

**Strengthened Actions for Governance in Utilization
of Natural Resources Program
(SAGUN)**

ANNUAL PERFORMANCE REPORT

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List of Abbreviations

ADB	Asian Development Bank
ADO	Agricultural Development Office
AFO	Assistant Forest Officer
ALCC	Area Level Coordination Committee
ANM	Auxiliary Nurse Midwife
APR	Annual Performance Report
BC	Branch Canal
BCC	Branch Canal Committee
BDS-MAPS	Business Development Service – Medicinal and Aromatic Plant Species
BISEP-ST	Biodiversity Sector Program – Siwalik and Tarai
BZ	Buffer Zone
BZCFUG	Buffer Zone Community Forestry User Group
BZDP	Buffer Zone Development Project
BZMC	Buffer Zone Management Committee
BZUC	Buffer Zone Users Committee
BZUG	Buffer Zone Users Group
CBO	Community Based Organization
CDF	Community Development Foundation
CF	Community Forestry
CFM	Collaborative Forest Management
Cft.	Cubic feet
CFUG	Community Forestry User Group
CLCC	Cluster Level Coordination Committee
CM	Community Mobilizer
CMA	Community Medical Assistant
CMWF	Canal Management Work Force
CNIS	Chandra Nahar Irrigation System
COP	Canal Operational Plan
CoP	Chief of Party
CSO	Civil Society Organization
DADO	District Agriculture Development Office
DAG	Disadvantaged Group
DAO	District Administration Office
DDC	District Development Committee
DFO	District Forest Office/r
DG	Director General
DIO	District Irrigation Office
DLA	District Line Agency
DLCC	District Level Coordination Committee
DLSO	District Livestock Services Office
DNH	Do No Harm
DNPWC	Department of National Park and Wildlife Conservation
DoED	Department of Electricity Development
DoF	Department of Forest
DoI	Department of Irrigation
EC	Executive Committee
EIA	Environmental Impact Assessment
EMAP	Environmental Management Action Plan
FBZ	Forestry and Buffer Zone

FC	Field Channel
FECOFUN	Federation of Community Forest Users Nepal
FEPS	Forest and Environment Protection Society
FOP	Forest Operational Plan
GNP	Gross National Product
GSM	Gender Social Mobilizer
Ha	Hectare
HIMAWANTI	Himalayan Grassroots Women's Natural Resource Management Association
HIV/AIDS	Human Immune deficiency Virus/Acquired Immune Deficiency Syndrome
HMG/N	His Majesty's Government of Nepal
IAAS	Institute of Agriculture and Animal Sciences
ICBO	Institution and Capacity Building Officer
ICD	Integrated Conservation and Development
ICDO	Institution and Community Development Officer
IDO	Irrigation Division Office
IGA	Income Generating Activity
IMTP	Irrigation Management Transfer Project
INGO	International Non-Governmental Organization
IoE	Institute of Engineering
IoF	Institute of Forestry
IP	Implementing Partner
IR	Intermediate Result
ISF	Irrigation Service Fee
IT	Information Technology
IYC	Indreni Youth Club
JREDP	Jhankre Rural Electrification and Development Project
JTA	Junior Technical Assistant
KG	Kilogram
KHEP	Khimti Hydroelectric Project
KM	Kilometer
KTM	Kathmandu
KU	Kathmandu University
LDO	Local Development Officer
LRP	Local Resource Person
M&E	Monitoring and Evaluation
MC	Main Canal
MCC	Main Canal Committee
MF	Membership Fee
MFSC	Ministry of Forests and Soil Conservation
MG	Mother Group
MMHEP	Middle Marsyangdi Hydro-electric Project
MoFSC	Ministry of Forests and Soil Conservation
MoPE	Ministry of Population and Environment
MoU	Memorandum of Understanding
MoWR	Ministry of Water Resources
Mt	Metric Ton
NCO	Nepalgunj Cluster Office
NEA	Nepal Electricity Authority
NEFUG	National Federation of Forest Resources User Groups
NFA	Nepal Foresters' Association
NFE	Non-Formal Education
NFIWUAN	National Federation of Irrigation Water Users Association of Nepal

NGO	Non-Governmental Organization
NGOCC	Non-Governmental Organization Coordination Committee
NP	National Park
NRM	Natural Resource Management
NTFP	Non-Timber Forest Product
O&M	Operation and Maintenance
OP	Operational Plan
PHPA	Public Hearing and Public Auditing
PIC	Program Implementation Committee
PM&E	Participatory Monitoring and Evaluation
PRA	Participatory Rural Appraisal
PWBR	Participatory Well-Being Ranking
RAN	Rangers' Association Nepal
RBA	Rights Based Approach
RBNP	Royal Bardia National Park
RDC	Rural Development Centre
RERU	Resettlement and Rehabilitation Unit
RIMS-Nepal	Resources Identification and Mobilization Society-Nepal
RITI	RITI APTECH
SAGUN	Strengthened Actions for Governance in Utilization of Natural Resources
SAMARPAN	Strengthening the Role of Civil Society and Women in Democracy and Governance
SchEMS	School of Environmental Management and Sustainable Development
SG	Sister Group
SO4	Strategic Objective 4
SO7	Strategic Objective 7
STD	Sexually Transmitted Disease
TA	Technical Assistance
TC	Tertiary Canal
TCC	Tertiary Canal Committee
TL	Team Leader
TOT	Training of Trainers
TU	Tribhuvan University
UG	User Group
UMHEP	Upper Modi Hydro-electric Project
UMN	United Mission to Nepal
USAID	United States Agency for International Development
VDC	Village Development Committee
VDRC	Vijay Development Resource Center
VLCC	VDC Level Co-ordination Committee
WGIS	West Gandak Irrigation System
WM	Women Motivator
WUA	Water Users Association
WWF	World Wildlife Fund

Executive Summary

The Strengthened Actions for Governance in Utilization of Natural Resources (SAGUN) Program has been in operation since November 2002. It encompasses three components viz. Forestry and Buffer Zone; Irrigation and Partnership for Hydropower Development. The forestry activities are implemented in 4 districts (Kailali, Banke, Bardia and Dhading), Buffer zone development activities are implemented in Dolpa and part of Mugu Districts, Irrigation activities are implemented in nine districts viz. Kapilvastu, Nawalparasi, Chitwan, Sarlahi, Dhanusha, Siraha, Saptari, Kailali and Kanchanpur. The Partnership for Hydropower Development covers 4 districts namely Dolakha, Ramechhap, Lamjung and Kaski working with the hydropower development project affected communities.

The program is implemented by CARE Nepal as the prime recipient in conjunction with three sub-grantees/partners: RITI (supporting implementation of the irrigation component); RIMS-Nepal (supporting implementation of community forestry activities in Dhading district); and WWF (supporting implementation of buffer zone development activities in Dolpa and part of the Mugu districts). CARE Nepal directly implements the Partnership for Hydropower component activities, and forestry activities in three Terai districts (i.e. Banke, Bardia and Kailali).

The overall objective of the program is “to ensure that Nepal’s natural resources are managed in a democratic way; that the performance of selected institutions is improved to meet the principles of good governance and participation; and, in particular, that the benefits derived from natural resources are dispersed in accountable and transparent ways to the local communities and that they and other earned revenues are equitably distributed.”

The primary target groups are the local natural resource management user groups viz. the community forestry user groups, the buffer zone user committees, the water users groups, associations and their federations, and communities affected by hydropower projects.

This Annual Performance Report of the second year (October 1, 2003 to September 30, 2004) highlights the major progress achieved during the period including progress against USAID SO7 performance indicators, particularly IR 5.1.1 and 5.1.2, presents the major issues and challenges faced by the program during the reporting period and lessons learned for future consideration. The major progresses achieved by the components for the reporting period are as follows:

Forestry and Buffer Zone Component

1. In the second year period, a total of 13,554 metric tons (mt) of **biomass** was harvested against the target of 12,643 metric tons. This constitutes 1,033 (8%) mt timber (56,141 Cft), 1,367 (10 %) mt poles, 7,478 (55%) mt fuel wood, 758 (6%) mt NTFP and 2,918 (22%) mt other forest products such as fodder and thatch grasses. This contributes to the USAID performance indicator **SO7-IR 5.1.1**.
2. As a result of numerous training on the CF management and simple inventory, 223 CFUGs have brought 3,456 ha of forest under **active forest management**. The cumulative figure for the actively managed forest area comes out to be 11,438 ha (72%) against the target of 9,410 ha. Further, LRPs and women motivators have provided technical assistance in simple inventory and FOP preparation of the community forests. Consequently, the CFUGs are gradually moving towards active management of community forests rather than only protecting them. This contributes to the USAID performance indicator **SO7-IR 5.1.1**.

3. An increasing trend of **auditing of the accounts** has been observed in the UGs. A total of 255 UGs have conducted their financial audit of their accounts through various means against a target of 308 CFUGs. Eighty-eight CFUGs conducted their annual audit through registered auditors while 44 CFUGs conducted it through public hearing and public auditing. A total of 57 groups used both registered auditors and Public Hearing and Public Auditing (PHPA), 66 CFUGs audited their accounts through the general assemblies. This contributes to the USAID performance indicator **SO7-IR 5.1.2.1**.

PHPA has been found an important tool for auditing not only the financial transactions of the UGs but also the decision making process of the Executive Committees shared and discussed among most of the general members. It has been quite effective for entrenching transparency and accountability, important elements of good governance, in the CFUGs. PHPA has also proved to make contribution in anti-corruption drive. Through this process, a total of Rs. 318,452 has been recovered by the CFUGs/BZCFUGs misused or withheld by the group members. Another amount of Rs. 419,651 has been committed for payback by the group members who misused it.

4. Wider participation of the CFUG members including poor, *Dalits* and women is essential for making **Forest Operation Plan (FOP)** responsive towards the need and concerns of all users including women, poor and *Dalits*. SAGUN Program provided support for preparation of FOPs through the mobilization of LRPs and women motivators. In the 2nd year, 140 FOPs were prepared (79 new and 61 renewed). This makes a cumulative of 324 FOPs (81% of the overall target) against the target of 284 (71%). This contributes to the USAID performance indicator **SO7-IR 5.1.2.2**.
5. SAGUN Forestry and Buffer Zone component provided services to 596 CFUGs and BZCFUGs in 5 districts for good governance in forest management. A total of 75,870 hh including 9,243 hh *Dalits* and 23,662 hh poor have benefited from this program.
6. As a result of the various capacity building programs such as training, workshops and awareness campaigns, increased **representation** of women, *Dalits* and poor has been observed in the executive committees of the CFUGs/BZCFUGs. In this reporting period, representation of women in the committees increased to 43% from 42% last year. Similarly, representation of *Dalits* and poor increased to 8.3% and 22% from 7.9% and 19% in the previous year. In various capacity building activities, the participation of women, *Dalits* and poor is 57%, 13% and 22% respectively.

Significant changes have been observed in the UGs after the increased representation of women, *Dalits* and poor in terms of better communication, equitable distribution of forest resources, new constitutional provisions for pro-poor activities and increased awareness, knowledge, and confidence on their rights and responsibilities. This has not only contributed to institutionalization of governance at the UGs but has also promoted social inclusion.

7. With the **identification of the poor**, which constitute about 20% i.e. 12,230 households, through Participatory Well-being Ranking, CFUGs have begun to provide support to the poorer UG members in various ways.

A total of 104 CFUGs/BZUGs supported poor households with loan and grant for Income Generating Activities (IGA) and social areas benefiting 1,141 poor households. Similarly, 176 children of poor households received stationery/dress support for their primary

education. On the other hand, 77 CFUGs/BZCFUGs made new provision in the FOPs to provide economic support to the poor. Further, 187 CFUGs/BZUGs provided forest products to 1,905 hh (525 *Dalit* hh) on subsidized rate and 12 CFUGs allotted 48 ha of community forest to 204 poor households for NTFP production.

8. **Local resource persons (LRP)** have been instrumental in effective implementation of activities at the field level. A total of 113 LRPs were developed by the Component in the last two years (40 women and 5 *Dalits*). Among them 84 persons (74%) are active at present. These LRPs conducted various awareness, orientation, and training activities to 7,193 members of 173 UGs. The mobilization of LRPs has been highly effective to reach out larger number of user groups through the awareness and orientation programs. They are particularly more effective in the conflict situation.
9. As a result of various governance and advocacy training and workshops, a number of **policy issues** have been identified having implications at CFUG, district and national levels. Policy issues at the CFUG level are mostly related to the increased representation of women, *Dalits* and poor; equitable distribution of forest products, transparency of group fund and its mobilization and increased access to information.

The district level issues embrace mandatory provision for Public Hearing and Auditing in the FOPs, removal of double *tancha* (hammering) system for timber sale, timely approval of FOPs by the DFO and effective service delivery by DFO and Park Offices.

Policy issues such as timely handover of community forests in the Terai which have been protected by the communities for long time, mandatory provision of support for the poor and disadvantaged CFUG members, and tax system to the timber sold by the CFUGs based on clear rational and criteria consist of the national level issues. More activities pertaining to capacity enhancement of the CFUGs and their federation (FECOFUN) will be conducted for district and national level policy influence.

10. Recently, MOFSC has approved the revised Community Forestry Inventory Guidelines-2003, which was prepared by the task group formed by the Community Forestry Division of DoF. As one of the task group members, the SAGUN Program CoP significantly contributed technical knowledge to make the revised guidelines simple and user friendly. The initial Guidelines were technically too complex for the CFUGs to be used for their FOP preparation. Now it is anticipated that the new Guidelines will be very helpful for the CFUGs to prepare new FOPs and expedite renewal of the expired one.
11. This year the SAGUN Program also managed to disseminate the lessons learned and best practices of good governance in forest resource management through the Fourth National Workshop on Community Forestry organized by the Community Forestry Division, DoF. Two thematic papers on Good Governance in Community Forestry were presented jointly with the USAID.

II. Irrigation component

12. **Irrigation Service Fee (ISF)** is considered as an important source of WUAs for irrigation management. SAGUN Irrigation component has been implementing various activities to promote ISF collection. Training on ISF administration and mobilization of Gender and Social Mobilizers (GSM) are some of them. In this reporting period a total of Rs. 14,87,678

(97% of the target) has been collected by the WUAs against the target of Rs. 15,36,000. With more active and effective role of the WUAs, institutionalization of the ISF collection process is expected to be in place in the remaining period of the Program. This contributes to the USAID performance indicator **SO7-IR 5.1.2**.

13. **Increase in irrigated area** and availability of more irrigation water was observed as a result of the construction of new field channels, equitable maintenance of irrigation canals and increased participation of the farmers in the Operation and Maintenance (O&M) works. In some cases, irrigation water was available for some agricultural land in Manusmara-II after a long gap of as many as 12 years. The irrigated area covered by the irrigation systems in the reporting period is 15,276 ha (85% of the target) in the winter and 30,552 ha (87% of the target) in the monsoon season against the target of 18,000 ha and 35,000 ha respectively. This contributes to the USAID performance indicator **SO7-IR 5.1.1.2**.
14. A total of 11 MCCs (122% of the target) have **audited their accounts** against the target of 9 MCCs. There is an increasing trend of conducting public auditing by the WUAs in the general assemblies for transparency in financial and program activities. This contributes to the USAID performance indicator **SO7-IR 5.1.2.1**.
15. Increased **participation** of the local users in operational plan preparation is crucial for sustainable management of the irrigation systems. In this regard, 9 WUAs prepared canal operation plan (COP) with active participation of the water users from Branch Canal Committees (BCC). This contributes to the USAID performance indicator **SO7-IR 5.1.2.2**.
16. With added irrigation facility due to construction of new field channels and equitable maintenance of irrigation canals, **increase in crop yield** of major crops was observed in the irrigation systems. A total of 398 TCs were cleaned this year by mobilizing 84,012 person days in this year. This increased water use efficiency hence increased water productivity. In this reporting period, the yield of rice, wheat, and pulses increased to 3.5 ton, 1.9 ton and 0.6 ton per ha respectively against the target of 3, 1.8 and 0.6 ton for paddy, maize and pulses respectively.
17. As a result of the efforts from the women sensitization groups, governance training and workshops and awareness campaigns conducted by SAGUN Irrigation Component, increased **representation** of women was observed in the Main Canal Committee (MCC), Branch Canal Committee (BCC) and Tertiary Canal Committees (TCC). Aggregate representation of women in the WUAs is 17% against the target of 10%. At the MCC, BCC and the TCC levels, the representation is 14%, 27% and 16% respectively.
18. Although major focus of SAGUN is on the governance, a number of actions pertaining to **policy influence** have been initiated by the WUAs. As part of advocacy awareness activities, National Federation of Irrigation Water Users Association Nepal (NFIWUAN) helped to identify various issues related to lack of policy, policy improvement or effective implementation of the policy. Increased representation of women and *Dalits*, equitable distribution of water, decentralization of the authority of the MCC to the BCCs, establishment of good governance practices in the WUAs and effective management of irrigation service for increasing agricultural productivity are some of the issues raised by the WUAs.

Advocacy for some issues such as intra-group governance have already been initiated by the WUAs. To further expedite the process of policy advocacy, complementary works have

been done with the Implementing Partners of SAMARPAN Program in Nawalparasi, Chitwan, Kapilvastu and Kailali districts, which focuses mainly on strengthening advocacy capacity of civil society organizations including WUAs. To mention only an important outcome of the advocacy action is the availability of irrigation water to the users in Piparpati Parsauni in West Gandak Irrigation System, which is run through a bilateral agreement with Government of India for the irrigation purposes of Indian agricultural land, after 3 years. Policy influence at the district and national level will be the focus for the remaining period of SAGUN Program.

Partnership for Hydropower Component

19. The Component initiated its interventions in the Khimti-I including situational analysis and formation of coordination committee. Local implementing partners have been selected and start-up workshop has been conducted.
20. In view of bringing various stakeholders onboard in the process of hydropower development, **coordination committees** have been formed in all the 3 Project sites. The main objective of the Committees in Upper Modi Hydroelectric Project (UMHEP) and Middle Marsyangdi Hydroelectric Project (MMHEP) are to facilitate the SAGUN activities implementation process and to act as common forum represented by principal stakeholders on issues related to hydropower development. These committees have been instrumental in selecting local implementing partners and organizing various workshops. In Khimti-I, the Committee will focus more on the issues related to revenue accrued from hydropower development.
21. A total of 19 groups (36%) **audited their accounts** compared to 8 groups (15%) in the previous year. This contributes to the USAID performance indicator **SO7-IR 5.1.2.1**.
22. As a result of series of interactions and consultations made by the stakeholders in the common forums, the gap in understanding has been reduced. The concerned authorities are gradually addressing issues raised by the affected communities. Similarly, more systematic way of making complaints has been developed, consequently there is decreasing trend of making unnecessary demands by the local communities as a result of increasing understanding about the limitations of the power developers. This makes significant contribution towards the win-win situation envisaged by the Program.
23. There is significant change in the number of groups conducting **general assemblies**. A total of 26 groups (49%) conducted general assemblies compared to only 15 groups (26%) in the last reporting period. This contributes to the USAID performance indicator **SO7-IR 5.1.2.3**.
24. **Representation** and participation of women, *Dalit* and poor has increased in the executive committees and various training and workshops organized by the Component. Representation of women and *Dalits* has increased to 19% and 11% respectively from 14% and 10% in the previous year. Among the 1,670 participants involved in various training and workshops, women and *Dalits'* participation was 51% and 12% respectively.
25. The Component carried out an assessment of the **governance status** of 51 target groups in order to monitor the changes occurring due to Program intervention. All the groups were categorized into "Ka" (>75% score), "Kha" (>50-74% score), and "Ga" (<50% score) groups. Governance status has significantly increased in these groups compared to the

previous year. Six groups are now in "Ka" status compared to 2 last year. Similarly number of groups falling in the "Kha" and "Ga" category is 35 and 10 respectively compared to 31 and 18 in the previous year.

26. Monitoring of the implementation of the **Environmental Mitigation Action Plan (EMAP)** is an important function in the hydropower development process. Lack of communication of the contents of the EMAP to the affected communities was a burning issue. The Component conducted series of meetings and workshops with the stakeholders to share the contents of the EMAP. In MMHEP, it was found that the employment of the local community, one of the hot issues in the Project, was 45% compared to the provision of 15% in the EMAP. Representatives of the affected communities expressed their opinion that the case would not have been so complicated had they known about these provisions earlier.
27. Major **policy issues** raised by the affected communities are communication about the contents of EMAP in simple language, provision of more frequent public hearing compared to only once in the current provision, need for presence of hydropower development and environmental management experts from the Department of Electricity Development (DOED) and Ministry of Population and Environment (MOPE) in the Project site, provision for watershed administration mechanism and appropriate mechanism for revenue distribution to the affected communities.

CONTRIBUTION TO POVERTY REDUCTION AND PEACE BUILDING

- Increased participation of women, *Dalits* and poor in the executive committees and their increased participation in various training and workshops have promoted social inclusion.
- Institutionalization of good governance practices particularly transparency and accountability has helped to build social harmony.
- Poor and marginalized people have benefited from the equitable sharing of the benefits and services from better management of the natural resources thus reaching the outcomes of development to all sections of the society.

LESSONS LEARNED

- Public Hearing and Public Auditing has been instrumental to ensure participation of women, *Dalits* and poor and to entrench good governance practices in the UGs particularly to promote transparency and accountability of the executive committees and also plays a vital role in anti-corruption drive.
- Mobilization of LRPs is very effective to reach large number of households and also effective in the conflict situation.
- Regular meeting of DLCC and joint staff meeting with DFO, and Park Offices helped develop common understanding in program implementation. Further, sharing the experiences, best practices and lessons learned helped to cross learn and promote ownership of the program.
- Involvement of users in planning field channel construction is more cost effective resulting in ownership feeling among the users.
- Good governance program as an entry point has empowered the WUA members providing best platform to lead all the programs.

- Contribution for canal maintenance through cash/kind/labor contribution is the strategic choice of the farmers.
- Transparency is the first pillar of good governance practiced by the WUAs but also most appreciated by the water users.
- Action oriented training/workshops and strong follow-up of the plan of action helped initializing good governance practices.
- Communication and coordination forums such as DLCC and apex bodies of the target groups from the hydropower affected areas bring positive changes and remove mistrust among the stakeholders.

