



**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. 6

July 2019 – December 2019

BMZ Grant ID 2013 70 279

BMZ Loan ID 2013 65 154

Project Report Nr. 2020-31

Feldkirchen and Dharamsala, 02/04/2020



Deutsche Forstservice GmbH
Feldkirchen, Germany



GOPA mbH,
Bad Homburg, Germany

TABLE OF CONTENT

LIST OF TABLES	ii
LIST OF ANNEXES	iii
ABBREVIATIONS AND ACRONYMS	iv
ADDRESSES.....	vi
1. EXECUTIVE SUMMARY	1
2. INTRODUCTION	3
3. DEVELOPMENT, ACTIVITIES AND PROJECT ACHIEVEMENTS (JULY - DECEMBER 2019).....	4
3.1 Sectoral Developments.....	4
3.2 Implementation of Activities and Outputs as Agreed (w.r.t. Annex 1 of the Separate Agreement).....	6
3.2.1 Output 1: Forest stands in project area are rehabilitated.....	6
3.2.2 Output 2: Tools for climate adaptive forest management are developed and applied in project areas by HPFD	9
3.2.2.1 Nursery Management	9
3.2.2.2 Forest Management Planning	10
3.2.2.3 Springshed Management.....	10
3.2.3 Output 3: All implementation partners and project target groups are capacitated.....	11
3.2.3.1 Assessment of training needs at all levels of project implementation	11
3.2.3.2 Design and implementation of a comprehensive training programme for HPFD and contracted programme staff	11
3.2.3.3 Improvement / rehabilitation of training infrastructure	16
3.2.4 Output 4: M&E of project progress and achievements and mainstreaming of identified best practices into HPFD routine operations.....	16
3.3 Cost and Finance, including Partner Contribution	17
3.3.1 Simplified Reimbursement Procedure (HPFD).....	19
3.3.2 Direct Disbursement Procedure (DFS/GOPA)	20
3.4 Time Schedule.....	20
4. CURRENT SITUATION OF TARGET GROUP / BENEFICIARIES AND FOREST USER GROUPS	22

4.1	The Beneficiaries, Legal Status & Arrangement.....	22
5.	STAFFING SITUATION	23
5.1	Project Executing Agency (SPMU / DPMU)	23
5.1.1	Staffing at SPMU level.....	23
5.1.2	Staffing at DPMU level.....	24
5.2	Project Management Consultants	24
5.2.1	Present Situation	24
5.2.2	Consultant services provided during the period under review.....	25
6.	STATUS / ACHIEVEMENT OF OUTCOMES - IMPACTS, UPDATE OF INDICATORS.....	27
7.	RISKS AND NEED FOR ACTION	30

LIST OF TABLES

Table 1:	Achievement of Project Targets.....	7
Table 2:	Status of Micro-Plans (in InR).....	8
Table 3:	Status of Project Nurseries	9
Table 4:	Division-Wise Achievement up to December 2019	10
Table 5:	List of Springs Identified (new sites)	10
Table 6:	Summarized Details of Trainings and Workshops.....	12
Table 7:	Financial Progress of the Project	18
Table 8:	Reimbursement Status of Project (EUR + INR)	19
Table 9:	Disbursement Status of Project Management Consultants (EUR)	20
Table 10:	Implementation Status for the Progress till December 2019	21
Table 11:	Staffing Detail at SPMU Level.....	23
Table 12:	Staffing Detail at DPMU Level	24
Table 13:	Staffing Detail of Project Management Consultants	25

Table 14: Project Impact Indicators 27

LIST OF ANNEXES

Annex A: Approved FMP Sites

Annex B: Glimpses

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
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
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
JFM	Joint Forest Management
KfW	Kreditanstalt für Wiederaufbau, KfW Development Bank
Mgmt	Management
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
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

ADDRESSES

Himachal Pradesh Forest Ecosystem Climate Proofing Project (HPFECPP)
Forest Complex
Dharamsala - 176215
India

Tel. + 91 1892 223000
E-Mail cpdigcpp@gmail.com
Internet <https://hpforest.nic.in/>

DFS Deutsche Forstservice GmbH
Wittelsbacherstr. 11
D - 85622 Feldkirchen
Germany

Tel. + 49 89 9400590
E-Mail dfs@dfs-online.de
Internet <https://www.dfs-online.de/>

GOPA Gesellschaft für Organisation, Planung und Ausbildung mbH
Hindenburgring 18
D - 61348 Bad Homburg
Germany

Tel. + 49 61729300
Fax + 49 89 94005979
E-Mail info@gopa.de
Internet <https://www.gopa.de/>

1. EXECUTIVE SUMMARY

This report covers the period from July to December 2019.

Sectoral developments in HP include 2 on-going projects funded by BMZ/GIZ and JICA, respectively, as well as the suspension of a World Bank project. With the GIZ project the HPFECPP has developed mutually beneficial links by way of bi-annual meetings and training / experience exchange. Joint implementation of springshed plan in Palampur with GIZ shall be discussed in the Co-Ordination Committee (SPMU & PMC) meeting and decided.

The ban on Green Felling continues and is unlikely to be lifted during this project period. There appears to be no movement on the possibility of felling of Eucalyptus trees scheduled for felling under approved Working Plans of Kangra and Chamba. Information of developments on this front shall be collected from the DPMUs and outcome included in the next semi-annual report.

The rehabilitation of forest stands is envisaged to be done through implementation of Micro-Plans (MP). As of December 31st, 2019, 151 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 gives the update on other activities of the project.

The development of 7 model nurseries, one under each DPMU (except Bharmour and Pangji), is well underway with procurement of all required items completed and suggested infrastructure at each nursery more or less completed. The development of 2 nurseries in the tribal tracts of Bharmour and Pangji is still underway.

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. Similarly, for social staff hired under the project, skills in mobilization and effective communication need iterative upgrading and practice preferably under senior mentors.

A comprehensive Monitoring and Evaluation (M&E) system has been put in place and related training imparted to SPMU and DPMUs earlier. Database development stands delayed due to bureaucratic procedures. Although agreed by the department, SPMU is yet to outsource the work of database development.

The Baseline Study has been awarded in October 2019 to AFC India Ltd. The methodology was presented and discussed during an inception meeting held on December 17th, 2019, in Dharamsala. The results of the study are due by July 2020.

The Third-Party Monitoring of the implementation measures supported by the project is about to be awarded to AFC India Ltd. after receiving on December 11th, 2019, KfW's No Objection to the final evaluation of the tender.

A detailed financial statement is included in the report (Table 7, page 18), together with reimbursement status following the Simplified Reimbursement Procedure (Table 8, page 19) and the status of the payments made by KfW to the implementation consultants through the Direct Disbursement Procedure (Table 9, page 20).

An External Audit of the Statements of Expenditures (SOE) and Withdrawal Applications (WA) No. 1 to 7 covering Financial Years (FY) 2015-16 to 2018-19 has been conducted by Agarwal A. Kumar & Associates. The audit report of October 30th, 2019 issues a positive opinion on all aspects studied, and found only a small amount of INR 19,430 out of the total expenditures of INR 5,16,62,420 to be ineligible.

