

**PROJECT DOCUMENT TEMPLATE**  
**15TH TRANCHE OF THE DEVELOPMENT ACCOUNT**

**1. EXECUTIVE SUMMARY**

Project Code and Title:	Circular forest product value chains and nature-based solutions in Central Asia and the Caucasus
Budget:	\$500,000
Target countries:	Kyrgyzstan, Tajikistan, Uzbekistan and Georgia
Lead Entity:	UNECE
Other UN DA Implementing Entities	
Other Collaborating Entities:	ITC, ESCAP, UNDP, FAO, UN Resident coordinators/UNCTs

<p><b>Brief description:</b></p> <p>The world’s agri-food systems are under stress from many factors including biodiversity loss and climate change while forests can provide solutions to reduce the pressure and, at the same time, provide essential services and products. Integrated policies and landscape approaches can help create greener product and agri-food systems. Through thorough analysis, but also innovative approaches and product development, processing and marketing, healthy and sustainably managed forests can provide income, food and mitigate climate change.</p> <p>Rural communities in the Caucasus and Central Asia face high levels of poverty and limited livelihood prospects. Local conditions are triggering high levels of migration and are driving families, as well as entire communities and generations of youth to leave home. While forests in these regions play a vital role in the provision of ecosystem services, in particular, as sources of livelihood, shelter, water, food, medicine, and fuel, forest landscapes are degraded, depleted, and under continued threat from the unsustainable resource use and unmitigated natural threats.</p> <p>National governments have taken action in the past years and committed to restore forest landscapes. However, they face competing priorities and limited resources as they attempt to balance urgent economic development and job creation needs with long-term environmental integrity. The COVID-19 crisis as well as the food insecurity threat by current geopolitical developments have only exacerbated the challenges posed by existing resource limitations.</p>
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The objective of the project is to improve the knowledge and capacity of the 4 beneficiary countries (Kyrgyzstan, Tajikistan, Uzbekistan and Georgia) to advance inclusive rural development and forest landscape restoration for increased agroforestry activities through circular forest products value chains and nature-based solutions. Forest-product value chains hold a yet untapped potential to provide revenue to local communities (often the most vulnerable and poorest population) and improve food security in a currently fragile global food system.

The project will adopt a dual approach and two inter-related work areas. First, developing knowledge products that demonstrate the benefits of circular forest product value chains for advancing inclusive rural development and forest landscape restoration (FLR). Second, build capacity for policymakers to implement circular forest product value chains. This will highlight linkages between national economies and the management of forest landscapes, thereby contributing to green recovery planning and, eventually, a circular economy.

Initially, national market gap assessments will identify benefits and opportunities to strengthen circular forest product value chains. Policy briefs will then highlight contributions to inclusive rural development and FLR, to build awareness and understanding of these benefits. National sets of criteria and indicators (C&I) for circular forest product value chains will be developed to support the countries' ability to evaluate their effectiveness and economic contribution. These will inform guidelines that can be used by others in the region and beyond. Leveraging this enhanced knowledge, the project will support national capacity-building for implementing opportunities and recommendations for the two working areas. Building on the national market gap assessments, pilot project concepts consisting of a roadmap per country and an implementation/action plan for strengthening a non-wood forest product value chain for each country. The outputs will provide policymakers with a turnkey opportunity and help to demonstrate actionable opportunities to develop circular forest product value chains in a manner that promotes inclusive rural community-based development, food security and FLR.

National and regional meetings and workshops will support the capacity building and facilitate peer exchange and learning. Furthermore, regional policy guidance on integrating forest product value chains and FLR activities into development planning will be conducted based on national level work, regional stakeholder consultations, and dedicated analysis.

The project is expected to provide policymakers with a thorough understanding of opportunities, including costs and benefits, to strengthen circular forest product value chains for job creation, food security, integrated policy approaches across sectors and inclusive green growth. Furthermore, the project aims at increasing the value and recognition of forests in creating ecosystem services from forest landscapes, fighting the adverse effects of climate change, and improving food security. It will also identify actionable opportunities to develop sustainable wood and non-wood forest product value chains that may be taken up by public authorities, development institutions, or even the private sector.

## **2. DEMAND, CONTEXT AND ANALYSIS**

### **2.1 Country demand and target countries**

The beneficiary countries are Kyrgyzstan, Uzbekistan, Tajikistan and Georgia. In all these countries, forest landscape degradation is well acknowledged. In the last 10 to 15 years, these countries have improved

the condition of land resources, modernized irrigation and drainage networks, and reduced water loss and soil erosion. These achievements are reflected in national development and environmental strategies as well as poverty reduction strategies. Forest policy has become part of these national strategies and thus given the problem policy level visibility and commitment. However, in most cases, resources assigned are insufficient, forest resource monitoring is lacking, and non-wood forest products value chains are fragmented and underdeveloped.

The selection of the 4 pilot countries is demand-driven and based on the following criteria: 1) project topic is identified as a priority of the country or region; 2) firm commitment of the national government to the project topic; and 3) geographical balance. Countries have submitted letters to request support for strengthening policy frameworks on forest landscape restoration and forest sector development. On request and depending on the availability of resources (also from other donors), additional follow-up and support activities will be held on a national level. The management team is confident that the project will deliver impact to all 4 beneficiary countries.

Enhancing the country stakeholders' knowledge about the benefits of circular forest product value chains for advancing inclusive rural development and FLR is a first step. Build capacities for policymakers which are much needed in all target countries to foster, incentivize, and implement circular forest value chains with the help of all stakeholders including the private sector is equally necessary. While in all target countries, agroforestry value chains have long traditions, their targeted use and expansion in light of the current climate crisis and food security problems has yet to receive the attention needed.

## **2.2 Context and situation analysis**

Healthy forest ecosystems and vital landscapes are crucial for the provision of ecosystem services to the society and the planet. As reflected in the UN Decade on Ecosystem Restoration 2021-2030, there is a global need "to prevent, halt and reverse the degradation of ecosystems worldwide for the benefit of both people and nature". In addition, agricultural production and non-wood forest product value chains can be linked to landscape restoration to support food security and circular economy. The introduction of agroforestry can contribute to these desired improvements and the development of rural areas.

In addition, the 2030 Agenda for Sustainable Development, opens many new perspectives for policymaking, sustainable, inclusive greener growth and more resilient communities. To meet these goals, efforts have to be scaled up and also focused on forests as essential components of any action to deliver the SDGs within the next ten years. Ambitious action is even more needed in the context of the rebuild response to the COVID-19 pandemic and the current very vulnerable food security situation in the region.

Regional initiatives are needed to localize forest action. Forest landscape restoration is one of them and was addressed for example at the Ministerial Meeting on Forest Landscape Restoration and the ECCA30 (Europe, the Caucasus and Central Asia by 2030)/Bonn Challenge in Eastern and South-East Europe, as well as the Ministerial Roundtable on Forest Landscape Restoration and the Bonn Challenge for the Caucasus and Central Asia region, are seeking to foster commitment and cooperation for forest landscape restoration at regional levels.

In Central Asia the largest share of imported wood and wood products come from Russia (for example, it is \$520 million for Uzbekistan, which makes 91.7% of all imports). Russia in general is the largest trading

and economic partner of Tajikistan, Uzbekistan, Kyrgyzstan and Georgia. Recent geopolitical developments have caused the return of many Tajik, Uzbek, Kyrgyz, and Georgian citizens from the Russian Federation to their home countries. This resulted in a decline of remittances, job market tensions and pressure on food security and supply.

The proposed target countries, Kyrgyzstan, Tajikistan, Uzbekistan and Georgia, are all in need of forest action. They are affected by rural development challenges, a lack of income opportunities for the most vulnerable parts of their populations while facing climate change and resulting land degradation. Driven mostly by livestock overgrazing and the unsustainable use of natural resources, forest degradation and deforestation in the region are major roadblocks to effective climate mitigation and adaptation.

The limited income opportunities and resulting dependencies are challenging communities day-by-day. Countermeasures are often hampered by a lack of funding as well as weak legal frameworks and enforcement. Furthermore, the technical capacities on multiple levels of governance are often insufficient for successful forest action project implementation on site. This said, all identified beneficiary countries have significant natural resource potential including forest-based resources currently under-utilized which they could maximize for economic and social returns on community and national level. However, circular economy approaches are currently not high on the political agenda of the project countries and this requires additional awareness-raising and mainstreaming.

The impacts of environmental degradation and climate change are more severe for women and other disadvantaged groups. Land degradation and low economic growth in rural areas are affecting forest-dependent people in numerous ways. Today, marginalized groups including women, youth, persons with disabilities, older people etc. make up half of forest-dependent populations. While their increased vulnerability has many causes including poverty or weak governance, their decreased access to forest products and their limited capacity to decide over and manage natural resources aggravates the situation tremendously. It increases competition over resources and threatens the vulnerable group's access to food, and income derived from forest products. As many vulnerable groups including rural women and their children in particular cultivate land for food, collect the non-timber forest products but also water and firewood, degraded land and forests will severely impact their capacity to provide food and income. In addition, the decreased climate adaptation role of degraded forest landscapes also put these groups in a disadvantaged situation. Therefore, the proposed project aims at reducing land degradation via forest landscape restoration and rural development in virtue of the improvement of non-wood forest product value chains. Its educational and capacity-building aspects will further contribute to women and youth empowerment and offer employment possibilities also for the disabled. The proceeds from forestry, agriculture and agroforestry can provide additional revenues for rural communities and their socio-economic development while contributing to circular economy.

### Kyrgyzstan

Landscape degradation in Kyrgyzstan is caused mainly by soil erosion and affects about 45% of the agricultural land<sup>1</sup> and 70% of the forest area<sup>2</sup>. The main drivers of land degradation are unsustainable

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<sup>1</sup> [The economics of land degradation initiative – Country profile Kyrgyzstan](#)

<sup>2</sup> [UNECE/FAO Forest Landscape Restoration Platform – Country Profile Kyrgyzstan](#)

agriculture and forestry practices, as well as climate change. These underlying causes are often results of weak land-use governance, inadequate institutional capacities, unsustainable land-use practices, and overexploitation of natural resources. Land degradation in Kyrgyzstan affects freshwater supply, public health and agricultural production and revenues, especially of the forest-dependent rural population<sup>3</sup>.

