

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

ANNUAL PERFORMANCE REPORT

October 2004 - September 2005



▲ Public Hearing and Public Auditing held in *Janashrit* CFUG, Naubasta, Banke



▲ Good governance in Operation and Maintenance Training for Department of Irrigation Staff

People's Participation in SAGUN Program



▲ District level hydropower generated revenue sharing workshop, Manthali, Ramechhap

SUBMITTED TO:

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TABLE OF CONTENTS

TABLE OF CONTENTS	i
LIST OF ABBREVIATIONS	ii
EXECUTIVE SUMMARY	vi
PROGRESS AGAINST USAID SO7 INDICATORS	xi
1. INTRODUCTION	1
1.1 Vision	1
1.2 Overall Objective	1
1.3 Specific Objectives	2
1.4 Target Audience	2
2. PROGRAM PROGRESS	2
PART I – TECHNICAL ASSISTANCE	3
2.1 Forestry and Buffer Zone Component	3
2.1.1 Program Progress towards Objectives	4
2.1.2 Policies and Implications	28
2.1.3 Thematic.....	30
2.1.4 Major Issues and Challenges.....	32
2.1.5 Prospect for Next Year.....	32
2.1.6 Visitors	34
2.2 Irrigation Component	35
2.2.1 Program Progress towards Objectives	35
2.2.2 Major Issues and Challenges.....	49
2.2.3 Lessons Learned and Best Practices	51
2.2.4 Thematic.....	53
2.2.5 Prospect for Next Year.....	55
2.2.6 Visitors	55
2.3 Partnership for Hydropower Component	56
2.3.1 Start up / Support / Phase Over Activity	56
2.3.2 Program Progress Towards Objectives	58
2.3.3 Lessons Learned.....	68
2.3.4 Thematic.....	70
2.3.5 Major Issues and Challenges	73
2.3.6 Visitors	73
2.4 Policy Analysis	74
PART II – PROGRAM IMPLEMENTED BY HMG/N COUNTERPARTS	75
3. FINANCIAL STATUS	78

Annexes

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
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
CFMC	Collaborative Forest Management Committee
CFMG	Collaborative Forest Management Group
Cft.	Cubic feet
CFUG	Community Forestry User Group
CIK	Contribution in Kind
CIS	Chandra Irrigation System
CLCC	Cluster Level Coordination Committee
CM	Community Mobilizer
CMA	Community Medical Assistant
CMWF	Canal Management Work Force
COP	Canal Operational Plan
CoP	Chief of Party
CSO	Civil Society Organization
CTO	Cognizant Technical Officer
DADC	District Agriculture Development Committee
DADO	District Agriculture Development Office
DAG	Disadvantaged Group
DAO	District Administration Office
DDC	District Development Committee
DFCC	District Forest Coordination 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 Parks and Wildlife Conservation
DoED	Department of Electricity Development
DoF	Department of Forest
DoI	Department of Irrigation

DPHO	District Public Health Office
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
GDP	Gross Domestic Product
GLC	Governance Literacy Class
GNP	Gross National Product
GSM	Gender Social Mobilizer
Ha	Hectare
HIMAWANTI	Himalayan Grassroots Women's Natural Resource Management Association
HIS-E	Hardinath Irrigation System-East
HIS-W	Hardinath Irrigation System-West
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HMG/N	His Majesty's Government of Nepal
IAAS	Institute of Agriculture and Animal Science
ICBO	Institution and Capacity Building Officer
ICD	Integrated Conservation and Development
ICDO	Institution and Community Development Officer
IDO	Irrigation Division Office
IDP	Internally Displaced People
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
KENCS	Kalika Environment and Nature Conservation Society
KG	Kilogram
KgIS	Khageri Irrigation System
KHEP	Khimti Hydroelectric Project
KM	Kilometer
KTM	Kathmandu
KU	Kathmandu University
LDO	Local Development Officer
LRP	Local Resource Person
LSGA	Local Self Governance Act
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
MIS-II	Manusmara Irrigation System-II
MMHEP	Middle Marsyangdi Hydro-electric Project
MoEST	Ministry of Environment, Science and Technology
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
PAC	Policy Advocacy Campaign
PHPA	Public Hearing and Public Auditing
PIC	Program Implementation Committee
PKIS	Panchakanya Irrigation System
PM&E	Participatory Monitoring and Evaluation
PPIS	Piparpati Parsauni Irrigation System
PRA	Participatory Rural Appraisal
PtIS	Patharaiya Irrigation System
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 Management Society-Nepal
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
SCO	Saving and Credit Organization
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
WAF	Women Advocacy Forum
WGIS	West Gandak Irrigation System
WM	Women Motivator
WSG	Women Sensitization Group
WUA	Water Users Association
WWF	World Wildlife Fund

EXECUTIVE SUMMARY

Strengthened Actions for Governance in Utilization of Natural Resources (SAGUN) Program has been in operation in Nepal since November 2002 in 18 districts. The Program consists of four components viz. Forestry and Buffer Zone; Irrigation; Partnership for Hydropower and Policy Advocacy Campaign (PAC). CARE Nepal is the prime recipient while RIMS Nepal, RITI Consultancy, WWF Nepal and Federation of Community Forest Users, Nepal (FECOFUN) are the sub-grantee partners of the Program. CARE Nepal implements Community Forestry and Buffer Zone Program in 3 Terai districts viz. Banke, Bardia and Kailali. RIMS Nepal and WWF Nepal implement community forestry and buffer zone activities in Dhading, Dolpa and part of Mugu districts respectively. FECOFUN implements PAC Program in community forestry in 24 districts including current 18 districts covered by SAGUN Program and CARE Nepal implements PAC Program in Water User Associations (WUA), Saving and Credit Organizations (SCO) and Women Advocacy Forums (WAF) in seven districts.

Irrigation program is implemented by RITI in 9 Terai districts namely Saptari, Siraha, Dhanusha, Sarlahi, Chitwan, Nawalparasi, Kapilvastu, Kailali and Kanchanpur. Similarly, Partnership for Hydropower is also directly implemented by CARE Nepal in 4 Middle hill districts Ramechhap, Dolakha, Lamjung and Kaski.

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.”

This Annual Performance Report covers the period from October 2004 to September 2005. The report has been prepared reflecting the achievements, progresses, major lessons learned and challenges in Year 3. As the Program will enter into the final year, an exit strategy has already been implemented in consent with the USAID. The strategy highlights the major achievements of three years and proposes different strategies to be adopted in the final year based on different scenarios. Performance status of the USAID SO7 indicators has been separately included in the report. The major achievements of the three components have been summarized below:

Forestry and Buffer Zone Component:

1. In this reporting period, a total of 20,207 metric tons of **biomass** was harvested against the target of 13,752 metric tons. This is the combined quantity of 910 mt of timber, 1158.8 mt of poles, 8796.9 mt of fuelwood, 54.5 mt of NTFP and others (fodder/grass/thatch) 9,286.8 mt. This contributes to SO7 indicator **IR 5.1.1**.
2. Numerous trainings were provided to the CFUG members on simple forest inventory and management. Besides, orientation programs on the provisions in the FOPs, active forest management and various other governance capacity enhancement programs, the CFUGs have been more actively involved in community forest management. As a result, the area under **active forest management** has also reached to 16,956 ha against the target of 12,678 ha. This contributes to the **SO7-IR 5.1.1.1**.
3. There is overwhelming increase in the number of UGs conducting **Public Hearing and Public Auditing** (PHPA). A total of 245 Users Groups (UG) conducted PHPA this year against the target of 80, compared to only 101 groups in the last fiscal year. While PHPA has been instrumental to ensure transparency and accountability of the executive committees, it is also helpful to increase the participation of women, poor and *Dalits* for more inclusive decision making process in the UGs. It has also helped to recover the misused funds by the general or executive members of the

UGs. In this reporting period, a total of Rs. 303,685 was recovered and another Rs. 1,633,768 was committed for recovery.

4. The participation of women, *Dalits* and poor in the capacity building activities remained 51%, 19% and 34%. With the implementation of various capacity enhancement activities, the **representation of women, Dalits and poor** in the executive committees is continuously on the rise. For example, women's representation in the executive committees has increased from 38% in the base year to 44.2% in the current year. Representation of *Dalits* and poor increased to 8.6% and 22.4% respectively from 8.3% and 21% in the last fiscal year. As a result of this increased representation, the women, poor and *Dalits* have been gradually able to influence the decision making process.
5. The Program facilitated in identification of the poor users through **Participatory Well Being Ranking (PWBR)** conducted in 591 CFUGs. The process of PWBR has been valuable in making user groups accountable to the poor households. As a result more than 327 CFUGs have provided support to the poor forest users for income generation activities, child education and subsidized forest products. Further, 231 CFUGs have provided employment opportunity to 334 poor users in various positions.
6. Inadequate access of the users to NRM services has remained a vital issue. SAGUN has mobilized 105 **Local Resource Persons (LRP)** to fill this gap more effectively. These LRPs have been very much effective, particularly in the conflict situation, to reach large number of user groups through awareness and orientation programs. The services of LRPs have been gradually expanding to other organizations as well. This year 31 organizations used the services of these LRPs paying a sum of Rs. 4,28,726 which turns out to be around 30% of the total remuneration received by them. This has created a good opportunity for local employment generation.
7. A total of 449 CFUGs/BZUGs **audited** their accounts against the target of 353 CFUGs/BZUGs. Among them, 190 UGs audited through registered auditors, 245 UGs got audited their accounts through PHPA, 133 UGs audited through registered auditors and PHPA and 418 UGs internally audited their accounts through general assemblies. This contributes to **SO7 IR-5.1.2.1**.
8. A total of 595 CFUGs/BZUGs conducted their **general assemblies (GAs)** against the target of 530 UGs. Of them, 391 UGs conducted GAs once a year and 204 UGs conducted them more than once making a total of 855 GAs. This contributes to **SO7 IR-5.1.2.3**.
9. **Lessons learned and best practices** have been documented through research and case studies. Further, communication and extension materials such as article in HIMAL magazine, poster on good governance in NRM and booklet on achievements and lessons learned by SAGUN Program have been produced for wider dissemination. An interaction workshop on good governance was organized jointly by SAGUN Program and Institute of Forestry (IoF) to disseminate the learning of SAGUN Program. Besides, guest lecture has also been arranged at IoF. This has opened up good opportunity for incorporating governance in IoF curricula.

Irrigation Component:

10. Increasing trend of irrigation service fee has been observed in the WUAs. A total of Rs. 1,571,051 (91% of the target) **Irrigation Service Fee** has been collected in this period against the target of Rs. 1,728,000. This amount is more than Rs. 83,000 than the last year. Women Sensitization Groups and GSMs have been conducting awareness campaigns for more ISF collection in the Irrigation systems. The role of the WUAs has been more instrumental in ISF collection in this fiscal year, which will definitely help to institutionalize the ISF collection process. This contributes to the USAID SO7 indicator **IR 5.1.2**.

11. WUAs cleaned a total of 866 km. of tertiary canals and prepared 340 km. field channel mobilizing 92,818 person days of labor worth Rs. 9,281, 800. This substantial amount of cleaning facilitated provision of more water to the agricultural fields. Eventually, this resulted in the **irrigated area** of 38,700 ha (97% of the target) in monsoon and 21,600 ha (108% of the target) in winter.
12. **Women's representation** in the WUAs has increased from 17% in the last year to 19% at present. At the MCC, BCC and TCC the representation is 15%, 30% and 18% respectively. WUAs have been gradually making efforts to institutionalize women's representation in the decision making bodies. For instance, Panchakanya, Khageri, Manusmara-II, Hardinath West, Piparpati and Pathraiya irrigation systems have amended constitutions for increased women's participation. Further, percentage of women holding key positions in the WUAs has also increased to 11% from 9% in the last year.
13. SAGUN Irrigation Component has been providing financial management training to the WUAs. An assessment was conducted this year to monitor the financial performance status of the WUAs. It was observed that the WUAs have significantly improved their financial management systems. A total of 12 WUAs have **audited their accounts** against the target of 14 WUAs. This contributes to the USAID SO7 indicator **IR 5.1.2.1**.
14. Due to increasing water availability, **crop yield** has increased to 4.29 t/ha, 2.06 t/ha and 0.64 t/ha for rice, wheat and pulse respectively compared to 3, 1.8 and .6 t/ha in the previous year. The targeted yield for these crops for the current year was 3.3; 2 and 0.7 ton/ha respectively for rice, wheat and pulse respectively. Low yield of pulses was reported due to heavy rainfall during flowering period of pulses in many projects.
15. SAGUN Irrigation Component has provided necessary support to strengthen **advocacy capacity** of National Federation of Irrigation Water Users Association (NFIWUAN). NFIWUAN has conducted advocacy workshops in all 14 WUAs. Some of the issues identified by these workshops are need of decentralized approach for higher efficiency of ISF collection, need of accountability bearing for handed over canal operation and maintenance, application of equitable canal maintenance and water distribution for social justice and need of increasing women participation in WUA organization and in WUA decision making programs.
16. SAGUN Irrigation Component has made its efforts for process documentation of **best practices and lessons learned** for replication in similar situation. Process documentation has been done in the five areas viz. field channel construction, equitable water schedule application, equitable canal maintenance, democratic WUA election process and preparation and revision of parcellary map. Many of these documents have been disseminated to various people and organizations such as Department of Irrigation, NFIWUAN, local NGOs, consultants and visitors. Similarly, discussion papers have been produced in coordination with Department of Irrigation officials, academicians and relevant private institutions in the areas of irrigation pricing policy, participatory approach in irrigation management and policy reforms for decentralization in irrigation management.

Partnership for Hydropower Component:

17. More **positive perceptions** have been developed between the Project affected communities and the hydropower developers in Upper Modi Hydroelectric Project (UMHEP) and Middle Marsyangdi Hydroelectric Project (MMHEP). Now, they have begun to analyze their weaknesses instead of passing the blame to others, which was the status during the situation analysis study. As a result of this positive perception, more issues are being resolved
18. Participatory Environmental **Impact Monitoring** Committee (PEIMC) has been formed and functioning in MMHEP. The Committee is composed of the representatives from apex body of the hydropower project affected communities, DDC, Power Developer, District Technical Committee and SAGUN Program Implementing Partner. The Committee has developed the participatory

monitoring guidelines, which has been endorsed by the DLCC and now the committee has been monitoring at the field. As impact monitoring is a crucial part in hydropower development process, involvement of the affected communities will contribute to more positive perceptions for win-win situation.

19. **Communication forums** such as DLCC in MMHEP and SAGUN Program Coordination Committees covering 2 districts in Khimti I have been functioning well for effective and authentic communication. DLCC in UMHEP, Kaski has not been able to function as anticipated due to the stoppage of hydropower project construction work. The Coordination Committees have been actively involved in planning, participant selection and review of the implementation. Having significant role for better coordination, the Committees in Dolakha and Ramechhap have been expanding their networks at the VDC level as well.
20. The **apex bodies** of the program target groups have been emerged out in all sites. Emerging out of the umbrella organizations of the hydropower project affected communities, their functioning and initiations to form a national level network will strengthen coordination and authentic communication between different stakeholders besides working for policy advocacy.
21. Some initiations in **distribution of revenue** to the affected communities have begun. District level workshop made declarations to allocate 25% of hydropower revenue received by DDC to the affected VDCs in Ramechhap and allocation of six hundred thousand rupees to four hydropower project affected VDCs in Dolakha district are the achievements made so far. It is expected that such declarations will definitely contribute to establishment of the revenue distribution mechanism to the affected communities in other systems as well.
22. **Local implementing partners** had substantially developed their capacity in terms of program planning, implementation and monitoring following a participatory approach. Further, they had strengthened their internal governance in terms of maintaining transparency, adopting participatory approach in decision making and being accountable. It will contribute in the longer run sustainability of the program as envisaged.
23. **Wide acceptance** of SAGUN Program by all stakeholders such as affected communities; government agencies and power developer reveals that the program had positive impacts to develop win-win partnerships. Demands to expand such program in Upper Modi 'A' from the local communities; in Nyadi from DDC, Lamjung; in Khimti II from Department of Electricity Development (DoED)/Ministry of Water Resources (MoWR) as well as from local communities and the power developer of Khimti I proves that the program is the need of time.
24. Internal governance of the target groups has also improved substantially. An assessment conducted by using the spider web tool reflected that the web is expanding positively compared to the past. About 30% of the groups are now in the "A" governance status (having >75% score) compared to only 11% last year. A total of 24 target groups (45%) have **audited** their accounts in the reporting period. This contributes to SO7 indicator **IR-5.1.2.1**.
25. As a result of numerous capacity strengthening activities for the target groups **women's representation** in the executive committees has reached to 28% compared to 19% in the previous year. Further, the representation of the *Dalits* in the executive committees has increased to 14.8% from 10.9% last year.

