plant resources (also representing the CITES-Scientific authority of Nepal), explained that there were some issues in the CITES Act of Nepal 2017 but that they could be resolved through joint effort and coordination with other stakeholders, such as this workshop. He also committed to contributing to the simplification of the provisions in the act. Likewise, Dr. Bishma Subedi explained that ANSAB, in collaboration with other partners, has been implementing a follow-up project of Darwin Initiative, and also committed to supporting the government in addressing the issues of the CITES Act. The workshop was closed by Dr. Rajendra KC, addressing the issues raised by the participants. He acknowledged the vital role of ANSAB and CITES policy in the past and communicated a wish to collaborate in the future. Refer to the proceedings for further details (SD 16).

3.2 Progress towards project Outputs

Indicator	Baseline	Change recorded by 2022	Source of evidence
Output 1. At least three species of high-value NTFPs are sustainably managed by communities in Humla, Jumla, Mugu, Darchula, and Bajhang districts of Western Nepal.			
Indicator 1.1 Resource inventories, focused on three principal target high-value/conservation priority NTFPs (and covering other associated species harvested in the area) are complete for five target districts (at least 30 CFUGs community forests) with total area or approximately 25,000 ha, and distribution modelling approximates sustainable harvesting quantities per district in Nepal, by March 2023.	Zero for the CFUGs targetted by this project (initial progress for those targetted by past Darwin Initiative investment)	<p>The detailed resource inventory of 3 prioritized species (Jatamansi, Kutki, and Himalayan Fritillary) and other associated NTFPs in 19 community forests (CFs) – 2 in Jumla, 7 in Humla, 5 in Darchula and 5 in Bajhang district - have been accomplished.</p> <p>The area of 19 CFs that have completed resource inventory in the reporting period is 7208.9 ha.</p> <p>The project team also has detailed inventory reports with improved management plans for 8 CFs (4 in Jumla and 4 in Mugu), from the past project, where we have been working on forest and supply chain management activities in this period.</p>	SD 3

		The total area of 27 CFs (19 current + 8 from the previous project) is 17,297 ha. In some CFs, the area managed by communities is higher than the legally obtained area, so the total community managed area is actually higher than 17,297 ha.	
Indicator 1.2 Sustainable management, including community monitoring, of three target NTFPs (and other associated harvested species), is integrated into 30 CFUGs operational management plans in five target districts, recognised and approved by Divisional Forest Offices and CFUGs by June 2023.	NTFPs management not integrate into the operational management plans	<p>To understand the resource governance in target areas and the status of forest management plans, the project team reviewed the management plans of 21 CFUGs (two in Jumla, eleven in Humla, three in Mugu, and five in Darchula). Based on FairWild standards and performance indicators, ANSAB developed a gap analysis format in Nepali and provided an orientation on the format to the field team.</p> <p>Some of the significant gaps identified in the management plans include: i) lack of detailed NTFP resource inventory records, ii) inconsistency between the area mentioned in management plans and actual area managed by communities; iii) lack of NTFP harvesting area maps; iv) no specific list of NTFP harvesters (although there is a list of total members in each CF management plan); v) detailed methods and practice of sustainable harvesting of NTFPs, vi) no clear provision on occupational health and safety measures for harvesters and workers; and vii) absence of specific capacity building activities on sustainable harvesting of NTFPs. Furthermore, while visiting the CFUG offices and reviewing their records, the project team couldn't find proper documentation of capacity building activities, records of NTFP collection, processing and sales, or records of traditional NTFP use.</p>	SD 9
Indicator 1.3 Training programme in NTFPs sustainable harvesting, resource management and monitoring approaches rolled-out to 5,000 harvesters in 30 CFUGs by December 2023.	Zero	<p>Building on the documents from a previous project phase, three training packages have been developed, including a training strategy, curriculum, and materials. The packages are: i) NTFP resource inventory; ii) Fairwild and organic standards; iii) sustainable forest management - including NTFPs.</p> <p>A total of 65 local people have been trained in NTFP resource inventory and an additional 19 people on sustainable forest management, incl. NTFPs.</p>	SD 10 SD 8 SD 11
Indicator 1.4 The sustainability (time, methods, quantity) of three target NTFPs harvesting has improved, compared to 2021 baselines, in target areas by June 2024.	Baselines being established	Baselines are being established through the resource inventories.	

