

Darwin Initiative Main: Annual Report

Darwin Initiative Project Information

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Project title	Himalayan plants for people: sustainable trade for biodiversity and development
Country/ies	Nepal
Lead Partner	TRAFFIC International
Project partner(s)	ANSAB Nepal, Ministry of Forests and Environment, Federation of Community Forestry Users Nepal (FECOFUN), ProFound - Advisers in Development, University of Oxford, University of Copenhagen, Royal Botanic Garden Edinburgh, Nepal Herbs and Herbal Products Association (NEHHPA), FairWild Foundation, China Association of Traditional Chinese Medicine (CATCM)
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Project Leader name	Anastasiya Timoshyna
Project website/blog/social media	www.traffic.org https://www.traffic.org/news/world-health-day-2022-celebrating-the-himalayan-plants-supporting-local-livelihoods-health-and-biodiversity/ https://ansab.org.np/projects/himalayan-plants-for-people--sustainable-trade-for-biodiversity-and-development
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1. Project summary

Acronyms

DFO	Divisional Forest Office
FECOFUN	Federation of Community Forest Users Nepal
CFUG	Community Forest User Group
ToT	Training of Trainers
CFOP	Community Forest Operation Plan
TCM	Traditional Chinese Medicine

NTFP	Non-Timber Forest Products
FW	FairWild
NDF	Non-detriment Finding
DPR	Department of Plant Resources
ABS	Access and Benefit Sharing
FWF	FairWild Foundation
LRP	Local Resource Person

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

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

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

The five targeted project districts (population c.575,000) are all in the remote mountains on or adjacent to the furthest north-west Nepal-China border, in Karnali (Humla, Jumla and Mugu), Bajhang and Sudur



Figure 1 Map of the project area in Nepal

Paschhim provinces (Darchula and Bajhang). Over half the population of Karnali and one-third of Sudur Paschhim live below the poverty line. Despite the efforts of government and development agencies,

poverty is not declining as expected. These provinces rank lowest for development indices on per-capita income, life expectancy, and basic infrastructure (roads, schools, and banks/financial institutions) (Human Development report 2020, Economic Survey 2019/20 -MoF 2020). Figure 1 shows the project districts, and Table 1 presents the names of the selected municipalities and the number of CFUGs. The detail of the 37 selected CFUGs is presented in SD1.

Table 1: List of project districts, municipalities and number of selected CFUGs

Name of District	Name of Municipality	No of selected CFUGs
Jumla	Patarashi Rural Municipality, Tatopani Rural Municipality	8
Mugu	Mugum Karmarong Rural Municipality, Rara Chhayanath Municipality	9
Humla	Namkha Rural Municipality, Simikot Rural Municipality, Kharbunath Rural Municipality	9
Bajhang	Bungal Municipality	6
Darchula	Api Himal Rural Municipality	5
TOTAL	9 municipalities	37

In the project districts, 928 CFUGs manage 117,307ha of forests and meadows and represent over 80% of the total population. The project focuses on 37 CFUGs (including eight CFUGs involved/targeted by the previous Darwin Initiative project) with 33,441 ha of forests and meadows and a population of around 18,004. The lack of viable livelihood options beyond seasonal labour out-migration, socio-economic constraints, and limited infrastructure creates a strong reliance on local biodiversity, particularly wild NTFPs from these common-property forests and meadows. These are the only accessible sources of livelihoods for the most disadvantaged, including Dalit, indigenous, and poor households, and are fundamental for economic development in the region.

The previous Darwin Initiative project (DAR25018, ended March 2021) piloted market-oriented and CITES-based approaches to improve conservation and livelihood outcomes from Jatamansi trade. The project identified opportunities to scale up and achieve long-lasting change. One example is the need for a national framework to tackle policy issues including quota-setting for CITES-listed species tailoring Community Forestry guidance to Himalayan forests and meadows (all forests are currently treated equally).

2. Project stakeholders/ partners

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

The project contract has been issued to TRAFFIC International and sub-contract agreements have been arranged with the Asia Network for Sustainable Agriculture and Bioresources (ANSAB). Contracts were also arranged between TRAFFIC International (lead partner), University of Copenhagen, and University of Oxford. Consultancy contract is set-up with ProFound - Advisers In Development. The collaboration is also ongoing with the FairWild Foundation.

During this reporting period, a range of staff supported the project, including project support and FairWild Foundation/TRAFFIC joint staff. The project manager (Caitlin Schindler) left in February 2023 and a new project manager started in March 2023 (Cara Flowers). TRAFFIC's role has included coordinating financial and reporting elements, communications, and the monthly (virtual) project meetings. At these monthly meetings, all partners contribute to monitoring and evaluating progress, as well as decision-making to achieve project outcomes. CITES CoP19 occurred in the reporting period and TRAFFIC led on the engagement with the CITES (and CBD) focal point, as well as the CITES delegation from Nepal to achieve desirable outcomes for the implementation of CITES requirements for Jatamansi trade from Nepal. Facilitating the linkages to the FairWild Foundation, Emily King worked on the project during the reporting period, focusing on promoting FairWild certification in Nepal to potential customers (especially in Europe and North America), as well as supporting companies with the administrative steps needed to arrange an audit. In-kind support was also added by other staff of the FairWild Foundation if needed on technical

matters, including the review of audit reports for high-risk species (a requirement under the FairWild Standard) and liaising with Control Bodies regarding auditor training needs.

ANSAB Nepal is the implementing partner, leading on the implementation of all activities within Nepal. It also engages directly with the project partner Ministry of Forests and Environment. Within the Ministry, the Department of Plant Resources and Department of Forests and Soil Conservation have been on board and engaged since the project inception. Ministry of Forests and Environment is the partner of the project and have been actively involved in project activities mainly in policy modification/development, including at the CITES and CBD focal point for Nepal. Private sector institutions such as Nepal Herbs and Herbal Products Association (NEHHPA), Jadibuti Association of Nepal (JABAN), Herbal Entrepreneurs Association of Nepal (HEAN), have been involved in policy and trade related discussions organized by the project. The Federation of Community Forestry Users Nepal (FECOFUN) at central level and its local chapters have been actively engaged in the project activities from the beginning and involved in the delivery of project activities in the reporting period. Two ANSAB project staff have left in the reporting period. A new finance Manager has been recruited and a new forest enterprise facilitator to be based in Humla.

The University of Oxford and the University of Copenhagen remained committed and involved project partners through dedicated staff members. Project deliverables have been advanced and close engagement with the overall project delivery was on track. Within the ProFound team, staff change occurred in the reporting period with Stefano Miele replacing Jolanda van Haal. The focus of delivery in the reporting period was on promoting the project and the products to international buyers at trade fairs such as In-Cosmetics, BIOFACH, and Natural Organics, as well as support to the preparation of the June 2023 workshop. ProFound developed a toolkit which includes: an export marketing strategy guide, a finding buyers and buyer profiling guide, and a trade fair participation guide.

3. Project progress

3.1 Progress in carrying out project Activities

The project has four Outputs, which have seen solid progress, in line with expectations for the Y2 of project delivery but are not yet fully achieved.

Output 1 is *the sustainable management of at least three species of high-value NTFPs.* Most of the activities under Output 1 are completed. Some of the follow-up activities in the operational plan, revision and monitoring of the field activities will be continued in the coming year as well.

Activity 1.1- Carryout detailed resources inventories of five high value NTFPs (Jatamansi, Kutki, Setochini, Atis and Banlasun): During the reporting period, the detailed resource inventory of three prioritized species (Jatamansi, Kutki, and Himalayan Fritillary) and other associated NTFPs was carried out in 10 project target CFUGs. With this, detailed resource inventory has been completed in a total of 37 CFUGs, out of which 29 are new and 8 are from the previous Darwin Initiative project implemented in Jumla and Mugu (9 in Humla, 9 in Mugu, 8 in Jumla, 6 in Bajhang and 5 in Darchula districts). (SD1: List of 37 CFUGs with completion of NTFPs resources inventory). The total forest area of these 37 CFUGs is 33,441 ha and the number of total households managing these forests and meadows are 3,751 with an approximate population of 18,004.

The participatory resource mapping of 29 CFUGs with the executive members of the CFUGs and harvesters was delivered, before conducting a detailed NTFPs resources inventory. A total of 413 participants with 312 male and 101 female have participated in the resources mapping (SD2: List of participants of participatory resources mapping).

The project team followed the methodology contained within the Participatory Inventory of Non-Timber Forest Products Toolkit of ANSAB, 2010 and NTFPs inventory guideline, 2012 developed by the Government of Nepal for conducting the resources inventory. During the field inventory, the previously trained forest technicians, LRPs and community forest members (NTFPs harvesters) were mobilized. The sampling of NTFPs was carried out in the dense and sparse forest strata where the total number of regenerations, and total number of mature plants of the targeted and associated species were counted. Likewise, the fresh weight of the targeted NTFPs was measured by harvesting the rhizomes, bulbs, roots, with samples of these weighted in the sample bags to calculate the dry weight of species.

Activity 1.2- Conduct situation analysis to understand resource governance in target areas and status of forest management plans: The status of the resource governance in target areas and status of forest management plans were analysed against the FairWild and Organic standards. The identified gaps in the CFUG operations of each district were compiled and shared with district stakeholders during the sharing and validation workshops in each of the project districts, seeking stakeholder opinions and their contributions (SD3: Summary of the gaps with respect to the FairWild and Organic standards). A total of 76 participants (41 male and 35 female) participated the workshops (SD4: List of participants of gap analysis and sharing workshops). The key participants were from CFUG executive membership, DFOs,

the Chief Conservation Officer (Api Nampa Conservation Area in case of Darchula), FECOFUN, and harvesters. The participants agreed on the identified gaps and aspects that should be addressed while revising CFUG management plans. The concerned DFOs and Conservation managers have committed to support the community forest operational plan (CFOP, also known as a community forest management plan). These will involve an approval process to comply with the FairWild and Organic standards as well as detailing sustainable NTFPs harvesting provisions, methods and practices.

Activity 1.3- Support to revise CFUG management plans including the provision of sustainable management of high value NTFPs: Based on the gap analysis, the project has begun to revise the CFOPs incorporating provisions of FairWild and Organic standards. So far, a total of 17 CFOPs (5 in Humla, 2 in Mugu, 3 in Jumla, 5 in Bajhang and 2 in Darchula) have been drafted and are under the review of the DFOs and Conservation Area Office. One CFOP of Bajhang district has been approved and an additional 16 are in the process of approval (SD5: List of CFUGs with their status in operational plan revision).

Activity 1.4- Completed and reported in the previous reporting period Year 1

Activity 1.5- Deliver capacity-building trainings to trainers and to target CFUGs with the focus on participatory plant resource management, sustainable harvesting techniques, and monitoring (and Activity 2.2): Two events of ToTs on participatory plant resource management, sustainable harvesting techniques, monitoring, FairWild and Organic standards and certification were organized during the reporting period. The first event was organized in Khodpe for the participants of Darchula and Bajhang from April 30th to 3rd May 2022 and the second event was organized in Simikot from 7th June to 10th June 2022 for the participants from Humla. With these two ToTs, a total of 3 ToTs events have been completed (one during the previous year), developing a total of 58 LRPs (31 Male and 27 Female) in the five districts (SD6: List of participants of three ToT events).

The ToT events were based on the training strategy and curricula developed and delivered by the project team. The overall training method included a combination of lectures, case study discussions, group work, and video presentations. The project team used a current community forest management plan in a case study discussion and involved participants in reviewing the plan, finding gaps and developing a strategy to address the identified gaps with consideration of FairWild and organic certification standards. The practical exercise on NTFP inventories was organized in a CF near the training venues.

After the ToT, the trained LRPs were mobilised for the roll-out training at CFUG level. A total of 29 CFUG level trainings (9 in Humla, 4-in Jumla, 5-Mugu, 6- in Bajhang, and 5 in Darchula) were organized reaching a total of 859 participants (488 male, 371 female) including harvesters, processing workers, CF executive members and local forest users (SD7: List of participants of the CFUGs level trainings).

A total of 19 refresher trainings, one each in 19 CFUGs (5-Humla, 3-Jumla, 6-Bajhang and 5-Darchula) have been provided to harvesters, processing workers, CF executive members and other forest users. A total of 487 participants (281 male and 206 female) have participated in these refresher trainings (SD8: List of participants of the CFUGs level refresher trainings). With this, a total of 1,346 (769 male and 577 female) NTFPs harvesters, processing workers, CF executive members and other forest users were trained on SFM, FairWild and Organic standards, sustainable NTFPs harvesting in this reporting period.

These trainings have built the capacity of harvesters in sustainable harvesting methods and practices to manage forest resources in a sustainable manner. This included establishing improved record keeping, maintaining traceability, enhancing social responsibility and encouraging equitable trade for CFUG harvesters and processors. The training sessions briefed participants on the importance of meaningful participation of women and forest-dependent peoples in activities carried out by CFUGs. Feedback from participants demonstrated that the trainings were insightful, particularly given the importance of participatory biodiversity conservation. They also expressed that the trainings provided insight and information regarding traditional knowledge and practices regarding new methods and practices in sustainable harvesting. The local CFUG executive members in the respective project districts expressed that the practical refresher trainings were effective, and that they have followed and applied these sustainable harvesting techniques for the harvest of Kutki, Banlasun and Setochini.

