

## Minutes of AFD's Appraisal Mission

*(Guwahati, 3-8 October 2018)*

### 1. Context

AFD has financed a project in Assam aiming at promoting participatory conservation of forest and biodiversity all across the State and at strengthening the Forest department to better fulfill its missions. The implementation of this project started in February 2012 and is due to last until end of May 2019. The overall amount disbursed has been of 251,5 Cr INR among which 218,6 Cr INR has been provided by AFD financing (booked for 30,2 M€ in AFD accounts) and the rest by Assam State budget.

An evaluation is undergoing (final report to be delivered mid-December), but intermediate report shows (i) broadly satisfactory results except on component 2 (strategic planning) (ii) positive impacts on Forest Department (improved self-esteem, improved mobility and accommodation, better relationship with communities) and (iii) positive results on Communities (improved relationship with Forest Department, increased opportunities for training and supplementary income). It is too early to appreciate mid-term impacts and sustainability of changes. Despite its difficult launch (mainly for procurement reasons), the project has performed quite well since mid-2015, with a pace of disbursement of almost 10M€ per year.

A retrospective outlook shows that Assam has improved indicators concerning forests<sup>1</sup> and biodiversity (increasing populations for most of the big mammals, diminution of poaching, publication of an Action plan for Biodiversity). Those encouraging results are obviously neither directly nor fully attributable to the project, but mainly to the Forest Department which the project is supporting.

It shall be reminded that AFD committed itself worldwide to have projects that have significant impact on climate change, on biodiversity, on gender and on social cohesion among populations. And the Assam project is cumulating clear favorable effects on all and every of these dimensions.

Taking stock of those first achievements and following requests of the State of Assam, AFD initiated the instruction of a second phase for this project (see April 2018 Aide Memoire). AFD is intending to submit to its Board a decision of financing for a second phase of the project for the conservation of forest and biodiversity in the State of Assam. The total amount of phase II is encompassed at 50 M€ (400 Cr INR), among which 40 M€ (320 Cr INR) shall be provided by AFD and 10 M€ (80 Cr INR) by Assam State budget, mainly through miscellaneous work, wages of involved Civil Servants and taxes.

<sup>1</sup>According to the *India State of Forest 2017*, the forest cover has increased by 560 sq km in Assam, reflecting a change in the historical trend. <http://fsi.nic.in/isfr2017/isfr-forest-cover-2017.pdf>

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**PCCF & HoFF, Assam**


The AfD Supervision Mission in Assam from 2<sup>nd</sup> Oct, 2018 till today, i.e., 8<sup>th</sup> Oct, 2018. They have had discussed with the Evaluation Consultant (Agri Finance Cooperation Ltd.), the COMPELO, the OKD Institute, and the officers in Assam Forest Department, State Government (Shri. Alok Kumar, IAS Chief Secretary, Assam cum Chairman, GB, APFBC & Shri. Ravi Capoor, IAS, Additional Chief Secretary, Department of Environment & Forests cum Chairman, EC, APFBC).

The Mission also had interaction with the Hon'ble Minister, Environment & Forests.

The Member of AfD Supervision Mission also made field visit to interact with JFMCs, EDCs and to see some works undertaken in the project.

Towards the end of the Mission the AfD team has prepared a draft of Aide-Memoir, which is also discussed today, i.e., 8<sup>th</sup> Oct, 201, along with the Senior Officers.

This Aide Memoir is placed at **Flag-A** which may kindly be approved for signing jointly by the AfD and the Assam Forest Department.

  
27/10/2018

(A. K. Johari, IFS)  
Spl. PCCF (B&CC) cum  
Project Director, PMU, APFBC

**PCCF & HoFF, Assam**

S. K. Sumtani  
8/10/2018

AFD (Project Manager/France AFD Office)



E. FOURMANN  
8/10/2018



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The decision of AFD's Board is expected before the end of 2018. As Phase I will formally end in May 2019 and to ensure smooth transition, it is anticipated that the Credit Facility Agreement will be effective before end of June 2019, which means a signature as early as possible in 2019.

