

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC15

Date ISDS Prepared/Updated: 06-Dec-2011

I. BASIC INFORMATION

A. Basic Project Data

Country:	Bhutan	Project ID:	P127490
Project Name:	Sustainable Financing for Biodiversity Conservation and Natural Resources Management (P127490)		
Task Team Leader:	Sumith Pilapitiya		
Estimated Appraisal Date:	21-May-2012	Estimated Board Date:	27-Sep-2012
Managing Unit:	SASDI	Lending Instrument:	Specific Investment Loan
Focal Area:	Multi-focal area		
Sector:	Forestry (60%), General agriculture, fishing and forestry sector (40%)		
Theme:	Biodiversity (60%), Land administration and management (20%), Participation and civic engagement (20%)		
Financing (In USD Million)			
Financing Source			Amount
BORROWER/RECIPIENT			1.50
Global Environment Facility (GEF)			4.08
Local Communities			0.30
Total			5.88
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Global Environmental Objective(s)

The project and global development objective is to improve the operational effectiveness and institutional sustainability of the Bhutan Trust Fund for Environment Conservation. This would be achieved through improved conservation management of forests and alpine ecosystems in the high altitude northern landscape of Bhutan and greater environmental stewardship by local communities.

C. Project Description

The project is likely to consist of the following components:

Component A: Enhanced Operational Effectiveness and Sustainability of the Bhutan Trust Fund for Environment Conservation (US\$0.8 million GEF). This component will provide technical support and capacity building to strengthen the ongoing effort to improve the effectiveness of BTFEC. In particular, this component will help implement a revised Strategy and Action Plan for the BTFEC and operational guidelines to enable BTFEC to assume leadership in prioritizing conservation threats and opportunities, work with partners to conceive the programs that can best address these priorities, encourage the creation of indigenous capacity to design and manage programs and provide funding for program implementation. This Component, in particular, will help implement a new Strategic Plan for BTFEC to enable it to provide leadership and strategic direction for environmental conservation in Bhutan. It will help identify the interrelated areas of program implementation and define the strategies for meeting the goal of this whole initiative. It will support the development of a detailed action plan that will specify a transparent and competitive system for prioritization of annual conservation grant making; define the allocation of monetary resources to the different program areas, detail requirements for project implementation, create systems for monitoring and evaluation and lay out the course for improving the performance and operations of the Trust Fund itself. It would help to improve publicity and visibility of its operations. The intent of this component is to help BTFEC demonstrate its determination, competence and success in achieving the goals of this Strategic Plan through rigorous implementation of the Action Plan and measurable proof of habitat and biodiversity conservation, as well as improved quality of life for rural citizens. BTFEC should become an effective instrument for biodiversity and sustainable forest conservation and management action in the country and one of the main sources of sustained funding for conservation in Bhutan.

Component B: Improved conservation management of high altitude northern areas landscape in Bhutan (including protected areas and associated alpine meadows, forests and agricultural ecosystems) with community participation to conserve temperate broad-leaf forests and other ecosystems (US\$2.84 million GEF; US\$0.3million local communities and US\$1.2 million from government agencies): In order to improve its grant making system and demonstrate its impact on conservation outcomes, under this component, BTFEC will support activities aimed at improving the conservation management of high altitude northern area ecosystems in the country. Firstly, this component will support the testing and implementation of appropriate management strategies and proactive plans to anticipate and address threats to the protected area and biodiversity corridor complexes in HANAS. This would enable the conservation of broad-leaf forests and other ecosystems within HANAS and help maintain their ecological integrity and the economic and ecological services they support. These would include the following activities: Review and update of existing management plans for protected areas and zoning and enforcement of land-use regulations; monitoring of species of special concern, especially tigers and other charismatic species; research on critical species; engagement of local communities in habitat management and community stewardship and improved livelihoods and incomes; and improved staff training and capacity for conservation. Secondly, this

component will support a range of community activities to strengthen the adoption of sustainable land use and grazing practices; co-management of forests and alpine meadows; and community-based ecotourism and value addition products.