Activity 1.6- Complete the participatory monitoring of the target areas, in collaboration with key government and community stakeholder: This is a regular and ongoing activity monitored by ANSAB's field technical staffs, DFO staff, and district FECOFUN chapters in the project sites. ANSAB has been supporting CFUGs to conduct regular meetings with harvesters, including women and marginalized forest-dependent communities, including orientation for harvesters before harvesting seasons, maintenance of accounts and record keeping at CFUG level. ANSAB provided a manual on account and record-keeping as well as a register to maintain records for each CFUG (SD9: -Training manual on account and record keeping).

Output 2 is at least 5,000 harvesters and their communities in five target districts having clear benefits from long-term sustainable, equitable, and traceable trade in NTFPs. With the sustainable harvesting trainings, CF operation plan revision, registration of harvesters and other training and capacity building activities, harvesters involved in CFUG are starting to benefit from NTFPs trade. Activities progressed as anticipated per project workplan and timeline.

Activity 2.1 Completed and reported in the previous Year 1 annual report. **Activity 2.2:** See the progress reported under the Activity 1.5.

Activity 2.3: Develop and update the harvester's registration system in community managed forests: Harvesters' registration systems have been established in each target CFUG. Each CFUG has a register to maintain the list of harvesters which includes detailed information such as age and sex of harvesters, NTFPs collected and their type, average collection volume, season of collection, and average price sold to the aggregator. The register was developed by the project team and complies with FairWild and Organic standards.

At CFUG level, Nepali-translated guides on traceability, social responsibility and fair trade (SD22:Nepali Translated Guideline on Traceability, Social responsibility and Fair Trade), Occupational Health and Safety (OHS) measures (SD23:Manual on Occupational Health and Safety measures) and account and record keeping manual (SD 9: Training Manual on Account and Record Keeping) has been shared to LRPs, CFUGs and local processing companies during the roll-out trainings in the project sites. NTFP harvesters in the project sites were officially registered through developing the harvesters' registration system. ANSAB organized orientation trainings in all CFUGs, involving participation of CFUG executive members, NTFPs harvesters and LRPs, in the reporting period. The aim of this orientation training was to make aware and update the CF executive members, NTFPs harvesters and LRPs on the harvesters registration system. A total of 629 participants (371 male and 258 female) engaged (SD 10- List of participants of the orientation training on harvester's registration system).

After completing the orientation training on creating a harvester registration system, LRPs in each district were mobilized to develop, maintain and update the NTFPs harvesters' lists. During this reporting period, a total of 3,212 NTFPs harvesters have been registered. There are a total of 6,867 NTFPs harvesters in the project sites. Of these 3,655 were from the previous project involving 8 CFs within Jumla and Mugu. These CFs are receiving ongoing support from the project team. (SD 11-Total numbers of NTFPs harvesters in the project sites).

Activity 2.4: Support the set-up of the CFUGs-level harvesters and workers sub-committee for regulating the fair trade and equitable benefit sharing: Within this reporting period, a total of 29 harvester's sub-committee in 5 project districts have been formed. CFUG-level orientation trainings - one for each CFUG - were organized to train on the process, method, and roles of sub-committees. During the orientation training, the sub-committee was also oriented on (sub-committees' policy) to regulate the fairtrade and equitable benefit sharing mechanism to the harvesters and workers groups in the project sites. A total of 521 (278 male and 243 female) executive members, harvesters, and workers have been oriented on the process, method and policy to enforce the fair trade and equitable benefit sharing mechanism in each CFs (SD12: List of participants of the orientation to the NTFPs sub-committee). As a result, 29 CFUGs-level harvesters and workers sub-committees have been formed and, additionally, 8 already formed sub-committees have received the follow-up orientation training. With this, a total of 225 executive members (121 male and 104 female) are organized in 37 sub-committees. (SD13- List of executive members of the CFUGs-level harvesters and workers sub-committees).

Activity 2.5: Develop FairWild premium fund operation guidelines in each district: Building on the FairWild premium fund operational guidelines protocol developed in the previous Darwin Initiative project, FairWild premium fund operation guidelines has been developed for Jumla district in the reporting period. For this, an orientation has been carried out by the ANSAB technical team for field staff during this reporting period. In Jumla, a new committee for operationalizing the FairWild premium fund has been formed, and orientation on the FairWild premium fund provided during the refresher trainings in Baghjale, Lamteli and Bhaleni CFs. New members of the CFUG committees were represented one each from Lamteli CF, Baghjale CF, and the district FECOFUN chapter. ANSAB and FECOFUN Jumla district chapter are nominated advisors for FairWild premium fund operationalization in the district. The new bank account for the FairWild premium fund operationalization has been opened in a commercial bank in Jumla. . Similar guidelines will be developed in additional four districts during the next reporting period.

Output 3 is sustainable supply chains in place, led by producers/exporters in Nepal, and 'matched' to manufacturers in consumer markets, based on sustainable production systems following the FairWild Standard. Activities progressed as anticipated per project workplan and timeline. Several activities between 3.2 and 3.5 are inter-connected below.

Activity 3.1: Conduct value chain and market analysis of five target NTFPs species to identify priority markets and commercial partners to maximise their export potential: Market analyses and value chain mapping were completed by ProFound in the previous reporting period. These examined

priority species included in the project proposal (jatamansi, kutki, Himalayan fritillary) as well as additional Himalayan species of potential market interest: *Atis Delphinium himalayae*, *Setochini Polygonatum cirrhifolium*, *Aconitum* and *Juniperus*. Markets for these species were investigated and found to be primarily in the US, Europe, China and India. Full findings of the exercise can be seen in SD26.

Potential commercial partners from Europe, North America, China, and India are being invited to the buyer-producer matchmaking event held as part of the **Market Access Industry Workshop** in Kathmandu between the 8-9 June 2023. This event will connect Chinese and Indian buyers with producers will include one-on-one 'speed dating' meetings, as well as giving buyers an understanding of the harvesting and processing realities for local communities that undertake this work and the processors involved 'on the ground'. This will present an opportunity to encourage investment in in-country value addition.

Activity 3.2: Support the development of local capacities in Nepal to implement FairWild and enable market access: In order to support companies to reach the priority markets, several market access tools were developed on "Export marketing plan", "Finding buyers", and "Trade fair participation". ANSAB will be trained on the use of these tools to support local companies access international markets.

Auditor training (to build FW auditing capacity in-country and reduce costs for audits) will be carried out in Y3 of the project, depending on interest from eligible Control Bodies.

ANSAB has identified 6 new community-based producer companies in the project area (SD14: List of updated producer companies). There are 20 producer companies working in the essential oil and crude herbs sectors interested in FairWild certification and entering the international trade in essential oils (incl. Jatamansi) and other crude herbs. ANSAB has been in regular contact with these producers' companies and updates on any progress by sharing relevant information. ANSAB distributed hard copies of relevant documents including the Nepali translations of 1) FairWild standards and performance indicators, 2) Manual on Good Collection Practices of Jatamansi, 3) Occupational Health and Safety measures, and 4) Social Responsibility and Fairtrade to these companies. Based on a request from ProFound, ANSAB shared the market access tools developed by ProFound with to 14-Nepalese producers' companies. (SD15: List of producers' companies shared with market access tools). The producer companies found these tools useful to be better prepared for the trade fairs participation, developing marketing strategy of the companies and accessing international markets.

Activity 3.3: Facilitate the engagement and development of trade agreements with potential identified buyers interested in sustainable NTFPs from target areas: ANSAB supported major producer enterprises by organizing a "**Pre BioFach meeting**" at ANSAB where the representatives from HBTL, Annapurna Aroma and NEHHPA/Alternative Herbal Products (AHP) participated prior to attending BioFach. ANSAB also supported Annapurna Aroma to prepare presentation slides for the International Federation of Essential Oils and Aroma Trades (IFEAT) 2022 conference held in Vancouver, Canada.

The Sustainable Herbs Program (SHP) arranged a visit to Nepal with ANSAB to document harvesting of wild plants, including socioeconomic aspects of harvesters and communities in October 2022 and the resulting film will be used to raise awareness of Nepalese wild-harvesting practices at field level, ANSAB organized meetings with local processors/traders and identified the areas of support needed for upgrading the local processing enterprises. In these meetings, a total of 27 participants (18 male and 9 females) joined (SD19: List of meeting participants attended to discuss on the critical needs of the enterprise upgrading in the enterprises in Jumla and Bajhang)

TRAFFIC attended BioFach (the world's largest organic trade fair) in Nuremberg, Germany, in July, and met with HBTL, Annapurna Aroma, and NEHHPA/Alternative Herbals, as well as several companies with potential interest in purchasing sustainably harvested jatamansi and kutki. During these meetings, it was noted that demand for certified ingredients is steadily increasing and that interest has spiked for another semi-wild ingredient, chiuri butter, which could be a candidate for FairWild certification. Annapurna Aroma and Alternative Herbals agreed to conduct their FairWild risk assessments within several months, so that they would be ready to start the certification process during next year's harvesting season (Oct/Nov 2023), while details of HBTL's certification in Oct/Nov 2022 were confirmed. A side-event was held by TRAFFIC and the FairWild Foundation on '*Making wild plants work for you: impacts and opportunities in responsible sourcing*', at which HBTL presented on their products, sustainability, and benefits of FairWild, to an audience of approximately 25 producers, brands, certification bodies, and other wild plants stakeholders. ANSAB organized a meeting with executive members of Nepal Herbs and Herbal Product Association (NEHHPA) to discuss the face-to-face **Market Access Industry Workshop** to be held in Kathmandu, with a focus on international buyers and their counterparts. The plan is to exchange experiences, with a particular focus on China's TCM companies and India importers. After conducting several rounds of meetings with NEHHPA, ANSAB developed and signed Memorandum of Understanding (MoU)-(SD16: MoU between ANSAB and NEHHPA). A concept note of the market access industry workshop along with the detailed agenda for 2 days and registration form of the participants was developed (SD17: Concept note of the market access industry workshop). NEHHPA has developed a draft flyer of workshop and shared among project team for feedback (SD18: Draft flyer).

At field site level, ANSAB carried out and organized meetings with local processors/traders and identified and assessed the support needed for upgrading local processing enterprises. In these meetings, a total of 27 participants (18 male and 9 female) participated and identified areas of support for local processing enterprises (SD19: List of meeting participants attended to discuss on the critical needs of enterprise upgrading in the project sites). Based on the assessment, ANSAB identified areas of critical support to two local processing enterprises located in Jumla and Bajhang districts. In Jumla, ANSAB supported Malika Essential Oil Processing Enterprise through repair and maintenance of the boiler, net and chimney pipe of the Jatamansi processing facility and upgraded the efficiency of the Jatamansi processing enterprise (SD20: Photographs of support materials). Similarly in Bajhang, ANSAB provided support to the New Srijana Sristi Oil Production and Processing Enterprise, where a Jatamansi processing enterprise was supported through the construction of a shade house/warehouse. (SD21: Photographs of the shade house for the distillation unit in Bajhang).

Activity 3.4: Support the implementation of FairWild requirements, including the traceability system by target CFUGs and producer companies: ANSAB provided training to CFUG members, harvesters, processing workers on FW and organic standards covering sustainable harvesting, social responsibility, traceability and Fairtrade. ANSAB also facilitated to develop harvesters' registration system and form harvesters' sub-committees in each CFUG as part of the FWS requirements.

FairWild Foundation attended two editions of the BioFach trade show in Nuremberg, Germany, during the reporting period: one in July 2022 (postponed from February 2022) and one in February 2023. At both of these shows, meetings were arranged with Nepali producers participating in the project who were also attending, to discuss support available from FairWild towards certification and connecting with potential customers. Companies participating in the project were also emailed separately to remind them of the FairWild application process and the benefits of completing an application (being listed on the FairWild website as a [pathway producer](#), support to connect to potential markets and customers).

During the reporting period, FairWild also attended Supply Side West in Las Vegas, USA (November 2022) and the International Food and Drink Event in London, UK (March 2023). At both events, the project was highlighted to companies who might be interested in purchasing certified material. For example, cosmetics companies and traditional remedy companies (including Ayurveda and TCM). Emily King also gave a presentation on FairWild to the American Herbal Products Association (AHPA) Sustainability Committee, with the aim of raising interest amongst American companies in FairWild certified products, and therefore also indirectly in certified products from Nepal.

At CFUG level, a Nepali translated guideline on Traceability, Social responsibility and FairTrade (SD22 Occupational Health and Safety (OHS) measures (SD23) and account and record keeping manual (SD9) has been shared to LRPs, CFUGs and local processing companies during the roll-out trainings in the project sites. ANSAB has planned to carry out CFUGs level detailed trainings on the traceability in the next quarter of the project.

