

Biodiversity Challenge Funds Projects

Darwin Initiative, Illegal Wildlife Trade Challenge Fund, and Darwin Plus

Half Year Report

Project reference	DAREX012
Project title	Scaling conservation of plants and fungi through sustainable trade
Country(ies)/territory(ies)	Nepal
Lead Organisation	TRAFFIC
Partner(s)	TRAFFIC; ANSAB (Asia Network for Sustainable Agriculture and Bioresources); FECOFUN (Federation of Community Forestry Users Nepal); WWF India; University of Copenhagen; University of Oxford; Tribhuvan University; FairWild Foundation (FWF)
Project leader	Anastasiya Timoshyna
Report date and number	HYR1 October 2024
Project website/blog/social media	Scaling conservation of Himalayan plants and fungi through sustainable trade

1. Outline progress over the last 6 months (April – September) against the agreed project implementation timetable.

The project was successfully launched in the reporting period, following the contracting process with NIRAS. TRAFFIC signed the partners' contracts, and an inception and project workplanning meeting was delivered in July-August 2024 in Kathmandu (**Activity 1.1**; SD1). 31 participants (26 in-person and 5 online) attended. The meeting agenda included a general overview of the project, partner roles and coordination, introduction to FairWild certification, Project management approaches and tools, In-depth Y1 planning, Administrative and financial requirements, Project monitoring, evaluation and reporting; Project influence plan and communications; Safeguarding, risk assessment and mitigation; and project target species introduction and identification. Among the outputs from the inception meeting is a draft detailed implementation plan between partners to be used in conjunction with the GANTT chart (SD2), and the municipality and community forests selection guidance (SD2.1).

ANSAB, and TRAFFIC jointly organized a national-level inception workshop on August 7, 2024 (SD3), at Hotel Himalaya, Lalitpur, with 67 participants, including representatives from the Ministry of Forest and Environment (MoFE) and its departments, FECOFUN, Tribhuvan University, UNDP Nepal, USAID Biodiversity, and various I/NGOs and the private sector (SD3). During this event several presentations were delivered drawing upon lessons learnt and highlighting the opportunities present with the new project (SD4, SD5, SD6). A video was produced: [Scaling conservation of Himalayan plants and fungi through sustainable trade](#) along with a [brochure](#) outlining the new project objectives. (**Activity 4.11**)

District level inception took place as well (**Activity 1.1**). FECOFUN District Chapter Gorkha and ANSAB organized a district-level inception workshop in Gorkha Bazar, in September. 33 participants attended the workshop, representing rural municipalities, the District Coordination Committee (DCC), the Nepal Army, Divisional Forest Office, the Manaslu Conservation Area Project (MCAP), FECOFUN, the NGO Federation, the Gorkha Chamber of Commerce, and local journalists. The program was chaired by the Chairperson of the FECOFUN District Chapter, with

the Chairperson of the DCC serving as the chief guest. Participants shared their perspectives and provided valuable feedback, including suggestions for the project including adding species, such as Nirmasi, to the inventory lists. Participants agreed on the municipality selection process and outcomes of the process. The selected rural municipalities were Dharche, Ajirkot and Barpak Sulikot. Participants requested to include Chum Nubri rural municipality as this is also a habitat of high value medicinal plants. The Divisional Forest Officer of Gorkha expressed eagerness to support the project during its implementation. Overall, stakeholders were positive about the initiative and expressed a strong willingness to cooperate to ensure its success. The remaining district-level inception and provincial sharing meetings in Sudurpaschim and Karnali Provinces are expected to be completed by the end of December 2024. There has been a minor delay due to the national Dashain and Tihar festivals (October and November 2024).

Before conducting **Activity 1.2**, linked with **Activity 1.3** From November 7–12 staff from FECOFUN and ANSAB will be trained on FairWild standards and principles. ToT rollout is planned to commence in February or March 2025, earlier than originally planned. A list of certification bodies active in Nepal has been prepared by FairWild for consideration by ANSAB. The list will be refined and participation criteria agreed (**Activity 1.8**). This activity has now been moved from November 2024 to January or February 2025.