MAJOR ISSUES AND CHALLENGES

- Staff mobility and program intervention was greatly affected by frequent *Bandhs* and blockades.
- Expiry of term of some WUAs has hampered in program implementation.
- Absence of elected local bodies has hampered in program implementation particularly the functioning of DLCC has been affected.

PROSPECT AND WORKING STRATEGIES FOR THE NEXT YEAR

Based on the experiences and lessons learned from this year, more strategic actions will be followed in the coming year. Following major strategies will be adopted to work in current operating environment:

- DNH principles will be followed and all staff will be made alert about the field situation.
- LRPs and Women Motivators will be extensively mobilized to reach out grassroots level people. Every effort will be made to affiliate them to other potential NGOs and Federations to ensure their continuity of service.
- Exit strategy of the SAGUN Program will be developed in coordination with SAMARPAN in a participatory manner with the key stakeholders to ensure its continuity.
- Scale of partnership will be increased with the potential partners to ensure continuity of the program. For this, reskilling of the partners will be done after assessing their current capacity.
- Training venue will be selected in the safest place such as bazaar area and road head.
- Avoidance of potential conflict areas having presence of both the groups.
- WUAs will always be kept in the forefront in dealing with local people and others.
- Low profile or visibility in terms of staff movement and use of vehicle will be maintained.

**Progress Against USAID SO7 Indicators for SAGUN Program Year 2
FY 2060/61 (2003/04)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2004	Actual Achievement in 2004	Remarks / Justification to difference between target and achievement
5.1.1	Increased management capacities of natural resource management user groups	Amount of biomass harvested annually on a sustainable basis due to active forest management	11,438 metric ton	12,643 metric ton	13,554 metric ton of biomass was harvested as below: - Timber - 1032.46 metric ton - Poles - 1367.19 metric ton - Fuelwood - 7477.89 metric ton NTPF- 758.35 metric ton Others (fodder/grass/thatch) – 2918 metric ton	<ul style="list-style-type: none"> ▪ Increased knowledge, skill and importance of active forest management in CFUGs / BZUGs due to CF management and simple inventory training ▪ Technical assistance of LRPs and Women Motivators during the time of harvesting ▪ Gradual moving of CFUGs / BZUGs from protection to management.
5.1.2	Increased management capacities of NRM user groups	Percent of levied irrigation service fees actually collected	Rs. 830,000 (21.6%)	Rs. 15,36,000 (40%)	Rs. 1487,678 (39%)	<ul style="list-style-type: none"> ▪ Involvement of BC members along with GSM in ISF collection. GSMs' support is highly encouraging for the collection of ISF. ▪ Decentralization of authority to BCCs has encouraged users to pay ISF at their respective BC office. ▪ Because of frequent blockades and close days, ISF could not be collected as targeted.

**Progress Against USAID SO7 Indicators for SAGUN Program Year 2
FY 2060/61 (2003/04)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2004	Actual Achievement in 2004	Remarks / Justification to difference between target and achievement
5.1.1.1	Increased technical management skills	Percentage of community forests actively managed	3,028 ha (19%)	9,410 ha (59%)	11,438 ha (72%)	<ul style="list-style-type: none"> ▪ Increased knowledge, skill and importance of active forest management in CFUGs / BZUGs due to CF management and simple inventory training to CFUGs ▪ Technical assistance of LRPs and Women Motivators during the time of harvesting ▪ Gradual moving of CFUGs/BZUGs from protection to management.
5.1.1.2	Increased technical management skills	Percentage of land in command area under irrigation	Winter-14,000 ha (33%) Monsoon-25,000 ha (60%)	Winter-18,000 ha (43%) Monsoon-35,000 ha (83%)	Winter- 15,278 ha (36%) Monsoon- 30,552 ha (73%)	<ul style="list-style-type: none"> ▪ With increased participation of users in O&M and construction of new field channels resulted in smooth operation of canals, reduced conflict in water distribution that lead to effective and efficient use of irrigation water specially in the handed over irrigation systems, like Manusmara, Chandra, Gandak, Banganga, Khageri and Panchakanya ▪ Because of frequent

**Progress Against USAID SO7 Indicators for SAGUN Program Year 2
FY 2060/61 (2003/04)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2004	Actual Achievement in 2004	Remarks / Justification to difference between target and achievement
						blockades and close days, the coverage of irrigation both in the winter and monsoon could not reach the target..
5.1.2.1	Strengthened organizational skills	Percentage of user groups having their account annually audited	223 UG This includes: 219 CFUG/BZUG (57%) 4 WUA (29%) 8 TG (15%)*	317 UG This includes: 308 CFUG/BZUG (80%) 9 WUA (64%) -	266 UG This includes: 255 CFUG/BZUG (66%) 11 WUA (79%) 19 TG (36%)	<p>Forestry and Buffer Zone</p> <ul style="list-style-type: none"> ▪ 88 CFUGs got their accounts audited through registered auditors ▪ 44 CFUGs got their accounts audited through Public Hearing and Public Auditing (PH&PA) ▪ 57 CFUGs got audited their accounts through both registered auditors and PH&PA ▪ 66 CFUGs endorsed their accounts in general assembly <p>Irrigation</p> <ul style="list-style-type: none"> ▪ WUAs are practicing Public hearing and public auditing. The income and expenditure are publicly audited in many events as well as in general assembly. <p>Hydropower</p> <ul style="list-style-type: none"> ▪ * Base value identified in 2003.

**Progress Against USAID SO7 Indicators for SAGUN Program Year 2
FY 2060/61 (2003/04)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2004	Actual Achievement in 2004	Remarks / Justification to difference between target and achievement
						<ul style="list-style-type: none"> ▪ The Target Groups (TG) included: ▪ Mother/women group – 3 ▪ CFUG – 7 ▪ Drinking water supply group – 2 ▪ Other groups (club, CBO, NGO) – 7

**Progress Against USAID SO7 Indicators for SAGUN Program Year 2
FY 2060/61 (2003/04)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2004	Actual Achievement in 2004	Remarks / Justification to difference between target and achievement
5.1.2.2	Strengthened organizational skills	Percentage of user groups following a participatory approaches in operational plan preparation and revision	112 UG (27%) This includes: 111 CFUG/BZUG (28%) 1 WUA (7%)	289 UG (69%) This includes: 284 CFUG/BZUG (71%) 5 WUA (36%)	315 UG (80%) This includes: 306 CFUG/BZUG (81%) 9 WUA (64%)	<p>Forestry and Buffer Zone</p> <ul style="list-style-type: none"> ▪ 122 CFUGs / BZUGs (61 new and 61 renewal) prepared FOPs in 2004. Of the total revised FOPs, 9 in Dolpa were revised and are awaiting approval from She-Phoksundo National Park Office (NPO). ▪ 73 CFUGs (22 new and 51 renewal) prepared in 2003 ▪ 111 CFUGs prepared in base year (2002) <p>Irrigation</p> <ul style="list-style-type: none"> ▪ Increased involvement of program staffs and coach to WUA committees, encouraged to facilitate the participatory approach.

**Progress Against USAID SO7 Indicators for SAGUN Program Year 2
FY 2060/61 (2003/04)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2004	Actual Achievement in 2004	Remarks / Justification to difference between target and achievement
5.1.2.3	Strengthened organizational skills	Percentage of user groups conducting more than one general assembly per year	427 CFUG/BZUG (79%) - 15 TG (28%)*	496 CFUG/BZUG (92%) 9 WUA (64%) -	360 CFUG/BZUG (67%) 9 WUA (64%) 26 TG (49%)	<p>Forestry and Buffer Zone</p> <ul style="list-style-type: none"> ▪ 282 CFUGs / BZUGs conducted general assembly (GA) once a year ▪ 78 CFUGs / BZUGs conducted GA two times or more a year ▪ Altogether, 476 GAs were conducted. ▪ The base and target values were set with the consideration that all existing CFUGs / BZUGs would conduct GA at least once a year <p>Irrigation</p> <ul style="list-style-type: none"> ▪ WUAs conducted GA to discuss annual plan and progress to prepare plans for amending constitution <p>Hydropower</p> <p>* Base value identified in 2003.</p> <ul style="list-style-type: none"> ▪ The TGs included: ▪ Mother/women group – 7 ▪ CFUG – 7 ▪ Drinking water supply group – 3 ▪ Other groups (club, CBO, NGO) – 9

1. INTRODUCTION

The influence of the natural resource management (NRM) groups is gradually pervading the local development process in many parts of the kingdom. Large numbers of Community Forestry Users Groups (CFUGs) and Water Users Associations (WUA) have been formed having well developed networks at the district and central levels. Similarly, various Community Based Organizations (CBOs) in the hydropower affected areas have formed apex bodies to deal with the hydropower related issues. The dynamics of these groups, however, determines the way how the benefits, services and revenues accrued from the natural resources management reach all sections of the society in an equitable manner, how the needs and concerns of the user members, particularly of the poor and disadvantaged households, are incorporated in the development mainstream. Hence, governance of the NRM groups remains fundamental to augment productivity of forest and water resources through the self-enduring, stable user groups, which function based on the rules of law with participation of all segments within the group and manages the resources in a sustainable and equitable manner.

In the national set-up, the policy environment is generally progressive and favorable to the promotion of participatory natural resources management. There is an increased focus on the participation of women, *Dalits* and poor in the development process. The government has adopted governance, sustainable natural resource management and improved livelihoods as fundamental strategies for poverty reduction. However, there is a clear gap at the operational level to institutionalize these provisions with a clear impact. The representation of the marginalized people in the decision making process is not at the level desired, governance status of the groups is still poor with blatant disregard to transparency and accountability, lack of equitable distribution of the benefits, awareness about policies and regulation is lacking and there are numerous cases of misuse of group funds, and the groups are not providing enough focus to up-lift the economic status of the poor, *Dalits* and women. Hence, empowering the NRM groups in their governance, technical and managerial capacity is pivotal for sustainable natural resources management.

In this regard, Strengthened Actions for Governance in Utilization of Natural Resources (SAGUN) Program has been in operation in Nepal since November 2002. The Program consists of three components: The Forestry and Buffer Zone Component which implements its forestry activities including Community Forestry (CF) activities in Dhading, Banke, Bardia and Kailali, districts, buffer zone development activities in Dolpa and part of the Mugu districts. The Irrigation Component implements its activities in nine districts viz. Kapilvastu, Nawalparasi, Chitwan, Sarlahi, Dhanusha, Siraha, Saptari, Kailali and Kanchanpur. The Partnership for Hydropower Component is implemented in Kaski, Lamjung, Dolakha and Ramechhap districts.

The SAGUN Program execution team comprises CARE Nepal as the Prime Recipient and three sub-grantee partners: RITI working on the Irrigation Component, RIMS-Nepal working on CF activities in Dhading district, and WWF working on the buffer zone development in Dolpa and part of the Mugu districts. CARE Nepal directly implements the Partnership for Hydropower Component in Kaski, Lamjung, Dlkha and Rammehhap districts and Forestry activities in Banke, Bardia and Kailali districts.

1.1 Vision

The SAGUN Program vision is that *“at the end of the four year period, good governance practices are internalized by natural resource management groups at all levels, supporting a code of conduct of equity in access to and benefits from local forest and water resources, specifically benefiting women and other disadvantaged people. There will be increasing productivity of natural resources*

under local management that is transparent and accountable, directly supporting poverty alleviation, rural community development and national economic growth. Partnerships in natural resource management will resolve conflicts locally and nationally, and thus contribute to re-establishing peace in Nepal.”

1.2 Overall Objective

“The overall objective of the proposed SAGUN program is *to ensure that Nepal’s natural resources are managed in a democratic way; that the performance of selected institutions is improved to meet the principles of good governance and participation; and, in particular, that the benefits derived from natural resources are dispersed in accountable and transparent ways to the local communities and that they and other earned revenues are equitably distributed.*

SAGUN focuses on forests and water resource management, and in particular water used for irrigation and hydropower development. The primary target groups for the program are forest and water users groups, and hydropower affected communities in selected districts and Village Development Committee (VDC) areas.

1.3 Specific Objectives

The Program consists of the following six specific objectives.

Specific Objective 1: Strengthen organizational structures, governance and accountability, and technical capacities of natural resource management user groups, to ensure (a) resource sustainability and biodiversity conservation, (b) group sustainability and (c) participation of women and other disadvantaged groups.

Specific Objective 2: Strengthen the financial management capacities of NRM groups, and their capacity to monitor benefit and revenue-sharing within their own groups, communities, locally elected bodies: Village Development Committees (VDCs) and District Development Committees (DDCs) and at higher levels.

Specific Objective 3: Strengthen the capacities of relevant NGOs and user federations/ coalitions in the civil society, and of selected private service providers, to work with and assist line agencies, local NRM groups and local elected bodies to achieve Specific Objectives Nos. 1 and 2, above, and to promote their own strong advocacy role.

Specific Objective 4: Assure more timely communication between all stakeholders of NRM development in Nepal, to (a) share lessons learned and best practices, (b) promote parallel planning, coordination and implementation, and (c) participate in policy discourse.

Specific Objective 5: Document and disseminate best practices and lessons learned regarding local NRM group development and support, to (a) enhance concurrent Program implementation, (b) inform future strategic planning, (c) enhance governance skills, (d) plan and monitor benefit-sharing, and (e) inform policy review and development.

Specific Objective 6: Raise the level of understanding among Nepal’s NRM civil service at large (all levels) and ensure their ownership of current environmental governance and social development concepts, philosophies, field methods and implementation strategies.”

1.4 Target Audience

The target audience of the program are the local Natural Resource Management Groups viz. the Community Forest User Groups, the Buffer Zone Users Groups (BZUGs), the Water Users groups, their Associations and federations, and hydropower affected communities in selected districts and Village Development Committees. The total number of beneficiaries for the program comes about 156,314 households in the 18 program districts.

2. PROGRAM PROGRESS

This Annual Performance Report (APR) has been prepared for the period between October 1, 2003 to September 30, 2004 and it presents the progress of the SAGUN Program by component. The progress pertaining to USAID SO7 indicators has been presented separately. The APR has been prepared in view of the SAGUN Annual Work Plan for the last year, the Cooperative Agreement with USAID and M&E Plan of the Program. The program progress is presented in two parts viz. 1) Technical Assistance and 2) Program Implemented by HMG Line Agencies.

In this reporting period, activities for the Irrigation and Partnership for Hydropower components were implemented based on the revised implementation approaches and strategies while Forestry and Buffer Zone component implemented based on the original proposal strategies. While the first year underwent intensive implementation of Program activities, this year also begun to monitor the changes starting to become visible as a result of the Program interventions. Though it is too early to witness a significant impact of the program, there are numerous important changes observed in Governance in NRM at the effect level. Some important policy issues such as ISF collection in Irrigation, revenue distribution in Partnership Hydropower and group fund mobilization in Forestry and Buffer Zone have been identified and appropriate process for policy influence has been initiated for better impact. These key changes have been well highlighted in the progress of each component. Institutionalization of the governance practices will be the major focus in the remaining period of SAGUN Program.

PART I – TECHNICAL ASSISTANCE

2.1 Forestry and Buffer Zone Component

The SAGUN Forestry and Buffer Zone component undertakes its activities in five districts viz. Banke, Bardia, Kailali, Dhading and Dolpa. The Component works in partnership with CFUGs, BZCFUGs, District Forest Offices, National Park Offices, FECOFUN, BZMC, local NGOs, CBOs and CSOs. In the first year, the Program invested much of its efforts on building common understanding and knowledge on RBA, advocacy and good governance at all levels of the stakeholders through its startup and orientation workshops. A number of training manuals, orientation packages, guidelines and proceeding were developed and extensively used as part of user group's capacity building processes. Importantly, the target audiences and poor were identified through capacity assessment and participatory well-being ranking for whom suitable program interventions were identified and initiated for their increased participation in the program.

The SAGUN Forestry and Buffer Zone component covers 596 CFUGs/BZUGs with a total of 75,870 households and a population of 5,45,428 including 2,73,214 men and 2,72,214 women as beneficiaries.

In the Second Year, special efforts were made towards institutionalization of good governance aspects pertaining to rights of the forest users, participation, transparency, accountability and predictability. The progress of the Component has been presented according to the specific objectives. The achievement according to the specific objectives is presented in Annex 1 and quantitative plan and progress of activities are presented in Annex4

2.1.1 Program Progress towards Objectives

F1: Strengthened CFUGs and BZUCs with enhanced technical and organizational capacities ensure biological diversity, resource utilization, sustainability, equitable benefit sharing, the groups' own sustainability through community development activities.

F1.1 Active Forest Management

Indicator R1.1: By the end of 09/04, 9410 ha of community forest area is actively managed

Indicator P1.2: By the end of 09/04, 12,643 metric tons of biomass harvested annually on a sustainable basis

During the fiscal year, a total of 223 CFUGs/BZUGs carried out active management of community forests over 3,456 ha. To date, the CFUGs/BZUGs have actively managed community forests of 11,438 ha against the target of 9,410 ha. Thinning, pruning, singling and cleaning were the major silvicultural operations carried out as part of active forest management prescribed in the FOPs (see Photo 1 and 2).



Photo 1 CFUG members practicing active forest management in their CF, Babukuwa CFUG, Banke

photo by: Naresh Devkota



Photo2 Fuel wood collection from Active Forest Management at Babukuwa CFUG, Kamdi, Banketo

by: Naresh Devkota

During the reporting period, a total of 13,554 mt of biomass was harvested against the target of 12,643 mt. from active forest management. This constitutes 1,033 mt timber, 1,367 mt poles, 7478 mt fuelwood, 758 mt NTFP and 2918 mt other forest products such as fodder and thatch grass. This can be attributed to better CF management and simple forest inventory training provided to user groups followed by technical assistance provided by the Local Resource Persons and Women Motivators.

The forest products harvested from the community forests were distributed on equitable basis as per household needs. For example, *Dalit* households were provided the wood appropriate for making charcoal. It is worth mentioning that as part of equitable benefit sharing 187 CFUGs/BZUGs distributed the forest products on full subsidy and partial subsidy to 6,760 poor households who were unable to pay for the products.

F1.2 Training/workshops/cross visits for beneficiaries to enhance their technical and organizational capacity

In order to strengthen the technical and organizational capacity of the user groups, the Component conducted a series of training, workshops, orientation and cross visits. These included CF management and simple inventory (see Photo 3), group management, good governance, NTFP nursery management (see Photo 4) and marketing, financial management and public auditing, institutional strengthening in

BZ and anti-poaching units, Amchi networking, and training for eco-club teachers and members. In all the above capacity building activities, the Component gave priority to the participation of women, *Dalits* and poor in order to bring them into the development mainstream. Altogether, 3,301 user group members including 1,631 (49%) women, 275 (8%) *Dalits* and 690 (21%) poor participated in the above activities.

The above capacity building activities have been successful in improving the general awareness, knowledge and confidence of the user groups in good governance in forest resource management. As a result, their financial management system has improved, active management of forests is increasingly practiced, information and knowledge on NTFP marketing and linkage development with other agencies has increased, transparency and accountability through public hearing and public auditing have significantly improved; linkage development by user groups with external agencies for fund support has been increased; reshuffling of executive committees; representation of women, *Dalits* and poor has been increased in capacity building programs and in key positions in the executive bodies.

F1.3 Mobilization of Local Resource Persons

Mobilization of Local Resource Persons (LRPs) has proved very effective in reaching out larger number of people at the grassroots level. This has also proved effective in the current operating environment where LRPs have comparatively better access to the local people than the program and counterpart staff. Currently there are 106 LRPs developed in the first year, out of which 80 LRPs, including 24 women, 4 *Dalits* and 2 poor, are active at present. Poor were given priority to work as LRPs as part of their capacity building in good governance and generation of employment opportunity for them. During the fiscal year, they conducted 224 events of 12 different activities benefiting 7,193 grassroots level users from 173 UGs. The activities include awareness and orientation on FOP and constitutions; financial management system development focusing on transparency and accountability; social survey and forest inventory; support to user groups and DFO on FOP preparation; RBA/governance and group management training; public hearing and public auditing; monitoring and data collection; and campaign on health and sanitation.

The mobilization of LRPs was very effective because of the following reasons:

1. It is cost effective,
2. It has covered larger population and geographic area,



Photo 3 Participants practicing simple inventory technique in the CF management and simple inventory training, Khiarapur RP, Bardia

photo by: Dev Raj Gautam



Photo 4 Women planting cuttings of Pipla (*Piper longum*) in nursery of Santoshi CFUG, Bardia

Photo by: Suresh Thapa

3. It has helped to develop human resource at local level,
4. It has shared workload of program and counterparts considerably,
5. It has increased affiliation to CFUGs, NGOs and Federations who hired them as resource persons,
6. Finally, it is taken as a suitable approach in the current operating environment to improve outreach services at grassroots level.

F1.3a Constraints/challenges for the continuation of LRP services

The government counterparts and the user groups are appreciative of the LRP services. However, their services are not regular due to limited scope of works at the moment. They are mostly engaged by the project/program for implementation of various activities as mentioned above. On the other hand, in spite of the favorable policy at the central level to mobilize LRPs or private service providers to prepare FOPs and constitutions, there is some reluctance from DFOs to recognize the services of LRPs, particularly in the preparation of FOPs. In order to address these challenges, the Forestry and Buffer zone team is making efforts to implement the following initiations for the continuation and sustainability of LRPs:

1. Common understanding development among the DFOs, CFUGs and the SAGUN team.
2. Affiliation and mobilization of LRPs in CFUGs, NGOs and Federations for various services required.
3. Helping CFUGs to build up their confidence to engage/hire LRPs and women motivators specially for preparing FOPs (new and renewal), conduct forest inventory and other capacity building activities like training/workshops/awareness for the user groups.
4. Identification of potential LRPs and help them implement their services with enhanced skills, knowledge and confidence.
5. Creating a pool of LRPs and share the information with the NGOs, INGOs, other relevant agencies including government counterpart with their bio-data mentioning their skills, knowledge, experiences and expertise to create demand for their services.