Major issues and Challenges:

- a. The coordination with the local government authorities has been hampered due to the absence of elected bodies. This has seriously affected the achievements of expected results particularly in partnership for hydropower component.
- b. Frequent bandhs and blockades have remained obstacles to achieve the set target of the program.

- c. There were also some disturbances due to WUA elections. WUA under election such as Hardinath East and Khageri suggested to postponement of the program. Similarly the internal conflict in some WUAs has resulted in difficulty in implementation of activities.
- d. It is important that the achievements made by SAGUN need to be institutionalized for better and sustainable impact. However, it may be a challenge to achieve this objective within the remaining time frame.

Major lessons learned:

- a. Public hearing and public auditing has been an effective tool to promote governance practices particularly transparency and accountability in the target groups.
- b. Mobilization of local resource persons strengthens local ownership thus ensuring sustainability.
- c. Identification of the poor users is crucial for implementation of pro-poor activities.

Prospect for next year:

- a. The major focus of the fourth year will be to make efforts to institutionalize the achievements for better and sustainable impacts.
- b. PHPA will continue to be implemented with greater intensity for promoting good governance practice in the user groups. The UGs will be encouraged to make it mandatory by incorporating it in the constitution/FOPs to institutionalize the process.
- c. Mobilization of the LRPs and Women Motivators will be continued to reach out larger geographic area and population. Skills and knowledge of LRPs and WMs will be reviewed and accordingly re-oriented to enable them to provide effective services to the user groups. Every effort will be made to affiliate them to other potential NGOs and Federations to ensure their continuity of service even after phase over of the Program.
- d. The program will widely disseminate the lessons learned, best practices and learnings in the three years through appropriate mechanism.

**Progress against USAID SO7 Indicators for SAGUN Program Year 3
FY 2061/62 (2004/05)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2005	Actual Achievement in 2005	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	13,752 metric ton	20,207 metric ton of biomass was harvested as below: - Timber - 910 metric ton - Poles - 1158.8 metric ton - Fuelwood - 8796.9 metric ton - NTFP- 54.5 metric ton - Others (fodder/ grass/ thatch) – 9,286.8 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 and orientation on active forest management through LRPs ▪ 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. 17,28,000 (45%)	Rs. 15,71,051 (41%)	<ul style="list-style-type: none"> ▪ Involvement of BC members along with GSM in ISF collection. GSMs' support was highly encouraging for the collection of ISF. ▪ Users started paying ISF at their respective BC office. ▪ Because of election and security disturbances in East Kamala, East Hardinath and Mohana irrigation systems the program was discontinued. As a result, ISF could not be collected as targeted.

**Progress against USAID SO7 Indicators for SAGUN Program Year 3
FY 2061/62 (2004/05)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2005	Actual Achievement in 2005	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%)	12,678 ha (79%)	16,956 ha (106%)	<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 and orientation on active forest management ▪ 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	Monsoon- 25,000 ha (60%) Winter-14,000 ha (33%)	Monsoon- 40,000 ha (95%) Winter-20,000 ha (48%)	Monsoon- 38,700 ha (92%) Winter- 21,600 ha (51%)	<ul style="list-style-type: none"> ▪ WUAs started to manage irrigation water extensively on their own due to the effect of SAGUN Program specially in the handed over irrigation systems, viz. Manusmara, Chandra, Gandak, Khageri and Panchakanya, Patharaiya, Piparpati and Hardinath

**Progress against USAID SO7 Indicators for SAGUN Program Year 3
FY 2061/62 (2004/05)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2005	Actual Achievement in 2005	Remarks / Justification to difference between target and achievement
5.1.2.1	Strengthened organizational skills	Percentage of user groups having their account annually audited	223 UG (56%) This includes: 219 CFUG/BZUG (57%) 4 WUA (29%) In addition: 8 TG (15%)*	365 UG (91%) This includes: 353 CFUG/BZUG (91%) 12 WUA (86%) -	461 UG (115%) This includes: 449 CFUG/BZUG (116%) 12 WUA (86%) In addition: 24 TG (36%)	<p>Forestry and Buffer Zone</p> <ul style="list-style-type: none"> ▪ 190 CFUGs/BZUGs got their accounts audited through registered auditors ▪ 245 CFUGs/BZUGs got their accounts audited through Public Hearing and Public Auditing (PH&PA) ▪ 133 CFUGs got audited their accounts through both registered auditors and PH&PA ▪ 418 CFUGs/BZUGs 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. ▪ The Target Groups (TG) included: ▪ Mother/women group – 5 ▪ CFUG – 8 ▪ Drinking water supply group – 1 ▪ Other groups (club, CBO, NGO) – 10

**Progress against USAID SO7 Indicators for SAGUN Program Year 3
FY 2061/62 (2004/05)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2005	Actual Achievement in 2005	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%)	366 UG (88%) This includes: 357 CFUG/BZUG (89%) 9 WUA (64%)	490 UG (118%) This includes: 478 CFUG/BZUG (119%) 12 WUA (86%)	<p>Forestry and Buffer Zone</p> <ul style="list-style-type: none"> ▪ 172 CFUGs/BZUGs (101 new and 71 Renewal) prepared FOPs in 2005 ▪ 122 CFUGs/BZUGs (61 new and 61 renewal) prepared in 2004 ▪ 73 CFUGs/BZUGs (22 new and 51 renewal) prepared in 2003 ▪ 111 CFUGs/BZUGs 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 prepare the plan following the participatory approach

**Progress against USAID SO7 Indicators for SAGUN Program Year 3
FY 2061/62 (2004/05)**

IR	Results Statement	Indicator	Baseline value for 2002	Target for 2005	Actual Achievement in 2005	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%)*	530 CFUG/BZUG (98%) 12 WUA (86%) -	595 CFUG/BZUG (110%) 12 WUA (86%) 37 TG (70%)	<p>Forestry and Buffer Zone</p> <ul style="list-style-type: none"> ▪ 391 CFUGs/BZUGs conducted general assembly (GA) once a year ▪ 204 CFUGs / BZUGs conducted GA two times or more a year ▪ Altogether, 855 GAs were conducted. <p>Irrigation</p> <ul style="list-style-type: none"> ▪ WUAs conducted GA to approve the annual plan and audit the WUA activities <p>Hydropower</p> <ul style="list-style-type: none"> ▪ * Base value identified in 2003. ▪ The TGs included: ▪ Mother/women group – 14 ▪ CFUG – 10 ▪ Drinking water supply group – 4 ▪ Other groups (club, CBO, NGO) – 9

1. INTRODUCTION

Good governance in natural resource management (NRM) is taking its roots deeper strengthening democratic processes at the grassroots level ensuring better access to and equitable benefits from natural resources: forest and water to the women, poor and marginalized people. In addition, Community Forest User Groups (CFUG), Buffer Zone User Groups (BZUGs), Water Users Associations (WUA) and the hydropower project affected communities have become more cohesive and have been associated in their respective federations. These federations are playing more proactive and effective role to governance issues to address the concerns of their member organizations.

Strengthened Actions for Governance in Utilization of Natural Resources (SAGUN) Program has been in operation in Nepal since November 2002. The Program consists of four components: The Forestry and Buffer Zone Component which implements its forestry activities including community forestry in Banke, Bardia Kailali and Dhading districts, buffer zone development activities in Bardia, 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. Recently, the Policy Advocacy Campaign (PAC) Component has been incorporated into the SAGUN program with an objective to contribute to policy advocacy at district and national levels through formation and mobilization of effective constituencies including NRM based groups, federations, political parties, civil society organizations and other key stakeholders. This component covers 24 districts including the above 18 districts, where the above three components of SAGUN program is operating. Since the PAC component has been started from the beginning of September 2005, its progresses are not included in this report.

CARE Nepal is the Prime Recipient with RITI, RIMS Nepal and WWF Nepal acting as the sub-grantee partners of the SAGUN Program. RITI is working on the Irrigation Component, RIMS-Nepal working on Community Forestry in Dhading district, and WWF Nepal working on the buffer zone development in Dolpa and part of the Mugu districts. CARE Nepal directly implements the Partnership for Hydropower Component.

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 (NRM) viz. the Community Forest User Groups, the Buffer Zone Users Committees/User Groups, the Water Users Associations, and their federations, and hydropower affected communities in selected districts and Village Development Committees (VDCs).

2. PROGRAM PROGRESS

This Annual Performance Report (APR) covers the period from October 2004 to September 2005. More positive effects of the governance program are being observed in all the components of SAGUN Program. Increasing demands have been raised by the user groups and local NRM communities to extend SAGUN activities in new areas. For example, in the community forestry and buffer zone areas, more and more groups are focusing on pro-poor initiatives and becoming more accountable and transparent to ensure equitable costs and benefits distribution in forest resource management. Patches of forests handed over to local Community Forestry User Groups is significantly increasing in Banke, Bardia, Kailali, Dhading and Dolpa districts demanding continuity of governance program in the areas. Similarly, in Lamjung, the DDC is willing to invest its resources to extend the SAGUN like program in Nyadi Hydropower development site. Similarly, Narayani Irrigation system and other systems have been demanding the SAGUN like program in their areas as well. This illustrates that the implications of the SAGUN Program are becoming deeper and wider.

Representation of poor, women and *Dalits* in the executive committees of various program target groups has been encouraging. Likewise, their participation in the capacity building programs is also increasing. Documentation and disseminations of the learnings and achievements of the program have been widely made at local, district, national and international levels. For instance, a video film has been developed in hydropower component and a poster has been developed in good governance in community forestry. Numerous other documents have been produced and learnings have been disseminated to the concerned stakeholders.

Similarly, more linkages have been developed with the academic institutions such as Institute of Forestry and Kathmandu University. This has opened up new opportunities to provide exposure to the students and the faculty members to plan to incorporate good governance parts in their curricula. As of this year, a total of 23 students are pursuing I.Sc. (Forestry) and Sub-overseer (Electrical) courses. Similarly, 16 students have completed their thesis in governance related issues.

This report presents the progresses made by each component separately with sections on technical assistance part and implemented by HMG counterparts. Further the progress on USAID SO7 has also been presented separately.

PART I – TECHNICAL ASSISTANCE

2.1 Forestry and Buffer Zone Component

The SAGUN Forestry and Buffer Zone Component, which has been in operation in Banke, Bardia, Kailali, Dhading, Dolpa and some parts of Mugu districts. Starting at 427 UGs in the initial year, the Program is now working with a total of 710 user groups (668 Community Forestry User Groups and 42 Buffer Zone User Groups) benefiting 104,297 households with a population of 678,147 of which 335,939 are women, 69,991 *Dalits* and 204,792 poor.

The Program, over the past three years of its implementation, has significantly demonstrated its performance that has resulted in meeting its objectives to a considerable extent. For examples, the PHPA has been very effective in promoting good governance practices in terms of transparency and accountability among the user groups and executive members. While PWBR proved effective in identifying and supporting poor households for their livelihood improvement and improved access to equitable benefit sharing from community forests and involving them in the capacity building programs. The mobilization of LRPs is effective in the current operating environment to reach out larger numbers of grassroots level people in increasing their awareness and capacity to promote users' rights. Program's focus on the women, *Dalits* and poor has resulted in their increased representation in the EC and decision making process. On the other hand, with increased capacity of the NGOs and Federations on good governance, RBA and advocacy, they have increasingly implemented several capacity building programs for user groups in partnership with the Program and raised number of advocacy issues with the related government agencies on several occasions to improve their service delivery system. As a result, service delivery system of the government agencies has now considerably improved with increased hand over trend of community forests in the working districts, improved service delivery system and transparency on all important information, policies, rules, regulations etc. on community forests and buffer zone development.

The major achievements are presented under respective specific objectives. The quantitative achievement against the goal, purpose and specific objectives are presented in Annex 1 and the quantitative plan and progress are presented in Annex 4.

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 Capacity Building Program (Training / Workshops / Cross Visits for Community Members)

The Program conducted 21 different types of training, workshops and cross visits in order to strengthen the technical and organizational capacity of the user groups. These included simple and user friendly forest inventory and management techniques in CF, NTFP nursery management and marketing, group management, leadership development, financial management, skill enhancement in advocacy functions, institutional strengthening in BZ and anti-poaching units, Amchi networking, training for eco-club members, alternative energy, saving and credit, planning and networking, good governance, RBA, advocacy and 'Do No Harm'. In all the above capacity building activities, the Program gave priority to the participation of women, *Dalits* and poor in order to bring them into the mainstream development. Altogether, 4,393 user group members that included 2,243 women (51% of the total participants), 847 *Dalits* (19%) and 1,512 poor (34%) participated in the above activities.

The above capacity building activities, as a whole, have been very successful in improving the general awareness, knowledge and confidence of the user groups in good governance in forest resource management. As a result, active forest management has been increasingly practiced with distribution of forest products on an equitable manner; information and knowledge on NTFP marketing and linkage development with other agencies has increased; the financial management system has improved as a result of PHPA practice; meetings and general assemblies are regularized; linkage development by user groups with external agencies for technical, institutional and financial support has been increased; knowledge, skills and confidence on advocacy and watchdog functions have been increased; pro-poor activities were increasingly implemented through group fund for livelihood improvement of poor; representation of women, *Dalits* and poor has increased in capacity building programs as well as executive committee members (see Box 1).

BOX 1: Initiatives of Dalits

With the support from SAGUN Program, the Regional Dalit Network, Kailali district conducted four events of RBA workshop for *Dalit* women of 31 CFUGs in Tikapur, Pahalmanpur, Attariya and Dhangadhi. After the completion of the training, the participants formed '*Dalit Jagaran Samuha* (DJS)' exclusively of *Dalits* in all sites, prepared the action/advocacy plans and implemented to advocate their issues and concerns. Accordingly, the DJS, Attariya succeeded to advocate the handover of CF to *Jayakalika* CFUG with 6 *Dalits* in EC out of 11 EC members; They also succeeded to admit 8 *Dalit* students to secondary education; 8 *Dalits* have been nominated in *Narmada*, *Udasipur* and *Ramgarh* CFUGs in Kailali as executive members; 5 *Dalit* households were given UG membership without entrance fee in *Jali* CFUGs

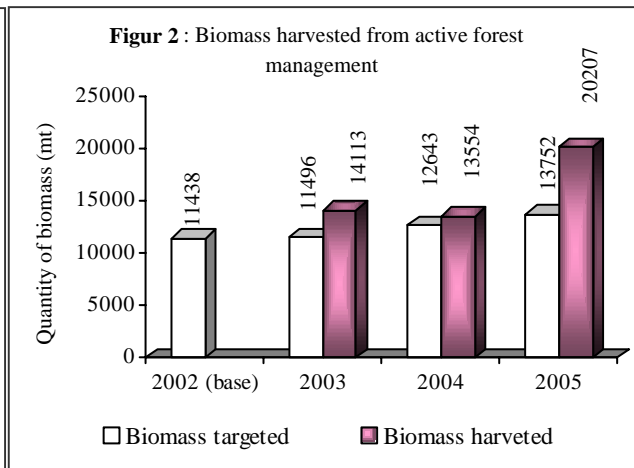
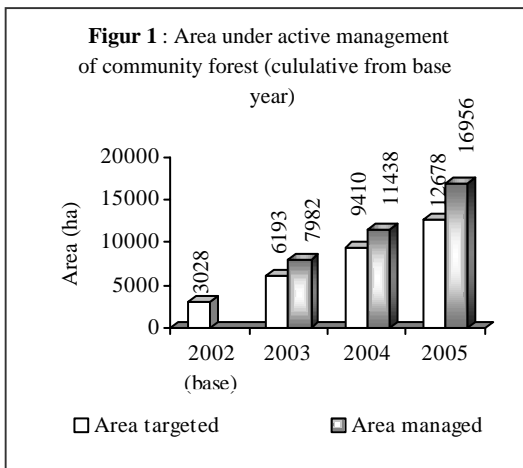
F1.2 Active Forest Management

Indicator R1.1: *By the end of 09/05, 12,678 ha of community forest area is actively managed*

Indicator P1.2: *By the end of 09/04, 13,752 metric tons of biomass harvested annually on a sustainable basis*

During the fiscal year, a total of 272 UGs carried out active management of community forests over 5,518 ha. To date, CFUGs/BZUGs have actively been managing community forests over 16,956 ha of community forest against the target of 12,678 ha. Thinning, pruning, singling and cleaning were the major silvicultural operations carried out as part of active forest management prescribed in the FOPs.

During the reporting period, a total of 20,207 mt of biomass was harvested against the target of 13,752 mt. from active forest management. This constitutes 910 mt (49461 cft) timber, 1158.8 mt (50462 number) poles, 8796.9 mt fuelwood, 54.5 mt NTFP and 9,286.8 mt other forest products such as thatch, fodder and grass. The achievements over the years are above the annual targets (see Figure 1 and 2) which can be attributed to better CF management practices by the user groups as a result of various technical training and regular CF support of Local Resource Persons and Women Motivators including Program and DFO staff. The forest products harvested from the community forests were distributed on equitable basis as per household needs (see Photo 1). For example, *Dalit* households were provided the wood appropriate for making charcoal. Altogether, 161CFUGs/BZUGs distributed the forest products on full subsidy and partial subsidy to 3,489 poor households who were unable to pay for the products, which can be taken as initiation towards equitable benefit sharing.



