



**Himachal Pradesh Forest Department (HPFD)  
Himachal Pradesh, Republic of India**

**Himachal Pradesh Forest Ecosystem Climate Proofing Project**

German Financial Cooperation / KfW German Development Bank



**Semi-Annual Progress Report No. 8**

**July 2020 – December 2020**

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Feldkirchen and Dharamsala, 15/02/2021



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## ABBREVIATIONS AND ACRONYMS

ACF	Assistant Conservator of Forest
ACS	Additional Chief Secretary
ACTA	Assistant Chief Technical Advisor
APD	Assistant Project Director
BAIF	Bhartiya Agricultural Industrial Foundation
BMZ	Federal Ministry of Economic Cooperation and Development
CBO	Community-Based Organization
CBRT	Community Based Rural Tourism
CCA	Climate Change Adapted
CPD	Chief Project Director
CTA	Chief Technical Advisor
DEO	Data Entry Operator
DFO	Divisional Forest Officer
DFS	Deutsche Forstservice GmbH, Lead Consultant
DPMU	Divisional Project Management Unit
FMP	Forest Management Plan
FS	Feasibility Study
FTI	Forest Training Institute
FY	Financial Year (from 01 April - 31 March)
GIS	Geographical Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GoHP	Government of Himachal Pradesh
Gol	Government of India
GOPA	Gesellschaft für Organisation, Planung und Ausbildung mbH
GPS	Global Positioning System
HP	Himachal Pradesh
HPFD	Himachal Pradesh Forest Department
HPFECPP	Himachal Pradesh Forest Ecosystem Climate Proofing Project
IGWDP	Indo German Watershed Development Programme
IT	Information Technology
IVI	Importance Value Index
JFM	Joint Forest Management
KfW	Kreditanstalt für Wiederaufbau, KfW Development Bank
Mgmt	Management
MIS	Management Information System
MITTRA	Maharashtra Institute of Technology Transfer of Rural Areas
MoU	Memorandum of Understanding
MP	Micro-Plan
M&E	Monitoring and Evaluation
NGO	Non-Government Organization
NRM	Natural Resources Management

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NTFP	Non-Timber Forest Produce
PCCF	Principal Chief Conservator of Forest
PEA	Project Executing Agency
PFM	Participatory Forest Management
PMC	Project Management Consultants
PSC	Project Support Coordinator
PSF	Project Support Facilitator
SBA	Savings Book Approach
SC	Supreme Court
SFDA	State Forest Development Authority
SOE	Statement of Expenditures
SPMU	State Project Management Unit
TNA	Training Needs Assessment
TOR	Terms of Reference
ToT	Training of Trainers
UG	User Group
VFMS	Village Forest Management Society
VGO	Village Group Organizer
WA	Withdrawal Application

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## 1. EXECUTIVE SUMMARY

This report covers the period from July to December 2020.

The lockdown to fight against the COVID-19 pandemic ordered by the GoI on March 22<sup>nd</sup>, 2020, that was gradually relaxed starting April 16<sup>th</sup>, 2020, has affected the Project implementation, delaying the formation of VFMS, the implementation of MPs as well as the implementation of certain service contracts, such as the Third Party Monitoring.

Sectoral developments in HP include 3 on-going projects funded by BMZ/GIZ, JICA and the World Bank, respectively. With the GIZ project that has come to an end by December 31<sup>st</sup>, 2020, but that is to be succeeded by a new project starting in January 2021, the HPFECPP has developed mutually beneficial links by way of bi-annual meetings and training / experience exchange.

The ban on Green Felling continues and is unlikely to be lifted during this Project period. Although felling of about 3,800 Eucalyptus trees under the Supreme Court (SC) approved experimental silvicultural felling has been carried, a final decision on this issue is not expected in near future as the SC appointed Monitoring Committee has sought more time to assess the impact of felling and the status of regeneration. There appears to be also no early decision on the possibility of felling of Chil trees scheduled for felling under approved Working Plans of Kangra and Chamba Districts.

The rehabilitation of forest stands is envisaged to be done through implementation of Micro-Plans (MP). As of December 31<sup>th</sup>, 2020, 198 sites have approved MPs. Implementation of most of these MPs is underway and activities through User Groups have been taken up since the 2018 rainy season. Table 1, page 8, gives the update on other activities of the Project.

The development of 9 model nurseries, one under each DPMU, is well underway (except Pangji) with the suggested infrastructure at each nursery more or less completed. Contracts for the supply of root trainers and coco peat were awarded and the same are expected to be received soon.

To build essential technical capacity a need for further extensive and intensive training exists, particularly of field staff lacking several key skills like the use of GPS, maps etc. This is exacerbated by frequent transfer of staff. A training programme for the implementation of the spring-shed component was previously held but progress is very slow. The field staff is still not confident enough in the identification of spring-sheds and in the implementation of the component. Further training and handholding from a competent technical agency is about to be tendered. Similarly, for social staff hired under the Project, skills in mobilization and effective communication need iterative upgrading and practice preferably under senior mentors.



The Third-Party Monitoring of the implementation measures supported by the Project has been awarded in January 2020 to AFC India Ltd. An inception report has been received on March 13<sup>th</sup>, 2020. Delayed due to the COVID-19 pandemic, field work started on November 30<sup>th</sup>, 2020, and was scheduled to be completed by January 15<sup>th</sup>, 2021. However, due to COVID-19 pandemic and lifting of restrictions so imposed in phases, AFC India Ltd. requested to postpone the deadline for the submission of the draft and final reports until the end of February and March, 2021 respectively.

A comprehensive Monitoring and Evaluation (M&E) system has been put in place and related training imparted to SPMU and DPMUs earlier. The development of a cloud-based Management Information System (MIS) cum accounting computer application has been tendered on November 17<sup>th</sup>, 2020. After evaluation on December 28<sup>th</sup>, 2020 of 3 proposals received before the deadline on December 3<sup>rd</sup>, 2020, the contract will be awarded to IQ Wing Eduinfotech Pvt. Ltd. The urgently needed Project Manager (MIS) is still to be hired and issue is pending with the Himachal Pradesh Natural Resource Management Society, Solan.

A Baseline Study has been awarded in October 2019 to AFC India Ltd. The methodology was presented and discussed during an inception meeting held in December 2019. Delayed due to the COVID-19 pandemic, the draft report has been received on August 26<sup>th</sup>, 2020. The final report incorporating the observations communicated on September 23<sup>rd</sup>, 2020, has been received on November 2<sup>nd</sup>, 2020, and shared with KfW on November 20<sup>th</sup>, 2020.

The tender for the Mid-Term Review (MTR) mission has been floated on June 22<sup>nd</sup>, 2020. After the evaluation of 8 proposals received before the deadline on August 05<sup>th</sup>, 2020, the contract has been awarded on November 28<sup>th</sup>, 2021, to Suvigya Management Consultants Pvt Ltd. Work has started with an initial review of documents and the submission of an inception report on December 31<sup>st</sup>, 2020.

To notably account for additional 125 MPs, a revised Procurement Plan (PP) has been submitted to KfW for NO on July 10<sup>th</sup>, 2020. Compared to the previously approved PP, the amount budgeted for the procurement of barbed wire rose from 4,71,00,000 INR to 19,72,31,250 INR. The sharp increase of the total amount as well as the procurement of barbed wire through a rate contract triggered a series of questions from KfW. While providing clarifications, it turned out that the budget for barbed wire was wrongly calculated (applying the unit price to km instead of tons). The corrected PP taking into account the new unit price for barbed wire (passing from 39,250 INR/t to 63,000 INR/t) with a total budget for barbed wire of 10,03,59,000 INR submitted on October 27<sup>th</sup>, 2020, finally received KfW's NO on November 26<sup>th</sup>, 2020.

Withdrawal Application (WA) No. 11 submitted on June 4<sup>th</sup>, 2020, amounting to 491,426.87 EUR, has been credited on July 15<sup>th</sup>, 2020. WA No. 12 submitted on September 1<sup>st</sup>, 2020, amounting to 517,557.21 EUR, has been credited on December 12<sup>th</sup>, 2020. WA No. 13 submitted on December 8<sup>th</sup>, 2020, amounting to 470,918.34 EUR,

has been credited on December 23<sup>rd</sup>, 2020. A detailed financial statement is included in the report (Table 7, page 18, and Table 8, page 19), together with reimbursement status following the Simplified Reimbursement Procedure (Table 9, page 20) and the status of the payments made by KfW to the implementation consultants through the Direct Disbursement Procedure (Table 10, page 21).

The External Audit of the Statements of Expenditures (SOE) and WAs for the period from January 1<sup>st</sup>, 2019, to August 31<sup>st</sup>, 2020, has been conducted by Agarwal A. Kumar & Associates. The audit report of November 16<sup>th</sup>, 2020 issues a positive opinion on all aspects studied, and found only a small amount of INR 71,085 out of the total reimbursement claims of INR 12,20,78,815 to be ineligible, which has been deducted from WA No. 12.

HPFD's attention to the critical shortfall in key human resources deployed in the Project has been drawn upon by a letter of the implementation consultant dated September 4<sup>th</sup>, 2020, and a series of letters from SPMU. By that time, the SPMU notably lacked two out of two Deputy Directors (DPD), one out of four Assistant Project Directors (APD), and four out of six Project Managers. In seven of the nine DPMUs, the positions of Assistant Conservator of Forest (ACF) who are nominated to act as the Project's Nodal Officers were vacant. And only nine out of eighteen Project Support Coordinators (PSC) were appointed. As of December 31<sup>st</sup>, 2020, the staffing situation has been improved, as shown in in Table 12, page 25, and in Table 13, page 26, for SPMU and the DPMUs, respectively.

Worried by the slow pace of Project implementation / Loan and Grant utilisation, KfW, SPMU and PMC agreed during a video conference held on June 24<sup>th</sup>, 2020, to seek support of a short-term expert to identify and appraise the bottlenecks, and to make recommendations on how Project implementation and reimbursement of funds can be expedited. The assignment, carried out by Dr. Rajan KOTRU from July 10<sup>th</sup>, 2020, to August 31<sup>st</sup>, 2020, has made a number of recommendations ranked according to priority regarding institutional aspects, technical management and management logistics. The main findings were subject of a videoconference between KfW, HPFD and SPMU on September 25<sup>th</sup>, 2020.

A summary of the Project impact indicators and outcomes is given in Table 16, page 31.

Points of concern are outlined in Section 7 and need consideration and strategic adaptation in terms of future outlook.

## 2. INTRODUCTION

This **8<sup>th</sup> Semi-Annual Progress Report** for the **Himachal Pradesh Forest Ecosystem Climate Proofing Project** (HPFECPP) outlines the Project progress for the period from July to December 2020. During the period under review 28 MPs were approved by SPMU after vetting by PMC. Hence, the total number of approved MPs amounts to 198 as of December 31<sup>st</sup>, 2020. Currently, 159 MPs are being implemented by VFMS.