This said, forests, particularly in the Southern part of the country have an important socio-economic role. Their non-wood products, namely walnuts are a significant source of income for many households. Restoring and preserving this particular type of forest is essential for their survival. In addition, the walnut value chain includes collectors, traders, walnut crackers, processors, exporters, retailers, and a limited number of manufactures for cakes and confectionery. However, the leaseholders of walnut forests in local cooperatives (leskhoz) lack market information necessary to negotiate walnut prices efficiently<sup>4</sup>. The lowly paid jobs in this value chain are mostly held by women in informal employment situations.

Kyrgyzstan pursues Forest Landscape Restoration (FLR) within several strategies and legislation and aims to increase tree cover from 5.6 percent to 6 percent by 2025. FLR is notably reflected in the “Forest Code of the Kyrgyz Republic”, “The National Development Strategy for 2018-2040”, the “Green heritage” initiative, the “Concept for the Development of the Forestry Sector to 2040” and the related “Action Plan for 2019-2023”. With support from UNECE, the government of Kyrgyzstan also developed an FLR-specific national policy strategy.

Kyrgyzstan committed to the Bonn Challenge via the UNECE initiated Astana Resolution to restore 2.5 million ha of forest landscapes. The maintenance of walnut forests is pursued via a national moratorium<sup>5</sup> on prohibiting *“logging, felling, damaging, transporting, purchasing, marketing, harvesting, using, manufacturing products from, and/or exporting especially valuable (walnut and juniper) wood species until 2030”*.

## Tajikistan

With a relatively low forest cover of 3%<sup>6</sup>, Tajikistan experiences the effects of desertification and degradation of its agricultural land, nationwide at a scale of 97%<sup>7</sup>. The main drivers are soil erosion due to unsustainable agricultural practices and inefficient pasture management. Devastating natural disasters and aggravating effects of climate change along with reduced vegetation cover are exacerbating landscape degradation further. Sixty percent of the rural population rely on forests and wood energy and are highly affected by the economic loss due to land degradation. Poverty and limited income opportunities are contributing to the dependency of rural populations on forest products and services. The lack of adequate institutional capacities, policies and effective strategies for rural development and

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<sup>3</sup> [FAO – Overview of Land Degradation Neutrality \(LDN\) in Europe and Central Asia - Kyrgyzstan](#)

<sup>4</sup> [Undeland, Asyl. 2012. The Development Potential of Forests in the Kyrgyz Republic. Washington, DC: Program on Forests \(PROFOR\).](#)

<sup>5</sup> [Law No. 15 on prohibition of felling, transportation, purchase and trade, procurement and use, import and export of precious \(walnut and junipers\) forest species](#)

<sup>6</sup> [UNECE/FAO Forest Landscape Restoration Platform – Country Profile Tajikistan](#)

<sup>7</sup> [Voluntary National Review – IMPROVING LIVING STANDARDS THROUGH MAINSTREAMING OF SUSTAINABLE DEVELOPMENT GOALS INTO THE NATIONAL DEVELOPMENT POLICY IN TAJIKISTAN, 2017](#)

inclusion in communities but also well-rooted cultural and traditional practices are drivers of the unsustainable use of natural resources.

To improve the forestry sector, Tajikistan established the "Forestry Development Programme for 2022-2026" and the "State Programme for the development of the forestry sector of the Republic of Tajikistan for the period of 2022 - 2026". Moreover, Tajikistan committed to restore 66,000 ha of degraded land by 2030 through reforestation and natural regeneration under the Bonn Challenge and the Astana Resolution on Forest Landscape Restoration in the Caucasus and Central Asia. However, specific legislations narrowed to FLR are missing at country level.

In terms of local forest-based value chains, Mulberry trees are utilized for small-scale silk production. However, many trees are old and need to be replaced by better varieties with a higher leaf yield and more nutrient content than the old ones. One of the main challenges of the silk production in Tajikistan (and other Central Asian countries) is that their raw silk does not meet the demand of export markets. In many plantations, the production technologies at the field level are still relying on traditional methods and management systems and need to become more commercially oriented. Also leaf biomass yields and resulting cocoon yields are substantially lower than in China, the main exporter of raw silk. Harvest losses due to mulberry and silkworm diseases are another challenge, which could be aggravated if large plantation areas switch to a limited number of Mulberry breeds and, thereby, cause biodiversity loss. Biological pest control, which could be marketed under eco-textile production, is crucial and needs to be more widely applied.

## Uzbekistan

In the PRAIS3 report<sup>8</sup> of the United Nations Convention to Combat Desertification (UNCCD), Uzbekistan reported 26% to 28% of degraded land in comparison to the total country area<sup>9</sup>. The forest cover in Uzbekistan accounts for about 8%<sup>10</sup>, a very low forest coverage. Forest degradation, including of natural walnut forests, is mainly caused by livestock overgrazing, climate change, uncontrolled harvesting of fuel wood and forest resources as well as largescale industrial impact. Further negative effects of land degradation in Uzbekistan include water and air pollution along with health issues, the drying up of the Aral Sea and the related loss of biodiversity<sup>11</sup>.

The value chains of nuts e.g. walnuts are of high socio-economic importance for rural communities. However, access to higher value supply chains remains limited. An improved forest product value chain could mean formal employment for women, youth and the disabled. Analyzing and improving the local walnut value chains, while contributing to community-based management and rural development, is expected to enhance economic durability and well-being<sup>12</sup>.

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<sup>8</sup> [UNCCD – PRAIS3 Reporting Platform - Uzbekistan](#)

<sup>9</sup> [FAO – Overview of Land Degradation Neutrality \(LDN\) in Europe and Central Asia – Country Profile Uzbekistan](#)

<sup>10</sup> [UNECE/FAO – Forest Landscape Restoration Platform – Country Profile Uzbekistan](#)

<sup>11</sup> Aw-Hassan, A., Korol, V., Nishanov, N., Djanibekov, U., Dubovyk, O., Mirzabaev, A. (2016). Economics of Land Degradation and Improvement in Uzbekistan. In: Nkonya, E., Mirzabaev, A., von Braun, J. (eds) Economics of Land Degradation and Improvement – A Global Assessment for Sustainable Development. Springer, Cham. [https://doi.org/10.1007/978-3-319-19168-3\\_21](https://doi.org/10.1007/978-3-319-19168-3_21)

<sup>12</sup> Sangirova\*, U. R., Murodov, S. M., & Dustnazarova, S. A. (2020). Uzbekistan Is On The Way To Bringing Walnuts To The World Market. In S. I. Ashmarina, & V. V. Mantulenko (Eds.), Global Challenges and Prospects of the Modern Economic Development, vol 79. European Proceedings of Social and Behavioural Sciences (pp. 1340-1346). European Publisher. <https://doi.org/10.15405/epsbs.2020.03.192>

Uzbekistan has not yet been able to revive its ancient silk production but shows strong will to do so. Reviving this sector would contribute to environmental (planting of mulberry trees) and socio-economic benefits for the vulnerable population in rural areas including women and youth. Uzbekistan is engaged in planting and utilizing mulberry trees and their more complex processing and for value chains such as silk. There is strong political will in Uzbekistan to promote Mulberry and silk production (Uzbek Embassy New Delhi 2017), it would thus be a suitable value chain to further develop through the UNDA project.

Related legislation or regulations concerning FLR in Uzbekistan include the “Law on Forest” (2018), the Presidential Decree “On the Organization of Activities of the State Forestry Committee of the Republic of Uzbekistan” (2017), the “Resolution of the Cabinet of Ministries “On additional measures for the establishment of “Green coverages” in the country as well as in the Aral Sea region” (2020), the Presidential initiative “Green Space” (2021) as well as the “Presidential decree “On the approval of the Concept of Development of the Forestry System of the Republic of Uzbekistan until 2030” (2020).

### Georgia

Despite its large forest cover of 40%, 7% of Georgian forests and more than one third<sup>13</sup> of its agricultural land are degraded due to unsustainable natural resource use. The underlying reason are very often policy frameworks that would require improvements, more cross-sectoral linkages and more effective implementation mechanisms but also traditional usage of available land. The main reason is a strong energy demand for fuelwood, for example, is due to limited income opportunities and insufficient rural development<sup>14</sup>. Further reasons for the unsustainable use of forest resources and illegal logging are weak forest management institutions and poor law enforcement<sup>15</sup>.

Agroforestry value chains of non-wood forest products in Georgia consist of walnuts, berries and hazelnuts. Walnut production is a common source of income in rural areas<sup>16</sup>. The value chain includes suppliers of seedlings, plant protection products, fertilizers, as well as farmers, mediators/wholesalers, retailers in markets along with local and foreign consumers. The cultivation and production of walnuts is threatened by climate change, the spread of diseases and low market prices. In addition, the value chain is challenged by high prices of seedlings as well as the absence of crackers and processors in the supply chain. However, the development of walnut supply chains offers not only environmental benefits but holds a high potential for employment and additional income for the vulnerable rural population.

The main policy documents for forest management and forest landscape restoration in Georgia are the “Forest Code (2020)” and the “National Forest Concept of Georgia (2013)”. Furthermore, Georgia recognizes the importance of forest landscape restoration in its commitment under the Bonn Challenge as well as in its “Resolution №383 on the Approval of the Regulation on Forest Protection, Restoration and Maintenance (2021)”, the Agriculture and Rural Development Strategy of Georgia 2021 – 2027 and action plan 2021 -2023, 2030 Climate Change Strategy and Action Plan, along with Development Strategy and Action Plan of LEPL National Forestry Agency (2021 – 2026).

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<sup>13</sup> [UNEP – Landscape and sustainable land management in Georgia](#)

<sup>14</sup> [UNECE/FAO Forest Landscape Restoration Platform – Country Profile Georgia](#)

<sup>15</sup> [UNECE/FAO – Overview of the State of Forests and Forest Management in Georgia, 2020](#)

<sup>16</sup> [PMC Research Center - Walnut Value Chain Analysis in Ajara Region of Georgia, 2016](#)

The context in which the project will be operating has several underlying issues in the target countries and can be summarized as follows:

1. Lack of coherent and systematic policies to halt and reverse land degradation and to support circular economy;
2. Lack of cross-sectoral capacities for long-term planning and sustainable management of natural resources;
3. Lack of holistic approaches including cultural and tradition-rooted aspects to understand, manage and support rural development, including resource dependency, women and youth empowerment, , traditions and well-anchored unsustainable cultural habits and the provision of ecosystem services.