The SPMU and DPMU staffing positions are shown in Table 11, page 23, and in Table 12, page 24, respectively, noting changes needed. A summary of the project impact indicators and outcomes is given in Table 14, page 27.

Points of concern are outlined in Section 7 and need consideration and strategic adaptation in terms of future outlook. Revised silvicultural guidelines have been adopted in October 2018. They allow more Climate Change Adapted (CCA) models to be incorporated in the MPs. Their uptake in new MPs and their incorporation into already approved MPs is still slow and needs to be promoted.

2. INTRODUCTION

This **6th 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 2019. During the period under review 38 MPs were approved by SPMU after vetting by PMC. Hence, the total number of approved MPs amounts to 151 as of December 31st, 2019. Currently, 95 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 2019)

3.1 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; the SC vide its order of February 16th, 2018, allowed:

- (i) That the state of HP be allowed to carry out green felling in 3 working circles viz Khair, Chil and Sal over an area not exceeding 20 ha in Nurpur Forest Range, Bhareri Forest Range and Poanta Forest Range respectively.
- (ii) The SC has laid down certain conditions under which this felling is to be carried out and monitored by a Monitoring Committee appointed by the SC.
- (iii) After monitoring the felling and evaluation of the results in terms of natural regeneration in the felled forests, the SC will consider further course of action with respect to the Green Felling Ban in the state of HP. The final report of the Monitoring Committee is scheduled to be submitted to the SC in February 2021 and only thereafter a decision on silvicultural fellings can be expected.
- (iv) As far as the HPFECPP currently ongoing in Chamba and Kangra districts is concerned, in practical terms it implies that the Green Felling Ban will not be lifted during the project's lifetime.
- (v) However, the SC has 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 is in progress in these areas under the supervision of the SC appointed Monitoring Committee. Some of these areas are under DPMU Nurpur but whether Eucalyptus trees being felled / proposed for felling fall in any of the identified springsheds is not known. During discussion with the KfW Mission in May 2018, it was agreed by the Additional Chief Secretary (ACS) (Forests) that once the springsheds are identified, PCCF/GoHP shall be asked to move an application before the Apex Court to allow felling of Eucalyptus trees in these areas. The matter needs to be taken up with the PCCF through the SPMU and Conservators of Forest concerned if any such felling of Eucalyptus trees is required in identified springsheds.

Other externally funded project in the sector or in pipeline

A) Proposed Projects

Two externally aided projects were proposed by the Department of Economic Affairs, Govt to the Donor Agencies for funding forestry related or watershed development

activities in the state of Himachal Pradesh. The latest status of these projects is as under.

1) **Himachal Pradesh Forests for Prosperity Project:**

Proposed to increase the economic contribution of forests in the State's Economic Development, this project was planned to be implemented in parts of Satluj catchment in Kinnaur, Mandi, Shimla, Kullu and Bilaspur districts with pilot activities at four locations outside these districts over a 5-year period with a total cost of US\$ 62.5 million and a commitment amount of US\$ 50.0 million by the World Bank. During the preparatory phase of the project, some documents (tribal development framework, social assessment and management framework, environment assessment and management framework, social assessment and management framework) were prepared. However, the GoI, Ministry of Finance, Department of Economic Affairs, New Delhi vide their letter dated November 13th, 2018, has conveyed to suspend the operation of this project.

2) **Integrated Project for Source Sustainability and Climate Resilient Rainfed Agriculture in Himachal Pradesh:**

Designed to improve climate resilience around springs and streams and to enable climate resilient agriculture in Himachal Pradesh, this project with a total cost of US\$ 100.0 million and a commitment amount of US\$ 80.0 million over 7 years has been proposed to the World Bank on July 26th, 2017. The project is to be implemented in all the districts of Himachal Pradesh except Kinnaur and Lahaul Spiti, and its head quarter would be in Solan. Being a World Bank aided project, the expenses incurred on agreed activities of the project one year before the agreement signing would be eligible for retroactive financing up to 20% of project cost. The loan agreement is likely to be signed in March 2020.

B. Ongoing Projects others than the HPFECPP:

- 1) **HP Forest Ecosystems Management Project:** Funded through INR 38 crores grant by GIZ of Germany, this Project is limited to technical cooperation and would monitor ecosystem services-based planning in 5-10 sites all across HP. KfW, during their visit in March 2017, desired that regular meeting be set up between SPMU, PMC and GIZ to exchange procedures and experiences (MoM March 2017). PMC had two such meetings with GIZ and future meeting involving SPMU is currently being planned.
- 2) **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 29th, 2018, and the project is currently in its 2-year preparatory phase. The 6-year implementation phase of the project will start

from April 2020 to be followed by a 2 year consolidation phase. The Project headquarter is in Shimla and sub-offices are in Kullu and Rampur.

3.2 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.

3.2.1 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 200 MPs, 43 were reviewed out of which 38 were approved. Hence, the total number of approved MPs stands at 151. Implementation of the approved MPs by the VFMS has started in 2017 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 ²	Remarks
	Activity	Target	Activity	Target ¹		
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		1,178.15 ha	
			Planting of small trees		962.26 ha	
			Planting of tall trees		128.55 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	81.00 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	21 springs	18 by ACWADAM and 3 new ³
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

¹ Not KfW-approved.

² Based on data received as of February 2020 from DPMUs Bharmour, Chamba, Dalhousie, Dehra, Dharamsala, Nurpur and Palampur.

³ Though 21 springs were identified, only 3 complete springshed plans were submitted and approved by December 31st, 2019.

Table 2: Status of Micro-Plans (in InR)