F1.4 Participatory Well Being Ranking

Altogether, the Program conducted Participatory Well-being Ranking (PWBR) in 503 CFUGs/BZUGs covering 61,147 households. The general objective of the activity was to categorize the user groups into three distinct groups such as well-off (rich), moderate and marginalized (poor) on a participatory basis. Of the total households, 20% were categorized as well-off, 41% as moderate and 39% as poor. The criteria developed by the users for the PWBR are: (1) land holding and availability of food-grains, (2) livestock (3) education level (4) employment (government, NGO, INGO, overseas, India), (5) business (6) family size (7) physical properties (houses, machines, tractors, buses, trucks, taxis etc.) (8) social status and recognition.

The PWBR was conducted in a participatory manner involving all user members of different status, which was highly useful in identifying the real poor households. Based on their concerns, the Program discussed with the CFUGs/BZUGs on how the poor could be supported to improve governance for their livelihood. The resourceful CFUGs agreed to support the poor households for various income

generation activities and other social areas. Most importantly, the PWBR result was highly useful in supporting the poor households to address their minimum requirements. Following are some of the activities conducted by 273 CFUGs/BZUGs to support the poor households:

- 104 CFUGs/BZUGs supported poor households with loan and grant for IGAs and social areas benefiting 1,141 poor households,
- 176 children of poor household received support to purchase stationery/dress for their primary education
- 77 CFUGs/BZUGs made provision for poor household for their economic improvement in their respective FOPs
- 187 CFUGs/BZUGs provided forest products such as timber, poles, and fuelwood to 1,905 hh (525 Dalit hh) on subsidized rate
- 12 CFUGs allotted 48 ha of community forestland to 204 poor households for NTFP production
- 4,233 poor users participated in various training/workshops/orientation programs

Such initiative has helped to contribute to some extent to Poverty Reduction and Peace Building in the FBZ Component districts. In spite of this excellent initiative, there are still many poor households left out without the support due to limited capacity of the UGs. In such cases, they were given priority in the capacity building programs like training, workshops and orientation.

F1.5 Contribution to Finalization of Community Forestry Inventory Guideline

One of the activities under this objective was to forward feedbacks to MoFSC to revise Community Forestry Inventory Guidelines and make it simple and user friendly. Recently, MoFSC has approved the revised Community Forestry Inventory Guidelines-2003, which was prepared by the task group formed by the Community Forestry Division of DoF. As one of the task group members, the SAGUN Program CoP significantly contributed technical knowledge to make the revised guidelines simple and user friendly. The initial Guidelines were technically too complex for the CFUGs to be used for their FOP preparation. Now it is anticipated that the new Guidelines will be very helpful to the CFUGs to prepare new FOPs and expedite renewal of the expired one.

F2: *Strengthened capacity and increased active participation of women, the poor and other disadvantaged groups (Dalits) in CFUGs and BZUCs through the consensus decision-making process and leadership positions*

Indicator R1.2: **By end 09/04, representation with regards to gender, caste and poor increased from 38% (baseline value) to 42%**

F2.1 Increased participation and decision making of women, Dalits and poor in executive committee, CF management and other capacity building activities.

The activities under this objective focus mainly on the capacity strengthening of women, Dalits and poor through NFE, RBA workshops, training on leadership, kitchen gardening and IGAs. A total of 923 participants including 747 (81%) women, 290 (31%) Dalits and 261 (28%) poor from 180 user groups participated in these activities. As a result, the representation of women in executive committees of the UGs increased to 43% from 38% in the base year. Dalits representation has increased to 8.3% from 7.9% and the representation of poor increased to 22%. It is worth mentioning here that 101 community forests comprising 3,332 ha are exclusively managed by the women CFUGs.

Followings are the changes occurred in the UGs after women, *Dalits* and poor assumed the leadership positions in the executive committees.

- Increased access of women, *Dalits* and poor to the executive committee members resulting in better communication on a regular basis,
- The concerns of the women, *Dalits* and poor are positively listened and addressed such as timely opening of the community forests for firewood and fodder grasses collection.
- Participation of women, *Dalits* and poor has increased by at least 9% in the meetings, general assembly and at the time of active forest management.
- Several UGs have amended their FOPs making new provisions in favor of poor, *Dalits* and women e.g. subsidized rates of forest products, increased representation of women and *Dalits* in the executive committees and support for IGAs.
- Poor, *Dalits* and women have increased awareness, knowledge and confidence on their rights and responsibilities. As a result, they demand for the positions in the executive body; remind and pressurize executive members to hold regular meetings, general assemblies and public hearing and public auditing in a timely manner.
- Acceptance and inclusion of *Dalits* with other ethnic groups has gradually been taking place reducing the caste discrimination in the society. For example, *Dalits* served tea and food to other ethnic groups including higher caste participants in the community forestry related meetings, training or the workshops in Kailali district in order to demonstrate eradication of social discrimination such as untouchable feeling among the higher castes.

F2.2 Non-Formal Education Program

With the aim of increasing active participation of women, including from poor and *Dalit* communities, 88 NFE classes were conducted in partnership with 18 CFUGs, NGOs, CBOs and Federations for increased knowledge on RBA, governance and advocacy. A total of 1,851 participants graduated from this program. Among the participants 98% were women including 12% *Dalits* and 21% poor.

The content of the NFE embraced RBA, governance and advocacy including community forestry rules, regulations and group management. The effect of the NFE program is interlinked with other capacity building programs mentioned above. It is, however, observed that the NFE program was very effective in increasing awareness, knowledge, skills and confidence among the participants comparatively in a short period of time. The highlights of the effects of the NFE program were:

- 57 NFE graduates assumed leadership positions in the CFUG executive committees.
- NFE graduates in Bardia formed an Advocacy Forum for advocating the rights of women, *Dalits*, poor and the children.
- NFE graduates worked as pressure groups to change the social and cultural system e.g. Tharu NFE graduates were successful in withholding the system of exchange marriage in Banke, which is done against the will of the boys and girls.
- NFE graduates have sent their 150 children to the schools after they participated in the NFE program.

- Increased knowledge, confidence and commitment among NFE graduates for good governance in forest resource management. They demand for regular meetings, general assemblies, public hearing and public auditing, information on important decisions and group fund management.
- Increased and active participation of NFE graduates in overall community forestry and local development activities including meetings and general assemblies. Some of them developed themselves as good resource persons and conduct user group level training/orientation and awareness programs.

Learning for future improvement

- a. It is essential to incorporate information on buffer zone and park management, roles and responsibilities of Buffer Zone Management Committee and user groups in the NFE course book for BZ users.
- b. There is a high demand for the NFE program; therefore, number of NFE centers should be increased.
- c. Current operating environment is not conducive in the program districts. Therefore, facilitators, supervisors and partners should be trained on 'Do No Harm' to enable them to conduct the classes more effectively in the conflict situation.
- d. Partnership with potential NGOs and Federation should be continued and increased further in implementing NFE program.

F2.3: Scholarship for I. Sc. forestry

In this fiscal year, nine students have been provided scholarship to study I. Sc. Forestry, which makes a total of 13 including 4 from the first year. They have been awarded scholarship to undergo two year I. Sc. Forestry course at IOF, Hetauda and Pokhara. Presently, three students are studying at IOF, Pokhara, and 10 in Hetauda.

Considering the experiences in the first year when only four students were qualified, the Program announced the scholarship program much earlier this year to enable potential candidates to prepare adequately for the entrance examination. Additionally, the scholarship program was extended to two other SAGUN districts i.e. Dhading and Dolpa, in terms of geographical area and Tharu and Chepang communities. As a result, nine students qualified for the scholarship this year. Of the total thirteen students, nine are women, three *Dalits* and two are from the Tharu ethnic group.

The experiences of the past two years revealed that the number of the enrolled students for scholarship is far less than planned. Therefore, instead of confining to only forestry profession, the Component will diversify the opportunities to other potential professional fields as well e.g. CMA/ANM, Sub-overseer (preferably in carpentry, mechanical and civil) and Junior Technical Assistant (veterinary) as well.

F3: Revision of OPs and limited numbers of new CFUGs identified and mobilized with the help of clear guidelines to fulfill demands and needs of local communities for active management control over the community forests.

F3.1 Supporting CFUGs/BZCFUGs for developing constitution and FOP

Indicator R1.3: By the end of 09/04, 284 UGs (CFUGs/BZCFUGs) have followed a participatory approach in operational plan preparation and revision for active forest management

During the fiscal year, a total of 140 FOPs were prepared. Among them, 61 were new FOPs and 61 were renewal of old ones. So far 306 FOPs have been prepared/renewed against the target of 284. Altogether, 3,488 ha of national forest areas were handed over as community forest benefiting 12,544 households. The preparation of FOPs was highly participatory and interactive in both cases in order to incorporate good governance related activities in the FOPs.

Before the preparation of FOPs, well being ranking was conducted to ensure new provisions for the poor households for their economic development. In addition, forest inventory, growing stock, yield regulation and socioeconomic aspects were included in the FOPs and constitutions. Also the provision for public hearing and public auditing, participatory well being ranking, subsidies and economic opportunities for the poor have been clearly spelled out in the FOPs and constitutions. In total 66 FOPs include this provision as part of economic development of the poor households.

Throughout the process of FOP preparation, LRPs and Women Motivators were extensively mobilized in assisting user groups and DFOs. Most of the LRPs and WMs are now well familiar and skilled enough in preparation of FOPs. As a result, the workload of the program staff and the DFOs has been significantly shared by LRPs and WMs in the hand over process. CFUGs have also started seeking LRP assistance for their day-to-day community forestry activities.

F3.2 Collaborative Forest Management

Collaborative Forest Management (CFM) in the districts could not be initiated due to late release of CFM guidelines by the organization concerned and some confusion in the guidelines in terms of participation and benefit sharing mechanism and roles and responsibilities between government and the beneficiaries. The site selection for the CFM was also not clear and would overlap/supersede the criteria for the selection of a community forest. In addition, the guidelines say that the CFM has been introduced in place of community forestry. These were some of the issues which created confusions and resistance among the key stakeholders like CFUGs, NGOs and Federations who raised their voice against it on several occasions. As a result, the DFOs and the SAGUN (FBZ) Program could not make much progress in pushing the CFM concept in the field. However, regular discussion and interactions were held between the Program and the DFOs as to how it can be materialized in the field in a compatible manner so that stakeholders would cooperate willingly.

In order to initiate the CFM concept in the field, a regional workshop will be held involving regional directors, DFOs, related CBOs, NGOs, Federations and other like-minded agencies. The workshop will discuss on and review intensively the CFM concept, objectives, processes, and outcomes expected and solicit their views, comments, suggestions for its update and refinement, if any. The Kailali DFO and the SAGUN (FBZ) have already started this process by conducting a workshop in which participants were oriented in detail about the CFM. The participants for the workshops were Regional Director, DFO, AFOs, rangers, regional training centre, and field officers.

Following are the learning from the workshops:

- Stakeholders of the CFM should be carefully identified and analyzed,
- Area for CFM should be delineated with adequate consultation and consensus of all key stakeholders,

- Detail survey and inventory of the CF should be conducted for which rangers and forest guards need to be adequately trained technically.
- Detail socio-economic survey of the CFM collaborators and users (both nearby and distant) should be conducted and analyzed prior to implementing the CFM plan
- CFM plan should be prepared with careful analysis based on the details of the forest survey inventory, socio-economic survey, field findings and outcomes including issues and concerns of key stakeholders

F4: *Strengthened capacity of CFUGs and BZUCs in overall accountability, monitoring and advocacy functions to a) monitor service delivery by government b) monitor benefit/revenue sharing among the groups themselves, in the communities, park offices and local elected bodies and higher*

F4.1 Conducting general assemblies and auditing financial transactions

Indicators R1.4a: By end 09/04, 496 general assemblies held by UGs per year

During this fiscal year, 360 CFUGs/BZUGs conducted their general assemblies. Of them, 282 CFUGs/BZUGs conducted general assemblies once a year and 78 CFUGs/BZUGs conducted it more than once. Altogether, 476 general assemblies were held.

It is observed that the participation of the user groups in the general assembly was significantly increased from 60% in the past to around 70% in the current year due to effective implementation of the program (see Photo 5). The agenda for the discussion and consensus building among user groups included (a) sharing and endorsement of annual plan and progress (b) sharing and endorsement of financial transactions in a transparent manner (c) collection and distribution of forest products (d) support to poor and *Dalits* through IGAs (e) fixation of rate for the forest products as per economic status of the households (f) forest protection measures (g) formation or reshuffling of EC (h) equal wage for equal work for women (i) representation of women, *Dalits* and poor in key EC positions (j) participation of women, *Dalits* and poor in capacity building programs. The decisions in the general assemblies were made based on consensus of the majority of the user groups.



Photo 5 A general assembly finalizing their FOP, Kalikasthan CFUG, Kalleri, Dhading

Photo by: RIMS Nepal

The quality of general assemblies has been improved compared to past where women, *Dalits* and poor actively participated and put forward their concerns and needs. General assemblies were conducted based on the agenda and the concerns of the general user groups in a more democratic and transparent manner ensuring good governance in the user groups. This can largely be attributed to various capacity building trainings conducted for the user groups such as RBA, Advocacy, governance, NFE classes, orientation and awareness programs.

The major decisions made were:

- Allocation of group fund for the support of poor households for income generation,

- Subsidized rate of forest products for the poor households,
- 50% discount on the interest on the loan taken from group fund for women, *Dalits* and poor,
- Investment of group fund for the CF and local development,
- Public Hearing and Public Auditing should be made regular event,
- Increased representation of women, *Dalits* and poor in executive committees,
- Increased participation of women, *Dalits* and poor in all capacity building programs.

Indicator G1.2: By end 09/04 - 308 UGs have their accounts annually audited

A total of 255 (83% of the target) CFUGs/BZCFUGs audited their accounts against the target of 308 CFUGs/BZUGs. Among them, 88 got their annual account audited through registered auditors. Similarly, 44 groups audited through PHPA. 57 groups have audited through both registered auditors as well as PHPA and 66 groups internally audited their accounts through general assemblies. Because of prevailing insecure situation some of the CFUGs, who are located in sensitive locations could not assemble all their members and conduct PHPA. However, the numbers of CFUGs who managed to conduct PHPA is in increasing trend and quality of PHPA has also significantly increased in comparison to last year.

Altogether, 581 CFUGs/BZUGs generated group fund amounting to Rs. 51.22 million compared to Rs. 30.8 million last year. They invested 33% for various community forestry development activities such as nursery operation and production of seedlings, plantation, protection of forests, harvesting of forest products, and NTFP cultivation. The CFUGs have invested 19% for social and community development activities e.g. physical facilities for the community and the offices, school support, maintenance of monastery, IGA (off farm and on farm), loan and grant to poor and women. Regular auditing of the CFUG fund will further appropriate utilization and prevent misuse of funds.

F4.2 Conducting Public Hearing and Public Auditing

Indicator R1.4b: By end 09/04 - 40 UGs have practiced public hearing and public auditing

Public Hearing and Public Auditing are the process of sharing and examining all activities planned and carried out by CFUGs related to community forestry and social development activities for the technical, organizational and institutional development of the user groups. This is a participatory method in which user groups critically discuss and examine the duties and responsibilities of the executive committees in terms of plans they prepared, decisions made and implemented, decisions shared with the user groups, group fund mobilization and financial record keeping. This PHPA process is specifically the open dialogue and audit of the businesses the executive committees carry out over a period of one year, or more in some cases (see Photo 6).



Photo 6 A woman participant putting questions with EC members about CFUGs activities during PHPA , Tharu CFUG, Balapur, Bardia

Photo by: Dev Raj Gautam

In the first year the PHPA was conducted in Kailali in five CFUGs. Guidelines were developed for this purpose. Now the PHPA became an effective tool for establishing good governance practices at the

users group. As a result, there is an increasing demand for this activity by the nearby CFUGs and BZUGs. During the fiscal year, PHPA was conducted in 99 CFUGs and BZUGs against the target of 40 CFUGs/BZUGs, in which more than 60% users participated. With the awareness and knowledge increased about the PHPA, the participation of user groups has significantly increased.

The major concerns of the user members raised in the PHPA were:

- Meetings and assemblies were not regularly held by the executive members,
- Important decisions were made by only EC members. Also some major decisions were not implemented or followed properly,
- Advance and dues were not settled by some executive members,
- Trend of generalizing the income and expenditure items without specifying the reasons,
- FOP was not properly and timely implemented,
- Lack of good leadership in some CFUGs,
- Benefits from forest management are not shared on an equitable basis.

Outcomes/results of PHPA

- Quick and increased awareness and accountability on the roles and responsibilities of both UGs and EC members,
- Increased communication between users and EC members and improved access to important information by all user group members,
- EC members as well as general user members have started monitoring (asking) formally and informally the expenses in development activities and the investment made to public facilities.
- CFUG reshuffled their EC and inducted women and *Dalits* as EC members,
- Financial record keeping system improved,
- Regular meetings held by ECs and major decisions shared through watchmen and public places,
- Outstanding advance and dues paid. (Please see the table below for detail).
- Demand from neighboring CFUGs on the increase to help them conduct PHPA,
- DFO staff highly impressed with the PHPA and its results and keen on incorporating PHPA in the constitution.

This initiation has contributed to some extent towards anti-corruption drive in Community Forestry. The details of pay back amount and the commitment for pay back by the CFUG members are in the Table below.

S N	District	Pay back amount (Rs)	Public commitment for pay back (Rs)	Remarks
1	Kailali	70,940.00	144,898.00	
2	Bardiya	220,784.00	20,000.00	
3	Banke	11,878.00	254,753.00	
4	Dhading	14,850.00	00.00	
Total		318,452.00	419,651.00	

Issues and challenges

- Difficult to motivate and conduct PHPA in a group where misuse of money is very significant,
- Difficult to facilitate PHPA in groups having large number of households,
- Elite and EC members with vested interest are against the PHPA.

Lessons learned

- PHPA has become a quick and effective tool in internalizing and initiating good governance practices at user group level,
- It is an effective tool as part of participatory monitoring and evaluation of CFUG and their overall activities,
- It is very effective in making user groups and EC members aware and accountable on their duties and responsibilities,
- It is an effective tool in improving access to information and communication between UG members and EC members.
- It is highly essential to ensure the continuity of PHPA in order to institutionalize good governance practices in the user groups. For this, PHPA should be made mandatory in the FOP and constitutions in both new and renewal of FOPs.
- Another possible way to institutionalize the PHPA would be to conduct it as part of general assembly. This will not only improve the quality of general assembly but also ensure its continuity as a regular event in the community forestry program.

F5: Strengthened capacities of relevant civil society, NGOs/CBOs and networks, including FECOFUN and selected service providers in the private sector, to a) establish clear role and responsibilities of networks b) provide advocacy functions c) strengthen CFUG organizational and technical capacities for "active forest management" and resource sustainability and d) ensure good governance, economic viability and group sustainability

F5.1 Affiliation of CFUGs/BZUGs to their federations

Indicator R1.5a: By end of 09/04, 320 UGs affiliated to their federations

Federations of the NRM groups have been playing effective role in extending its networks at district and regional levels. They are providing guidance on technical and managerial support to their members in the form of training, orientation, and meetings.

There is an increasing trend of affiliation of user groups to different federations like FECOFUN, NEFUG, BZMC and HIMAWANTI. As of now, 459 CFUGs have been affiliated to district FECOFUN against the target of 320 CFUGs. However, due to resource constraint in the federations and inadequate expertise compounded by less coordination and understanding with the government agencies, their roles are still limited to playing a mere guide to the user groups. Additionally, it has been observed that they have not been able to access sufficient fund support from their central level organizations for their operational level activities. Therefore, they are resource constrained and are compelled to look for additional fund from NGOs, INGOs and other donor agencies at the district level.

F5.2 Training/workshops/cross visits for partners

Indicator R1.5b: By end 09/04, 525 members from NGOs and Federations of CFUGs and BZUGs have knowledge about good governance and improved managerial practices

During the fiscal year, the SAGUN (FBZ) Program conducted 12 events of training for the members of NGOs and Federations in order to strengthen their technical, organizational and institutional capacity enabling them to provide quality services to the user groups. The training and workshops include RBA, advocacy, governance and 'Do No Harm'. A total of 342 participants, 37% women and 8% Dalits actively participated in the training and workshops. As a result, 20 NGOs and Federations (FECOFUN, BZMC, FAYA, NGO Federations, *Dalit* NGO Federations, CBOs, DESERT, DADTAG, RDBS, BDS-MAPS, Himali Jadibuti Samuha and Sarbhangin Bikash Samaj) implemented several capacity building programs for user groups in partnership with SAGUN FBZ Program. A total of 10,126 user group members benefited from this program. Some of the LRPs developed by SAGUN FBZ Program were also affiliated to different NGOs and federations and worked through them to provide technical and organizational capacity building of the user groups.

Partnership approach has been very effective in terms of cost effectiveness and increased outreach services in the grassroots level people. They also bring in varied expertise increasing synergy to meet the program objectives. But lately the NGOs and federations have also been constrained with implementing their field activities in a full scale due to deteriorating operating environment.

F6: Strengthened capacity of DFO and Park office staff to work with the local communities and groups and with civil society organizations to assist in managing the increasing demand, to mobilize new CFUGs/BZUGs and revise existing forest operational plans

6.1 Training/workshops/cross visits for HMGN counterparts

Indicator R1.6: By end 09/04, 100 members from DFO and Park Offices have knowledge about good governance and improved managerial practices

During this fiscal year, a total of 174 DFO and Park office staff were given training such as RBA, advocacy, governance, TOT, PRA, orientation on collaborative forest management, CF and NTFPs

management, participatory planning, monitoring and evaluation, observation tour, leadership development and study tour. As a result of these training, the capacity of the counterpart staff has been increased considerably in terms of increased awareness and knowledge on both technical and governance aspects. The forest guards and rangers are capable to assist to conduct forest survey, inventory and preparing FOPs with increased expertise. Some rangers and AFOs have developed themselves as good resource persons who conducted several events of RBA and good governance training, CF management training and NTFPs management training.