The Consulting consortium DFS Deutsche Forstservice GmbH and GOPA mbH of Germany is providing technical advisory services, led by the Chief Technical Advisor (CTA). This report is a contractual requirement by the Project Management Consultants (PMC) and is at the same time the report of the Project Executing Agency (PEA). PEA agreed to develop the progress report jointly, initialize it by their authorized signatories and submit it to KfW.

The State Project Management Unit (SPMU) is the PEA and is responsible for overall support, supervision and monitoring, whereas the (Divisional Project Management Units (DPMU; one in each of the selected Project Divisions of Chamba and Kangra Districts, nine in total) have implementation responsibilities.

### **3. DEVELOPMENT, ACTIVITIES AND PROJECT ACHIEVEMENTS (JULY - DECEMBER 2020)**

#### **3.1 Coronavirus SARS-CoV-2 Pandemic**

Most of the restrictions put in place during the nationwide lockdown ordered on March 22<sup>nd</sup>, 2020, by the GoI as a preventive measure against the COVID-19 pandemic were lifted on June 1<sup>st</sup>, 2020, and normal working was resumed with exception to red zones and containment zone areas.

Within the period under review, the lockdown has affected the Project implementation:

- preventing the holding of VFMS general house meetings and limiting trainings as the restriction on gathering of more than 50 persons was still in place;
- delaying the completion of the Baseline Study and the submission of reports;
- delaying the start of the Third Party Monitoring which will result in delayed submission of the findings and hence delayed release of the first instalment of the incentives to the VFMS;
- preventing the CTA to travel to HP; until further relaxations of the lockdown, he is providing his inputs remotely from his home base, delaying reimbursement and discussions on technical issues.

#### **3.2 Sectoral Developments**

##### **Green felling ban**

Since February 2018, the constraints brought about to the Project by the green felling ban remain unchanged.

In consideration of the application of the State of HP filed in the Supreme Court (SC) in the case 202 of 1995 for allowing silvicultural fellings as per the provisions of Working Plans, the SC vide its order of February 16<sup>th</sup>, 2018, had directed:

- (i) The state of HP to carry out experimental silvicultural felling in 3 working circles viz Khair, Chil and Sal over an area of 2,054 ha in certain designated forests in Nurpur Forest Range of Nurpur Division, Bhareri Forest Range of Bilaspur Forest Division and Paonta Forest Range of Paonta Forest Division.
- (ii) The SC had laid down certain conditions under which these fellings were to be carried out and monitored by a SC appointed Monitoring Committee.
- (iii) After monitoring the felling and evaluation of the results in terms of natural regeneration in the felled forests, the SC was to consider further course of action with respect to the Green Felling Ban in the state of HP.
- (iv) The felling of Khair, Chil, Sal and Eucalyptus trees in these designated forests have since been mostly completed. The final report of the Monitoring Committee was scheduled to be submitted to the SC in February 2020 and

only thereafter a decision on silvicultural fellings was expected. The Monitoring Committee submitted its 4<sup>th</sup> report in February 2020 but sought further time to assess the impact of felling and regeneration status in these forests. No further orders have been passed so far by the SC.

- (v) As far as the HPFECPP currently ongoing in Chamba and Kangra Districts is concerned, in practical terms it implies that the Green Felling Ban is not likely to be lifted during the Project's lifetime.
- (vi) However, the SC had allowed felling of 764 ha of Eucalyptus that are due for felling as per Working Plan prescriptions. Experimental felling of Eucalyptus trees in a phased manner has mostly been completed in these areas under the supervision of the SC appointed Monitoring Committee. Some of these areas are under DPMU Nurpur, where about 3,800 Eucalyptus have been felled.

### **Other Externally Funded Projects in the sector or in pipeline**

- 1) **HP Forest Ecosystem Services Project (HP-FES):** Funded through a grant by BMZ and implemented since April 2016 by GIZ, this Project, focusing on technical cooperation, monitoring of ecosystem services-based planning in 5-10 sites all across HP, has come to an end by December 2020. KfW, during their visit in March 2017, desired that regular meetings be set up between SPMU, PMC and GIZ to exchange procedures and experiences (MoM March 2017). In the past, PMC had two such meetings with GIZ. On October 1<sup>st</sup>, 2020, a round table discussion was held with participants from other foreign aided project in HP through video conference. The purpose was to (i) present and discuss the experiences gained from the implementation of the HP-FES project, (ii) identify the experiences amongst the participating organisations that can be used by HPFD in similar conditions, and (iii) identify areas and means of cooperation amongst the foreign aided projects in HP. Future meetings are envisaged with the follow up Project.
- 2) **Adaptive Forest Management for Water Security and Improved Livelihoods in the Western Himalayan Region Project:** This follow up Project of the aforementioned, likewise funded through a grant by BMZ and to be implemented by GIZ starting January 2021, aims to strengthen management of forest ecosystem services with emphasis on water availability in the Western Himalayas.
- 3) **Himachal Pradesh Forest Ecosystems Management and Livelihoods Improvement Project:** Funded by JICA, the objective of this project is to increase the forest cover and density for improved livelihoods of communities. This project is proposed to be implemented over a 10-year period in Bilaspur, Kinnaur, Kullu, Lahaul Spiti, Mandi and Shimla districts. Total outlay of the project is INR 800 crores, out of which 80% is loan component to be funded by JICA. The loan agreement was signed on March 29<sup>th</sup>, 2018. The 2-year preparatory phase has been completed, and the 6-year implementation phase (to be followed by a 2-year consolidation phase) has started from April 2020 in a first batch of ranges. The Project headquarter is in Shimla and sub-offices are in Kullu and Rampur.

- 4) **Integrated Project for Source Sustainability and Climate Resilient Rainfed Agriculture in Himachal Pradesh:** Funded by the World Bank, this project implemented by HPFD in selected Gram Panchayats in all the Districts of HP except Kinnaur and Lahaul Spiti aims to improve upstream watershed management and to increase agricultural water productivity. The project was approved on February 18<sup>th</sup>, 2020, and declared effective on May 28<sup>th</sup>, 2020, with a total cost of US\$ 100.0 million and a commitment amount of US\$ 80.0 million over 7 years.

### **3.3 Implementation of Activities and Outputs as Agreed (w.r.t. Annex 1 of the Separate Agreement)**

The Project outcome is to increase the climate resilience of forest ecosystems, improve biodiversity and enhance adaptive capacities of forest dependent communities in selected Project areas. The Project is expected to lead to:

- a reduction of forest degradation (increased canopy cover),
- increased floral biodiversity,
- enhanced income for forest-dependent communities in vulnerable landscapes,
- increased availability of spring water in treated spring catchment areas, and
- more sustainable management of forests in the Project area.

#### **3.3.1 Output 1: Forest stands in Project area are rehabilitated**

For the Climate Change Adapted (CCA) rehabilitation of forest stands, the Feasibility Study (FS; Österreichische Bundesforste AG Consulting and Hessen Forst, 2014) has recommended a series of activities. During the inception phase (from September 2016 to February 2017), SPMU and PMC felt that these recommended activities needed to be looked into and partly revised and/or widened on account of the current situation to improve climate resilience. Hence, additional activities were proposed in the inception report as per the guidelines of the silvicultural expert.

Silvicultural guidelines, technical standards and cost norms for the forest stand rehabilitation activities have been finalised and were approved by KfW in October 2018. Based on these, guidelines for micro-planning and a model Micro-Plan (MP) were also prepared and approved by KfW.

During the period under review, out of totally planned 326 MPs, 25 were reviewed and a total of 28 were approved. Hence, the total number of approved MPs stands at 198. Implementation of the approved MPs by the VFMS has started in 2018 and is picking up momentum. The progress till date is as shown in Table 1.

**Table 1: Achievement of Project Targets**

S. No.	Separate Agreement		Inception Report		Achievement <sup>2</sup>	Remarks
	Activity	Target	Activity	Target <sup>1</sup>		
1	Removal of Lantana and planting of climate proof multi-purpose mixed conifer - broadleaf forests	15,000 ha	CCA conversion of infested forests plus planting bamboo along nallahs	8,350 ha		
			Lantana / weed removal		2,549.77 ha	Lantana & Other Weeds
			Planting of small trees		1,930.09 ha	
			Planting of tall trees		97.59 ha	Including nallah planting
			High yield fodder and grass production in alpine pastures		250 ha	
			High yield fodder and grass production on lowland		400 ha	112.50 ha
			Forest closure against grazing		400 ha	
			Income generating activities (seedlings, NTFP)		100,000 seedlings	
2	Improvement works in existing Bamboo forests / plantations	1,000 ha				Merged with S. No. 1
3	Underplanting of degraded Chir Pine stands with bamboo and different Multi-Purpose Trees (MPT)	3,000 ha				Merged with S. No. 1
4	Rehabilitation of spring catchments	150 springs	Spring rehabilitation	150 springs		28 spring-shed plans prepared, 15 with costings and approved
5	Intermediate felling of young and medium-aged forest stands	5,000 ha	Silvicultural operations in all forest types (no planting, no fencing)	3,000 ha		No felling of live trees due to the green felling ban
6	Soil and water conservation measures	19,000 ha	Soil and water conservation measures	11,602 ha		S. No. 1 - 3 contribute to this target
7			Two pilot areas for pasture improvement	100 ha		Dropped

<sup>1</sup> Not KfW-approved.

<sup>2</sup> Based on data received as of February 2021 from DPMUs Dalhousie and Dehra.