S. No	Division	VFMS Area (Ha)	Treatment Area (ha)	Nos of Villages	No. of User Groups	Target	Approved	Green Investment	Material	Free Plants	NTFP Plantation	Contingency Fund	EPA @ 7.5%	SWC @ 10%	Incentive @ 20%	Honararium President	Honararium Mem. Sect.	Total MP Cost	BS @ 2%	Grand Total
1	Dharamsala	4077.12	850.65	110	136	51	30	8,19,64,208	85,61,404	-	-	15,00,000	62,47,315	81,96,426	1,63,92,848	18,00,000	13,50,000	12,60,12,200	16,33,968	12,76,46,168
2	Palampur	2914.51	454.20	76	79	25	20	3,88,84,411	52,36,141	-	-	10,00,000	29,16,331	38,88,440	77,76,883	12,00,000	9,00,000	6,18,02,205	7,77,941	6,25,80,147
3	Nurpur	2341.77	502.16	70	77	25	20	4,78,45,101	63,97,098	-	-	10,00,000	35,88,382	47,84,510	95,69,020	12,00,000	9,00,000	7,52,84,112	9,56,902	7,62,41,014
4	Dehra	2954.11	526.48	63	69	25	20	4,52,21,000	52,03,651	-	-	10,00,000	35,36,812	43,24,264	90,44,200	12,00,000	9,00,000	7,04,29,927	9,03,091	7,13,33,018
5	Dalhousie	3679.87	669.90	114	115	25	24	5,93,85,194	80,79,984	-	-	12,00,000	44,53,337	59,38,023	1,18,76,040	14,40,000	10,80,000	9,34,52,577	11,87,704	9,46,40,282
6	Chamba	2749.39	467.38	139	88	20	18	3,77,33,793	64,77,351	78,750	-	9,00,000	28,27,494	4,10,363	75,39,965	10,80,000	8,10,000	5,78,57,716	7,54,676	5,86,12,392
7	Churah	2692.46	357.79	84	58	25	15	2,57,93,724	41,71,627	15,750	-	7,50,000	19,34,531	17,51,789	51,58,746	9,00,000	6,75,000	4,11,51,167	5,15,874	4,16,67,041
8	Bharmour	378.92	44.05	8	5	2	2	40,87,770	7,27,161	78,750	1,07,600	1,00,000	3,06,583	-	8,17,553	1,20,000	90,000	64,35,417	81,755	65,17,173
9	Pangi	251.30	45.00	9	8	2	2	45,38,441	4,05,985	81,500	-	1,00,000	3,40,383	4,53,844	9,07,687	1,20,000	90,000	70,37,840	90,769	71,28,609
	Total	22039.45	3917.61	673	635	200	151	34,54,53,641	4,52,60,401	2,54,750	1,07,600	75,50,000	2,61,51,168	2,97,47,660	6,90,82,942	90,60,000	67,95,000	53,94,63,162	69,02,682	54,63,65,843
												39,86,26,392	2,61,51,168	2,97,47,660			8,49,37,942	53,94,63,162	69,02,682	54,63,65,843
	Budget as per SA											1,24,97,40,000	7,50,00,000	13,30,00,000			27,77,20,000	1,73,54,60,000	10,55,60,000	1,84,10,20,000
	Balance											85,11,13,608	4,88,48,832	10,32,52,340			19,27,82,058	1,19,59,96,838	9,86,57,318	1,29,46,54,157

3.2.2 Output 2: Tools for climate adaptive forest management are developed and applied in project areas by HPFD

3.2.2.1 Nursery Management

Previously procured root trainers, shredders and other items are available at the model nurseries.

Earlier procured coco peat is being used in the forest nurseries, and more coco peat is being procured. It is expected to be available by first week of March 2020.

DPMUs were asked to construct the bamboo frames to support the root trainers. DPMUs argued that iron frames instead of bamboo frames should be used as they last longer without being substantially more expensive. SPMU asked DPMUs to submit the proposal with cost estimates as a basis for discussion with PMC and eventually with KfW.

The status of project nurseries is shown in Table 3.

Table 3: Status of Project Nurseries

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 nursery (Dukhi) a composting unit and platform already exists.

From November 2nd to December 7th, 2020, the international Nursery Operations Expert, Mr. Stellan KARLSSON, carried out his fourth and last short-term mission. During this mission, he prepared a manual for improved nursery management practices that is being translated into Hindi, and trained 26 trainers in two sessions in Dharamshala and Chamba, respectively. On November 26th, 2020, he presented his consolidated findings and recommendations to HPFD in Shimla.

3.2.2.2 Forest Management Planning

Out of a total of 200 planned MP sites, 151 MPs are currently approved. The summarised achievement up to December 31st, 2019, is shown in Table 4. A map depicting the 151 approved MP sites as of December 2019 is shown in Annex A.

Table 4: Division-Wise Achievement up to December 2019

Activities	Unit	Dharamshala	Dehra	Palampur	Nurpur	Dalhousie	Bharmour	Churah	Chamba	Pangi	Total
Lantana Removal	Ha	190.75	353.50	155.75	198.35	140.50			42.45		1081.30
Other Weed Removal	Ha	1.95	4.92	61.50		28.50					96.87
Nallah Planting	Ha	12.50	50.00		13.60	13.65					89.75
Planting	Ha	220.00	224.85	195.95	120.21	119.50	5.00	8.00	107.55		1001.06
Fencing	RMT	66080	129929	35652	17928	20228	3430	0	21461	0	294708
Fodder & Grasses	Ha	7.00		6.00	65.00	3.00					81.00
Contour Trenching	Rmt	7955	51525	5085		502.7					65067.70
Desilting of Pond	Nos.		7								7
EPA	No.				4	5					9
Soil Conservation Works	Nos.	1		140	23	18					182
Tree Guards	Nos	1450				630					2080.00
Maintenance											
Lantana Removal	Ha	17.5	2.5	7	115.87	104.47					247.34
Other Weed Removal	Ha	17.5		5		32.5					55.00
Planting	Ha	11	45.5	8.5	22.55	9					96.55
Nallah Planting	Ha	11		8.5	12.55	9					41.05
Wooden Fencing	RMT	4800	10460	1992	153	1722					19127.00
Brushwood Fencing	RMT	4800		1992		1722					8514.00

Based on data received from DPMUs Bharmour, Chamba, Dalhousie, Dehra, Dharamshala, Nurpur and Palampur; figures for Churah and Pangi shown in red could not be updated.

3.2.2.3 Springshed Management

During the period under review, ACWADAM conducted two 4-day trainings for 41 master trainers in Chamba and Dharamshala, with focus on the identification of recharge zone following the concept of geological formations. DPMUs were asked to use the services of these master trainers for preparing springshed plans. It was also requested to identify new springs and submit the same to SPMU.

Table 5: List of Springs Identified (new sites)

S. No.	Division	Range	Site	Spring*
1	Dharamshala	Dharamshala	Tahu	Tahu
		Shahpur	Bhanala	Lusara-di-baudi
		Shahpur	Salol	Chakli
		Malan	Malan	Khuibasti
		Malan	Baguler	Honsti
		Malan	Baguler	Gujreda
		Malan	Plahchaklu	Bhorni
2	Palampur	Palampur	Panaper	Behra-basti-bowari
		Palampur	Panaper	Jol Basti Bowari
		Palampur	Ghaneta	Gallu Bowari
		Palampur	Ghaneta	Tobdi Bowari
		Daroh	Gaggalkholi	Bhadrol Bowari

* Details of springs from other DPMUs still awaited.

3.2.3 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.

3.2.3.1 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 most of the MPs have been prepared.

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.

3.2.3.2 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.

Trainings Conducted

During the period under review 11 trainings were organised by the project. These trainings include both classroom as well as field training. The trainings were closely observed and attended by the SPMU and PMC consultants. The summary of trainings conducted 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	Project monitoring and reporting	7	212
C	Climate Change and Forest Management	Springshed management	2	41
		Exposure visit to the Bhartiya Agricultural Industrial Foundation (BAIF)	1	13
		Exposure visit to Andaman	1	7
	Total		11	273

Many trainings / workshops have been organized both at SPMU and DPMU level on different aspects mentioned in the Training Plan submitted by International Expert Dr. Rex Kinder. Till December 2019, a total of 99 events have been organized by SPMU in which about 3,487 stakeholders of different categories participated. DPMU staff is trained enough now to impart further trainings in the field as well as at DPMU level. ACFs and PSCs are playing important roles for imparting trainings to the staff as well as to the communities. The detail of the trainings conducted by DPMUs is still awaited.

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 analyzed critically. Some of the responses received from feedback of various trainings are given below:

Training on internal monitoring and self-check

These trainings have been conducted by SPMU at Division level. Resource persons were M&E Expert and APD (M&E). 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:

- 90% of the participants were of the view that more trainings on self-check monitorings are needed 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 at Range level.