F7: *Effective communication mechanism established between stakeholders in forestry at all levels, including DDC, CF lessons learned, issues and problems arising on best practices, to assure a) more coordinated planning and implementations between relevant stakeholders, b) addressing the policy discourse including the forestry contribution to GNP and c) greater understanding and ownership among the forestry civil services of current concepts, paradigms, methodologies and implementation strategies.*

F8: *Effective systems established to document and disseminate lessons learned and best practices (a) for replication, including (b) demonstrated relationships to current CF and buffer zone development and governance paradigms and methodologies and (c) highlighting issues arising especially of policy relevance.*

F8.1: Coordination and linkage development

A total of 58 events of DLCC, VLCC, ALCC, regional planning and progress review workshops were conducted in which plan, progress, experiences, best practices, lessons learned and issues were discussed and shared among local, district and regional levels stakeholders. In both the regional level workshops, SAGUN FBZ and the counterpart reviewed the progress of the past year prepared the work plan jointly. While implementing the field activities, SAGUN FBZ worked in coordination with the district level government counterpart exchanging expertise in implementing and monitoring field activities and conducting various capacity building programs.

F8.2 Research and case studies

Altogether, four research and case studies were supported during the fiscal year. The topics and the researchers have been mentioned below:

1. Community forest management practices in Dolpa and its impact on the livelihood of local communities. By Bishnu Poudel, a Masters Level student from Tribhuvan University
2. Management system of community based organizations, particularly Sister Group (SG) in Dolpa. By Jagannath Kharel
3. Environmental Governance of Community Forestry in Banke. By Rajan Acharya, a B.Sc. student of environmental management. He completed his field works and preparing final report of the case study. The main objective of the good governance study conducted in Dhading was to assess the practice of good governance in CFUGs focusing on transparency, participation, accountability and predictability. The details of the study will be shared after the report is available in February 2005.
4. An assessment of forest governance in community forestry: Activities and Experiences of CFUGs in Dhading district. By a B.Sc. student

F8.3 Communication and extension materials

During this fiscal year, a total of 10 training and manuals and extension materials were revised, developed, field tested and used extensively to train various level of stakeholders. They include guidelines for PHPA, manuals on CF management, skill development, financial management, NTFP nursery management and NTFPs management and marketing; SAGUN Program brochure, good governance assessment report, and NGO profile. Besides, number of documents of the training and workshop reports/proceedings were prepared.

These materials were widely shared among the CARE projects and other related organizations. The SAGUN FBZ staff also developed numbers of articles, thematic and human-interest stories and published in the newsletter and, local newspapers. Important events of SAGUN FBZ Program was also regularly covered by the district and national newspapers.

F8.4 Dissemination of experiential learning

This year the SAGUN Program also managed to disseminate its authentic lessons learned and best practices of good governance in forest resource management through the Fourth National Workshop on Community Forestry organized by the Community Forestry Division, DoF. The workshop was designed to address the thematic issues of Community Forestry such as Sustainable Forest Management, Livelihoods and Good Governance and its main objectives were to share experiential learning from Community forestry and discuss on thematic issues to make recommendations. Two thematic papers on Good Governance in Community Forestry were presented jointly with the USAID.

F8.5 Support to Institute of Forestry

The Program continued its support to Institute of Forestry (IoF) at Hetauda for guest lecture program. The Program Manager of SAMARPAN Program supported in developing and revising lecture notes on community forestry focusing on RBA, advocacy and good governance. Most importantly, in his lecture, he shared and addressed field experiences, best practices and issues of SAGUN and SAMARPAN's various initiatives on RBA and good governance in the natural resource management processes in the Terai region. Besides, as per the request of Chairperson, Social Forestry and Forest Management Subject Committee, he reviewed the current curriculum of the IoF in detail and provided feedback to incorporate good governance aspects in the curriculum.

As a whole, the support program to IoF was highly successful in which field experiences on the good governance initiatives taken by the SAGUN and SAMARPAN Program was shared with the students and the faculty members and inputs provided for the curriculum development and revision based on the real field situation. In addition, the Program suggested IoF to encourage students to work as interns in these two Programs to gain first hand information, exposure and experiences in the field on the good governance in natural resource management. Secondly, IoF was suggested to encourage students to carry out research and case studies on good governance who will be supported for relevant research works. The continued coordination and communication with IoF through guest lecture programs and other supports seem to have generated increased interest among the students in the field of governance. As a result, SAGUN and SAMARPAN have been receiving proposals from the students for the research and case studies on good governance topics.

2.1.2 *Thematic*

What Makes *Woman* a Leader?

*Rakeshna Basnet, Woman Motivator
RIMS, Dhading*

Mrs. Thulimaya Tamang is one of the members of Nakchheda CFUG in Kiranchowk VDC. She was born to an illiterate and poor family where she had no opportunity to go to school. On top of that, she was married early to another illiterate man. Like any other Nepali women, she has also heavy workloads at home, and has to work hard in the farm to provide for subsistence living.

Despite her daily household chores and being an illiterate, she has been able to prove that the woman of such status could also contribute to the welfare of the society if given opportunity. In the previous years when meeting and gathering were held, she was not able to speak out her thoughts and concerns. She always used to sit at the backside and just nodded her head in agreement to whatever was decided in the meeting. In March, 2004, she got opportunity to participate in an "RBA workshop for *Dalits* and women" organized by RIMS Nepal in Dhading in which she participated with keen interest and enthusiasm. She was very impressed and motivated with one topic called "Rights and Responsibilities of Women.

After just a month in April 2004, Nakchheda CFUG organized its general assembly where 54 user group members participated including 11 women, and one of them was Mrs. Thulimaya. This CFUG has 39 households. On that day, the general assembly decided to replace its Chairperson who was passive for a long time with more active and committed one and announced it to the participants to volunteer for the position. No one expressed any interest for the position. Thulimaya looked around to observe the reactions and the enthusiasm of other participants, both male and female, but none looked willing and committed. She finally stood up and said "We spent three years in this community forest as users, but to date, we could not see any significant change in any areas of the community forest while other neighboring CFUGs made many progresses. We just cannot sit like this. We need a good Chairperson to lead the community forest for its benefit as well as of user groups. If you all agree and support me, I am interested to become its Chairperson". And the group unanimously elected Thulimaya to become the new Chairperson of the Nakchheda CFUG. After being elected, she said "men and women are two faces of the same coin, we have to join hands to make progress". All the general assembly participants appreciated the courage and enthusiasm of Thulimaya and committed to provide support to her.

With the leadership of Thulimaya, the Nakchheda CFUG gradually saw many changes. The meetings are conducted more regularly than in the past. She ensures participation of all users to implement all activities in coordination and cooperation of all and listens to the concerns of the women, *Dalits* and poor. Women and *Dalits* feel comfortable to work with her and provide all necessary support for the community forestry works. She also made the group fund transparent by sharing its income and expenses in the meeting. Now, the male members of the CFUG also appreciate her work and are very cooperative.

Gender workshop opened our eyes

Shekhar Adhikari, Field Officer, Banke

My name is Sita Biswakarma. I was born in Baijapur VDC of Banke district. I am 31 years old. I have two brothers and three sisters. I belong to a poor *Dalit* family. There was a school nearby our home but due to poverty my parents could not send me to the school. I was bound to sit at home and help my mother in household works and go to other rich people's house for work. When I became 13, my parents arranged my marriage with Mr. Khim Bahadur B.K. at Kanchanapur VDC ward no. 8.

We owned only 0.083 hectare of land distributed by Landless Commission. We were passing days by cultivating the available land and working in *Aaran* (blacksmith's workshop). My elder son was born when I was 16, and the younger one when I was 21. Besides the hardship at home, we sent our elder son to school. Due to illiteracy, we could not support him in his study at home. He dropped his study at class six and started to work in a grill workshop as labor to earn money. The younger son is studying in class two.

My family is the member of Durga Bhawani CFUG. My husband and myself are both illiterate and poor. Due to poverty and illiteracy, we had to face lots of problems. Due to frustration and tensions, we used to quarrel frequently even on small matters. Despite being a *Dalit* women, I got opportunities to take part in different training and workshop organized by different organizations. After training, I used to tell my husband what I learned from the training. But he did not listen to me at all. He was very much conservative. He thought that women are supposed to do works at home and serve their men at all time. Therefore, the gap between us was increasing day by day. One day, he quarreled with me over the school fee of our younger son. Both of us could not convince each other and could not compromise either, and finally in anger, I went to my parent's home with my younger son thinking to spend my whole life at my parent's home.

Durga Bhawani CFUG members were quite aware about our problems. Realizing the problem, the executive body of the CFUG called me one day and requested me and my husband to take part in a Gender workshop. Range Post Level FECOFUN at Shamshergunj organized the workshop in partnership with SAGUN Forestry Program. Eleven couples took part in the workshop.

The workshop discussed and shared the working pattern of male and female in our community according to the culture, traditional practices, discrimination of women; actual roles and responsibilities of male and female to carry out different works; works carried out by only female and male; women and their rights and power relationship between male and female at home. The workshop was conducted for two days. All the participants became very clear on the specific and joint roles and responsibilities of men and women at home and in the society. The theme such as "men should help women and women should help men to accomplish domestic and social duties and obligations and both of them should take part to change the existing traditional discrimination system for women and *Dalits* touch our heart. In the workshop, all of us committed to help each other in trying to change the traditional discrimination.

This workshop was the first of its kind for my husband. He had never had any opportunity to participate in the training before. He was quite unaware on gender issues. The gender workshop became a turning point in our life. The learnings from this workshop changed the attitude of my husband. He realized that good understanding between wife and husband is necessary to run the family well. As a result, we agreed to live together again with increased understanding and cooperation.

On one occasion, my husband insisted me to contest for the position of Chairperson in Durga Bhawani CFUG during general assembly. With his encouragement and support, I contested for the position but failed to win the position but CFUG chose me as vice-chairperson. But I am happy. At present, I am working as Vice Chairperson of Durga Bhawani CFUG. As a representative of women, poor and *Dalit*, I have proposed agenda reflecting the concerns of the women, *Dalit* and poor people including their rights and other issues in EC and general assemblies. As a result, Committee has allocated Rs. 7000/- for nine poor households to implement IGA (pig farming). Likewise, the committee has decided to provide timber at free of cost to nine poor households. Considering my works, society has started to respect me more despite being a *Dalit* woman. Recently *Dalit* Sewa Sangh has also nominated me as Ilaka Chairperson of Samshergunj area.

I am very much thankful to FECOFUN who organized such a good workshop in partnership with SAGUN Forestry Program. I also expect that SAGUN Forestry Program would support to implement other relevant programs i.e. right-based programs for women and income generation activities in the future.

2.1.3 Major Issues and Challenges

The overall operating environment, particularly after the breakdown of ceasefire, remained quite challenging to staff at all levels resulting in constrained movement to the field for monitoring and implementation of training, workshops and orientation. Dolpa was particularly hit with the current operating environment where movement was not possible in many remote VDCs. Frequent bandhs and blockades posed further difficulties in smoothly implementing the field programs. As a result of the conflict situation, the progress in the field could not be made as expected despite all possible efforts. The following strategies and approaches were adopted in line with 'Do No Harm' (DNH) principles:

1. During the *bandh* and the blockades, staff movement and training were all suspended temporarily.
2. Staff both local hires and partners were given DNH training to enable them to work in a harmonious manner in the current situation.
3. Site level training and workshops were all conducted at district headquarters and Ilaka centers.
4. Sites, where Maoist resisted staff movement and field activities, were immediately evacuated and staff shifted to safer places.
5. Many events of site level training, workshops and orientation were conducted through very active user groups.
6. All financial matters of the program (training, workshops, orientation) were made transparent to all participants during the public hearing.
7. LRPs and Women motivators were extensively mobilized to reach out grassroots level people.
8. Public hearing and public auditing was extensively carried out to initiate good governance in the user groups.
9. Women, *Dalits* and poor were given high priority in the capacity building program and leadership positions.
10. Staff maintained low profile at all time.

2.1.4 Prospects For Next Year

Based on the past experiences, following activities and strategies would be adopted in achieving SAGUN FBZ Program's goal and objectives:

1. Appropriate mobilization of the group fund generated by the CFUGs is a great concern. Though the CFUGs are investing fund in different activities such as CF development, local community development and providing loan and grant to the general users, there is still a need for more investment of the group fund for the overall welfare of the poor and other people. For this, the program will encourage CFUGs and BZUGs to make increased investment from their funds on the following areas including for the welfare of the poor, *Dalits* and women:
 - Economic development of the poor on priority basis,
 - Increased investment on CF development and other local development activities,
 - The resourceful CFUGs/BZUGs shall invest group fund for the FOP preparation and other activities related to hand over process including capacity building programs (training, workshops, orientation etc.) for their technical and organizational development.
 - The Program will also prepare guidelines for the user groups for the best management of the group fund
2. Scale of partnership will be increased with the potential partners to ensure continuity of the program. For this, reskilling of the partners will be done after assessing their current capacity.
3. Mobilization of the LRPs and Women Motivators will be continued to reach out larger geographic area and population. Every effort will be made to affiliate them to other potential NGOs and Federations to ensure their continuity of service.
4. *Dalits*, poor and women will be increasingly focused to increase their representation in the leadership positions, capacity building programs, household economic development and other local development activities.
5. Program will support government counterpart at district level to identify potential civil society organizations to work as partners in the field of good governance in community forestry development activities. For this, Program shall support the civil society organizations to take up the job as partners.
6. As in the past, the Program staff, its partners and local hires will work in the field following the DNH principles.
7. Exit strategy of the SAGUN FBZ Program will be developed in coordination with SAMARPAN in a participatory manner with key stakeholders.

2.1.5 Visitors

The Forestry and Buffer Zone Component received following visitors during the reporting period. The program progress and learning were shared with them.

SN	Name of visitor	Organization	Objectives of visit	Duration (From.. to..)	Places visited
1	Jamuna Krishna Tamrakar, Director General	Department of Forest	Observation of SAGUN Program activities	20-21 December 2003	Jalandhara and Siddhibinayak CFUGs, Banke, Kailali
2	Babu Matunda and team	Forest Action Network and CARE Tanzania	Observation and experience sharing on community forests of Nepal	11-12 February 2004	Jalandhara and Siddhibinayak CFUGs, District FECOFUN, Banke
3	Sushila Nepali	WWF	To conduct training on participatory monitoring and evaluation	14-18 March 2004	Dunai
4	Netra N. Sharma (Sapkota), ACTO	USAID	Review of the report on good governance assessment	11 September 2004	RIMS Office, Gajuri, Dhading
5	Training participants (25 Rangers and Forest Guards)	LFP, Mid-west, Rapti	Observation of NTFP Management/SAGUN Program	26 September 2004	SAGUN District Office, Santoshi and Balapur CFUGs, Bardia

2.2 Irrigation Component

SAGUN Irrigation Component covers 14 WUA systems in 9 districts, 3 Municipalities and 191 Village Development Committees (VDCs) covering an area of 42,991 hectares. Total households served by these systems are 72,247. Program strengthens capacity of 14 Water User Associations (WUAs) at Main Canal Committees (MCC), 140 Branch Canal Committees (BCC)/ Minor, 1033 Tertiary Canal Committees (TCC).

This report presents the achievement of the Component in the 2nd year of SAGUN Program including lessons learned, challenges and opportunities. In this period, the Component implemented various activities in the 14 WUA systems covering 108 BCCs and 700 TCCs. A total of 21,550 participants from the committee members and users benefited from the training activities. The Component has achieved 70% of the total planned target of this year and 34% of the overall target of the SAGUN Program. Major events in this duration were redesign of the program in system approach including field survey, developing common understanding on objectives, designing working strategies amongst stakeholders in accordance with finalized AWP, signing agreements with partner organizations, hiring and orienting staffs, and implementation of field activities.

The program strategies adopted for greater program coverage on expanded scope from redesign were: developing Local Resource Persons (LRPs), Mobilization of Gender and Social Mobilizers (GSMs), partnership with WUAs for the implementation of field level activities, coordination and linkage with District Line Agencies (DLAs), complementing activities of Irrigation Division Office (IDOs) and program complementation with SAMARPAN in Chitwan, Nawalparasi and Kapilvastu districts. Program complemented with IDO on cleaning of TCs and canal maintenance in Banganga system and SAMARPAN partner. The SAGUN Irrigation Component staff participated in the line agency coordination meeting and advocacy training at TC level conducted by the Siddhartha Samudayik Bikash Committee (SSDC). Similarly, SAGUN Irrigation Component and Indreni Youth Club (IYC) jointly complemented activities in advocacy of water availability in Piparpati canal from Indian canal at West Gandak system. In Chitwan, the Component staff involved in the advocacy activities conducted by NIDs in both Panchakanya and Khageri WUAs for increasing women representation in WUA committees.

For smooth execution of field activities at the field level, Program Implementation Committee (PIC) was formed at system level with representation from Irrigation Division Office (IDO), District Federation of Irrigation Water User's Association of Nepal (NFIWUAN), WUAs and SAGUN Staff.

Major program interventions in the second year included training on good governance, technical and managerial capacity building of the WUA, and activities pertaining to increasing women's representation through awareness to water users. Similarly, DoI staff's capacity building on managerial as well as governance function, Central NFIWUAN's advocacy capacity building and manuals sharing to others, were performed.

2.2.1 Program Progress towards Objectives

The achievement of the program in this reporting period has been presented according to the specific objectives of the component. The achievement against goal, purpose and objectives is presented in Annex 2 and the quantitative plan and progress of activities is presented in the Annex 5:

IR-1 Strengthened WUAs with enhanced organizational, managerial, and technical and governance capacities, to ensure sustainability of irrigation canal systems and the groups' own sustainability.

For effective and efficient delivery of irrigation service WUA committee members needed to acquire adequate knowledge and skills particularly on managerial, technical and good governance aspects. Several training, workshops and awareness campaigns were organized during the period for the capacity enhancement of the WUA to perform the irrigation service delivery more effectively.

a. Good Governance Capacity Development

Training for WUA executive members in different tiers, and awareness activities for water users and general assembly members of WUA are the major interventions made by the component to strengthen good governance capacity. Training was facilitated by program staff at WUA main committee and branch committee levels. The local resource persons (LRPs) facilitated at TC level. All trainings were managed by the WUAs with facilitation from the Program staff.

A total of 59 events of good governance training were conducted which was participated by 1,386 of the WUA members including 296 women and 85 *Dalits*. Similarly, 96 events of governance and management training were provided to 2,525 WUA members (635 women and 195 *Dalits*). Further, 35 events of mass awareness on governance were organized to general water users where 1,077 users with 186 females and 63 *Dalits* participated.

A total of 53 LRPs including 22 female built up their capacity in order to disseminate the concept, knowledge and practice of good governance to other WUA members. The LRPs were provided Training of Trainers (TOT) to built up their training skills and the subject matters (characteristics of good governance, WUA rules and management skills). Out of the total trained, 37 LRPs (including 13 females) conducted governance training, Irrigation Service Fee and Member Fee (ISF/ MF) application to TCs, awareness on governance and dissemination of constitution to users. The participants of the training facilitated by the LRPs reported that the language used by LRPs in local dialect was very effective to understand at user level compared to other resource persons. LRPs conducted the training successfully even in the conflict situation.

In order to make the general users aware about WUA constitution, WUAs disseminated constitution to the members of BCCs, TCCs and users through 61 events where 2,815 members including 804 females and 265 *Dalits* participated. As a result, the users put pressure on the WUAs to amend constitution where improvements needed in the existing policy e.g. female representation in WUAs. Four WUAs namely Banganga, West Gandak, Hardinath West and Kamala West conducted 27 events of workshops on constitution amendment and rules development where a total of 1,102 members (284 females and 89 *Dalits*) of TCC general users participated for discussion, interaction and modification of constitutions and rules. The WUAs amended constitution and passed from general assembly. Major changes in the constitutions were increased representation of female coherent to the policy, household members eligible as member of WUAs even when they are not the legal owner of the land and assembly of BCC and TCC. These WUAs also developed rules on WUA's administration, finance, election, ISF collection and canal maintenance. Similarly, lower committees created pressure to WUA for implementing rules and the constitution.

While receiving training on good governance, WUA committees assessed their current situation of governance on their own committee during the discussion in training. Areas of improvement for major characteristic of good governance i.e. transparency, participation, accountability, predictability were discussed. Area needing improvement to over the characteristics were identified and developed indicators for the characteristics. At the end of the training, WUAs prepared action plans for improvement in their own WUA. The action plans were followed up by staff and actions were implemented by WUA. At the end of the fourth quarter, change in governance capacities of 4 WUAs at Kamala west, Hardinath west, Manusmara-II and Banganga were reviewed in 8 events by WUAs-MC and BC members in participatory way. Major changes observed by the participants in WUA are as follows:

Transparency: WUA established public notice board and posted important notice in common places to publicize the decisions made. Similarly, the decisions made by MCCs were sent to BCC through the letter vis-à-vis to TCC by BCC. The TCC started dissemination of the decision made by MCC through the users assembly. Thus, the proper communication was started within WUA committees.

WUAs have started practice of public hearing and auditing of their decisions, plan and program implementation. Monitoring committee including women from sensitization group is formed in most WUAs. The expenses of the BCCs and MCCs have been audited periodically. All 14 MCCs have started posting SAGUN Irrigation program budget and expenditure of each training events. At the end of the training, WUAs adopted practice of Public Audit (PA).

Participation: Amendment of constitution for women inclusion at different level of WUAs, increased women participation in meetings and trainings giving equal opportunity to all members in decisions. Equitable maintenance sharing in constructing field channel and TC cleaning and work division of the position in WUA are the major observed changes. WUAs have involved lower tier committees (TCCs) and general users in preparing rules of WUA and in amending constitution. WUA - BCCs have initiated mobilizing labor resources for clearing tertiary canals establishing common norms of contribution.

Accountability: Establishment of BCC offices making operational, organizing BCC assembly, dissemination of constitutions, preparation of budget, delegation of authority to BCC for ISF collection, preparation of parcellary maps and users record, opening of bank account of BCCs are the

Transparency in Khageri, WUA

SAGUN- Irrigation program supported the Khageri Irrigation System for the office establishment of the 13 branch offices with Rs. 1,30,000. through MCC. WUA formed a committee to purchase the furniture (notice board, chairs, table etc) for the BCCs. The committee decided to purchase goods from local market at Narayangadh and received quotation from three local vendors with facilitation by SAGUN staffs. The WUA approved the lowest rate and ordered for furniture.