Output 2. At least 5,000 harvesters and their communities in five target districts have clear benefits from long-term sustainable, equitable, traceable trade in NTFPs			
Indicator 2.1 5,000 CFUG harvesters and processing workers, (at least 40% women) from at least 20 producer enterprises, are trained in FairWild and organic standards and certification, by December 2023.	Zero	Utilizing the training package developed under indicator 1.3 on FairWild and organic standards and certification, a ToT has been delivered to 27 people, incl. local resource persons, selected harvesters and processing workers.	SD 11
Indicator 2.2 Target CFUGs and harvesters' registration system updated to provide a basis for transparent trade and cost-calculation, to include harvesters' details, harvesting/sale quantities and locations, prices, trainings/ capacity-building, disaggregated by gender, by June 2022.	System not updated, not including these elements	The project team provided orientation training to field staff on the updated harvesters' registration system. After the training, ANSAB's Humla field staff provided orientation training on the harvesting system to an LRP and 21 CFUG executive committee members and harvesters. As a result of the training, two CFUGs in Humla have started maintaining a harvesters' registry	SD 12
Indicator 2.3 Fair trading and benefit sharing protocol developed and piloted with NTFP harvesters' and workers' sub-committees in one CFUG by June 2022, and subsequently rolled-out to all target groups, by June 2023.		Building on the protocol (FW premium fund operational guideline developed in the previous project, HBTL has allocated a 5% premium fund to the harvesters of Baghjale CFUG and Lamteli CFUG for the trade of 500 Kg Kutki.	SD 13
Output 3. Sustainable supply chains are in place, led by producers/exporters in Nepal, and 'matched' to manufacturers in consumer markets, based on sustainable production systems following FairWild Standard			
Indicator 3.1 Supply chains for at least three NTFPs from Nepal to consumer markets are identified and documented by June 2022.	Jataman si market information available in-part from previous project, focus on Europe and USA	A total of 14 producer companies have been engaged for collaboration on the project. Of them HBTL has already received information on supply chains and certification and the other 3 companies have shown their interest in being involved.	SD 14
Indicator 3.2 Traceability system for essential oils and other plant-based products is developed, based on FairWild Standard, and implemented by June 2023.	FairWild certification in Nepal piloted in previous project	No update – planned for next period	
Indicator 3.3 At least one industry meeting, involving consumer markets' buyers, Nepalese producers and herbal products associations lead to buy-in and the development of trade agreements in line with sustainability requirements, by June 2024.	zero	No update – planned for next period	

Indicator 3.4 Trading agreements between at least 15 CFUGs and companies (identified in Output 3 activities) established, including the clear indication of the price premiums, by June 2024.	Initial trading relations established in the previous project	Based on the agreement made between HBTL and CFUGs in Jumla for the trading of Kutki and Jatamansi, HBTL bought 500 kg of Kutki from 2 CFUGs – Baghjale and Lamteli. HBTL has received an order for 500 kg of Kutki from a French Customer and 30kg of Jatamansi oil from Italian, French, Swiss and Belgian customers. There has been increasing interest in the FairWild certified Kutki (from Nepal) and Indian Gentian (<i>Picrorhiza kurroa</i>) from a few US-based companies currently testing samples. A few EU and US-based companies are also interested in buying FairWild Jatamansi oil as soon as the unfavourable EU legislation on Jatamansi has been lifted.	SD 17
Indicator 3.5 Traceability pilot, linked to the FairWild certification implementation in close relation with the buyers and retailers, showcases the environmental, social and economic benefits of eco-friendly plant-based products, by June 2024.		The project team decided to prioritise project funds for supporting FairWild audits of supply chains in 2022 so that an increased area and number of species could be added to the certification pool.	
Output 4. Policies, legislation and strategies at federal, provincial and local levels incentivise and enable a long-term shift towards sustainable use and trade in NTFPs in Nepal			
Indicator 4.1 By December 2022, Nepalese NTFPs that are in high use/trade demand, are evaluated against the designed systematic framework which considers sustainability of, and risks from, commercial harvest to assess the long-term suitability for international trade.	No framework	Framework development has been initiated and initial field work/keyholder interviews took place.	
Indicator 4.2 By June 2024, practical policy guidance on including NTFPs harvesting and management (including monitoring responsibilities and practices) in CFUG management plans and a model for decentralized alpine natural resources management, based on best practices, is disseminated by FECOFUN to CFUGs across Nepal.	No guidance	No update – planned for next period	
Indicator 4.3 By June 2023, stakeholder consultations review the findings of the assessment and agree the ways forward and recommendations for policy-makers, industry (Nepalese and international), and CFUGs.		No update – planned for next period	
Indicator 4.4 Sustainability considerations based on 4.1, and piloting experiences, are embedded in at least one Nepal trade policy or agreement concerning NTFPs (e.g.,	No sustainability considerations	TRAFFIC engaged with government and business stakeholders on the development of the TCM legality guidance, which will integrate the elements of sustainability provisions for	