Trainings on "Embedding the Science of Hydrology in Springshed Management" by ACWADAM

Two trainings on springshed management were organized in the month of September 2019 at Dharamshala and Chamba circle.

Objectives:

- To enhance the capacity of PSCs and identified front line staff on springshed management.
- Field understanding, planning and development of springshed plans.

Training at Dharmshala:

First training, organized at Dharmshala from September 16th to 21st, 2019, was attended by 5 PSCs and 15 Forest Guards from Dharamshala and Hamirpur circles. There were two resource persons from ACWADAM (Ms. Neha Bhawe and Ms. Bhairavi Thove) who conducted this training. The training was chaired by the CPD who motivated the field staff to attend this training enthusiastically so that the trained staff will be able to implement the leanings in the field in a proper manner. He also emphasized on practical field work or field experience rather than class sessions. The training structure was designed in such a manner that four days were kept for field training. Trainees were divided into five small groups and sent to nearby location on second day to understand the use of geological equipment. ACWADAM trainers also taught about preparation of spring inventory. In last two days the groups were given a task to collect the data, to identify the recharge zone and to develop springshed plans at different locations under the guidance of ACWADAM. On the last day the work executed by the trainees in the field was reviewed by resource persons, and whatever shortcomings that emerged were explained and remedial solutions were given to the staff for further improvement. Feedback about this training was also taken in the prescribed proforma from the participants.

Feedback:

- 100% of the participants revealed that field experience was very useful to increase their knowledge.
- 90% of the participants said that training schedule was relevant to their need.

Suggestions: Participants were of the view that this type of training should last a few days longer with more practical work to understand the concept completely.

Training at Chamba:

The second training, organized at Chamba from September 23rd to 28th, 2019, was attended by 2 PSCs, 1 Deputy Ranger and 18 Forest Guards from Chamba circle. This training was conducted by resource persons from ACWADAM (Mr. Aditya and Mr. Clinton). The training structure was same as the one imparted in Dharamshala. On the first day ACWADAM trainers reviewed the knowledge of trainees on springshed and explained basic concepts of springshed management as well as the use of geological

equipment. The trainees were then divided into four groups for field task. On the second day the trainees were taken to the field where a springshed was already identified. Trainees were taught practically about the use of geological equipment and of geological maps to identify the recharge zone. The next two days the groups were sent to different identified locations for completing the task of preparation of springshed plans under the guidance of ACWADAM trainers. The work executed by the trainees was reviewed by ACWADAM on last day and training ended with the vote of thanks by Mr. Sanjay Dhiman APD Chamba.

Feedback:

- 99% of the trainees revealed that the training was useful to improve their knowledge.
- 100% of the participants were of the view that training schedule was relevant to their need.

Suggestions:

- Training should be of more days for better understanding.
- Advance training on springshed planning is needed.

ACWADAM trainers had also agreed that they will indicate who among the trainees could be potential resource persons for further springshed trainings.

Study tour to Bhartiya Agricultural Industrial Foundation (BAIF), Pune, Maharashtra on Natural Resource Management

A 6-day study tour from September 23rd to 28th, 2019, of Forest Officials was organized at BAIF Pune on Watershed Management. There were 13 participants in the visiting team comprising of 2 DFOs, 2 APDs, 5 ACFs, 2 Range Officers, 1 Deputy Ranger and 1 Superintendent from SPMU. BAIF is committed to provide sustainable livelihood to the rural poor through climate-resilient agriculture, management of natural resources, livestock development, water-shed development and agri-horti-forestry as major income generation activities, and through innovative models of micro-enterprises to ensure inclusive development through formation of self-help groups and empowerment of women.

Objectives:

- Learning about group dynamics.
- Management of natural resources.
- Involvement in income generation activities.

The BAIF water academy serves as a Centre of Learning for dissemination of best practices among practitioners and developing and standardizing new technologies and approaches to manage water as a critical resource. The group was acquainted with the success story of Indo German Watershed Development Programme (IGWDP) in Ran-

dullabad, Satara District. The objective of the project is to reduce the vulnerability of farmers to climate change, conservation of existing natural resources and to make the community aware of and sensitive about the climate change. The field visit was also organized to show the water conservation measures done under the project, its impact and selection of suitable crops keeping in view the climate change trend. The activities such as landscaping, contour bunding, in situ conservation of rainwater through farm ponds, contour cultivation, percolation tanks, soil munching, green manuring and shelter belt plantations are important activities undertaken to enrich soil productivity. BAIF has also adopted a strategic landscape approach of devising area-based water resource management initiatives through participatory approach. The team also visited the Maharashtra Institute of Technology Transfer of Rural Areas (MITTRA) office at Amari campus, Jawahar, which is working with tribal families through the program, i.e. tree bases farming, improved agriculture, livestock development, manual resource management, community development and drinking water. Also tree based farming systems, one of the core programmes of BAIF, is ensuring sustainable livelihood and improved quality of life for rural and tribal communities. The family-focused approach emphasizes on optimum utilization of available resources while converging unutilized lands into productive assets through the establishment of fruits and forestry trees.

Feedback:

All participants said that the exposure visits to such programs will certainly help to develop the understanding of the project staff and VFMS members who will play an important role in the implementation of the project and will be able to work as efficient teams and perform effectively the roles and responsibilities vested with them.

Study tour to Andaman

A 7-day study tour from November 24th to 30th, 2019 to Andaman was organized by Grassroutes Journeys Pvt Ltd for 7 SPMU and DPMU officials to study of soil and water conservation in relation to different geological formations and ecosystems. The study tour focused on understanding the marine ecosystem of Andamans and water management of the region as well as introducing the process of sustainable tourism as means of creating livelihoods for the marginalized communities. Among various livelihood enhancement strategies emerged a trend in Community Based Rural Tourism (CBRT). This can be an effective means of livelihood for traditional communities in the forest fringe villages to earn income simply by showcasing their traditional lifestyles and practices, and thereby be an incentive to conserve their way of life and the biodiversity around. A workshop on design thinking was also organized by the organizers in which participants were taught about the methods of solving problems in a creative way.

Feedback: All participants were of the view that opportunities can be explored in potential project areas to develop rural tourism to enhance the livelihood of people. Participants were highly satisfied with the lodging and boarding arrangements.

Note: Detailed reports of the study tours to BAIF Pune and Andaman have been submitted to SPMU by the participants.

3.2.3.3 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.

3.2.4 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 values and some target values of a number of success indicators are still missing, pending the conduct of a Baseline Study.

Three proposals have been received in response to the tender for the Baseline Study floated in July 2019. KfW's No Objections to the technical and financial evaluations of the proposals were received in August 2019. The contract has been awarded in October 2019 to AFC India Ltd. The methodology was presented, discussed and validated during an inception meeting held on December 17th, 2019. Field work is scheduled to be carried out from February to June 2020. The results shall be available by July 2020.

Three proposals have been received in response to the tender for the Third-Party Monitoring of the implementation measures supported by the project floated in March 2019. KfW's No Objections to the technical and financial evaluations of the proposals were received in October and in December 2019, respectively. The contract is about to be awarded to AFC India Ltd. A first third party monitoring is scheduled to take place from March to April 2020. The results shall be available by May 2020.