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 government staff.

Altogether, 138 LRPs were developed through various capacity building training like ToT, RBA, advocacy and good governance, DNH, NFE, group management etc. from which 105 LRPs were mobilized. They facilitated 561 events of various training, awareness, orientation and support activities from which 17,307 grassroots level users benefited. The orientation and training activities conducted through LRPs included awareness and orientation on active forest management, FOP and constitutions; financial management system focusing on transparency and accountability, RBA and advocacy and training for *Dalit* women, good governance, RBA and advocacy (see Photo 2). In addition, the LRPs were mobilized to conduct NFE (Governance Literacy Classes) activities for women and *Dalits*; support to user groups and DFO on social survey, forest inventory and FOP preparation; support in training and workshops (NTFPs management, group management, RBA/governance, skill enhancement to monitor service



Photo 1: The training and orientation on active forest management and FOP and constitution has helped the UG members to increase their access to and benefit from community forest management on an equitable manner (Users distributing forest products in *Sundar* CFUG, Kohalpur, Banke)

delivery); public hearing and public auditing; good governance assessment, group capacity assessment, and monitoring and data collection.

LRP approach, on the other hand, has also been proving useful in creating local employment, who earned a total of Rs. 1,409,790 in the current year. Of this, Rs. 981,064 is from SAGUN Program and Rs. 428,726 includes the payment made by 31 different organizations, who received services from 45 LRPs on payment for various capacity building activities. Following the exit strategy, the Program has been making all its efforts to expand the linkage between LRPs and other relevant organizations for the sustainability of the LRPs services.



Photo 2: The orientation on good governance, RBA and advocacy through LRPs has been effective to improve knowledge, skill and confidence of UG members on their rights, roles and responsibilities
(Orientation by a LRP in partnership with Range Post level FECOFN, Bardia)

The mobilization of LRPs was very effective and it has been appreciated by UGs, NGOs and Federations including government counterpart and the Program staff because (1) it is cost effective (2) larger population and geographic area was covered and benefited (3) human resource is developed at local level (4) work load of program and counterpart staff was shared (5) affiliation to CFUGs, NGOs and Federations who hired them as resource persons on payment, (6) local employment generated (7) proved suitable approach in the current operating environment to improve outreach services at grassroots level people and (8) most importantly, their day to day services has been effective in promoting "rights to information" through various awareness and orientation programs in sharing/disseminating important information, policies, rules, regulations, Acts, roles, responsibilities and rights of the UGs and service providers etc. related to community and BZ development programs.

Constraints/challenges and initiations 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 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. Although, the LRPs are affiliated to the FECOFUN, it lacks a guideline to mobilize the LRPs and has limited capacity to expose the LRPs services. There is a felt need to develop sector and subject-wise LRPs to develop and provide their expertise. In order to address these challenges, the Program is making following efforts to ensure the continuation and sustainability of LRPs:

- Continue to make efforts at district level to recognize LRP services with discussion and dialogue with DFO and Regional Directors.
- Update roster of LRPs and circulate to NGOs, Federations, DFOs/POs to share information for recognition of LRP services.
- Make efforts at central/national level to implement CF policy of Private Service Providers (LRPs/Federations) at district level.
- Prepare/update the achievement and learning of LRP mobilization and share it at local, district and national workshops.
- Encourage/motivate resourceful UGs to seek necessary services of LRPs on payment.

- Continue mobilization of LRPs with increased intensity in collaboration with DFOs/POs, NGOs and federations and the Program
- Re-skill LRPs as per needs and assist/guide to create their own demand at UGs, NGOs and Federations for employment
- Guide federations to prepare a pool of LRPs and share it widely with like-minded organizations for creating demand for LRP services.
- Link all potential LRPs with NGOs and federations to be under one umbrella and mobilize them as necessary through them.

F1.4 Participatory Well Being Ranking to Promote Equitable Benefit Sharing

In Year 3, the Program conducted PWBR in 106 CFUGs/BZUGs, of which 88 CFUGs/BZUGs conducted its first PWBR and 18 BZUGs in Dolpa conducted for second time to monitor the change in the socio-economic change in the households. Altogether, the Program conducted PWBR in 591 CFUGs/BZUGs covering 77,126 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, 19% were categorized as well-off, 40% as moderate and 41% as poor. The criteria developed by the users for the PWBR were: (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 true poor households including their needs and concerns. Based on the needs and the concerns, the Program discussed several times with the CFUGs/BZUGs on how the poor could be supported with minimum program to improve their livelihood and the capacity. 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 promote and practice equitable benefit sharing process. So far, 327 CFUGs/BZUGs, 46% of total CFUGs/BZUGs in the Program area, have supported poor households with one or more support activities. This is an increase of 20% CFUGs/BZUGs from previous year who supported poor households. Following are some major achievements initiated as a result of PWBR:

- 112 CFUGs/BZUGs supported 683 poor households with the loan of Rs. 1.36 million for IGAs such as goat keeping, pig raising and kitchen gardening, NTFPs cultivation, bee keeping and briquette making
- 65 CFUGs/BZUGs supported 496 poor households with the grant of Rs. 1.58 million for IGAs
- 17 CFUGs/BZUGs supported 51 poor household with the amount Rs. 38 thousand from their group funds for their children's school education such as stationery, dress and school fee (see Photo 3)
- 231 CFUGs/BZUGs employed 334 poor users as forest watchmen, nursery foremen and office secretary/assistant and paid a sum of Rs. 4.85 million per year as salary and wage



Photo 3: The provision of school support from group fund in UGs has enhanced the poor children's access to school education (Scholarship award to poor girls, Mahunyel CFUG, Bhajani, Kailali)

- 47 CFUGs/BZUGs made provision for 900 poor households for their economic improvement in their respective FOPs
- 161 CFUGs/BZUGs provided forest products such as timber, poles and fuelwood to 3,489 poor households (874 *Dalits*) on subsidized rate
- 5,082 poor users from 283 CFUGs/BZUGs participated in various training/ workshops/ orientation programs.

From the increasing trend of poor support initiatives above, it can be drawn that UGs have gradually been becoming aware and accountable to the poor as per the spirit of the community forestry policies and increasingly investing their group fund for the livelihood improvement of the poor.

Constraints/challenges in the process and institutionalization of PWBR

Following the introduction of PWBR and the use of its outcomes, the UGs have increasingly become aware of the policies, norms and strategies on poverty reduction initiative of government, in general, and the community forestry, in particular. As a result, CFUGs/BZUGs have been increasingly utilizing their group fund to support poor through various activities. Such initiatives are expected to contribute to a greater extent to Poverty Reduction and Peace Building process in the Program areas in a long run. In spite of this excellent initiative, there are some challenges as:



Photo 4: Support to IGA in UGs has enhanced the economic opportunities of poor (A women making *Sal* leaf plates, Thuloban CFUG, Kewalpur, Dhading)

- In the UGs, some well-off users do not feel comfortable with PWBR and categorization due to present insecure security situation and their belief of insignificant difference among the user households in terms of economic level.
- The PWBR has raised the expectation of users from the Program and UGs. Most of the users wish to be categorized as poor because of less possible threat from the insurgents and high possibility of receiving internal and external supports.
- It is highly sensitive process. In some cases, the UG members give pressure to re-conduct PWBR due to inappropriateness of categorization, lack of endorsement in the general assembly, verification of the previous outcomes to make pro-poor provisions in the FOPs, and due to increase in number of households.
- In some cases, the well-off users are reluctant to enforce the subsidized policy in the distribution of forest products to poor users.
- Still many poor households are left out without the support due to limited financial capacity of the UGs. In such cases, they were given priority in the capacity building programs like training, workshops and orientation.

Lessons Learned

- PWBR is an effective tool to identify poor and increase their access to and equitable benefit sharing from community forestry, capacity building and support programs in user groups.
- Wider representation of UG members in the PWBR process and the endorsement of the outcomes by the general assembly make it widely acceptable and ensure institutionalization.
- The mandatory provision of PWBR in FOPs and constitution helps ensure institutionalization of pro-poor programs in user groups.

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

F2.1 Non-Formal Education Program

In order to empower women, poor and *Dalit* communities and enable them to play an active role in all local development activities, the Program conducted 102 NFE classes in partnership with 30 organizations. The partners included district and village level FECOFUN, NGOs, BZUGs and District Education Office. Altogether, 62 facilitators were mobilized to conduct the classes. A total of 2,304 participants of 96 UGs graduated from this program. Of the total participants, 97% were women, from which 9% were *Dalits* and 34% poor. 12% of the total participants enrolled in the NFE program dropped out due to the cases like marriage, migration to other places, household and farm works, lack of support from the family, inconvenient seasonal calendar (NFE period matches with cropping season), high dependency on wage labour and adverse security situation.

Of the total centers, 96 classes were advanced classes, referred to as Governance Literacy Class (GLC) and rest 6 classes in Dolpa were basic classes. In the GLC, the classes were conducted for 16 weeks following the REFLECT model. The content of the GLC include RBA, governance and advocacy including community forestry rules, regulations and group management. According to the model, the theory classes were conducted once a week during which the participants identified the issues and prepared the action plans, and in rest of the days, the participants conducted the advocacy campaigns to address the issues and concerns in their respective user groups.

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 (see Photo 5). The highlights of the effects of the NFE program in terms of achievements against the major issues raised as advocacy campaign/functions were:

- **Women's representation increased in the executive committee:** 21 GLC graduates in Banke, Bardia and Kailali of 9 UGs assumed key positions and 33 graduates in Bardia and Dhading of 25 UGs assumed the positions of EC members.
5 UGs in Banke committed to include 50% women as EC members. 2 UGs in Bardia have included women as household heads in addition to males in their constitutions.
- **Women's advocacy forums formed:** GLC graduates formed 31 user group level Advocacy Forums in Banke and Bardia for advocating the rights of women, *Dalits*, poor and the children. In Banke, an ad hoc committee at district level has also been formed.
- **Budget allocation for women development:** 1 UG in Banke provided a fund of Rs. 2,000 and 1 VDC in Banke allocated Rs. 5,000 for 2 UGs for women development activities. Similarly, 2 UGs and 4 VDCs in Banke committed to allocate group fund and 50 to 25% VDC budgets for women development in 6 UGs respectively.
- **Poor households supported:** 2 UGs in Bardia planned to endorse the provision of allocating 25% of the group fund to pro-poor activities in their constitutions. 2 UGs in Bardia have decided to distribute the



Photo 5: Governance literacy classes contribute to women's empowerment
(Participants of GLC identifying the issues in a participatory manner, Barha *Bigha* CFUG, Motipur, Bardia)

forest products on subsidy to poor households. 61 households of 7 UGs in Bardia and Dhading were supported from group fund for IGA such as goat keeping.

- **School/formal education joined:** 7 graduates in Banke highly encouraged by GLC joined formal school. GLC graduates sent their 69 children in Bardia and Dhading to the schools after they participated in the NFE program.
- **Good governance practices increased in the user groups:** GLC graduates continued to demand for regular meetings, general assemblies, public hearing and public auditing, sharing of information on important decisions and group fund management, and reshuffling of passive ECs. As a result, 13 UGs in Banke and Bardia held regular meeting and general assemblies.
- **Transparency in decision making and financial transactions increased:** 3 UGs in Bardia conducted PHPA for the first time. 10 UGs in Banke committed to conduct public hearing and public auditing. 4 UGs in Banke and Bardia started sharing the decisions and financial transaction by posting at notice boards and public places. 2 UGs in Bardia refunded the amount of Rs. 3,60,000 in group fund, which was found misused since last two years.
- **Social and caste discrimination decreased:** GLC graduates raised the issues on social issues and injustice such as caste discrimination, unequal wages for men and women, alcoholic habit of male, gambling and domestic violence of women. As a result, 3 UGs in Banke committed to avoid caste discrimination in public places. 4 UGs and a brick factory in Kailali fixed equal wage of Rs. 80/day for both men and women. 4 UGs in Banke committed to maintain the equal wages for men and women in their groups. 8 GLC graduates in Kailali destroyed *Chaupadi* shades and convinced the family members and stayed at their homes during menstruation period. More than 80 (Banke) single women were felicitated with red clothes by their family members.
- **Women approaching for legal documents increased:** 14 GLC graduates of 2 UGs in Kailali approached Chief District Office and received Nepalese citizenship certificates. 4 GLC graduates registered their marriage at VDC.
- **Community development activities conducted:** 10 UGs in Bardia conducted sanitation awareness campaigns. As a result, 261 households constructed pit latrines in their houses. 3 UGs in Bardia maintained 1500 meter of community roads and gravelled 300 meters village road.
- **Forest encroachment reduced:** 3 UGs in Bardia removed land encroachers who had occupied 4 hectares of CF land.

Challenges

In spite of some positive outcomes of GLC mentioned above, there are some areas, which need to be dealt and improved as issues:

- NFE participants feel alone and weak while advancing the advocacy campaign against deep-rooted injustice.
- Some EC members and elites blame the NFE facilitators of bringing "fraction" in the groups between elites/ECs and ordinary UG members because Program largely focuses on women, *Dalits* and poor and work to support their causes.
- Declaration of state of emergency and frequent blockades/bandhs adversely affected to conduct the GLC regularly.
- Inadequate monitoring and supervision of GLC due to poor security situation.
- There were many issues raised by the NFE graduates regarding policy change in the UGs such as reshuffling of the ECs to increase the representation of women, *Dalits* and poor and conducting PHPA, which require endorsement by the general assembly. But, the general assemblies were either conducted prior to the emergence of the issues during advocacy campaigns or the groups had to wait for the next general assembly to endorse the decisions. As a result, many such issues depending upon the decisions of the general assemblies could not be resolved at the time of completion of GLC classes.

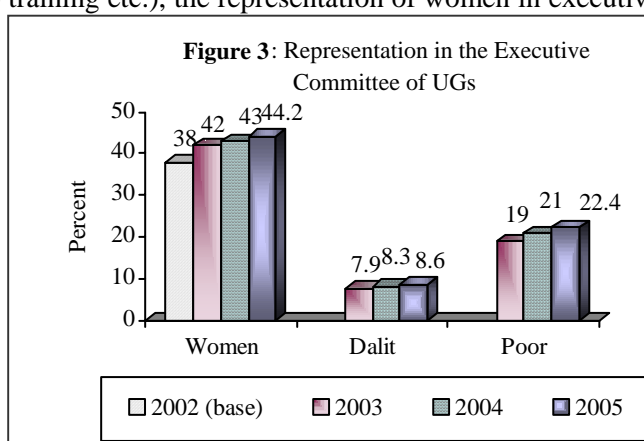
Learning for future improvement

- GLC is an effective intervention to enhance women's' awareness on their rights and responsibilities in terms of decision making processes, benefit sharing and addressing social and economic discriminations.
- There is a high demand for the NFE program, therefore, number of NFE centers should be increased to support the resource poor and needy UGs. Besides, the Program can encourage the resourceful UGs to conduct GLC on their own and provide the resource materials and training to the facilitators.
- Current operating environment is not conducive in the Program districts hindering the GLC participants to conduct the advocacy campaigns exercise freely. 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.
- Partnership with potential NGOs and Federation and mobilization of LRPs should be continued and increased further in implementing NFE program.

F2.2 Increased participation and decision making of women, Dalits and poor in executive committee, CF management and other capacity building activities

Indicator R1.2: *By end 09/05, representation with regards to gender, caste and poor increased from 38% (baseline value) to 44%*

Due to various interventions that focus mainly on the capacity building of women, Dalits and poor (such as NFE, RBA workshops, leadership training etc.), the representation of women in executive committees of the UGs increased from 38% in base year to 44.2% in the current year. Similarly, representation of Dalits and poor has also increased to 8.6% and 22.4% respectively (Please see Figure 3 for details). In terms of representation in the key positions¹, women, Dalits and poor constitute 33%, 5% and 16% respectively. It is noteworthy to mention that 128 community forests comprising 4,301 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 the collection of firewood and fodder grasses.
- Participation of women, Dalits and poor has increased in the meetings, general assembly and during 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 to poor for IGAs and employment opportunities.
- 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 PHPA in a timely manner.

¹ Key positions in the executive committee of the UGs refer to Chairperson, Vice chairperson, Secretary, Assistant Secretary, Treasurer and Assistant Treasurer.

- 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 and cultural discrimination.

