

WWF Environmental and Social Safeguards Categorization Memorandum

Project Title: BHUTAN FOR LIFE (BFL)	Date: 1/31/2017
<p>Project Location and salient physical characteristics relevant to the safeguard analysis:</p> <p>The proposed project will be implemented by Bhutan’s Department of Forest and Park Services under the Ministry of Agriculture and Forests. External funding for the project will flow through an independent sinking trust fund (called a Transition Fund). The Transition Fund will review progress of project activities and release funds for activities under all components based on a set of disbursement conditions. The management and operations of the Transition Fund will be laid out in an Operating Manual to be developed once the Transition Fund has been established. All safeguards policies procedures consistent with WWF’s Environment and Social Safeguards Policies and Procedures (SIPP) will be included in the Operating Manual.</p> <p>The Transition Fund will finance project activities in 10 protected areas (and the Royal Botanical Park), 8 Biological corridors, and some policy based activities at the National level. There are 35,000 people (7,000 households) living within the protected area network, most of whom depend on natural resources for their livelihoods.</p> <p>Wangchuck Centennial Park Established in 2008 and located in central-northern Bhutan, it is the country’s largest national park, covering 4,914 square kilometers. It is the source of four major river systems: Punatsang chu, Mangde chu, Chamkhar chu and Kuri chu. The park is home to 693 species of vascular plants, 43 mammal species and 250 bird species. The Park is also home to approximately 10,000 people.</p> <p>Jigme Dorji National Park is Bhutan’s second largest protected area, covering 4,316 square kilometers. The park is a vital watershed covering almost half of northern Bhutan, and is an important natural conservatory of glaciers, alpine meadows and scrublands, sub-alpine and temperate conifer forests, warm and cool temperate broadleaf forests, and the flora and fauna that inhabit these ecosystems. Jigme Dorji National Park is home to about 6000 people.</p> <p>Jigme Singye Wangchuck National Park covers an area of 1,723 square kilometers and includes a wide range of habitat types, from broadleaf forests to coniferous forests, alpine pasture and lakes, to permanent ice. The park constitutes the largest, richest and most intact temperate forest reserve in the entire Himalaya. More than 270 species of birds are recorded in the park, including the vulnerable black-necked crane. Approximately 6,000 people reside within the park.</p> <p>Bumdelling Wildlife Sanctuary is located in the northeastern part of Bhutan, covering an area of 1,520 square kilometers. The Sanctuary contains a rich diversity of flora and fauna, as well alpine lakes. The sanctuary includes several cultural and religious sites of international significance. It also has 343 bird species, 734 species of plant, 202 butterfly species, 18 species of snakes and 7 species of fish. The park has resident population of about 8047 people.</p>	Project Categorization (A,B,C): B

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Royal Manas National Park is the oldest park in Bhutan. Covering 1,057 square kilometers, it is home to megafauna like tiger, elephant, and gaur. It is also home to 426 species of bird and several flora species of commercial, medicinal, and religious significance. Approximately 5,331 people live in remote, isolated villages within the park.

Phrumsengla National Park

Phrumsengla National Park in central Bhutan covers 905 square kilometers and protects large tracts of old-growth fir forests. The Park has 361 species of bird, of which 6 are globally threatened. Phrumsengla is home to about 5600 people.

Sakten Wildlife Sanctuary was established in 2003 and covers an area of 740 square kilometers. Sakten is designed to protect the country's eastern-most temperate ecosystems. The sanctuary has recorded 30 species of mammal, 227 species of bird and 63 species of butterfly.

Jigme Khesar Strict Nature Reserve, is the only strict nature reserve in Bhutan. The Reserve covers 609 square kilometers, and protects the westernmost temperate forests of the country. Unlike Bhutan's other protected areas, Jigme Khesar Strict Nature Reserve has no resident human population within the park.

Phibsoo Wildlife Sanctuary is Bhutan's second smallest park covering only 269 square kilometers. It is the only area in Bhutan to have spotted deer, and the only remaining natural sal (*Shorea robusta*) forests in the country. Phibsoo is home to elephants, tigers and Gaur. The park has no human residents.

Jomotshangkha Wildlife Sanctuary is situated in southeastern Bhutan, and is the smallest park in the country. However, the park is an important habitat for elephants, gaur and other tropical wildlife species.

Biological Corridors

The biological corridors in Bhutan were established in 1999 to connect all protected areas together into a single contiguous area providing free mobility to wild animals. Isolated populations of wildlife or plants are less genetically viable and at much greater risk than connected populations. The corridors' locations were chosen to balance many factors, including the risk of forest fires, migration patterns of keystone species, difficulty of terrain, habitat condition, human impacts, and the passage's shape, such as the width of narrowest constriction. The longest corridor is the North Corridor, with a total length of 76 km, and the shortest is the 16 km connection between Phrumsengla National Park and the North Corridor.

Project Description:

Bhutan for Life is a 14-year financial bridge that allows for immediate improvement in the management of Bhutan's protected areas for climate resilience, and the prompt delivery of mitigation, adaptation and biodiversity gains, while the country gradually ratchets up its own financing resources.

The project will accomplish this objective through the implementation the below components:

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Component A: Mitigation: Increasing forestry and land use climate mitigation

This component focuses on monitoring systems that detect forest cover change and ecological responses of forests and other systems to impacts of climate change. The findings will be used to develop climate resilient forest management practices and restoration of the degraded lands to conserve and enhance carbon stock.