**Table 2: Status of Micro-Plans**

S. No.	Division	No. of MPs		MP Area		No. of		Rehabilitation of Forest Stands & Spring Catchments <sup>1</sup>	Entry Point Activities <sup>2</sup>	Soil & Water Conservation Measures <sup>3</sup>	Forest Protection Incentives <sup>4</sup>	Total	Beneficiaries Contribution	Grand Total
		Target	Approved	Total	Treatment	Villages	User Groups							
				[ha]	[ha]			[INR]	[INR]	[INR]	[INR]	[INR]	[INR]	[INR]
1	Bharmour	5	3	530.13	68.10	14	8	83,34,441	5,29,435	2,97,136	17,26,825	1,08,87,837	1,41,183	1,10,29,020
2	Chamba	37	22	3,264.71	665.08	155	102	6,77,56,475	43,76,012	24,75,053	1,39,79,344	8,85,86,884	11,67,614	8,97,54,498
3	Churah	35	24	4,107.72	558.56	119	95	4,96,58,211	31,30,679	26,56,886	1,08,68,474	6,63,14,250	8,34,847	6,71,49,097
4	Dalhousie	41	25	3,800.43	755.63	118	119	7,29,95,595	47,40,253	63,20,577	1,52,66,148	9,93,22,573	12,71,837	10,05,94,410
5	Dharamsala	66	43	5,597.24	1,747.85	154	187	16,27,77,249	1,11,64,407	1,47,52,544	3,40,20,086	22,27,14,286	28,48,620	22,55,62,906
6	Dehra	45	25	3,538.49	1,240.02	75	83	9,83,03,111	68,36,064	87,23,265	2,04,67,202	13,43,29,642	16,41,862	13,59,71,504
7	Nurpur	47	28	3,208.59	890.16	90	98	9,27,23,733	60,97,292	81,29,723	1,91,99,446	12,61,50,194	16,25,945	12,77,76,139
8	Palampur	45	26	3,529.57	946.14	90	93	8,00,51,134	53,77,313	71,69,748	1,70,69,499	10,96,67,694	12,96,336	11,09,64,030
9	Pangi	5	2	251.30	45.00	9	8	51,25,926	3,40,383	4,53,844	11,17,687	70,37,840	90,769	71,28,609
<b>Total</b>		<b>326</b>	<b>198</b>	<b>27,828.18</b>	<b>6,916.54</b>	<b>824</b>	<b>793</b>	<b>63,77,25,875</b>	<b>4,25,91,838</b>	<b>5,09,78,776</b>	<b>13,37,14,711</b>	<b>86,50,11,200</b>	<b>1,09,19,013</b>	<b>87,59,30,213</b>
<b>Budget per Separate Agreement</b>								<b>1,15,41,40,000</b>	<b>7,50,00,000</b>	<b>11,97,00,000</b>	<b>27,77,20,000</b>	<b>1,62,65,60,000</b>	<b>10,55,70,000</b>	<b>1,73,21,30,000</b>
<b>Balance available</b>								<b>51,64,14,125</b>	<b>3,24,08,162</b>	<b>6,87,21,224</b>	<b>14,40,05,289</b>	<b>76,15,48,800</b>	<b>9,46,50,987</b>	<b>85,61,99,787</b>

<sup>1</sup> Project measures 1, 2, 3, 4 and 6 as per Separate Agreement

<sup>2</sup> Project measure 8 as per Separate Agreement

<sup>3</sup> Project measure 5 as per Separate Agreement

<sup>4</sup> Project measure 13 as per Separate Agreement



### 3.3.2 Output 2: Tools for climate adaptive forest management are developed and applied in Project areas by HPFD

#### 3.3.2.1 Nursery Management

The manual for improved nursery management practices developed by the international Nursery Operations Expert, Mr. Stellan KARLSSON, during his final mission from November 2<sup>nd</sup> to December 7<sup>th</sup>, 2020, has been distributed to the concerned field staff in the Project area, PCCF (HoFF) HP, Circle Heads and Forest Training Institutes.

Following his recommendations, additional root trainers, iron frames (instead of bamboo frames) to support the root trainers, coco peat and vermi-compost are being procured.

The status of Project nurseries is shown in Table 3.

**Table 3: Status of Model Nurseries supported by Project**

S. No.	Division	Nursery	Area (ha)	Status			
				Platform	Frames	Composting Pit	3-Phase Connection
1	Bharmour	Lamu	1.65	Y		Y	
2	Chamba	Mehla	0.70	Y	Y	Y	N
3	Churah	Meida	0.50	Y	N	Y	Y
4	Dalhousie	Lahroo	0.50	Y	N	Y	Y
5	Dehra	Khaleta	1.25	Y	N	Y	N
6	Dharamshala	Daulatpur	0.50	Y	N	Y	N
7	Nurpur	Sadwan	1.00	Y	N	Y	N
8	Palampur*	Duhki	0.50	Y	N	Y	N
9	Pangi	Killar	1.00				

\* As per DPMU Palampur, in one of the forest nurseries (Dukhi) a composting unit and platform already exists.

#### 3.3.2.2 Forest Management Planning

Out of a total of 326 planned MP sites, 198 MPs are currently approved. The summarised achievement from July to December 2020 is shown in Table 4. A map depicting the 198 approved MP sites as of December 2020 is shown in Annex A.

**Table 4: Division-Wise Achievement of MP Implementation from July to December 2020**

S. No.	Activities	Unit	Division								Total	
			Bharmour	Chamba	Churah	Dalhousie	Dehra	Dharamsala	Nurpur	Palampur		Pangi
	<u>Development</u>											
1	Lantana Removal	ha				144.75	576.10					720.85
2	Other Weed Removal	ha				85.00	4.92					89.92
3	Planting of Trees	ha				333.69	290.40					624.09
4	Nallah Planting	m				1,140	1,313					2,453
5	Planting of Fodder Trees and Grasses	ha				13.00						13.00
6	Assisted Natural Regeneration	ha										
7	Fencing	m				71,412	54,663					1,26,075
8	Single Tree Protection	no.				131	13,066					13,197
9	Contour Trenching	m				2,805	2,256					5,061
10	Construction / Desilting of Ponds	no.				1	105					106
11	Soil & Water Conservation	no.				66	33					99
12	Entry Point Activities	no.				11						11
	<u>Maintenance</u>											
13	Lantana Removal	ha				75.50	77.55					153.05
14	Other Weed Removal	ha				8.50						8.50
15	Planting of Trees	ha				118.00	308.00					426.00
16	Nallah Planting	m				791	4,479					5,270
17	Fencing	m				20,996	54,715					75,711

Based on data received from DPMUs Dalhousie and Dehra. No data was received from DPMUs Bharmour, Chamba, Churah, Dharamsala, Nurpur, Palampur and Pangi.

### 3.3.2.3 Spring-Shed Management

During the period under review, 5 more spring-shed plans were prepared, bringing the total to 28 spring-shed plans (15 thereof with costings and approved). The detail is shown in Table 5. Implementation of the spring-shed plans has not started yet.

**Table 5: Status of Spring-Shed Plans**

S. No.	Division	Range	Site	Spring*	Map	Plan	Costings	Approved
1	Bharmour	Bharmour	Barmani mata	Near the ridge	Y	Y		
2	Chamba	Masroond	Behlam village	Chabdiyat panihar	Y	Y		
3		Masroond	Dugga village	Kohli	Y	Y		
4		Lower Chamba	Near Jot highway	Chulihara panihar	Y	Y		
5	Churah	Bhalei	Wangal Village	Wangal	Y	Y		
6		Chakoli	Chakoli	Chari	Y	Y		
7		Chakoli	Apriyanu village	Apriyanu	Y	Y		
8	Dalhousie	Chowari	Mutt Nala	Mutt Nala	Y	Y		
9		Chowari		Gruru	Y	Y		
10	Dharamsala	Kangra	Nandrool	Kundi Spring near Shiv mandir (C-2 plot 4.1)	Y	Y		
11	A	Kangra	Nandrool	Baduduma	Y	Y	Y	Y
12	A	Kangra	Nandrool	Bouru	Y	Y	Y	Y
13	A	Kangra	Rajal	Madhuna Bawoli (UP 166 K)	Y	Y	Y	Y
14	A	Kangra	Rajal	Plantation Spring	Y	Y	Y	Y
15		Dharamsala	Tahu	Tahu	Y	Y		
16	A	Shahpur	Bhanala	Sukar	Y	Y	Y	Y
17	Palampur	Bir	Gunehar	Salvang Panihara	Y	Y	Y	Y
18	A	Daroh	Bharth	Dheera Bowari A and B	Y	Y	Y	Y
19		Baijnath	Sunpur	Kuffer	Y	Y	Y	Y
20		Palampur	Ghaneta	Tobari	Y	Y	Y	Y
21		Baijnath	Jalgran	Donku Seth Silh Borari	Y	Y	Y	Y
22		Baijnath	Fatahar	Karnathu	Y	Y	Y	Y
23		Daroh	Gaggal Kohli	Narah	Y	Y	Y	Y
24		Palampur	Ghanetta	Gallu	Y	Y	Y	Y
25		Baijnath	Madhonagar	Khudi	Y	Y	Y	Y
26		Palampur	Panaper	Behra Basti	Y	Y	Y	Y
27	Nurpur	Nurpur	Ther	Ther Bowadi	Y	Y		
28		Jawali	Singhpurgad	Pathania da beda bawodi	Y	Y		

\* Details of springs from other DPMUs still awaited.

A training programme for the implementation of the spring-shed component was previously held by ACWADAM, but spring-shed planning progress remains slow. A lot of field staff is still not confident enough in the identification of recharge areas based on the prevailing geological and hydrological conditions. Further training and handholding from a competent technical agency is needed. During the video conference held with KfW on

June 24<sup>th</sup>, 2020, KfW recommended that the work should be outsourced, preferably to ACWADAM. The ToR submitted on September 9<sup>th</sup>, 2020, to KfW received the NO on September 30<sup>th</sup>, 2020. A corresponding tender has been included in the revised procurement plan of October 27<sup>th</sup>, 2020, that received KfW's NO on November 24<sup>th</sup>, 2020. The tender to hire the services of experts is about to be advertised.

### **3.3.3 Output 3: All implementation partners and Project target groups are capacitated**

Capacity building is an important part of forestry sector development. With more use of people-centred approaches in forest management and integration of forestry with rural development and livelihood, the capacities of the HPFD staff need to be enhanced as their basic trainings have little focus on participatory and social approaches and methods.

Capacity building becomes critical for the sustainability of the Project where it would be necessary to assess the capabilities of Project officials, front line staff, communities / VFMS members and user groups. The capacity building efforts will emphasize on knowledge development, perspective & skill building and ability to train further.

The capacity building would entail structured trainings, on the job support, workshops, exchange / exposure visits, demonstrations, etc.

Specifically the objectives of the capacity building activities in the HPFECPP are:

- To develop the institutions at all levels of project implementation through establishing and supporting shared principles, so that they are able to perform in a coordinated and synchronous manner meeting the requirements and service standards of the Project.
- To enhance the knowledge base and skills, and influence the attitudes of all Project stakeholders at different levels of the Project implementation, so that they are able to work as efficient teams and perform effectively the roles and responsibilities vested with them.

#### **3.3.3.1 Assessment of training needs at all levels of Project implementation**

Training Needs Assessment (TNA) is an important part of any project for formulating training strategies and plan. The new concept of this Project and different implementation strategies necessitated that the Project staff should be oriented first regarding the various guidelines and their role in the Project. Hence, SPMU insisted that detailed TNA shall only be conducted after initial orientation and basic trainings was given to the staff at all levels to start preparing the MPs and interactions with the community.

More detailed TNA will be planned jointly by PMC and SPMU when some more MPs have been prepared and their implementation has progressed sufficiently to benefit from the feedback received from their implementation.

Meanwhile the trainings are being planned based on the field level requirements for implementation of different components of the Project. Nevertheless, in-depth discussions are being held with the Project staff, social staff and the community-based organisations on the day to day capacity handicaps faced by them in implementing the Project which can be addressed through capacity building which includes trainings, on the job trainings and exposure visits.