Challenges and Learning for Future Improvement

- Although women, *Dalits* and poor are well represented in the ECs, they have difficulties in leading the group due to domination by influential and male elites, illiteracy and confidence. They should be made capable and empowered through leadership development and group management training.
- Women are overburdened with household chores limiting their involvement in the activities of the UGs. Thus, they need full support from their family members and UG members.
- The effectiveness of capacity building programs for women, *Dalits* and poor depend on the location specific conditions, somewhere heterogeneous participation in capacity building programs are more effective than homogenous participation and elsewhere the opposite is true. Thus, the capacity building programs should be conducted considering the location specific conditions.

F2.3 Scholarship Program

During the fiscal year, ten students were provided scholarship to study a two-year Sub-overseer (Electrical) course at Bheri Technical School, Nepalgunj. All of them belong to *Dalit* community from which three are women. Altogether, 23 students that include 12 women and 13 *Dalits* were provided scholarship to pursue I.Sc. (Forestry) and Sub-overseer (Electrical) courses. Besides, in the current FY 2006, eight students that include 3 women, 1 *Dalit* and 4 *Tharu*, qualified for two-year scholarship program to study I.Sc. forestry at the Institute of Forestry (IoF). These candidates will be admitted from the ensuing session that commences from November, 2005.

There are 23 students who are studying currently two different courses e.g. I.Sc. forestry at IOF, Hetauda and Pokhara and sub-overseer (electrical) course at Bheri Technical School, Nepalgunj. They include 12 women and 11 male with 52% *Dalits* and 8.6% *Tharus*. The main objective of the scholarships is to develop human resources at local level as part of empowerment process thereby helping them access to better employment opportunity for their improved livelihoods.

The scholarship was provided to only those who qualified at the entrance examination conducted by IoF with position at merit list. The experiences of the past two years has been that the number of women and *Dalits* qualifying for the scholarship has been far less than the planned target due to tough competition at the entrance examination which is being held annually at national level. Above all, *Dalit* representation, particularly, is much lesser than other ethnic groups and women. Therefore, in an effort to increase the scope for receiving the scholarship facility by as many *Dalits* and women as possible, the Program decided to diversify the opportunity to other potential technical and vocational courses too such as CMA/ANM, Sub-overseer (electricity, mechanical, civil, carpentry etc.) and Junior Technical Assistant (agriculture and veterinary) as well in order to meet the increasing demand from the local people in these disciplines.

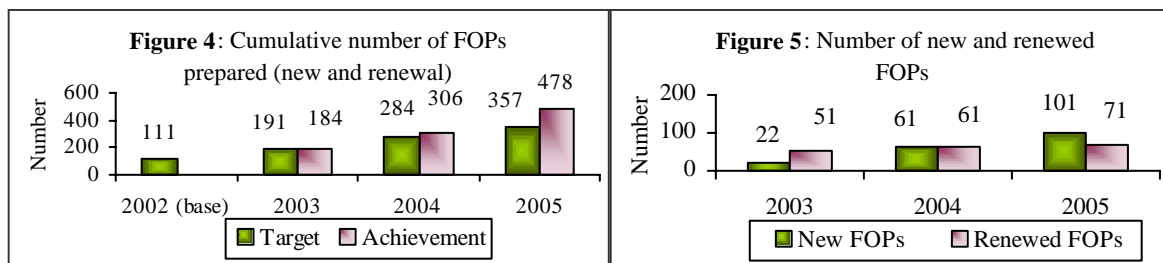
Since the *Dalits* are far behind other ethnic groups in benefiting from the scholarship, the Program decided to provide scholarship exclusively to them in this year's session on vocational course. As a result, 10 *Dalits* candidates were provided scholarship for studying sub-overseer (Electrical) course at Bheri Technical School following the entrance examination and other necessary processes for the admission. The Program will continue to explore such possibility to provide scholarship support to as many *Dalits* and women as possible for which health, civil and mechanical courses including forestry are identified for next potential areas for scholarship program.

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.

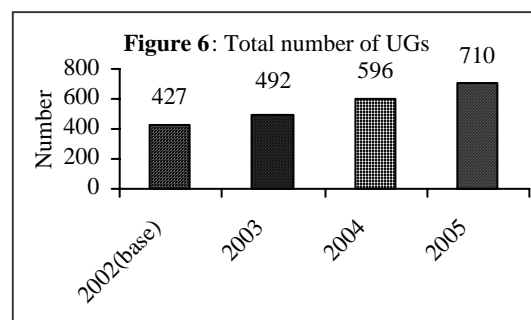
F3.1 Supporting CFUGs/BZUGs for developing constitution and FOP

Indicator RI.3: By the end of 09/05, 357 UGs have followed a participatory approach in operational plan preparation and revision for active forest management

During the current fiscal year, a total of 172 FOPs were prepared incorporating governance parts of CF management. Of them, 101 were new FOPs and 71 were renewal of old ones. So far, 478 FOPs have been prepared/renewed against the target of 357. The trend over the years is on the increase (see Figures 4 and 5). During the fiscal year, 6,353 ha of national forest areas were handed over as community forest to 101 UGs benefiting 14,360 households. Altogether, there are 710 user groups (668 Community Forestry User Groups and 42 Buffer Zone User Groups) with 53,133 hectares of community forests handed over to respective UGs benefiting 104,297 households and a population of 678,147 including 335,939 women, 69,991 Dalits and 204,792 poor. The number of UGs is on the increase over the years (see Figure 6).



The preparation of FOPs was highly participatory and interactive in both new and renewal cases in order to incorporate good governance perspectives in the FOPs (see Box 2). The national guidelines for OP preparation was well followed in those processes. In the process of preparing the FOPs, well being ranking was conducted to ensure new provisions for the poor households for their economic development. In addition, tole meetings/ interest group discussions were conducted to collect the needs and concerns of users and general assemblies were conducted to consolidate the concerns and endorse the FOPs and constitutions. The forest inventory, growing stock, yield regulation and socioeconomic aspects were included in the FOPs and constitutions. Also the provisions for public hearing and public auditing, participatory well being ranking, IGA for poor subsidies on the distribution of forest products to poor and NTFP management were clearly spelled out in the FOPs and constitutions (see Box 3). In total, 149 UGs incorporated the provision of PHPA and 47 UGs incorporated subsidy for distribution of forest products and IGA in their FOPs and constitutions.



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Throughout the process of FOP and constitution 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 conducting forest inventory, social data collection and preparing 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.

BOX 2: Major differences between old, new and renewed FOPs		
Subject/ area	Old FOPs	New and renewed FOPs
Socio-economic information	<ul style="list-style-type: none"> No/limited practice of including user household details 	<ul style="list-style-type: none"> Collection of detailed household information through PRA and social/ household survey Practice of including women as households heads in addition to males in the FOPs/constitutions
Tole meeting and focused/ interested group meeting	<ul style="list-style-type: none"> Consultation mainly with the influential elites 	<ul style="list-style-type: none"> Consultation with and participation of at least 60% of total users of different interest groups to identify their needs, concerns and problems The major provisions are passed through general consensus
Forest Inventory	<ul style="list-style-type: none"> Limited practice of including information on yield regulation (growing stocks, annual allowable cuts and silvicultural operations) 	<ul style="list-style-type: none"> Forest inventory is mandatory Forest inventory is carried out in active participation of users Information on yields regulations (growing stocks, annual allowable cuts and tending operations) is included LRPs are also mobilized to carry out forest inventory using the inventory guideline under the guidance and supervision of Rangers/Field Officers
NTFPs Management	<ul style="list-style-type: none"> No provision of NTFP management in FOP 	<ul style="list-style-type: none"> The inventory of NTFPs is also practiced. The provision of NTFPs management is included in FOP in consultation with local users
Governance and rights issues	<ul style="list-style-type: none"> No or limited practice of including mechanisms for transparency of major decisions and financial transactions and making EC members and general users accountable 	<ul style="list-style-type: none"> Provision of PHPA in constitutions/FOP to make UG activities more transparent and EC members more accountable to user and their actions. PWBR is a as part of FOPs preparation process to identify poor and support areas to improve their livelihood Adequate participation and representation of women, <i>Dalits</i> and poor in the executive committees
Women, <i>Dalits</i> and poor focused program	<ul style="list-style-type: none"> The needs, concerns and problems of women, <i>Dalits</i> and poor were not adequately heard and incorporated. 	<ul style="list-style-type: none"> Subsidy on distribution of forest products to <i>Dalits</i> and poor IGA for poor Capacity building activities for women, <i>Dalits</i> and poor
Management system	<ul style="list-style-type: none"> Focus on conservation and protection of community forest 	<ul style="list-style-type: none"> Active forest management focusing on pro-poor silvicultural operations such as thinning, pruning, singling and cleaning to meet the basic needs of forest products to the poor households.

BOX 3: Community forestry gradually becoming a pro-poor program
<ul style="list-style-type: none"> <i>Bandevi</i> CFUG in Banke fixed the rate of <i>Sal</i> timber at Rs. 15/cft for poor and Rs. 25/cft for other users. <i>Usha Hariyali</i> CFUG decided to provide 25% subsidy to poor in forest product distribution and 33% subsidy in membership fee collection. <i>Samaj Ekata</i> CFUG decided to provide 10% subsidy to poor in distribution of timber. <i>Ayodhayaphanta</i> CFUG in Bardia made a provision in its FOP to provide all types of forest products in 60% discount rate to 48 ultra poor households and in 40% discount to 124 poor households. A provision to allocate 10% group fund to pro-poor programs has also been made. <i>Lathawa</i> CFUG in Bardia made a provision to provide two-third (67%) discount in thatch to all poor households. <i>Gyanjoyti</i> WCFUG in Kailali made provision of 15% subsidy to poor in distribution of timber and fuelwood. <i>Bhasme</i> CFUG in Dhading fixed interest rates of 1% per month, 1.5% and 2% respectively for poor, medium and well-off users. In the same UG, the rates of forest products have been subsidized by 50% and 25% respectively for poor and medium class users. <i>Harithariyali</i> CFUG in Dhading fixed the rates of timber at Rs.13/cft, 15/cft and 17/cft respectively for poor, medium and well-off users. The rates for fuelwood have been fixed at Rs. 1/bhari, 2/bhari and 3/bhari; for <i>halo</i>, <i>harish</i> and <i>juwa</i> at Rs. 50/piece, 75/piece and 75/piece; for <i>khamba</i>, <i>kila</i> and <i>ghocha</i> Rs. 5/piece, 10/peice and 15/piece respectively for poor, medium and well-off users.

F3.2 Initiatives in Collaborative Forest Management

Collaborative Forest Management (CFM) is an activity planned for initiation on a pilot basis in Banke, Bardia and Kailali. Number of discussions between DFOs, program staff and Federations such as FECOFUN also took place on different occasions. But in spite of it, as reported in Year 2, the field initiative towards the CFM could not make much progress due to various reasons such as (a) lack of CFM guidelines in the initial stage of the program (b) lack of clear concepts and understanding among stakeholders at all levels (c) different understanding and views on the program among UGs, NGOs and Federations and their resistance for field implementation (d) current operating environment and adverse situation to implement the program in the field

affecting the commitment and confidence of the implementers. Thus, it was highly important that all major stakeholders became familiar with the concepts, objectives, strategies and the processes of CFM in order to create better environment to facilitate the initiative of CFM at an early stage.

In view of above, altogether three interaction workshops at regional and district levels were conducted as an entry point to the CFM initiative in which 86 participants from HMG officials viz. Regional Directors of Mid and Far-Western Development Regions, representatives from Department of Forest and Department of National Park and Wildlife Conservation, District Forest Officers, Wardens, Local Development Officers, Assistant Forest Officers, representatives of central and district FECOFUN, journalist, LRPs and SAGUN Program staff participated.

The main objective of the workshop was to develop common understanding on concepts, objectives and approaches of Collaborative Forest Management including issues and challenges in order to create enabling environment to implement it in the field by developing suitable strategies and approaches. Discussions were held on strengths, gaps, corrective measures and further actions as below:

Strengths of CFM:

- Involves users in Government managed forest
- Involves multi stakeholders in Government managed forest
- Team work of local people's representatives and forest technicians
- Includes users who are not the members of community forests
- Focuses on social inclusion
- Ensures participation of distant users
- Good employment opportunity to the poor and disadvantaged groups
- Piloting the CFM concept and the lessons learnt from it could be incorporated before scaling up the CFM activities in other sites
- Provision for the amendment of CFM guideline
- Easy access to and availability of forest products to both close and distant users
- Good contribution to local development
- Provision of benefit flow to distant users
- Benefit sharing among wider groups
- Contributes to GDP, livelihoods and poverty reduction
- Ensures scientific management of forests to increase productivity of the forests
- Supports for forest product distribution system in the district
- Promotes biodiversity conservation
- Promotes soil conservation
- Focuses on LSGA and decentralisation
- Easy to implement in current conflict situation

Gaps of CFM:

- Not clear whether CFM has been introduced in place of community forest
- CFM group formation not adequately clarified
- Poor representation of users
- Less consultation with stakeholders in policy formulation
- Symbolic participation/representative of users and poor participation in decision making process
- Not clear responsibilities of close and distant users
- Too many committees - many hierarchy
- High representation of political units
- Lack of active participation of close users
- CFM guidelines are not consistent with LSGA

- Mechanism for sharing benefit (75:25) not clear
- Because of the forest policy of 2000, community forests are not handed over to users in Terai although they are protecting the nearby forests for time immemorial
- Benefit sharing mechanism confusing
- Not clear whether the users having CF could participate in CFM or not
- Process of local representation in DFCC, CFMC and CFMG is not clear
- Account and bank cheque operation systems not clear

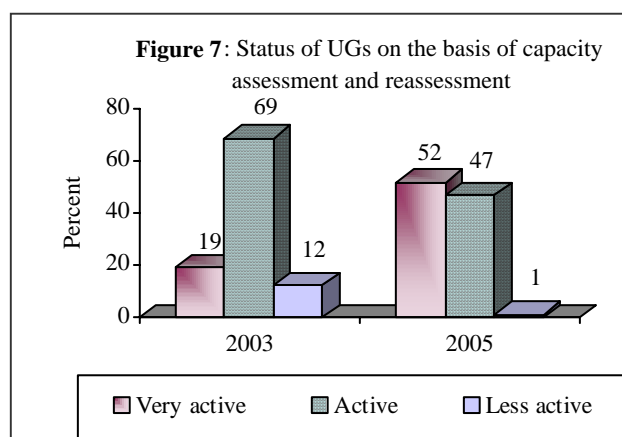
Suggestions/recommendations:

- The guidelines should clearly state that CFM is not introduced in place of community forest
- Forests protected by users should be handed over to UGs as CF and the forest not accessible to users should be managed as CFM
- Benefit sharing should be 50:50 and 25% should go directly to CFMG
- Benefit distribution mechanism should be clear
- Should develop a good mechanism for public auditing
- Should have a clear cut definition about "small wood"
- Should have different roles and responsibilities of close and distant users
- Increase the size of implementation unit with seven members by involving representation of women and disadvantaged group
- Coordinator of each committees should be from people's representative
- Should develop special programme for poverty reduction
- Poverty reduction, percentage of amount to be spent for poverty reduction should be clear
- CFM should provide benefit to poor on equity basis
- Management process need to be clear
- FECOFUN should be included in DFCC as a member organization
- CFM policy should be developed for Hills and Mountain as well where forests are not accessible to communities. It should not be generalized for all Terai districts in which forest patches are relatively smaller and nearer to the settlements
- CFM should be implemented after preparing the district forest management plan

The participants, mainly DDC and DFO, in the workshops prepared action plans to conduct district level workshops involving major stakeholders, participate in study/observation tour to CFM pilot areas in Bara, Parsa and Rautahat. But due to absence of the DDC chairpersons as well as irregular presence of LDOs in the districts, the workshops in Kailali and Bardia could not be conducted. As a result, the study tour to CFM districts also could not be materialized.

F3.3 Capacity Reassessment

During this fiscal year, the Program conducted capacity reassessment in 105 UGs. In Year 1, the capacity assessment was conducted to identify the status of the UGs and target audiences to focus the program interventions. This year, the reassessment was conducted to identify (1) whether the program interventions had been effective to enhance the capacity of UGs in terms of forest production, equity and sustainability of the UG activities, (2) the gaps and areas of improvement and (3) prepare action plans to address the gaps.