After receiving the furniture from the vendor, WUA called BCC representatives to collect them from MCC. When they saw the furniture, BCC representatives queried the cost and quality of the materials. The vendor did not deliver the materials as per the order. The quality of the chair was lower than the ordered quality and the rate was also too high. After the discussion in MCC meeting, WUA decided to return the materials and the vendor replaced the notice boards according to the specifications. However, the BCCs refused to receive the materials. Thus, the MCC called a meeting and after a rigorous discussion, an investigation committee was formed to enquire about the purchasing process.

The investigation committee found that the vendor had changed the materials intentionally. He had charged Rs. 75 over for the quality he supplied. Finally, the vendor agreed to return all the chairs and accepted to return the money, which was higher, by Rs. 75 per chair. WUA kept the vendor in black list and would not buy any thing from the vender in future. WUA chairperson Mr. Bel B. Gurung explained all the process and the cost in the public hearing organized by WUA users / committee in the system.

positive indications of WUA accountability bearing. WUA - MCCs have established practice of submitting programs, estimates and agreement forms along with expense settlement in SAGUN Irrigation Program. WUAs have adopted regular auditing system and have regular general assembly meetings.

Predictability: WUAs have started setting visions, goal, objectives of their association and prepared annual action plans+. They have conducted general assembly meeting and amended constitution based on new policy and regulation. They disseminated the amended constitution to users in TC. Some WUAs have prepared five rules: financial, administrative, ISF, election and maintenance through constitution.

WUAs have set standard norms for equitable maintenance. Program TAs are assisting WUA in developing Canal Operation Plan (COP) for equitable water distribution. WUAs have constructed field channels for better access of irrigation water by the small landholders.

b. Management Capacity Development

For effective and efficient execution of quality irrigation service delivery to water users, SAGUN Irrigation program envisaged the need of managerial capacity development of WUA executives - Chairperson, vice chairpersons and secretaries of all levels. The main strategy adopted for developing capacity focused on increasing knowledge and facilitating skills through trainings, changing attitude by observation tours, assisting establishment of WUA work process, strengthening WUA committee offices and establishment of linkages & coalitions with district agencies.

A total of 8 events of five days long, organization and program management training was organized for six WUAs namely; Banganga, Manusmara - I, Manusmara-II, Kamala West, Hardinath west and east. The trainings were delivered in appreciative planning and action approach, which helped WUA to be empowered by themselves. A total of 166 WUA executives including 28 female and 4 *Dalits*, acquired knowledge on program planning skills, communication skills, monitoring and evaluation skills. A total of 103 branch committee level offices were established in WUAs for branch canal level activity performance. Having well established Branch offices, autonomous functioning of BCC with decentralized management practice is becoming possible.

The observation tours for experience sharing among other WUAs were conducted to strengthen and change organizational beliefs, attitudes and values for effective WUA management and by this, social inclusion has become effective in developing positive attitude of organizational culture (women and small farmers cannot contribute in WUA management function) and for supportive involvement of socially vulnerable groups in trainings and future WUA election. A total of 3 events of such study tour to West Gandak, Khageri, Panchakanya, Pathraiya and Chandra Canals were organized by the WUAs of Pathraiya, Banganga and Hardinath West. A total of 115 participants (62 females and 7 *Dalits*) participated in study tour. To extend further service input support and learn management process linkages and coalition building activities in Sarlahi, Kapilbastu, Dhangadhi, Siraha, Chitwan and Nawalparasi districts were accomplished. WUAs were linked with the District Agricultural Development Committee in which district level agencies like District Agriculture Development Office, Irrigation Divisions, District Soil Conservation Office, Agriculture Development Bank, Agriculture Input Corporation and District Administrative Offices are the key members.

All 14 WUAs have established their own main committee offices and are operating them regularly. Committee meetings are being regularized following participatory discussion as well as decision. Six WUAs namely Banganga, Manusmara I and II, Gandak, Khageri and Panchakanya prepared long term (3-4 years) plan along with annual plan. Six WUAs namely Manusmara-I and II, Hardinath West, Panchakanya, Khageri, West Gandak and Banganga, have prepared monitoring and evaluation plan and formed monitoring committee of their own for the effective implementation of their activities.

Eight events of networking workshop at system/program level were organized in 5 districts with the participation of IDO, WUA, NFIWUAN, DDC/VDC, Agriculture Development Office (ADO), District Cooperative office, land revenue office, cadastral survey office and NFIWUAN. WUA (Manusmara II) succeeded to get support (Rs.150,000) from ADO for renovation of demolished canal on Block # 5,9,10, 14 and also received fund Rs. 300,000.00 from VDC for canal and drain maintenance in block # 18. Similarly, Pathraiya and Banganga WUAs have prepared collaborative plan with above agencies and taken commitment for future support. Cadastral survey office committed to provide land map of command area and also service of surveyor on WUA request for parcellary map preparation. Similarly, land revenue office has committed to provide land record of the farmer's on WUA request.

c. Technical Capacity Development of WUA

One of the important functions of WUAs is to carry out canal operation and maintenance task through established field data base (by parcellary map development) to be used for field channel construction,

Irrigation after 12 years in Manusmara - II

There used to be discussion in every event of trainings about getting water in tail portions of the Manusmara II. After governance and equitable maintenance sharing training in the system, WUA prepared an action plan to ensure water rights to the farmers of tail end and adopted the equitable maintenance sharing norms in cleaning canals. WUA including SAGUN staffs followed the plan and conducted series of meetings in Block committees for the arrangement of equitable cost sharing in maintenance of canal. Various focus group discussions were held in the system. A focus group discussion with elderly people revealed the indigenous system of maintenance contribution of grain on area basis used in the initial phase of the traditional system.

WUA, in the meeting of Block committee (Ram ban Branch, block # 10) decided, to collect grain for the maintenance and ISF fund. Users decided to collect it, at the rate of 1.5 kg per katha of grain (paddy) from Ramban Branch. Other block committees adopted the same process also. A total of 10.4 tons of grain was collected in the system worth Rs. 104,000. Collected grain was used in the system for canal maintenance. About 100 land less and the poor people got job in the village for 15 days. They got 7kg of grain a day, securing food for 1 month. A total number of 40 TCs (19 km), 50 FCs (9 km) and drains (5 km) were cleaned and constructed mobilizing contribution over Rs 2,500,000). This helped getting water in the tail portion of Madubani branch where irrigation service was cut off for the last 12 years after the flood in 1991. A total of 150 ha area is added for irrigation in this year. This example aroused interest among farmers for paying ISF and contribution for maintenance.

The Chairperson Mr. Ram Singhasan Yadav expressed that this great achievement was possible due to the combined effort of IDO, SAGUN Program, WUA and users.



Photo 7 Parcellary map preparation process

application of equitable maintenance norms and practice for sustainable ISF collection and increasing irrigated area under WUAs management (see Photo 7). Before SAGUN Irrigation, technical capacity of WUA was inadequate and was not in practice. So, to meet the technical capacity development objective of WUAs, activities such as COP preparation, parcellary map development, and field channel construction and equitable maintenance practices were implemented this year.

Five events of COP activity in Banganga, West Gandak, Piparpati Parsuani and Chandra canal were initiated. In course of preparing COP, WUA executive members of MCC, BCC and staffs of Irrigation Divisional Office were involved. The first phase of the COP preparation consisted of water measurement in main canal and branch canal along with water loss assessment in paddy field, tertiary canal, branch canal and main canal. One day participatory workshop was held among WUA executives and IDO staffs to decide appropriate models of irrigation schedule. As an outcome of this workshop every one preferred the most simple and manageable proportionate water distribution model in all four systems. A total number of 367 participants including 15 females and 16 *Dalits* from WUA members, CMWFs and DoI staffs benefited of the process of field loss measurement & canal loss measurement.

For the new parcellary map development and for the one already existing in WUA (prepared by DOI), one-day orientation on the process of parcellary map development and revision through 35 events of meetings were completed. A total of 979 water users including 133 females and 42 *Dalits* learned about the importance of parcellary map and the processes to be adopted while developing and reviewing new and old parcellary maps.



Photo 8 Tertiary canal cleaned and repaired and Field Channel constructed at Kamala East

As a result of the orientation program, branch committees of WUAs prepared parcellary map of 6890 ha of command area in Hardinath West, Kamala East, Panchakanya and West Gandak. Eight events of revision program were conducted in which a total of 301 members of BCC, Minor, TCC and CMWF consisting 41 females and 27 *Dalits* and IDO staffs were involved.

In the programs where some portion of parcellary map was developed or where old parcellary maps were revised, the potential use of parcellary map in ISF collection, irrigated area identification and net irrigated area increment was disseminated to BCC and TCC members. To establish equitable water distribution system a 3-day water share and equity training to chairpersons, secretaries and canal management workforce was conducted. A total of 1,016 numbers of executives of MCC, BCC, minor and TCC consisting of 198 females and 65 *Dalits* understood the concept and changed their attitude and expressed the commitment developing plan of actions for constructing field channels and maintaining TCs by developing equity norms.

As a result of the above training, the BCC and TCC maintained 398 numbers of tertiary canals developing equitable norms of cash/labor/kind contribution through the BCC meetings represented by majority of tertiary committee members. Equitable norms based on sizes of landholding and water use were established by different WUAs against traditional norms of one person/household.



Photo 9 View of TC cleaned under equitable maintenance sharing strategy at BC at Siraha, Kamala East

As a result, WUAs cleaned 728 km TCs mobilizing 84,012-person days labor (worth Rs. 83,40,255). Nine sets of parcellary map were revised. A total of 261 Km of field channel (FC) was prepared so that the land under intensive irrigation would increase in the irrigation systems (see Photo 7, and 8). Thus, total irrigated area reached to 30,552 ha for paddy and 15,276 ha for wheat.

At first, the training was provided to the WUAs on equity and share system. Then the action plan was prepared at BC level for tertiary cleaning and field channel preparation. The WUAs also decided the norms for equitable maintenance of the irrigation canals.

WUAs adopted following 3 types of contribution norms Labor/ cash contribution based on area.

- Labor contribution based on length of canal vs. area.
- Contribution of grain based on land area.

Forty events of ISF administration training were conducted to chairpersons, treasurers and secretaries of MCC and BCC. A total of 824 participants including 201 females and 58 Dalits from WUA executives acquired adequate knowledge on importance of the subject matters. After training, some changes were observed in WUA behaviors for ISF collection. They mobilized Gender and Social Mobilizers extensively in motivating users for paying ISF in time. Khageri WUA organized 'Teez song competition' expressing every women should motivate their family to pay ISF by which canal is maintained and operated timely. East Kamala WUA conducted 'street drama' campaigning for ISF payment. Pathraiya system organized campaign for the collection of ISF by all MCC members including GSM. As a result of the training inputs, WUA awareness campaigns and GSM mobilization, a substantial amount of ISF (Rs.14, 87678 or 39 % of the total target of 4 years) was collected in all WUAs as shown on the following table.

Increase in fees collection in Pathraiya Irrigation System

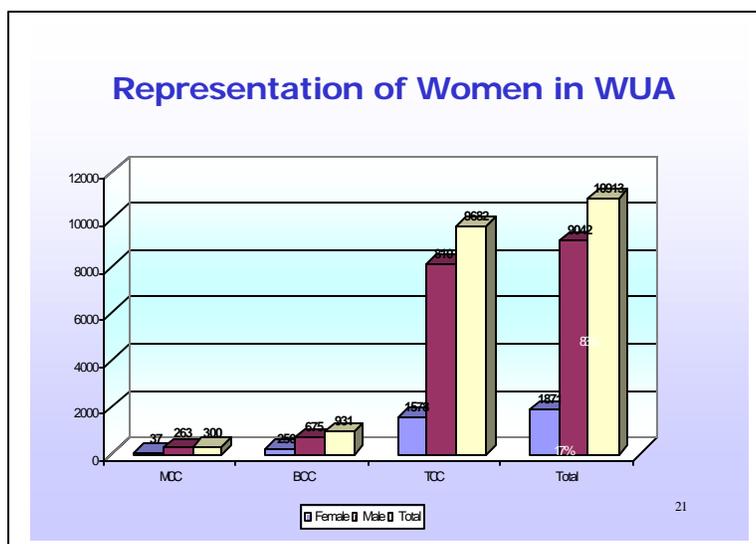
SAGUN irrigation organized training on ISF administration in Pathraiya Irrigation system for executives of MCC and BCCs. An energetic team of newly elected WUA prepared an action plan for the users awareness on ISF collection. WUA conducted ISF collection campaign as a result local elites and landlords started paying ISF, MF and share fee including due fees. A total of Rs. 229435 was collected from the system where as only Rs. 69,227 was collected in the previous year 059/60.

Table ISF Collection in the WUAs

SN#	Name of System	Target area ha.			ISF Collection Target			Collected Rs.
		Paddy	Wheat	Total	Monsoon	Winter	Total	
1	Chandra Nahar	7000	4000	11000	420000	240000	660000	458759
2	Kamala East	6500	3000	9500	390000	180000	570000	28212
3	Kamala West	6500	3000	9500	390000	180000	570000	19667
4	Hardinath E.	450	200	650	27000	12000	39000	2493
5	Hardinath W.	450	200	650	27000	12000	39000	10733
6	Manusmara I	1021	500	1521	61260	30000	91260	7090
7	Manusmara II	1870	1200	3070	112200	72000	184200	96564
8	Panchakanya	400	200	600	200000	12000	212000	230606
9	Khageri	3500	700	4200	210000	42000	252000	359341
10	West Gandak	6000	4000	10000	360000	240000	600000	17239
11	Piparpati Parsauni	1600	600	2200	96000	36000	132000	NA
12	Banganga	4500	3000	7500	270000	180000	450000	27549
13	Pathariya	1300	800	2100	78000	48000	126000	229425
14	Mohana	1900	600	2500	114000	36000	150000	NA
	Total	42991	22000	64991	2755460	1320000	4075460	1487678

I.2 Increased active participation of women and poor farmer/small-landholders in WUAs, including in leadership position.

Participation or representation of women and small landholders in WUA is still minimal in many WUAs in Chandra, East Kamala, Manusmara I&II and Khageri. Past experience of IMTP revealed that canals are better maintained and operated where women held the key position. Hence, to meet this objective 28 women sensitization groups were formed in the irrigation command area. Following the formation of women sensitization groups in the command area, WUAs conducted 79 events of one-day campaigns utilizing the members of women sensitization group. A total of 3,252 participants including 2,762 females and 398 Dalits participated in the campaigns. As a result of these interventions, women farmers have shown great enthusiasm and verbal commitments to file nomination for membership and key positions in the WUA elections.



As a result of mass and house to house campaigns in West Gandak, West Kamala, Manusmara Phase-II and Pathraiya, women's participation increased from 10 % to 45%, from 5 % to 35 %, from 6 % to 19 % and from 0% to 22 % respectively in the two year period of program execution.

Also 5 WUAs have amended constitution to increase women representation at all WUA levels and have ratified from general assembly. Overall representation of females in WUAs reached to 17 percent (1,871 females out of 10,913 WUA members) in 13 WUAs. Similarly, MCCs have increased female representation to 14 % (42 females out of 300 MCC members) and that in BCCs and TCCs is 27 % and 16 % respectively (256 females out of 931 members in BCCs and 1578 females out of 9682 members in TCCs). Similarly, the representation of female has increased in executive positions (Chairperson, vice chairperson, secretary, treasurer) by 9% (386 females executives out of 4,389 total executives).

After holding key positions by females in MCCs as well as in BCCs, female members have actively participated in the meeting and decision making process of WUAs. They have influenced WUAs equitable decisions in favor of women and *Dalits*. For example; West Gandak WUA has decided that women headed household/widow need not participate in labor contribution in maintenance of canal if the family does not have any male members above 16 years.

Banganga WUA made a decision to support *Dalit* women and landless for income generation activities such as weaving bamboo baskets which could be used for collection of sand and soil during canal maintenance. The WUA has allocated Rs. 15,000 for this purpose from WUA's own fund. In West Kamala, WUA has decided to give priority to landless people of the command area in canal maintenance work. Panchakanya has also decided not to involve a woman headed household for canal maintenance work but she needs to attend in the maintenance work only on the first day to obey the WUA rule.

Street drama/Song competition as effective means of awareness

A total of 254 awareness campaigns were conducted in WUAs. Kamala East and Canal WUAs conducted 19 and 14 events of street drama respectively. In the street drama ISF, Women participation, equitable water distribution and labor contribution were the main message of the drama. Local artist with the local dialect played the drama.

Khageri WUA conducted Teej song competition within its thirteen BCC. The BCC have selected their groups from the context within BCC. There were 46 group which participated in the competition as a prequalification round. After the prequalification round 13 qualified groups were selected for Teej song competition in the eve of Teej festival. Branch 5, 0+1 and 2 won the first, second and third prize respectively. The main content of the song was provided by the WUA i.e. ISF, Women participation, equitable water distribution and labor contribution. Thousands of water users attended the event.

As a result, the delivered messages were effectively understood by the users than speech and lecture which significantly increased the frequency of ISF collection and water distribution as well as good governance and equitable maintenance sharing practices within the WUA.

Table Women's representation at different levels of WUA committees:

SN	System	Committee member						Total			Remarks
		MCC		BCC		TCC		Total	Female	%	
		Total	Female	Total	Female	Total	Female				
1	Chandra	33	4	219	63	2081	0	2333	67	3	Not held election
2	Kamala East	29	0	92	1	924	9	1045	10	1	Not held election
3	Kamala West	32	6	103	49	610	209	745	264	35	Held election
4	Hardinath East	17	3	0	0	145	50	162	53	33	Not held election
5	Hardinath West	25	10	0	0	220	53	245	63	26	Not held election
6	Manusmara I	21	0	35	0	111	26	167	26	16	Held election
7	Manusmara II	27	0	35	0	197	49	259	49	19	Held election
8	Panchakanya	15	1	56	18	143	90	214	109	51	
9	Khageri	15	0	64	7	1610	157	1689	164	10	Not held election
10	West Gandak	18	6	61	46	1155	499	1234	551	45	Held election

SN	System	Committee member						Total			Remarks
		MCC		BC C		TCC		Total	Female	%	
		Total	Female	Total	Female	Total	Female				
11	Piparpati	15	3	23	10	440	52	478	65	14	
12	Banganga	23	4	213	52	896	167	1132	223	20	
13	Pathariya	13	1	24	6	422	95	459	102	22	Held election
14	Mohana	17	4	15	4	728	122	760	130	17	
	Total	300	42	940	256	9682	1578	10922	1876	22	
	Percentage		14		27		16		17	17	

I.4. Financial accountability and advocacy functions of WUAs strengthened, to (a) monitor service delivery by government and (b) monitor benefit-and revenue sharing among the groups, in their communities and local elected bodies (VDCs and DDCs).

A total of 45 events of training covering financial management, accounting, benefit monitoring process and advocacy were organized at MCCs, BCCs and TCCs from 12 WUAs. A total of 1,086 participants including 104 women and 27 Dalits participated in the program.

For sustainable WUA functions, stable financial resource generation is pre-requisite. Most of the 14 WUAs have started ISF collection while some others have started making income through other sources as well. West Gandak started collecting road tax, Banganga contracted reservoir for the sum of Rs. 180,000 per year for fishery, Khageri collected resources from trees along the canal and Chandra canal sold grass in the branch canals. In order to strengthen financial management skills and knowledge of WUAs, SAGUN Irrigation has provided its program resources to them on monthly basis for transparent account keeping, budgeting and annual auditing being complete accountable to general assembly. A total of 11 events of financial management training to MCC and BCC executives and 9 events of record keeping training to TCC secretaries were provided.

Some immediate changes observed in this reporting period were: MCC financial records and process are being maintained and followed as learnt from the training. Financial settlement process and records are being improved. An participatory evaluation and audit done by program's financial section categorized WUAs in three levels: A level- as perfect in financial record keeping, B level- satisfactory in financial record keeping, C level- needs more improvement. This categorization was made on their performance of financial recording practice as given below:

Level/Category	Program	Performance
A- Perfect	Chandra Canal, Khageri, Panchakanya, West Gandak	Maintaining ledger with other records and up to date financial status. Each WUA has assigned financial transaction to secretary / treasure making fully accountable to prepare budget and settle advance personally with program. Updated financial transaction vouchers and bank statement. All payment made directly through cheque. Maintained small petty cash for day-to-day office work.
B-Satisfactory	Kamala West, Manusmara II Piparpati Prasauni Banganga, Patharaiya	Maintaining one way financial record keeping system in simple ledger. Each WUA has assigned financial transaction to office secretary in order to prepare budget and advance to the individuals.
C-Improvement needed	Kamal East, Hardinath E&W, Manusmara I,	Just initiated one way financial record keeping system in simple ledger. Not well-managed financial transaction and WUAs have not assigned proper individuals for preparing

Level/Category	Program	Performance
	Mohana	budget and payment in regular basis.

The program has started to coach and guide to WUA secretaries to upgrade B level status to A level and C level to B level and so on within this third year.

Eighteen events of Advocacy trainings to General Assembly, MCC, BCC, and TCC were organized by program staffs. In the training 356 members including 76 women and 23 Dalits participated. System and national level issues were identified such as equitable distribution of irrigation water particularly in the tail end of the system, low women's participation, disproportionate maintenance contribution, and unavailability of water in the irrigation system as agreed upon by international agreement (West Gandak).

Finally farmer became success in getting irrigation water in Piparpati Parsauni.

Piparpati has canal outlet in Indian canal 4 KM West of the Narayani barrage. The command area is 1000 ha. According to the agreement between two countries a regular water level have to be maintained to pass water through the Piparpati head regulator. Several times it was agreed that local level discussion would finalize the way to get water into Piparpati branch by both party. But Indian canal management team could not materialize it.

In this year, SAGUN Irrigation Component Facilitated Institutional empowerment with the Implementing Partners of SAMARPAN to prepare advocacy plan in West Gandak. As a result, Piparpati WUA made various advocacies and conducted activities at all WUA level. Finally, an agreement between Indian canal management committee and WUA was reached after extreme level of procession. IDO provided the agreement and facilitated with Indian canal Management committee. Finally, Indian canal management team maintained the water level in the canal and allowed to reduce the crest level towards Piparpati outlet. Thus, more than 80% of Piparpati canal command area got irrigation water in this reporting period after 3 years.