### 3.3.3.2 Design and implementation of a comprehensive training programme for HPFD and contracted programme staff

An annual action plan for capacity building was prepared and submitted to the SPMU by PMC for implementation of the trainings at the level of DPMUs. During the period under review, the plan was revisited, and changes were made to adjust the training needs of the DPMUs.

SPMU has conducted various trainings and workshops. ACFs and PSCs are playing important roles for imparting trainings related to Project activities to the staff as well as to the communities at DPMU level. The detail of the trainings conducted by all DPMUs is still awaited. The subject wise summary of trainings conducted / organized by SPMU and DPMUs w.e.f. July to December 2020 as per record available is given in Table 6.

**Table 6: Summarized Details of Trainings and Workshops**

Cat. Id.	Category	Sub-Category	Nos.	Participants
A	Project Planning and Management	Managing KfW Fund Requirement	5	194
		Project Monitoring and Reporting	5	223
		Micro-Plan development	1	16
B	Institutional Development	Project Orientation & Refresher Training	2	59
		Orientation of VFMS members and social staff	7	463
	<b>Total</b>		<b>20</b>	<b>955</b>

Regular feedback has been taken from stakeholders to make further improvements in capacity building programmes. A format has been developed to record the feedback from the participants. These forms are distributed at the time of training to track the performance and quality of inputs being given in training. Their response was analysed critically. Some of the responses received from feedback of various trainings are given below:

**Training on Internal Monitoring and Self Check of the works implemented:**

Five one-day trainings on internal monitoring and self-check of the works implemented were organized at Chamba, Dalhousie, Dehra, Nurpur and Palampur DPMUs for PSCs, PSF's, ROs, BOs, FGs and Data Entry Operators. The trainings were chaired by the Chief Project Director who motivated the field staff to attend this training enthusiastically so that the trained staff will be able to implement the learnings in the field in a proper manner. The purpose of these trainings was to make the participants acquainted with how to generate self-check reports for internal monitoring and also to review the self-check reports prepared by DPMUs.

Feedback:

- 100% of the participants were of the view to impart more training on self-check monitoring for better understanding.
- More than 95% of the participants were of the view that these trainings should be conducted at Division level as well as Range level regularly.

**Training on KfW Fund Management (accounts and record keeping):**

Five one-day trainings were organized at Chamba, Churah, Dalhousie, Nurpur, Palampur, Bharmour and Pangi DPMUs for ACFs, ROs, PSFs and Project accountants. These trainings were also chaired by the Chief Project Director. The purpose was to review and scrutinize in detail the accounts maintained by the DPMUs and the status of the reimbursement claims. CPD suggested the staff to reconcile / update the amount with reimbursement claim details (voucher wise) already sent and to submit the correct information regarding any pending Utilization Certificates / reimbursement claims to the SPMU within a week.

Feedback:

- More than 95% of the participants were of the view that this training is very useful to them and should be conducted quarterly at Division level.

**Orientation-Cum-Review Workshop of VFMS Members and Social Staff:**

Seven one-day trainings were organized at Dharamsala, Dehra, Nurpur and Palampur DPMUs for VFMS executive members, PSCs, Forest Guards, PSFs and VGOs. Main purpose of these workshops was to orient the VFMS members about ongoing Project activities and also to review the work done by the respective VFMSs. The CPD chaired these workshops along with PMC. The work of each VFMS was reviewed and the VFMS members were asked to share the experiences gained during the execution of Project activities. The CPD also suggested appropriate solutions to the problems brought to his attention and encouraged the VFMS members and social staff to implement the Project activities more enthusiastically.

Feedback:

- 100% of the VFMS members were of the view that this type of workshops is required at regular intervals.

### **3.3.3.3 Improvement / rehabilitation of training infrastructure**

Based on the assessment of the number of trainings conducted by SPMU and DPMUs in the last financial year it is felt that there is a need to identify and hire training institutions which can conduct both classroom and field trainings for the Project round the year in both circles.

If the Project feels that it is a long process to hire private institutions it has been suggested by PMC that a yearlong calendar with FTI Sundernagar be agreed upon and fund be provided to them. Apart from this, if the institutions need any infrastructure support it can be provided in consultation with PMC. PMC has undertaken such an assessment early this year.

### **3.3.4 Output 4: M&E of Project progress and achievements and mainstreaming of identified best practices into HPFD routine operations**

Revised M&E guidelines and a corresponding field manual have been approved earlier. However, the baseline and target values of a number of success indicators, notably of all indicators at the outcome level, are still to be agreed upon.

During the period under review, physical self-checks of Chamba, Churah, Dalhousie, Dehra and Dharamsala were finalised, whereas for Palampur, preliminary scrutiny was done, and the physical self-checks are being finalised.

The Third-Party Monitoring of the implementation measures supported by the Project has been awarded in January 2020 to AFC India Ltd. An inception report has been received on March 13<sup>th</sup>, 2020. Exceptionally, the first Third-Party Monitoring will cover the activities implemented during the last three Financial Years (FY), i.e. FY 2017-18, FY 2018-19 and FY 2019-20. Delayed due to the COVID-19 pandemic and the late receipt of self-check reports from some DPMUs, field work started in November 2020, following the approval on November 25<sup>th</sup>, 2020, of the sample submitted to SPMU on November 19<sup>th</sup>, 2020. The sample was drawn from 27 Forest Ranges of 8 Forest Divisions based on 107 self-check reports. It comprises 15 MPs in 7 Forest Ranges of 7 Forest Divisions. The field work is scheduled to be completed by January 15<sup>th</sup>, 2021. The ACTA joined the field teams on December 15<sup>th</sup>, 2020, in Dehra, and on December 22<sup>nd</sup>, 2020, in Chamba. Due to the COVID-19 pandemic and only partial lifting of restrictions, AFC India Ltd. has requested to postpone the deadline for the submission of the draft and final reports until end of February and end of March 2021, respectively.

A comprehensive MS Excel-based M&E system has been developed and put in place. Data entry work into the M&E system is ongoing. Till now no Project Manager (IT) is employed and data entry can't be checked nor tested on plausibility, though it can be summarized in one data set for all of the Divisions.

The M&E system is to be improved through the development of a cloud-based Management Information System (MIS) that also accommodates accounting data to expedite the preparation of WAs. A corresponding tender has been floated on November 17<sup>th</sup>, 2020. After evaluation on December 28<sup>th</sup>, 2020, of 3 proposals received before the deadline on December 3<sup>rd</sup>, 2020, the contract has been to be awarded to IQ Wing Eduinfotech Pvt. Ltd.

A Baseline Study has been implemented by AFC India Ltd. The methodology was presented, discussed and validated during an inception meeting held on December 17<sup>th</sup>, 2019. Field work started in December 2019, but had to be suspended from March 23<sup>rd</sup>, 2020, to June 15<sup>th</sup>, 2020, and has finally been completed by July 2020. Biophysical and socio-economic data have been sampled from 43 MPs (6 each in Chamba, Dalhousie, Dehra, Dharamshala, Nurpur and Palampur Divisions, 1 in Bharmour Division). The draft report has been received on August 26<sup>th</sup>, 2020. Comments have been communicated to AFC India Ltd. on September 23<sup>rd</sup>, 2020. The final report has been received on November 2<sup>nd</sup>, 2020, and was immediately forwarded to KfW for validation.

### **3.4 Cost and Finance, including Partner Contribution**

The estimated total cost of the Project amounts to approximately EUR 37 million, including the HPFD and the beneficiary contribution of ca. INR 423 million. The financial contribution amounts to EUR 2 million as Grant plus EUR 30 million as Loan.

Major cost centres under which reimbursement amounting to EUR 1,479,000 has been received during the period under review are Lantana eradication and conversion, Forest Protection Incentives and Project Facilitation. As of December 31<sup>st</sup>, 2020, the total consumption of the Loan and Grant amounts to EUR 5.1 million, the details of which is given as under in Table 7 in EUR and in Table 8 in INR.



**Table 7: Loan and Grant disbursement in EUR**

Project Measures per Separate Agreement	Financing per Separate Agreement			Amounts disbursed by Dec. 31 <sup>st</sup> , 2020			Amounts not yet disbursed by Dec. 31 <sup>st</sup> , 2020		
	Loan [EUR]	Grant [EUR]	Total [EUR]	Loan [EUR]	Grant [EUR]	Total [EUR]	Loan [EUR]	Grant [EUR]	Total [EUR]
1. Lantana eradication & conversion	10,850,000.00		10,850,000.00	1,080,590.00		1,080,590.00	9,769,410.00		9,769,410.00
2. Enrichment Bamboo areas	290,000.00		290,000.00				290,000.00		290,000.00
3. Enrichment planting of Chir Pine forests	1,150,000.00		1,150,000.00	39,568.79		39,568.79	1,110,431.21		1,110,431.21
4. Silvicultural operation in Chir Pine	960,000.00		960,000.00				960,000.00		960,000.00
5. Soil and water conservation measures	1,460,000.00		1,460,000.00	54,211.13		54,211.13	1,405,788.87		1,405,788.87
6. Spring rehabilitation	820,000.00		820,000.00	4,354.30		4,354.30	815,645.70		815,645.70
7. Nursery development	240,000.00		240,000.00	102,440.08		102,440.08	137,559.92		137,559.92
8. Human - wildlife conflict fund	910,000.00		910,000.00	18,272.46		18,272.46	891,727.54		891,727.54
9. Training and capacity building	340,000.00	950,000.00	1,290,000.00	53,992.48	387,067.85	441,060.33	286,007.52	562,932.15	848,939.67
10. Monitoring and evaluation	630,000.00		630,000.00	87,979.31		87,979.31	542,020.69		542,020.69
11. Project facilitation	1,600,000.00	50,000.00	1,650,000.00	244,462.08	50,000.00	294,462.08	1,355,537.92	0.00	1,355,537.92
12. JFMC coordination	310,000.00		310,000.00	587.61		587.61	309,412.39		309,412.39
13. Forest protection incentives	3,390,000.00		3,390,000.00	696,117.52		696,117.52	2,693,882.49		2,693,882.49
14. Micro working plans	180,000.00		180,000.00	20,374.13		20,374.13	159,625.87		159,625.87
15. Project management	1,890,000.00		1,890,000.00	305,079.38		305,079.38	1,584,920.62		1,584,920.62
16. AM - Consultancy	1,740,000.00	1,000,000.00	2,740,000.00	977,641.38	1,000,000.00	1,977,641.38	762,358.62	0.00	762,358.62
<b>Basic Costs</b>	<b>26,760,000.00</b>	<b>2,000,000.00</b>	<b>28,760,000.00</b>	<b>3,685,670.65</b>	<b>1,437,067.85</b>	<b>5,122,738.50</b>	<b>23,074,329.36</b>	<b>562,932.15</b>	<b>23,637,261.51</b>
Technical Contingencies	1,270,000.00		1,270,000.00				1,270,000.00		1,270,000.00
Price Escalation	1,970,000.00		1,970,000.00				1,970,000.00		1,970,000.00
Interest	0.00		0.00				0.00		0.00
<b>Grand Total</b>	<b>30,000,000.00</b>	<b>2,000,000.00</b>	<b>32,000,000.00</b>	<b>3,685,670.65</b>	<b>1,437,067.85</b>	<b>5,122,738.50</b>	<b>26,314,329.36</b>	<b>562,932.15</b>	<b>26,877,261.51</b>