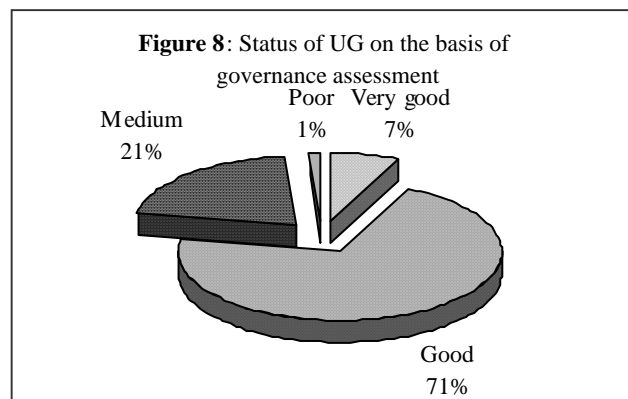
As in capacity assessment, the representatives from each UG were invited and capacity assessed through a process of orientation and workshops. The spider web tool was used to categorize the UGs into three distinct groups viz. very active, active and less active. Of the total UGs reassessed, most of the active UGs became very active and less active groups became active due to program interventions (see Figure 7). The major reasons for the improvement in the status of the UGs were: (1) improved transparency of major decisions and financial transactions due to PHPA conducted in their groups, (2) increased linkage and coordination with other organizations, (3) increased sharing of forest resources on equity basis, (4) increased implementation of pro-poor activities, (5) enhanced capacity of women, *Dalits* and poor and their increased representation in the EC. Following were some major areas identified to enhance/improve the capacity of UGs:

- **Productivity of forest resources:** control free grazing in CF, promote agroforestry practices and stall feeding techniques, manage regeneration in CF and carry out the active forest management practices.
- **Equity:** Build capacity of women, *Dalits* and poor, maintain transparency in major decisions and financial transactions, subsidize forest products to poor and conduct more pro-poor activities
- **Sustainability:** Enhance awareness of users on FOPs and constitution, increase linkage and coordination with other organizations and develop leadership capacity of women, *Dalits* and poor who represent ECs.

F3.4 Good Governance Assessment

During this fiscal year, the Program conducted good governance assessment in 161 UGs. The main objective of governance assessment was to (1) assess the governance status of the UGs due to program interventions, (2) identify the gaps and areas for improvement and (3) prepare action plans to address the gaps.

In order to avoid duplication, the assessment was conducted in those UGs, which were not covered by SAMARPAN. The assessment was done following the spider web tool, which comprises four governance pillars viz. participation, transparency, accountability and predictability. In the process of governance assessment, Program conducted an orientation and workshop for the representatives of the participating UGs. They were actively involved in the whole process of assessment and finally categorized the UGs into four distinct groups viz. 'Very good', 'Good', 'Medium' and 'Poor'. Of the total UGs assessed, most of the UGs were 'Good' in terms of governance status (see Figure 8). From the assessment, it was appraised that 'participation' was the strongest and 'accountability' was the weakest of all pillars of the governance status. In order, therefore, to improve the gap of governance status, the UGs planned the following actions for implementation:



- Increase the representation of women in key positions of EC
- Conduct orientation on FOP and constitution more intensively
- Share major decisions and financial transactions with the users by conducting PHPA and posting in public places
- Allocate group fund and conduct IGA for poor to improve their livelihood
- Develop linkage with relevant stakeholders to implement NTFP management activities

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 Public Hearing and Public Auditing

Indicator R1.4b: By end 09/05 - 80 UGs have practiced Public Hearing and Public Auditing (PHPA)

PHPA is 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 highly participatory method in which user groups critically discuss, question 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 mobilized and financial record managed. 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: The process of raising issues and concerns during PHPA by women and general user members has made the executive committee more accountable to the user groups resulting in improved governance practices in the UGs (PHPA being conducted in *Janashrit* CFUG, Naubasta, Banke and Lathawa CFUG, Rajapur, Bardia)

During the fiscal year, 245 CFUGs/BZUGs conducted Public Hearing and Public Auditing (PHPA) well surpassing the target of 80 CFUGs/BZUGs in which more than 60% users participated in each. The significant increase in the number of PHPA can be attributed to the increased awareness and knowledge of UGs due to various capacity building and empowerment program conducted by the Program over the past three years.

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

- Meetings and assemblies not regularly held by the executive members,
- Important decisions made only by EC members and not regularly shared. Also some major decisions not implemented or followed properly,
- Advance and outstanding dues not settled by some executive members,
- Trend of generalizing income and expenditure items without specifying the reasons,
- FOP not properly and timely implemented,
- Lack of good leadership in some CFUGs,
- Benefits from forest management 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 with induction of women and *Dalits* as EC members,
- Overall financial record keeping system improved,
- Regular meetings held by ECs and major decisions shared through watchmen and public places,
- Outstanding advance and dues paid back and in the process of being paid. (Please see the Table below for detail).
- Increased demand from neighbouring CFUGs to help them conduct PHPA in their groups,
- DFO highly impressed with PHPA and its results and supportive to it by way of incorporating PHPA in the constitution.

On the whole, the PHPA has been significantly contributing towards anti-corruption drive in community forestry development program. The details of pay back amount and the commitment for pay back by the CFUG members are in the Table below:

Table 1: Fund misused, recovered and committed in PHPA events during the current fiscal year

SN	District	No. of UGs	Fund misused (Rs)	Fund recovered (Rs)	Fund committed for recovery (Rs)
1	Banke	9	310854	94602	181224
2	Bardia-CF	67	1473811	31559	1209857
	Bardia-BZ	7	27262	0	27262
3	Kailali	41	82990	1420	78635
4	Dhading	75	308654	176104	134650
5	Dolpa	2	2140	0	2140
	Total	201	22,05,711	3,03,685	16,33,768

Issues and challenges

- Difficult to motivate and conduct PHPA in a group where misuse of money is significant, because the ECs or the persons who have misused the group fund are afraid (prestige issue) of being questioned and exposed in public
- Difficult to facilitate PHPA in groups having large number of households, because it is difficult to control and manage the big groups with so many questions and enquiries to address in time and properly.
- Elite and EC members with vested interest are against the PHPA, because the ECs or the persons who have misused the group fund are afraid (prestige issue) of being questioned and exposed in public.

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/functions,
- 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.

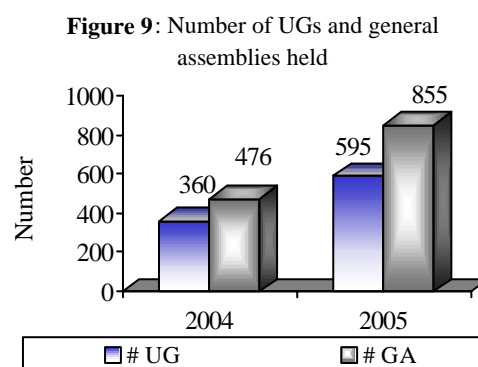
- It is highly essential to ensure the continuity of PHPA in order to institutionalize good governance practices in the user groups. For this, PHPA should be made mandatory in the FOP and constitutions in both new and renewal of FOPs.
- Other possible way to institutionalize the PHPA would be to conduct 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.

F4.2 General assemblies and auditing financial transactions

Indicators RI.4a: By end 09/05, 530 general assemblies held by UGs per year

During the fiscal year, 595 CFUGs/BZUGs conducted their general assemblies against the target of 530 general assemblies. Of them, 391 CFUGs/BZUGs conducted general assemblies once a year and 204 CFUGs/BZUGs more than once making a total of 855 general assemblies. This is significant improvement in the efforts and the attitude of the executive members as well as efforts and pressures of general user group members including GLC participants (See Figure 9).

It is observed that the participation of the user groups in the general assembly was around 70% in the current year due to increased awareness, knowledge and confidence of the user groups on the significance of the event. 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 well-being status of the households (f) forest protection measures (g) CF land allocation for poor households to cultivate NTFPs (h) formation or reshuffling of EC (i) equal wage for equal work for women (j) representation of women, *Dalits* and poor in key EC positions and (k) 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.



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 (see Box 4). General assemblies were conducted based on the agenda and the concerns of the general user groups in a more democratic and transparent manner. This can largely be attributed to increased knowledge and awareness of user groups through various capacity building programs such as RBA, Advocacy, governance, NFE classes, orientation and awareness programs.

BOX 4: Issues raised by poor in the general assembly

- Allow collection of forest products from time to time
- EC members should give adequate time for group activities.
- All EC members should attend monthly meeting regularly.
- Issues raised by women and poor should be heard and implemented accordingly

(Ram Janaki CFUG, Kohalpur, Banke, March 2005)

The major issues raised and decisions taken were:

- Allocation of group fund for the support of poor households for their income generation,
- Subsidized rate of forest products for the poor households,
- Discount interest rate on the loan taken from group fund for women, *Dalits* and poor,
- Investment of group fund for the CF and local development,
- Make PHPA a regular event in general assembly,

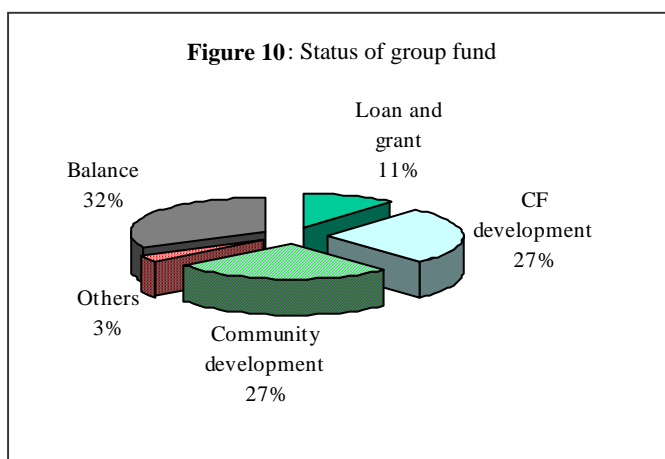
- Increased sharing of major decision and financial transactions
- Increased representation of women, *Dalits* and poor in executive committees,
- Increased participation of women, *Dalits* and poor in all capacity building programs.
- Increased promotion of NTFPs for economic development of poor

Major changes in the processes and systems observed in the UGs were:

- Increased participation of women, *Dalits* and poor in discussions and in raising concerns in GA
- Increased interest of women, *Dalits* and poor on the status of group funds and financial transactions
- Increased interest and demand of women, *Dalits* and poor to assume EC members
- Increased accountability of EC members towards the general users
- Increased practice of decision making through general consensus

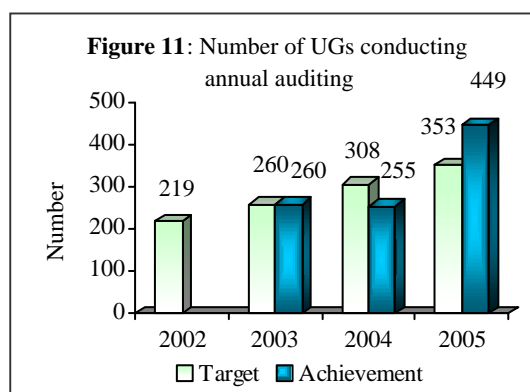
Indicator GI.2: By end 09/05 - 308 UGs have their accounts annually audited

Altogether, 629 CFUGs/BZUGs generated group fund amounting to Rs. 71.17 million compared to Rs. 51.22 million previous year. Of the total fund, they invested 65% in various development and other social support activities. They include 27% for community forestry development activities like nursery operation and production of seedlings, plantation, protection of forests, harvesting of forest products, and NTFP cultivation, 27% for community and social development activities e.g. public facilities for the community and the offices, school support, maintenance of monastery, IGA (off farm and on farm) and 11% as social support activities as loan and grant to poor and women etc. (see Figure 10).



and 11% as social support activities as loan and grant to poor and women etc. (see Figure 10).

Of the total CFUGs/BZUGs above, 449 audited their accounts against the target of 353 CFUGs/BZUGs from which 190 got their annual accounts audited through registered auditors. Similarly, 245 groups audited their financial accounts through PHPA, 133 groups through both registered auditors as well as PHPA and 418 groups internally audited their accounts through general assemblies. The number of UGs who managed to conduct annual auditing is on the increase (see Figure 11).



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 Training/workshops/cross visits for partners

Indicator R1.5b: *By end 09/05, 875 members from NGOs and Federations of CFUGs and BZUGs have knowledge about good governance and improved managerial practices*

During the fiscal year, the Program conducted 13 events of training and workshops 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 included RBA, advocacy, governance and 'Do No Harm'. A total of 292 participants of which 31% women and 7% Dalits, actively participated in the training and workshops. As of now, 602 members from NGOs and Federations have participated in above mentioned training and workshops against the target of 875.

As a result of their capacity enhanced through various training and workshops, more than 20 NGOs and Federations (FECOFUN at various levels, CBOs, NGOs and Federations, Dalit NGO Federations, Buffer Zone Dalit Networks Committee, Buddha Cultural and Environment Development Organization (BCEDO), Dolpa Education and Social Environment Research Team (DESERT), RDBS, BDS-MAPS, Tripura Sanskritik Tatha Samuhik Bikash Samittee (TSTSBS), CIRDS, ASTHA, Social Welfare and Management (SWAM) Nepal and Integrated Rural Development Society-Nepal) implemented several capacity building programs for user groups in partnership with the Program. A total of 29,253 user group members benefited from this program. Some of the LRPs developed by the 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 at the grassroots level people. They also bring in varied expertise increasing synergic efforts 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.

F5.2 Affiliation of CFUGs/BZUGs to their federations

Indicator R1.5a: *By end of 09/05, 395 UGs affiliated to their federations*

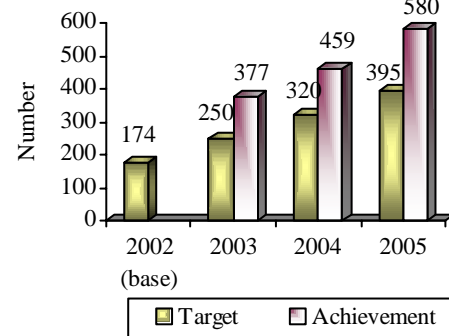
Federations of the NRM groups have been playing effective role in extending their networks at district and regional levels. They are providing guidance on technical and managerial support to their members in the form of training, orientation, meetings, and importantly, in the advocacy functions to address the community forestry related issues of user groups at district level.

There is an increasing trend of affiliation of user groups to different federations like FECOFUN, NEFUG, BZMC and HIMAWANTI. As of now, 580 CFUGs have been affiliated to district FECOFUN against the target of 395 CFUGs. The trend of affiliation is on the increase over the years (see Figure 12).

Under the district level FECOFUN, range post (RP) and village level FECOFUN have also been formed in which UGs are affiliated to them as well. These networks are supporting UGs in (1) CF hand over and FOP renewal processes, (2) auditing of group fund by registered auditor (3)

conducting PHPA, PWBR and identification and support to pro-poor activities, (4) raising advocacy issues to withdraw double blazing system, expedite hand over of community forests managed by user groups for long period, establish appropriate price of forest products, avoid frequent change of policies and ad hoc notifications and implement existing policies (5) raising awareness and knowledge of user groups through governance related activities (6) raising advocacy issues with district administration and related government offices to withdraw closure of bank accounts and allow user groups to handle their fund independently.

Figure 12 Number of CFUGs affiliated to FECOFUN



In spite of the good initiatives and contributions of the NGOs and federations, they have not been able to play strong and decisive role in terms of addressing issues related to community forestry programs. This is mainly due to inadequate coordination and understanding with the government agencies. 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 always compelled to look for additional fund from NGOs, INGOs and other donor agencies at the district level. In order to effectively implement their program and policies, the NGOs and Federations should establish better understanding and collaboration with district level government counterpart and work as partners on the similar areas of interest and expertise. For this, regular interaction at formal and informal setting of both agencies are necessary to define roles and responsibilities of each other and work for meeting common objectives. Such efforts and collaboration will go a long way in building on the current success of the Program ensuring continuation of the services at user groups level.

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 HMG/N counterparts

Indicator R1.6: *By end 09/05, 175 members from DFO and Park Offices have knowledge about good governance and improved managerial practices*

During the fiscal year, a total of 71 DFO and Park office staff participated in various training, workshops and cross visits such as governance, RBA, advocacy, short term training for officers on good governance (overseas), study tour for Rangers on good governance in India and training on communication and information management. As of now, a total of 340 government counterpart staffs participated in various training, workshops and cross visits against the target of 175 participants.

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 of conducting 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, NTFPs management training and skill enhancement training on monitoring and advocacy functions of service delivery.

It is noteworthy to mention that the District Forest Offices are increasingly handing over (see figure 6) community forests due to increased demand and advocacy of user groups and federations. The DFO and Park Office have been very supportive in conducting PWBR and PHPA in the user

groups to initiate pro-poor program and governance practices and have been playing pro-active role in incorporating its provisions in the constitutions and FOPs. Their service delivery system has also been improved over the period in terms of sharing and disseminating community forestry and buffer zone policies, laws, guidelines and citizen charter to the UGs through training and workshops. As a result, understanding and communication between user groups and government counterpart has been increased. For example, the user groups and federations have become confident enough and increasingly questioning the government agencies on their service delivery system for clarification and consideration on the issues they are not convinced of in all appropriate forums and advocating for their rights. This initiatives of user groups and federations have sensitized the government agencies to a considerable extent in giving due attention to the issues raised frequently.

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 28 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 those events, both the Program and the counterpart reviewed the progress of the past year and prepared the work plan jointly. While implementing the field activities, the Program worked in coordination with the district level government counterpart exchanging expertise in implementing and monitoring field activities and conducting various capacity building programs.