I.5. DoI capacities strengthened in association with civil society groups and selected private sector service providers, to work with local Water User Associations (WUAs) to enhance their technical, organizational and managerial capacities to operate and maintain irrigation systems.

One of the important stakeholders and responsible in irrigation sector is DoI/IDO staffs who are involved in all the phases of program development. So, to prepare them as knowledgeable and skillful resource persons on good governance and advocacy, a five days training was organized.

The program staffs and training specialist from CARE Nepal facilitated the training. The training was able to develop common understanding on advocacy and governance. Similarly, program management training for DoI staffs was organized. It was facilitated by senior trainers from Rural Development Center (RDC) / UMN. DoI staffs- assistant engineers, divisional engineers and sociologist participated in the training. It is anticipated from the training that the acquired knowledge and skills will be disseminated to the WUAs of different irrigation systems under DoI. A total of 58 DoI staffs participated in 2 events of 5 days training on good governance and advocacy and program management training conducted.

I.6 Strengthened capacity of the Water User's Federation, NFIWUAN, to provide advocacy functions as well as to strengthen WUA organizational, managerial and technical capacities for canal irrigation system O&M, and to ensure good governance and enduring economic viability of the groups.

SAGUN Irrigation Component provided financial support to NFIWUAN for logistics staff and for establishing its District Offices. So far NFIWUAN has established District Offices in Chitwan, Dhanusa, Kapilbastu, Saptari, Siraha, Sarlahi, Nawalparasi and Kailali districts. In these districts the committees have started regular meetings along with preparation of inventory on irrigated area and problems of the irrigation system. With the support of SAGUN program, inventory preparation in Dhanusha, Chitwan, and Kapilbastu has already been completed. As a result of these inventory collection in districts, NFIWUAN would be able to generate ISF contribution to district and center office management independently.

Also, program supported in organizing national assembly at Janakpur and steering committee for smooth organizational functioning of NFIWUAN. With SAGUN support new election of the central committee of NFIWUAN took place in Janakpur and new executives were elected including one *Dalit* and one woman who occupied the post of general secretary and secretary respectively.

To develop advocacy and governance capacity of NFIWUAN a three days training was conducted for newly elected national committee members. A total of twenty-six members including four members from district chapter participated. During the training participants prepared plan of action of advocacy in SAGUN Irrigation program (nine districts). The followings were the issues identified by the participants for the WUA level advocacy:

- a) Increasing participation of women in different tiers of WUAs
- b) Decentralization of MCC authority to BCC and TCC
- c) Application of equitable canal maintenance and water distribution system
- d) Increasing ISF through proper WUA administration
- e) Establishment of good governance practices in WUAs.

As a result of the training, NFIWUAN dispatched trained members to different irrigation systems. For example in Khageri, the members (Indu Gurung and partner) became successful to convince and minute for reservation of one key post for women at MCC, BCC and TCC levels. The MCC has agreed upon amending WUA constitution for reserved position of women. Also during the training the participants had identified national level advocacy issues as given below:

- o Meaningful participation of users in irrigation program in decision making, design, implementation and monitoring
- o Proportionate representation of Women and *Dalits* in Water Users Association,
- o Regulation for the effective ISF collection providing legal status to WUAs.

As a follow up, a team of NFIWUAN visited National Planning Commission, Ministry of Water Resource and Department of Irrigation advocating on the above national issues. The Director General of Department of Irrigation assured the team to include those issues for discussion in the next workshop and the recommendations would be incorporated in the forthcoming Irrigation Guidelines.

I.7 Improved communications between all stakeholders in irrigation, sharing lessons learned, issues and problems arising, and best practices, to assure (a) more coordinated planning and implementation, (b) informing the policy discourse, and (c) greater understanding and 'ownership' among the irrigation/water resources civil service of current concepts, paradigms, methodologies and implementation.

- 1) A study on **Irrigation Service Fee Collection** was conducted by Policy and Social Sector Analyst of SAGUN Program covering 11 WUAs in order to assess the policy issues on ISF. Preliminary report is shared and the final report is in progress.
- 2) Similarly, a case study of Chandra canal irrigation system on Irrigation Practices and equity in irrigation systems by a student from IOE conducted his Masters thesis with the support of SAGUN Irrigation. The study findings are:
 - a) Water flow in the tail reach is rarely available to the farmers where as middle reach farmer get sufficient water in Monsoon and around 50 % during winter,
 - b) Water allocation procedures in tail reach are 31 % in land wise, 13 % crop wise and 56 % in ad hoc basis,
 - c) Head, middle and tail portion of the system are availing water distribution through rotation basis,
 - d) About 80 % farmers of the tail reach are not satisfied by the present irrigation practice,
 - e) Farmers are applying irrigation to wheat either very high or very low extent than the standard depth of application (8 centimeter). The extent of inequity is 20 %. It means a person who receives water is either 20 % more than arithmetic average or 20 % less than arithmetic average.

I.8 Lessons learned and best practices documented and disseminated for replication.

Five institutions (District Agriculture Development Office, District Cooperative, Irrigation Division, NFIWUAN, WUA) participated in the annual planning process. Thirteen events of Coordination workshops were organized to form Program Implementation Committee (PIC) at field level, which steered better Communication within MCC, BCC, TCC, NFIWUAN, IDO, and DIO.

1. Discussion papers on **Participatory Irrigation Management and Practices of Good Governance in Irrigation Development & Management** written by senior DoI staff are being circulated for sharing.
2. Ten manuals for the training on program implementation were developed (see AWP progress) and shared widely with related organizations and stakeholders.

2.2.2. Major Issues and Challenges

1. Security situation hindering program quality performances and progress.

Deteriorating security situation within program area along with several *bandhs*, blockades and direct restrictions (Mohana, Pathraiya, Banganga, West Gandak, Hardinath East and West, Kamala East and West and Chandra Irrigation Systems) on area basis affected program progress. As a result of which SAGUN Irrigation program has been completely stopped in Mohana Irrigation System. But in rest of the irrigation systems, only part of areas have been prohibited to enter.

Mohana Irrigation System

Since June 2004 the office of WUA Main Committee has been padlocked and SAGUN program is completely restricted in Mohana Irrigation System in Kailali and Kanchanpur district. They looted a motorcycle from SAGUN program and threatened the program staffs and WUA executives for further programming. Since, then, SAGUN Irrigation has withheld the program in Mohana Irrigation and waiting the green signal for reentering into program area.

Pathraiya Irrigation System

The increased insecurity situation in the command area has severely affected the SAGUN program. As a result about 40%, (800 ha) of command area in the tail part from Joshipur and Bahuniya Village Development Committee is inaccessible to SAGUN staffs. So, the direct program coverage has been limited to only 1200 ha. Program staffs have been based in Lamki, high way commercial centre of the district and remote management techniques have been adopted for program implementation. For field movement, SAGUN staffs have been suggested to walk with WUA person and local farmers.

Banganga Irrigation System

In the Banganga Irrigation System 6% of command area from the head reach upstream of reservoir and 4% from the tail end of Hathiawa branch that is 10% (500 ha) of total command area has been seriously affected by present conflict. The insurgents have asked WUAs to register into their office before starting any job. The main canal committee chairperson suggested not to conduct field program rather advised organizing training in Irrigation Division Office in Taulihawa. Even in such critical security situation, SAGUN program is being conducted mobilizing Local Resource Persons in the restricted areas, whereas training to main and branch committee members have been generally organized in the district headquarters, Kapilvastu and nearby village.

West Gandak Irrigation System

The West Gandak Irrigation System is also affected by present conflict. At present, Bhujawa branch area is restricted for staffs movement. Forty-five days out of 90 days of 3rd quarter period were disturbed by frequent closures.

Mansuhmara I and II Phase

Comparatively, Manusmara I and II phase Irrigation System looked accessible to program staffs. But, the system has been affected by 25 days of *Bandh*.

Hardinath West and East Irrigation System

Hardinath East is partly affected by current conflict. Twenty five percent (around 250 ha) of upper half of the area is just inaccessible to SAGUN staffs.

Kamala West Irrigation System

Conflicting activities in the tail end area adjacent to Jadukoha, Sabaila Khajuri villages have increased resulting in hindrance in collection of ISF and mobilizing people for construction of field channels and maintenance of tertiary canals. Few executives of WUA are under threat, so, they are not in position to carry out their responsibility smoothly.

Kamala East Irrigation System

Programme activities could not be implemented smoothly down to Lagdi, Sycron, Vokraha, Gautari, Pinari and Kalyanpur branch canals because of increased activities of rebels and presence of government security forces. Program has been carried out smoothly in rest of the command area.

Chandra Irrigation System

Main canal committee Chairman and Vice-chairman suggested not to move staffs down to New Hanuman Nagar BC as the security situation was worsening in the area. Local Resource Persons were mobilized to conduct programmed activities in this branch canal.

2. Restriction on staffs movement using motorcycles and vehicles due to potential threat for looting within program area.

Due to degrading security situation and reported cases of motorcycle looting within SAGUN Irrigation program area, all red plates motor cycles both from program and rent have been restricted to move in the dirt road. Currently, SAGUN staffs have conducted program-using bicycle at a distance up to 8-10 km. As in most of the cases, public transport were not available, mobility of staffs were restricted in the inner area-using bicycle for a long distance. The prevailing security condition was also not permitting staffs to stay overnight at such program sites.

3. Flash flood in July caused huge damage to irrigation systems

Heavy monsoon starting from 6th July created flood in Eastern Terai districts resulting in huge loss of life, food grains, animals and houses. Saptari, Siraha, Dhanusha and Sarlahi districts were badly ruined by the flood. Chandra, Kamala East and West and Manusmara Irrigation Systems had several physical damages in their main, branch and tertiary canals. Flood has damaged newly constructed field channels. As such it hampered the planned program to some extent for the period.

Manushmara phase- II

Manushmara II was badly hit by flash flood. 7 VDCs within command area were flooded. Hundreds of cattle died, tones of food grains damaged and several people became homeless. The main canal breached at more than 5 places. As a result water measurement activities for preparing canal operation plan could not be carried out in time.

Manushmara I phase

Four VDCs of Manushmara phase- I was affected by flooding. The main canal was damaged at one place near Hirapur barrage.

Kamala East

The main canal breached at more than 35 places and office staffs could not operate the canal. WUAs and farmers did not wish to attend training programs in this situation.

General assembly of Hardinath East dissolved main committee and established an ad hoc committee for election. The ad hoc committee delayed election. In Manusmara phase - I the court made stay order for new committee formation because of the timber case. Such expiry of WUA election tenure in Hardinath East and court cases in Manusmara Phase I delayed program inputs in the area.

2.2.3. Lessons Learned

1. Involvement of users in planning and then constructing field channels is 5 times cost effective resulting in ownership feeling among them.

A total of 146 km of field channels were constructed in the 6 irrigation systems with a nominal support of Rs 2.5/m. Since these channels are constructed with consensus and contribution of all concerned users, users are confident of its effectiveness and long-term existence. A member of Maleth Branch committee of CNIS said that in past a number of channels were constructed by the support of Government of India but today none of them are in existence because channels constructed were non-operative. He further added that if construction of channels were carried out in consultation and with the users groups, the construction would have been more cost effective and durable.

2. Field channels to field irrigation practice ensures access to all types of users receiving equitable irrigation water, equitable resource contribution and increase in water use efficiency

As mentioned previously, respective users constructed 252 # of field channels in 12 irrigation systems to have direct access of irrigation. With these field channels intensive irrigation in additional 5,827 ha has become possible. As reported by one of the farmer leaders from Basant Singh Minor of Chandranahar, earlier they had to struggle a lot for getting water. They had to wait for three days, sometimes even more to get water one third of their requirement but today they get easily within a day without any struggle and conflict. This reflects that water use efficiency has increased with 66% on temporal as well as volumetric basis resulting in increment in area under irrigation.

3. Leadership roles are the most important aspect of community organization management. The success and failure of the irrigation organization depends on good leaders.

In irrigation systems, effective leaders in the program area have shown good progress in their WUAs. For example, WUA of WGIS was non-functional and had lost the confidence of users, but after change in leadership, the organization has revived and now became capable of gaining confidence of users. As a result, farmers with the support of IDO cleaned all the branch canals.

4. Good Governance program as an entry point activity has enlightened the WUA members setting for best platform to lead all other program.

SAGUN- Irrigation program began with good governance training to WUA executives of main, branch and tertiary committees. Training became successful to convince WUA members on SAGUN program. It resulted in follow up action plan and co-operation of implementing other sets of management and technical trainings at different WUA tiers.

5. Contribution for canal maintenance in cash/kind/labor is the 'strategy choice of the farmers'.

Awareness program was carried out intensively in Manusmara Irrigation system for mobilizing users in maintenance activities but the choice was left to users whether they contribute in cash, kind or labour. As a result farmers agreed to collect 1.5 kg to 2 kg of paddy per katha varying on the land quality and productivity. WUA block committees collected 10.4 metric tons of paddy for maintenance of the irrigation system.

6. Transparency is the first pillar of good governance practiced by WUA executives but also most appreciated by water users.

A total of 59 events of good governance training were delivered in different irrigation systems for users and executive members to establish good governance practice in managing irrigation systems. The first action started by the WUAs was to make the entire plan and progress transparent, which build confidence towards the organizational accountability. This action solved many conflicts created in the past and supported in getting participation in maintenance of all the irrigation systems. Participation of water users worth more than Rs. 10 million was achieved from 13 irrigation systems.

2.2.4 Best Practices

- 1. For developing financial capacity and accountability of WUAs the following practices were found very effective:**
 - Training on financial management, record keeping to WUA-committee secretaries at the beginning
 - Providing financial resources of the program to WUA account making them fully accountable with the process of budgeting and settlement
 - Coaching initial steps of record keeping to WUA secretaries
 - Observing monthly performance and slowly adding other sets of record keeping formats
 - Re-coaching WUA secretaries about keeping ledger, budget planning and settlement process by program account section.

- 2. For equitable maintenance for canal networks the following practices were found very effective:**
 - Training WUA executives on share and equity principles and practices
 - Participatory meeting in BCC for deciding norms
 - Unanimous support gathering for the proposed norms by all the committee members
 - Effective communication of the program schedule and norms to all TCCs by BCCs
 - Monitoring by BCC about the labor/cash/kind/mobilization or collection at the site during maintenance
 - Reporting the maintenance progress to BCC by the assigned persons.

- 3. For creating mass awareness of women users Teej Songs and Street Drama were found most effective. The following were the practices adopted by WUAs:**

- 4. Women sanitization groups have been effective in increasing women's participation in WUA activities.**

- 5. Participatory approach in parcellary map preparation is cost effective (Rs. 50/ha).**

Following were the practices:

- Planning areas of parcellary map preparation in MCC
- Manpower allocation by MCC and holding meeting at BCC for program preparation
- Involvement of 8-10 tertiary level users for identifying parcels of land and canal
- Employing local surveyor (*Amin*) for tracing canals on the map and at the same time starting data collection by tertiary users
- Verifying the prepared map, canal networks, land area and name of the farmer in participatory way involving tertiary level users and committee members

2.2.5 *Thematic*

Good governance through field channel to field irrigation practice:

An Experience from Chandra Nahar Irrigation System

V. S. Mishra, ISP

The construction of the Chandranahar Irrigation System (CIS) located in Saptari District was started in 1982 B.S. and brought in operation since 1985 B.S. This system is the oldest agency built and one of the largest irrigation systems with potential area of 7,000 ha. During discussion with users organization and users of CIS in early program planning phase, the main issue identified in operational management was lack of direct access to water source to majority of farmers in the command area in the absence of adequate field channels at farm level. Even during rehabilitation phase under IMTP this issue was ignored. Farmers were bound to practice field-to-field irrigation cutting the banks of minors, branches and village canals in absence of adequate tertiary and farm canals wasting plenty of water and time. Even though they were not getting adequate water timely to meet their crop water requirement and conflict among the farmers was quite common during irrigation. Farmers were found quite anxious about the success of good governance program in absence of equitable access to water to all farmers. Realizing this fact program was planned accordingly to provide a nominal support of Rs. 2.5 per meter length for construction of field channel.

In early implementation phase, few of the farmers from head reach of branches and minors were reluctant to provide their land for construction of field channels because they were all ready getting adequate water directly cutting the banks of branches and minors creating scarcity to middle and tail users. But after rigorous effort of branch/minor committee members and their commitment for ensuring equitable water distribution, social pressure by general users and persuasions by TA team field staffs brought drastic attitudinal change among the users hindering construction of field channels. Mr. Badri Bhujel a member of Maleth branch committee quotes that providing land for construction of field channels is like getting married to others daughter and marrying own daughter to others. So providing access of water to other through own field is reserving right to have access through other fields.

Finally farmers constructed 88 # of field channels with 95 km length in 8 branches and 4 minors namely Odraha, Maleth, Baluwa, Kanchanpur, Barmajhiya, Goithi Naya Hanumannagar, Dimen branches and Basant Singh, Piparani, Suba Tole Jhankatta minors covering 3000 ha with a support of Rs. 2,37,160 from SAGUN-Irrigation, 4.5 times less than the actual construction cost of Rs. 1,000,000 based on the district labor wage rate. This has increased the irrigation area by 1,000 ha. Mr. Lalit Khadka, representative of main canal and Narayan Bahadur Karki, Chairman of Khururiya Painsi from Basant Singh minor, reported that earlier 66% area of their minor was getting 33% of their requirement after struggle for three days but during this paddy season they were able to irrigate from head to tail in one day equitably without any conflict. They further added that farmers are quite enthusiastic about further construction and extension of field channels with increased accountability to maintain the channels in future and pay the ISF timely.

This single activity of constructing field channels has played highly supportive role for success of good governance planned in CIS by increasing accountability among users through ownership feelings, bringing transparency in water use and minimizing conflicts in water acquisition. Further, the policy adopted for construction of cost-effective and efficient field channels can be replicated by Department of Irrigation in other irrigation systems beyond SAGUN covered systems.

Additional Irrigated Area and Water Adequacy Increased by Reuse of Drainage Water - An Experiences form Khageri Irrigation System

V. S. Mishra, ISP

Though the Khageri Irrigation System was built to supplement the irrigation water during monsoon for paddy crop in 4,000 ha, only 50% of land is getting adequate water in paddy. During winter and spring, flow in the river is so low that only two branches at head reach get water for wheat and spring paddy. During field assessment, the reasons identified for reduction in proposed irrigation area were due to lack of adequate tertiary canals, field channels, undulated agricultural lands, high percolation rate and irrigation through illegal pipe outlets. These problems were addressed while planning activities under SAGUN Irrigation.

After initiation of SAGUN-Irrigation activities, several trainings on water share and equity were carried out at main and branch canal levels. All the participants appreciated this training and its usefulness but their major concern was non-availability of irrigation water to tail end users due to low flow. This was not the fact. Many above reasons were discussed for irrigation deficit for tail enders. They were convinced that field-to-field irrigation practice is main reason for wastage of water through percolation and seepage in such undulated lands. Ultimately, they realized the need of field channel to field irrigation practice and reuse of drained water from up lands in low-lying area at the tail of the system.

Finally the farmers of minor-2, 3, and 4 conducted a joint meeting and made the following decisions:

- Excavate the field channels to provide access to all farmers and minimize percolation loss occurring from field to field irrigation practice.
- Cost of excavating field channels will be contributed by individual farmers on the basis of land owned either in cash or labor
- A nominal support of Rs 2.50 per meter length for excavation of field channel available from SAGUN-irrigation will be used for cleaning one of the drainage canals draining in the main canal just upstream of bifurcation point.
- In addition to the support available from SAGUN-Irrigation, Rs 20 per katha will be contributed by all the concerned farmers for complete cleaning of drainage canal.

After the decision farmers started excavating field channels and cleaning drainage canals. Finally they excavated 21.8 km of field channels through labor contribution and 500 m of drainage canal at a cost of Rs 100,000 including Rs 65,000 support from SAGUN-Irrigation This resulted in increase in irrigation area by 19 ha and insured adequacy of irrigation in 375 ha land area of all the three minors of the system.

2.2.6 *Prospects for next year*

Even in the difficult operating environment, SAGUN-Irrigation Component has been successful to achieve 70 % progress on the planned activities for this fiscal year. Giving continuity to the strategies adopted in the second year, the third year activities will be implemented with the followings key strategies:

- Training venue will be selected in the safest place such as bazaar area and road head,
- WUAs will always be kept in the forefront in dealing with local people and others,

- Low profile or visibility in terms of staff movement and use of vehicle will be maintained,
- Residential training approach will be adopted for Pathraiya and other projects where security situation continues to worsen,
- During the first quarter of the third year an assessment of the situation in Mohana will be carried out to decide whether to continue or stop the program there.

2.2.7 Visitors

The program received following visitors during this reporting period. The program progress and achievements were shared with the visitors.

SN#	Name of visitor	Position	Organization
1	Dr. Sultan Rehman	Country Representative	Asian Development Bank
2	Peter Logan	PAU Head	Asian Development Bank
3	Govinda Gyanwali		Asian Development Bank
4	Bijnan Acharya	Cognizant Technical Officer	USAID
5	Netra Narayan Sharma	Assistant Cognizant Technical Officer	USAID
6	Shyam Prasad Rajbhandari	Deputy Director General	DoI
7	Dr. Khem Raj Sharma	Chief, SMTP	DoI

2.3 Partnership for Hydropower Component

The second year of program (October 2003 to September 2004), remained successful to implement the planned activities including exploratory work in Khimti site. Activities are being implemented in UMHEP and MMHEP as planned. Target groups strengthening activities are being carried out on the basis of their existing capacities revealed by capacity assessment. These target groups have formed their apex body in MMHEP. Currently it is functioning to coordinate the affected communities and power developer. The affected communities have also formed their apex body in UMHEP. District Level Coordination Committees (DLCCs) represented by all key stakeholders have been formed in UMHEP and MMHEP. Both the DLCCs were much instrumental to implement SAGUN Hydropower Component activities at the field level. Participation of the affected communities in monitoring of the implementation of environmental management plan has just begun in MMHEP although formal mechanism has to be realized yet.