In many of the countries, women, youth and people with disabilities are historically the most vulnerable parts of the rural population. The provision of ecosystem services and natural resources is particularly important for these sections of society in urban and the rural settings. Yet, as recognized by the recently adopted General Assembly Resolution 76/300 (“The human right to a clean, healthy and sustainable environment”), the consequences of environmental degradation are felt most acutely by disadvantaged groups that are already in a vulnerable situation. Further benefits can be drawn for public health, the economy and education. Income opportunities within initiatives of forest landscape restoration, along with the improvement of circular non-wood forest product value chains, hold the potential to increase the well-being of rural communities. Furthermore, contributions to transitioning to a circular economy, land restoration and women empowerment are supportive for achieving the Sustainable Development Goals.

## 2.3 Country level situation analysis

### Specific country-level situation analysis

Based on the described details in previous chapters, this section provides an analysis of the challenges faced at national level in forest landscape restoration and (non-wood) forest product value chains. The focus of the individual implementation in the project countries may shift according to local circumstances and conditions of feasibility. Whenever possible, synergies are built with other components and activities.

Country	Status of affairs	Realistic outcomes (should be grounded in the outcomes in the results framework in section 4.2)
Kyrgyzstan	<b>Specific challenges of forest product value chains and landscape degradation:</b> The low level of tree cover (7%) <sup>17</sup> and the afore-described effects of land degradation are indicating a need for Forest Landscape Restoration to reverse the trend of a continues loss of forest area. In particular, the natural walnut-forests in Kyrgyzstan have a high economic value in	Enhanced knowledge in Kyrgyzstan of the benefits of circular non-wood forest product value chains and forest landscape restoration as well as

<sup>17</sup> [UNECE/FAO INForest database – Country Profile Kyrgyzstan](#)



	<p>terms of fruit, oil and timber production<sup>18</sup>. Currently, challenges along the value chain are hampering further income and livelihood improvements in rural areas. Better functioning value chains could lead to formal employment and increased inclusion of women and other vulnerable groups.</p> <p><b>Work already undertaken and “assets” of the country:</b> Forest Landscape Restoration (FLR) is integrated as a priority into several national strategies and commitments like the Astana Resolution. In addition, numerous projects in this field were already implemented by international partners. The project can build on work done previously by UNECE as well as the Food and Agriculture Organization of the United Nations (FAO), Global Environment Facility (GEF), World Bank, United Nations Development Programme (UNDP), German Agency for International Cooperation/Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Japan International Cooperation Agency (JICA). Key national policies are presented in the section 2.2.</p> <p><b>Relevant consideration based on VNR:</b> The 2020 VNR of the Kyrgyz Republic<sup>19</sup> highlights the reduction of land degradation under several goals and targets. In particular, the VNR links land degradation to aspects of agricultural production and biodiversity as well as disaster risk reduction and livestock management. The follow-up activities to tackle the described challenges include the development of sustainable consumption and production along with <i>“measures to reduce losses in natural habitat biodiversity and land degradation by promoting a landscape approach to the maintenance of biodiversity, structural internal diversity and necessary range of natural ecosystems through sustainable land and forest management”</i>. Further steps include a second national forest inventory and inventories of protected areas while strengthening cross-sectoral partnerships.</p>	<p>their connection to more inclusive rural economic development.</p> <p>Strengthened capacities in Kyrgyzstan to implement circular non-wood forest product value chains and forest landscape restoration into national cross-sectoral development policy, planning, and management.</p>
Tajikistan	<p><b>Specific challenges of forest product value chains and landscape degradation:</b> Currently, Tajikistan lacks data and a comprehensive monitoring infrastructure of forests, desertification and land degradation. Furthermore, unsustainable land-use and missing legislative regulations create challenges and are calling for assessment and capacity building.</p>	<p>Enhanced knowledge in Tajikistan of the benefits of circular non-wood forest product value chains and forest landscape restoration as well as their connection for</p>

<sup>18</sup> Bourne, Willie. 2012. *Analysis of the Walnut Value Chain in the Kyrgyz Republic Working Paper*. Washington D.C: PROFOR.

<sup>19</sup> *Voluntary National Review of the Implementation of the Sustainable Development Goals in the Kyrgyz Republic, 2020*

	<p>Challenges in the mulberry-silk production value chain are driven by technological and ecological disadvantages and a lack of market dynamics. To scale-up sustainable production methods and rural employment, enhancements along the mulberry-silk production value chain are needed.</p> <p><b>Work already undertaken and “assets” of the country:</b> The country is committed to e.g. the UNECE initiated Astana Resolution of the Bonn Challenge, and has several national programmes to support the forest sector. International partners on whose work the project builds are the World Bank, the Global Environment Facility (GEF), International Union for Conservation of Nature (IUCN), German Agency for International Cooperation/Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and Credit Institute for Reconstruction/Kreditanstalt für Wiederaufbau (KfW). Key national policies presented in the section 2.2.</p> <p><b>Relevant consideration based on VNR:</b> In its latest VNR from 2017, Tajikistan points out the devastating effects of land degradation for the environment, the economy, and the rural population as priorities for national action. However, concrete countermeasures for these challenges are not formulated in the document.</p>	<p>more inclusive rural economic development.</p> <p>Strengthened capacities in Tajkistan to implement circular non-wood forest product value chains and forest landscape restoration into national cross-sectoral development policy, planning, and management.</p>
Uzbekistan	<p><b>Specific challenges of forest product value chains and landscape degradation:</b> Land degradation and forest cover decrease in Uzbekistan are revealing a substantial gap in effective land-management policies and sustainable land-use practices. Environmental impacts, climate change and related health concerns and the dependency of the rural population on forest related value chain are pointing towards the need for forest landscape restoration.</p> <p>The silk production value chain needs scaling up to more sustainable production techniques to enhance the socio-economic impact on rural communities. Furthermore, extending the utilization of mulberry trees beyond the silk sector would contribute to additional aspects of rural development, circular economy, and education.</p> <p><b>Work already undertaken and “assets” of the country:</b> Uzbekistan is a partner to the UNECE initiated Astana Resolution of the Bonn Challenge and supports its environmental objectives via a large number of legislations and initiatives. Uzbekistan is also working with UNECE on the development of a forest and greening masterplan (together with UNDP). Notable international projects were implemented by the World Bank, the European Investment</p>	<p>Enhanced knowledge in Uzbekistan of the benefits of circular non-wood forest product value chains and forest landscape restoration as well as their connection for more inclusive rural economic development.</p> <p>Strengthened capacities in Uzbekistan to implement circular non-wood forest product value chains and forest landscape restoration into national cross-sectoral development policy, planning, and management.</p>

	<p>Bank and the Agence française de développement (AFD), United Nations Development Programme (UNDP), United States Agency for International Development (USAID), Program on Forests (PROFOR), Asian Development Bank and the World Bank. Key national policies presented in the section 2.2.</p> <p><b>Relevant consideration based on VNR:</b> The latest submission (2020) of the Voluntary National Review of the Implementation of the SDG’s by the Republic of Uzbekistan highlights the protection and restoration of land ecosystems in line with a significant increase of 6750 hectares of net forest area by 2030<sup>20</sup>.</p>	
Georgia	<p><b>Specific challenges of forest product value chains and landscape degradation:</b> Drivers of land degradation in Georgia are mainly livestock overgrazing and the effects of climate change. Other causes of forest degradation are the lack of inventory data, funding and missing updated forest management plans. To improve the situation, Forest Landscape Restoration can provide revenue sources for livelihoods in the affected rural areas.</p> <p>Currently the walnut value chain in Georgia is not fully making use of its high employment potential for certain steps along the production process. Moreover, the production chain faces high prices for procedural production goods. Enhancements along the value chain are needed to ensure durable developments on community level and environmental benefits.</p> <p><b>Work already undertaken and “assets” of the country:</b> Georgia has enacted several strategies and legislation at national level. In addition, Georgia supports the Bonn Challenge through the UNECE initiated Astana Resolution. The project can be based on previous work by partners such as the Austrian Federal Center for Forests, World Wide Fund For Nature (WWF), Green Climate Fund (GCF), Swedish International Development Cooperation Agency (SIDA), Swiss Agency for Development and Cooperation (SDC), United Nations Development Programme (UNDP), FAO, International Union for Conservation of Nature (IUCN), German Agency for International Cooperation/Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), International Council for Research in Agroforestry (ICRAF), the World Bank and the European Union (EU). Key national</p>	<p>Enhanced knowledge in Georgia of the benefits of circular non-wood forest product value chains and forest landscape restoration as well as their connection for more inclusive rural economic development.</p> <p>Strengthened capacities in Georgia to implement circular non-wood forest product value chains and forest landscape restoration into national cross-sectoral development policy, planning, and management.</p>

<sup>20</sup> [Implementation of National Sustainable Development Goals and Voluntary National Review of the Republic of Uzbekistan, 2020](#)

	<p>policies presented in the section 2.2.</p> <p><b>Relevant consideration based on VNR:</b> Georgia’s 2020 VNR pursues sustainable forest management plans for all forests while reforming its environmental policies. In addition, Georgia acknowledges the economic importance of forestry to its GDP and to rural communities. Forest-landscape restoration and the improvement of walnut value-chains is not mentioned in particular.</p>	
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**2.3 Stakeholder analysis and capacity assessment**