The major issues raised, discussed and decisions taken in the above forum were:

- Monitor the effectiveness of allocation of group fund provided to poor for their livelihood improvement.
- Mobilize LRPs in coordination with FECOFUN and DFO. Re-skill them with enhanced knowledge and skills to ensure effectiveness of their services.
- PHPA in the UGs should be followed by annual auditing through registered auditors to enhance the transparency and accountability in the UGs
- Handover the community forests to UGs that have been protected and managed by them for a long period.
- Update/increase the minimum sale price of some forest products fixed by the government, mainly *Khayar* (A. catechu) whose market price varies by three folds.

In spite of DLCC's very important role as a forum to review, share and exchange ideas and inputs on the plan, progress, lessons learned and issues and manage the overall Program with proper direction, it is observed that the DLCC meeting could not be held regularly. It is mainly due to absence of the DDC Chairperson and the take over of current government towards which civil societies are not supportive. Secondly, it is inadequate coordination between government counterpart and the DDC.

In the current DLCC meeting in Banke, FECOFUN did not participate as a protest to the currently nominated DDC chairperson. This forum, either as DLCC or as any other name, should exist and

function effectively to give continuity to the Program's many successes and best practices. There are also growing interest and proposition by government counterpart as well as Program staff that the DLCC should be converted into DFCC (District Forest Coordination Committee) because of its strong existence and wider recognition. The UGs and FECOFUN have, however, misconception about DFCC being it as pro-collaborative forest management. This is very important for developing understanding among the major stakeholders for which a workshop or a meeting is necessary at district level soon whether DLCC should be continued or be converted into DFCC, whichever is an appropriate for better functioning in future.

F8.2 Research and case studies

Thesis studies: Altogether, four thesis studies were supported during the fiscal year. They were:

- *An Assessment of Governance Status of Community Forestry User Groups in Banke District, Nepal (A Case Study in Mahila Upakar, Kohalpur-4, Sita Mahila, Kamdi-9, Janakalyan, Kohalpur-5 and Durga Bhawani, Kanchanpur-8, Community Forest User Groups* - by Krishna Bahadur Thapa, B. Sc. (Forestry) student, Hetauda Campus, Institute of Forestry, Hetauda
- *Good Governance Practice in Community Forestry User Groups: A Study in Bardia District*- by Hemant Raj Adhikari, M.A. (Rural Development) student, Central Department of Rural Development, Tribhuvan University (thesis report is yet to be received)
- *Ecological and Socio-Economic Impacts of Adopting Alternate Energy (Improved Cooking Stoves) in Shey-Phoksundo National Park and Buffer Zone Area of Tripurakot Village Development Committee, Dolpa, Nepal* - by Bipin Dhital, Bachelor's Degree (Rural Development) student, Classic International College, Purbanchal University
- *A Study of Ecological and Socio-Economical Impacts of Adopting Alternate Energy (Solar Plants) in Shey Phoksundo National Park Buffer Zone Area in Dolpa District, Nepal* - by Nirmal B. Khatri, M.A. (Sociology) student, Central Department of Sociology and Anthropology, Tribhuvan University (thesis report is yet to be received)

In addition, the thesis proposals were called from the B.Sc. (Forestry) students at IoF, Pokhara and Hetauda. A total of 7 final year students submitted their proposals, which were reviewed by the research committee of the Program. Of them, 2 students from IoF, Pokhara showed their interest to conduct the study in the Program area, who will be supported during the first quarter of Year 4.

Study on buffer zone forest management plan: The Program completed a study in Bardia to prepare the buffer zone forest management plan preparation guideline. The study team consisted of two senior forestry professionals on behalf of Nepal Foresters' Association. The report is in the process of finalization.

Study on pro-poor community forestry: Led by the Policy and Social Sector Analyst, SAGUN Program conducted a study on the pro-poor initiatives by CFUGs in Banke, Bardia, Kailali and Dhading was conducted. Altogether, 15 UGs were visited and interactions were held with the EC members and general users to (1) identify the processes, approaches and outcomes of the pro-poor activities conducted by the UGs, (2) identify the gaps in the processes and (3) to recommend the measures to address the gaps for implementing the pro-poor activities effectively to enhance the livelihood of poor.

The study revealed that PWBR remained instrumental to sensitize the executive committee members and general users on the need to provide support to the poor households by mobilizing internal and external resources. However, only about 10% of the poor users have been benefited from the pro-poor program specifically targeted to these users. Some of the pro-poor activities implemented by the CFUGs include NTFP cultivation, land allocation for the poor users, goat

rearing, pig rearing, vegetable cultivation, subsidy on forest products, support in child education, and employment opportunities.

Since majority of the activities have been started since late last year, the users are no able to reap substantial benefit yet. However, the initiatives have been largely successful in process strengthening for pro-poor initiatives.

Since poor people make their living through daily labor, it is difficult for them to participate in more labor-intensive activities, which do not provide benefit quickly. Some of the poor users told that they could not participate in the NTFP activities due to lack of time. The study has proposed a framework for pro-poor initiatives approach. The framework illustrates that eventually it is the social, economic and political position of the poor that can bring more lasting change in the livelihoods of the poor rather than just improving conditions.

In general, the policy environment is favorable for the implementation of the pro-poor activities. However, the policies need to be more effectively implemented and need to be revised in some cases. The study suggests that the pro-poor initiatives made by SAGUN need to be institutionalized for broader and sustainable impact. To expedite this process, following course of pro-poor community forestry actions have been recommended:

- identification of the poorest of the poor users through PWBR
- commitment from the CFUGs to allocate certain amount of group fund for the upliftment of the poor through general assemblies.
- implementation of the pro-poor activities which are compatible to their socio-economic conditions through developing certain procedures within the UGs
- effective monitoring mechanism to measure effectiveness of the pro-poor initiatives and impact upon the poor
- communication, coordination and mainstreaming the pro-poor initiatives with other organizations
- embed / incorporate the pro-poor provisions in the FOPs/constitutions of the CFUGs
- organize , empower and mobilize poor users to claim and exercise their rights
- coordinate and provide support to other users within the CFUGs to maintain social harmony addressing the concerns of the entire UG

F8.3 Communication and extension materials

During this reporting period, two important documents were produced and published. One was a booklet entitled “Achievement and Lessons Learned of SAGUN (FBZ) Program” and another was poster on “Good Governance in Natural Resource Management”. Thousand copies of each document was printed out and widely shared and distributed among government counterparts, donor, partner organizations, user groups, CARE Nepal projects and other organizations/projects/programs working in forest resource management. Similarly, Program prepared a proceeding of All Staff Meeting of SAGUN (forestry/Buffer Zone) and shared it with the related stakeholders.

The booklet entitled “Achievements and Lessons Learned” contains progress made by SAGUN (Forestry/Buffer Zone) in the past two years that includes best practices, lessons learned, issues, challenges and recommendations. Similarly, posters entitled “Good Governance in Natural Resource Management” contain messages on good governance viz. participation, transparency, accountability and predictability and underlying features in the forms of dialogues, captions and pictorial presentations. Both the documents were produced in Nepali for the benefit of stakeholders at all levels. While the proceeding of All Staff Meeting contains progress, experiences, best

practices, lessons learned at Program level as well as individual level by Partners, Women Motivators, Local Resource Persons etc.

Besides, following documents were prepared and widely shared with the major stakeholders:

- An article entitled 'Good Governance in Forest Management' covered by HIMAL Magazine, Year/Vol. 14, No. 9, 17-31 August 2005
- Guideline for writing Constitution of CFUGs from governance perspectives - by Bardia team
- Articles published in DFO reports, Banke and Bardia
- Manual / guidelines (specialized RBA,
- Several training reports and workshop proceedings
- NGO/CFUG Profile, Bardia
- Lessons learned document, Dhading
- 'PHOKSUMDHO', quarterly newsletter, Dolpa
- Several articles, thematic stories and human-interest stories published in the local newspapers and 'CARE KO PRATIBIMBA'

The Program is in the process of publishing a magazine consolidating all the articles, thematic, human interest stories, case stories/studies related to initiatives, progress, good practices, lessons learned and issues on the Program prepared either individually or collectively in team. For this, most of the processes have been completed in terms of collection of the articles from Program staff, Partners, LRP and WMs etc. and their selection, and will be published by first quarter of the Year 4.

F8.4 Good Governance Workshop at Institute of Forestry

The Program conducted a two-day Good Governance on Natural Resource Management Workshop at Institute of Forestry, Pokhara in which 52 participants attended. They included 43 faculty members from both Hetauda and Pokhara Campuses, 2 Officers from Regional Training Center, Pokhara and District Forest Office, Kaski, 2 representatives from USAID, 5 Program staff and some M. Sc. (Forestry) level students.

The main objective of the workshop was to develop a common understanding among the faculty members of IoF and other participants on the role of good governance for equitable and sustainable forest management and to develop some plans of actions to incorporate good governance contents into IoF curricula. There were several presentations and discussions on evolution of community forestry in Nepal, concepts of good governance, right based approach and its application in NRM, context of designing the SAGUN and its initiatives, achievements, best practices and lessons learned in SAGUN program, and provisions of institutional and governance education in existing curricula of IoF, research priorities and processes of support to B.Sc. / M.Sc. thesis students.

On the whole, the workshop remained successful in sharing and sensitizing faculty members on different initiatives, achievements, practices and challenges in the natural resource management from good governance perspectives. The workshop concluded that the good governance content should be incorporated in the curriculum of IoF in order to institutionalize the process of promoting good governance practices in forest resource management. At the end of the workshop, the participants prepared an action plan as follows:

- Field visit by IoF faculty members to SAGUN Program areas as part of exposure to field initiatives, progress, good practices, issues and challenges on good governance in forest resource management.
- Support to B.Sc. and M.Sc. students on thesis/research program as part of field exposure.

- Guest lecture program at both Hetauda and Pokhara Campuses, IoF and interaction programs to strengthen relations and coordination between IoF and SAGUN Program
- Workshop on curriculum review/update involving major stakeholders at national level.

Following the action plan the Chief of Party of SAGUN Program has already shared the achievement and learning of the Program as a part of guest lecture on the good governance in NRM for the faculty members and students of IoF, Pokhara. The coordination and communication with IoF through guest lecture programs seem to have generated increased interest among the students in the field of governance. As a result, SAGUN has been increasingly receiving proposals from the students for the research and case studies on good governance topics.

2.1.2 Policies and Implications

The Program, since its inception, has been conducting various training, workshops and orientations to enhance the knowledge, skill and capacity of UGs, their networks, NGOs/CBOs and government counterparts on good governance, RBA, advocacy and many other CF related issues. These issues, in some ways, have policy implications at micro (within group), meso (district) and macro (national) levels for either formulation of new policy, change in the existing policy or effective implementation of the existing policy. Following are some major issues observed and raised frequently by the user groups in the best management of community forestry in line with good governance principles and practices:

Table 2: Governance issues in community forest management

Policy Implication	Level of Issues		
	Micro (Group)	Meso (District)	Macro (National)
New policy formulation	<ul style="list-style-type: none"> • Allocate group fund for pro-poor activities • Prepare group fund mobilization guideline • Make PHPA mandatory 	<ul style="list-style-type: none"> • Handover potential community forests by revising OFMP • Recognize LRPs services and mobilize them for preparation of new and renewal of FOPs 	<ul style="list-style-type: none"> • Formulate pro-poor community forestry policy. Specific guidelines/ strategies are required at national level to strongly implement pro-poor program through CF • Prepare group fund mobilization guidelines by the UGs and the Federations largely with the support of the Program. • Recognition of contribution of forestry sector to GDP
Review and amendment of the existing policy	<ul style="list-style-type: none"> • Specify both men and women as household head in the constitution/FOP • Increase meaningful participation of women, <i>Dalits</i> and poor in the decision making processes 	<ul style="list-style-type: none"> • Withdraw double <i>tancha</i> /hammer marking) system for the sale of forest products outside the UGs • Withdraw repeated permission system (whose system) of DOF/MOFSC for harvesting and sale of forest products • Allow (by DFOs) to do the sawing of their timber away from their CF. • Fixing of appropriate royalty rate of <i>Khayar</i> based on the market price 	<ul style="list-style-type: none"> • Revision of the CFM guidelines in favor of users as per inputs and suggestions provided in the last regional workshops in other forums

Policy Implication	Level of Issues		
	Micro (Group)	Meso (District)	Macro (National)
Effective implementation of existing policies	<ul style="list-style-type: none"> • Increase representation of women, <i>Dalits</i> and poor in the EC. • Subsidize the rate of forest products to poor as per their economic condition • Distribute the forest products on equitable basis: as per the needs of UGs and as per the economic condition of the poor. • Make the major decisions and financial transactions transparent to all users • Ensure effective implementation of the provisions laid in the FOP and constitution 	<ul style="list-style-type: none"> • Handover the community forests protected and managed by the users for a long period (more than two years usually). • Timely renewal of FOPs 	<ul style="list-style-type: none"> • Align the revenue collection with forest act • Hand over forest area covered by forestry project to the community (Nepalgunj Forest Development Project, Banke)

The capacity building of women, *Dalits* and poor remained the major strategy of the Program to address the micro level issues. Training and workshops are the means to build the capacity of users, in which they were oriented and supported mainly on (1) increased representation of women, *Dalits* and poor in ECs and their meaningful participation in the decision making processes (2) mobilization of group fund to conduct pro-poor activities (3) subsidy on forest products to poor (4) transparency of major decisions and financial transactions through PHPA and regular sharing with general users. The Program encourages and facilitates the UGs to conduct PHPA to promote good governance practices by improving transparency and accountability in the UGs. PWBRs are conducted to identify poor and support activities to improve their livelihood. The issues raised by the UGs and the stakeholders are presented and discussed in forums such as DLCC and even the central level Program Support Unit (PSU) meeting of the Program. Besides, the issues are documented in different forms and widely shared with the relevant stakeholders for either formulation of new policy, change in the existing policy or effective implementation of the existing policy. Following are the major outcomes of these efforts, which have been described and reflected under various relevant objectives above:

- Increased representation of women, *Dalits* and poor in the ECs
- Increased participation of women, *Dalits* and poor in the decision making processes
- Increased allocation of group fund to pro-poor activities
- Increased involvement of women, *Dalits* and poor in capacity building programs
- Increased practice of PHPA
- Subsidized rate of forest products for poor
- Increased new handover of community forests and renewal of FOPs/constitutions
- Increased advocacy capacity of UGs and federations and their strong efforts to address them at group and district levels. Increased/improved coordination and understanding between federations and district level government offices on the community forestry issues faced by user groups.
- Increased documentation of policy issues and sharing at different forums

2.1.3 Thematic

Turning Point in Anita's life

Lekhnath Adhikari
Field Officer, Banke

Mrs. Anita Budha was born in 1982 in Rukum district. Her family migrated to Kohalpur 5, Banke when she was very small. She spent her entire childhood in Banke. But unfortunately, she could not go to school because of her parents who were illiterate, and like many in the society, they too had wrong notion about educating their daughter.

Anita got married when she was only 15 years old with a man nearby her village. She is now the mother of two children. The elder daughter is seven years old, and the younger one, a son, is four years old. She lives in a family of five including her father-in-law. When she was married, Anita's family was a landless with no regular income source. As a result, for couple of years following her marriage, the family faced a severe hand to mouth problems. They had to work as labor to earn their living.

Misfortunate would have it, in 2003, Anita's husband died when she was only 21 years old. Her husband had suffered from jaundice earlier but he could not undergo proper and timely treatment due to lack of knowledge and money. This unexpected incident added woes to her sorrows in her personal life and her poor family. She was then living in a hut like house built in another person's land. With the sole bread earner died, her labor work and its earning alone was not adequate enough to feed her family. Therefore, she was compelled to depend on the kind assistance of the neighbors and her relatives for family livelihood.

Despite all these struggles in her life, she had heard about SAGUN (Forestry/Buffer Zone) Program in her community and was also aware of its implementation of non-formal education (NFE) for women in her community forest user groups (CFUG). This was the year her husband had died. She expressed her interests at her CFUG to study in the NFE with the hope that she would be educated and do something better for her family in future. Due to her strong interests, enthusiasm and active participation, she successfully completed her six-month NFE course. She worked very hard during the period of her study in the NFE to understand the importance of



Photo 7: Anita with her son

community forestry management, good governance, advocacy, rights of women, *Dalits* and poor in the CFUG and in the society as a whole. Following the completion of her NFE course, she also received group management training conducted by SAGUN (Forestry/Buffer Zone) Program. This training, as she says, further reinforced her capacity and confidence to a greater extent as a result she gradually started playing active role in the CFUG.