supporting Belt & Road Initiative (BRI) traditional medicine agreements), by June 2024		TCM sector sourcing practices. No SDs available at this stage.	
Indicator 4.5 Nepal CITES Authorities develop NDFs following existing good practice guidance, based on up-to-date information (including resource management data, traditional CFUG knowledge, and distribution modelling) leading to Jatamansi removal from the CITES Review of Significant Trade process, and no additional CITES App-II listed species included in RST or the EU 'negative opinion'	Jatamansi is part of RST process and there is the EU's 'negative opinion'	<p>ANSAB developed a review report on "Policy opportunities and challenges in relation to sustainable harvesting and trade of CITES-listed species including Jatamansi from Nepal". A workshop was organized to share this report on the 25th of March 2022. 21 participants attended, representing high-level government officials, business associations, producers' federations, and ANSAB. Based on the policy review, the project provided feedback to the government for effective implementation of CITES Act and Regulations.</p> <p>ANSAB developed detailed profiles of 8 CITES-listed plant species from Nepal (including Jatamansi), participated in an international workshop on a framework for inventory methods of wild-growing CITES Appendix II plants (organized on October 21-22, 2021 in Vilm Germany), and presented an approach to resource assessments of wild herbs for the NDF process.</p> <p>ANSAB organized a meeting with the German CITES Authority and expanded on the current situation in Nepal.</p> <p>The manuscript on Status of Jatamansi trade and volumes of sustainable Jatamansi has been drafted for publication in the next period.</p> <p>CITES Standing Committee has discussed RST and recommended for Jatamansi to come off it, but process delayed to next SC meeting.</p>	SD 15 SD 16

3.3 Progress towards the Project Outcome

Indicator	Baseline	Change recorded by 2022	Source of evidence
High-value/conservation priority NTFPs in five districts of Nepal's Himalayas are effectively conserved through sustainable management and traceable, equitable trade, based on clear legal frameworks and sustainable use and trade approaches.			
0.1 At least three species of high-value NTFPs (Jatamansi, Kutki and Himalayan Fritillary) in five priority production districts of Nepal's Himalayas are sustainably managed (i.e. in line with the updated CFUGs operational management plans), by June 2024.	Baselines being set-up	The resource inventories of 19 CFs have been accomplished, and the inventory of the remaining 11 will be accomplished in the next reporting period. After completion of all the inventories, the baseline will be established.	SD 3
0.2 At least 5,000 (at least 40% women) harvesters, processing staff and the CFUGs they are part	No added benefits from	The project team completed the baseline survey, capturing	

of, benefit from at least 5% increase in income from the sustainable trade in target NTFPs, by June 2024.	target NTFPs trade, baselines on incomes being developed	information on socio-economic status and gender. HBTL has allocated a 5% premium fund to the harvesters of Baghjale and Lamteli for the trade of 500kg of Kutki.	
0.3 A traceability pilot for Nepalese high-value NTFPs, driven by the market interest is complete, with final FairWild-certified products on sale at a consumer market, by June 2024.	FairWild piloted by one producer company	No update in the current period	
0.4 Nepal's government policies, sectoral multi-stakeholder strategies, trade agreements explicitly include provisions for sustainable trade in CITES Appendix-II and other NTFPs of commercial importance by June 2024.	Policies do not include CITES and other NTFPs provisions	The project team has been working with national and international CITES authorities to make sourcing and trade more traceable, by i) sharing ANSAB's experience on resource assessments of CITES-listed wild herbs for the NDF process through participation in the October 2021 workshop; ii) participating in a follow-up meeting with the German CITES Authority and sharing Nepal's situation regarding the sustainability of Jatamansi in the context of the negative EU sentiment; iii) and organizing a national stakeholders' workshop, focusing on policy issues concerning CITES-listed species.	SD 15 SD 16

3.4 Monitoring of assumptions

Assumptions of the project log frame:

Long-term impacts of COVID-19 do not significantly disrupt Nepal's national and international trade. This concerns transport/harvesting lockdown restrictions and the growing demand for herbal products as treatment/prevention.

Comments: Important assumption

Selected NTFPs are already a main source of income for communities in Himalayan districts. Changing trade dynamics and the diversification of market interest will enable this income to grow if the necessary safeguards and resource management measures are put in place and implemented through Nepal's existing Community Forestry system and a model approach for decentralised alpine natural resources management.