The "Saving Book Approach (SBA)", developed and successfully implemented in a number of KfW-funded Natural Resources Management (NRM) projects, aims to incentivize forest protection by local communities against fire, grazing and illicit felling. After the approval of a MP for a particular site and the signing of a MoU with the concerned VFMS, 20% of the "Green Investment" (essentially the wages paid for the labour input for the removal of Lantana and/or other weeds, the raising and planting of trees, the sowing of grass, the fencing and the maintenance of the established plantations / fences) are deposited up-front onto a Fixed Term Deposit Account (yielding higher interest than a saving account) operated under the signatures of the VFMS President (elected) and the Treasurer (ex-officio the Deputy Range Officer) and pledged to the DPMU.

Agreed tranches will be released annually from year 1 to 5 with approval of the DPMU pending successful development and maintenance of the plantations, certified by self-checks followed by Third Party Monitoring. A first draft of the SBA guidelines has been submitted to the scrutiny of KfW in April 2017. After several rounds of comments and revisions, additional clarifications have been requested by KfW on December 20th, 2019 (and answered on January 8th, 2020). Sadly, the approval of the SBA guidelines is still pending.

During the period under review, physical self-checks of Dehra and Palampur were finalised, whereas for Chamba, Dalhousie and Dharamsala, preliminary scrutiny was done, and the physical self-checks are being finalised. 17 nos. final Self-check reports of Dehra and 13 Nos. of Palampur DPMU from 2018 monsoon season plantation were received. As for Chamba, Dalhousie and Dharamsala 5, 13 and 18 nos. draft self-check reports were received and were checked by M&E cell of SPMU. For 2019 monsoon season plantations reports are yet to be received. No report, either physical self-check or survival self-check, has yet been received from Bharmour, Churah and Nurpur DPMU. As no work has been carried out in Pangi, no report is expected from there.

A comprehensive M&E system has been developed and put in place, and data entry work into the M&E database is ongoing. Till now the Project Manager (IT) is not 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.

3.3 Cost and Finance, including Partner Contribution

The estimated total project cost amounts to EUR 38.05 million including the HPFD and the beneficiary contribution of INR 423.41 million. The financial contribution amounts to EUR 2 million and the Loan to EUR 30 million.

Major cost centres under which reimbursement has been received during the period under review are Nursery Improvement (7), Training and Capacity Building (9), Project Facilitation by Locally Hired Experts (11), Forest Incentives (13) and Project Management - SPMU & DPMU (15). As of December 31st, 2019, the total consumption of the Loan and Grant amounts to INR 9.92 million, the details of which is given as under in Table 7.

Table 7: Financial Progress of the Project

		(in INR Millions)																			
Project Measures	Unit	Ha	Revised Financing Plan						Reimbursement/Progress Upto Dec 2019						Balance						
			FC			Own Contribution		Total	FC			Own Contribution		Total	FC			Own Contribution		Total	
			Loan	Grant	Total	HPFD	Beneficiary	INR	Loan	Grant	Total	HPFD	Beneficiary		Loan	Grant	Total	HPFD	Beneficiary		
1	CCA-conversion of infested forests plus planting bambo along nallahs	Ha	8350	888.65		888.65	105.43	63.45	1057.53	5.73		5.73			5.73	882.92	0.00	882.92			882.92
2.1	High yield fodder and grass production (alpine pastures)	Ha	250	8.87		8.87		0.57	9.44			0.00			0.00	8.87	0.00	8.87			8.87
2.2	High yield fodder and grass production in lowland	Ha	400	17.37		17.37		1.11	18.48			0.00			0.00	17.37	0.00	17.37			17.37
2.3	Forest closure against grazing	Ha	400	18.38		18.38		1.17	19.55			0.00			0.00	18.38	0.00	18.38			18.38
2.4	Income generating activities seedling free of costs, woodlots, NTFP	Nos.	100000	1.50		1.50			1.50			0.00			0.00	1.50	0.00	1.50			1.50
3	2 pilot areas for pasture improvement	Ha	100	4.20		4.20		0.00	4.20			0.00			0.00	4.20	0.00	4.20			4.20
4	Silvicultural operations in all forest types (no planting, no fencing)	Ha	3000	6.48		6.48	6.42	0.00	12.90			0.00			0.00	6.48	0.00	6.48	6.42		12.90
	Sub-Total			945.45	0.00	945.45	111.85	66.30	1123.60	5.73	0.00	5.73	0.00	0.00	5.73	939.72	0.00	939.72	6.42	0.00	946.14
5	Soil and water conservation measures on micro-watershed basis			103.95		103.95	0.00	11.55	115.50			0.00			0.00	103.95	0.00	103.95			103.95
6	Spring rehabilitation			58.41		58.41	0.00	6.49	64.90	0.34		0.34			0.34	58.07	0.00	58.07			58.07
7	Nursery development and improvement			16.80		16.80	0.00	0.00	16.80	4.52		4.52			4.52	12.28	0.00	12.28			12.28
8	Entry Point Activities			90.88		90.88	0.00	0.00	90.88			0.00			0.00	90.88	0.00	90.88			90.88
9	Training and capacity building			6.19	66.50	72.69	0.00	0.00	72.69	0.08	4.67	4.75			4.75	6.11	61.83	67.94			67.94
10	M&E			44.10		44.10	8.40	0.00	52.50			0.00			0.00	44.10	0.00	44.10	8.40		52.50
11	Project facilitation by locally hired experts			153.10	3.50	156.60	0.00	0.00	156.60	29.53	3.96	33.49			33.49	123.57	-0.46	123.11			123.11
12	JFMC Coordination User Group Meetings			21.70		21.70	0.00	0.00	21.70			0.00			0.00	21.70	0.00	21.70			21.70
13	Forest protection incentives			237.30		237.30	0.00	0.00	237.30	31.94		31.94			31.94	205.36	0.00	205.36			205.36
14	Preparation of micro working plans			12.60		12.60	0.00	0.00	12.60	0.59		0.59			0.59	12.01	0.00	12.01			12.01
15	Project management (SPMU and DPMU)			91.20		91.20	182.51	0.00	273.51	17.80		17.80	33.90		51.70	73.40	0.00	73.40	148.61		222.01
16	Accompanying measures (Project Management Consultant)			121.80	70.00	191.80	0.00	0.00	191.80	64.08	70.00	134.08			134.08	57.72		57.72			57.72
	Basic Costs (August 2014)			1903.48	140.00	2043.48	302.76	84.34	2430.58	154.61	78.63	233.24	33.90	0.00	267.14	1748.87	61.37	1810.24	163.43	0.00	1973.67
	Technical Contingency (3)			55.38	0.00	55.38	6.79	2.66	64.83			0.00			0.00	55.38	0.00	55.38			55.38
	Basic Cost + Technical Contingency			1958.86	140.00	2098.86	309.55	87.00	2495.41	154.61	78.63	233.24	33.90	0.00	267.14	1804.25	61.37	1865.62	163.43	0.00	2029.05
	Price increase (4)			141.85	0.00	141.85	20.36	6.50	168.71			0.00			0.00	141.85	0.00	141.85			141.85
	Investment / Project Cost			2100.71	140.00	2240.71	329.91	93.50	2664.12	154.61	78.63	233.24	33.90	0.00	267.14	1946.10	61.37	2007.47	163.43	0.00	2170.90
	Interest During Implementation			0.00	0.00	0.00	0.00	0.00	0.00			0.00			0.00	0.00	0.00	0.00			0.00
	Financing Requirement			2100.71	140.00	2240.71	329.91	93.50	2664.12	154.61	78.63	233.24	33.90	0.00	267.14	1946.10	61.37	2007.47	163.43	0.00	2170.90

* proposed by the Inception Report, but not approved by KfW.