**Table 8: Loan and Grant disbursement in INR**

Project Measures per Separate Agreement	Financing per Separate Agreement			Amounts disbursed by Dec. 31 <sup>st</sup> , 2020			Amounts not yet disbursed by Dec. 31 <sup>st</sup> , 2020		
	Loan [INR]*	Grant [INR]*	Total [INR]*	Loan [INR]	Grant [INR]	Total [INR]	Loan [INR]**	Grant [INR]**	Total [INR]**
1. Lantana eradication & conversion	88,97,00,000		88,97,00,000	9,38,57,781		9,38,57,781	87,92,46,900		87,92,46,900
2. Enrichment Bamboo areas	2,37,80,000		2,37,80,000				2,61,00,000		2,61,00,000
3. Enrichment planting of Chir Pine forests	9,43,00,000		9,43,00,000	31,30,208		31,30,208	9,99,38,809		9,99,38,809
4. Silvicultural operation in Chir Pine	7,87,20,000		7,87,20,000				8,64,00,000		8,64,00,000
5. Soil and water conservation measures	11,97,20,000		11,97,20,000	47,29,839		47,29,839	12,65,20,998		12,65,20,998
6. Spring rehabilitation	6,72,40,000		6,72,40,000	3,41,510		3,41,510	7,34,08,113		7,34,08,113
7. Nursery development	1,96,80,000		1,96,80,000	81,14,347		81,14,347	1,23,80,393		1,23,80,393
8. Human - wildlife conflict fund	7,46,20,000		7,46,20,000	16,32,826		16,32,826	8,02,55,479		8,02,55,479
9. Training and capacity building	2,78,80,000	7,79,00,000	10,57,80,000	45,47,049	3,10,54,727	3,56,01,776	2,57,40,677	5,06,63,894	7,64,04,570
10. Monitoring and evaluation	5,16,60,000		5,16,60,000	76,08,456		76,08,456	4,87,81,862		4,87,81,862
11. Project facilitation	13,12,00,000	41,00,000	13,53,00,000	2,06,80,783	39,59,368	2,46,40,151	12,19,98,413	0	12,19,98,413
12. JFMC coordination	2,54,20,000		2,54,20,000	52,515		52,515	2,78,47,115		2,78,47,115
13. Forest protection incentives	27,79,80,000		27,79,80,000	5,64,37,220		5,64,37,220	24,24,49,424		24,24,49,424
14. Micro working plans	1,47,60,000		1,47,60,000	16,95,041		16,95,041	1,43,66,328		1,43,66,328
15. Project management	15,49,80,000		15,49,80,000	2,45,27,394		2,45,27,394	14,26,42,856		14,26,42,856
16. AM - Consultancy	14,26,80,000	8,20,00,000	22,46,80,000	7,94,54,042	7,39,86,811	15,34,40,853	6,86,12,276	0	6,86,12,276
<b>Basic Costs</b>	<b>2,19,43,20,000</b>	<b>16,40,00,000</b>	<b>2,35,83,20,000</b>	<b>30,68,09,011</b>	<b>10,90,00,906</b>	<b>41,58,09,917</b>	<b>2,07,66,89,642</b>	<b>4,67,23,368</b>	<b>2,12,73,53,535</b>
Technical Contingencies	10,41,40,000		10,41,40,000				11,43,00,000		11,43,00,000
Price Escalation	16,15,40,000		16,15,40,000				17,73,00,000		17,73,00,000
Interest	0		0				0		0
<b>Grand Total</b>	<b>2,46,00,00,000</b>	<b>16,40,00,000</b>	<b>2,62,40,00,000</b>	<b>30,68,09,011</b>	<b>10,90,00,906</b>	<b>41,58,09,917</b>	<b>2,36,82,89,642</b>	<b>4,67,23,368</b>	<b>2,41,89,53,535</b>

\* 1 EUR = ca. 82 INR per Separate Agreement

\*\* 1 EUR = ca. 90 INR as of December 2020

### 3.4.1 Simplified Reimbursement Procedure (HPFD)

As per the Separate Agreement dated December 17<sup>th</sup>, 2014, between HPFD and KfW, all funds assigned to goods and services are reimbursed to HPFD according to the simplified reimbursement procedure. HPFD submits reimbursement requests to KfW along with SOEs and WAs certified and counter-signed by PMC. The detail of all reimbursement to HPFD till date (both Grant & Loan) is given in Table 9.

**Table 9: Reimbursement Status of Project (EUR + INR)**

WA No.	Value Date	Amount		Cumulative Total	
		[EUR]	[INR]	[EUR]	[INR]
<b>Grant 2013 70 279</b>					
1	29-06-2017	8,445.30	6,08,868	8,445.30	6,08,868
3	25-09-2017	7,563.26	5,83,101	16,008.56	11,91,969
5	29-06-2018	123,239.42	98,04,928	139,247.98	1,09,96,897
6	18-09-2018	112,330.56	95,50,288	251,578.54	2,05,47,185
7	23-05-2019	106,125.24	83,23,456	357,703.78	2,88,70,641
8	06-06-2019	79,364.07	61,43,454	437,067.85	3,50,14,095
<b>Loan 2013 65 154</b>					
2	22-06-2017	15,553.08	11,19,386	15,553.08	11,19,386
4	20-12-2017	35,910.31	27,20,960	51,463.39	38,40,346
5	27-06-2018	35,257.13	28,05,057	86,720.52	66,45,403
6	18-10-2018	104,774.53	88,77,703	191,495.05	1,55,23,106
7	23-05-2019	92,321.69	72,68,673	283,816.74	2,27,91,779
8	06-06-2019	363,593.69	2,81,45,242	647,410.43	5,09,37,021
9	13-12-2019	168,665.62	1,32,38,177	816,076.05	6,41,75,198
10	20-01-2020	412,847.03	3,26,59,503	1,228,923.08	9,68,34,701
11	15-07-2020	491,426.87	4,18,73,009	1,720,349.95	13,87,07,710
12	11-12-2020	516,760.98	4,61,34,870	2,237,110.93	18,48,42,580
13	23-12-2020	470,918.34	4,25,12,389	2,708,029.27	22,73,54,969
<b>Total Grant + Loan</b>				2,708,029.27	22,73,54,969

### 3.4.2 Direct Disbursement Procedure (DFS/GOPA)

DFS/GOPA is paid for their services according to the Direct Disbursement procedure. The following table shows all Direct Disbursement requests submitted by DFS/GOPA to HPFD and payments received from KfW up to now. The consulting contract dated July 29<sup>th</sup>, 2017, was amended to incorporate the costs for an exposure tour to Germany, September 3<sup>rd</sup> to 11<sup>th</sup>, 2017, which was organized and facilitated by DFS/GOPA. The actual cost agreed for Addendum No 1 was EUR 43,463; however only EUR 37,976.87

was eligible for reimbursement after final invoicing. By December 31<sup>st</sup>, 2020, DFS/GOPA received the payments from KfW up to Invoice no. 15, as shown in Table 10.

**Table 10: Disbursement Status of Project Management Consultants (EUR)**

S. No.	Value Date	Amount [EUR]	Cumulative Total [EUR]	Balance [EUR]
01	21-10-2016	150,000.00	150,000.00	2,374,743.00
02	22-12-2016	191,548.74	341,548.74	2,183,194.26
03	13-06-2017	165,000.00	506,548.74	2,018,194.26
04	21-06-2017	165,000.00	671,548.74	1,853,194.26
05	09-11-2017	165,000.00	836,548.74	1,688,194.26
05 a	27-06-2018	21,731.50	858,280.24	1,666,462.76
06	21-12-2017	113,115.77	971,396.01	1,553,346.99
06 a	22-12-2017	16,245.37	987,641.38	1,537,101.62
07	23-04-2018	110,000.00	1,097,641.38	1,427,101.62
08	07-08-2018	110,000.00	1,207,641.38	1,317,101.62
09	03-04-2019	110,000.00	1,317,641.38	1,207,101.62
10	08-02-2019	110,000.00	1,427,641.38	1,097,101.62
11	08-05-2019	110,000.00	1,537,641.38	987,101.62
12	11-07-2019	110,000.00	1,647,641.38	877,101.62
13	16-10-2019	110,000.00	1,757,641.38	767,101.62
14	08-04-2020	110,000.00	1,867,641.38	657,101.62
15	04-10-2020	110,000.00	1,977,641.38	547,101.62

### 3.5 Time Schedule

The implementation phase of the Project officially started in June 2017. Till the end of December 2020, 219 MP sites were selected and 198 MPs were approved. Table 11 gives an overview of the overall implementation status till end of December 2020.

Worried by the slow pace of Project implementation / Loan and Grant utilisation, KfW, SPMU and PMC agreed during a video conference held on June 24<sup>th</sup>, 2020, to seek support of a short-term expert to identify and appraise the bottlenecks, and to make recommendations on how Project implementation and reimbursement of funds can be expedited. The assignment, carried out by Dr. Rajan KOTRU from July 10<sup>th</sup>, 2020, to August 31<sup>st</sup>, 2020, has made a number of recommendations ranked according to priority regarding institutional aspects, technical management and management logistics.

The main findings were subject of a videoconference between KfW, HPFD and SPMU on September 25<sup>th</sup>, 2020. As a follow-up, the urgent action points have been summarized by KfW in a letter sent to HPFD and SPMU on November 5<sup>th</sup>, 2020:

- Structural steering:
  - Strengthen State coordination by calling upon the second State Level Steering Committee (SLSC) meeting with a prioritized agenda and solutions that need to be converted into a formal directive to all 3 Forest Circles where the Project operates;
  - Ensure regular quarterly meetings of the Executive Committee of the Project and act on its recommendations;
- Staffing:
  - Immediately post at least one of the pledged 2 Deputy Project Directors (DPD) (done with the posting of one on December 28<sup>th</sup>, 2020);
  - Reinstate the pledged level of 4 Assistant Project Directors (APD);
  - Immediately deploy 2 Project Managers (PM) (PM nursery appointed in December 2020, PM MIS to be appointed in January 2021);
  - Staff deputed at the SPMU / DPMU level from HPFD should be exclusively deployed on a long-term basis;
- Project prioritization at DPMU level:
  - Encourage greater interest and involvement of CCFs in the working routine;
  - Provide incentives to HPFD staff by recognizing their performance under the HPFECPP and including it as part of their annual appraisal process;
  - Approve or activate potential incentive mechanisms for Project staff;
  - Organize monthly / bi-monthly staff meetings for reporting on Project progress by rotation across the 3 Forest Circles;
  - Provide planting material for initial and maintenance planting;
  - Identify further areas / sites for MP development;
  - Invest increased attention to accounting matters to facilitate timely fund reimbursement.