Comments: Important assumption

The existing resource inventories for eight CFUGs in Jumla and Mugu districts will provide a replicable methodology.

Comments: Important assumption. The same methodologies and toolkits are used for CFUG resource inventories, applied in the previous project (25-018) and other projects with similar activities.

Each target CFUG has Community Forest management plans; however, their validity periods have mostly expired. These do not include details of NTFPs stock or annual allowable harvest. The updated CFUG management plans will provide templates/approaches for replication.

Comments: Important assumption, CFUGs that have already been registered are selected. For the GAP analysis, CFUG management plans are developed, including all aspects incorporating the provision of NTFPs and compliance with FW standards. They serve as templates to be replicated in other CFUGs.

The existing skills, understanding and culture for sustainable resource management, through Community Forestry, will help communities maintain harvests at sustainable levels.

Comments: Important assumption under the current CFUG management practices in Nepal for sustainable forest management and maintaining sustainable harvests of NTFPs.

The three “principal” species are sufficiently well-understood and locally identifiable, enabling reliable resource inventories and the traceability systems of Output 3. We will be able to do valuable surveys of Polygonatum, Delfinium, and other species and provide training, bringing both conservation and economic benefits. However, we assume that taxonomic and practical challenges of identification and nomenclature (currently under active research) will mean that later certification steps for traceability will not be possible within the project timeframe.

Comments: Remain an important assumption. Samples of dry roots/rhizomes and other plant parts have been collected. Field staff instructed on collecting samples at different stages of plants growth.

The harvesters’ registration system will play an important role in both the traceability of products and creating the basis for equitable benefit-sharing arrangements.

Comments: Important assumption for complying with the FW certification standards that ensure product traceability and for the harvesters’ equitable benefit-sharing arrangements.

The benefit-sharing protocol will clarify the intended arrangements and processes and mitigate the potential conflicts between harvester and non-harvester members of each CFUG.

Comments: Important assumption. ANSAB will deliver clear communication and clarification about the benefit-sharing protocol.

NTFP markets will continue to grow and increasingly look for evidence of product origin and environmental and social impacts of production. This likely development concerns both the European and US markets, with more established requirements for sustainability, and increasingly markets in China and India, which are fast-growing and key destinations for many Nepalese NTFPs.

Comments: It remains an important assumption. There have been instances of increased interest from companies in Europe and the US in wild plants, the harvesting of which demonstrates that there is a positive social and environmental impact.

Nepal’s government will not decide to suspend trade of certain wild-sourced products, which could impede access to and/or reduce markets for exports from Nepal.

Comments: Important assumption, no signs so far of the decisions to suspend trade.

Nepal’s government MoU with China focused on boosting traditional medicine trade remains operational under the Belt and Road Initiative’s Traditional Chinese Medicine strategy.

Comments: Remains an important assumption, and being monitored.

The methodology for the update of the CFUG operational management plans, piloted in 25-018, and the political transition in Nepal to decentralised governance, provides an important opportunity for the change in policy and practice (for CFUGs to introduce a provision for NTFPs in their management plans with proper inventory and sustainable management practices).

Comments: Important assumption. The experience from project 25-018 and others implemented by ANSAB in Nepal are well regarded by key stakeholders, namely the Divisional Forest Offices, FECOFUN and CF representatives.

3.5 Impact: achievement of positive impact on biodiversity and poverty alleviation

The impact in the original application form is: **Nepal's Himalayan wild medicinal and aromatic plants are sustainably managed, and landscapes where they grow conserved, with community harvesters benefitting from sustainable management and traceable, equitable trade.**

It is too early in the project implementation to report on the contribution to the project's higher impact statement, however we believe that the partnership and activities set-up will allow to contribute to the higher-level impact on both biodiversity conservation and human development and well-being.

4. Project support to the Conventions, Treaties or Agreements

The project directly supports Nepal's commitments under CBD, CITES and ABS, principally via the management and sustainable use of wild-harvested species, improved incomes through fair trade and transparent cost calculations, just relations between harvesters and buyers, and non-discrimination.

During the reporting period, the project prepared a draft paper on the policy-related opportunities and challenges for the sustainable harvesting and trade of CITES-listed species in Nepal, based on which ANSAB and the Department of Forests and Soil Conservation (DFSC) - the CITES management authority of Nepal, jointly organized a half-day workshop on March 25, 2022. Participants representing relevant government agencies, NTFP processors and traders and their associations, and FECOFUN (including from Jumla) provided feedback and discussed the current policy provisions and practices. Using the inputs from the workshop, the paper has identified areas useful for providing input to the government: i) policy and legal opportunities for harvesting, trade, and export of CITES species, ii) policy or legal challenges and issues for harvesting and trade of CITES species, and iii) key recommendations to address the legal contradictions, challenges and issues.