In August 2004, during the event of Public Hearing and Public Auditing (PHPA) in Ranighat CFUG, Anita strongly raised the issue of group fund mobilization for single women and livelihood improvement of poor. On that occasion, she knew that former treasurers of her CFUG had misused the group fund and had fled to India. Of them, one person had misused Rs. 40,000 and another Rs. 31,000. This fund was the revenue collected from the tractor as entry fee, which passed through their community forest to collect sand and stone from nearby river. She strongly objected to this misappropriation in the user groups and asked executive committee members to take proper action against the culprits or recover the money soon. She was not happy with the way the revenue was

collected, recorded and managed. In the General Assembly, which was held later a week after the PHPA conducted, she again raised the issue of misappropriation of the money and strongly expressed her willingness to carry out the duty of collecting revenue from the tractors if CFUG agrees to appoint her as Office Assistant. Following an intensive discussion among executive committee members and general user groups, the General Assembly agreed to her proposal and appointed her as an Office Assistant. The General Assembly also decided to offer her a salary of Rs. 1500 per month.

Motivated and encouraged by her recognition in the user group, she worked hard to convince the user groups to initiate pro-poor activities through group fund. As a result, the general assembly decided to allocate Rs. 70,000 for income generation activities i.e. goat farming for poor households. This benefited 12 poor households including Anita's family. Now, she has three additional baby goats produced from the one distributed to her.

As an Office Assistant in the CFUG, Anita performed her duties and responsibilities very efficiently with full commitment and honesty. She collected the entry fee of the tractors regularly with proper record keeping and deposited the same to the user groups. Her average monthly collection of entry fee reaches Rs. 25,000.00 which is deposited as group fund. The user groups are highly appreciative of her excellent works in which she has maintained transparency as well as accountability.

During this reporting period in September 2005, Ranighat CFUG conducted PHPA in which Anita's participation was very active and praiseworthy. She spoke so high of PHPA and its importance. She said, "PHPA is a very effective process which promotes good governance practices in CFUG by maintaining transparency in all group activities, decisions and financial transactions among the EC members, general users and relevant stakeholders". She further proposed, "Forthcoming General Assembly should allocate more group fund for pro poor activities and also consider her to continue with her current job as an Office Assistant as in previous year". After a week of PHPA event, General Assembly was held in which decision to continue her job was passed with an increase in her salary by Rs. 200. Further, the General Assembly allocated Rs. 60,000 group fund for current fiscal year 2005/06 for pro-poor activities.

All of these changes in an individual and in the groups are the results of the various interventions and the consistent efforts of the SAGUN (Forestry/Buffer Zone) Program as part of promoting governance practices as well as pro-poor programs through community forestry development processes. Anita Budha is one of such example as a single woman as well as poorest of the poor. In response to a question as to what were the reasons of her success, she said, " NFE was key source of motivation to me and similarly group management training and PHPA which enhanced my knowledge and confidence to be an active and responsible member of CFUG". She further explained "I learned the women's roles, responsibilities and rights from NFE, leadership skills from group management training and importance of governance in the groups/society from the PHPA and other regular events of SAGUN (Forestry/Buffer Zone) Program ".

Anita is now recognized as a capable woman in her village rather than a poor and helpless single woman. As an Office Assistant, she receives Rs. 1700 salary per month from her CFUG, which has been a great help in managing her household relatively well as well as schooling her daughter. Her daughter is studying in class II in a nearby government school. Next year, she is planning to send her son to the school. She is also confident of earning better from her goat farming in few months time. We wish her happiness and success with improved economic condition and bright future of her family and similarly of Ranighat CFUG in terms of good governance practices and support to improved livelihood of women, *Dalits* and poor in the user groups.

2.1.4 Major Issues and Challenges

The overall operating environment remained quite challenging to the staff at all levels resulting in constrained movement to the field for implementation of training, workshops and orientation, regular monitoring and data collection. Frequent *bandhs* and blockades posed further difficulties in smoothly implementing the field programs. As a result of these, the progress in the field was affected to some extent. Besides, the coordination with the local government authorities has been difficult due to absence of elected local bodies. However, later part of the Year 3 remained comparatively better due to ceasefire announced by the Maoists. As a result, movement of staff increased with intensive field visit for monitoring and implementation of major field level activities to a large extent.

The Program focusing on good governance, RBA advocacy and the capacity building of the users, does not have much scope to adequately address the economic empowerment of the poor. Particularly in Dhading, the UGs are mainly resource poor and are unable to conduct pro-poor activities even though they are aware of and fully supportive to poor.

In all its programming and field level implementation of the activities, the Program adopted 'Do No Harm' (DNH) principles wherever applicable with following major strategies and approaches:

- Partner organizations (e.g. District, Range Post and village level FECOFUN, NGOs and CBOs), LRPs and Women motivators were extensively mobilized to reach out grassroots level people and conduct site level training, workshops and orientations.
- Many events of site level training, workshops and orientation were conducted in partnership with very active user groups (CBOs).
- Site level training and workshops were all conducted at district headquarters and Ilaka in the case of much deteriorated situation.
- All financial matters of the training, workshops and orientation were made transparent to all participants at the end of each training/workshop/cross visit event.
- During the *bandh* and the blockades, staff movement and training were all suspended temporarily.
- Public Hearing and Public Auditing are strongly encouraged to conduct in all user groups to maintain transparency and promote good governance.
- Women, *Dalits* and poor were given high priority in the capacity building program and representation in the decision making positions.
- Staff both local hires and partners were given DNH training to enable them to work in a harmonious manner in the current situation.
- Staff maintained low profile at all time.
- Coordination and communication forums such as DLCC have been used to develop common understanding on the emerging issues to address them collaboratively.
- Pro-poor activities were given high priority for which UGs were encouraged and motivated to allocate group fund for poor for their livelihood improvement.

2.1.5 Prospects for Next Year

The major achievements over the past three years mentioned in report in various pages will be the basis for Year 4 on which the Program will build on to increase its impacts. Following activities and strategies will be adopted in achieving SAGUN FBZ Program's goal and objectives in the following year:

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 conduct PWBR, make it mandatory by stipulating the outcomes in the constitution/FOPs to institutionalize it, and make increased investment from their group funds on the following areas for the welfare of the poor, *Dalits* and women:
 - Economic development of the poor on priority basis
 - Increase investment on CF development and other local development activities
 - The resourceful CFUGs/BZUGs shall be encouraged/motivated to 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 encourage and assist UGs to prepare the guidelines for the best management of the group fund
2. Women, *Dalits* and poor will be increasingly focused to increase their representation in the leadership positions, capacity building programs, household economic development and other local development activities.
3. PHPA will continue to be implemented with greater intensity for promoting good governance practice in the user groups. The UGs will be encouraged to make it mandatory by incorporating it in the constitution/FOPs to institutionalize the process.
4. Mobilization of the LRPs and Women Motivators will be continued to reach out larger geographic area and population. Skills and knowledge of LRPs and WMs will be reviewed and accordingly re-oriented to enable them to provide effective services to the user groups. Every effort will be made to affiliate them to other potential NGOs and Federations to ensure their continuity of service even after phase over of the Program.
5. Exit Strategy prepared this year, as part of phase out plan, will be the basis for implementing Year 4 activities, in which emphasis will be given to scaling up of partnership with potential partners to ensure continuity of the program. For this, re-skilling of potential CBOs, NGOs and Federations at local and district levels including LRPs will be done. This is expected to enhance their skills and knowledge thereby enabling them to continue minimum level of services to user groups even after phase out of the Program. In addition, efforts will be made to improve collaboration and partnership between CBOs, NGOs and Federations and government counterpart to work together to meet needs and demands of the user groups.
6. Program will continue to support IOF on guest lecture programs and to develop/revise curricula relevant to current governance context in community forestry management. For this, a cross visit will be organized for IOF faculty to SAGUN Forestry/Buffer Zone Program area for field exposure on the governance initiatives, practices, lessons learned, challenges and issues to make the IOF curricula contextual to the ground reality. Also a visit of policy makers will be organized to Program areas as a part of policy feedback on the best practices the Program has demonstrated over the period.
7. The Program will conduct case studies on success and failure of the Program; produce documentation on the highlights and the best practices in the forms of documentary and publications for wider sharing through mass media. Besides, Program will produce a consolidated report/publication of the best cases, articles, thematic, human interest stories prepared individually by program staff, partners, LRPs, WMs and collectively in team on various stages over the past three years. These documentation of Program's overall success, failures, good practices and lessons learned in the form of publications such as booklets, leaflet, audio visual materials will be widely shared/disseminated at all levels.

2.1.6 Visitors

The Program received following visitors during the reporting period. The program progress and learning were shared with them.

S N	Name of visitor	Organization	Purpose/ objective	Duration	Places visited
1.	Tim Rieser, Aide-Senator	Office of Senator Patrick Leahy, US Senate, USA	To observe the SAGUN FBZ program initiatives, progress in the field	22 December 2004	<i>Mahila Upakar</i> CFUG, Kohalpur, Banke
2.	Donald B. Clarck, Mission Director; Linda Keutro, Program Development Specialist; Naren Chamugam, Act. GDO Director; and Netra Sapkota, GDO	USAID Nepal, Kathmandu	To observe SAGUN and SAMARPAN program activities To interact about the status of IDPs	09-11 March 2005	Dhangadhi and Attaria in Kailali
3.	Anuj Raj Sharma	Freelancer/ Researcher	To conduct research on participatory forest management on the pro-poor users	June 2005	<i>Katarnia</i> BCFUG, Bardia
4.	CFUG members	RIMS-Nepal, Dhading	To observe SAGUN Program activities conducted by CFUGs	14 - 15 June 2005	SAGUN District Offices, Banke and Bardia; <i>Bhrikuti</i> WCFUG, Bardia
5.	Ramzy Kanaan, Associate Environment and Natural Resources Governance and Management Specialist	USAID, ARD Washington, DC, USA	To observe and assess the SAGUN Program activities	23 June 2005	Gajuri, Kalleri, Bhumisthan and Baireni VDCs, Dhading
6.	Tim Rieser, Aide-Senator; Natasha Basley, Naren Chanmugam, Act. GDO Director and Scott Tylor	Office of Senator Patrick Leahy, US Senate, USA; US Embassy; USAID Nepal and Nepal SIMI	To observe SAGUN FBZ initiatives of CFUGs and assess the program coordination between SAGUN and Nepal SIMI	5 July 2005	<i>Mahila Upakar</i> and <i>Sirjana</i> CFUGs, Kohalpur, Banke
7.	Makoto Kawanaka Associate Professor	Shirayauri College, Japan	To study about the SAGUN program activities and its working strategy	23 September 2005	RIMS Nepal, Dhading

2.2 Irrigation Component

SAGUN Irrigation component covers 14 Water Users' Associations (WUA) 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 WUAs at Main Canal Committee (MCC), 140 Branch Canal Committees (BCC)/Minor and 1033 Tertiary Canal Committees (TCC).

The major achievements are presented under respective specific objectives. The quantitative achievement against the goal, purpose and specific objectives are presented in Annex 2 and the quantitative plan and progress are presented in Annex 5.

2.2.1 Program Progress towards Objectives

II Strengthened WUAs with Enhanced Organizational, Managerial, and Technical and Governance Capacities, to Ensure Sustainability of Irrigation Canal Systems and the Groups' own Sustainability

The WUA committees have performed several managerial and technical functions like developing vision and objectives of WUA, rules and regulations, performing democratic election, and assisting WUA in developing canal operation plan, parcellary map, equitable canal maintenance and equitable water scheduling for providing irrigation services to users. The general assembly of WUAs had delegated authority to WUAs to perform these functions. For effective and efficient delivery of irrigation services, WUA committee members needed adequate knowledge and skills specifically on managerial, technical and good governance aspect. So, to meet these capacity increment requirements of WUAs several trainings, awareness and field activities were carried out during third year period of SAGUN Irrigation program. The activity inputs accomplished for developing governance, managerial and technical capacity of WUA committees are described below:

a. Good Governance Capacity Development

SAGUN Irrigation program has adopted two pronged approach for operationalising good governance (transparency, participation, accountability, predictability) in WUA: (1) Enhancement of skill to WUA members at all levels (MCC, BCC, TCC) to practice good governance; and (2) orient and aware general water users and general assembly members of WUA as pressure group for WUA's practices of good governance.

In line with this, program staff conducted 310 events of good governance related trainings and orientations for 11,770 members of WUA at various levels including 3,344 women and 1,091 Dalits where participants acquired knowledge and process of practicing good governance characteristics. The subjects of orientation and awareness program were focused on the characteristics of good governance and its practice in WUA.

In order to expand the concept, knowledge and importance of good governance, 74 LRPs and GSMs including 33 women were provided refresher Training of Trainers (TOT). The LRPs and GSMs were refreshed with skills and the subject matters (characteristics of good governance, WUA rules and management skills). The training brought changes in the attitude of WUAs. Then, WUAs started establishing the most important characteristics of good governance- Equity and Rule of Law. They conducted 101 events of workshops disseminating constitutions, policies, rules and regulations where a total of 5,390 members (1,565 women and 607 Dalits) of TCC general users participated for discussion, interaction and provided suggestions in modification of constitutions and rules. As a result, six WUAs namely Panchakanya, Manusmara-II, Hardinath East, Khageri, Piparpati and West Kamala have amended their constitution to institutionalize women representation in WUA at all levels and adopted pre-developed five rules on administration, finance, election, irrigation service fee and water distributions.

a1. Governance Status in WUA

SAGUN Irrigation Component conducted 16 events of participatory governance assessment in 9 MCC and 7 BCC (Chandra-2, West Gandak-2, Piparpati-1, Kamala-1 and Patharaiya-1) to assess status of good governance practice by WUAs. Governance assessment tools were developed and tested at sites. Mainly, six characteristics of governance i.e. participation, transparency, accountability, predictability, equity and rule of law were assessed with four indicators for each characteristics using participatory approach (see Table 3).

Table 3: Good Governance Status of different irrigation systems

Characteristics	Total Marks	CIS	HIS-W	MIS-II	PKIS	KgIS	WGIS	PPIS	PtIS
Participation	16	10	12	11	12	12	10.5	10.5	9
Transparency	16	12	14	10	13	13	11.5	12	7
Accountability	16	13	11	12	12	12	13	12	7
Equity	16	11	10	12	9	9	12	12	10
Rule of Law	16	14	13	11	12	14	13	11	10
Predictability	16	11	10	14	13	13	10	6.5	8
Total	96	71	70	70	71	73	70	64	51
Percentage	100	74	73	73	74	76	73	66	53

The participants marked the scores while assessing the governance status, where as SAGUN staff had facilitated the process. The characteristic status was presented in the form of spider web where previous status and current status was marked on the web. The participant realized the weakness of each indicator characteristics to achieve the desired status of governance in WUA. It was noticed from the exercise that members had realized the situation of existing good governance status of WUA. Based on the discussion and situation analysis, the strengths and weakness of WUA in practicing governance were documented and prepared further action plan to fill the gaps (See Table 4).

Figure 13 shows the governance status of Manusmara-II where overall score of the WUA in practicing good governance achieved was 70 (73%) whereas individual characteristics: participation, transparency, accountability, predictability, equity, rule of law and predictability achieved were 11, 10, 12, 14, 12 and 11 respectively. The WUA fixed desired position to be achieved by next year for every characteristic as 14, 13, 15, 12, 14, 12 and 16 in term of score. Similar, process was adopted by other WUAs also. The following Table 4 documents show the overall strengths, weakness and further action plan of WUAs.