Activity 3.5: Support the FairWild audit of at least five producer enterprises: During the reporting period, a third-party FairWild certification audit for Himalayan Bio-trade Limited (HBTL) in three CFUGs of Jumla namely Baghjale, Lamteli and Bhaleni CFUGs, for two supply chains (Jatamansi and Kutki) was supported, in December 2022.

As a part of audit preparation, ANSAB facilitate to update the harvesters' list, organized training on FWS, updated the books of account and other records, revised the FW premium fund operational guideline. At local processing unit level, we provided support to develop a register to keep the records of day to day operation, accident, and grievance, display disciplinary measures – displaying the dos and don'ts, occupational health and safety incl. placement of first aid kit box.

The onsite third-party FairWild audit in Jumla in Baghjale, Lamteli and Bhaleni CFUGs included: field visit to observe the Jatamansi and Kutki harvesting in harvesting sites; group and individual interviews with the Jatamansi and Kutki harvesters; harvester household level visits to observe the places of drying, cleaning and storage of NTFPs; meetings with the CFUGs executive members; meetings with the local and district level traders and a visit to observe the local processing unit and interview with the processing unit manager and workers.

After the FW certification audit in Jumla a debriefing meeting was organized at ANSAB to discuss field activities and progress of the FW audit. Likewise, Ecocert and HBTL also organized 2 day long closing meeting on 29-30 January 2023. Ecocert decision was received in the end of March, with several corrective actions proposed (to be completed by the end of May 2023) to ensure the validity of the FairWild certificate (SD29, SD30).

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

track and busy period supporting Nepal's government in their participation in CITES CoP19 and associated actions.

Activity 4.1: Develop an evaluation framework for assessing the long-term suitability for international trade of high value (high use/trade demand) commercial NTFPs: The Bayesian network model was built following an intensive Bayesian network modeling training course run by HUGIN company, that Amy Hinsley attended in September 2022. The academic literature on NTFP harvesting was used to map out a simple structure of how different factors might influence the sustainability of harvest. This was then sent to experts for comment. Online meetings were held with 5 experts who work in different medicinal plant contexts. The draft model has been revised to add site-level disturbances. For example, adding additional information on grazing, fire and site-quality factors such as soil type. The University of Oxford is meeting with project partners and external experts to refine the model in April 2023. Amy Hinsley is travelling to Nepal in April 2023 to meet with key experts and policymakers to refine this model further. The draft model structure will be finalised by the end of May 2023. A draft representation of the model can be viewed below (Figure 2).

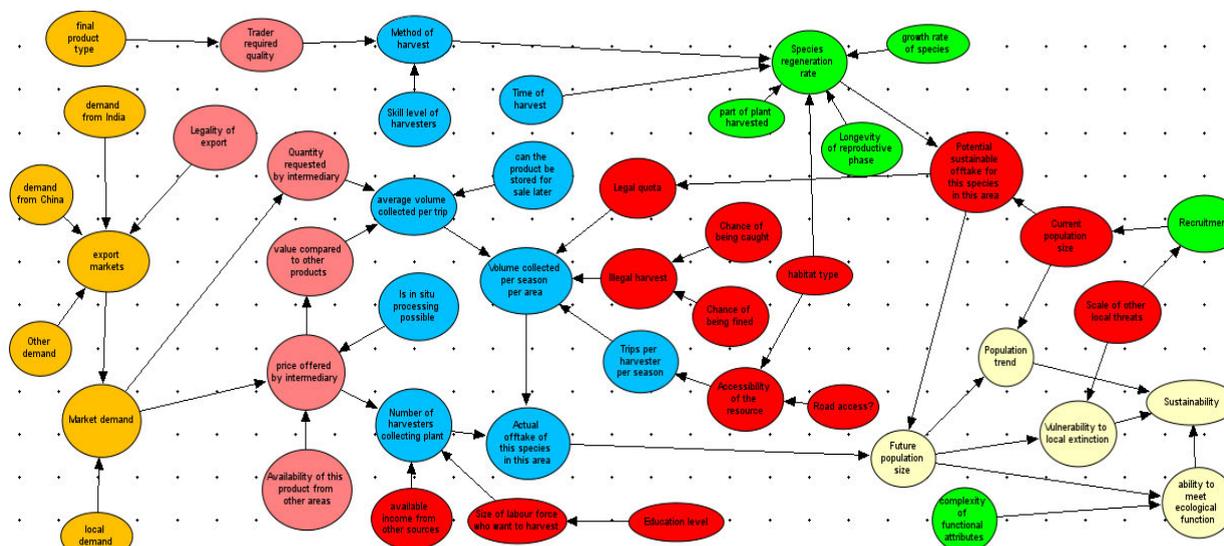


Figure 2 Draft Bayesian map visualisation

Activity 4.2: Develop and disseminate a practical guideline on including NTFPs harvesting and management (including monitoring responsibilities and practices) in CFUG management plans: As reported previously, the draft study to analyse the gaps in the current community forestry guidelines and draw recommendations for their improvement. has been completed (SD24: Draft assessment report on policy analysis and recommendation). This report will be shared to the relevant stakeholders and validated in next reporting period, including in a workshop as planned to be organized by the project (led by the University of Copenhagen in August 2023 – see Activity 4.3). The plans to develop a practical guidance are made for the next reporting period.

Activity 4.3: Develop a model plan for decentralized alpine natural resources management: A model for assessing the sustainability of wild-harvested plants is being developed. A manuscript currently titled “*The sustainability of trade in wild plants – a data-integration approach tested on critically endangered Nardostachys jatamansi*” has been finalised and submitted to an international peer-reviewed journal, and we are currently awaiting the outcome of the review.

Another paper on the theme of “*A generalised approach to sustainable medicinal plant management in the Himalayas*” has been developed and is expected to be finalised in August. A stakeholder feedback and consultation meeting is planned for August 2023 to develop the model further. There may be opportunities at the June face to face **Market Access Industry Workshop** to share some of this work and seek opportunities to develop it further in advance of August’s meeting, planned for the next reporting period.

Activity 4.4 and Activity 4.5 are planned for the next reporting period.

Activity 4.6: Support and facilitate the CBD and CITES Government authorities to comply with international conventions and targets: On April 19th 2022, The Department of Forests and Soil Conservation (DoFSC) under Ministry of Forests and Soil Conservation, a management authority of the CITES (Flora) in Nepal have requested ANSAB to present and share the learnings of ANSAB on the CITES-listed plants, particularly on the efforts to regulate harvesting and trade of Jatamansi from Nepal on a program “Orientation on CITES Laws” ANSAB presented on the forum where a total of 30 higher level of government officials mostly the Divisional Forest officials (DFOs) of Bagmati Province have participated. Following this, in June 2022, The Director General of DPR (CITES SA for Flora) invited ANSAB team to visit to DPR, ANSAB shared the project related activities and ANSAB and DPR discussed on possible

collaboration and support scope to DPR particularly on the NDF development for 2023 and scientific inventory of CITES listed NTFPs species in Nepal.

On the request of the Director General of the Department of Forest and Soil Conservation, ANSAB contributed development of a presentation on “Decentralized resource management and monitoring: community-based forestry approaches with Jatamansi in Nepal” for the Department of Forest and Soil Conservation –a management authority of CITES in Nepal which was presented during the side event, organised by TRAFFIC at CITES CoP 19 in Panama in November 2022.

See more details on CITES and CBD support in Section 4.

3.2 Progress towards project Outputs

Indicator	Baseline	Change recorded in project Y2	Source of evidence
Output 1. At least three species of high-value NTFPs are sustainably managed by communities in Humla, Jumla, Mugu, Darchula, and Bajhang districts of Western Nepal.			
Indicator 1.1 Resource inventories, focused on three principal target high-value/conservation priority NTFPs (and covering other associated species harvested in the area) are complete for five target districts (at least 30 CFUGs community forests) with total area or approximately 25,000 ha, and distribution modelling approximates sustainable harvesting quantities per district in Nepal, by March 2023.	Zero for the CFUGs targeted by this project (initial progress for those targeted by past Darwin Initiative investment)	Detailed resource inventory of three prioritized species (Jatamansi, Kutki, and Himalayan Fritillary) and other associated NTFPs was carried out in 10-CFUGs. With this, detailed resource inventory has been completed in a total of 37 CFUGs, out of which 29 are new and 8 are from the previous Darwin Initiative project implemented in Jumla and Mugu (9 in Humla, 9 in Mugu, 8 in Jumla, 6 in Bajhang and 5 in Darchula districts)	SD 1
Indicator 1.2 Sustainable management, including community monitoring, of three target NTFPs (and other associated harvested species), is integrated into 30 CFUGs operational management plans in five target districts, recognised and approved by Divisional Forest Offices and CFUGs by June 2023.	NTFPs management not integrate into the operational management plans	A total of 17 CFOPs (5-CFOPs of Humla, 2-Mugu, 3-CFOPs of Jumla, 5-CFOPs of Bajhang and 2-CFOPs of Darchula) has been drafted integrating sustainable management of the targeted NTFPs and in line with FairWild Standards and Performance Standards, and are under the review of the DFO and concerned officers of the Api Nampa Conservation Area. One CFOP of Bajhang district has been approved so far and the rest 16 are under progress of approval from DFO and Api Nampa Conservation Area Manager Authority respectively.	SD5
Indicator 1.3 Training programme in NTFPs sustainable harvesting, resource management and monitoring approaches rolled-out to 5,000 harvesters in 30 CFUGs by December 2023.	Zero	Training programme in NTFPs sustainable harvesting, resource management and monitoring approaches rolled-out in 29 CFUGs (covering 1,346 harvesters)	SD7 and 8
Indicator 1.4 The sustainability (time, methods, quantity) of three target NTFPs harvesting has improved, compared to 2021 baselines, in target areas by June 2024.	Baselines being established	Baseline of NTFPs resources is under progress with completion of NTFPs resources inventory in CFUGs	SD1
Output 2. At least 5,000 harvesters and their communities in five target districts have clear benefits from long-term sustainable, equitable, traceable trade in NTFPs			
Indicator 2.1 5,000 CFUG harvesters and processing workers, (at least 40% women) from at least 20 producer enterprises, are trained in	Zero	1,346 NTFP harvesters from the CFUGs , alongside processing workers and 20 producers enterprises and In 32 CFUGs	SD 7&8 and SD 14

FairWild and organic standards and certification, by December 2023.			
Indicator 2.2 Target CFUGs and harvesters' registration system updated to provide a basis for transparent trade and cost-calculation, to include harvesters' details, harvesting/sale quantities and locations, prices, trainings/ capacity-building, disaggregated by gender, by June 2022.	System not updated, not including these elements	Harvester's registration system has been established in 29 new CFUGs and updated in 8 CFUGs from previous Darwin project. In 37 CFUGs a total of 6867 (4327 male and 2540 female) NTFPs harvesters have been identified and registered so far.	SD 11
Indicator 2.3 Fair trading and benefit sharing protocol developed and piloted with NTFP harvesters' and workers' sub-committees in one CFUG by June 2022, and subsequently rolled-out to all target groups, by June 2023.		Fair trading and benefit sharing protocol initiated in Jumla with formation of a new committee for operationalizing the FairWild premium fund. It is under progress in other four districts.	Next period
Output 3. Sustainable supply chains are in place, led by producers/exporters in Nepal, and 'matched' to manufacturers in consumer markets, based on sustainable production systems following FairWild Standard			
Indicator 3.1 Supply chains for at least three NTFPs from Nepal to consumer markets are identified and documented by June 2022.	Jatamansi market information available in-part from previous project, focus on Europe and USA	Supply chains documented in the Market assessment report	SD26
Indicator 3.2 Traceability system for essential oils and other plant-based products is developed, based on FairWild Standard, and implemented by June 2023.	FairWild certification in Nepal piloted in previous project	CFUGs, local processing enterprises and producer companies are oriented following the Nepali translated guideline on traceability, Social responsibility and FairTrade, Occupational Health and Safety (OHS) measures and account and record keeping manual. Himalayan Bio-trade Limited (HBTL) was facilitated to organize the third party FairWild certification audit in three CFUGs of Jumla namely Baghjale, Lamteli and Bhaleni CFUGs from December 5-12, 2022.	SD 7 and 8: Training participants SD14: List of producers companies
Indicator 3.3 At least one industry meeting, involving consumer markets' buyers, Nepalese producers and herbal products associations lead to buy-in and the development of trade agreements in line with sustainability requirements, by June 2024.	Zero	One face-to-face Market Access Industry Workshop in Kathmandu, with the focus on international buyers and counterparts to exchange the experiences, focus on China's TCM companies and India importers is going to be organized in 8-9 June 2023.	SD25
Indicator 3.4 Trading agreements between at least 15 CFUGs and companies (identified in Output 3 activities) established, including the clear indication of the price premiums, by June 2024.	Initial trading relations established in the previous project	Trading agreements between 3 CFUGs and HBTL have been made in line with FairWild and Organic certification standards, including the clear indication of the price premiums.	Next period