Though it was delayed for sometime due to insecure situation, situation analysis has been completed for Khimti I Hydropower Project. Subsequently after the situation analysis, work areas have been consolidated, coordination committee is formed implementing partner has been selected and program activities¹ have been finalized in the Khimti I. Despite some delay in program implementation, SAGUN team including implementing partners and the target communities have been found quite confident that the initiation taken by the program would certainly achieve the stated objectives of the Component. Following sections present the highlights of the reporting period whereas the achievement against goal, purpose and objectives is presented in Annex 3 and quantitative plan and progress of activities is presented in Annex6.

2.3.1. Startup / Support Activity

Program Staffing and Capacity Enhancement

The working issues related to SAGUN – Partnership for Hydropower Component is quite new and complex. Therefore, the component staffs also need training and capacity building to deliver quality inputs. For this all component staff received a 3-days training on ‘Do No Harm²’ and 4-days training on ‘Rights Based Approach³’. Similarly, ICBO participated in a 7-days international workshop on ‘Good Governance in Civil Society’ organized at Kathmandu and TL participated in a 5-days EIA training/workshop report preparers.

Completion of In-depth Situation Analysis

In-depth situation analysis for two sites (Upper Modi in Kaski which is still in pre-construction stage; Middle Marsyangdi, Lamjung which is under construction stage) was completed in the first year. Same study, which was left out in the first year due to delay in site selection, has been completed for Khimti-I, which is in the operation stage. Findings from the situation analysis indicates that there are ample opportunities enhance good governance in revenue sharing and mobilization even though Dolakha and Ramechhap DDCs were receiving such revenue for the last three years. The ongoing Jhankre Rural Electrification and Development Project (JREDP) in which cooperative concept has been introduced

¹ The size of the operation stage site – Khimti I was found relatively larger than assumed in the revised program implementation plan. It forced to revisit the program activities to cover the larger size being within the available resources. Such adjustments have been done and proposed in the third annual work plan.

² It is an approach that helps working in the conflict situation.

³ Both DNH and RBA training were provided mobilizing CARE's matching fund.

to operate and manage the Jhankre Plant is another strong area of achieving win-win partnership between power developer and the affected community.

Startup Workshop

A total of 56 participants including 5 women representing Dolakha and Ramechhap districts from the Khimti I project affected communities, CSOs, power developer, and DDCs attended startup workshop. This workshop was instrumental in developing common understanding about SAGUN program and its relevance to the field situation. Furthermore, it helped as a forum to share the program activities and receive feedbacks on the proposed activities. A coordination committee represented by CSOs from all 10 affected VDCs, power developer, JREDP, Khimti Rural Electrification Cooperative, and DDC Dolakha and Ramechhap was formed to facilitate implementation of SAGUN program.

Revisiting of M&E Plan

A one and half day M&E workshop was conducted to orient all component and partner staff on developing and internalizing an effective M&E system for the component. The workshop managed to revisit existing M&E plan and enriched by including few more indicators. All together 17 participants representing SAGUN and its implementing partners as well as USAID participated in the workshop. The workshop was instrumental in developing common understanding on regular data capturing and monitoring the changes due to implementation.

Selection of Local Implementing Partners and their Capacity Enhancement

Implementing partners have been selected in all three sites in consultation with the DLCC and CLCC. Coordination committees facilitated the partner selection process. The following are the 4 partners involved in the implementing program:

- Community Development Foundation, Kaski
- Committee for the Promotion of Public Awareness and Development Studies, Lamjung
- Middle Marshyangdi Coordination and Concern Committee, Lamjung
- Pahadi Swastha Karyakram, Dolakha



Photo 10 Endorsing session of General Assembly of Pahadi Swastha Karyakram, Dolakha; Seen on the background is their own office

After the selection, all the implementing partners received orientation on SAGUN-Partnership for Hydropower program. Further, partners' capacity in terms of good governance aspects has been assessed and they are provided capacity strengthening program. Below are the capacity strengthening activities provided to the partners besides regular coaching and support from SAGUN staff:

1. Role of civil society in good governance workshop / training
2. M&E workshop
3. *Sushasan Chhalphal* facilitator training
4. 'Do No Harm' training
5. Policy and provisions on hydropower development, environmental management and benefits sharing workshop
6. 'Rights Based Approach' training
7. ToT



Photo 11 Role -play during ToT, Lamjung

All the four implementing partners have designated / hired staff to run the program. A total of 3 women motivators (1 in UMHEP and 2 in MMHEP) have also been hired and fielded by the partners. The partners are expressing that their capacity has been substantially enhanced after their involvement in SAGUN program.

2.3.2 *Program Progress towards Objectives*

H1: System established and implemented among local key stakeholders for smooth implementation of environmental measures (social and natural) by (a) enhancing effective communication (b) strengthening capacity of stakeholders and (c) ensuring participatory monitoring.

As the expected result clearly spells out that the implementation of environmental measures to be strengthened by enhancing effective communication, strengthening capacity of stakeholders and ensuring participatory monitoring. Accordingly, the following interventions were designed and implemented:

a. Setup of coordination and communication forum / mechanism

An 8-member committee for UMHEP and 11-member committee for MMHEP have been formed with the objectives the following objectives:

- To support SAGUN-Partnership for Hydropower implementation process;
- To act as a common forum represented by all key stakeholders for sharing and discussing the issues and concerns associated with hydropower development.
- The committees are well represented by all principal stakeholders. Box 1 and 2 present the structure of the committees for UMHEP and MMHEP respectively.

<p style="text-align: center;">Box 1: District Level Coordination Committee, Kaski</p> <p>DDC Chairperson - Chairperson</p> <p><u>Members:</u></p> <ul style="list-style-type: none"> • Local Development Office • Representative, District Administration Office • Power Developer • NGOCC, Chairperson • Representative, Affected Area of UMHEP • Local Implementing Partner of SAGUN- Hydropower • Team Leader, SAGUN- Hydropower 	<p style="text-align: center;">Box 2: District Level Coordination Committee, Lamjung</p> <p>DDC Chairperson - Coordinator</p> <p><u>Members:</u></p> <ul style="list-style-type: none"> • Chief District Officer • Local Development Officer • Concerned Line Agency (s) – depending on the issues to be discussed • Power Developer • Environmental Monitoring Consultant • Four representatives from affected area of MMHEP • Team Leader, SAGUN- Hydropower <p>Regular Invitees</p> <ul style="list-style-type: none"> • Representative, Neighborhood Support Program • Representative, Concerned VDC/Town Development Committee • Local Implementing Partner(s) of SAGUN - Partnership for Hydropower
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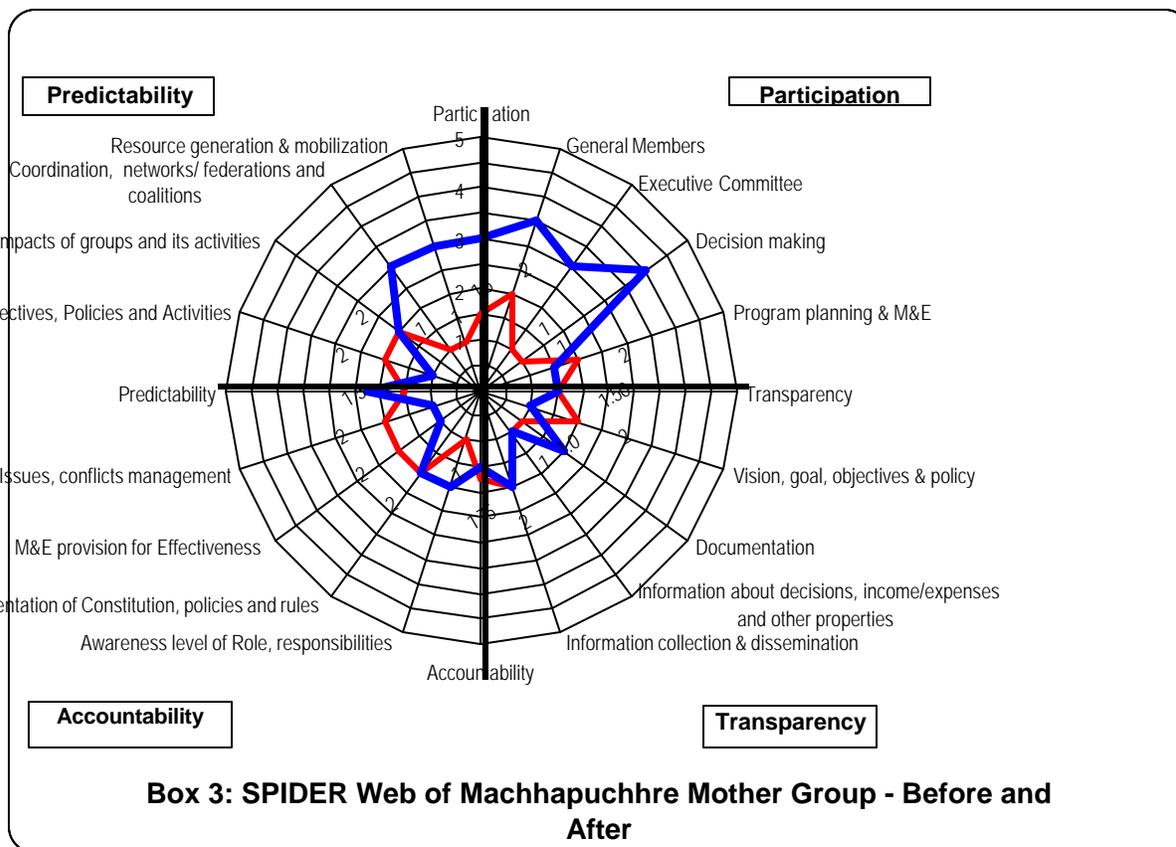
The coordination committees were instrumental in smooth implementation of SAGUN program as envisaged. The committee took the responsibility of selecting implementing partners, which demonstrated a transparent and participatory process in partner selection. It was also instrumental in organizing district level workshops. All together the committees held 5 meetings to develop good governance in Hydropower development. Annual progress review and planning workshops in each district participated by DLCC members as well as other line agencies and district level stakeholders were organized in Kaski and Lamjung districts. All together 74 participants participated in those review workshops. A 3-day training on the role of civil society on good governance was also organized for Kaski and Lamjung districts as a part of capacity building activity. All together 65 participants representing district and central level line agencies, affected communities, and other stakeholders participated in the training workshop and developed common understanding on the notion of good governance. The commitments made during the workshop and follow up of the progress on those commitments were found valuable for the internalization of good governance practices among the local NRM communities and the stakeholders concerned such as IPs, power developers and district line agencies.

The second objective of DLCC to act as a common forum for sharing and discussing the issues and concerns associated with hydropower development and environmental management aspects, has also been initiated in MMHEP. However, it could not happen in UMHEP due to the absence of power developer in DLCC meeting at the initial stage and ceasing of project activities at the later stage.

b. Communities' capacity enhancement through target groups

Building on the strengths of the existing target groups is the implementation strategy of the program in order to help them internalize good governance practices. A total of 45 target groups from UMHEP and MMHEP have been assessed using 'Spider Web Tool' to know their present capacity with respect to good governance practices. A total of 13 (10 female) Local Resource Persons (LRPs) were first trained for group assessment and were mobilized for assessing the target groups. Based on the findings of the capacity assessment various trainings were organized to the target groups.

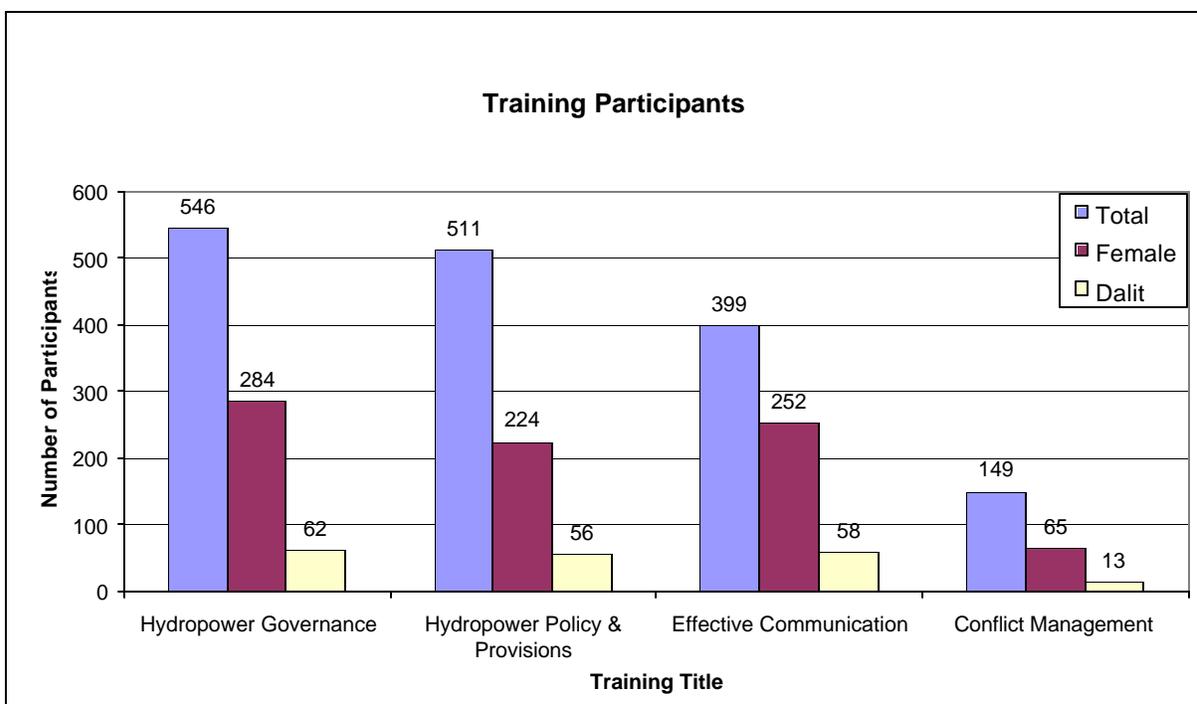
Capacity strengthening based on the participatory assessment of their present status was found very impressive to adopt the training inputs. Substantial improvements were observed in the target group functioning during reassessment of their good governance practices. Box 3 shows the changes in the SPIDER web of Machhapuchhre Mother Group, Kaski as an example. The faint line represents the benchmark status whereas the bold line represents the present status.



All together 788 persons (334 women and 82 Dalits) participated during capacity assessment thereby getting sensitized to their present status of internal governance. Table 3 and chart 1 show the various outputs of the communities' capacity strengthening training activities:

Table 3: Training participants with disaggregated figures

Training / Workshop topic	Total participants	Women	Dalits	Participants
Hydropower governance (3-day)	546	284	62	59 groups
Policy and provisions on hydropower development, environmental management and benefits sharing (2-day)	511	224	56	All target groups, ex-representatives of the local body, VDC secretaries
Conflict management (3-day)	149	65	13	52 groups
Effective communication (3-day)	399	252	58	43 groups
Community level review (1-day)	65	28	5	49 groups, VDC secretaries



Some effect level changes were observed as a result of the capacity strengthening activities (Table-4).

Table 4: Effect level changes in the target groups

Parameters	Benchmark (%)	Present status (%)
Women in executive committees of the mixed groups	14	19.4
Dalits in executive committees	10	10.9
Groups having their account audited	15	36
Groups holding general assembly meeting	28	49
Groups with "Ka" good governance using SPIDER web tool	4	11.32

c. Capacity enhancement of key stakeholders

Activity to support monitoring of the implementation of environmental management plan thereby contributing to good governance was planned under this heading. Capacity enhancement of the key stakeholders particularly DoED, MoWR, MoPE, MoLD and DDCs was envisaged and planned. Officials from DoED, MoPE and DDCs participated in good governance training workshop. Further, 4 participants (2 from MoLD and Local Development Officer from DDC Kaski and Lamjung) participated in a 7-days international workshop on good governance in civil society organized in Kathmandu.

d. Supplementary activities for impact mitigation

Few activities targeting the most vulnerable and marginalized people were planned under this theme. Those activities had the objective of reducing risks from getting suffered from negative impacts and helping the marginalized to come forward. Below are the outputs achieved:

- A tailor-made practical literacy course focusing on development, environment, and good governance (*Bikash Batabaran Sushasan Chalphal*) is being run in six centers (3 each in UMHEP

and MMHEP) participated by 172 participants (163 women and 97 *Dalits*). Those centers are being managed by center management committees and facilitated by local facilitators. Altogether 6 facilitators (4 women and 2 *Dalits*) received 8-days facilitator training.



Photos 12 Sushasan Chhalphal under progress

- A total of 50 participants those outside of any civil society groups (33 women and 33 *Dalits*) received 4-days leadership development training.
- Participants for the skill development training have been selected following a thorough and participatory process. Those selected will be receiving various skill development training ultimately contributing to upgrade their economic conditions.
- Four events of street drama focusing on HIV/AIDS dramatized at different locations of MMHEP affected area. Around 1,200 people watched the drama.



Photo 13 A glance of street drama

- A total of 178 women including 29 *Dalits* representing women groups and hotel entrepreneurs from MMHEP affected area received 3day training on health. It was particularly focused on HIV/AIDS awareness.
- All together 145 participants including 67 women and 25 *Dalits* representing the target groups and secondary school children from UMHEP affected area participated in HIV/AIDS orientation program.

e. Participatory implementation and monitoring of mitigation plan

Few breakthroughs have been observed in MMHEP to involve the affected communities in monitoring and implementation of environmental mitigation plan. The major intervening activities contributing to this breakthrough were monitoring visits from central level government authority and sharing of the provisions and present status of Environmental Management Action Plan (EMAP). For both of these activities action was expected from central level government authorities for monitoring and the power developer to share EMAP.



Photo 14 District level EMAP sharing workshop,



Photo 15 CDO assuring to invite affected community representative in compensation committee, Lamjung

However, monitoring from central level has yet to be materialized whereas EMAP sharing in MMHEP planned and agreed upon⁴ for the second quarter delayed due to long *Bandhs* and busy schedule of the power developer.

Finally the workshop, which was expected to be a milestone for initiating participatory implementation and monitoring of mitigation plan, could be organized on June 5 and 6 for MMHEP, but is yet to be organized for UMHEP⁵. All together, 35 participants (4 women and 1 *Dalit*) representing affected communities, power developer, district level line agencies (other than DLCC

Box 4: Issues raised by affected communities during EMAP sharing workshop, Lamjung:

1. Dumre to Besishar road damaged
2. Construction of the damaged stretch of Dumre – Benshisahar road at *Gaikhure*
3. Road to Shivalaya damaged
4. High speed of Project vehicles
5. Dust pollution due to earthed road
6. Labor not camped as committed in EIA
7. Compensation for died fruit trees just above the desanding basin
8. Irrigation facility for dried orange trees?
9. Sound pollution and house damage due to blasting
10. Wild animals (monkeys) creating problems to local people as their habitat has been disturbed
11. Civil Society Representative in Compensation Committee
12. Alternative source for dried water source due to the construction of tunnel
13. Alternative source of water due to the Well that went inside Phedikuna NEA Camp
14. Proper management of Garbage using dumping site
15. Alternative program for bee keeping, as it has been disturbed by dust?

⁴ It was agreed in the district level workshop captioned “Role of Civil Society in Good Governance” attended by DLCC members and other district level stakeholders. It was also agreed to facilitate from power developer side to initiate dialogue between the power developer, affected communities and other stakeholders.

members too), and other district level stakeholders participated in the workshop. The workshop was successful as planned to make a breakthrough. Box 4 presents the issues raised from the affected communities during the workshop and plan of action agreed.

Understandings were made to involve the affected communities in the implementation and monitoring of the mitigation plan. Clear-cut mechanism for complaint lodging and monitoring was discussed and agreed. It was agreed that the affected communities would also monitor the speed of the vehicle; water spraying on the dusty road and other problems faced from the project activities clearly citing the details as follows:

- Problem of drying water sources clearly mentioning the location of such problem observed;
- Vehicle number, date and time of high speed, and the location of observation;
- Location of dusty road without water spraying;
- All the information were agreed to be given from the affected communities to Resettlement and Rehabilitation Unit (RERU) of MMHEP with a copy to TAEC-NESS (the environmental monitoring consultant)

Following progress have been achieved⁶ as of the district level review workshop:

- Maintenance of damaged road stretch at *Gaikhure* completed
- Maintenance of trail road to *Shivalaya* Temple completed
- Watering (spraying) in the road has improved
- Speed of project vehicles controlled to some extent
- Waste management improved by throwing only in dumping site
- Chief District Officer issued a letter to include affected communities' representative into the compensation committee⁷
- Houses damaged due to blasting will be compensated as per decision of Compensation Committee after detail survey of the application

In this way the groundwork of involving the affected communities in the implementation and monitoring of mitigation plan is already on track in MMHEP. It will be matured more and an established system could be anticipated in the next year. Same kind of breakthrough is also expected in UMHEP site, but this needs resumption of the project activities.

H2: System established and implemented for revenues sharing and utilization in a rational / equitable way at DDC and VDCs levels ensuring environmental sustainability by (a) developing proper communication mechanism (b) ensuring transparency, accountability, participation (c) introducing strategic planning /programmatic approach, appropriate guidelines and (d) ensuring effective participatory monitoring.

⁵ Again the dialogue was going with UMHEP power developer to facilitate the workshop, but unfortunately the project activities were stopped due to some unavoidable circumstances leaving the workshop irrelevant at the time of project at halt.

⁶ Taken from the presentation made by the apex body of the target groups

⁷ As of the reporting date the representative had already participated in one meeting of the compensation committee.

In line with the expected result H1, this result anticipates that equitable sharing and proper utilization of the hydropower accrued revenue ensuring environmental sustainability thereby developing affected communities' ownership towards hydropower project and ultimately contributing to a win-win partnership. It also focuses on strengthening effective communication and capacity of stakeholders in order to ensure judicious distribution and proper utilization of the revenue. Accordingly, the interventions were designed and implemented. In this respect, the activities implemented and performance monitored presented in line with the interventions.

a. Setup of coordination and communication forum/mechanism

In Khimti-I, one 15-member coordination committee represented by all concerned stakeholders has been brought on board. This committee has been formed in view of the complexity of the site having two districts and 10 affected VDCs where the 2 DDCs have been receiving the revenue from hydropower development. It is expected that this committee will provide impetus to address the issue of rational distribution of the revenue to the affected VDCs. The proposed workshop on the revenue utilization issue is yet to be organized the coordination committee is already in action holding 3 meetings. It had been involved actively in finalizing the program implementation modality, selection of partners and Local Resource Persons (LRPs).

b. Capacity enhancement for DDC/affected VDCs/CSOs

For the second year of program implementation activities under expected result H2 were planned only for Khimti I project site. As mentioned above, program implementation in this site was delayed right from the first year. Therefore, many activities could not be implemented according to the schedule. Recently all preliminary works such as identification of target groups, conduction of startup workshop, formation of coordination committee and its mobilization, finalization of the modality of program implementation have been completed. To enhance understanding on good governance, a 4-day training was organized in the Project site in which 22 participants including 5 women participated.

c. Increase communities' awareness and participation in sharing and proper utilization of revenues

Activities under this intervention could not be implemented due to the same reasons discussed in section b.