## 2. Vision for phase 2

The overall objective of the project remains to contribute through the Forest Department to the conservation of Nature for healthier ecosystem and happier communities. This overarching goal shall be reached through three main specific objectives:

- Developing participatory Sustainable Forest and Biodiversity management under changing climatic conditions.
- Improving the livelihoods for Forest neighboring communities through inclusive (collective and individual) supports
- Strengthening the Forest department to better fulfill its missions

The main expected outcomes are addressing AFD's key strategic priorities and mandate in India:

	Climate change Mitigation	Climate change Adaptation	Biodiversity	Social cohesion	Gender promotion	Economic development
The plantation of 12 500 ha on degraded areas (2000 through JFMC, 2000 ha forest rehabilitation).	X	X	X			X
The preparation of REDD+ jurisdictional approach programme	X	X				
The induction of <b>125</b> new communities (JFMCs and EDCs) into the project (microplanning, entry point activities, training, marketing support) and the follow-up of <b>136</b> communities that had been already involved in the phase I <sup>2</sup> .		X	X	X	X	X
Elaboration of management plan for endangered species and the rehabilitation of habitats		X	X			
Global assessment of natural resources in Assam using appropriate technologies		X	X			X
Training of Forest Development Agents on Climate change, gender issues, communities management, local development	X	X	X	X	X	X

<sup>2</sup>This would include awareness about forest dependency (like in phase 1) but also on biodiversity, climate change and gender issues.



### 3. Implementation arrangement for phase 2

The discussions held in Guwahati have conducted to fix the components and activities as follow:

	k€	AFD	FD	TOTAL	part relative
<b>1. Conservation des écosystèmes</b>		<b>20 500</b>			<b>51,3%</b>
<b>1A - SFM</b>		<b>15 500</b>			<b>38,8%</b>
1A.1	Resources assessment	1 000			
1A.2	Forest rehabilitation and plantations	12 000			
1A.3	Climate change management	1 000			
1A.4	Infrastructure and equipment	1 500			
<b>1B - Biodiversity</b>		<b>5 000</b>			<b>13%</b>
1B. 1	Conservation	1 500			
1B. 2	Human Wildlife coexistence	1 500			
1B. 3	Awareness and outreach	1 000			
1B. 4	Collaborative	1 000			
<b>2 - Communities</b>		<b>8 000</b>			<b>20,0%</b>
2.1	Inclusive planning and convergence	500			
2.2	Strengthening existing communities	1 000			
2.3	New Communities	5 000			
2.4	Market linkages	1 500			
<b>3. Strengthening institutions</b>		<b>7 500</b>			<b>18,8%</b>
3.1	Strengthening forest administration	1 000			
3.2	Education and research	500			
3.3	Project Management	4 000			
3.4	Infrastructure and equipment	2 000			
<b>4. Contingencies (10%)</b>		<b>4 000</b>			<b>10,0%</b>
<b>TOTAL</b>		<b>40 000</b>	<b>10 000</b>	<b>50 000</b>	<b>100,0%</b>
		<b>80%</b>	<b>20%</b>	<b>100%</b>	

The owner of the project shall remain the Forest department.

The global shape of the institutional arrangement of phase I having proved effective over the last three years shall remain unchanged (APFBC Society, governing body, project management unit, procedure manual) but some updating shall be needed on both sides to take stock of the latest evolutions. In this view, AFD underscored that its Procurement and operational procedures<sup>3</sup> have been strengthened on several aspects: anti money laundering & financing of terrorism provisions, Corporate Social Responsibility requirements, environmental and social safeguards. It intends to finance a consultant to systematically update the project documents to align it to the new CFA and PA provisions. Assam Forest Department is invited to contribute to the elaboration of ToR of such assignment regarding potential institutional evolutions that shall be necessary to take into account.

The fiduciary arrangements shall also remain the same (prior non-objection certificate from AFD on all procurement processes, expenditure through Assam budget, independent auditor, reimbursement from a dedicated account managed by CAAA). The latter shall be validated by CAAA along with (i) a disbursement plan of the project that will be annually updated (ii) an advance payment mechanism in order for the account to be sufficiently provisioned for reimbursing. **These provisions will be confirmed with CAAA in Delhi.**

<sup>3</sup> Latest version (February 2017) is available at : <https://www.afd.fr/sites/afd/files/2017-09/directives-passation-marches-etats-et-rangers-english-version.pdf>



AFD shall maintain a close follow-up through supervision missions, which could be led either by the Paris-based project manager or by AFD agency in Delhi. It has been agreed to try when convenient to organize visioconferences between Paris, Guwahati and Delhi.

#### 4. Activities to be implemented during phase II

The detail of the agreed activities under AFD financing is provided below, reminding that the breakdown could potentially be subject to minor rearrangements within the fixed component envelops. The separation of forest and biodiversity management into two distinct sub-components is only reflecting internal organization of Forest development (wildlife and forest) as well as the variety of ecosystems (which could be non-forest: wetlands, peatlands, grasslands, etc.) that will be targeted for biodiversity activities.