Indicator 3.5 Traceability pilot, linked to the FairWild certification implementation in close relation with the buyers and retailers, showcases the environmental, social and economic benefits of eco-friendly plant-based products, by June 2024.		Himalayan Bio-trade Limited (HBTL) was facilitated to organize the third party FairWild certification audit in three CFUGs of Jumla namely Baghjale, Lamteli and Bhaleni CFUGs from December 5-12, 2022. Decision on certification status is with the Control Body.	SD29, SD30
Output 4. Policies, legislation and strategies at federal, provincial and local levels incentivise and enable a long-term shift towards sustainable use and trade in NTFPs in Nepal			
Indicator 4.1 By December 2022, Nepalese NTFPs that are in high use/trade demand, are evaluated against the designed systematic framework which considers sustainability of, and risks from, commercial harvest to assess the long-term suitability for international trade.	No framework	Draft framework is available and being revised in line with project partner feedback. Available May 2023.	Figure 2 in report shows draft structure
Indicator 4.2 By June 2024, practical policy guidance on including NTFPs harvesting and management (including monitoring responsibilities and practices) in CFUG management plans and a model for decentralized alpine natural resources management, based on best practices, is disseminated by FECOFUN to CFUGs across Nepal.	No guidance	Assessment of the current community forestry guidelines for drawing recommendations for their improvement is under progress.	SD4
Indicator 4.3 By June 2023, stakeholder consultations review the findings of the assessment and agree the ways forward and recommendations for policy-makers, industry (Nepalese and international), and CFUGs.		The findings of the review of the guidelines will be shared in a workshop as planned to be organized by the University of Copenhagen in August 2023 in Kathmandu.	N/A
Indicator 4.4 Sustainability considerations based on 4.1, and piloting experiences, are embedded in at least one Nepal trade policy or agreement concerning NTFPs (e.g., supporting Belt & Road Initiative (BRI) traditional medicine agreements), by June 2024	No sustainability considerations	Engagement with Nepal regarding the CITES regulations ongoing; further work planned in the next period	N/A
Indicator 4.5 Nepal CITES Authorities develop NDFs following existing good practice guidance, based on up-to-date information (including resource management data, traditional CFUG knowledge, and distribution modelling) leading to Jatamansi removal from the CITES Review of Significant Trade process, and no additional CITES App-II listed species included in RST or the EU 'negative opinion'	Jatamansi is part of RST process and the EU has a 'negative opinion'	Nepal CITES authority has responded to EU questions on NDFs for Jatamansi (TBC). The negative opinion still stands but work is underway to enable trade of jatamansi with EU countries. The seventy-fifth meeting of the Standing Committee, Panama City (Panama), on 13 November 2022 has recommended removing Jatamansi (<i>Nardostachys grandiflora</i>) from Review of Significant Trade (RST) process as Nepal has complied with all recommendations (SD 25: RST)	SD28

3.3. Progress towards the project Outcome

Indicator	Baseline	Change recorded in project Y2	Source of evidence
High-value/conservation priority NTFPs in five districts of Nepal's Himalayas are effectively conserved through sustainable management and traceable, equitable trade, based on clear legal frameworks and sustainable use and trade approaches.			
0.1 At least three species of high-value NTFPs (Jatamansi, Kutki and Himalayan Fritillary) in five priority production districts of Nepal's Himalayas are sustainably managed (i.e. in line with the updated CFUGs operational management plans), by June 2024.	Baselines being set-up	A total of 17 CFOPs (5-CFOPs of Humla, 2-Mugu, 3-CFOPs of Jumla, 5-CFOPs of Bajhang and 2-CFOPs of Darchula) has been drafted integrating sustainable management of the targeted NTFPs and in line with FairWild Standards and Performance Standards, and are under the review of the DFO and concerned officers of the Api Nampa Conservation Area. One CFOP of Bajhang district has been approved so far and the rest 16 are under progress of approval from DFO and Api Nampa Conservation Area Manager Authority respectively.	SD5
0.2 At least 5,000 (at least 40% women) harvesters, processing staff and the CFUGs they are part of, benefit from at least 5% increase in income from the sustainable trade in target NTFPs, by June 2024.	No added benefits from target NTFPs trade, baselines on incomes being developed	Trading agreements between 3 CFUGs (involving 2,115 harvesters, 881 female and 1,234 male) and HBTL has been made in line with FairWild certification standard, including the clear indication of the price premiums.	Next period
0.3 A traceability pilot for Nepalese high-value NTFPs, driven by the market interest is complete, with final FairWild-certified products on sale at a consumer market, by June 2024.	FairWild piloted by one producer company	FairWild certification audit for Himalayan Bio-trade Limited (HBTL) in three CFUGs of Jumla namely Baghjale, Lamteli and Bhaleni CFUGs has been carried out. Other two producers companies namely Annapurna Aroma Pvt.Ltd and Sattya Herbal & Spice Products Pvt.Ltd, have expressed their interest for FairWild certification of at least 1 to 2 wild products.	SD29, SD30
0.4 Nepal's government policies, sectoral multi-stakeholder strategies, trade agreements explicitly include provisions for sustainable trade in CITES Appendix-II and other NTFPs of commercial importance by June 2024.	Policies do not include CITES and other NTFPs provisions		SD28

3.4 Monitoring of assumptions

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

Comments: Important assumption, while the impacts of COVID-19 have been declining, some constraints, e.g. around travel to neighbouring countries (China for instance) remained for a part of the reporting period.

Assumption: elected NTFPs are already a main source of income for communities in Himalayan districts. Changing trade dynamics and the diversification of market interest will enable this income to grow if the

necessary safeguards and resource management measures are put in place and implemented through Nepal's existing Community Forestry system and a model approach for decentralised alpine natural resources management.

Comments: Important assumption, and remains foundational for the success of the project impacts and theory of change/prioritised interventions.

Assumption: The existing resource inventories for eight CFUGs in Jumla and Mugu districts provided a replicable methodology in 32 CFUGs to date.

Comments: The methodology used for resource inventories in eight CFUGs to date has been successfully replicated in the reporting period, so this remains an important assumption.

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

Comments: Project partners have been advancing work to complete resource inventories and update the management plans for all target CFUGs. Work also continues to prioritise the update/guidelines on how to update for replication with other CFUGs in Nepal through FECOFUN.

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

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

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

Comments: Continues to be an important assumption. Samples of target species were collected at the resource inventory stage in the reporting period and will contribute to ensuring the better identification of species in future.

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

Comments: Remain an important assumption and project deliverables contributed to this in the reporting period.

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

Comments: Remain an important assumption and project deliverables contributed to this in the reporting period.

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

Comments: Remains an important assumption. With additional regulatory and policy frameworks, from the EU due diligence regulations and the CBD Global Biodiversity Framework, the attention of markets to the product origin and impacts of production is likely to become greater in the next 5-10 years.

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

Comments: Based on past experiences, and important assumption.

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

Comments: COVID-19 and economic downturn, as well as the socio-political changes modified the relationships at the political/policy level. As the project level, we anticipate securing the participation of the China Association of Traditional Chinese Medicine (CATCM) in the June industry workshop, and related meetings with the government of Nepal agencies, to support the integration of sustainability considerations in any further plans.

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

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

(Assumption added at AR1) There will be continuing interest and willingness to participate in the project by the CFUGs and other stakeholders.

Comments: Remains an important assumption and have been instrumental in ensuring the success of project activities delivery in the reporting period.

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

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

There is good progress towards this higher-level situation impact if activities undertaken lead to improved conservation management as is anticipated. Timelines for observing both positive and negative impacts in the management of natural resources are likely to take a longer time to materialise than the duration of the project allows.

However, there are positive indicators such as the reach for training activities, increasing numbers of CFUGs included in capacity building activities and positive feedback from participants.

There has also been some progress towards changing key areas of international policy that would allow for increased sustainable and ethical trade in plant material from Nepal. This includes both the Decisions of CITES CoP19, including on Trade in Medicinal and Aromatic Plants, CITES and Livelihoods, as well as the Decisions of the CITES Standing Committee, and the newly negotiated Kunming-Montreal Global Biodiversity Framework, which includes explicit Targets on sustainable use and trade in wild species.

4 Project support to the Conventions, Treaties or Agreements

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

During the reporting period, ANSAB was contacted by DPR (Department of Plant Resources), the scientific authority of CITES in Nepal to provide the NTFPs resources inventory data of the project working districts for NDF (Non-Detriment Finding) development. Similarly, Department of Forests Soil and Conservation (DoFSC) the management authority of CITES, worked closely with ANSAB to develop a presentation on "Decentralized resource management and monitoring: community-based forestry approaches with Jatamansi in Nepal" for the Department of Forest and Soil Conservation -a management authority of CITES in Nepal which was presented in the side events of the CITES CoP 19 in Panama held from 14-25 November 2022.

ANSAB also participated in the capacity need assessment with respect to Access to Benefit Sharing (ABS), that provides feedback to the government for amendment of the ABS draft bill.

Under the discussions of CITES and Livelihoods agenda item at CoP19, a new set of case-studies on CITES and Livelihoods were developed by TRAFFIC, IUCN SULi and other authors – presented at a side-event (SD:31 SD 32 CITES & livelihoods fact sheet Jatamansi Nepal, SD32: CITES & livelihoods fact sheet Jatamansi Nepal). The CITES Secretariat published the first-ever [World Wildlife Trade Report](#), at CoP19, giving insights and analysis into the global trade in animals and plants that are regulated under this international treaty. Across all plant commodities, approximately two-thirds (66%) of the estimated average annual value of global CITES-listed exports were attributed to timber exports (USD 6.2 billion), with exports of non-timber plants (USD 3.17 billion) accounting for the remaining third (34%) of global exports by value. Over 800 medicinal and aromatic plants are listed on CITES Appendix II, including important flagship species for health and well-being, such as Candelilla *Euphorbia antisiphilitica*, Jatamansi *Nardostachys grandiflora*, and African Cherry *Prunus africana*. The report also revealed that positive impacts of well-managed trade in CITES-listed species include population increase, population stabilization, population maintenance and reduced pressure on wild population. The study also identified a wide variety of socio-economic impacts, ranging from macro-economic impacts such as contributions to GDP, to local level impacts such as income generation, improved nutrition or strengthened

rights. The conservation impacts are deeply intertwined with the socioeconomic benefits that are generated – the latter often providing the incentive for the former.

Nardostachys grandiflora/Nepal was removed from the Review of Significant Trade (RST) process by the Standing Committee 75. TRAFFIC supported the proposed removal of species from RST with an intervention (SD).

In the CBD context, TRAFFIC continued advocating for the strong Global Biodiversity Framework, which include explicit targets on use and trade in wild species, and December 2022 Montreal CBD CoP negotiations concluded with the Framework which include Targets 5 and 9, in particular focussing on ensuring sustainable, legal and safe use and trade in wild species. TRAFFIC will continue supporting the Government of Nepal in implementing those commitments, including with the focus on updating NBSAPs.

5 Project support to poverty reduction

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

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

There are direct impacts anticipated from the project that link to the direct and indirect poverty alleviation impacts in the short-term in addition to the long-term impacts. Additionally, the legislative change enabling trade in CITES Appendix-II listed species, resulting from project 25-018, will be implemented/strengthened through improved capacity of CITES Scientific Authorities to issue NDFs, contributing to removal of Jatamansi from the CITES Review of Significant Trade, and clarification of regulations for NTFPs across provincial, district and national levels. This will enable legal, sustainable and uninterrupted trade in species that are vital for communities' livelihoods.

During the reporting period, contributing to poverty reduction, a long-term agreement was finalised between HBTL and three CFUGs for fair and premium prices in line with the FairWild certification standard that will cover two major NTFPs namely Jatamansi and Kutki that will involve 2,115 harvesters.

Trainings and capacity building activities were delivered in FairWild principles, as well as the access and benefit sharing and fair trade, and the harvester's registers development was initiated, alongside the update of the the operational CF management plans, enabling harvesters and other members of CFUGs have a stronger position to secure premium prices in future.

Two community-based producer companies in Jumla and Bajhang were supported to improve their efficiencies for essential oil production and storage of certified raw materials like Jatamansi. It is hoped this will improve processing capacity in the region and thus contribute to poverty alleviation.

6 Gender equality and social inclusion

Please quantify the proportion of women on the Project Board.	ANSAB Nepal (4 = 3 M & 1 F), ProFound - Advisers in Development (1 = M), University of Oxford (1 = F), University of Copenhagen (1 = M), Royal Botanic Garden Edinburgh (1 = M), FairWild Foundation (3 = F), TRAFFIC (6 = 3 F, 3 M)
Please quantify the proportion of project partners that are led by women, or which have a senior leadership team consisting of at least 50% women.	ANSAB Nepal (M), University of Oxford (F), University of Copenhagen (F), FairWild Foundation (F), TRAFFIC (M), ProFound (M) NEHHPA (senior leadership = 3M & 3F)

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

The project tracks contribution to gender equality, by including a gender assessment as part of the baseline and final evaluation studies (further clarifying the roles of men and women in the NTFP value chains in target areas, and assessing the relative change project activities generate for men and women). It will use

the collection and monitoring of disaggregated data to adapt and improve appropriate measures to empower and enable women. In this reporting period, ANSAB provided different training, orientation and awareness programs in five project districts for a total of 3,268 (1,923 male and 1,345 female) community members including NTFPs harvesters, CFUG executive members, processing workers, local traders, government staff. Of the total number attending, 41% were female. The project continues to meet targets set in relation to representation.