3.3.1 Simplified Reimbursement Procedure (HPFD)

As per the Separate Agreement dated December 17th, 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 8.

Table 8: Reimbursement Status of Project (EUR + INR)

WA No.	Date	Amount		Cumulative Total	
		[EUR]	[INR]	[EUR]	[INR]
Grant 2013 70 279					
1	06-06-2017	8,445.30	6,08,868	8,445.30	6,08,868
3	01-09-2017	7,563.26	5,83,101	16,008.56	11,91,969
5	24-05-2018	42,436.74	33,76,267	58,445.30	45,68,236
6	18-09-2018	34,863.75	29,64,099	93,309.05	75,32,335
7	11-02-2019	229.50	18,000	93,538.56	75,50,335
8	15-05-2019	14,063.52	10,88,636	107,602.08	86,38,971
Loan 2013 65 154					
2	06-06-2017	15,553.08	11,19,386	15,553.08	11,19,386
4	07-12-2017	35,910.31	27,20,960	51,463.38	38,40,346
5	24-05-2018	116,059.81	92,33,718	167,523.19	1,30,74,064
6	18-09-2018	182,241.33	1,54,63,892	349,764.52	2,85,37,956
7	11-02-2019	198,217.42	1,55,74,129	547,981.95	4,41,12,085
8	15-05-2019	428,894.24	3,32,00,060	979,876.19	7,73,12,145
9	17-08-2019	168,665.63	1,32,38,177	1,148,541.82	9,05,50,322
Total Grant + Loan				1,256,143.90	9,91,89,293

Following the floating of a national tender for the External Audit of the SOEs and WAs No. 1 to 7 covering FY 2015-16 to 2018-19 in February 2019 (two earlier international tenders floated in November 2018 and January 2019 turned out to be unsuccessful), three proposals were received. KfW's No Objections to the technical and financial evaluations of the proposals were received on June 4th, 2019, and on June 26th, 2019, respectively. The contract was then awarded to Agarwal A. Kumar & Associates. The audit report has been received on October 30th, 2019. It issues a positive opinion on all aspects studied and found only a small amount of INR 19,430 out of the total expenditures of INR 5,16,62,420 to be ineligible. This amount has been withheld by KfW from WA No. 9.

3.3.2 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 29th, 2017, was amended to incorporate the costs for an exposure tour to Germany, September 3rd to 11th, 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 31st, 2019, DFS/GOPA received the payments from KfW up to Invoice no. 13, as shown in Table 9.

Table 9: Disbursement Status of Project Management Consultants (EUR)

S. No.	Date	Amount [EUR]	Cumulative Total [EUR]	Balance [EUR]
01	29-07-2016	150,000.00	150,000.00	2,374,743.00
02	16-11-2016	191,548.74	341,548.74	2,183,194.26
03	28-02-2017	165,000.00	506,548.74	2,018,194.26
04	31-05-2017	165,000.00	671,548.74	1,853,194.26
05	31-08-2017	165,000.00	836,548.74	1,688,194.26
05 a	31-08-2017	21,731.50	858,280.24	1,666,462.76
06	21-11-2017	113,115.77	971,396.01	1,553,346.99
06 a	21-11-2017	16,245.37	987,641.38	1,537,101.62
07	01.03.2018	110,000.00	1,097,641.38	1,427,101.62
08	31-05-2018	110,000.00	1,207,641.38	1,317,101.62
09	01-09-2018	110,000.00	1,317,641.38	1,207,101.62
10	17-12-2018	110,000.00	1,427,641.38	1,097,101.62
11	11-03-2019	110,000.00	1,537,641.38	987,101.62
12	31-05-2019	110,000.00	1,647,641.38	877,101.62
13	16-09-2019	110,000.00	1,757,641.38	767,101.62

3.4 Time Schedule

The implementation phase of the project officially started in June 2017. Till the end of December 2019, 200 MP sites were selected and 151 MPs were approved. Table 10 gives an overview of the overall implementation status till end of December 2019.

Table 10: Implementation Status for the Progress till December 2019

PROJECT YEAR	Units	Target	2017-18			2018-19												2019-2020									
			Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Project phases																											
Implementation phase FC main programme																											
Implementation phase Accompanying Measures																											
Project Preparation and Management																											
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									
Formation of JFMCs and MOU with JFMCs	Nos.	200	45			14						55						86									
Preparation of micro-working plans (No of villages)	Nos.	600	43			265						203						162									
Preparation of manuals and guidelines		15	Prepared & Approved			SBA Approval pending from KfW																					
Project Activities																											
CCA conversion of infested forests plus planting bamboo along nallahs	Ha	8350	468.15			158.85						551.17															
Removing of Lantana & Other Weeds	Ha		174.2			216.06						236.74						551.17									
Planting of Small Trees	Ha		250.94						962.26																		
Planting of Tall Trees	Ha		34.79						38.80																		
High Yielding fodder and grass production (alpine pastures)	Ha	250																									
High Yielding fodder and grass production in lowlands	ha	400				2	65						81														
Forest Closure against grazing	Ha	400																									
Income generating activities seedling free of costs, woodlots, NTFP	Ha																										
2 pilot areas for pasture improvement	ha	100																									
Silvicultural operation in all forest types (no planting, no fencing)																											
Soil and water conservation measures	Ha		59 Nos . Check Dams						118 Check Dams																		
Spring rehabilitation	Nos.	150	Mapping of 13 nos. springs			Mapping of 5 Springs						Springshed Plans Finalization						Mapping of 3 New Springs									
Nursery development	Nos.	9	9 Model Nurseries Selected, Procurement Started, Training Started																		94% Procurement Completed						
Entry Point activities	Euros	9,14,634																									
Training and capacity building	Euros	12,90,890	58,723.28																								
Monitoring and Evaluation	Euros	7,31,464	System Established & data entry work started																								
Project facilitation by local experts	Euros	16,49,270	3,34,93,806.00																								
JFMC/FCS coordination meetings	Euros	3,07,314																									
Forest protection incentive transfer to JFMC A/c	Euros	33,86,866	3,19,39,603.00																								
Forest Protection incentive transfer to individual SB A/c	Euros																										

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 District 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 were 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 11.

Table 11: Staffing Detail at SPMU Level

S. No.	Position	Per FS	Required	Present Status
Staff from HPFD				
1	Chief Project Director	1	1	1
2	Deputy Project Director	2	2	0
3	Assistant Project Director	4	4	4
4	Clerical Staff	10	10	7
Outsourced staff from Resource Agency				
1	Project Manager SFDA Support (SPMU Level)	1	0	Nil
2	Project Manager	6	5	2
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. Two Deputy Project Director level posts are still vacant.

