

Annual Report: 2020



PROJECT ANNUAL REPORT

[1st July 2020] to [31st December 2020]

<Project Profile>

Project Code	AFoCO/017/2020
Project Title	Sustainable Community-based Enterprise Development for Improved Rural Livelihood in Bhutan (2020-2025)
Project Duration	Start date: 1 st July 2020 End date: 31 st July 2025
Implementing Agency	Social Forestry and Extension Division, Department of Forests and Park Services
Participating Country(ies)	Bhutan
Project Site	12 Districts ((Bumthang, Chukha, Thimphu, Paro, Haa, Gasa, Wangdue, Punakha, Tsirang, Lhuentse, Trashigang, Pemagatshel)
Target Area¹	Primary Target Area: Local Livelihood Improvement & Community-based Enterprise. Secondary Target Area: Strengthening Institutional Capabilities, Diversifying Resources & Promoting Regional Actions
Annual Budget and Source of Finance	Total: US\$: 1,400,000 AFoCO: US\$ 1,000,000 National Budget: US\$ 400,000 (salary & travel) Others: N/A

<Implementing Agency Profile>

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Project Staff	Mr. Tashi Wangchuk	Project Coordinator

Notes to the Authors & Readers

¹ Refer to the list of target areas which is in accordance with the objectives and prevailing strategic plan of AFoCO (provided by the Secretariat).

The project annual report should present information that are managerial in nature, such as the description of activities started or completed during the period covered, the percentage of work undertaken, and the costs incurred.

The report is expected to provide simple and concise information on project progress in accordance with formats provided below. If deemed necessary, the Appendices may include further elaborations on parts of the report.

Use of gender fair language in the preparation of report is highly recommended. The list of recommended gender fair language is attached hereto for reference.

Contents

<u>1.</u>	<u>PROJECT OVERVIEW</u>	<u>4</u>
<u>2.</u>	<u>IMPLEMENTATION PROGRESS & REVIEW OF PERFORMANCE</u>	<u>5</u>
<u>3.</u>	<u>ISSUES & LESSONS LEARNED</u>	<u>6</u>
<u>4.</u>	<u>PHOTO RECORDS</u>	<u>7</u>
<u>5.</u>	<u>APPENDICES</u>	<u>9</u>

1. Project Overview

(To include immediate objectives and expected output, comprising extracts from the Project Document.)

Bhutan's rural community directly depends on the natural resources using it as wild vegetables, medicinal herbs, firewood, house building timber, drinking and irrigation water, fodder and leaf litter for cattle, spiritual ground and recreation, ecotourism, etc. They utilize the natural resources with traditional knowledge enhanced by technical knowledge and programs initiated for the benefit of the rural people since the inception of the community forest and non-wood forest products programs in early 1990s.

To further enhance the income generation of the rural communities, while sustainably managing the natural resources, AFoCO Project with a million dollar support targets 12 districts out of 20 in Bhutan focusing on 75 community forestry group and 45 non-wood forest product management groups.

This project will contribute to the strategic interventions such sustainable forest management and improving the livelihoods of the rural communities. This project will build capacities of key stakeholders in implementing the project at the central, local governments and rural communities.

The main objectives are:

1. To promote CF and NWFP industries by establishing community based enterprises.
2. To develop alternative income sources for livelihoods of rural communities.
3. To enhance knowledge and technology on climate change adaptation through sustainable forest management.

To tap the commercial potential of these resources (Timber, NWFPs) there is a need to improve the market systems through investments into the resources and creating innovative forest based enterprises. Currently the groups sell the forest products mostly in raw form without any value addition resulting in much lower cash income compared to finished products. The support from the project will be for setting up the forest-based enterprises, developing skills and capacities of the communities on value addition, product development & design, and branding. The project is expected to support networking of community based forest management groups to facilitate marketing of the products and information & experience sharing.

Efficient use of timber & NWFP resources through improved capacity of the vulnerable communities and improved implementation of the management plan are climate smart adaptation activities. Domestication/cultivation of the potential NWFPs will be initiated to reduce the pressure on wild resources.

The specific objectives are as follows:

1. Establish five community-based rural enterprise for forestry products by end of the project period.
2. Increase alternative income generating activities – initiate three Payment for Environmental Services (PES) Scheme for timber, NWFPs & water and five community-based ecotourism identified and operationalized.
3. Enhance capacities of 1,000 community members and 200 forestry staff on sustainable management of forest resources
4. Develop skills at least two wood products and five non-wood forest products
 - About 100 CF members trained in wood product development.
 - At least five new NWFP products developed and market linkages established.