#### Component 1a: Sustainable forest management (15.5 m)

Resource assessment (0.5 m)	Forest rehabilitation/productivity enhancement (12 m)	Climate Change Management (1.5 m)	Infrastructure & Equipment (1.5 m)
<ul style="list-style-type: none"> <li>• Roadmap for GIS roll-out</li> <li>• Establishment of GIS unit at FD headquarters</li> <li>• Intensive training on use of GIS (courses, on-the-job)</li> <li>• Compilation of existing data</li> <li>• Preparation of forest cover map based on satellite images</li> <li>• Multi-resource forest inventory</li> <li>• Refresher training based on capacity development strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Management of degraded forests</li> <li>• Afforestation/Reforestation</li> <li>• Plantations (15,000 ha)               <ul style="list-style-type: none"> <li>• Dept</li> <li>• JFMC</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of impacts of climate change on forests &amp; biodiversity</li> <li>• Preparation of baseline for reference level</li> <li>• Development of strategies to adapt forests to climate change</li> <li>• Preparation of Monitoring, Reporting &amp; Verification system (using resource assessment)</li> <li>• Prepare proposals for REDD+</li> <li>• Pilot jurisdictional REDD+ at selected sites (Nagaon &amp; Majuli)</li> </ul>	<ul style="list-style-type: none"> <li>• Buildings</li> <li>• Mobility</li> <li>• Equipment</li> </ul>

#### Component 1b: Biodiversity/Wildlife management (5 m)

Conservation (1.5 m)	Human-wildlife coexistence (1.5 m)	Outreach, interpretation and awareness for public (1 m)	Collaborative Biodiversity Management (1 m)
<ul style="list-style-type: none"> <li>• Preparation of Protected Area management plans</li> <li>• Preparation of management plans for 4-5 Critical habitats, Heritage sites and species</li> <li>• Implementation of management plans</li> </ul>	<ul style="list-style-type: none"> <li>• Conflict management</li> <li>• Preparation of conflict management strategy and action plan</li> <li>• Implementation of management plans</li> <li>• Design and conduct of trainings on conflict management</li> <li>• Veterinary &amp; rescue support</li> </ul>	<ul style="list-style-type: none"> <li>• Design and implementation of multi-media communication plan</li> <li>• Establishment of outreach facilities</li> <li>• Establishment of information dissemination and interpretation/ learning centres</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening of BMCs</li> <li>• Development of Biodiversity Management Plans &amp; Guidelines</li> <li>• Development of ABS guidelines and its piloting</li> <li>• <i>Ex-situ/in-situ</i> conservation of biodiversity</li> </ul>

*Signature* *sk*



**Component 2: Community Engagement (8m)**

Inclusive Planning & Convergence (0.5 m)	Strengthening of existing JFMC/EDC (1 m)	Formation of New JFMC/EDC (5 m)	Market Linkages (1.5 m)
<ul style="list-style-type: none"> <li>• Identification of development &amp; economic needs under changing climatic conditions</li> <li>• Preparation of a gender &amp; social inclusion strategy</li> <li>• Facilitation of development needs by convergence with other public programs/ schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Refresher trainings on skill improvement</li> <li>• Strengthening of production facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Development of Micro Plans</li> <li>• Training for skill improvement and alternate livelihoods</li> <li>• Establishment of production facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Forward and backward linkages for community produce under Banashristi &amp; other brands</li> <li>• Establishment of eco-development facilities &amp; services</li> </ul>

**Component 3: Institutional Strengthening of Forest Department (7.5 m)**

Strengthening Forest Administration (1 m)	Education & research (0.5 m)	Project Management (4 m)	Infrastructure & Equipment (2 m)
<ul style="list-style-type: none"> <li>• Strengthening of Legal Cell</li> <li>• Establishment of Procurement Cell</li> <li>• Establishment of HR Cell</li> <li>• Capacity needs assessment &amp; training on climate change, gender, community outreach and conservation</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening of Research &amp; Education cell</li> <li>• Silviculture research</li> <li>• Forestry education</li> </ul>	<ul style="list-style-type: none"> <li>• Project Management Unit (2 m)</li> <li>• Technical Assistance (1 m)</li> <li>• Monitoring Evaluation (0.5 m)</li> <li>• Audit (0.15 m)</li> <li>• Workshops (0.35 m)</li> </ul>	<ul style="list-style-type: none"> <li>• Buildings</li> <li>• Mobility</li> <li>• Equipment</li> </ul>

The final feasibility report, expected no later than 15<sup>th</sup> December 2018 shall provide detailed revised costs of the different activities considered during phase 2.

**5. Financial and Legal arrangement to come**

Before any submission to its Board, AFD shall receive a request from DEA in Delhi.

