I. Project Context

Country Context

4.9% of India's landmass constitutes forests, where over 600 protected areas support an astounding 47,000 species of plants and over 90,000 species of animals. 25% of India's population, most of whom are rural poor with limited land holdings and livelihood options are directly or indirectly dependent on forests for firewood, fodder and non-timber forest products. Half of India's 89 million tribal people have close cultural and economic links with forests. While forests contribute a meager 1.7% to the national GDP, they are a significant source of sustenance for tribal and vulnerable populations living inside and on the fringes of the forests. With less than 5% of the total cropped area in India under fodder development, the largest livestock population of the world reverts to free grazing and agriculture residues, more so in the face of fast dwindling and over grazed pastures and grasslands. The consequent degradation of common lands and desertification pose challenges that are complex and adversely impact the health of the country's eco-system, farm productivity and livelihood opportunities. India’s National Forest Policy (1988) aims to increase national forest cover to 33%. However, pressures from a burgeoning population, over-utilization of resources and development strategies that are largely inconsistent with conservation objectives have undermined achievement of this goal. Absence of a unified land use policy has also resulted in unplanned and
unsustainable land use, and paradoxically, an increased rate of land degradation. Forest degradation, through release of stored carbon, is also a significant contributor to climate change. The central Indian highlands (including districts in the states of Madhya Pradesh and Chhattisgarh) are part of the 39% forest grids of India, identified as vulnerable to climate change, with the propensity for undergoing a change in indigenous vegetation.

**Sectoral and institutional Context**

India has a range of policy instruments for managing its forest and land resources and is also a signatory to all the global conventions relevant to the GEF five areas of focus. These policy instruments include the National Forest Policy (1988), National Biodiversity Action Plan (2008) and the National Action Plan on Climate Change, (2008). At the village level, the Joint Forest Management Committees (JFMC), Biodiversity Management Committees (BMC) and the Ecodevelopment Committees (EDC) have been established to manage land and forest resources. At the district/block level, Forest Development Agencies (FDA) and a network of Van Vigyan Kendras (VVK; meaning Forest Science Centers) have been set up. At the central level, Forest Survey of India (FSI), Indian Council of Forestry Research and Education (ICFRE), Forest Research Institute (FRI), Department of Land Resources (DOLR), National Rain Fed Authority support interact with other institutions and policy instruments in land and forest management. In this backdrop, the proposed project is consistent with the 10-year (2008-2018) strategy of the United Nations Convention to Combat Desertification (UNCCD), which aims “to forge a global Partnership to reverse and prevent desertification/land degradation and to mitigate the effects of drought in affected areas in order to support poverty reduction and environmental sustainability”. It would also support the Government of India's efforts to improve the forest cover of the country and integrate the issues of forest quality and ecosystem services in a national program.

Sustainable use and conservation of natural resources require micro-planning which integrates biodiversity conservation in production landscapes. Evolution from pure reforestation approaches to tested Sustainable Land and Ecosystem Management (SLEM) approaches will be pursued by the project. This will entail integrating farm productivity, watershed treatment, control of soil erosion and livelihood concerns of rural communities for increasing farm productivity and building climate resilience.

The project also aims to build strategic direction and knowledge on implementation of sustainable land and ecosystem management approaches and support implementation with design of sustainable resource utilization and benefit sharing models for natural resources; mechanisms for effective coordination at the landscape level amongst various line agencies for convergence and improved return on investments; new and modern technology and tools for assessing and measuring forest quality and ecosystem services; and skills and capacity enhancement of implementation and partner agencies. The benefits from this project will likely spill over to the most affected stakeholders in need of forest and land management--the landless livestock owners, small and marginal farmers and forest dwellers who subsist on forests and other natural resources.

**II. Proposed Development Objectives**

To strengthen the institutional capacity of the Department of Forestry and community organizations to enhance forest ecosystem services and improve the livelihoods of forest dependent communities in Central Indian Highlands.
III. Project Description

Component Name
Strengthening capacity and skills of government institutions for effective delivery of forestry and land management programs

Comments (optional)
This component includes provision of technical assistance to build institutional capacity and capability for planning and efficient delivery of forest ecosystem quality improvement and land management programs through several trainings and (ii) develop, test and pilot nation-wide systems for measuring and monitoring forest carbon stocks.

Component Name
Improving forest quality and productivity

Comments (optional)
This component includes (i) enhancing and restoring carbon stocks in forestlands; (ii) improving forest quality through effective management of invasive alien species; and (iii) developing community-based models for sustainable utilization of non-timber forest produce.