<b>Non-UN Stakeholders listed in order of level of involvement in the project</b>	<b>Type and level of involvement in the project</b>	<b>Capacity assets</b>	<b>Capacity Gaps</b>	<b>Desired future outcomes</b>	<b>Incentives</b>
Ministries of Agriculture; Forestry Authorities; Ministries of Environment; Authorities responsible for water resources management; Ministries of economy, trade and rural development; and supporting research institutions (e.g. national forest research institutes; national environmental research institutions)	Target audience as they are responsible for the development of relevant policies, regulations and lead their implementation at national level.	The development of forest landscape restoration initiatives and value chain improvements in the light of the circular economy concept has become high on many development agendas of national agencies. In terms of resources and strengths, target ministries are the key leading actors in the areas addressed by the project: they hold	Lack of profound understanding of the link between ecosystem services by forests, the need to halt to reverse land degradation; lack of awareness on possible measures, mitigating policies and sustainable production and consumption of natural resources along with rural development. Lack of experience in applying improvements for value chains	It is expected that the project will improve stakeholders’ understanding of the importance of the social, environmental and economic aspects of forests and their value chains and their important role in sustainable development; It is also expected that the project will provide tools for addressing the problems they are facing in the areas of land degradation, desertification, deforestation,	Increased capacity and practical tools to analyze, measure and approach current landscape degradation and deforestation. Ability to meet international goals and commitments (e.g. on FLR), Improved value chains of non-wood forest products in agroforestry via integrated policy measures. Increased forest cover and

		knowledge of the country situation, experts engaged in day-to-day work, and institutional structures that can help sustain project implementation.	of non-wood forest products in line with the concept of circular economy	water and air pollution, reforestation, sustaining agricultural production and ecosystem services, rural development and women empowerment in light of pandemic recovery and rebuilding phases by applying holistic and circular approaches.	improved food security.
Local and district/regional authorities	Target audience as they are responsible for the implementation of many policies and regulations and their practical rollout at local and district levels. They are also first in line to face the problems addressed by this project and in need of practical solutions.	While addressing problems at local and regional level is relatively new, the lack of resources at these levels is a strong incentive for these authorities to increase their capacity in approaches of forest landscape restoration and value chain improvements of non-wood products to solve land degradation, desertification, deforestation, food insecurity as well as market access and supply chain	Lack of understanding of the many links and inter-dependencies between some of the complex problems local authorities have to face daily with regard to and degradation, deforestation, food security, the supply of ecosystem services and the importance of non-wood forest products for local socio-economic systems. Lack of availability of guidance	It is expected that local authorities will benefit from the tools and resources that will be disseminated throughout the project. This will result in a better understand of how to apply and implement approaches of forest landscape restoration and value chain improvements in addressing environmental, food security, health, and socio-economic issues. It is also expected that	Increased revenues from creation of new value chains, opportunities to reduce poverty levels in rural communities, particularly for the most vulnerable groups. Increased tree cover, market access and revenues for non-wood forest products at different levels; increased utilization of agroforestry approaches in combination with FLR; Improved food security for

		problems. Being first in line when it comes to interfacing with the population, localizing the tools and scaling them to their level makes them more easily implementable and usable.	material and tools.	they will be able to apply the new gained knowledge in their day-to-day interaction with the most vulnerable population groups and the challenges they are facing in rural areas.  Improved understanding of circular approaches in the forest restoration and supply chain context.	local communities; better use of nature-based solutions to reverse and halt land degradation, deforestation and desertification at local level; improved employment and empowerment of women;
NGOs and civil society (including producer and consumer organizations, women's collectives), private sector, including local leaseholders and cooperatives, related to forest landscape restoration purposes and the described non-wood forest product value chains	Target audience as they contribute to the dissemination, implementation and use of mitigating measures. Some project activities may also be carried out with the involvement of NGOs (e.g. in carrying out assessments)	NGOs and civil society have undertaken sound research. In terms of resources and strengths, NGOs can be a real asset when carrying out work on vulnerable and marginalized groups, as they may hold related knowledge and have connections that would facilitate project implementation.  In addition, NGOs and civil society	Are not informed adequately on the policy and regulatory implications of natural resource management.	More vital involvement of local NGOs and the private sector (including lease holders and cooperatives) through increased dialogue with public stakeholders. This would result in better stakeholder engagement, which in turn will ensure long-term sustainability of the projects outcomes. Establishment of	Increased visibility of NGO's and civil society's areas of concern, more opportunities to bring forward ideas and solutions for addressing sustainability and poverty challenges to government representatives and possible solutions provided by the forest area, Possibility to engage actively in measures of

		hold the potential to drive the development and implementation of mitigating measures.		collaboration with the relevant Ministries and authorities.	forest landscape restoration and value chain improvements and possible circular economy transitions for targeted regions and products in line with increased dialogue with local, national and international partners in supporting progress towards SDG targets.
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### 3. PROJECT STRATEGY: OBJECTIVE, OUTCOMES, INDICATORS, OUTPUTS

#### 3.1 Project Strategy

##### Context and trigger

The world’s environmental and agri-food systems are under stress from many factors including loss of biodiversity and climate change while forests can provide solutions to reduce the pressure and, at the same time, provide essential services and products. Integrated policies and landscape approaches can help create greener product and agri-food systems. Through thorough analysis, but also innovative approaches and product development, processing and marketing, healthy and sustainably managed forests can provide income, food and mitigate climate change.

Rural communities in the Caucasus and Central Asia face high levels of poverty and limited livelihood prospects. Local conditions are triggering high levels of migration and are driving families, as well as entire communities and generations of youth to leave home.

While forests in these regions play a vital role in the provision of ecosystem services, in particular as a source of livelihoods, shelter, water, food, medicine, and fuel, forest landscapes in these regions are degraded, depleted, and under continued threat from unsustainable resource use and unmitigated natural threats.

National governments have taken several actions in the past years and committed to restore forest landscapes under national plans, the Astana Resolution and the Bonn Challenge. However, they face competing priorities and limited resources as they attempt to balance urgent economic development and job creation needs with long-term environmental integrity. Weak resource use rights and centralized

decision making reduce incentives for rural communities to sustainably manage available resources are other factors limiting FLP and often also forest-based non-wood supply chains. The COVID-19 crisis as well as the food insecurity threat by current geopolitical developments have only exacerbated the challenges posed by existing resource limitations. While these could effectively be tackled by adopting circular economy approaches (including the valorization of waste) and thereby lower the need for primary resources, countries of the target regions have to transition more towards such approaches.

## **Project Overview**

The project will adopt a dual approach, first developing knowledge products that demonstrate the benefits of circular forest product value chains for advancing inclusive rural development and forest landscape restoration (FLR), and then building capacity for policymakers to implement circular forest value chains for this purpose. This will highlight linkages between national economies and the management of forest landscapes, thereby contributing to green recovery planning. It will also address the fact that, as recognized by the recently adopted by General Assembly Resolution 76/300 “The human right to a clean, healthy and sustainable environment”, the consequences of environmental degradation are felt most acutely by women and girls and those segments of the population that are already in vulnerable situations, including indigenous peoples, children, older persons and persons with disabilities.

Initially, national market gap assessments of circular value chains for forest products will identify benefits and opportunities to strengthen circular forest value chains. They will contain a gender analysis in order to ensure equitable access to information and sharing of benefits. A policy brief will then highlight contributions to inclusive rural development and FLR, to build awareness and understanding of these benefits. National sets of criteria and indicators (C&I) for circular forest product value chains will be developed to support national ability to evaluate whether forest product value chains are sustainably managed and inclusive. These will inform guidelines that can be used by others in the region and beyond. It will also involve assessing the feasibility of valorizing waste resources to close the material loop, improve circularity and lower the need for primary resources in certain value chains.

Leveraging this enhanced knowledge, the project will support national capacity for implementing opportunities and recommendations. Building on the national market gap assessments, pilot project concepts consisting of a roadmap per country and an implementation/action plan for strengthening a value chain will be developed for each country. This will provide policymakers with a turnkey opportunity and help demonstrate that there are actionable opportunities to develop circular forest product value chains in a manner that promotes inclusive development and contributes to gender-responsive FLR.

National and regional meetings support capacity building and facilitate peer exchange and learning. Furthermore, regional policy guidance on integrating forest product value chains and FLR activities into development planning will be developed based on national level work, regional stakeholder consultations, and dedicated analysis.

## **Expected progress towards the attainment of the objective and performance measures**

The project is expected to provide policymakers with an understanding of opportunities, including costs and benefits, to strengthen circular forest product value chains that create jobs, promote inclusive green growth, and increase value creation from forest landscapes. It will also identify actionable opportunities



to develop wood and non-wood forest product value chains that may be taken up by public authorities, development institutions, or even the private sector.

A policy brief based on national assessments and workshops will increase the understanding and capacity of policymakers to integrate circular value chains for forest products and FLR into national and sectoral development policy and planning. Guidelines on C&I for sustainable forest product value chains will complement C&I for sustainable forest management, providing amore holistic perspective and strengthening capacity to sustainably manage forest product value chains.

National and regional workshops and consultations will disseminate findings and build stakeholder awareness of the potential to improve livelihoods and drive FLR by strengthening circular value chains for forest products. They will also build stakeholder’s capacity to integrate these opportunities in national and sectoral development planning. Stakeholder engagement will include policymakers, but also experts, private sector and civil society.

### 3.2 Results Framework

<b>Intervention logic</b>	<b>Indicators of achievement</b>	<b>Means of verification</b>
<p><b>Objective</b> To improve knowledge and capacity to advance inclusive and resilient post-pandemic rural development and forest landscape restoration through circular forest product value chains and nature-based solutions in selected countries in Central Asia and the Caucasus.</p>		
<p><b>Outcome - OC1</b> Enhanced knowledge in the beneficiary countries of the benefits of circular value chains for forest landscape restoration and more inclusive rural economic development.</p>	<p><b>IA 1.1.1:</b> At least three beneficiary countries have approved the guidelines to strengthen circular forest product value chains and forest landscape restoration.</p> <p><b>Baseline:</b> 0 <b>Target:</b> 3</p>	<p>Guidelines approved by a national institution, reports to intergovernmental bodies such as the UNECE Committee on Forests and the Forest Industry</p>
	<p><b>IA 1.1.2:</b> At least 80% of participants in the consultative process report enhanced knowledge of the benefits of circular value chains for forest landscape restoration and more inclusive rural economic development</p> <p><b>Baseline</b> 0 <b>Target</b> 80%</p>	
	<p><b>Output - OP1.1</b> Conduct four national market gap assessments of circular value chains for non-wood forest products including assessments of the economic, social and environmental value of forest landscapes. This will include a mapping of existing forest product value chains and related forest landscapes. The assessment will include a hybrid virtual/physical national workshop (organized jointly with OP2.1) and will identify high value opportunities for developing circular forest product value chains that drive inclusive and resilient development and forest landscape</p>	