TRAFFIC is also in the process of developing a case-study on CITES and Livelihoods with the focus on Jatamansi trade and project in Nepal, to be made available for the CITES CoP19 meeting in 2022.

5. Project support to poverty reduction

Target communities were selected based on poverty and target NTFP species prevalence/reliance: the most recent human development report with district-level analysis (2014) ranks the project districts: Mugu (75th among 75 districts), Jumla (70th), Humla (68th), Bajhang (72th), and Darchula (52th). For most communities in these districts, NTFPs are the primary source of cash income without engaging in seasonal out-migration. Securing the resource base and increasing income from managed, sustainable access to NTFPs will reduce poverty.

The five targeted project districts are in the remote mountains on or adjacent to the furthest north-west Nepal-China border, in the Karnali and Sudur Paschim provinces. Over half the population of Karnali and one-third of Sudur Paschim live below the poverty line. Despite the efforts of government and development agencies, poverty is not declining as expected. These provinces rank lowest for development indices on per-capita income, life expectancy, and basic infrastructure (roads, schools, and banks/financial institutions). (Human Development report 2020, Economic Survey 2019/20 -MoF 2020). NTFPs are the primary source of cash income for most communities in these districts.

There are few direct impacts anticipated from the project that link to the direct and indirect poverty alleviation impacts in the short-term in addition to the long-term impacts:

- At least 5,000 (40% women) harvesters/processors across five districts will benefit from reduced price fluctuations through longer-term trade agreements and an increased income of >5% from NTFPs. Currently the lack of formal agreements between harvesters/CFUGs and traders enable unfair practices by traders; formal agreements will facilitate transparent trade. Additional economic benefits will flow to harvesting communities through the FairWild Premium Fund.
- 20 producer enterprises (at least 200 beneficiaries), buying from 5,000 harvesters, will be trained in FairWild, and at least 5 supply chains reach FairWild certification, giving them a stronger position to secure a price premium into the future. Producer enterprises will gain linkages to industry partners with relevant technical expertise to support quality improvements and traceability.
- Including NTFP sustainable management in 30 CFUG operational management plans will assist in two ways: renewing expired plans with up-to-date species inventories and management information, and updating existing plans, which currently have no provisions for sustainable

management of NTFPs. This provides the basis for ongoing sustainable resource management and monitoring, and longer-term ability to meet FairWild requirements.

The legislative change enabling trade in CITES Appendix-II listed species, resulting from project 25-018, will be implemented/strengthened through improved capacities of CITES Scientific Authorities to issue NDFs, contributing to removal of Jatamansi from the CITES Review of Significant Trade, and clarification of regulations for NTFPs across provincial, district and national levels. This will enable legal, sustainable and uninterrupted trade in species that are vital for communities' livelihoods.

During the reporting period, a household baseline survey methodology was developed to capture the poverty indicator status of the harvesting communities, including household income, source of income and share of NTFPs to total income. This creates the necessary baselines for measuring the project impact at the end, and to adaptively managing the activities.

6. Consideration of gender equality issues

The project is expected to have direct and indirect impacts on reducing inequality between persons of different gender in wild plant-harvesting communities of Nepal's Himalayas. The project will target at least 5,000 wild-harvesters of high-priority plant species in 30 CFUGs, and their households. It is anticipated that at least 40% of beneficiaries benefitting from the project activities will be women.

Building on current work, the project will improve women's position within the value chain, with emphasis on women's participation in capacity-building events for sustainable management and to improve quality and processing (~40% of previous participants were women). The expanded focus on a wider range of plant species of conservation and commercial importance, will ensure more significant involvement of women in harvesting activities – 25-018 demonstrated that while women frequently harvest NTFPs including Himalayan Fritillary in the target area, Jatamansi and Kutki harvesters are often male, due to long/overnight harvesting expeditions, and precipitous rocky habitats, respectively. Women will benefit from participation in certification schemes that directly increase sales prices and stabilise income-generation, and participate in decision-making.

The project will track its contribution to gender equality, by including a gender assessment as part of the baseline and final evaluation studies (further clarifying the roles of men and women in the NTFP value chains in target areas, and assessing the relative change project activities generate for men and women). It will use the collection and monitoring of disaggregated data to adapt and improve appropriate measures to empower and enable women.