Component C: Mainstreamed conservation and sustainable forest and natural resource management approaches in national policies, strategies and plans, and the replication of such approaches elsewhere in Bhutan (US\$0.44 million GEF; US\$0.3 million from government agencies): The lessons from protected area management, as well as management of alpine pastures, agricultural lands and catchment forests derived from Component B will inform policies pertaining to key natural resources sectors, including watershed management, upland agriculture and livestock, forestry, wildlife conservation and also infrastructure development. It would also attempt to mainstream such approaches in the national five-year planning process. The learning and experience of Component B will also contribute to development and improvement of existing natural resource management guidelines and provide good examples of best practice in key natural resource management sectors and support new models of integrating protected area, sustainable grazing and agricultural management approaches into sector and geog (sub-district) level planning to prevent the loss and fragmentation of forests and critical habitats. It will facilitate the replication of this learning more broadly throughout the country.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will be located within the Bhutan Trust Fund for Environment Conservation (BT FEC) with its office in Thimpu, Bhutan. The conservation grants supported through the BT FEC will support activities in the northern alpine areas of the country and cover around 1.5 million hectares. This will include three national parks, farmer's agricultural lands and alpine pastures, as well as forests outside the protected areas.

E. Borrowers Institutional Capacity for Safeguard Policies

The Bhutan Trust Fund is a permanent institution that provides financial support for environmental conservation activities in the country. It has limited safeguard capacity. The project will provide technical assistance, capacity development and new guidelines and procedures to improve safeguard management and monitoring within the conservation grants program of BT FEC.

F. Environmental and Social Safeguards Specialists on the Team

Darshani De Silva (SASDI)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered	Yes	No	TBD	Explanation
Environmental Assessment OP/BP 4.01	X			This is applicable given the project's emphasis on management of natural resources over large spatial territories. However, potential adverse environmental impacts on human populations or environmentally important areas including forests, grasslands and other natural habitats are expected to be very limited. An environmental management framework will be developed to ensure all environmental impacts are considered in planning, implementation and monitoring of the conservation grants program. The operational manual for the conservation grant program would be revised to include guidance to oversee and manage environmental and social impacts.
Natural Habitats OP/BP 4.04	X			While the overall activities of the project will be focused on significant conservation benefits, activities such as habitat management and community development activities around the protected areas have potential to bring forth negative environmental impacts if necessary safeguards are not in place. The operational manual for the conservation grant program would be revised to include guidance to manage potential environmental impacts due to such activities in addition to mitigations measure that will be identified in the environmental management framework.
Forests OP/BP 4.36	X			The project envisages community and private forests and some limited afforestation of degraded areas to curb land degradation. However, the project will not engage in commercial forestry activities.
Pest Management OP 4.09	X			The project might involve the procurement and use of pesticides on a limited scale to enhance crop production in farmer agricultural lands. However, the procurement and distribution of pesticides in Bhutan is well controlled through a centralized system and there will be no procurement of pesticides classified as Class Ia, Ib and II by WHO. Revised operational guidelines for the conservation grant program would provide specific guidance on use of pesticides.
Physical Cultural Resources OP/BP 4.11		X		
Indigenous Peoples OP/BP 4.10		X		It is considered that there are no social groups having a social and cultural identity distinct from the dominant society that would make them vulnerable to be disadvantaged in the development process.
Involuntary Resettlement OP/BP 4.12		X		This OP is not applicable to the project as it does not entail any spatial relocation of persons, Any possible restriction (expected to be minimal or absent) to natural resources by local communities would not be introduced by the project and would only materialize

Safeguard Policies Triggered	Yes	No	TBD	Explanation
				through decisions at the community level. Nevertheless, a process framework for participation of local communities in the implementation of project activities would be developed to ensure transparency and equity. Any changes in how local communities exercise customary tenure rights will emerge from a consultative process satisfactory to the communities.
Safety of Dams OP/BP 4.37		X		
Projects on International Waterways OP/BP 7.50		X		
Projects in Disputed Areas OP/BP 7.60		X		

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 15-Mar-2012

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

Environmental and social management framework will be developed by May 2012 (project appraisal)

IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Name: Eashwary Ramachandran	Date: 06-Dec-2011
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Sanjay Srivastava (RSA)	Date: 06-Dec-2011
Comments: cleared. See email dated 12/05/2011 to Malcolm Jansen for details.		
Sector Manager:	Name: Charles Joseph Cormier (SM)	Date: 20-Dec-2011
Comments:		

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.