<p>restoration, considering forest resources access rights and labour practices in value chains. Assessments will consider opportunities to integrate and empower women and minorities, as well as vulnerable and disadvantaged groups, including persons with disability, within value chains. Furthermore, the assessments will consider related stakeholders such as, national Ministries with thematical linkages, research institutes, local and district/regional authorities, as well as NGOs and organizations of the civil society.</p> <p>Based on these assessments, marketing studies will be implemented for specific value chains, to inform work under OP2.2 (pilot project concepts).</p>		
<p><b>OP1.2</b> Prepare a policy brief for the Caucuses and Central Asia sub-regions on integrating forest product value chains and forest landscape restoration activities into development planning. This brief will be elaborated drawing on the lessons and opportunities identified in OP1.1 and OP2.1 and will provide policy advice that clearly synthesizes opportunities and insights from the market assessments and national workshops, in an accessible format that will support efforts to engage policymakers of national Ministries as well as local and district/regional authorities in implementing project recommendations and scaling up outcomes.</p>		
<p><b>OP1.3</b> Develop four national set of criteria and indicators for circular forest product value chains (one for each country). These will be developed through a national consultative process (hybrid virtual/physical national workshop) with stakeholders from national Ministries, local and district/authorities, NGOs, organization from the civil society as well as the private sector, drawing on consultative sessions held during workshops for national market assessments (OP2.1), during joint meetings organized in conjunction with OP2.2. The criteria and indicators will be developed to support evidence-based policymaking of national Ministries as well as local and district/regional authorities in support of a transition to a green economy based on circular forest product value chains that drive inclusive and resilient development and forest landscape restoration.</p>		
<p><b>OP1.4</b> Develop one set of guidelines for developing criteria and indicators for circular forest product value chains. These will be elaborated through a regional consultative process, with stakeholders from national Ministries, local and district/authorities, NGOs, organization from the civil society as well as the private sector, including a virtual regional consultative meeting, that builds on the lessons learned and insights identified during the elaboration of national sets of criteria and indicators under OP1.3. The regional guidelines will help to build capacity to develop national criteria and indicators in additional circular forest product value chains, and in other countries in the Caucasus and Central Asia.</p>		
<p><b>OC 2</b> Strengthened capacity in the 4 beneficiary countries to implement circular value chains for forest products and forest landscape restoration into national and sectoral development policy and planning.</p>	<p><b>IA 1.2.1:</b> At least two beneficiary countries have adopted strategies to integrate circular forest product value chains and forest landscape restoration in national, sectoral planning processes.</p> <p><b>Baseline:</b> 0 <b>Target:</b> 2</p>	<p>Country strategies integrate circular forest product value chains as confirmed by plans, strategies, programmatic documents or similar issued by national institutions or reported through intergovernmental bodies such as the UNECE Committee on Forests and the</p>

		Forest Industry
	<b>IA 1.2.2</b> At least 80% of workshop participants acknowledge having strengthened capacity to implement circular value chains for forest products and landscape restoration	Participant questionnaires after workshops
	<b>Baseline</b> 0	
	<b>Target</b> 80%	
<b>OP2.1</b>	Organize four national workshops (one per country in Uzbekistan, Tajikistan, Kyrgyzstan and Georgia) on circular value chains for forest products based on the national market assessments, for validation, dissemination and capacity building. These consultative national workshops (hybrid virtual/physical) will engage national policymakers from Ministries and local and district/authorities as well as stakeholders from NGOs, organization from the civil society as well as the private sector, in value chains of focus. The workshops will inform the marketing studies (planned in a second phase of OP1.1), and will help to identify and prioritize opportunities for pilot project concepts under OP2.2. Dedicated sessions will also begin to explore opportunities for criteria and indicators, to build stakeholder relationships and inform the conceptualization of OP1.4 and OP1.3	
<b>OP2.2</b>	Develop four pilot project concepts (one per country in Uzbekistan, Tajikistan, Kyrgyzstan and Georgia) consisting of a roadmap per country and an implementation/action plan. These concepts will be developed based on consultations with stakeholders from the community to the national government. Once concepts have been developed, they will be validated during a dedicated national workshop (hybrid virtual/physical), which will engage key stakeholders and policymakers from national Ministries, local and district/authorities, NGOs, organization from the civil society as well as the private sector to build understanding and capacity to implement the recommended approach. The concepts will provide policymakers with an actionable opportunity to strengthen circular forest product value chains, and thereby significantly increase the likelihood of buy-in from key policymakers to support the project recommendations. This will support authorities to take a first step, helping to build capacity, momentum and lessons learned to support broader policy mainstreaming as part of efforts under OP2.4. This focus on national ownership will also support long-run sustainability in the implementation of project recommendations. It will also support efforts to build on the UNDA work to mobilize additional resources for scaling project insights and recommendations.	
<b>OP2.3</b>	Develop e-training materials, for developing or strengthening one forest product value chain to promote inclusive development and drive forest landscape restoration. These materials will be based on project activities and lessons learned. They will be designed to support capacity to implement specific project recommendations and pilot project concepts, and will be developed to be relevant to key stakeholders in both the public and private sector, throughout the Caucuses and Central Asia.	
<b>OP2.4</b>	Organize national capacity building workshops (hybrid virtual/physical) in each of the four beneficiary countries (one per country in Uzbekistan, Tajikistan, Kyrgyzstan and Georgia) on integrating project policy recommendations into development planning across sectors. Drawing on recommendations in documents prepared under OP1.1, OP1.2, OP2.2, these workshops will disseminate key findings with policymakers from national Ministries, local and district/authorities to build support and capacity for adopting and implementing national sets of criteria and indicators, pilot project concepts, and other recommendations for mainstreaming circular forest value chains into development planning and policy.	

<b>OP2.5</b>	Organize an expert meeting (hybrid virtual/physical) for the Caucuses and Central Asia sub-regions on circular forest product value chains for inclusive and sustainable rural development, with participants from beneficiary countries and other interested countries, including from other geographical regions. This meeting will facilitate exchange of experiences and lessons learned during work at the national level and the elaboration of regional guidance, and also to engage select stakeholders from public and private sector outside the region who may help to strengthen trade linkages that facilitate the development of circular value chains. Another key objective of this meeting will be to promote adoption of the regional guidelines for developing criteria and indicators for circular forest product value chains (OP1.4) in new value chains and other countries in the Caucuses and Central Asia.
<b>OP2.6</b>	Organize two (hybrid virtual/physical) expert workshops back-to-back with regular intergovernmental meetings to improve the understanding of national stakeholders from national Ministries, local and district/authorities, NGOs, organization from the civil society as well as the private sector of target countries and foster their integration into regular intergovernmental processes on circular forest project value chains and forest landscape restoration. These workshops will be used to engage and consult with key senior stakeholders and policymakers in the development of regional guidelines (OP1.4) and national sets of (OP1.3) criteria and indicators, to build political support and counterpart capacity, and inform the elaboration of deliverables under OP 1.3 and OP1.4, as part of efforts to promote policy mainstreaming of circular forest product value chains.

### 3.3 Risks and mitigation actions

<b>Risks</b>	<b>Likelihood of risks</b>	<b>Impact of risks (low, medium or high)</b>	<b>Mitigating Actions</b>
The implementation of the project does not include considerable risks. The technologies, regulations, and policies discussed are in the public domain. They do not contain anything that could provoke a controversy both for the project execution and its effects.			
R1. Possible political instability in selected countries could delay the effective implementation of the project recommendations and the attraction of desirable investment, which lies outside the immediate scope of the project.	Low	Medium	M1. The project will be executed at the technical level, with the full support of the level of high-level governmental officials. This would contribute to ensuring the successful implementation and sustainability of the project.
R2. Lack of political support by public authorities for for / project outcomes	Low	Medium	M2. Holding regular consultations and bilateral and multilateral meetings with stakeholders. To ensure commitment in the project implementation, every effort will be made to keep high-level decision-makers informed of progress and plans.
R3. COVID-19 related disruptions on travel and meetings	Medium	Medium	M3. Every effort will be made to make the activities flexible to be in person or virtual as required. Back-up plans will also be developed

			to re-allocate resources if certain activities cannot be implemented, for instance, by spending such resources on online activities and virtual dissemination of project results.
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### 3.4 Sustainability and scaling-up

The project will connect two big conceptual approaches by linking circular value chain development with forest landscape restoration efforts. This requires localizing and applying a holistic multi-sectoral systems approach, which will involve the quantification of products and services for livelihoods within entire ecosystems, and not just within one value chain. It will also involve assessing the feasibility of valorizing waste resources to close the material loop, improve circularity and lower the need for primary resources in certain value chains. This perspective will allow for the identification of needs and opportunities at every step, from tree to market, while building on participatory and design-thinking approaches to include all stakeholders involved in production.

The project’s deliverables, the assessment and valuation of forest products’ supply chains will allow entrepreneurs to develop new business models, and create possibilities for collaborative partnerships to assure that the results of the project are implemented and continue beyond the project lifecycle. The early inclusion and these participatory approaches of this project will ensure national ownership of the project’s deliverables and objectives from very early on and throughout the 4 years.

The project’s results will also be scaled up to governmental levels to help develop future necessary regulatory and policy frameworks for valorizing waste resources to close material loops, improving circularity and lowering the need for primary resources in certain value chains during and after the project’s end.

As many of the developed products (for example, the guidelines or the set of indicators) as well as the assessment methodologies are relevant beyond the project’s target regions, the outcomes of the project will be shared with other geographical regions and made available at dedicated meetings and the web sites. A replication of this project could be envisaged in other regions – the developed products and deliverables while targeted in nature being still universally applicable at their core. In addition, efforts will be made to link the project to other relevant and fitting projects (UNDA and others) run by participating agencies.

During its entire lifecycle, the project’s activities will be closely linked with ongoing intergovernmental work at UNECE on forest landscape restoration and non-wood forest products, by presenting project activities and outcomes to UNECE member States, publishing guidelines which can be used to scale up project results in other countries, and inviting member States to consider additional funding beyond the project’s end. This will assure the continuity and visibility beyond the project’s lifecycle.

In addition to the systemic approach, the project will substantively engage the Central Asia Working Group created under a previous UNDA 9th tranche project, with the intention that the working group can carry the work forward after the project. The CAWG has proven to be a capable, reliable and motivated partner

in the past, and so this is a proven approach to build a sustainability mechanism into the project work streams.

## **4. KEY ASPECTS**

### **4.1 Mandates, comparative advantages and link to the Programme Budget**

#### ***United Nations Economic Commission for Europe***

Under Subprogramme 7 (Forests and the forest industry) whose objective is to strengthen the sustainable management of forests and enhance the contribution of forests and forest products to sustainable development in the ECE region, UNECE has extensive experience in sustainable ecosystem and landscape restoration work. It is aligned with the objective of the UNECE Committee on Forests and the Forest Industry, which is to strengthen the forest sector and its contribution to sustainable development in the UNECE region, through monitoring, analysis, capacity building and the provision of a forum for discussion. The Committee focuses on the sound and legal use of forest products, agroforestry products and their trade, as well as on promoting nature-based solutions, including climate change mitigation, adaptation and forest landscape restoration.

The UNECE/FAO Forestry and Timber Section is responsible for developing evidence-based policies for sustainable forest management and communicating about the many products and ecosystem services provided to society while assisting countries of the region to monitor and manage their forests. Combined with the network of experts in the team of specialists, no other organization has a comparable pool of knowledge or practical working experience on sustainable forest management and forest products, and thus UNECE/FAO has a clear advantage to lead the work.