Deputy Project Manager (Information Technology [IT]) and Project Manager (Nurse-ries) are still to be hired.

5.1.2 Staffing at DPMU level

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

Table 12: Staffing Detail at DPMU Level

S. No.	Position	Per FS	Required	Present Status
Staff from HPFD				
1	Divisional Forest Officer (DFO)	8	9	9
2	Assistant Conservator of Forest (ACF)	8	9	4
3	Range Officer	30	32	26
4	Deputy Range Officer			101
5	Forest Guard			315
Outsourced / local / work base staff				
1	Project Support Coordinator (PSC)	8	18	7
2	Data Entry Operators (DEO)		9	7
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 7 DPMUs have hired DEOs.

As can be seen from Table 12 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 6th, 2019, the Consultant services comprise up to 69.5 person-months of international advisers and up to 116 person-months of national advisers.

Two more Contract Addenda have been signed during the period under review:

- Addendum No. 3 replacing with effect from November 1st, 2019, the CTA, Mr. Peter HESS by Mr. Ralph LENNERTZ and, in case of his unavailability, by Dr. Johannes DIETZ;

- Addendum No. 4 replacing with effect from January 1st, 2020, (i) the Assistant Chief Technical Advisor (ACTA), Mr. Vinay TANDON by Mr. Anil VAIDYA, and (ii) the Financial Coordinator / Accountant, Mr. Mukesh SARASWAT by Mr. Udit JAIN.

5.2.2 Consultant services provided during the period under review

Consultant services provided during the period under review comprise 3.733 person-months of international advisers, notably in project management, implementation and administration topics as well as in improved nursery operations; and 6.067 person-months of national advisors on project management, capacity development, spring rehabilitation planning and accounting, assisting SPMU in the preparation of reimbursement requests.

Consultant services provided during the period under review and in total are summarised in Table 13.

Table 13: Staffing Detail of Project Management Consultants

Code	Position	Name	Allocation	Person-Months of Consultant's Services			Balance
				Previously	Used Reporting Period	Total	
Foreign Personnel							
CTA	Forest Restoration / Mgmt	HESS Peter LENNERTZ Ralph DIETZ Johannes	40.000	19.167	2.533	21.700	18.300
iKE1	Climate Change & Reserach Coop.	HORST Alexander	4.000	2.200	-	2.200	1.800
iKE2	Nursery Operation	KARLSSON Stellan	4.500	3.267	1.200	4.467	0.033
B1	Backstopper DFS	LUDWIG Ralf SCHADE Christian	2.000	0.833	-	0.833	0.667
B2	Backstopper GOPA	TUNK Christian	1.000	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
Sub-Total Foreign Personnel			69.500	41.867	3.733	45.600	23.900

Code	Position	Name	Allocation	Person-Months of Consultant's Services			Balance
				Previously	Used Reporting Period	Total	
Local Personnel							
ACTA	Community Forestry	TANDON Vinay VAIDYA Anil	60.000	34.333	2.767	37.100	22.900
nKE1	Fin. Coord. / Accounting	SARASWAT Mukesh	18.000	7.967	1.900	9.867	8.133
nKE2	Community-Based Livelihoods, IGA, Capacity Development & Convergence	JAIKWAL Dayal	10.000	8.467	0.833	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	3.033	0.567	3.600	0.400
nSTE4	Pasture Mgmt / Integrated Fire Mgmt	RADOTRA Sudesh	4.000	0.167	-	0.167	3.833
nSTE5	NTPP Development	CHKRAVARTI Visvarup	4.000	-	-	-	4.000
nSTE6	Procurement	MISHRA Vikash	2.000	2.000	-	2.000	-
nSTE7	Unallocated	N.N.	4.000	-	-	-	4.000
Sub-Total Local Personnel			116.000	66.200	6.067	72.267	43.733

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

At present all guidelines for climate proofing of forest ecosystems are established and tested. Some of the guidelines have been updated (saving book approach, cost norms, silvicultural guidelines including technical standards) and adjusted to lessons learned so far. 200 sites for Micro-Planning are selected, 38 MPs approved, and another 49 MPs are under preparation. Trainings for beneficiaries and forestry staff is ongoing.

At present no update of indicators is necessary. The project indicators are unchanged. The outcomes are briefly summarized in Table 14.

Table 14: Project Impact Indicators

Summary	Success Indicators	Result / Achievement
Programme Impact (= Overall Objective)	Indicator Name / Description	
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.	
Programme Outcome (= Module Objective)	Indicator Name / Description	
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).	
	2. Increased floral biodiversity.	
	3. Increased income from timber and non-timber forest products of target population as per PFM regulations.	Not accepted by SPMU.
	4. Increased availability of spring water in treated spring catchment areas.	Preparation of springshed plans underway. Increased availability can only be observed over a period of time.
	5. Treated forest stands are well protected and sustainably managed.	Results from survival self-checks.
	Baseline values / Target values:	Values to be determined by the baseline study, ongoing

Summary	Success Indicators	Result / Achievement
	Will be defined during project inception phase.	since December 2019.
Outputs (= Results)	Indicator Name / Description	
Output 1: Forest stands in project area are rehabilitated.	1. Survival rate of afforestation. Baseline value: - Target value: 80%	
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. Baseline value: - Target value: 80% Grading methodology for nurseries will be defined during project inception phase.	Guidelines for nursery management developed, pilot nurseries selected and being prepared for root trainer planting stock, procurement of needed equipment completed; Training of Nursery staff with new technique was completed in November 2019. It was mutually decided to select 10 more forest nurseries as support nurseries wherein the required planting stock can be raised with new technique in polybags in the absence of root trainers.
	2b. Guidelines for CC adapted forest management developed and applied. Baseline value: - Target value: Yes	With the implementation of activities in the field the need for new models were felt and hence the CC guidelines were revised, and some new models and new cost norms were included which were approved by KfW. Guideline for Climate Change Adapted Forest Management in HP was prepared by CC expert and submitted to SPMU for perusal.
Output 3: All implementation partners and project target groups are capacitated.	3a. Efficiency and effectiveness of training courses positively appraised by participants. Baseline value: - Target value: 70% of participants rate the trainings as useful and successful.	96 trainings done.
	3b. Majority of CBOs rated as well performing according to project rating system. Baseline value: -	

Summary	Success Indicators	Result / Achievement
	Target value: 70%	
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 Baseline value: - Target value: -	M&E guidelines were revised due to inclusion of new models in the silvicultural guidelines. Database was also revised. Related training was imparted for entering data into the database.
	4b. Number of best practices / project products integrated into HPFD's respective management guidelines. Baseline value: - Target value: will be defined during project inception phase.	