In this reporting period, ANSAB provided different training, orientation and awareness programs in five project districts for a total of 3,268 (1,923 male and 1,345 female) community members including NTFPs harvesters, CFUG executive members, processing workers, local traders, government staff. Of the total number attending, 41% were female. The project continues to meet targets set in relation to representation

7 Monitoring and evaluation

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

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

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

8 Lessons learnt

Lessons learnt during the reporting period include:

- Local community engagement has been increased during this project delivery period with more CFUGs and beneficiaries involved. The continued importance of ensuring participation of the right community members has been observed.
- Engaging relevant companies takes time in order to build strong relationships upon which ethical trade can advance
- Well trained local resources persons (LRPs) can play a significant role in capacity building at CFUGs level.
- The support to the Government of Nepal in implementing the delivery of commitments under CITES, from an impartial conservation NGO, appeared to be useful, in bridging the discussions with the CITES Parties on the importing end, leading to improved communications and flows of information.

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

Integration of stakeholders and participants into the exit strategy. What are their roles and how will they be engaged and encouraged to continue the work?

It will be important to ensure that stakeholders attending the industry workshop are encouraged to remain in contact and build further engagement in the sector to enable long-term sustainability. Community engagement has been built through training and relationships already existing with the project team in Nepal. As a significant part of the activity output has been engagement with relevant local government and community partners such as CFUG and DFO staff it is anticipated that there will be continuation of best practice. Please see section 12 for further information on sustainability and legacy.

How will farmers/harvesters be engaged in monitoring and developing CFUG management plans?

ANSAB, DFO, FECOFUN have provided technical support to update the operational management plans of CFUGs, which however are the responsibility of CFUG members themselves (including harvesters) to implement and conduct annual monitoring against. The review and update of the management plans themselves is done with direct participation of CFUG members (including harvesters), as detailed in 3.1.

[Describe the] Value chain mapping as mentioned in HYR1.

This comment refers to the activity 3.1. As noted in the logframe, following sub-activities are included in the delivery of this output: Identify main target markets, their opportunities and access barriers for Nepalese producers; Confirm market channels and segments best fit with Nepalese producers, and Develop market

engagement plan, including the potential commercial partners, steps for match-making, key opportunities for engagement (e.g. key trade fair). These activities took place and are summarized in the Market Assessment report (SD26: Market research priority species).

10 Risk Management

Risk management for the project was determined at the start of the project in the development phase. Key risks and assumptions are being transferred into the Defra risk register framework template as provided and recommended for this award (to be shared with HYR). Risks are assessed and mitigated routinely by TRAFFIC through its internal monitoring process. One key risk experienced by TRAFFIC and ANSAB has been staff turnover which has led to some delays in certain delivery areas. However, despite this, outputs are on track to be met during the project period.

11 Other comments on progress not covered elsewhere

12 Sustainability and legacy

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

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

Since the project design phase, MoFE and its relevant departments have been informed and involved in the project activities. Government agencies are supported to enable project outcome ownership and sustainable follow-up on project activities. Private sector institutions (associations), including Nepal Herbs and Herbal Products Association (NEHHPA), Jadibuti Association of Nepal (JABAN), and Herbal Entrepreneurs Association of Nepal (HEAN), have been involved in policy and trade-related discussions organized by the project. At the project site level, the local municipalities, the local chapter of FECOFUN, and traders' associations are actively involved in the project. This type of partnership will help make the project initiatives sustainable.

13 Darwin Initiative identity

The project ensures that the contribution of the UK Government through the Darwin Initiative is recognized in every publication (press releases, articles, flyers), and logos are properly displayed during every training and workshop organized by the project. During the year we have published articles related to international celebratory days (for example, World [Health Day 2022](#) and [World Health Day 2023](#)) which clearly state that this project is “funded by the UK Government through the Darwin Initiative”; logos of the UK Government and Darwin Initiative were displayed.

All communication materials disseminated at the field level are checked by the ANSAB M&E focal person to ensure that the UK Government and Darwin Initiative are recognized.

TRAFFIC has regularly referenced the benefits of the FairWild Standard and related knowledge products that promote the core message of this project. One example that directly mentioned the benefits to both local communities and the ecosystem through this project was made by Executive Director, Richard Scobey during the in-person and live streamed CITES 50th Anniversary event in Washington DC. Further to this, we have promoted these on social media, tagging @BiodiversityChallengeFunds/@UKBCFs when appropriate.

We have also worked closely with external niche organisations to promote the project to their audiences. An example of this can be seen in the American Botanical Council [‘Herbal Gram’ article](#).

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

14 Safeguarding

TRAFFIC as a lead partner have established policies and procedures relevant to safeguarding issues. This includes following:

- Safeguarding statement: [Our Policies - TRAFFIC - The Wildlife Trade monitoring network](#)
- Guidelines for the Operation of the TRAFFIC Network (2006) – includes reference to working values, equal opportunity, grievance procedures, and obligations of consultants;
- Conditions of Service in the UK (2016) – includes policies and procedures on harassment and/or intimidation, whistle-blowing, grievance and disciplinary procedures and gross misconduct;
- Code of Conduct and Professional Ethics (2013) – Includes references to standards of conduct, including integrity, accountability, harassment, and protection against retaliation;
- TRAFFIC Anti-Bribery Policy (2016) – Includes several references to whistle-blowing procedures;
- TRAFFIC Sensitive Activity Management Policy and Manual (2019) – sets out procedures for higher risk project activities.

ANSAB, as the lead implementing partner in Nepal, has an organizational standard code of conduct and abides by the environmental and socio-economic benchmark set by the government and international treaties/convention to which Nepal is a party in all its activities. The code of conducts presents the organizational value, organizational ethics and employee ethics, and commits to safeguarding and a zero-tolerance statement on sexual exploitation and abuse and sexual harassment (SEAH), which staff are oriented to during their induction training. This is also stated in the organizational gender policy, that also set an institutional setup for complaints and grievance, including on SEAH, with the provision of a designated officer. ANSAB also encourages safeguarding principles to its partners and the communities it works with. It has well experience in developing environment and social framework, stakeholder engagement plan, labour management procedure for its different projects.

In this specific project, with the adoption of FairWild Standard and promotion of good governance and equity, some environmental and socio-economic safeguards are integral with the implementation of those practices. Project activities, especially forest management activities and operation of forest-based enterprises facilitated by the project are in the spirit of Sustainable Forest Management, which ensures maintenance and enhancement of natural habitats. Project sites are remote and natural resource-rich in far-western districts where recipients of benefits are indigenous people. The project engages stakeholders and beneficiaries from the beginning of the project without raising false expectations. Project plans and activities are shared and planned with the target stakeholders and beneficiaries ensuring their continuous support and involvement in the project. It preserves the cultural value of the community and their active participation as a broader part of conservation.

Has your Safeguarding Policy been updated in the past 12 months?	No
Have any concerns been investigated in the past 12 months	No. 2 complaints received via the TRAFFIC complaints mechanism were not safeguarding related.
Does your project have a Safeguarding focal point? Y	Yes; <i>Cara Flowers</i> [REDACTED] Note this is a new staff member and induction is ongoing. The project focal point will be advised by TRAFFIC's Risk and Compliance Officer.
Has the focal point attended any formal training in the last 12 months? N	No
What proportion (and number) of project staff have received formal training on Safeguarding?	Past: 20% [4] Planned: no increase
Has there been any lessons learnt or challenges on Safeguarding in the past 12 months? Please ensure no sensitive data is included within responses. No	
Does the project have any developments or activities planned around Safeguarding in the coming 12 months? If so please specify. Review of risk assessment with Risk and compliance lead at TRAFFIC.	

15 Project expenditure

Table 1: Project expenditure during the reporting period (1 April 2022 – 31 March 2023)

Project spend (indicative) since last Annual Report	2022/23 Grant (£)	2022/23 Total Darwin Costs (£) Draft	Variance %	Comments (please explain significant variances)

Staff costs (see below)				
Consultancy costs				
Overhead Costs				
Travel and subsistence				
Operating Costs				
Capital items (see below)				
Monitoring & Evaluation (M&E)				
Others (see below)				
TOTAL	£178,053.66	£177,249.70		

Table 2: Project mobilising of matched funding during the reporting period (1 April 2022 – 31 March 2023)

	Matched funding secured to date	Total matched funding expected by end of project
Matched funding leveraged by the partners to deliver the project.		
Total additional finance mobilised by new activities building on evidence, best practices and project (£)		

16 OPTIONAL: Outstanding achievements or progress of your project so far (300-400 words maximum). This section may be used for publicity purposes

I agree for the Biodiversity Challenge Funds Secretariat to publish the content of this section.

Annex 1: Report of progress and achievements against logframe for Financial Year 2022-2023

Project summary	Measurable Indicators	Progress and Achievements April 2022-March 2023	Actions required/planned for next period
<p>Impact</p> <p>⇒ Nepal's Himalayan wild medicinal and aromatic plants are sustainably managed, and landscapes where they grow conserved, with community harvesters benefitting from sustainable management and traceable, equitable trade</p>		<p>The project has four Outputs, which have seen solid progress, in line with expectations for the Y2 of project delivery but are not yet fully achieved.</p>	
<p>Outcome</p> <p>High-value/conservation priority NTFPs in five districts of Nepal's Himalayas are effectively conserved through sustainable management and traceable, equitable trade, based on clear legal frameworks and sustainable use and trade approaches.</p>	<p>0.1 At least three species of high-value NTFPs (Jatamansi, Kutki and Himalayan Fritillary) in five priority production districts of Nepal's Himalayas are sustainably managed (i.e. in line with the updated CFUGs operational management plans), by June 2024.</p> <p>0.2 At least 5,000 (at least 40% women) harvesters, processing staff and the CFUGs they are part of, benefit from at least 5% increase in income from the sustainable trade in target NTFPs, by June 2024.</p> <p>0.3 A traceability pilot for Nepalese high-value NTFPs, driven by the market interest is complete, with final FairWild-certified products on sale at a consumer market, by June 2024.</p> <p>0.4 Nepal's government policies, sectoral multi-stakeholder strategies, trade agreements explicitly include provisions for sustainable trade in CITES Appendix-II and other NTFPs of</p>	<p>0.1 The resource inventory of additional 10 CFs has been accomplished during this reporting period. Detailed resource inventory has been completed in 29 CFs (incl. 19 in previous reporting period) (9 in Humla, 5 in Mugu, 4 in Jumla, 6 in Bajhang and 5 in Darchula districts).</p> <p>0.2 A baseline survey was finalised in Yr 1..</p> <p>0.3 Onsite FairWild audit of Himalayan BioTrade Limited (HBTL) for jatamansi and kutki has been carried out.</p> <p>0.3 Engagement of buyers and producers of essential oils and crude herbs has been commenced, with plans in place to bring the buyers and producers together at a matchmaking event to be organized in June 8-9, 2023 in Kathmandu.</p> <p>0.4 Nepal CITES authority has responded to EU questions on NDFs for Jatamansi . Work is underway to enable trade of jatamansi with EU countries despite negative perception of this. ANSAB has been working closely with Nepal's CITES authorities to enable sustainable trade of CITES-listed species.</p> <p>0.4 The seventy-fifth meeting of the Standing Committee, Panama City (Panama), on 13 November 2022 has recommended to remove Jatamansi (<i>r Nardostachys grandiflora</i>) from the Review of Significant Trade (RST) process as Nepal has complied with all recommendations (SD28 Jatamansi removed from the RST List in CITES COP19_Panama_E-SC75-08_0)</p>	<p>At least four additional supply chains will be audited against the FairWild standard.</p>

	commercial importance by June 2024.		
Output 1. At least three species of high-value NTFPs are sustainably managed by communities in Humla, Jumla, Mugu, Darchula, and Bajhang districts of Western Nepal.	<p>1.1 Resource inventories, focused on three principle target high-value/conservation priority NTFPs (and covering other associated species harvested in the area) are complete for five target districts (at least 30 CFUGs community forests) with total area or approximately 25,000 ha, and distribution modelling approximates sustainable harvesting quantities per district in Nepal, by March 2023.</p> <p>1.2 Sustainable management, including community monitoring, of three target NTFPs (and other associated harvested species), is integrated into 30 CFUGs operational management plans in five target districts, recognised and approved by Divisional Forest Offices and CFUGs by June 2023.</p> <p>1.3 Training programme in NTFPs sustainable harvesting, resource management and monitoring approaches rolled-out to 5,000 harvesters in 30 CFUGs by December 2023.</p> <p>1.4 The sustainability (time, methods, quantity) of three target NTFPs harvesting has improved, compared to 2021 baselines, in target areas by June 2024.</p>	<p>1.1 During the reporting period, the detailed resource inventory of three prioritized species (Jatamansi, Kutki, and Himalayan Fritillary) and other associated NTFPs were carried out in 10-CFUGs. Detailed resource inventories have been completed in a total of 37 CFUGs, out of which 29 are new and 8 are from the previous Darwin Initiative project implemented in Jumla and Mugu. (9 in Humla, 9 in Mugu, 8 in Jumla, 6 in Bajhang and 5 in Darchula districts). (SD1: List of 37 CFUGs which have completed the NTFPs resources inventory). The total forest area of these 37 CFUGs is 33,441 ha and with 3,751 households managing them. The population of the area is 18,004.</p> <p>1.2. A total of 17 CFOPs (5 inHumla, 2 in Mugu, 3 in Jumla, 5 in Bajhang and 2 in Darchula) have been drafted in line with FairWild Standards and Performance Standards. These are under the review of the District Forest Office (DFO) and Conservation Area Office in case of Darchula . One CFOP of Bajhang district has been approved so far and the rest 16 (SD5: List of CFUGs approved and under approval process) are in the process of being approved by the DFO and Api Nampa Conservation Area Manager Authority respectively.</p> <p>1.3. Building on the documents of previous Darwin funded projects, training packages including training strategy, curriculum and materials for NTFPs resource assessment, and Fairwild and organic standards have been developed. In this reporting period, a total of 1,346 local people has been trained in sustainable forest management, participatory NTFP resource management, sustainable harvesting techniques, and FairWild and organic standards.</p>	
Activity 1.1. Carry out detailed resource inventories of three high value NTFPs (Jatamansi, Kutki, and Himalayan Fritillary) and other associated harvested species in 30 community forests (ANSAB)		During the reporting period, the detailed resource inventory of three prioritized species (Jatamansi, Kutki, and Himalayan Fritillary) and other associated NTFPs was carried out in 10-CFUGs. Detailed resource inventories have been completed in	