Through the work in Central Asia, the UNECE/FAO Forestry and Timber Section also supports the regional implementation of the United Nations Strategic Plan for Forests 2017-2030 (UN SPFF, E/CN.18/SS/2017/2). Currently, the UNECE/FAO Forestry and Timber Section is implementing a project in one of the target countries (Uzbekistan) on planning and implementing its large-scale planting initiative. In another country (Kyrgyzstan) the section is working on national FLR strategies.

FAO and UNECE are both regional bodies explicitly mentioned in the UN Strategic Plan for Forests as entities providing a crucial bridge between international policies and national actions and as important partners in efforts to achieve the Global Forest Goals and targets of the Strategic Plan. Of particular relevance to this project is Global Forest Goal 1: “Reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation and contribute to the global effort of addressing climate change”.

In line with ECE’s Natural Resources Nexus approach, forest landscape restoration was identified as one of seven nexus hotspots, which constitutes a major challenge but also opportunity to integrate the work across subprogrammes. As a nexus hotspot, forest landscape restoration is convincing, although its primary objective is to restore forests, it focuses more broadly on landscapes, representing a mosaic of interacting land uses and sectors under different governance systems. Integrating innovative approaches such as the circular economy within such a nexus approach is key to encourage the development of cross-sectoral policies and address development challenges holistically. The project will also benefit from

ongoing work and future outputs of the international Task Force on Measuring Circular Economy, which aims to clarify the scope for measuring the circular economy and define key concepts, focusing on meeting the information needs of important regional and global policy frameworks such as the EU Green Deal, and on meeting the data challenges of global societal problems such as climate change and pollution. It will be also presented and discussed at the UNECE Task Force on Circular Economy to ensure synergies with other related interventions (environment, statistics, ECI, trade etc)

### ***Food and Agriculture Organization of the United Nations***

FAO is part of the UNECE Section leading this project. FAO has a dedicated Forestry Programme, which seeks to have transformational impacts that benefit forests and forest-dependent people and help achieve the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. The Forestry Programme is guided in its technical forestry work by the Committee on Forestry (COFO) and six regional forestry commissions. FAO's forestry programme has regional and country offices in most of the project countries and has experience with NWFPs, for example supporting the implementation of the project "Innovation Networks of Cork, Resins and Edibles in the Mediterranean basin" (INCREDIBLE). As member of the Advisory Board, FAO provided guidance to the implementation of the project that aimed to "foster communication and knowledge transfer to highlight how enhanced fluxes and multi-actor networks can help to seed real and effective innovation of NWFPs in the Mediterranean and contribute to business discovery, social innovation and the co-design of locally adapted innovative value chains". FAO is thus well placed in supporting the proposed project with their expertise and contacts.

### ***International Trade Center***

Under the Poor Communities and Trade Programme, which is part of ITC's Division of Sustainable and Inclusive Trade, the ITC Ethical Fashion Initiative's (EFI) objective is to create jobs, promote sustainable sources of income and secure access to trade for artisans, micro-producers and creatives from developing countries. EFI will achieve this by connecting these groups and individuals with a wide spectrum of value chains linked to the identity-building activities of the international lifestyle market. This process will expand EFI's core operational methodology — connecting artisans to an international value chain — into a wider pool of countries and a broader range of creative industries. This integrated, comprehensive approach will simultaneously invest in market access and identity-building while also giving special attention to fragile countries. EFI will contribute their value chain expertise in textiles by providing expertise and a network of experts in the Central Asia region.

The project builds on EFI's intervention in Central Asia from 2019 to 2022, and the connections and lessons-learned that this resulted in. In the framework of this past EU funded project, EFI worked with artisans in remote and highly marginalised communities. EFI kick-started then a project which enabled micro-entrepreneurs with the unique skills of ikat weaving and dyeing, to export their products internationally. EFI has partnered with local silk producers in Uzbekistan specializing in natural dyes, mulberry silk and locally grown organic cotton. The social enterprise IkatUz is now working with EFI to build export capacity and create employment in a number of communities in Uzbekistan. In Tajikistan EFI works with handmade silk embroidery techniques called Suzani. In Khujand, Tajikistan, part of the fabled

Ferghana Valley and the great Silk Road, EFI has partnered with an all-women social enterprise, Ozara, to coordinate the work of a large number of women embroiderers. In Kyrgyzstan, EFI launched the EFI Homeware Accelerator that supported local, sustainable labels to expand internationally and create employment opportunities for artisans.

### ***United Nations Development Programme***

UNDP supports governments and businesses in preparing for and anticipating changes in value chains. The emphasis is on identifying future directions, new economic sectors and circular approaches using trade intelligence and forecasting. In addition, UNDP supports the implementation of approaches to building productive capacities and facilitating foreign direct investment in new technologies (including automation and digitization).

The UNDP the Aid for Trade project in Kyrgyzstan, Tajikistan, and Uzbekistan, for example, promotes inclusive and sustainable growth models in rural areas and in clean production sectors, with an emphasis on SME development, environmental sustainability, and women's empowerment. In addition to support to value chain development, UNDP works with the Ministry of Economy and private sector stakeholders to develop financial products for producers and exporters in green economy segments.

### ***United Nations Economic and Social Commission for Asia and the Pacific***

ESCAP's Environment and Development Division (EDD) seeks to promote transformative actions for sustainable development in the Asia and Pacific region and manages a portfolio of natural resource management, ecosystems and biodiversity, sustainable consumption and production, pollution and waste management, as well as sustainable agriculture. It supports its member States through intergovernmental meetings addressing the SDGs and critical environmental priority issues in Asia and the Pacific and through capacity building, technical support, and policy-oriented knowledge products.

The Environment and Development Division's workplan includes five work areas. Additionally, the Division mainstreams cross-cutting issues in two thematic areas in line of their work. The proposed project on "Circular forest product value chains and nature-based solutions in Central Asia and the Caucasus" will contribute specifically to the subprogrammes on, (1) Raising Climate Ambition, (2) Safeguarding Ecosystems' Health, and (3) Climate Change and Air Pollution. The thematic areas of, (1) Green Growth and (2) Strengthening Environmental Governance are addressed by the project aim as well.

More recently, in support of its Member States during the COVID pandemic, EDD has focused on strengthening the capacity of Member States, including through e-learning courses and reports, on how to build back better and restore a harmonious relationship between ecosystem health and human health, using the integrated approach of planetary health. This also includes the development of a policy brief on COVID-19 and SDG 6.

Besides, ESCAP hosts, together with ECE, the United Nations Special Programme for the Economies of Central Asia (SPECA), a thematic working group on environment, water and energy.]

## **4.2 Link to the SDG targets**

The implementation of the project will have cross-cutting benefits across several SDGs. Developing value chains for forest products can create new or improved income generating activities accessible to women,



youth, and vulnerable demographics, many of whom currently depend heavily on migration and remittances to survive (SDGs 1, 5, 8). In addition to their market value, forest products often serve as a resource of last resort for vulnerable rural populations in times of crisis, including as a source of food, medicine, fuel, and livelihood (contributing to SDGs 2, 3, 7). The sustainable production and consumption of forest products (SDG12) will be integrated with Forest Landscape Restoration (FLR), a nature-based solution that can help restore and expand ecosystem services, while contributing to climate change mitigation and adaptation (contributing SDGs 3, 6, 13, 15).

The following targets will specifically be addressed:

**2.3:** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment

**2.4:** By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

**12.2:** By 2030, achieve the sustainable management and efficient use of natural resources

**13.2:** Integrate climate change measures into national policies, strategies and planning

**15.1:** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

**15.2:** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

**15.9:** By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

**15.b:** Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation

### **4.3 Lessons learned**

UNECE/FAO has extensive experience in the Caucasus and Central Asia, and has published the “State of Forests of the Caucasus and Central Asia”, the first ever overview of forests in the region compiled in one comprehensive document, covering all dimensions of sustainable forest management. Another study on “Forest Landscape Restoration in the Caucasus and Central Asia” assesses key drivers of forest degradation and the potential for forest landscape restoration in the Caucasus and Central Asia. Both assessments will serve as background documents for preparing the outputs under this proposed project.

The recently completed project “Accountability Systems for Sustainable Forest Management”, funded under the 10th tranche of the UNDA, strengthened national forest monitoring systems and facilitated the

creation of a strong forestry expert network in the region. Three of the beneficiary countries (Georgia, Kyrgyzstan and Uzbekistan) developed national sets of criteria and indicators for sustainable forest management and tailored methodologies for data collection. This project made an important contribution to sustainable management within forest boundaries, and linking national monitoring to global processes. However, the scope of these criteria and indicators does not include forest product value chains. There is an outstanding need to understand these value chains to support policymakers in their efforts to strategically target planned forest landscape restoration activities. These include efforts that focus on forest products that contribute the greatest value to poverty alleviation, ecosystem services, and economic development.

Lessons learned from the previous UNDA project include: (1) ensuring female involvement in decision-making processes, inclusion in the forestry sector management and empowerment of local community females who depend on the forest economy; (2) continuing Sustainable Forest Management (SFM) learning and capacity building assistance involving more countries from the ECE region, with the focus on the Caucasus and Central Asia (CCA) region; (3) proactively sensitizing national counterparts on the role that forests can play in poverty alleviation and economic development of vulnerable communities, groups and individuals that depend on forests and forest products. The proposed deliverables under this project include components on all these recommendations.

Key lessons from ongoing projects, whose implementation phase was significantly disrupted by the COVID-19 pandemic, include building in sufficient mechanisms for online, e-learning, and digital capacity-building solutions in order to maintain a 100% implementation rate. In person meetings will be replaced by hybrid or online meetings in many instances. When in person meetings are substantively preferable, they will be planned for seasons that tend to have lower levels of COVID cases and allow for meetings in large well-ventilated spaces. Contingency planning for hybrid and virtual formats will be included.

Further, this proposed UNDA project builds on the successful outcome of two FLR projects in Central Asia: “Strengthening capacity of Caucasus and Central Asia to restore deforested and degraded lands in support of the international Bonn Challenge and the achievement of SDG 13 & 15” (2018) and Strengthening policy framework on forest landscape restoration in selected UNECE countries to achieve SDG 15” (2022). As a result of the first project, the first Ministerial Roundtable on Forest Landscape Restoration and the Bonn Challenge in the Caucasus and Central Asia (21-22 June 2018) led to pledges to restore over 2.5 million hectares of forest landscape under the Bonn Challenge by 2030 including by the beneficiary countries, Georgia, Kyrgyzstan, Tajikistan and Uzbekistan<sup>21</sup>. The outcome document of the project provides an analysis of forest degradation and opportunities for forest landscape restoration, thereby providing an essential entry point for this project. The second project engaged national focal points to strengthen the implementation of their countries’ Bonn Challenge commitments. It resulted in the publication of “National Policy Guiding Principles for Forest Landscape Restoration”, which provide a sound basis for this UNDA project to build on.