Component Name
Scaling up of integrated sustainable land and ecosystem management (SLEM) approaches for reducing land degradation and desertification

Comments (optional)
This component entails scaling up of SLEM best practices; building national capacity for land degradation and desertification monitoring; and development and Implementation of a National Knowledge Network.

Component Name
Project Management

Comments (optional)
The component on project management provides for coordination and implementation support to planned project activities, as well as its programmatic and fiduciary monitoring and review.

IV. Financing (in USD Million)

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<thead>
<tr>
<th></th>
<th>Amount</th>
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<td>Total Project Cost:</td>
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<tr>
<td>Total Bank Financing:</td>
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V. Implementation

The Project Development Objective (PDO) of the Ecosystems Service Improvement Project (ESIP) is to strengthen the institutional capacity of the Department of Forestry and community organizations to enhance forest ecosystem services and improve the livelihoods of forest dependent communities in Central Indian Highlands.

The project will be implemented in the States of Madhya Pradesh, Chhattisgarh and Goa in landscapes identified based on the projected vulnerability of forest grids to climate change impacts,
presence of globally significant and threatened species, forest type and degradation status, anthropogenic pressures and with a view to socio-economic inclusiveness. The project will comprise four components, namely:

1. Strengthening capacity and skills of government institutions for Effective Delivery of Forestry and Land Management Programs;
2. Improving forest quality and productivity;
3. Scaling up of integrated SLEM approaches for reducing land degradation and desertification; and
4. Project Management

In Goa, there will be no field level investments but only one activity of measuring carbon sequestration in the forests will be undertaken.

The Ministry of Environment Forests and Climate Change (MoEFCC) is the primary grantee for project funds. The implementation will be at three levels:

National Level: The Division/Cell responsible for the implementation and oversight of Green India Mission (GIM) also function as the Project Management Unit (PMU) for the ESIP. The Mission Director for GIM will also be the National Project Director for the project. The PMU will be augmented with staff for procurement, financial management, safeguards and core forestry sector experts.

State Level: The State Forest Departments would be the primary implementing agencies at the State level, with the GIM Nodal Officer adopting the role of focal point for ESIP. A lean team will be contracted for project management support at this level.

Community Level: The project will support capacity building of JFMC/BMC and such institutions which are critical to project implementation.

Specialized technical agencies, such as, Indian Council for Forestry Research and Education (ICFRE) and State Bio-diversity Boards will provide guidance, technical resources and monitoring support during project implementation. ICFRE will implement Component 3 of the project and the institutional arrangements for SLEM at ICFRE will be replicated for ESIP. The Director General Extension will be the nodal officer for the project.

The overall risk for ESIP is rated as Substantial, as it involves working with (i) vulnerable communities with strong cultural beliefs and traditional practices, and (ii) State Forest Departments of Chhattisgarh and Madhya Pradesh--both of whom have limited capacity to implement the non-routine, proposed interventions. Since the primary grantee of the project with the Central Ministry of MoEFCC, the risk of delays in fund release and allocations to state based implementing agencies and technical partners, as is borne out by experience from previous projects, is significant. Forest quality improvement has a lengthy time horizon and hence there is considerable risk of misinterpreting intermediate results. To mitigate these risks, the project will partner with sound technical agencies and contract expertise to support capacity building efforts at the community, state and central levels to facilitate project implementation. The project has identified those landscapes for intervention which are common to the Green India Movement, thereby ensuring the sustainability of inputs. Moreover, the project intends to fully leverage the rich experience in the non-timber forest produce trade available within the project states to build momentum for project interventions. The project is also designed to cover limited geographical area so as to ensure that
available GEF resources are not spread thin and lose impact.

The MoEFCC has developed an Environment and Social Management Plan based on an environment and social assessment undertaken in the project states. While, no negative environmental impacts are envisaged under the projects, the project will follow well-established approaches to address possible environmental impacts, including developing a system to record the land ownership of the sites benefited from the project. A Tribal Development Plan has been devised in consultation with tribal and vulnerable communities resident in the landscapes being addressed by the project. Women being primary users of non-timber forest produce, gender inclusive consultations and development of institutions, gender participation in interventions, gender sensitive livelihoods, and gender disaggregated data will be pursued by the project.

VI. Safeguard Policies (including public consultation)

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Comments (optional)

VII. Contact point

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