The tender for the Mid-Term Review (MTR) mission has been floated on June 22<sup>nd</sup>, 2020. After the evaluation of 8 proposals received before the deadline on August 05<sup>th</sup>, 2020, the contract has been awarded on November 28<sup>th</sup>, 2021, to Suvigya Management Consultants Pvt Ltd. Work has started with an initial review of documents and the submission of an inception report on December 31<sup>st</sup>, 2020.

**Table 11: Implementation Status for the Progress till December 2020**

PROJECT YEAR	Units	Target	2017-18			2018-19						2019-2020						2020-2021									
			Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
<b>Project phases</b>																											
Implementation phase FC main programme																											
Implementation phase Accompanying Measures																											
<b>Project Preparation and Management</b>																											
Establishment of SPMU & DPMU and Procurement																											
Project Management Units (SPMU/DPMU)-Functioning																											
Selection of forest sites (Nos. Micro-plans)	Nos.		45 Sites Selected			98 Sites Selected			53 New Sites Selected			4 New Sites Selected			5 New Sites			14 New Sites									
Formation of JFMCs and MOU with JFMCs	Nos.	326	45			14			55			86															
Preparation of micro-working plans (No of villages)	Nos.	1630	43			265			203			162			64												
Preparation of manuals and guidelines		15	Prepared & Approved			SBA Approved by KfW in Feb 2020																					
<b>Project Activities</b>																											
CCA conversion of infested forests plus planting bamboo along nallahs	Ha	8350	627						551.17						560.83						810.77						
Removing of Lantana & Other Weeds	Ha		174.2			216.06			236.74			551.17			560.83			810.77									
Planting of Small Trees	Ha		250.94						962.26						116.80						600.09						
Planting of Tall Trees	Ha		34.79						38.80						24.00												
High Yielding fodder and grass production (alpine pastures)	Ha	250																									
High Yielding fodder and grass production in lowlands	ha	400			2	55						42.5						13									
Forest Closure against grazing	Ha	400																									
Income generating activities seedling free of costs, woodlots, NTFP	Nos.	100000																									
2 pilot areas for pasture improvement	ha	100																									
Silvicultural operation in all forest types (no planting, no fencing)	ha	3000																									
Soil and water conservation measures	Ha	11602	59 Nos. Check Dams						118 Check Dams						99												
Spring rehabilitation	Nos.	150	Mapping of 13 nos. springs			Mapping of 5 Springs			Springshed Plans Finalization			Mapping of 3 New Springs			2 New			5									
Nursery development	Nos.	9	9 Model Nurseries Selected, Procurement Started, Training Started						94% Procurement Completed																		
Entry Point activities	Euros	914,634	18,272.46																								
Training and capacity building	Euros	1,290,890	441,060.33																								
Monitoring and Evaluation	Euros	731,464	87,979.31																								
Project facilitation by local experts	Euros	1,649,270	294,462.08																								
JFMC/FCS coordination meetings	Euros	307,314	587.61																								
Forest protection incentive transfer to JFMC A/c	Euros	3,386,866	696,111.52																								

## **4. CURRENT SITUATION OF TARGET GROUP / BENEFICIARIES AND FOREST USER GROUPS**

### **4.1 The Beneficiaries, Legal Status & Arrangement**

The primary beneficiaries are the 'User Groups' (UG) in the MPs under operations. There are generally 4 or more UGs in each MP area with distinct treatment plots allocated to each group. The UG is responsible for the implementation, maintenance and protection of their plots, and their members are the primary beneficiaries by way to usufruct sharing, earning of wages and availing of incentives after Third Party checks. This arrangement is likely to ensure a high level of involvement of the local community and of the UGs in particular. The UGs are all part of the VFMS which is a legally registered entity under the HP Societies Act, 2006. Each UG will also contribute its share of 2% in cash of the Green Investment being made in a MP to the VFMS, who will then deposit this money in the saving account held by them.

Under the guidelines and arrangements for the execution of this Project, new ways of fund transfer and disbursement between the DPMUs and the VFMS have been agreed to. After approval of the MP, a 6-monthly Activity Plan with budget is drawn up by the VFMS, approved by the General House and accepted by the Divisional Forest Officer (DFO) (this is specified in the By-Laws, 31(ii), notified by the Government of Himachal Pradesh [GoHP] for this Project). The DFO then transfers the 6-month budget to the VFMS account (working account) and payments for work performed are done after checking the DPMUs through bank transfers to individual wagers. Similarly, as provided for in the approved Memorandum of Understanding (MoU) and the Savings Book Approach (SBA) guidelines, the funds for maintenance and incentives are also being transferred to the VFMS in their maintenance account and incentive account.

For this arrangement to work smoothly, the HPFD staff including those hired under the Project (Project Support Coordinators, Facilitators, Village Group Organisers) are ensuring that the VFMS Executive Committee and members fully understand the arrangement. Continuous efforts and facilitation are needed for this to happen.

During KfW's April 2018 mission, it was suggested and agreed that a honorarium of INR 1,000 and INR 750 should be given to the VFMS President and to the Member Secretary, respectively. For contingencies and other unexpected expenses, a fund totalling of INR 10,000 is deposited into the concerned VFMS working account. The VFMS has to provide due invoices for the usage of this contingency amount.

## 5. STAFFING SITUATION

### 5.1 Project Executing Agency (SPMU / DPMU)

The SPMU has been established at Dharamshala with a staffing as per FS, headed by a CPD. For implementation at divisional level, the territorial divisions headed by DFOs are notified as DPMUs.

For the Project implementation government staff at SPMU and the DPMUs have been deputed from the HPFD. As per the FS the operational staff like Project Managers, Project Support Facilitators, VGOs and the other support staff like Computer Operators and Messengers etc. were to be hired from an outer agency, but with the change in Government Policy, it has been mandated that the required staff be hired from the Himachal Pradesh Natural Resource Management Society. The society hires the staff from the closed down Forestry Projects of HPFD.

#### 5.1.1 Staffing at SPMU level

The current state of staffing situation at SPMU level is shown in Table 12.

**Table 12: Staffing Detail at SPMU Level**

S. No.	Position	Per FS	Required	Present Status
<b>Staff from HPFD</b>				
1	Chief Project Director	1	1	1
2	Deputy Project Director	2	2	1
3	Assistant Project Director	4	4	3
4	Clerical Staff	10	10	5
<b>Outsourced staff from Resource Agency</b>				
1	Project Manager SFDA Support (SPMU Level)	1	0	Nil
2	Project Manager	6	5	3
3	Support Staff	7	7	
	a. GIS Expert	-	1	1
	b. Computer Operator	-	6	5
4	Messenger	4	8	8

The regular staff position at the SPMU level is yet to be completed. One Deputy Project Director level post is still vacant. Project Manager (Information Technology [IT]) is still to be hired.



### 5.1.2 Staffing at DPMU level

The current state of staffing situation at DPMU level is shown in Table 13.

**Table 13: Staffing Detail at DPMU Level**

S. No.	Position	Per FS	Required	Present Status
<b>Staff from HPFD</b>				
1	Divisional Forest Officer (DFO)	8	9	9
2	Assistant Conservator of Forest (ACF)	8	9	3
3	Range Officer	30	32	32
4	Deputy Range Officer			101
5	Forest Guard			315
<b>Outsourced / local / work base staff</b>				
1	Project Support Coordinator (PSC)	8	18	10
2	Data Entry Operators (DEO)		9	6
3	Project Support Facilitator (PSF)	40	64	32
4	Village Group Organizer (VGO)	150	320	157

Data Entry Operators at DPMU level were hired on work basis for speeding up the process of data entry as well as the preparation of MPs. Currently, only 6 DPMUs have hired DEOs.

As can be seen from Table 13 there is shortage of outsourced staff.

It has been decided that the social staff deployed to the Project is for the whole term of the HPFECPP. DPMUs will utilize the optimum services of the deployed staff for speedy implementation of the Project.

## 5.2 Project Management Consultants

### 5.2.1 Present Situation

The Consulting consortium DFS Deutsche Forstservice GmbH and GOPA mbH of Germany are providing technical advisory services led by the CTA.

Since Contract Addendum No. 2 signed on August 6<sup>th</sup>, 2019, the Consultant services comprise up to 69.5 person-months of international advisers and up to 116 person-months of national advisers.

## 5.2.2 Consultant services provided during the period under review

Consultant services provided during the period under review comprise 1.633 person-months of international adviser in project management, implementation and administration topics, performed remotely due to the limitations brought about by the measures against the COVID-19 pandemic, and 5.267 person-months of national advisers on project accounting and management, notably to identify and appraise the bottlenecks causing the slow pace of Project implementation, and to make recommendations on how Project implementation and reimbursement of funds can be expedited.

Consultant services provided during the period under review and in total are summarised in Table 14.

**Table 14: Staffing Detail of Project Management Consultants**

Code	Position	Name	Allocation	Person-Months of Consultant's Services			Balance
				Previously	Used Reporting Period	Total	
<b>Foreign Personnel</b>							
CTA	Forest Restoration / Mgmt	HESS Peter LENNERTZ Ralph DIETZ Johannes	40.000	22.933	1.633	24.567	15.433
iKE1	Climate Change & Research Coop.	HORST Alexander	4.000	2.200	-	2.200	1.800
iKE2	Nursery Operation	KARLSSON Stellan	4.500	4.467	-	4.467	0.033
B1	Backstopper DFS	LUDWIG Ralf SCHADE Christian	1.800	1.133	-	1.133	0.667
B2	Backstopper GOPA	TUNK Christian	1.200	0.400	-	0.400	0.800
iSTE1	Financial Mgmt	FUCHS Hans-Udo	1.000	0.900	-	0.900	0.100
iSTE2	FMP & Silviculture	GAMPE Stephan	5.000	4.967	-	4.967	0.033
iSTE3	Capacity Development	KINDER Rex Gordon	4.000	4.000	-	4.000	-
iSTE4	SBA	WILLEMS Heinz	3.000	1.900	-	1.900	1.100
iSTE5	M&E Development	SCHWEIZER Gerhard	4.000	3.933	-	3.933	0.067
iSTE6	Unallocated	N.N.	1.000	-	-	-	1.000
<b>Sub-Total Foreign Personnel</b>			<b>69.500</b>	<b>46.833</b>	<b>1.633</b>	<b>48.467</b>	<b>21.033</b>