	<p>a total of 29 (incl. 19 in previous reporting period) CFUGs since the start of the project, (9 in Humla, 5 in Mugu, 4 in Jumla, 6 in Bajhang and 5 in Darchula districts). (SD 1a -List of 29 CFUGs with completion of NTFPs resources inventory). The total forest area of these 29 CFUGs is 10,181 hectare and the total households managing these forests area are 2,259 with an approximate population of 10,704</p> <p>An additional 8 CFUGs have been engaged (resource inventories for these accomplished in earlier project period) Provision of sustainable forest management, trade, FW and organic production in these CFUGs also making 37 in total. So the total forest area of these 37 CFUGs is 33,441 ha and the total households managing these forests area is 3,751 with an approximate population of 18,004.</p> <p>During the field inventory, previously trained forest technicians, LRPs and community forest members (harvesters) were mobilized. The sampling of NTFPs was carried out in dense and sparse forest strata where the total number of regenerated and total number of mature plants of the targeted and associated species were counted. The fresh weight of the targeted NTFPs was measured through harvesting the rhizomes, bulbs, roots and samples of the harvested parts. These were collected in the sample bags to calculate the dry weight of the respective species.</p>	
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<p>Activity 1.2. Conduct situation analysis to understand resource governance in target areas and status of forest management plans (ANSAB)</p>	<p>ANSAB organized a total of 5 district-level gap-sharing and validation workshops, 1 workshop in each district. The key findings of the gaps in the community forest management plans in line with FairWild Standards and Performance Standards that were identified during the previous period were shared in these workshops for seeking stakeholder opinions and their contributions (SD3-Summary of gaps with respect to the FairWild and Organic standards).</p> <p>A total of 76 participants with 41 male and 35 females have participated the workshops (SD4-List of participants of gap analysis workshops). The key participants were from Community Forest executive members, DFOs, the Chief Conservation Officer (Api Nampa Conservation Area in case of Darchula), FECOFUN, and NTFPs harvesters. The participants of the workshop agreed on the gaps identified and the potential for their address to incorporate into the management plan. The concerned DFOs and Conservation managers have committed to support on the community forest operational plan (CFOP, also known as community forest management plan) approval process to comply with the FairWild, Organic standards and detailed sustainable NTFPs harvesting provisions, methods and practices. ANSAB has been coordinating with the concerned stakeholders like Divisional forest officers, representatives of the local governments and CFUGs chairpersons for the approval process of the drafted community forest operational plans.</p>	
<p>Activity 1.3. Support to revise CFUG management plans including the provision of sustainable management of high value NTFPs (ANSAB, FECOFUN)</p>		<p>Based on the gap analysis, the project began revising/amending the CFOP incorporating provisions of FairWild and Organic standards. So far now, a total of 17 CFOPs (5-CFOPs of Humla, 2-Mugu, 3-CFOPs of Jumla, 5-CFOPs of Bajhang and 2-CFOPs of Darchula) has been drafted and are under the review of the DFO and concerned officers of the Api Nampa Conservation Area. One CFOP of Bajhang district has been approved so far and the rest (SD 5: List of CFUGs with their status on operational plan) are under progress of approval from DFO and Api Nampa Conservation Area Manager Authority respectively.</p>
<p>Activity 1.4. Develop a training package (Training materials, training curriculum and training strategy) for the harvesters and relevant stakeholders (ANSAB)</p>	<p>Previously reported in Y1 . Training materials have been refined at relevant workshops.</p>	
<p>Activity 1.5. Deliver capacity-building to trainers and to target CFUGs with the focus on participatory plant resource management, sustainable harvesting techniques, and monitoring (ANSAB)</p>	<p>The trainers were mobilized for the roll-out training at the community level. A total of 29 CFUGs level trainings (9 in Humla, 4-in Jumla, 5-Mugu, 6- in Bajhang, and 5 in Darchula) were organized where a total of 859 NTFPs harvesters,</p>	

		<p>processing workers, CF executive members and local forest users were trained (467 male, 392 female). (SD7- List of participants of the CFUGs level trainings). Afterward, a total of 19 refresher trainings, one each in 19 CFUGs (5-Humla, 3-Jumla, 6-Bajhang and 5-Darchula has been provided to the NTFPs harvesters, processing workers, CF executive members and local forest users. A total of 487 participants 281 male and 206 female have participated in these refresher trainings (SD8: List of participants of the CFUGs level refresher trainings).</p>	
<p>Activity 1.6. Undertake the participatory monitoring of the target areas, in collaboration with key stakeholders (including the Ministry of Forests and Environment (agencies at district and municipal levels) and FECOFUN) (ANSAB)</p>		<p>This is a regular and ongoing activity monitored by ANSAB's field technical staffs, DFO staffs and district FECOFUN chapters in the project sites. ANSAB has been facilitating the CFUGs to conduct regular meetings, and enable meaningful participation of women and other marginalized groups. ANSAB has also provided orientation to harvesters before harvesting seasons, and in maintaining accounts and record keeping at CFUG level. ANSAB provided a manual on accounts and record-keeping to the CFUGs. (SD 9-Training manual on account and record keeping).</p>	
<p>Output 2. At least 5,000 harvesters and their communities in five target districts have clear benefits from long-term sustainable, equitable, traceable trade in NTFPs</p>	<p>2.1 5,000 CFUG harvesters and processing workers, (at least 40% women) from at least 20 producer enterprises, are trained in FairWild and organic standards and certification, by December 2023.</p> <p>2.2 Target CFUGs and harvesters' registration system updated to provide a basis for transparent trade and cost-calculation, to include harvesters' details, harvesting/sale quantities and locations, prices, trainings/ capacity-building,</p>	<p>2.1. Utilizing the training package developed under indicator 1.3 in FairWild and organic standards and certification, a total of 3 ToT has been delivered to 58 people incl. forest technicians, local resource persons, selected harvesters and processing workers (30 male and 28 female). The trainers were mobilized for the roll-out training to 1,346 CFUG harvesters and processing workers (769 male and 577 female) in five districts.</p> <p>2.2. A harvester registration system has been established in each of the 37 CFUGs. Each CFUG has a register to maintain the list of harvesters within CFUG, which includes detailed information such as age and sex of harvesters, NTFPs collected with types, average collection volume, the season of collection, and average price sold to the aggregator, etc.</p> <p>2.3. Building on the FairWild premium fund operational guidelines protocol developed in the previous Darwin Initiative project, FairWild premium fund operation guidelines has been developed in Jumla district, and such guidelines will be developed for other districts in next reporting period.</p>	

	<p>disaggregated by gender, by June 2022.</p> <p>2.3 Fair trading and benefit sharing protocol developed and piloted with NTFP harvesters' and workers' sub-committees in one CFUG by June 2022, and subsequently rolled-out to all target groups, by June 2023.</p>		
<p>Activity 2.1. Establish harvesters and producer enterprise levels baselines and final evaluation in the target districts (ANSAB)</p>			<p>As stated in the last annual report, this activity has been completed and a final evaluation is due to take place at the end of the project.</p>
<p>Activity 2.2. Train harvesters and processing workers on FairWild and organic standards and certification (ANSAB, TRAFFIC, FWF)</p>	<p>This activity has been accomplished combining with Activity 1.5. The detail ed of the activity is presented in Activity 1.5 above.</p>		
<p>Activity 2.3. Develop and update the harvester's registration system in community managed forests in the project sites (ANSAB)</p>	<p>Harvester's registration system has been established in each CFUG. (29 in this year) Each CFUG has a register to maintain the list of harvesters within CFUG, which includes detailed information such as age and sex of harvesters, NTFPs collected with types, average collection volume, the season of collection, and average price sold to the aggregator, etc. The register was developed by the project team that complies with FairWild and Organic Certification Standards.</p> <p>We organized orientation trainings in all CFUGs, involving participation of CF executive members, NTFPs harvesters and LRPs. The aim of this orientation training was to make aware and update the CF executive members, NTFPs harvesters and LRPs on the harvesters registration system. A total of 629 participant's incl. CF executive members, NTFPs harvesters and LRPs have participated in the orientation trainings of them 371 are males and 258 are females (SD10- List of participants of the orientation training on harvester's registration system).</p> <p>Just, after completing the orientation training on harvester's registration system, LRPs in each district were mobilized to develop, maintain and update the NTFPs harvester's lists. During this reporting period, a total of 3,212 NTFPs harvesters have been registered. With this there are a total of 6,867 NTFPs harvester (4,327Male and 2,540 female) in the</p>		

		project sites of them 3,655 were from the previous project 8 CF of Jumla and Mugu (SD11-Total numbers of NTFPs harvesters in the project sites).	
Activity 2.4. Support the set-up of the CFUGs-level harvesters and workers sub-committee for regulating the fair trade and equitable benefit sharing (ANSAB)		<p>Within this reporting period, a total of 29 harvester's sub-committee in 5 project districts have been formed. CFUGs level orientation trainings, 29 in total (one for each CFUG) were organized in order to orient the CFUG and the harvester's sub-committee on the process, method, and roles of sub-committees. During the orientation training, the sub-committee was also oriented on (sub-committees policy) to regulate the FairTrade and equitable benefit sharing mechanism to the harvesters and workers groups in the project sites. A total of 460 executive members, harvesters, and workers have been oriented on the process, method and policy to regulate the FairTrade and equitable benefit sharing mechanism in each CFs. Of the total 521 participants 278 are male participants and 242 are female (SD 12- List of participants of the CFUGs-level harvesters and workers orientation training).</p> <p>The 37 CFUGs-level harvesters and workers sub-committees include 225 executive members (121 male and 104 female) (SD13-List of executive members of the CFUGs-level harvesters and workers sub-committees).</p>	
Activity 2.5. Develop FairWild premium fund operation guideline in each of the project districts (ANSAB)		<p>In the reporting period, the project team facilitated to revise the premium fund with inclusion of new members in the committee and also open a bank account in the name of premium fund management committee.</p> <p>For this, an orientation has been carried out by the ANSAB technical team for field staff during this reporting period. In Jumla, a new committee for operationalizing the FairWild premium fund has been formed, and orientation on the FairWild premium fund was provided during the refresher trainings in Baghjale, Lamteli and Bhaleni CFs. The new members of the committee are representing from Lamteli CF-1, Baghjale CF-1 and form the district FECOFUN chapter-1. ANSAB and FECOFUN Jumla district chapter will be advisors for the FairWild premium fund operationalization in the district. The new bank account for the FairWild premium fund operationalization is in progress.</p>	
Output 3. Sustainable supply chains are in place, led by producers/exporters in Nepal, and 'matched' to manufacturers in consumer markets, based on sustainable production systems following FairWild Standard	<p>3.1 Supply chains for at least three NTFPs from Nepal to consumer markets are identified and documented by June 2022.</p> <p>3.2 Traceability system for essential oils and other plant-based</p>	<p>3.1. Project partners are in conversation with at least 5 Nepalese producers who have expressed an interest in becoming FairWild certified and increasing trade with international markets across the US, EU, China and India.</p> <p>3.2. The previously developed Nepali translated guideline on the Social responsibility, and Fairtrade Guidelines for FairWild Certification (SD 22) has been provided to all CFUGs, DFOs in five districts and Api Nampa Conservation Area office in Darchula. This guideline was also used during the roll out training to the CFUGs and NTFPs harvesters.</p>	