H3: *Lessons learned and best practices documented and disseminated for replication, including demonstrated relationships to current hydropower and associated environment and social development paradigms, and methodologies, and highlighting issues arising especially of policy relevance.*

This result focuses on documentation and proper utilization of learning. Following the concern raised by USAID on the sensitiveness of the issues to be studied (either through students' thesis/field studies or by conducting case studies) much attention was given to have an institutionalized way of operationalizing these activities. For this operational modality has been finalized, coordination forum at the component level brought on board, linkages with academic institutions have been established.

Following are the specific outputs under this expected result:

- Received draft version of outreach material – one print material on policy and provisions of hydropower development, environmental management and benefits sharing, and other documentary showing the dynamics of hydropower development its positive and adverse impact and the actions to mitigate the adverse impacts.
- Component level coordination committee (CLCC) represented by DoED, MoWR, MoPE, MoLD, MoFSC, and SAGUN-Hydropower Team Leader formed. During the reporting period, the committee held 3 meetings facilitating the implementation process. The CLCC will be

working as a final decision making body to finalize the topics for case studies and students' thesis/field studies and the proposals for such studies. With this it is expected that the outcomes from the studies will be canalized for policy level changes or it will be replicated depending upon the importance of the findings. Further, with the involvement of government line agencies in the decision making process for selecting the topic of study, site for the study and methodology to be followed risk of handling the sensitive issue could be expected to be minimized.

- All together 8 proposals for students' thesis/field studies and 1 proposal for case study have been received from various institutions ⁸.
- Study on information needs of the different stakeholders have been completed for UMHEP and MMHEP.
- A 2-day central level workshop was organized on the topic "Hydropower Development in Nepal: Opportunity and Challenges". The workshop was participated by 38 participants representing various central level stakeholders and four program DDCs.
- One paper focusing on the benefits of community inclusion to develop 'win-win' partnerships was presented in an EIA training/workshop organized by MoPE and SchEMS.
- Meetings with power developers and other stakeholders like the private sector hydropower development project under SO4 initiated during year-1 were continued in the year-2.
- A half-day talk program was organized to share the concept, approach, issues, and learning of SAGUN-Hydropower. Altogether, 20 participants representing various central level government officials beyond the SAGUN point person and SO4 team participated in the talk program.



Photo 16 Talk program under progress

2.3.3 *Lessons Learned*

Many lessons have been learned during the course of implementing this very new initiative of piloting a win-win partnership. Some of the major learnings are presented below:

“Established process with strategic vision helps establishing good governance”

Making breakthrough on good governance practices at the community level and at the upper level was a challenge of the program. How to make every individual involved in training/workshop accountable towards his or her respective groups or organization was a big challenge to the program team. The team decided to make every training and workshop as an action-learning event from where something

⁸ As of the reporting date, CLCC decided to accept 4 proposals out of 8 on students' thesis/studies and provided comments on the case study proposal. Further meeting with those students and faculty members have also been held to move ahead.

can be learned but much will be learned if shared with other and brought into practice. To operationalize this hypothesis making declarations and developing plan of action of every individual or organization before concluding the training or workshop event was the process followed. Such action oriented training/workshop and strong follow-up of the plan of action really helped initializing good governance practices.

“Communication and coordination forums bring positive changes and removes mistrusts”

At the initial stages of training/workshops participated by communities, line agencies and other stakeholders the forum was taken as an opportunities to blame each other for the negative consequences. As such, the initial workshops were not much productive. Now, because of governance, they started to behave quite gently and take participation very actively in a positive way.

Participants started to raise issues of their concern by taking forums as opportunities. For example, issues on implementation of mitigation plan, coordinated impact monitoring, coordination between the district level government line agencies and the power developer, presence of affected communities’ representative in the compensation committee, taking some role of MoPE by DDC in the absence of MoPE at district level, etc. and already resulted solution to some extent. This helped a lot in smooth implementation of the project in negotiation and common understanding reducing conflicts.

Power developers are taking environmental impact management measures, which are being monitored from the developer side in MMHEP. Involvement of affected communities in monitoring like - watering the road, controlling the speed of project vehicles, etc. helped reducing tussle between the developer and the local communities. Now, particularly in MMHEP both the power developer and the local communities repeatedly mentioning the previous relationship of 36 had been turned in to 63⁹ gesturing that the two parties were in back to back situation and now are turned face to face. Hence, these forums supported a lot in removing different understanding among all stakeholders and building more trust on each other. Below are few more examples appropriate to put here:

- One of the major issues of conflict between the power developer and the local communities is regarding the employment in the Hydropower development project. The Component conducted series of meetings and workshops with the stakeholders to share the contents of the EMAP. In MMHEP, it was found that the employment of the local community, one of the hot issues in the Project, was 45% compared to the provision of 15% in the EMAP. Representatives of the affected communities expressed their opinion that the case would not have been so complicated had they known about the provisions earlier.
- Because of this information and other sharing like the long-term potential benefits through hydropower accrued revenue brought positive changes such as better common understanding about Hydropower development in the local communities.
- Reviewing the program completed by all the target groups in one forum provided opportunity through positive competition besides giving an opportunity to exchange experiences.

⁹ If written in Nepali number 36 and 63 represents the situation of back to back and face to face 36 - 63

2.3.4 *Thematic*

The More the Participatory and transparent process followed, the more accountability and lesser disputes

*Jivan KC, ICBO
Ram Bhandari, TL*

SAGUN - Partnership for Hydropower component is adopting participatory and transparent process to increase accountability of all stakeholders involved in the program. Even though, participatory process takes more time and efforts this will certainly produce a good result.

Timeline and activity presented below is an example of partner selection process undertaken at Kaski, one of the program areas of the component. This presentation shows the efforts and time spent for the process and results achieved thereby.

Date and activity	Remarks
30 November, 2003 Target groups meeting	<ul style="list-style-type: none"> ● 17 representative from target groups participated in the meeting ● The meeting selected one representative from target groups for District Level Coordination Committee (DLCC)
8 December, 2003 Meeting at district level, Pokhara	<ul style="list-style-type: none"> ● DLCC formed <ul style="list-style-type: none"> ○ Chair: DDC chairperson ○ Members: Representative of CDO, target group & SAGUN, LDO, NGOCC, Power Developer and SAGUN's partner NGO ● The very first meeting of DLCC constituted a task force team for partner selection. The 3-member task force was representing three key actors – civil society (district level NGO coordination committee and affected community representative), government line agency (District Administration Office and DDC), and SAGUN. Below is the task force team: <ul style="list-style-type: none"> ○ Officer level representative from DDC ○ NGOCC chairperson from civil society ○ ICBO from SAGUN
9 December, 2003 Partner selection task force team meeting, Pokhara	<ul style="list-style-type: none"> ● Partner selection process finalized by the task force ● Decided to publish public notice on local newspapers ● Decided Information and Documentation centre of DDC Kaski as a contact office for the selection process.
10 - 24 December, 2003 Concept paper collection from interested local NGOs, DDC Kaski	<ul style="list-style-type: none"> ● 10 concept paper received

Date and activity	Remarks
<p>25 December, 2003</p> <p>Partner selection task force team meeting, Pokhara</p>	<ul style="list-style-type: none"> Reviewed, analyzed and evaluated received concept papers based on already agreed rating criteria Decided to visit potential organization for verification
<p>27 December, 2003</p> <p>Meeting with Community Development Foundation (CDF one aspirant NGO of Kaski) which was the top scorer</p>	<ul style="list-style-type: none"> Verification of data and information provided on concept proposal Consensus on program implementation
<p>27 December, 2003</p> <p>Partner selection task force team meeting, Pokhara</p>	<ul style="list-style-type: none"> Selected CDF as a partner organization Informed DLCC about the decision Notified the result to all aspirant organizations who submitted concept proposal
<p>28 - 30 December, 2003</p> <p>Orientation to partner organization, CDF Office Pokhara</p>	<ul style="list-style-type: none"> Introduced SAGUN program and CDF each other Assessed capacity of CDF Signed agreement with CDF for partnership
<p>17 January, 2004</p> <p>Orientation program from partner at Nayapul, Kaski</p>	<ul style="list-style-type: none"> 16 representative from target groups participated Dispute from some of the participants about the partner selected Disrupted the planned program, so postponed Some of the dissatisfied participants (an appeal signed by 9 persons) appealed to DLCC and SAGUN about their dissatisfaction on partner selection Appeal was for reviewing the partner selection process and demanding partners from within the target groups
<p>22 January, 2004</p> <p>Meeting with appealing group</p>	<ul style="list-style-type: none"> A meeting with the appealing group was held in the presence of NGOCC chairperson, DLCC member representing target group, 5 persons from appealing groups and SAGUN staff. Appealing group presented and submitted their concept to the meeting NGOCC chairperson and DLCC member representing target group strongly clarified the partner selection process mentioning that the process followed was fair and transparent. They took full accountability of that process. They also made clear that target groups are seen less capable of implementing program activity in comparison of CDF. SAGUN staff made clear about the implementation process of SAGUN program which was similar to their concept. <p>Dispute was resolved and following decision were made:</p> <ul style="list-style-type: none"> Consensus on selected partner Maximum utilization of local resources Finalized 24 January for previously postponed orientation program for which the appealing group will communicate with the target group regarding the new schedule of the postponed program.
<p>24 January, 2004</p> <p>Orientation program from partner at Nayapul</p>	<ul style="list-style-type: none"> Program successfully completed

With the above matrix it was concluded that the process was lengthy and time as well as resource consuming. All the participants participating to DLCC and the partner selection task force team members provided their time and efforts. Ultimately, the very strong and impeding dispute resolved

within a very short period of time. Interestingly, those dissatisfied persons took responsibility of communicating the participants, as there was very little time left. Till the date of this write up the program is smoothly implemented with the full support and participation of the target group.

2.3.5 *Major Issues and challenges*

After the field implementation of program activities and with the observation of preliminary changes occurred till date the working issue of SAGUN-Partnership for Hydropower component is quite sensitive but result oriented. All the affected communities from different stages of hydroelectric project (pre-construction to operation stage) were found with the opinion that such program should have come earlier not only for the betterment of those communities but also for the project i.e. would have good relationships with power developer and both the parties benefited more. It shows that the program is well accepted by the target communities. Still, it is not free of some issues and challenges. The following are major issues and challenges, which the program has to bear with:

- ***Absence of elected local bodies:*** Absence of people's representatives in the local bodies (DDCs and VDCs) is a major challenge for achieving the expected result 2 (H2) as it is directly related to these bodies. Further, speedy breakthrough to develop a harmonious relationship between the power developer and the affected communities would have been resulted under expected result 1 (H1) were the local bodies in place.
- ***Operating situation and mobility issue:*** Frequent *Bandhs* and blockades have substantially hampered in achieving the set targets.
- ***Power developer's preference and communities' expectations:*** Power developer prefers more to move faster rather than listening the communities concerns. Particularly UMHEP developer's preference is more on avoiding the consultation process. It could be because of the very early stage of project mobilization, but is yet to realize the benefits of more consultative and participatory process. On the other hand, the communities' expectations although on decreasing trend are more towards hardware support and readymade solutions to their problems from SAGUN.
- ***Absence of government authorities having direct mandate and expertise on hydropower development and environmental management:*** Though the District Administration Office and DDC are heavily involved to address the issues and problems encountered by either the power developer or the affected communities there is a big gap on the understanding of the problem and handling that. There are no established linkages with DoED / MoWR and MoPE of these district level offices to address the issues.
- ***Coordinated action a time consuming process:*** Having the objectives of building upon the ongoing efforts more consultation and coordinated actions are needed. Such coordinated actions are too much time consuming ultimately making difficult to achieve the set physical targets.
- ***Differing expectations:*** Both Upper Modi and Middle Marsyangdi project activities have been stopped due to unknown but much sensitive reasons. Both the projects were expecting from SAGUN to address such deadlocks by which the project works will resume. Local communities' initiations on their own could be expected but there are no activities and mandate of SAGUN to work on that issue.

However, the component team will work with the acknowledgement of the above-mentioned issues and challenges. The team will put their best effort to overcome these challenges by working closely with local communities, maintaining low profiles to the program in the field areas, developing cordial relationships with the government counterparts and power developers and making continuous efforts to develop common understanding. Those left over activities of the year-2 have been adjusted in the third year work plan as per their relevance.

PART – II: PROGRAM IMPLEMENTED BY HMG/N COUNTERPARTS

Some activities of SAGUN Program such as CFUG formation; support to CFUG to prepare their FOPs and constitutions; renew of expired FOPs; hand-over of Community forests; workshops and seminar on CF and BZ forest management; CF extension; Forest nursery operations and seedling production; IGAs and study tours were conducted by DoF and DNPWC through DFOs and Park Offices. Similarly, the DoI has conducted various Water User's capacity building and water management training for the WUAs. Most of these activities were conducted by the Government Counterparts concerned in a coordinated manner with the TA parts. The progresses achieved by the Government counterparts for the reporting period are as follows:

(A) Progress achieved by Department of Forest and Department of National Parks and Wildlife Conservation

Program: SAGUN (District Forest Office, Banke, Bardia, Kailali and Dhading districts)

FY: 2003/4

S.N.	Program	Plan	Progress
1.1	CFUG Program		
1.1.1	Users Group Formation (no.)	33	36
1.1.2	FOP Preparation and Forest Hand over (no.)	38	38
1.1.3	Renew of FOP (no.)	61	47
1.2	Training		
1.2.1	CF management training (UG) (events)	3	2
1.2.2	CFUG management training (UG) (events)	1	1
1.2.4	CF management and inventory training (events)	3	3
1.2.7	Accounting and Recording Keeping (UG)	1	1
1.2.10	NTFP collection and utilization training (events)	1	1
1.2.12	Private nursery management training (events)	2	2
1.2.13	Private forest management training (events)	1	1
1.2.14	Computer training (staff)	4	4
1.3	Workshop/seminar		
1.3.1	Range Post Level Planning workshop	8	4
1.3.2	District Level Planning workshop	4	3
1.3.3	DDC/VDC representatives (events)	4	2
1.4	Extension activities		
1.4.1	World Environment Day	4	4
1.4.3	UG evaluation and awards	3	3
1.4.4	Demonstration plots (UG) (numbers)	3	3
1.4.5	Production and distribution of extension materials (no.)	4	4
1.4.6	Essay Competition (events)	2	1
1.4.7	Forest Day Celebration (events)	3	3
1.5	Study tour		
1.5.1	CFUG study tour (outside district) (events)	3	3
1.5.3	Cross visits within district (events)	1	1
1.6	Nursery maintenance and seedling production		
1.6.1	Nursery maintenance (no.)	7	8
1.6.2	Seedling production (thousands) (no.)	240	238.92
1.6.3	NTFP seedling production and distribution (thousands) (no.)	70	70
1.6.4	Seedling productions supports to CFUGs (groups)	9	8
1.6.5	Plantation (ha)	50	60

S.N.	Program	Units	Plan	Progress
1	Community Forest Management			
1.1	Nursery Operation	No	4	4
1.2	Seedling Production and distribution	No	125,000	75,000
1.3	Plantation	Ha.	20	0
1.4	BZ FOPs Preparation and Handover	No	20	13
1.5	Forest Management Training	Person	30	30
2	Income Generating Activities			
2.1	Support to BZCFUGs for Poultry farming (Including Training and Chicks distribution)	UGs	5	5
3	Community Development			
3.1	Drinking Water Schemes	Places	1	1
3.2	Construction of Wooden Bridge	No	1	1
3.3	Maintenance of Wooden Bridge	No	4	4
3.4	Installation of Bio-Gas Plant	No	20	2
3.5	Camp Site Maintenance	No	2	2
4	Religious Places Conservation and Renovation			
4.1	Monastery	No	2	2
4.2	Temple	No	1	1

(B) Progress achieved by Department of Irrigation

Training activities to be completed by DOI

S.N.	Activities	Target Group	Unit	Total	SAGUN-TA	SAGUN-DOI	Completed by DOI by the end of FY 60/61	Remaining to be done by DOI	DOI Proposal for FY 61/62	Unit Cost (Rs.)	Cost (Rs.)
I-1	Strengthened WUAs with enhanced organizational, managerial, technical and governance capacities, to ensure sustainability of irrigation canal systems and the groups' own sustainability.										
I-1.1	Capacity Building Trainings:										
I-1.1	Governance Capability Development										
I-1.1.1	Governance training to WUA - 25 p/event, (3days)	MCC/ BCC/ minor members	Event	73	59	14	0	14	10	50,000	500,000
I-1.1.11	Specialized training on governance	MCC	Event	2	0	2	0	2			
I-1.1.12	Refresher training on governance	MCC	Event	2	0	2	0	2			
I-1.2	Technical Capability Development										
	Water management training,										
I-1.2.2	Canal maintenance plan development training for MC and BC	MCC/ BCC/ IDO	Event	18	0	18	9	9	5	160,000	800,000
I-1.2.12	ISF/MF administration and application action training to MC and BC/minors (MC/BC: CP, TR and ST) (3days), 25 p/event	MCC, BCC and TCC	Event	102	88	14	12	2	2	50,000	100,000
I-1.2.14	System rehabilitation, improvement and modernization		Event	14	0	14	0	14	8	50,000	400,000
I-1.2.15	Specialized training on water management		Event	2	0	2	0	2			

S.N.	Activities	Target Group	Unit	Total	SAGUN-TA	SAGUN-DOI	Completed by DOI by the end of FY 60/61	Remaining to be done by DOI	DOI Proposal for FY 61/62	Unit Cost (Rs.)	Cost (Rs.)
I-1.2.16	Refresher training on canal operation and maintenance		Event	2	0	2	0	2	2	100,000	200,000
I-1.3	<u>Management Capability Development</u>										
I-1.3.5	On-farm water management practices		Package	2	0	2	0	2			
I-1.3.6	Advanced water management at field level		Event	14	0	14	0	14	2	50,000	100,000
I-1.3.7	Specialized training on management		Event	2	0	2	0	2			
I-4	Financial accountability and watchdog functions of WUAs strengthened, to (a) monitor service delivery by government and (b) monitor benefit-and revenue-sharing among the groups, in their communities and local elected bodies (VDCs and DDCs)										
I-4.4	Refresher training on office management and record keeping	MCC	Event	2	0	2	2	0			
	Total								29		2,100,000

3. Financial status

In this fiscal year, overall expenditure of SAGUN Program comes out to be 34.44%. The direct cost and personnel cost was about 43.02% and 51.24% respectively. The overall expenditure incurred in the SAGUN Program activities was 31.97%. The reasons for low financial progress compared to time elapsed are as follows:

- Current operating environment hampered implementation of several activities in the field, which resulted in less expenditure.
- Procurement of goods such as LCD, Laptop for hydropower component could not be completed this year.

The details of the financial expenditure is given in the following table:

**EXPENSES REPORT OF SAGUN PROJECT
USAID/GRANT # 367-A-00-03-00018-00**

FY : 2003

STARTING DATE : 18 NOVEMBER 2002

ENDING DATE : 30 SEPTEMBER 2006

COMPONENT : ALL COMPONENT (FORESTRY/IRRIGATION/HYDROPOWER)

PROJECT # : NPL 040

FUND CODE : NP 14701/14702/14703(USAID/N)

S.N.	DESCRIPTION	TOTAL BUDGET US\$	EXPENSES AS OF JUNE'04	EXPENSES OF JULY'04 TO SEPT'04	EXPENSES AS OF SEPT'04	BUDGET BALANCE AS OF SEPT'04	% SPENT
1	Staff Cost:						
	Salaries & Benefits:						
	a. National	1,418,534	601,539	141,752	743,292	675,242	52.40%
	b. International	74,073	19,198	2,358	21,557	52,516	29.10%
	Sub-Total of Staff Cost	1,492,607	620,738	144,111	764,848	727,758	51.24%
2	Support Cost (CO)	202,260	41,150	22,263	63,414	138,846	31.35%
3	Other Direct Costs:	233,432	101,123	12,980	114,103	119,329	48.88%
4	Procurement Costs	78,506	43,525	181	43,706	34,800	55.67%
	Sub-Total of Direct Costs (2, 3 & 4)	514,198	185,799	35,424	221,223	292,975	43.02%
5	Activities Costs						
	a) CARE	1,008,867	217,831	47,283	265,114	743,753	26.28%
	b) RITI	846,965	149,345	124,257	273,602	573,363	32.30%
	c) RIMS-Nepal	155,206	53,429	5,122	58,551	96,655	37.72%
	d) WWF	211,272	113,285	0	113,285	97,987	53.62%
	Sub-Total of Activities Costs	2,222,310	533,890	176,662	710,552	1,511,758	31.97%
6	Operation Costs of Sub-Grantees:						
	a. RITI	530,728	165,188	0	165,188	365,540	31.12%
	b. RIMS	244,789	64,870	11,623	76,493	168,296	31.25%
	c. WWF	188,728	56,358	0	56,358	132,370	29.86%
	Sub-Total of Sub-Grantees Costs	964,245	286,416	11,623	298,039	666,206	30.91%
	TOTAL	5,193,360	1,626,843	367,820	1,994,663	3,198,696	38.41%
7	Indirect Costs Recovery (7.83% of Total USAID FUND)	406,640	144,464	11,718	156,182	250,458	38.41%
	TOTAL	5,600,000	1,771,306	379,538	2,150,845	3,449,155	38.41%
	Matching Fund	1,465,878	281,637	1,013	282,650	1,183,228	19.28%
	GRAND TOTAL	7,065,878	2,052,943	380,552	2,433,495	4,632,382	34.44%