Code	Position	Name	Allocation	Person-Months of Consultant's Services			Balance
				Previously	Used Reporting Period	Total	
<b>Local Personnel</b>							
ACTA	Community Forestry	TANDON Vinay VAIDYA Anil	60.000	40.433	3.200	43.633	16.367
nKE1	Fin. Coord. / Accounting	SARASWAT Mukesh	18.000	11.267	1,467	12.733	5.267
nKE2	Community-Based Livelihoods, IGA, Capacity Development & Convergence	JAISWAL Dayal	10.000	9.300	-	9.300	0.700
nSTE1	Sustainable NRM, JFM, SBA	THAKUR Amar Singh SHARMA Picky	6.000	4.950	-	4.950	1.050
nSTE2	Climate Proofing	KOUL Deeraj	4.000	1.733	-	1.733	2.267
nSTE3	Spring Rehabilitation	KULKARNI Himanshu	4.000	3.600	-	3.600	0.400
nSTE4	Pasture Mgmt / Integrated Fire Mgmt	RADOTRA Sudesh	4.000	0.167	-	0.167	3.833
nSTE5	NTFP Development	CHKRAVARTI Visvarup	4.000	-	-	-	4.000
nSTE6	Procurement	MISHRA Vikash	2.000	2.000	-	2.000	-
nSTE7	Unallocated	KOTRU Rajan, N.N.	4.000	-	0.600	0.600	3.400
<b>Sub-Total Local Personnel</b>			<b>116.000</b>	<b>73.450</b>	<b>5.267</b>	<b>78.716</b>	<b>37.284</b>

## **6. STATUS / ACHIEVEMENT OF OUTCOMES - IMPACTS, UPDATE OF INDICATORS**

The Baseline Study report of November 2<sup>nd</sup>, 2020, has proposed operational sub-indicators and corresponding baseline values for outcome indicators 1 to 3 shown in Table 15. The canopy density, the Shannon H' index and the percentage of households extracting fodder from forest land (perhaps together with the average quantity of fodder extracted from forest) seem to be appropriate proxies to monitor the Project's outcome.

Increased availability of spring water in treated spring catchment areas (outcome indicator 4) can be monitored using hydrographs (plotting monthly spring discharge and rainfall over time) for treated spring-sheds in comparison with untreated spring-sheds with similar hydrogeology, typology and rainfall.

The survival rates of the planted trees measured through the self-checks validated by Third-Party Monitoring may serve as proxy to monitor outcome indicator 5 (Treated forest stands are well protected and sustainably managed).

The ultimate selection of the operational indicators at outcome level has to be agreed upon with KfW, together with the missing target values.

The status of the success indicators is briefly summarized in Table 16.

**Table 15: Baseline values of Project outcome indicators 1 - 3**

Indicator	Sub-Indicator	Baseline	
		Kangra	Chamba
1. Reduction of forest degradation (canopy cover)	Canopy density Treatment area / Control area:	0.20 / 0.26	0.30 / 0.30
2. Increased floral biodiversity	2.1 Importance value index of dominant species		
	• Trees Treatment area: Control area:	<i>Pinus roxburghii</i> : 55.62 <i>Pinus roxburghii</i> : 104.09	<i>Pinus roxburghii</i> : 86.73 <i>Pinus roxburghii</i> : 134.61
	• Shrubs Treatment area: Control area:	<i>Eupatorium glandulosum</i> : 48.34 <i>Eupatorium glandulosum</i> : 43.39	<i>Berberis spp.</i> : 28.21 <i>Berberis spp.</i> : 27.41
	• Herbs Treatment area: Control area:	<i>Ageratum conyzoides</i> : 7.78 <i>Ageratum conyzoides</i> : 7.55	<i>Parthenium hysterophorus</i> : 3.19 <i>Ageratum conyzoides</i> : 6.68
	2.2 Species diversity (Shannon H' index)		
	• Trees Treatment area / Control area:	2.25 / 1.83	2.22 / 1.52
	• Shrubs Treatment area / Control area:	1.49 / 1.36	2.02 / 1.88
	• Herbs Treatment area / Control area:	0.67 / 0.64	0.55 / 0.64
	2.3 Concentration of dominance (Simpson index)		
	• Trees Treatment area / Control area:	0.17 / 0.26	0.20 / 0.46
• Shrubs Treatment area / Control area:	1.18 / 0.37	0.19 / 0.20	
• Herbs Treatment area / Control area:	0.02 / 0.01	0.01 / 0.01	
3. Increased income from timber and non-timber forest products of the target population as per PFM regulations (forest dependency)	3.1 Percentage of HH extracting fuelwood from forest land	80%	42%
	3.2 Percentage of HH extracting fodder from forest land	20%	58%
	3.3 Average quantity of fuelwood extracted from forest	5 - 10 kg/HH/day	10 - 20 kg/HH/day
	3.4 Average annual income from sale of firewood	0 INR/HH/year	0 INR/HH/year
	3.5 Average annual expenditure on fuelwood	0 INR/HH/year	0 INR/HH/year
	3.6 Average quantity of fodder extracted from forest	20 - 25 kg/HH/day	25 - 30 kg/HH/day
	3.7 Average annual income from sale of fodder	0 INR/HH/year	0 INR/HH/year
	3.8 Average annual expenditure on purchase of fodder	8,000 - 10,000 INR/HH/year	12,000 - 20,000 INR/HH/year
	3.9 Average quantity of timber extracted from forest	0 m <sup>3</sup> /HH/year	0 m <sup>3</sup> /HH/year
	3.10 Average annual income from sale of timber	0 INR/HH/year	0 INR/HH/year
	3.11 Average annual expenditure on purchase of timber	0 INR/HH/year	0 INR/HH/year

**Table 16: Status of the Success Indicators**

Summary	Success Indicators	Result / Achievement
<b>Programme Impact (= Overall Objective)</b>	<b>Indicator Name / Description</b>	
Public and private investments in the Natural Resource Management sector improve the natural resource base, minimize the risk of climate change and increase productivity and income in rural areas.	1. Improving the stock of natural resources in supported states or regions (e.g. increase of forests, increasing the water table and/or improve soil quality).	
	2. The states / districts supported by German development cooperation have a strategy for adapting to climate change which is implemented and demonstrated.	
<b>Programme Outcome (= Module Objective)</b>	<b>Indicator Name / Description</b>	
Climate resilience of forest ecosystems, biodiversity and adaptive capacities of forest dependent communities in the selected Project area is increased.	1. Reduction of forest degradation (canopy cover).	Operational indicator to be agreed upon with KfW.
	2. Increased floral biodiversity.	Operational indicator to be agreed upon with KfW.
	3. Increased income from timber and non-timber forest products of target population as per PFM regulations.	Operational indicator to be agreed upon with KfW.
	4. Increased availability of spring water in treated spring catchment areas.	Operational indicator to be agreed upon with KfW.
	5. Treated forest stands are well protected and sustainably managed.	Operational indicator to be agreed upon with KfW.
	<b>Baseline values / Target values:</b> Will be defined during Project inception phase.	Baseline values for outcome indicators 1 to 3 proposed by baseline study report of November 2 <sup>nd</sup> , 2020, awaiting KfW's NO; Target values to be agreed upon with KfW.
<b>Outputs (= Results)</b>	<b>Indicator Name / Description</b>	
Output 1: Forest stands in Project area are rehabilitated.	1. Survival rate of afforestation. <b>Baseline value:</b> - <b>Target value:</b> 80%	Survival rate based on 136 self-check reports available as of November 27 <sup>th</sup> , 2020 still to be computed. Validation by Third-Party Monitoring expected by end of February 2021.
Output 2: Tools for climate adaptive forest management are developed and applied in Project areas by HPFD.	2a. Project nurseries produce quality planting material as per established Project standards. <b>Baseline value:</b> - <b>Target value:</b> 80% The collar diameter and height requirements have been defined in Annex D of the first mission report of the international expert for nursery operations.	No data on the number of regular and tall seedlings produced and their quality received from the nurseries nor available at SPMU.
	2b. Guidelines for CC adapted forest management developed and applied. <b>Baseline value:</b> - <b>Target value:</b> Yes	Micro-planning guidelines prepared and approved on April 27 <sup>th</sup> , 2017. Draft forest management planning and silvicultural guidelines prepared on November 27 <sup>th</sup> , 2016.

Summary	Success Indicators	Result / Achievement
		Updated forest management planning and silvicultural guidelines prepared and approved on October 17 <sup>th</sup> , 2018. Initial cost norms for silvicultural models prepared and approved on May 18 <sup>th</sup> , 2017, subsequently updated annually. Savings book approach guidelines prepared and approved on February 6 <sup>th</sup> , 2020. Nursery guidelines prepared and approved on May 31 <sup>st</sup> , 2017. Seedlings production to follow HPFD standards and cost norms.
Output 3: All implementation partners and Project target groups are capacitated.	3a. Efficiency and effectiveness of training courses positively appraised by participants. <b>Baseline value:</b> - <b>Target value:</b> 70% of participants rate the trainings as useful and successful.	No data on the number of trainings / participants and the corresponding satisfaction ratings received from DPMUs nor available at SPMU.
	3b. Majority of CBOs rated as well performing according to Project rating system. <b>Baseline value:</b> - <b>Target value:</b> 70%	No data on the ratings of CBOs received from DPMUs nor available at SPMU.
Output 4: M&E of Project progress and achievements and mainstreaming of identified best practices into HPFD routine operations.	4a. Progress monitoring system established and operational <b>Baseline value:</b> - <b>Target value:</b> -	MS Excel-based M&E system prepared and approved on January 29 <sup>th</sup> , 2019, subsequently populated / updated based on the data provided by SPMU and the DPMUs, often with gaps and delays. To be migrated to a cloud-based MIS until the end of March 2021.
	4b. Number of best practices / Project products integrated into HPFD's respective management guidelines. <b>Baseline value:</b> - <b>Target value:</b> will be defined during Project inception phase.	