→ This request shall be received by AFD before November 15 (sharp). It is important for Assam authorities to have a close follow-up of this process through DEA and also through the ministry of Environment, Forests and Climate Change (MoEFCC) in Delhi.

Once the Board has taken its decision, AFD will prepare a set of documents:

- A Credit Facility Agreement (CFA) to be signed between the DEA and AFD
- A Project Agreement (PA) to be signed between Government of Assam and AFD
- An updated set of project documents



→ The drafts of CFA and PA shall be disseminated to all stakeholders with the formal notification (6 weeks after Board approval), with the reminder that the CFA is to be signed first, then the PA.

The CFA includes Conditions precedents (CPs) for the signature of the documents, for the first drawdown and for any drawdown. Those CPs have to be entirely fulfilled before signature or disbursement.

For signature of the CFA, AFD will need a legal opinion and confirmation of the authorized signatories. For the first drawdown, the PA must have been signed and dedicated CAAA account opened.

It has been mentioned the necessity for the project to have an Environmental commitment plan which precise the safeguards applicable to the project activities. It is also reminded that from now on, AFD is demanding every project financed to settle a Project Complaint Mechanism to handle the potential claims and grievances of project-affected people. AFD will share documents and experience with the PMU to precise the expectations and suggestions on those CSG issues.

→ AFD will consider whether it will be necessary to have the validated updated set of procedure documents available before any drawdown.

→ Environmental commitment plan is to be available before the first drawdown as well as the Project complaint mechanism.

A close collaboration between Assam and Delhi authorities shall be necessary to get smooth implementation of the financing documents to avoid any financing gap at the end of Phase I, which would be hugely detrimental to the project.

#### **6. Time schedule for the instruction of phase II**

The PMU will prepare a detailed working plan for the phase II of the project (including a procurement plan consistent with the feasibility). This working plan shall be useful for all stakeholders, to prepare the advance mechanism and to prepare the Budget for fiscal year 2019-2020.

As plantations are due to be realized during the first year of implementation, the Assam Budget for fiscal year 2019-2020 shall include an amount of credit about 100 Cr INR to allow for smooth launch of the second phase.

To prevent any avoidable delay in the starting of phase II, the PMU shall recruit immediately after the launching of the project both (i) an independent auditor and (ii) a Project management consultant (PMC) team (iii) a procurement expert if not already include in the PMC (iv) a consultant team that will be in charge of the Monitoring & evaluation of the phase II (including mid-term review and final assessment of the project). AFD is available from now on to discuss draft of ToR and profiles of such technical assistance, which could be ready before the end of 2018.

Identified needs for Technical assistance shall cover in particular: plantations activities, communities and market linked activities, climate change oriented activities (mainly REDD+).

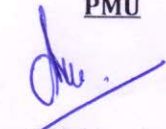


**7. Agreement between PMU and AFD mission**


This paper reflects the conclusions of the AFD appraisal mission held in Guwahati from October 3<sup>rd</sup> to 8<sup>th</sup>. It is therefore a valid reference for AFD to finalize its appraisal and prepare a decision of its Board.

Guwahati, October 8<sup>th</sup> 2018

PMU

  
C.A.K. Johari  
Project Director

AFD

  
E. Fourmann  
Project  
Manager

S.K. Shrivastava  
(DCLF & MOFF  
Assam)





Annex: Logical frame of the project (as of the October 7<sup>th</sup>)



# Project contributes to conservation for healthier ecosystems and happier communities

## Purpose 1

Enhanced sustainable and participatory forest management under climate change

1. Number of divisions with multi-resource forest inventory

1. Number of hectares of forest area restored

1. Number of active JFMCs

1. Area under pilot REDD+ intervention

1. Increased effectiveness of field force for sustainable and participatory management of forests

1. % of JFMC/EDC members aware of climate change

1. % of JFMC/EDC members reporting increased trust

## Purpose 2

Sustainable and participatory management of biodiversity/ecosystems

Number of protected areas with management plans

Increase in the number of critical species

Decrease in number of human-wildlife conflicts for specific species (like elephants)

% of citizens with improved awareness on biodiversity conservation

Number of ABS pilots successfully implemented

## Purpose 3

Improved livelihood of forest dependent communities

Number of households benefiting under the project

Number of target villages benefiting from convergent EPA activities

% of households from existing & new JFMCs/EDCs reporting increased income

Number of units produced by JFMC/EDCs sold under Banashristi and other brands

Purpose Strengthened institutional capacities for inclusive management of natural resources

% of trained FD staff report increased self-efficacy

Increased effectiveness of FD for sustainable and participatory management of forests

*[Handwritten signatures]*