The ToR to conduct a baseline community survey will be advertised in the last week of October 2024 (**Activity 2.1**). ANSAB is in regular communication with Himalayan Bio Trade and Annapurna Aroma Company Private Limited to support FairWild Certification (**Activity 2.8**). The project will provide partial financial support in Y1 to conduct certification and provide preparatory support in the field.

Preparation work and discussion for output 3 took place to develop methodology and guidelines for the national-level inventory of high-altitude Himalayan NTFPs (**Activity 3.1**). A series of one-on-one meetings were held with key stakeholders, including secretary of MoFE Dr Govinda Prasad Sharma, Chief of the Planning, Monitoring, and Coordination Division of MoFE, Director General of the Department of Plant Resources, and Director General of the Forest Research and Training Centre, as well as individual experts. These discussions are a precursor to creation of a project advisory committee and technical working group. A preparatory meeting with government stakeholders (MoFE, DPR, FRTC, DNPWC, DoFSC) took place in the first week of October 2024. Additionally, in August 2024, meetings were held with experts, processors and traders of Himalayan medicinal plants. In addition to identified 10 species during project development, they suggested to include *Trillium govianum* (traded as Satuwa), *Valeriana hardwickei* (traded as Sugandhawal), *Rhododendron anthopogon* (Sunpati), and *Prinsepia utilis* (Dhatelo) as they are traded in high volume, and the demand of these products is increasing. TRAFFIC coordinated engagement with the German CITES Scientific Authority to present the project, and update on the plans for the Non-Detriment Findings (NDF) update for Jatamansi (**Activity 3.11**).

A communications group has been established by the communication lead for the project bringing together representatives from each partner organisation. Work has commenced on the influence plan (**Activity 4.1**). The FairWild foundation published two digital newsletters profiling Jatamansi and Kutki (SD7, SD8). ANSAB has posted project related events on the social media - through ANSAB's official Facebook page and website. ANSAB also shared the learning and outcomes from two previous Darwin-funded projects, as well as the ongoing one, during the 30th International Sustainable Development Research Society (ISDRS) conference held in Lalitpur, Nepal, from June 11–13, 2024. The presentation was delivered to an audience of more than 100 participants from different countries (**Activity 4.11**). Project [website](#) was launched following the [press-release about the inception meeting in Kathmandu](#) in August 2024, featuring quotes of senior members of the UK Government and Government of Nepal (**Activity 4.11**).

FairWild Foundation will be presenting the project at the IFEAT 2024 conference in Bangkok in November 2024. TRAFFIC China has engaged relevant industry collaborators and met to discuss the project (**Activity 4.9**). The focus during this reporting period has been on identifying new operators who might become FairWild pathway producers. During the previous project FairWild facilitated communication with Ecoidees who will be audited against FairWild standards in October 2024. FairWild has also secured a commitment from a USA buyer for jatamansi oil subject to guidance on CITES import permit requirements (**Activity 4.10**).

Government of Nepal is preparing National Biodiversity Strategy and Action Plan (NBSAP) required as a national commitment under CBD. ANSAB is supporting Government of Nepal and the Ministry of Forests and Environment in preparing the Nepal NBSAP 2024-2030, contributing to drafting the indicators, activities and action plans for two Kunming Montreal Global Biodiversity Framework targets linking to the project implementation: Targets 5 and 9 (**Activity 5.11**). Technical support was provided to the Government of Nepal delegated to CBD CoP16, in raising awareness about the project's outcomes and activities, and their connection to KM-GBF targets 5 and 9. The delegates will actively participate in side events and in showcasing the project during the CBD CoP 16 in Cali, Colombia. Project has been presented in the reporting period to the European Commission (in the meeting with DG INTPA and DG Environment in September 2024, and CITES Celebration event on 1 October 2024), German development bank KfW, participants of the WWF European Business and Biodiversity Forum.