## 7. RISKS AND NEED FOR ACTION

- With only 2 of the total 7 years left until December 2022 for Project implementation, and considering that at present,
  - only 198 (61%) of the targeted 326 MPs have been approved,
  - only 2,550 ha (17%) of the targeted 15,000 ha have undergone treatment for Lantana eradication and conversion,
  - only 15 (10%) of the targeted 150 spring-shed plans have been approved,
  - implementation of the spring-shed plans has not started yet, and
  - only 3.7 MEUR (12%) of the 30 MEUR loan has been consumed,
 it becomes evident that the targets cannot be achieved nor the loan fully utilized unless an extension of the Project duration is granted.
- The request for extension of the Project period, currently with the MOEFCC, GOI New Delhi, needs to be expedited, so that the proper actions can be planned:
  - either for an extension, and hence the preparation of additional MPs and spring-shed plans as well as the speeding up of their implementation, and the production of seedlings for the FY 2021-22 and FY 2022-23 plantations,
  - or else the phasing out of the Project, and hence the development of an exit strategy, notably to figure out how to handle the unavoidable deviations from the guidelines with regards to the monitoring of the established plantations (supposed to be done during 3 consecutive years after planting) and the release of the incentives paid upfront to the fixed deposit accounts of the participating VFMSs.
- The current CPD is to retire within a few months. Particularly in the event of an extension of the Project period, it will be crucial that a successor be appointed prior to his departure to assure a smooth transition. Considering the shortage of senior HPFD staff, the nomination of a successor poses a challenge. Under these conditions, his timely nomination will be a solid proof of HPFD's commitment and without doubt strongly support the request for extension.
- Appropriation of and responsibility for the Project implementation by the DPMUs has to be beefed up, notably through a closer monitoring, steering and support by the SLSC and the EC, through the inclusion of the Project's targets and achievements in the annual appraisal of the involved Forest Divisions, and if possible through the provision of incentives to the concerned HPFD staff.
- The staff pledged by HPFD as its contribution towards the implementation of the Project must be deputed and/or hired to the full extent on all levels (SPMU, DPMUs and VFMSs), with no or at least as little as possible fluctuation.
- The preparation of spring-shed plans has to be fast-tracked. The necessary capacity development and mentoring of the HPFD staff in this activity, ideally to be entrusted directly to ACWADAM, has to be tendered without delay.
- TNA has so far been postponed on the ground that it should be done once a sufficient number of MPs have been prepared and their implementation has



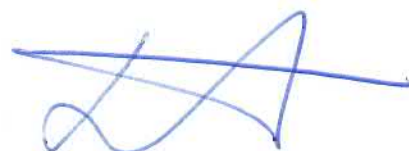
progressed so as to benefit from lessons learned. It is now great time to carry out the TNA, to revise the training plan and budget initially prepared and approved by KfW on January 17<sup>th</sup>, 2018, and to systematically implement and monitor the trainings based on a training plan.

- The implementation of the M&E system needs to be substantially improved. Currently, the M&E system lacks up-to-date data on practically all Project activities such as MP preparation and implementation, seedlings production and trainings due to the late, incomplete or totally failing submission of data by the DPMUs.
- Of the 3 WAs submitted in 2020, 39% of the expenditures claimed for reimbursement were incurred more than 6 months prior to the submission of the WAs. The DPMUs must invest increased attention to the accounting matters, both in terms of timeliness and completeness of the claims forwarded to SPMU.
- The hesitant and slow adoption of the root trainer technology in the Project nurseries will adversely impact testing of an important Project takeaway for mainstreaming in HPFD.
- The lockdown and confinement measures to fight against the COVID-19 pandemic have reduced the interactions between Project staff and with the VFMS, hampering the sound implementation of the Project.

This report is prepared jointly by PMC and SPMU dated February 15<sup>th</sup>, 2021.

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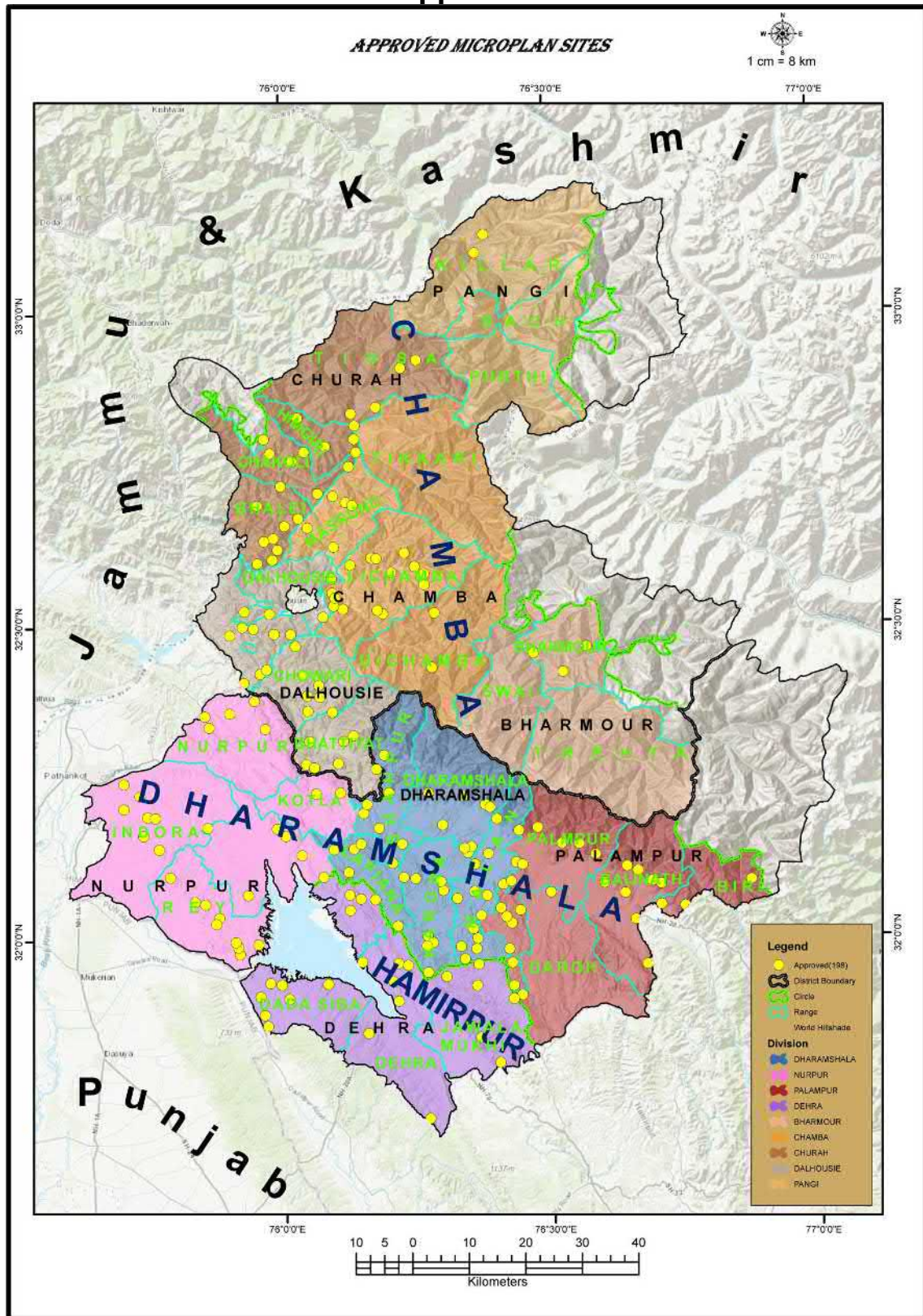
(Raghubir Singh Banyal)  
Chief Project Director



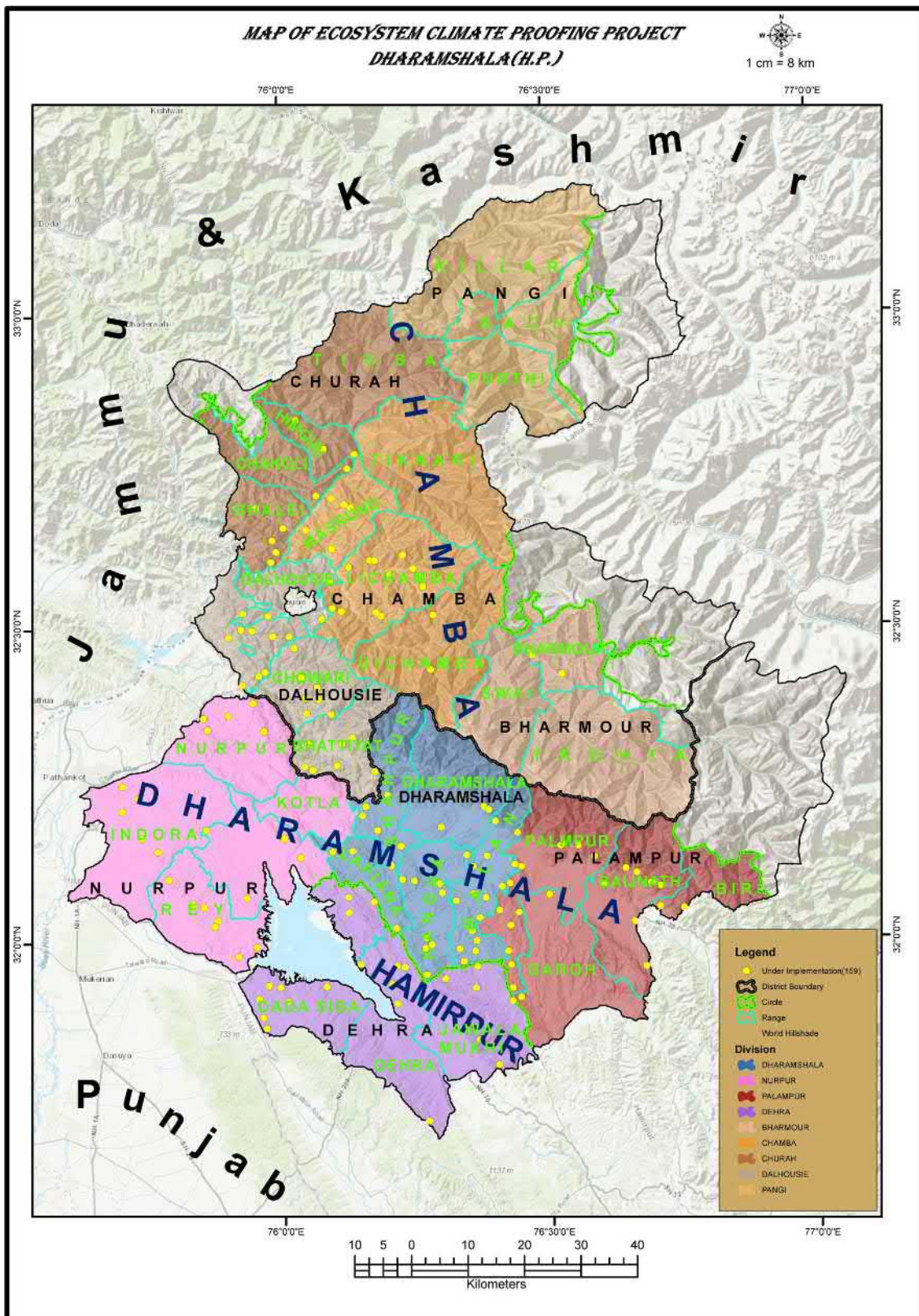
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(Ralph Lennertz)  
Chief Technical Advisor

### Annex A: Approved FMP Sites



### Annex B: MP under Implementation



### Annex C: Glimpses



Root Trainer raised stock at Sadwan Nursery, Nurpur



Members of Dharwas VFMS, Pangi



EC formation Bihan Lower VFMS



General House of Baldoa VFMS



Work in progress at VFMS Site



User Group member planting