	<p>products is developed, based on FairWild Standard, and implemented by June 2023.</p> <p>3.3 At least one industry meeting, involving consumer markets' buyers, Nepalese producers and herbal products associations lead to buy-in and the development of trade agreements in line with sustainability requirements, by June 2024.</p> <p>3.4 Trading agreements between at least 15 CFUGs and companies (identified in Output 3 activities) established, including the clear indication of the price premiums, by June 2024.</p> <p>3.5 Traceability pilot, linked to the FairWild certification implementation in close relation with the buyers and retailers, showcases the environmental, social and economic benefits of eco-friendly plant-based products, by June 2024.</p>	<p>3.3. Industry meeting is planned for 8-9 June 2023, bringing together producers and buyers of sustainably-harvested Nepalese wild plant products. (SD17: Concept note on market access industry workshop).</p> <p>3.4. Based on the agreement made between HBTL and CFUGs in Jumla for trading of Kutki and Jatamansi, HBTL bought 200 kg of Kutki from 2 CFUGs – Baghjale and Lamteli.</p>
<p>Activity 3.1. Conduct value chain and market analysis of three target NTFPs species to identify priority markets and commercial partners to maximise their export potential (FWF, TRAFFIC)</p>		<p>Market analysis report was finalised in May 2022 (SD2) and shared with project partners and stakeholders. The report focuses on seven valuable wild-harvest species with international demand: jatamansi, kutki, Himalayan fritillary, Atis, Setochini, Aconitum spp. and juniper. Following this and discussions with partners, buyers in China, US and EU will be targeted for the upcoming event in June 2023, along with a</p>

	select number from India who are interested in ethical trade. A buyer profile was created by ProFound in Dec 2022 to describe the buyers we would like to target for the 2023 event.	
Activity 3.2: Support the development of local capacities in Nepal to implement FairWild and enable market access (ANSAB, FWF, TRAFFIC)	ANSAB has identified 6 new community-based producer companies in the project area (SD 14: List of producers companies). With this, there are 20 producer companies working in the essential oil and crude herbs sectors interested in FairWild certification and getting involved in the international trade of essential oil (incl. Jatamansi) and other crude herbs. ANSAB has been in regular contact with these producers' companies and keeps updating on any progress through flowing the relevant information. ANSAB distributed hard copies of relevant document incl. the Nepali-translated FairWild standards and performance indicators, Manual on Good Collection Practices of Jatamansi, Occupational Health and Safety measures, and Social Responsibility and Fairtrade to these companies. Based on the request from FWF, ANSAB shared the four market access tools developed by FWF to the relevant 14-Nepalese producers companies (SD 15: List of producers companies received the market access tools) and got positive responses from them. As per their responses, these market access tools are quite useful for startup companies and can be strong guiding documents for developing export marketing strategy, finding and communicating with international buyers as well as participating in the international trade fairs. They are equally important tools for the established companies to expand their business.	
Activity 3.3: Facilitate the engagement and development of trade agreements with potential identified buyers interested in sustainable NTFPs from target areas (FWF, TRAFFIC, ANSAB, NEHHPA, CWPCA, CATCM)	At central level, ANSAB supported major producers enterprises through organizing a meeting called “ Pre- BioFach meeting ” at ANSAB where the representatives from HBTL, Annapurna Aroma and NEHHPA/Alternative Herbal Products (AHP) participated. Likewise, ANSAB organized a meeting with NEHHPA to plan a face to face industry meeting focusing international buyers. Preparatory work and planning for the industry workshop in Kathmandu is underway. ANSAB also supported Annapurna Aroma to prepare presentation slides of industry to present in International Federation of Essential Oils and Aroma Trades (IFEAT) 2022 conference, Vancouver, Canada. ANSAB organized a meeting with executive members of Nepal Herbs and Herbal Product Association (NEHHPA) namely Mr. Prem Tiwari, Mr. Govinda Ghimire and Mr. Sushil Gyawali for discussion on the concept and nature of the proposed at least one face-to-face industry meeting in Kathmandu, with the focus on international buyers and counterparts to exchange the experiences, focus on China’s TCM companies and India importers. After conducting several rounds of meetings with NEHHPA, ANSAB developed and signed Memorandum of Understanding (MoU)- (SD16: MoU between ANSAB and NEHHPA) on 14 th March 2023 with	

	<p>NEHHPA to conduct the “Market Access Industry Workshop” in Kathmandu from 8-9 June 2023. ANSAB, TRAFFIC, FWF and ProFound has supported NEHHPA to develop a concept note of the market access industry workshop along with the detailed agenda for 2 days and registration form of the participants (SD17: Concept note of the market access industry workshop). NEHHPA has developed a draft flyer of workshop and shared among project team for feedback (SD18: Draft flyer of the market access industry workshop). ANSAB and NEHHPA organized a meeting at ANSAB to clarify the role of workshop coordinator and further strategy to work. Regular meeting with NEHHPA and ANSAB are ongoing.</p> <p>On the other hand, at field site level, ANSAB carried out and organized meetings with local processors/traders and identified and assessed the support needed for upgrading the local processing enterprises. In these meetings, a total of 27 participants (18 male and 9 females) have participated and identified the areas of support to the local processing enterprises (SD 19- Areas of support to the local processing enterprises in the project sites). Based on the assessment, ANSAB identified areas of critical support to the two local processing enterprises located in Jumla and Bajhang districts. In Jumla, ANSAB supported to the Malika Essential Oil Processing Enterprise through repair and maintenance of the boiler, net and chimney pipe of the Jatamansi processing enterprise and upgraded the efficiency of the Jatamansi processing enterprise (SD20: Photographs of the support materials). Similarly in Bajhang, ANSAB provided support to the New Srijana Sristi Oil Production and Processing Enterprise, where the Jatamansi processing enterprise was supported with the construction of the shade house/ warehouse. (SD21: Photographs of the shade house of the distillation unit in Bajhang).</p>	
<p>Activity 3.4: Support the implementation of FairWild requirements, including the traceability system (ANSAB, TRAFFIC, FWF)</p>	<p>At CFUG level, a Nepali translated guideline on traceability, Social responsibility and FairTrade (SD 22), Occupational Health and Safety (OHS) measures (SD 23) and account and record keeping manual (SD9) has been shared to LRP, CFUGs and local processing companies during the roll-out trainings in the project sites. ANSAB has planned to carry out the CFUGs level detailed trainings on the traceability in the next quarter of the project.</p>	
<p>Activity 3.5: Support the FairWild audit of at least five supply chains (ANSAB, FWF)</p>	<p>During the reporting period, ANSAB facilitated to organize the third party FairWild certification audit for Himalayan Bio-trade Limited (HBTL) in three CFUGs of Jumla namely Baghjale, Lamteli and Bhaleni CFUGs from December 5-12, 2022.</p> <p>The onsite third-party FairWild audit in Jumla in Baghjale, Lamteli and Bhaleni CFUGs include: Field visit to observe the Jatamansi and Kutki</p>	

		<p>harvesting in harvesting sites; Group and individual interviews with the Jatamansi and Kutki harvesters; Harvesters household level visit to observe the places of drying, cleaning and storage of NTFPs; Meeting with the CFUGs executive members; Meeting with the local and district level traders and Visit to observe the local processing unit and interview with the processing unit manager and workers.</p> <p>At the field level, ANSAB carried out the preparatory works for the FW audit in Jumla (focusing Lamteli, Baghjale and Bhaleni CF), particularly assisting in updating the harvester's registration system, developing FairWild premium fund operational guidelines, and meeting other documentation requirements.</p> <p>After the FW certification audit in Jumla a debriefing meeting was organized at ANSAB to discuss the ground based activities and progress of the FW audit. Likewise, Eco-cert and HBTL also organized 2 days long closing meeting on 29-30 January 2023. Based on the closing meeting and review, observation and reflection from Ecocert, HBTL is confident to qualify and get the FairWild certificate by end of April 2023.</p>	
<p>Output 4: Policies, legislation and strategies at federal, provincial and local levels incentivize and enable a long-term shift towards sustainable use and trade in NTFPs in Nepal</p>	<p>4.1 By December 2022, Nepalese NTFPs that are in high use/trade demand, are evaluated against the designed systematic framework which considers sustainability of, and risks from, commercial harvest to assess the long-term suitability for international trade.</p> <p>4.2 By June 2024, practical policy guidance on including NTFPs harvesting and management (including monitoring responsibilities and practices) in CFUG management plans and a model for decentralized alpine natural resources management, based on</p>	<p>4.1. Draft framework is available and will be finalised in May 2023.</p> <p>4.2. Meetings with policymakers will take place in April 2023 in order to build guidance.</p> <p>4.3. i) A model for assessing the sustainability of wild-harvested plants is being developed. A manuscript currently titled "<i>The sustainability of trade in wild plants – a data-integration approach tested on critically endangered Nardostachys jatamansi</i>" has been finalised and submitted to an international peer-reviewed journal, and we are currently awaiting the outcome of the review. (ii) Another paper on the theme of A generalised approach to sustainable medicinal plant management in the Himalayas has been developed and is expected to be finalised in August.</p> <p>4.4. For the next reporting period.</p> <p>4.5. The Department of Forest and Soil Conservation (DoFSC) –a management authority of CITES in Nepal which was presented on "Decentralized resource management and monitoring: community-based forestry approaches with Jatamansi in Nepal" in the side events of the CITES CoP 19 in Panama held from 14-25 November 2022. ANSAB supported to develop the presentation for the DoFSC.</p>	

	<p>best practices, is disseminated by FECOFUN to CFUGs across Nepal.</p> <p>4.3 By June 2023, stakeholder consultations review the findings of the assessment and agree the ways forward and recommendations for policy-makers, industry (Nepalese and international), and CFUGs.</p> <p>4.4 Sustainability considerations based on 4.1, and piloting experiences, are embedded in at least one Nepal trade policy or agreement concerning NTFPs (e.g. supporting Belt & Road Initiative (BRI) traditional medicine agreements), by June 2024</p> <p>4.5 Nepal CITES Authorities develop NDFs following existing good practice guidance, based on up-to-date information (including resource management data, traditional CFUG knowledge, and distribution modelling) leading to Jatamansi removal from the CITES Review of Significant Trade process, and no additional CITES App-II</p>	
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	listed species included in RST or the EU 'negative opinion'	
Activity 4.1: Develop an evaluation framework for assessing the long-term suitability for international trade of high-value/volume NTFPs (UOXF, ANSAB, TRAFFIC, UOC)		To be finalised in next reporting period
Activity 4.2: Develop and disseminate a practical guideline on including NTFPs harvesting and management (including monitoring responsibilities and practices) in CFUG management plans (ANSAB, FECOFUN)	A detailed terms of reference (ToR) has been developed for a study to analyze the gaps in the current community forestry guidelines and draw recommendations for their improvement . The ToR was finalized with inputs and feedback from the project team members. Based on the ToR, an expert has been identified and contracted with deliverables. The expert has been carried out the review of relevant policy documents and key informant interviews as part of the study and developed a draft report (SD24:Draft assessment report on policy analysis and recommendation). This report will be shared to the relevant stakeholders and validated in next reporting period. ANSAB has also been planning to share these findings in a workshop as planned to be organized by the University of Copenhagen in August 2023.	
Activity 4.3: Develop a model plan for decentralized alpine natural resources management (ANSAB, UCPH)	Policy analysis has been undertaken, it will be finalized in next reporting period. Based on this, a model plan will be developed	Activities will follow on from 4.2 with finalisation of the guidelines and stakeholder review in the next project cycle.
Activity 4.4: Provide orientation and hands-on training to local and national FECOFUN to facilitate the dissemination of guideline including NTFP harvesting and management along with the model plan across Nepal (ANSAB, FECOFUN)		For future implementation in next project phase.
Activity 4.5: Consultation meetings and dialogue to embed sustainability considerations in Nepal's trade policy and agreement concerning NTFPs (ANSAB, MOFE, FECOFUN, NEHHPA, TRAFFIC, UOXF, UCPH)		For future implementation in next reporting phase.
Activity 4.6: Support and facilitate the CBD and CITES Government authorities to comply with international conventions and targets (ANSAB, MOFE, TRAFFIC)	On April 19 th 2022, The Department of Forests and Soil Conservation (DoFSC) under Ministry of Forests and Soil Conservation, a management authority of the CITES (Flora) in Nepal have requested to ANSAB to present and share the learnings of ANSAB on the CITES listed plants, particularly on the efforts to regulate harvesting and trade of Jatamansi from Nepal on a program “ Orientation on CITES Laws ” ANSAB presented on the forum where a total of 30 higher level of government officials mostly the Divisional Forest officials (DFOs)of Bagmati Province have participated.	