The assessments proposed will build on ongoing mandated and intergovernmental work on circularity concepts in forest-based industries and in classifying and facilitating trade in wood waste. This is to ensure continuity and embed the project deliverables into the wider mandated work of the ECE Committee on Forests and the Forest Industry and the FAO European Forestry Commission.

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<sup>21</sup> Plus Armenia, Azerbaijan, and Kazakhstan.

The project “Fostering Resilient, Diversified and Sustainable Value Chains in the Eurasian Region after COVID-19” (2021-2023), will identify data and knowledge gaps, and develop targeted policy options to improve certain value chains and their export potential in the region. The outputs and network created through this project, particularly in Kyrgyzstan, will be useful to build on.

#### **4.4 E-Learning**

One of the outputs of the project is to develop e-training materials (OP2.3), which would focus on developing or strengthening forest product value chains that promote inclusive development and drive forest landscape restoration. These e-learning materials will be widely applicable across countries of the region and disseminated via existing knowledge repositories and exchange platforms, such as UNECE’s Knowledge and Exchange Platform on Forest Landscape Restoration in the Caucasus and Central Asia, and. Efforts will also be made to link them to existing e-learning infrastructure, such as FAO’s Forest Landscape Restoration Mechanism.

To strengthen the programmatic knowledge of circular forest product value chain enhancement, inclusive development and forest landscape restoration, the online e-learning material may consist of different modules to visualise the toolkit of the developed guidelines, outcomes of workshops, and the policy brief into digital story boards/narrative scripts. In addition, insights from the market assessments, the four national sets of criteria and indicator, as well as the roadmap of the pilot project concept are adapted into digital story content to support inclusive virtual training.

The proposed modules allow continuity of the physical workshops in a digital environment, while introducing new stakeholders to the topic to discover the benefits of the identified key solutions and findings. The online e-learning material will be made available to all countries, interested stakeholders and collaborating entities.

Whenever possible and appropriate, online meetings will be conducted to strengthen participation, reduce costs, and minimize the impact of disturbances caused by COVID or other reasons of force majeure. In addition, innovative Industry 4.0 approaches developed and supported by FAO’s global e-Agriculture community will be incorporated in order to tap into the potential of digital agriculture, including the use of highly interconnected and data-intensive computational technologies where appropriate.

## **5. MONITORING AND EVALUATION**

### **5.1 Proactive Monitoring**

The UNECE project manager, with input from the partnering implementing agencies, will be responsible for the regular monitoring of the project implementation. The project's progress will be reported each year by annual progress reports. The data include results of the questionnaire circulated among the participants of the workshop, as well as results of surveys used for the market assessments. The material and information related to the project will be publicly shared on a dedicated project website, managed by UNECE.

The reports will be provided according to the below timeline:

- By **31 January 2024**: 1<sup>st</sup> Annual Progress Report
- By **31 January 2025** 2<sup>nd</sup> Annual Progress Report

- By **31 January 2026**: 3<sup>rd</sup> Annual Progress Report
- By the **end of March 2027**: External Evaluation (if selected, to be confirmed in Q1 2025) and Final Report

In addition, a questionnaire will be developed by the project manager to evaluate the impact, effectiveness and long-term sustainability of the project activities. The questionnaire will be circulated regularly after each workshop in the beneficiary countries among participants in the workshops.

## **5.2 Final Report**

The project manager will collect data on the implementation of the project and will include it in a structured account of the implementation of the main elements of the project. The Final Report, which will follow the guidelines of the DA Team, will be submitted to the DA by the end of March 2027. If an external evaluation is required (“projects to be evaluated will be selected at midpoint” Q1 2025), a draft of the Final Report will be submitted as early as possible to the external evaluator (preferably at the time of hiring the evaluator in January 2027).

## **5.3 Evaluation**

If the project is selected for evaluation, it will be evaluated in line with the Development Account Evaluation Framework and the ECE Evaluation Policy. The evaluation of the project will be conducted by an external evaluator during the last six months of the project. The evaluator will have access to project progress reports, workshop reports, as well as evaluation forms, which include a basic set of workshop evaluation questions in ECE and, to be completed by all participants in project workshops. The evaluator will also conduct interviews with key project stakeholders from target countries and partner organizations, conduct desk research and prepare the evaluation report. The ECE Programme Management Unit will provide guidance and oversee the conduct of the project evaluation. The results of the evaluation will be published at Open ECE and shared with ECE member States through the annual evaluation report.

## **6. MANAGEMENT, PARTNERSHIP AND COORDINATION AGREEMENTS**

The project will be implemented jointly by UNECE (executing entity), ITC, ESCAP, UNDP and FAO (cooperating entities). The project will be coordinated via periodic project partner meetings on aspects related to project management, implementation and activities. The focal points in each organization will be responsible for the liaison with the project manager and other implementing agencies. This will ensure that deliverables, schedules and activities can be coordinated in the most efficient way possible. The UN country teams will be informed and involved whenever possible in national and local activities and, when necessary, invited to dedicated project group meetings which are meetings that include the steering group and invited other participants.

UNECE, will carry out administrative and reporting responsibilities. Moreover, the responsibilities of UNECE will include coordination of activities with the governments and other stakeholders on the topics related to UNECE expertise, the organization of workshops and provision of trainers for these workshops, as well as support the development of training material, e-learning tools and pilots (as foreseen under the project deliveries).

The collaborating partners are ITC (Ethical Fashion Initiative), ESCAP, UNDP and FAO:

- The ITC Ethical Fashion Initiative will contribute by [scope agreed, negotiations ongoing]:
  - Leading the development National market gap assessments of a circular value chain for forest products with a special focus on textiles (in 3 countries), contributing to organization of at least one meeting per country to validate the assessment;
  - Conducting at least one marketing study focusing on a textile value chain;
  - Developing pilot project concepts (in 3 countries), including business and marketing strategies on textiles, organizing at least one consultative meeting per country;
- ESCAP will contribute by convening relevant experts and participants to national and regional meetings, by linking the topic to enhancing investments in such nature-based solutions and supply chains as well as relevant networks as well as with ongoing relevant developments in Asia and other projects.
- UNDP will contribute with expertise on agroforestry value chains and marketing.
- FAO will contribute with regional expertise, including linkages with regional experts, networks and related activities, and possibly providing support to the development of the e-learning course.

Country specific activities will be coordinated with the RCOs and UNCTs, in particular at the beginning of the project, and during missions to countries in regular presentations to the RCOs, UNCTs, in particular in the beginning of the project. Project activities will be integrated in the relevant UNSDCF.

## ANNEXES

### ANNEX 1: RESULTS-BASED WORK PLAN AND BUDGET DETAILS

Table 1.1 – Breakdown of budget by output and outcome

Outcome	Output #	Budget class and Code <i>(Please use the budget classes listed in the table above.)</i>	Amount (USD)
OC1	OP1.1 <i>national (4) market gap assessmen ts</i>	Other Staff Costs (GTA)	015 \$ 3,000
		Consultants	105 \$ 20,000
		Travel of Staff	115 \$ 3,225
		Contractual Services	120 \$ 32,793
		General Operating Expenses	125 \$ 1,097
		Grants and Contributions (Workshops/ Study Tours/EGMs)	145 \$ 3,068
	OP1.2 <i>policy brief</i>	Consultants	105 \$ 8,000
	OP1.3 National C&I (4 countries)	Other Staff Costs (GTA)	015 \$ 3,000
		Consultants	105 \$ 35,000
		Travel of Staff	115 \$ 2,925
		Contractual Services	120 \$ 3,770
		General Operating Expenses	125 \$ 4,386
		Grants and Contributions (Workshops/ Study Tours/EGMs)	145 \$ 24,540
	OP1.4 Regional C&I Guidelines	Consultants	105 \$ 15,000
		Contractual Services	120 \$ 1,885
		General Operating Expenses	125 \$ 2,193
	OC2	OP2.1 <i>national workshops (4) to validate market assessmen t + capacity</i>	Other Staff Costs (GTA)
Consultants			105 \$ 7,000
Travel of Staff			115 \$ 3,225
Contractual Services			120 \$ 32,793
General Operating Expenses			125 \$ 1,097
Grants and Contributions (Workshops/ Study Tours/EGMs)			145 \$ 3,068
		Other Staff Costs (GTA)	015 \$ 3,000

	<b>OP2.2</b> Pilot project concepts	Consultants	105	\$ 8,000
		Travel of Staff	115	\$ 2,925
		Contractual Services	120	\$ 35,620
		General Operating Expenses	125	\$ 4,386
		Grants and Contributions (Workshops/ Study Tours/EGMs)	145	\$ 6,135
	<b>OP2.3</b> e-training	Consultants	105	\$ 15,000
		General Operating Expenses	125	\$ 2,193
	<b>OP2.4</b> National workshops (policy recommendations)	Other Staff Costs (GTA)	015	\$ 4,500
		Consultants	105	\$ 14,000
		Travel of Staff	115	\$ 7,800
		Contractual Services	120	\$ 7,540
		General Operating Expenses	125	\$ 8,772
		Grants and Contributions (Workshops/ Study Tours/EGMs)	145	\$ 24,540
	<b>OP2.5</b> Regional expert meeting	Consultants	105	\$ 12,500
		Travel of Staff	115	\$ 3,900
		Contractual Services	120	\$ 1,885
		General Operating Expenses	125	\$ 3,493
		Grants and Contributions (Workshops/ Study Tours/EGMs)	145	\$ 40,000
	<b>OP2.6</b> Workshops back to back with international meetings	Other Staff Costs (GTA)	015	\$ 9,000
		Contractual Services	120	\$ 3,770
General Operating Expenses		125	\$ 6,986	
Grants and Contributions (Workshops/ Study Tours/EGMs)		145	\$ 60,000	

**Table 1.2 – Results based workplan**

Outcome	Output #	Expected time to complete outputs															
		Year 1				Year 2				Year 3				Year 4			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OC1	OP1.1	■	■	■	■	■											
	OP1.2									■	■	■	■				