The project has to date considered gender equality principles and given special attention to ensuring the meaningful participation of women in the project activities. While carrying out capacity building activities, we paid attention to facilitating the participation of women through communication with the CFUGs, and FECOFUN. While organizing trainings, care was taken to establish suitable times and access for women.

36% of the respondents in the draft household baseline survey and 32% of participants in the focus group discussions were women. 44% of participants in the ToT on "Sustainable Forest Management and FairWild and Organic Standards" were women.

7. Monitoring and evaluation

The project M&E framework supports adaptive management using six-monthly progress reviews. It also links to the partner organisations' existing structures for reporting. Project partners have met regularly during the reporting period (monthly, via MS Teams conference calls) to ensure communications flow and that planning is on track, risk is managed, and progress is reviewed. The project tracking system (M&E plan) was developed at the project inception meeting, and the matrix updates were entered at monthly project calls (coordinated by TRAFFIC).

Weekly project progress meetings are conducted within ANSAB, mainly to track and inform field-level activities in harvesting areas. The Field Coordinator makes monitoring visits to the field teams, and Kathmandu-based staff provide technical backstopping. Social, economic and environmental impacts are listed in ANSAB's Impact Tracking System (ITS).

This project is reviewed by senior staff through TRAFFIC's regular project review system. Projects are reviewed on timeliness on deliverables, effectiveness of external relationships, impact on conservation, expected outcomes, project legacy/sustainability, and budget efficiency.

The project's success in improving the livelihood outcomes for the beneficiaries and in helping to ensure sustainable collection of high-value NTFPs, (namely Jatamansi, Kutki and Himalayan Fritillary) will be evaluated by assessing the level of income derived from their collection. A methodology for the baseline

socio-economic and biological survey/inventory was developed along with conducting the field level survey to assess current resources and their contributions to target communities' livelihoods and health. The outcome of the evaluation will be consolidated in the next period.

Gender-segregated information is being made available and will be integrated into activities throughout the planning, implementation, and M&E. This data will especially elucidate access and control over resources, ability to enact change, division of labour, and impact. Efforts will be made to reduce inequality between different genders and ensure this information is captured in project outputs.

The results of the NTFP resource inventories, together with the sustainable yield studies and other inputs planned to start in the next period, will be used to update the CFUG management plans and integrate any gaps and participatory monitoring techniques. The project team supports the direct involvement of CFUGs, local forestry groups and harvesters.

Resource inventory and management planning are required components of the FairWild Standard, establishing a system for monitoring the impact of wild-collection on target (and affected) species in the area. It is of particular importance to ensure the rigour of project interventions to reduce over-exploitation. The FairWild certification audit is a third-party evaluation of wild-harvesting operations against principles and criteria. In the case of Jatamansi, a "high-risk" species, rigorous resource management evidence will need to be demonstrated from the first year of certification. The audit, planned for years 2-3 of the project, will provide an additional evaluation of the project's ecological and social impacts.

The project sites across Nepal's alpine rangelands, including in Humla, Jumla, Mugu, Darchula and Bajhang districts, are potentially vulnerable to changes in natural resource planning. The project does not anticipate having adverse impacts on communities as it will focus on native wild species; this should not compete with agricultural land needs nor impose new regulations on land use. Activities are built into the project to increase financial benefits to local participants. Efforts will be made to mitigate any potential negative impacts through adaptive management.

Throughout the project, steps will be taken to monitor and address any negative impacts on local communities. In addition, local stakeholders will be encouraged to voice issues or concerns as they arise directly with project staff.

At the CFUG level, there is a system of AGMs (Annual General Assemblies), where the activities performed in a fiscal year are presented and publicly audited among the members. Stakeholders, such as Divisional Forest Offices, Rural Municipalities/ Municipalities, and the Federation of Community Forest User Group are also a part of the informal monitoring and evaluation process.

8. Lessons learnt

Lessons learned so far during project implementation include:

- (1) mobilizing the local resource person (LRP) in project activities like awareness-raising, capacity building, and data collection is efficient and sustainable in the long run;
- (2) a participatory working approach in project activities is instrumental for the field. Through participatory learning and sharing approaches, local people will exchange their experiences and ideas on identification and prioritization issues, context, and activities;
- (3) meaningful participation of local communities can be achieved by engaging with them from the project inception period, keeping expectations realistic and building their capacity to carry out the activities.

9. Actions taken in response to previous reviews (if applicable)

This is the first project report, hence there are no previous reviews to report on actions taken.

However, on the contract award news, we have received a set of six comments from the Darwin Expert Committee (Flexi-Grant Reference: DIR27S2\1049). As requested, the feedback on five of those points was included in the half-year report (HYR)

We would like to request adding the assumption of *continuing interest and willingness to participate by the CFUGs / stakeholders* in Outputs 1 and 2, which is the outstanding recommendation.