- At least 25 community members from five enterprises trained on operation and maintenance of equipment.
5. Enhance knowledge and technology on climate change adaptation approaches.
- Vulnerable communities identified, indigenous adaptation practices documented and climate smart adaptation measures initiated.
 - Important/ vulnerable timber and non-timber species documented.

2. Implementation Progress & Review of Performance

(To indicate the state of progress in matrix. If the project has Project Implementation Plan, please use the matrix)

Activity No.	Activity	Timeline	Performance Indicators		Percentage Executed	Progress Description
			Baseline	Achieved		
Output 1: Support establishment of NWFP/ Wood based enterprise at local level						
A.1	Support establishment of NWFP/ Wood based enterprise at local level					
A.1.1	Identification of potential NWFP/CF for enterprise development	July-Sept. 2020	0	1	10%	1 in Paro for wood-based enterprise
A.1.2	Consultation meetings/workshop	Oct.-Dec. 2020	0	3	80	Gasa, Punakha and Paro
Output 2: Increase alternative income generating activities (PES, Ecotourism, etc.)						
B.1	PES schemes initiated in CF					
B.2.3	Support infrastructure (Trails, Gazebos, signage)	Oct. – Dec. 2020	0	2 (in 2 different CFs in Gasa)	20	Work execution was delayed due to COVID-19
Output 3: Enhance capacity of communities and forestry staffs to manage resources sustainably						
C.1	Community members and forestry staffs trained on sustainable management of resources					
C.1.4	Participate in International workshop/conference/seminar/exhibitions, etc. including 2 participants from project area train on project management and performance	July – Dec. 2020	0	0	0	Due to travel restriction, it has not happened
Output 4: Develop skills to develop new forest based products.						
D.1	CF members trained in wood product development					
D.2.3	Facilitate market linkages (Buyer - Seller meetings, Auction)	July – Dec. 2020	0	0	0	Due to meeting restriction
D.3	Community members trained on operation and maintenance of equipment.					
D.3.1	Training on operation and maintenance of equipment	July – Dec. 2020	0	0	0	Training institutes closed
Output 5: Enhance knowledge and technology on climate change adaptation approaches						
E.1	Vulnerable communities identified, indigenous adaptation practices documented and climate smart adaptation measures initiated.					

Activity No.	Activity	Timeline	Performance Indicators		Percentage Executed	Progress Description
			Baseline	Achieved		
E.2.2	Field surveys/ assessments	Oct. – Dec. 2020	0	1	50	Field survey for timber species cancelled
E.2.5	Domestication/cultivation of NWFPs (nursery development)	Oct. – Dec. 2020	0	0	0	
F	Project Monitoring and Evaluation (Mid-term, final and ex-post)	July – Dec. 2020	0	0	0	
Others	Consumables	July – Dec. 2020	0	1	100	Used for project and social forestry and extension office

3. Issues & Lessons Learned

(To describe the issues encountered and lessons learned during the reporting period in bullet points – a short paragraph for each issue identified and any action taken to address that issue and lessons learned thereof.)

Description of Issues	Actions Taken and Lessons Learned
Organize meeting with communities was challenging due to COVID-19 pandemic	Since the project activities are more community-based, due to COVID-19 pandemic, it was challenging to organize consultation meetings. However, during the short period between the first and second lockdown, community consultation meeting at one site on enterprise development at Gasa was done.

4. Photo Records

(Following the activity number, please provide main photos with description. The original electronic files of the photos used in this section should be submitted separately.)



Photo 1: Payment for environmental Services (PES) water source identified at Rangzhing Kuenphen Community Forest, under Gasa District. This water will be developed and used for Hot Stone Bath which has ability to heal Ulcer.



Photo 2: Consultation meeting with Rangzhig Kuenphen CFMG



Photo 3: Payment for environmental Services (PES) water source identified at Tashi Thongmen Community Forest, under Gasa District. This water will be developed and used for Hot Stone Bath which has ability to heal Migraine.



Photo 4: Consultation meeting with Tashi Thongmen CFMG

5. Appendices

(To include any material with both audio & visual records of project activities and any relevant documents such as maps, figures and/or maps as to support the report)