	OP1.3																
	OP1.4																
OC 2	OP2.1																
	OP2.2																
	OP2.3																
	OP2.4																
	OP2.5																
	OP2.6																

**Table 1.3 – Planned annual budget expenditure and cumulative financial implementation rate**

Budget Class	Y1	Y2	Y3	Y4	Total	%
Consultants (105)	\$ 27,000	\$ 43,000	\$ 52,000	\$ 12,500	\$ 134,500	27%
Travel of staff (115)	\$ 6,450	\$ 5,850	\$ 7,800	\$ 3,900	\$ 24,000	5%
Contractual Services (120)	\$ 97,435	\$ 9,425	\$ 11,310	\$ 1,885	\$ 120,055	24%
General operating expenses (125)	\$ 2,193	\$ 12,265	\$ 16,651	\$ 3,493	\$ 34,602	7%
Grants and contributions (145)	\$ 6,135	\$ 60,675	\$ 54,540	\$ 40,000	\$ 161,350	32%
Other staff costs (15)	\$ 6,000	\$ 10,500	\$ 9,000	\$ -	\$ 25,500	5%
<b>Total project cost</b>	<b>\$ 145,213</b>	<b>\$ 141,715</b>	<b>\$ 151,301</b>	<b>\$ 61,778</b>	<b>\$ 500,007</b>	<b>100%</b>
<b>Cumulative percentage</b>	29%	28%	30%	12%	100%	



## ANNEX 2: DETAILED JUSTIFICATION BY CODE

### **Other staff costs - GTA (015): \$ 25,500 (Total)**

Temporary assistance to perform the tasks of administrative support, in support of outputs OP1.1, OP1.3, OP1.4, OP2.1, OP2.4 and OP2.6:

OP1.1 and OP2.1 (1.5 work months) x (\$4,000 per work month) = \$6,000.

OP1.3 and OP2.2 (1.5 work months) x (\$4,000 per work month) = \$6,000.

OP2.4 and OP2.6 (3.375 work months) x (\$4,000 per work month) = \$13,500.

### **Consultants and Experts (105): \$ 134,500 (Total)**

#### (a) *International consultants*

*Total cost of international consultants: \$50,000*

*Total number of work months for international consultants: 10 months*

One international consultant for the task of conducting a marketing study for 1 or more value chains, in support of output: OP1.1 (2 work months) x (\$5,000 per month) = \$10,000.

One international consultant for the task of development one set of guidelines for developing criteria and indicators for circular forest product value chains, in support of output: OP1.4 (3 work months) x (\$5,000 per month) = \$15,000.

One international consultant for the task of developing e-training materials forest product value chains for inclusive and sustainable rural development, in support of output: OP2.3 (3 work months) x (\$5,000 per month) = \$15,000.

One international consultant for the task of preparing substantive presentations and materials, consolidating lessons learned from work at the national level in the four beneficiary countries, for the regional expert meeting on circular forest product value chains for inclusive and sustainable rural development, in support of output: OP2.5 (2 work months) x (\$5,000 per month) = \$10,000.

#### (b) *National / Regional consultants*

*Total cost of national consultants: \$82,000*

*Total number of work months for national consultants: 22.5*

One regional or national consultant for the task of conducting a national market assessment of circular forest product value chains in one country and coordinating the same task in the 3 other project countries, in support of output OP1.1 (2.5 work-months) x (\$4,000 per month) = \$10,000.

One regional consultant for the task of drafting a comprehensive policy brief on integrating forest product value chains and forest landscape restoration activities into development planning, in support of outputs: OP1.2 (2 work month) x (\$4,000 per month) = \$8,000.

Four national or regional consultants (one per country in four countries) for the task of elaboration of a national set of criteria and indicators for circular forest product value chains, in support of output OP1.3 (2.5 work-months) x (\$3,500 per month) x (4 countries) = \$35,000.

One regional consultant for the task of developing substantive presentations and tailored meeting materials for capacity building and dissemination based the findings of national market assessment for a national workshop on circular value chains for forest products based on the national market assessments, and for coordinating this activity in the other 3 project countries, in support of output OP2.1 (2 work-month) x (\$3,500 per month) = \$7,000.

One national consultant for the task of developing a pilot project concept consisting of a roadmap and an implementation/action plan in one country, and coordinating this output in the other three project countries, in support of output OP2.2 (2 work-months) x (\$4,000 per month) = \$8,000.

Four national consultants (one per country in four countries) for the task of synthesizing project policy recommendations and developing training materials and substantive meeting materials for national capacity building workshops on integrating project policy recommendations into development planning across sectors, in support of output OP2.4 (1 work-month) x (\$3,500 per month) x (4 countries) = \$14,000.

(c) *Consultant travel*

*Total cost of consultant travel: \$2,500*

One mission by consultant for the purpose of attending the regional expert meeting, in support of output OP2.5. (\$2,500 mission cost) x (1 mission) = \$2,500.

**Travel of Staff (115): \$24,000 (Total)**

(a) *UN Staff from the implementing entity*

(10 missions) by UNECE staff for the purpose of national and regional workshops in Georgia, Kyrgyzstan, Tajikistan, and Uzbekistan, in support of outputs OP1.1 & OP2.1 (2 joint missions), OP1.3 & OP2.2 (2 joint missions), OP2.4 (4 missions), and OP2.5 (2 missions).

(\$1,950 average mission cost) x (10 missions) = \$19,500.

(b) *Staff from other UN entities collaborating in project*

(2 missions) by ITC EFI staff to participate in the development national market gap assessments and conducting a marketing study, contributing to national workshops in support of outputs OP1.1 (1 missions), OP2.1 (1 mission).

(\$2,250 average mission cost) x (2 missions) = \$4,500.

**Contractual services (120): \$ 120,050 (Total)**

A provision of \$95,500 is required for contractual services provided by collaborating partner ITC (Ethical Fashion Initiative) to implement outputs OP1.1, OP2.1 and OP2.2 in Kyrgyzstan, Tajikistan and Uzbekistan. As part of the implementation of deliverables under these outputs, ITC will:

- Develop national market gap assessments of a circular value chain for forest products with a special focus on textiles (in 3 countries) and conducting at least one marketing study focusing on a textile value chain, in support of output OP1.1.

- Contributing to national workshops including by developing substantive presentations and tailored meeting materials for capacity building and dissemination based on the findings of the national market assessment (in 3 countries) to validate the textile focused market assessment and build capacity in support of output OP2.1.
- Develop pilot project concepts consisting of a roadmap per country and an implementation/action plan (in 3 countries), including business and marketing strategies on textiles, in support of output OP2.2.
- Organize hybrid virtual/physical national workshops on circular value chains for forest products (in 3 countries), including meeting interpretation (RUS/ENG), meeting venue and hybrid meeting platform, in support of outputs OP1.1 and OP2.1.
- Organize hybrid virtual/physical national workshop for developing pilot project concepts and roadmap (in 3 countries), including meeting interpretation (RUS/ENG), meeting venue and hybrid meeting platform, in support of output OP2.2.

A provision of \$24,500 is required for interpretation services for UNECE (\$1,885 per meeting) in support of outputs OP1.1 and OP2.1 (1 joint meeting), OP1.3 & 2.2 (4 meetings), OP1.4 (1 meeting), OP2.4 (4 meetings), OP2.5 (1 meeting) and OP2.6 (2 meetings).

$(\$1,885 \text{ average interpretation cost}) \times (13 \text{ meetings}) = \underline{\$24,500}$ .

**General operating expenses (125): \$ 34,600 (Total)**

*(a) Communications (\$30,702)*

Virtual conference services support for fully virtual meetings under outputs OP1.4 (1 meeting) and OP2.3 (1 meeting); (2 meetings total) x (\$2,193 average cost per meeting) = \$4,386.

Conference services support for hybrid virtual/physical meetings under outputs OP1.1 and OP2.1 (1 meeting), OP1.3 & 2.2 (4 meetings), OP2.4 (4 meetings), OP2.5 (1 meeting), and OP2.6 (2 meetings); (12 meetings total) x (\$2,193 average cost per meeting) = \$26,316.

*(b) Other general operating expenses (\$3,900)*

Visa costs for travel in support of OP2.5 (1 meeting) and OP2.6 (2 meetings); (3 meetings total) x (\$1,300 average cost per meeting) = \$3,900.

**Grants and Contributions (145): \$ 161,350 (Total)**

*(a) Workshops, seminars & Expert Group Meetings\**

Hybrid virtual/physical national workshop on circular value chains for forest products in Georgia organized by UNECE in support of OP1.1 and OP2.1. Duration of workshop: 2 days. (\$409 per participant) x (15 sponsored participants) x (1 workshop) = \$6,135.

Hybrid virtual/physical national workshops for developing pilot project concepts and roadmap in Georgia organized by UNECE in support of OP2.2. Duration of workshop: 2 days. (\$409 per participant) x (15 sponsored participants) x (1 workshop) = \$6,135.

Hybrid virtual/physical national workshop for developing a national set of criteria and indicators for circular forest product value chains in Georgia, Kyrgyzstan, Tajikistan and Uzbekistan in support

of OP1.3. Duration of workshop: 2 days. (\$409 per participant) x (15 sponsored participants) x (4 workshops) = \$24,540.

Hybrid virtual/physical national capacity building workshops in Georgia, Kyrgyzstan, Tajikistan and Uzbekistan in support of OP2.4. Duration of workshop: 2 days. (\$409 per participant) x (15 sponsored participants) x (4 workshops) = \$24,540.

Hybrid virtual/physical regional expert meeting, including participant travel in support of OP2.5. Duration of workshop: 2-3 days; (\$2,000 per participant) x (20 participants) x (1 meeting) = \$40,000.

Two international expert workshops on circular forest project value chains and forest landscape restoration in support of OP2.6. Duration of workshop: 2-3 days; (\$3,000 per participant) x (10 participants) x (2 workshops) = \$60,000.

### ANNEX 3: BREAKDOWN OF EXPENSES BY ENTITY AND COST CENTERS

PROPOSED BUDGET (rounded)									
Entity	Cost center	Functional area	Other Staff costs (15)	Consultants (105)	Travel of staff (115)	Contractual services (120)	General Operating Expenses (125)	Grants (145)	Total Budget
UNECE	13828	20AC0007	\$ 25,500	\$ 134,500	\$ 24,000	\$ 120,050	\$ 34,600	\$ 161,350	\$ 500,000
<b>TOTAL</b>			\$ 25,500	\$ 134,500	\$ 24,000	\$ 120,050	\$ 34,600	\$ 161,350	\$ 500,000