7. RISKS AND NEED FOR ACTION

- The delay that initially set in has been made up for to some extent, but project schedules and progress are still to be expedited. After 4 years of project implementation, only about 9.4% of project funding is used / reimbursed. It is expected that the reimbursement continues to gain momentum, as a lot of field activities have been implemented and DPMUs are preparing the reimbursement claims for these field activities. To speed up the implementation process the communication between the project and various stakeholders has been improved vastly. Field implementation is monitored, and more awareness generated.
- As of December 2019, out of totally planned 200 MPs, 151 are approved. Considering the progress made so far, it seems likely that the remaining 49 MPs can be elaborated and approved until end of March 2020.
- All remaining Lantana / other weed removals, planting of trees on forest land, nallah planting, etc. have to be implemented in 2020 in order to be able to monitor the survival rates at least until year 3 before the end of the project, and hence to make the required budget available for FY 2020-21.
- Utmost attention must be paid to ensure the availability of seedlings for the 2020 plantations.
- The progress in adopting root trainer technology in nurseries has not picked up the required pace. Although the International Nursery Operation Expert has already given his input and certain connected issues regarding bamboo versus iron frames as well as the procurement of root trainers and coco peat have been sorted out, actual implementation in the nurseries is slow. Since all planting activity has to be completed in the coming monsoon plantation season, there is an urgent need that sufficient root trainer grown planting stock becomes available for planting by that time to test and establish the efficacy of this nursery technique in field conditions in the project areas.
- Progress for formulation of springshed plans is lagging behind. As of December 2019, only 9 springsheds have been identified for treatment in Chamba circle and 9 in Dharamshala circle, respectively. The plans for these 18 springs were submitted by ACWADAM and for these costing was to be done by DPMUs, which is still pending. Of these 18 springsheds, 4 are located outside MP areas. By December 2019 only 3 new springshed management plans, apart from 18 plans by ACWADAM, were finalised and approved. Since a large number of MPs have already been approved and only very few of them have any springshed intervention proposed, the DPMUs need to explore and identify suitable springsheds in the already approved MPs as also in the MPs under formulation so that this important CCA model could be effectively implemented in the project. Two trainings were arranged in Chamba and Dharamshala for the field staff through ACWADAM. It appeared that some of the staff is still not very confident regarding identification of recharge zones, hence this model is not being included in the MPs although there are many promising sites in the already approved MPs where this project component can be successfully implemented.

-
- In 7 out of the 9 model nurseries planned (2 in Bharmour and Pangri excluded), most materials, equipment and infrastructure have been provided and training of staff in various operations carried out. Anticipating this development, PMC and SPMU along with the International Nursery Operations Expert agreed to grow 15,000 seedlings each in 10 supplementary nurseries. These are being raised in poly bags using the coco-peat & vermi-compost medium.
 - The tender of the MTR mission will be floated soon so that the results of the mission will be available by September 2020 at the latest, prior to the next KfW supervision mission scheduled from 27 October - 04 November 2020.

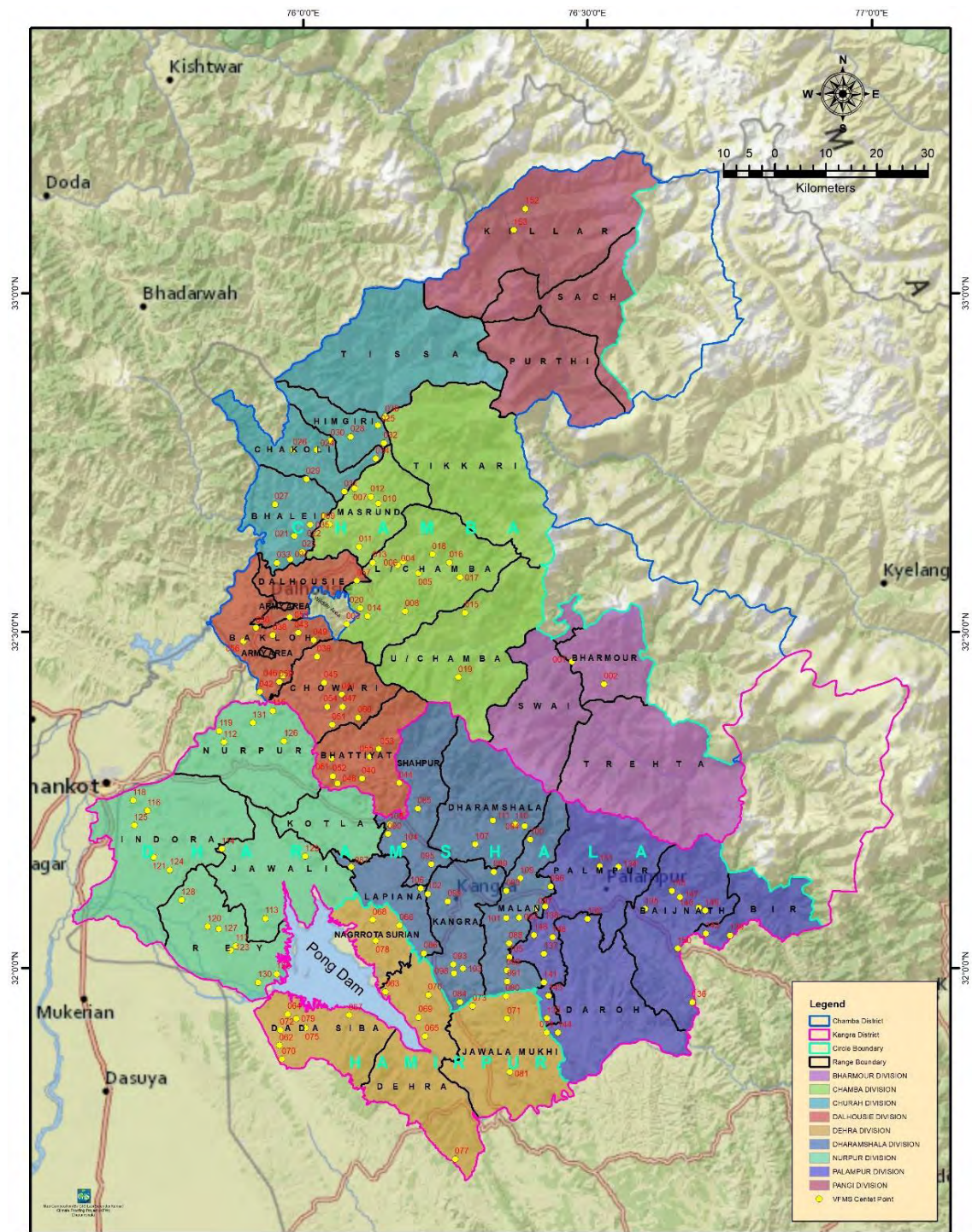
This report is prepared by PMC dated 02 April 2020. The semi-annual progress report was received only from 7 Divisions which have been incorporated into the report.

(Raghubir Singh Banyal)
Chief Project Director



(Ralph Lennertz)
Chief Technical Advisor

Annex A: Approved FMP Sites



Annex B: Glimpses



Lantana Uprooting at VFMS Brangal



Plantation Work at VFMS Amroh



Wooden Fencing at VFMS Rouni



Plantation at Rinda Samana VFMS July 2018



Check Dam, Rajaein VFMS



Discussion with VFMS Members



Self-Check Training at Dehra DPMU



Self-Check Training at Dharamsala



Self-Check Training at Churah DPMU



Self-Check Training at Chamba DPMU



Springshed on-site Training



Training on Using Springshed Tools