Component B: Adaptation I: Integrated adaptation in communities and ecosystems to improve natural resource management for livelihoods and climate resilience

This component focuses on harnessing climate, hydrological, and natural resources information to design and implement resilience and adaptation measures in Bhutan’s protected areas (PAs). This component will work to benefit nature and the livelihood of the population living both inside and in the vicinity of the PAs.

Component C: Adaptation II: Climate-smart conservation to enhance provision of ecosystem services

This component focuses on harnessing climate, natural resource and biological information to design and implement ecosystem based adaptation management of Bhutan’s PAs. This component will work to secure wildlife, habitat, and reduce human wildlife conflict in the changing climate while ensuring the sustainable flow of ecosystem services.

Component D: Protected areas: Effective management of protected areas

This component focuses on strengthening the organizational, institutional and resource capacity for effective management of PAs. This is a crucial component, as the success of the initiative is dependent on fully equipped, well trained staff; full funding; essential infrastructure; and a well-organized system for managing the protected areas.

Component E: BFL program management: Management, monitoring, reporting & evaluation, policy support, contingencies

This component groups all the management activities necessary for the effective implementation of BFL. As such, its purpose is to ensure the efficient implementation of the BFL program.

Safeguard Policies Triggered	Yes	No
Natural Habitats	X	
Pest Management		X
Indigenous Peoples	X	
Involuntary Resettlement	X	
Physical Cultural Resources	X	

Summary of Key Safeguard Issues:

The proposed project has triggered the following WWF’s safeguards policies - Natural Habitat Policy, Indigenous Peoples Policy, Involuntary Resettlement Policy and Physical Cultural Resources standard.

Environment and Social Risk Management: The proposed project has been categorized as Category B, as the potential adverse environmental and social impacts on population within the Protected Areas or those living

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around who depend on the PA for their livelihoods or environmentally important areas are site-specific, reversible and can be readily mitigated. Since the exact location and/or nature of potential investments to be financed by the Transition Fund have not yet been determined and Environment Social Management Framework (and Process Framework) will be prepared to conform to WWF's Environment and Social Safeguard Integrated Policies and Procedures (SIPP).

Natural Habitat: Overall, activities of the project will produce significant conservation benefits and any potential adverse environmental impacts on human populations or environmentally important areas including forests, grasslands and other natural habitats are expected to be very limited. While there shall be no conversion or degradation of natural habitats, this policy has been triggered as a precaution to encourage the Executing Agency to be more cautious with the EA process when carrying out activities inside sensitive ecosystems such as construction work proposed for Park headquarters, park roads staff quarters, outpost/guard post, and visitor information canters.

Indigenous People: People in every valley/region in Bhutan can be considered indigenous people (IP), with almost every valley/region having distinct dialects. For example, the Jigme Singye Wangchuck National Park has two groups – the Monpas in Trongsa, and the Olep in Wangdue could both be considered IPs under WWF's Indigenous People policy, given their distinct cultural practices and traditions. An initial assessment points out that their social and cultural identity, although distinct from dominant society, does not make them vulnerable or disadvantaged. Therefore although this safeguard policy is triggered a separate Indigenous Peoples Planning Framework or Indigenous People Plan will not be prepared.

Involuntary Resettlement: There will be no new Protected Areas created under the BFL Program and there will be no land acquisition or involuntary resettlement of individuals and/or families will take place under the proposed project, ecosystem restoration and improved land use and conservation planning (habitat management) are likely to affect land use patterns of the communities. Therefore, this policy has been triggered in order to ensure that there are no adverse impacts on livelihoods.

Pest Management: The Project will not support the procurement or use of pesticides or other agricultural chemicals, or lead to the increased use of such chemicals. The ESMF will include guidance to this effect.

Physical Cultural Resources: The Protected Area network in Bhutan has significant physical cultural resources, which are protected by the Government of Bhutan. These sites will remain protected and any financing by the BFL program would ensure preservation of any such sites. Given that there may be some small civil works financed (such as eco-tourism facilities) by the project the ESMF to be prepared will include the necessary Environmental screening/ assessment will address risks to the cultural/religious sites and provide process to be taken in the case of chance finds.

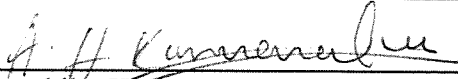
Given the above, an Environment and Social Management Framework will be prepared for mainstreaming environmental and social concerns in the project and a Process Framework (PF) will be included in the ESMF (or prepared as a separate document). The PF will be prepared in consultation with the communities that will address impacts related to livelihoods arising from the anticipated very limited restriction of access.

Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

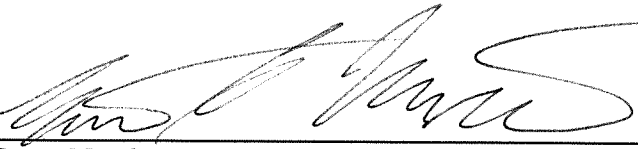
The project expects to achieve improved conservation and sustainable use of natural resources as its long term impact of project interventions, which will be both environmentally and socially positive.

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Required actions: (type of ESIA, ESMP, IPP, IPMP, RAP, consultations, disclosure)
An Environment Social Management Framework including a Process Framework will be prepared before project concept finalization.


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