10. Other comments on progress not covered elsewhere

Not applicable

11. Sustainability and legacy

The project has identified and started pursuing the following five key pathways for the long-term sustainability of project outcomes:

- Capacity building of permanent institutions such as DFOs and local FECOFUNs will be supported by the project, which will be helpful to support the CFUGs after the project period;
- Local Resource Persons (LRPs), whose capacities are developed by the project, can provide regular support to CFUGs, local traders and processors. These roles will remain post-project;
- Rationalization of policies according to local context and their implementation, esp. of the CITES Act and its regulations will ensure the sustainability of trade in CITES-listed species, incl. Jatamansi from Nepal;
- Implementation of FairWild and organic certification standards and practices will help to develop sustainable wild herb supply chains by properly linking value-chain actors to responsible and ethical markets;
- The permanent presence of ANSAB in Nepal will provide technical backstopping support even after the project finishes.

Since the project design phase, MoFE and its relevant departments have been informed and involved in the project activities. Government agencies are supported to enable project outcome ownership and sustainable follow-up on project activities.

Private sector institutions (associations), including Nepal Herbs and Herbal Products Association (NEHHPA), Jadibuti Association of Nepal (JABAN), and Herbal Entrepreneurs Association of Nepal (HEAN), have been involved in policy and trade-related discussions organized by the project. At the project site level, the local municipalities, the local chapter of FECOFUN, and traders' associations are actively involved in the project. This type of partnership will help make the project initiatives sustainable.

12. Darwin identity

The project ensures that the contribution of the UK Government through the Darwin Initiative is recognized in every publication (press releases, articles, flyers), and logos are properly displayed during every training and workshop organized by the project (e.g. inception project presentation SD19; set of photograph from local inception workshops and trainings SD20; project flyer SD21). Project flyers and a press release have been developed during the reporting period, which clearly state that this project is "funded by the UK Government through the Darwin Initiative"; logos of the UK Government and Darwin Initiative were displayed. Prior to the publication of the aforementioned press release, we notified the DEFRA newsdesk with a draft of the intended publication to ensure they were satisfied with it.

The logos are also displayed in the banner of the inception workshops, the national-level CITES workshop, and relevant presentations. All communication materials disseminated at the field level are checked by the ANSAB M&E focal person to ensure that the UK Government and Darwin Initiative are recognized.

Darwin Initiative funding was recognized through this distinct project with a clear identity. There was a small percentage of co-financing to the project in the reporting period (in particular the Swedish Postcode Foundation supported Wild at Home project), and this was clearly communicated. The Darwin Initiative is known in Nepal for funding previous and ongoing projects, particularly among the development and conservation organization community.

Social medias accounts: Twitter: @TRAFFIC_WLTRADE @CCI_Cambridge; Facebook: @trafficnetwork @cambridgeconservationinitiative; LinkedIn: @TRAFFIC @cambridge-conservation-initiative; Instagram: @TRAFFIC_WLTRADE; YouTube: TRAFFIC International

13. Impact of COVID-19 on project delivery

There was no serious impact from COVID-19 on project implementation this reporting period. However, there was a delay in the implementation of a few activities (e.g., baseline establishment and NTFP resource inventory), and the work plan was adjusted accordingly. During the trainings, workshops, and field movement, the participants and the project beneficiaries were informed about COVID-19 preventive measures. Hand sanitization, social distancing, and face masks were used during the project events.

14. Safeguarding

Please tick this box if any safeguarding or human rights violations have occurred during this financial year.

If you have ticked the box, please ensure these are reported to ODA.safeguarding@defra.gov.uk as indicated in the T&Cs.

TRAFFIC, as a lead partner, has established staff post, policies and procedures relevant to safeguarding issues. These include:

- Senior Risk and Compliance Office is a new post under the supervision of the Senior Director – Operations, the officer will coordinate the roll out of TRAFFIC’s organisational and project risk management systems. While Cambridge based, the position will act as a focal point for compliance issues throughout TRAFFIC.
- Safeguarding Statement ([traffic safeguarding statement.pdf](#))
- Guidelines for the Operation of the TRAFFIC Network (2006) – includes reference to working values, equal opportunity, grievance procedures, and obligations of consultants;
- Conditions of Service in the UK (2016) – includes policies and procedures on harassment and/or intimidation, whistle-blowing, grievance and disciplinary procedures and gross misconduct;
- Code of Conduct and Professional Ethics (2013) – Includes references to standards of conduct, including integrity, accountability, harassment, and protection against retaliation;
- TRAFFIC Anti-Bribery Policy (2016) – Includes several references to whistle-blowing procedures;
- TRAFFIC Sensitive Activity Management Policy and Manual (2019) – sets out procedures for higher risk project activities
- The Whistleblowing policy describes the process for the disclosure of wrongdoings that are in the public interest and misconduct that is illegal, unethical or against the organisations ethos as detailed in TRAFFIC’s codes of conduct. While TRAFFIC hopes that issues leading to ‘whistle-blowing’ action will not arise, the organisation is committed to resolving any that do occur as soon as they are identified through an internal or, if necessary, external process.