The project indicators and assumptions still hold true. Trade in wild-harvested plant and fungi ingredients continued, and demand particularly for an increasingly diverse range of species is ongoing. North-Eastern Nepal continues to experience depopulation and the region remains important for conservation interventions. Bilateral (India-Nepal; China-Nepal) and regional commitment (e.g. SAWEN) to sustainable wildlife trade practices translates in the trade in wild plants and fungi have not yet been tested during the project period. FairWild has seen continued growth in consumer demand for wild herbs and fungi. We see continued policy pressure to demonstrate sustainability and transparency in international supply chains as evidenced in national and regional efforts to legislate such as the European Union due diligence directive.

2. Give details of any notable problems or unexpected developments/lessons learnt that the project has encountered over the last 6 months. Explain what impact these could have on the project and whether the changes will affect the budget and timetable of project activities.

Nepal experienced heavy flooding particularly in the Kathmandu valley in October 2024. The ANSAB offices were not affected.

Any international donor funded projects in Nepal should obtain approval from the Social Welfare Council (SWC). ANSAB and FECOFUN submitted a request in June 2024 with final approval granted at the end of October. This resulted in a minor delay in forming the technical committee and working group, as the Ministry of Forestry and Environment needed the SWC approval letter to formalize the project in Nepal. It also affected the ability of Nepal partners to receive funds. There have been changes to the project management team, with Dipesh Pyakurel taking on the responsibility for ANSAB activity coordination and TRAFFIC revising project coordination.

3. Have any of these issues been discussed with NIRAS and if so, have changes been made to the original agreement?

Discussed with NIRAS:	Yes
Formal Change Request submitted:	Yes
Received confirmation of change acceptance:	Yes (10/10/2024)

Change Request reference if known: *not applicable*

4a. Please confirm your actual spend in this financial year to date (i.e. from 1 April 2024 – 30 September 2024)

Actual spend:

4b. Do you currently expect to have any significant (e.g. more than £5,000) underspend in your budget for this financial year (ending 31 March 2025)?

Yes

4c. If you expect and underspend, then you should consider your project budget needs carefully.

A re-budget Change Request is being developed.

5. Are there any other issues you wish to raise relating to the project or to BCF management, monitoring, or financial procedures? Not applicable

6. Please use this section to respond to any feedback provided when your project was confirmed, or from your most recent annual report.

We received the following comments in our funding approval letter:

Please monitor and address the risks that: in the short term incomes to the poor may decrease if more sustainable harvesting practices are introduced (and how this will be managed or mitigated); Response: a comprehensive response to the first point will be provided in the Annual report.

Poor governance will impede efforts to reduce illegal trade and/or unsustainable harvesting; Response: The second note has been added to the risk register. Key mitigating actions include: Encouraging an open and honest working environment with regular check-ins on government and other actor efforts to address corruption and illegal trade. Keeping the team informed of media reports (regular news reports from Nepal focus on anti-corruption efforts/perceived corruption risk). A briefing/discussion with TRAFFIC corruption advisory team was undertaken at project start. Consider ensuring regular check-ins on this and/or regular communication with Transparency International Nepal office.

The logframe should be strengthened: Outcome indicator 0.4 requires a time-bound element if this is appropriate and measurable; and The means of verification under Output 2 requires some clarity - specifically how 2.4/ 2.5 will be measured beyond stating project technical reports. What data will be used as input to the technical reports and how will it be gathered? Response: These points will be addressed in the annual report.

Checklist for submission

For New Projects (i.e. starting after 1st April 2024)	
Have you responded to any additional feedback (other than caveats) received in the letter you received to say your application was successful which requested response at HYR (including safeguarding points)?	Yes
If not already submitted, have you attached your risk register ?	Yes
For Existing Projects (i.e. started before 1st April 2024)	
Have you responded to feedback from your latest Annual Report Review ? You should respond in section 6, annexes other requested materials as appropriate.	Not applicable
For All Projects	
Include your project reference in the subject line of submission email.	Yes
Submit to BCFs-Report@niras.com .	Yes
Have you clearly highlighted any confidential information within the report that you do not wish to be shared on our website?	Yes
Have you reported against the most up to date information for your project ?	Yes
Please ensure claim forms and other communications for your project are not included with this report.	Yes