	<p>Likewise in June 2022, The Director General of the Department of the Plant Resources (DPR)- CITES scientific authority (Flora) in Nepal have invited ANSAB team to visit to DPR, ANSAB shared the project related activities and ANSAB and DPR discussed on possible collaboration and support scope to DPR particularly on the NDF development for 2023 and scientific inventory of CITES listed NTFPs species in Nepal.</p> <p>On request of the Director General of the Department of Forest and Soil Conservation, ANSAB supported to develop a presentation on “Decentralized resource management and monitoring: community-based forestry approaches with Jatamansi in Nepal” for the Department of Forest and Soil Conservation –a management authority of CITES in Nepal to be presented in the side events of the CITES CoP 19 in Panama held from 14-25 November 2022.</p>	
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Annex 2: Project’s full current logframe as presented in the application form (unless changes have been agreed)

Project summary	Measurable Indicators	Means of verification	Important Assumptions
<p>Impact: Nepal’s Himalayan wild medicinal and aromatic plants are sustainably managed, and landscapes where they grow conserved, with community harvesters benefitting from sustainable management and traceable, equitable trade</p>			
<p>Outcome: High-value/conservation priority NTFPs in five districts of Nepal’s Himalayas are effectively conserved through sustainable management and traceable, equitable trade, based on clear legal frameworks and sustainable use and trade approaches.</p>	<p>0.1 At least three species of high-value NTFPs (Jatamansi, Kutki and Himalayan Fritillary) in five priority production districts of Nepal’s Himalayas are sustainably managed (i.e. in line with the updated CFUGs operational management plans), by June 2024.</p> <p>0.2 At least 5,000 (at least 40% women) harvesters, processing staff and the CFUGs they are part of, benefit from at least 5% increase in income from the sustainable trade in target NTFPs, by June 2024.</p> <p>0.3 A traceability pilot for Nepalese high-value NTFPs, driven by the market interest is complete, with final FairWild-certified products on sale at a consumer market, by June 2024.</p> <p>0.3 A traceability pilot for Nepalese high-value NTFPs, driven by the market interest is complete, with final FairWild-certified products on sale at a consumer market, by June 2024.</p> <p>0.4 Nepal’s government policies, sectoral multi-stakeholder strategies, trade agreements explicitly include provisions for sustainable trade in CITES Appendix-II and other NTFPs of commercial importance by June 2024.</p>	<p>0.1 Management is assessed in Divisional Forest Offices reports, and compared with CFUG management plans</p> <p>0.2 Baseline and project end household income surveys</p> <p>0.3 Companies’ reports, images of products on sale, traceability pilot documented</p> <p>0.4 Policy, regulation, trade agreement text, peer-review article</p>	<p>Long-term impacts of COVID-19 do not significantly disrupt Nepal’s national and international trade. This concerns transport/harvesting lockdown restrictions and the growing demand for herbal products as treatment/prevention.</p> <p>Selected NTFPs are already a main source of income for communities in Himalayan districts; changing trade dynamics and the diversification of market interest will enable this income to grow, if the necessary safeguards and resource management measures are put in place and implemented through Nepal’s existing Community Forestry system and a model approach for decentralised alpine natural resources management.</p> <p><i>(new AR1) There will be continuing interest and willingness to participate in the project by the CFUGs and other stakeholders</i></p>
<p>Output 1: At least three species of high-value NTFPs are sustainably managed by communities in Humla, Jumla, Mugu, Darchula, and Bajhang districts of Western Nepal.</p>	<p>1.1 Resource inventories, focused on three principal target high-value/conservation priority NTFPs (and covering other associated species harvested in the area) are complete for five target districts (at least 30 CFUGs community forests) with total area or approximately 25,000 ha, and distribution modelling approximates sustainable harvesting quantities per district in Nepal, by March 2023.</p>	<p>1.1 Resource inventory reports for all target districts, published papers with distribution modelling</p> <p>1.2 30 updated CFUG operational management plans</p>	<p>The existing resource inventories for eight CFUGs in Jumla and Mugu districts will provide replicable methodology</p> <p>Each target CFUG has Community Forest management plans however their validity period mostly expired and these do not include details of NTFPs stock or annual allowable</p>

	<p>1.2 Sustainable management, including community monitoring, of three target NTFPs (and other associated harvested species), is integrated into 30 CFUGs operational management plans in five target districts, recognised and approved by Divisional Forest Offices and CFUGs by June 2023.</p> <p>1.3 Training programme in NTFPs sustainable harvesting, resource management and monitoring approaches rolled-out to 5,000 harvesters in 30 CFUGs by December 2023.</p> <p>1.4 The sustainability (time, methods, quantity) of three target NTFPs harvesting has improved, compared to 2021 baselines, in target areas by June 2024.</p>	<p>1.3 Training participants' lists; pre-and post-training knowledge evaluation</p> <p>1.4 Divisional Forest Offices and CFUG monitoring reports; FairWild certification reports/communication</p>	<p>harvest; the updated CFUGs management plans will provide templates/approaches for replication.</p> <p>The existing skills, understanding and culture for sustainable resource management, through Community Forestry, will help communities maintain harvests at sustainable levels.</p> <p>The three “principal” species are sufficiently well-understood and locally identifiable to enable reliable resource inventories and the traceability systems of Output 3. We will be able to do worthwhile surveys of Polygonatum, Delfinium, and other species and provide valuable training, which will bring conservation and economic benefits, but assume that taxonomic and practical challenges of identification and nomenclature (currently under active research) will mean that later steps of certification for traceability will not be possible within the project timeframe.</p>
<p>Output 2: At least 5,000 harvesters and their communities in five target districts have clear benefits from long-term sustainable, equitable, traceable trade in NTFPs</p>	<p>2.1 5,000 CFUG harvesters and processing workers, (at least 40% women) from at least 20 producer enterprises, are trained in FairWild and organic standards and certification, by December 2023.</p> <p>2.2 Target CFUGs and harvesters' registration system updated to provide a basis for transparent trade and cost-calculation, to include harvesters' details, harvesting/sale quantities and locations, prices, trainings/ capacity-building, disaggregated by gender, by June 2022.</p> <p>2.3 Fair trading and benefit sharing protocol developed and piloted with NTFP harvesters' and workers' sub-committees in one CFUG by June</p>	<p>2.1 Training participants' lists; pre-and post-training knowledge evaluation</p> <p>2.2 Harvesters' registers at CFUG level, project technical reports</p> <p>2.3 Sub-committee policy and reports</p>	<p>Harvesters' registration system will provide an important element of both traceability of products, and create the basis for equitable benefit sharing arrangements.</p> <p>Clarification of benefit sharing protocol will clarify the intended arrangements and processes, and mitigate the potential conflicts between harvester and non-harvester members of CFUG and among harvesters</p>

	2022, and subsequently rolled-out to all target groups, by June 2023.		
Output 3: Sustainable supply chains are in place, led by producers/exporters in Nepal, and 'matched' to manufacturers in consumer markets, based on sustainable production systems following FairWild Standard	<p>3.1 Supply chains for at least three NTFPs from Nepal to consumer markets are identified and documented by June 2022.</p> <p>3.2 Traceability system for essential oils and other plant-based products is developed, based on FairWild Standard, and implemented by June 2023.</p> <p>3.3 At least one industry meeting, involving consumer markets' buyers, Nepalese producers and herbal products associations lead to buy-in and the development of trade agreements in line with sustainability requirements, by June 2024.</p> <p>3.4 Trading agreements between at least 15 CFUGs and companies (identified in Output 3 activities) established, including the clear indication of the price premiums, by June 2024.</p> <p>3.5 Traceability pilot, linked to the FairWild certification implementation in close relation with the buyers and retailers, showcases the environmental, social and economic benefits of eco-friendly plant-based products, by June 2024.</p>	<p>3.1 Market report</p> <p>3.2 Traceability system design report</p> <p>3.3 Meetings agenda, summary, list of participants, trade agreements and industry statements</p> <p>3.4 Trading agreements, meetings' records</p> <p>3.5 Communications on companies, FairWild, TRAFFIC websites</p>	<p>Markets for NTFPs will continue to grow and will be increasingly looking for the evidence of products origin and environmental and social impacts of production. This concerns both the European and US markets with more established requirements for sustainability, and, increasingly markets in China and India, which are fast-growing and are key destinations for many Nepalese NTFPs.</p>
Output 4: Policies, legislation and strategies at federal, provincial and local levels incentivize and enable a long-term shift towards sustainable use and trade in NTFPs in Nepal	<p>4.1 By December 2022, Nepalese NTFPs that are in high use/trade demand, are evaluated against the designed systematic framework which considers sustainability of, and risks from, commercial harvest to assess the long-term suitability for international trade.</p> <p>4.2 By June 2024, practical policy guidance on including NTFPs harvesting and management (including monitoring responsibilities and practices) in CFUG management plans and a model for decentralized alpine natural resources management, based on best practices, is disseminated by FECOFUN to CFUGs across Nepal.</p> <p>4.3 By June 2023, stakeholder consultations review the findings of the assessment and agree the ways forward and recommendations for policy-makers, industry (Nepalese and international), and CFUGs.</p>	<p>4.1 Draft report as an input to the project stakeholder consultations</p> <p>4.2 Policy concerning the content of the CFUG operational management plans, and the model approach to decentralized alpine resources management</p> <p>4.3 Record/report from stakeholder consultation; peer-reviewed article summarizing the assessment and recommendation, sharing replicable methods</p>	<p>Nepal's government do not decide to suspend trade of certain wild-sourced products, which could impede access to and/or reduce markets for exports from Nepal.</p> <p>Nepal's government MoU with China focused on boosting traditional medicine trade remains operational under the Belt and Road Initiative Traditional Chinese Medicine strategy</p> <p>Methodology for the update of CFUGs' operational management plans, piloted in 25-018, and the political change in Nepal to decentralised governance, provides an important opportunity for the</p>

	<p>4.4 Sustainability considerations based on 4.1, and piloting experiences, are embedded in at least one Nepal trade policy or agreement concerning NTFPs (e.g. supporting Belt & Road Initiative (BRI) traditional medicine agreements), by June 2024</p> <p>4.5 Nepal CITES Authorities develop NDFs following existing good practice guidance, based on up-to-date information (including resource management data, traditional CFUG knowledge, and distribution modelling) leading to Jatamansi removal from the CITES Review of Significant Trade process, and no additional CITES App-II listed species included in RST or the EU 'negative opinion'</p>	<p>4.4 Industry/trade associations policy; Nepal government trade policy statements (including in the context of BRI TCM)</p> <p>4.5 Record of government decisions, meetings records</p>	<p>change in policy and practice (for CFUGs to introduce provision for NTFPs in their management plan with proper inventory and sustainable management practices)</p>
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Annex 3: Standard Indicators

We will submit these in the new format in Mid-May.

Table 1. Project Standard Indicators – to be provided in mid-May 2023

Table 2 Publications

Title	Type (e.g. journals, manual, CDs)	Detail (authors, year)	Gender of Lead Author	Nationality of Lead Author	Publishers (name, city)	Available from (e.g. weblink or publisher if not available online)
CITES and Livelihoods Case Study: Jatamansi *	Case study	Amy Woolloff, Anastasiya Timoshyna 2022	Female	British	CITES Secretariat	https://cites.org/eng/prog/livelihoods
WildCheck: Assessing the risks and opportunities of trade in wild plant ingredients	Report	Schindler, C., Heral, E., Drinkwater, E., Timoshyna, A., Muir, G., Walter, S., Leaman, D.J. and Schippmann, U. 2022	Female	Canadian	FAO, Rome	https://www.fao.org/3/cb9267en/cb9267en.pdf
Jatamansi profile on WildCheck Platform	Webpage	Schindler, C., Heral, E., Drinkwater, E., Timoshyna, A., Muir, G., Walter, S., Leaman, D.J. and Schippmann, U. 2022	Female	Canadian	TRAFFIC, Cambridge	https://www.wildcheck.info/jatamansi
Jatamansi featured in TRAFFIC 2017-2022 End of Programme story-map	Webpage	Anastasiya Timoshyna, Audrey Plyler, Abbie Pearce, Marcus Cornwathie 2023	Female	Ukrainian	TRAFFIC, Cambridge	https://www.traffic.org/about-us/achievements-and-impacts/ (scroll to Purchasing section)

Checklist for submission

	Check
Different reporting templates have different questions, and it is important you use the correct one. Have you checked you have used the correct template (checking fund, type of report (i.e. Annual or Final), and year) and deleted the blue guidance text before submission?	Yes
Is the report less than 10MB? If so, please email to BCF-Reports@niras.com putting the project number in the Subject line.	Yes
Is your report more than 10MB? If so, please discuss with BCF-Reports@niras.com about the best way to deliver the report, putting the project number in the Subject line.	N/A
Have you included means of verification? You should not submit every project document, but the main outputs and a selection of the others would strengthen the report.	Yes
Do you have hard copies of material you need to submit with the report? If so, please make this clear in the covering email and ensure all material is marked with the project number. However, we would expect that most material will now be electronic.	No
If you are submitting photos for publicity purposes, do these meet the outlined requirements (see section 16)?	N/A
Have you involved your partners in preparation of the report and named the main contributors	Yes
Have you completed the Project Expenditure table fully?	Yes
Do not include claim forms or other communications with this report.	