ANSAB, as the lead implementing partner in Nepal, has an organizational standard code of conduct and abides by the environmental and socio-economic benchmark set by the government and international treaties/conventions to which Nepal is a party. The code of conduct presents the organizational value, organizational ethics, and employee ethics and commits to safeguarding and zero-tolerance on sexual exploitation, abuse, and sexual harassment (SEAH). Staff receive an orientation training on this during their induction. The organizational gender policy also establishes an institutional process for complaints and grievances, including those relating to SEAH, overseen by a designated officer. ANSAB has significant experience developing environmental and social frameworks, stakeholder engagement plans, and labour management procedures for projects; they encourage their partners and stakeholders to use similar safeguarding principles.

For this project, environmental and socio-economic safeguards are integrated within the implementation of the FairWild Standard and the promotion of good governance and equity. Project activities, especially forest management and operation of forest-based enterprises, are conducted using Sustainable Forest Management guidance, ensuring the maintenance and enhancement of natural habitats. Project sites are remote and natural-resource-rich in far-western districts where the benefit recipients are indigenous people. The project engaged stakeholders and beneficiaries from the inception phase without creating unrealistic expectations. Project plans and activities have been shared and planned with the target stakeholders and beneficiaries, ensuring their continuous support and involvement in the project, as described in the local inception meetings in each of the project target district. This preserves the cultural value of the community and their active participation as a broader part of conservation.

15. Project expenditure

Table 1: Project expenditure during the reporting period (1 April 2021 – 31 March 2022)

Project spend (indicative) since last Annual Report	2021/22 Grant (£)	2021/22 Total Darwin Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs (see below)	██████	██████	██████	
Consultancy costs	██████	██████	██████	The final payment for a consultant hired in Nepal will now fall in Year 2 rather than Year 1 as first planned. For this reason, these costs are reduced.
Overhead Costs	██████	██████	██████	
Travel and subsistence	██████	██████	██████	Travel costs in Nepal have been adversely affected by steep rises in fuel prices over this first year, making travel much more expensive. We therefore applied for a change request to spend over the 10% threshold on this budget line which was approved on the 16th March.
Operating Costs	██████	██████	██████	The costs of running conferences and workshops (including meals, accommodation and transport) in Nepal was more expensive than first thought.
Capital items (see below)	██████	██████	██████	
Monitoring & Evaluation (M&E)	██████	██████	██████	
Others (see below)	██████	██████	██████	Bank fees were over budgeted for in Year 1.
TOTAL	██████	██████		

16. OPTIONAL: Outstanding achievements of your project during the reporting period (300-400 words maximum). This section may be used for publicity purposes

I agree for the Darwin Initiative Secretariat to publish the content of this section (please leave this line in to indicate your agreement to use any material you provide here).

Not in the current period. The reference publication of interest is: <https://www.traffic.org/news/world-health-day-2022-celebrating-the-himalayan-plants-supporting-local-livelihoods-health-and-biodiversity/>

Checklist for submission

	Check
Different reporting templates have different questions, and it is important you use the correct one. Have you checked you have used the correct template (checking fund, type of report (i.e. Annual or Final), and year) and deleted the blue guidance text before submission?	Yes
Is the report less than 10MB? If so, please email to Darwin-Projects@ltsi.co.uk putting the project number in the Subject line.	Yes
Is your report more than 10MB? If so, please discuss with Darwin-Projects@ltsi.co.uk about the best way to deliver the report, putting the project number in the Subject line.	N/A
Have you included means of verification? You should not submit every project document, but the main outputs and a selection of the others would strengthen the report.	Yes
Do you have hard copies of material you need to submit with the report? If so, please make this clear in the covering email and ensure all material is marked with the project number. However, we would expect that most material will now be electronic.	No
Have you involved your partners in preparation of the report and named the main contributors	Yes
Have you completed the Project Expenditure table fully?	Yes
Do not include claim forms or other communications with this report.	