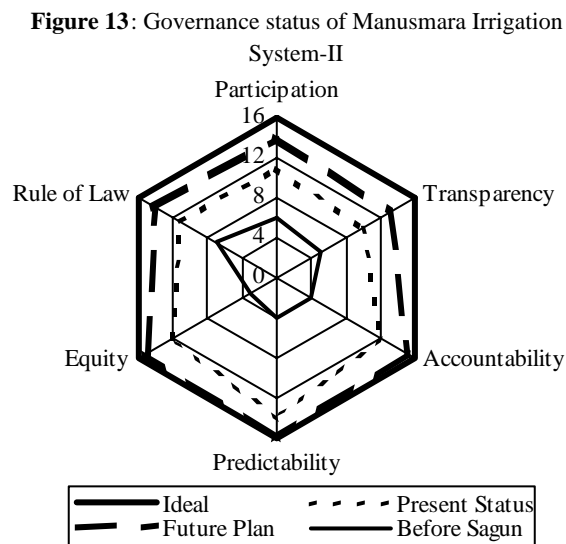


Table 4: Strength, Weakness and Action plan of Governance capacity of WUA

Governance Characteristics	Observed strengths of WUA	Observed weakness of WUA	Proposed major plan of action for Year-4.
Participation	Amendment of WUA constitution for women and <i>Dalit</i> inclusion; increased women representation and participation in meeting and training; provided equal opportunity to all members in decisions; starting BCC level general assembly; equitable maintenance sharing in constructing field channel and canal cleaning and involving general users in preparing rules of WUA.	Limited number of women and <i>Dalit</i> in executive positions at MC level (Chairperson, Vice-chair person, secretary and treasurer).	Increasing women and <i>Dalit</i> representation at MCC in executive position in the next election and amendment of constitution where needed.
Transparency	Established public notice board; posted important notice in common places; regularized information flow of decisions made by MCCs to BCCs through the letter likewise to TCC by BCC; adopted practice of public hearing and auditing of WUA decision. Expenses of the BCCs as well as MCCs audited periodically.	Written and documented report from monitoring committee lacking.	Documenting and disseminating the written report from the committee.
Accountability	Established BCC office and operationalized functions MCC delegated authority to BCC for ISF collection and office management; prepared parcellary maps and record of landholdings.; started paying ISF in BCC office; adopted regular auditing systems; established practice of submitting programs, estimates and agreement forms along with expense settlement; WUAs held general assembly meetings and election timely.	Written letter of delegated authority is lacking, along with program completion report from BCC to MCC.	Developing system of sending letter of delegation and reporting to the WUA about the performance of completed work in written form.
Equity	Increased representation of women in MCC and BCC; established system of equitable maintenance sharing based on area; started distribution of irrigation schedule from tail end; developed field channel for providing opportunity to get equitable water share to small land holders.	Not yet available of water in whole command area and not prepared water schedule for 100 % area.	At least 90 % area to be cover by irrigation and schedule to be developed.
Rule of Law	WUAs have developed 5 rules and regulations and amended based upon need of the situation. Applied constitutions and rules in WUAs. Disseminated all rules in WUA at all level and users.	Less than 60 % users have information on rules, regulation of WUA.	80 % of WUA members will have well information of major rules and regulations of WUA.
Predictability	WUAs have set visions, goal, objectives of their association and prepared multi year as well as annual plan; established rules for governing-election, ISF administration, administration, maintenance, financial management. WUAs have established BC offices and developed COP for equitable water distribution.	Unavailability of water resource for tail end users.	Water availability through equitable service will be ensured to all users by managing available resource.

b. Management Capacity Development

SAGUN Irrigation program envisaged the use of managerial capacity development of WUA committee executives - Chairperson, Vice-chairpersons and Secretaries of all levels for effective and efficient execution of WUA functions for quality irrigation service delivery to water users. Main strategies adopted for developing management capacity of WUAs comprise of increasing knowledge and skills through training, observation tours, office equipment support and establishing linkages and coalitions with district agencies.



Photo 8: General assembly at Chandra WUA

A total of 114 events of training, workshop, orientation and visit were organized to WUA members of BCC and MCC to enhance the organization management capacity, where 5,610 participants including 1,500 women and 255 *Dalits* participated. Twelve events of five days long organization and program management training were organized for 9 WUAs namely Chandra, Banganga, Manusmara-I, Manusmara-II, Kamala West, Hardinath west and West Gandak, Patharaiya and Mohana. A total of 310 WUA executives including 65 women and 12 *Dalits* acquired knowledge on program planning skills, communication skills, monitoring and evaluation skills. A total of 93 BCCs level offices (6 this year and 87 in the last year) were established in WUAs for branch canal level activity performance. With this established offices autonomous functioning of BCC with decentralized management practice have become possible (see Photo 8). Along with 12 MCC, 92 BCC out of 140, have developed their annual plan synchronizing with the longer-term plan (3 years) developed by MCC.



Photo 9: Coordination workshop at Saptari

A total of 16 events of monitoring and evaluation trainings were conducted in 12 WUAs namely Manusmara-I and II, Hardinath -West, Panchakanya, Khageri, West Gandak, Banganga, Patharaiya, Piparpati, Khageri, Chandra, Kamala west where 303 WUA members including 73 women and 5 *Dalits* participated. Following the training WUAs prepared monitoring and evaluation plan of their activities and then started activity monitoring based on the developed indicators. The regular planning of annual program activities are increasing WUA's financial capacity and implementation of their activities in

partnership with SAGUN and IDO's program. As a result of increased capacity of WUA, it has started to mobilize fund from other organizations for canal maintenance (see Photo 9 and Box 5).

BOX 5 WUAs get support from external agencies

WUAs organized coordination workshops in 6 districts namely Kapilvastu, Kailali, Sarlahi, Dhanusha, Saptari and Nawalparasi with district line agencies: IDO, WUA, NFIWUAN, DDC/VDC, Agriculture Development Office (ADO), District Cooperative office, Land Revenue Office, Cadastral Survey Office and DNFIWUAN. Collaborative plans were developed jointly with agencies to support WUA activities. Four WUAs namely, Banganga, West Gandak, Manusmara II, Chandra got affiliation in District Agriculture Development Committee (DADC) and WUAs received support. For example, Manusmara Irrigation System phase-II, received an amount of Rs. 120000 from Bhatouliya VDC for Bhatouliya FC construction, Rs. 60000 for extension of MFD at Rahuwa Block, Rs. 30000 from ADO for drain cleaning of Ramban Block # 10, Rs. 3500000 from IDO and ADO for MC maintenance.

Eight events of observation tour for Patharaiya, West Gandak, Piparpati, Panchakanya, Manusmara II, Hardinath West, Kamala West, and Chandra were conducted for experience sharing among other WUAs, where 356 users including 210 women and 14 *Dalits* participated. The observation tour was very useful to strengthen and change organizational belief, attitude and values regarding effective WUA management. And social inclusion WUA has become helpful in developing positive attitude of organizational culture of maintaining canal. Thus, the exposure became fruitful to explain that women and small farmers can contribute in WUA management function by explaining the roles played by women in Panchakanya and West Gandak. It became supportive to extend involvement of socially vulnerable groups in trainings and WUA election. To extend further service input support and learn management process, linkages and coalition building activities in Sarlahi, Kapilbastu, Dhangadhi, Nawalparasi, Saptari, and Dhanusha districts were accomplished through 6 events of networking workshops. WUAs were linked with the District Agricultural Development Committee in which district level agencies like District Agriculture Development Office, IDO, District Soil Conservation Office, Agriculture Bank, Agriculture Input Corporation and District Administrative Office are the key members. Cadastral Survey Office committed to provide land map of command area and wished to provide service of Amin on WUA request. Similarly, Land Revenue Office has committed to provide land record of the farmers on WUA request.

c. Technical Capacity Development

One of the important functions of WUA is to conduct canal operation and maintenance (see Photo 10) through establishing field database like:

- Parcellary map development through field channel construction,
- Application of equitable maintenance norms and practice for sustainable irrigation service fee collection,
- Increasing irrigated area under WUA management.



Photo 10: Cleaning operation in Tertiary canal at CIS

So, to strengthen technical functions of WUA activities such as COP preparation, parcellary map development, and field channel construction and equitable maintenance practices were focused in this year.

A total of 10 COPs were developed in 10 systems at Banganga, West Gandak, Piparpati Parsuani Khageri, Manusmara I and II, Hardinath East and West and Chandra canal. In the process of preparing COP, WUA executive members from MCC, BCC and staffs of IDO were involved along with SAGUN technical staff for field water measurement. 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 out come of this workshop every one preferred the most simple and manageable proportionate water distribution model in all ten systems. A total number of 116 participants including 17 women and 1 *Dalit* from WUA executives/members CMWF and DOI staffs benefited of the process of field loss measurement and canal loss measurement.

A total of 52 events of one-day orientation and meetings on the process of parcellary map development were completed for the new parcellary map development and for the revision of the one already existing (prepared by DOI) in WUA (see Figure 14). A total of 2,076 number of general water users including 609 women and 113 *Dalits* learnt the importance of parcellary map and the processes to be adopted in developing new and reviewing old parcellary map.

Figure 14: Parcellary map of Khageri, BC-6



As a result, the BCCs of WUAs prepared parcellary map for 9397 ha of command area in Hardinath west, Kamala East and West, Panchakanya, Khageri and Piparpati Parsauni irrigation systems. BCC members collected the inventory required for the map and acquired support from District Land Cadastral Survey Office and District Land Revenue Office. Required skills on preparing map was provided to selected committee members so that the BCC members become capable to develop parcellary maps of their own.

A total of 4,179 ha of BCC level parcellary map and former inventory list were revised by BCCs. BCC and TCC members applied the potential use of parcellary map in ISF collection and identification of net irrigated area. To establish equitable water distribution system, 53 events of (3-days) water share and equity training were conducted for chairpersons, secretaries and canal management workforce, with pre-developed and tested curriculum.

A total of 1,290 numbers of executives of MCC, BCC, minor and TCC consisting of 355 women and 37 *Dalits* participated and developed understanding on the concept of share and equity. The members changed their attitude and expressed commitment for developing plan of actions for constructing field channels and maintaining canals developing equity norms of cash/labor/kind contribution in BCC meetings represented by majority of tertiary committee members or representatives. Equitable norms were established by many WUAs against traditional norms of one person/household irrespective of land holdings and water use. A total of 104 events of training on equitable water schedule and observation for demonstration of equitable water schedule were organized for 4,747 farmers where 977 women and 223 *Dalits* from TCC members participated. Thus, the respective TCs started equitable water scheduling in their systems.

A total of 532 tertiary canals with new field channel (340 km length and 577 in numbers) were cleaned and made ready mobilizing 3,614 labor man days for application of equitable water scheduling followed by inter site visits (see Photo 11). Similarly, the WUAs cleaned 866 km length of TCs mobilizing 56,670 person days (see Table 5) and 340 km of FCs were prepared using 36,148 person days. A total of 92,818 person days of labour was mobilized for the work worth of Rs. 92,81,800.00. The increased numbers of FCs facilitated easy access of irrigation to irrigated fields. Thus, an irrigated area of 38,700 ha (97% of target) in paddy and 21,600 ha (108% of target) in wheat crops were brought under WUA management.

Table 5: Maintenance of TCs and Labor Mobilization

SN	Systems	No.	Length (Km)	Person days
1	Patharaiya	66	65.88	6659
2	Banganga	6	23.43	1914
3	West Gandak	33	44.87	507
4	Piparpati	27	28.8	3447
5	Khageri	86	241.64	7868
6	Panchakanya	11	11.48	705
7	Manusmara-I	104	67.0	14718
8	Manusmara-II	100	116.5	10360
9	Hardinath-W	4	5.3	262
11	Kamala-W	32	82.57	7470
12	Chandra	36	112	1500
13	Mohana	27	66.67	1260
	Total	532	866.14	56670

In this reporting period a total of 47 events of ISF administration training were conducted to chairpersons, treasurers and secretaries of MCC and BCC based on pre-developed curriculum. The major contents of the training were government policy on ISF, process of raising ISF and its operationalization. A total of 1,146 participants including 304 women including 63 Dalits from WUAs executives' acquired adequate knowledge on the subject matters. After training, some significant changes were observed in WUA's behaviors for ISF collection. They started extensive use of GSM in motivating users for paying ISF on time. Khageri and Gandak WUAs organized 'Teej song competition' expressing every women should motivate their family to pay ISF by which canal is maintained and operated timely.



Photo 11: TC Cleaning at MIS II

As a result of the training inputs, WUA awareness campaigns and extensive use of GSM, a substantial amount of ISF Rs. 1,571,051.00 (91% of current FY target) was collected in all WUAs (see Table 6). Training on water control structure for MC, BC members, IDO staff and CMWF were provided in 12 events. 332 participants including 67 women and 13 Dalits participated and acquired knowledge on operation of structures and its appropriate use for equitable distribution of water.

Table 6: Record of ISF Collection in Irrigation Systems

SN	Name of System	ISF Collection Target			Collected
		Monsoon	Winter	Total	
1	Chandra Nahar	420000	240000	660000	235091
2	Kamala East	390000	180000	570000	11166
3	Kamala West	390000	180000	570000	45086
4	Hardinath E.	27000	12000	39000	0
5	Hardinath W.	27000	12000	39000	7322
6	Manusmara I	61260	30000	91260	97756
7	Manusmara II	112200	72000	184200	129709
8	Panchakanya	200000	12000	212000	293294
9	Khageri	210000	42000	252000	390126
10	West Gandak	360000	240000	600000	118750
11	Piparpati Parsauni	96000	36000	132000	28246
12	Banganga	270000	180000	450000	28404
13	Patharaiya	78000	48000	126000	184581
14	Mohana	114000	36000	150000	1520
	Total	2755460	1320000	4075460	1571051

12 Increased active participation of women and poor farmer/small-holders in WUAs, including in leadership position

Participation and representation of women and Dalits in WUAs are still minimal in Chandra, Kamala East and Piparpati (Table 7). Past experience of IMTP reveals that canals were better maintained and operated where women held the key positions.

Hence, to meet this objective, a total of 29 women sensitization groups were formed including one in Manusmara-I in this year in the irrigation command area. Following the formation of women sensitization groups in the command area, WUAs conducted a total of 102 events of one-day campaigns. A total of 5,682 participants including 4,510 women, 1,172 men and 581 Dalits participated in the campaigns.

As a result of mass and house-to-house campaigns in Hardinath East, Khageri and Panchakanya, women participation increased from 40 to 42%, 5 to 24%, and 20 to 21% in Panchakanya, Khageri and Hardinath East respectively (see Photo 12). The overall results of women's representation in all systems at MCC, BCC, TCC level remained 15%, 30% and 18% respectively (see Table 7). Also the average representation increased from 17% (last year) to 19% this year. Similarly, the percentage of women key position holders increased from 9% to 11% and that of *Dalit*, from 0 to 2%.



Photo 12: Election at Khageri

SAGUN Program staffs facilitated to form Women Sensitization Groups (WSG) in WUA after gender sensitization in MCC. The WSG ran campaigns on awareness programs demanding representation of women in WUA. Also WSG convinced WUA to increase women representation in WUA at all levels of the committees. As a result, 6 WUAs namely Panchakanya, Khageri, Manusmara II, Hardinath West, Piparpati and Patharaiya amended constitution to increase women representation in key position of WUA.

After holding key positions by women users in the MCC as well as in the BCC, women member actively participated in the meeting and influenced

WUA decisions in favor of amending the constitution in three systems viz. Gandak, Manusmara and Panchakanya where WSG representatives also became member in WUA main committee. WSG established its office within WUA premise at West Gandak and then prepared their separate letterhead and opened bank account independently but under the umbrella of WUA-MCC. The WSG of Gandak organized 33 events of awareness activities in the command area with the support from SAGUN Irrigation component. In addition to this the WSG contributed in increasing ISF significantly. It coordinated with Women Development Office (WDO) and District Health Office (DHO) and

Table 7: Women's representation in various WUAs

SN	System	Committee member						Total		
		MCC		BC C		TCC		Total	Women	%
		Total	Women	Total	Women	Total	Women			
1	Chandra	33	4	210	63	2081	0	2324	67	3
2	Kamala East	29	0	92	1	924	9	1045	10	1
3	Kamala West	32	6	103	49	610	209	745	264	35
4	Hardinath East	17	0	0	0	93	23	110	23	21
5	Hardinath West	25	10	0	0	220	53	245	63	26
6	Manusmara I	21	0	35	0	111	26	167	26	16
7	Manusmara II	27	0	35	0	197	49	259	49	19
8	Panchakanya	17	7	40	15	109	48	166	70	42
9	Khageri	19	3	96	37	1036	240	1151	280	24
10	West Gandak	18	6	61	46	1155	499	1234	547	45
11	Piparpati	15	3	23	10	440	52	478	65	14
12	Banganga	23	5	213	52	896	167	1132	222	20
13	Patharaiya	13	1	24	6	422	95	459	102	22
14	Mohana	17	1	15	4	728	122	760	130	17
	Total	306	46	947	283	9022	1592	10275	1918	19
	Percentage	100	15	100	30	100	18	100	19	

supported for immunization campaign and Women Sensitization Program (Mahila Jagaran) organized by DHO and WDO respectively.

The WSG of Khageri, Panchakanya and West Gandak organized ‘Teej Song’ competition on the occasion of Teej (women’s fasting festival) among the BC level women users where songs on awareness were composed to users for irrigation management, system maintenance, ISF collection and share membership etc. (see Photo 13). Hundreds of men and women participated in the occasion. At Gandak, Teej song for hill migrants and *Jhamta* song for Tharu women were organized. A total of 27 teams participated in the competition and approximately 1,500 women and 800 men participated in the occasion. For this, SAGUN program provided minimum financial support.



Photo 13: Teej Song Competition

14 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)

In this year, SAGUN Irrigation program organized a total of 126 events of training on financial management and accounting, benefit monitoring and evaluation process, record keeping and advocacy at MCC, BCC and TCC level in 13 WUAs. A total of 2,905 participants including 695 women and 131 *Dalits* participated in the program. Similarly, treasurers and accountants from all systems were provided special package of accounting training to develop their skill on financial management.

As a result of these trainings, WUAs have generated Rs. 83,000.00 over Year 2 through ISF collection which is 6 % increment compared to last year amount (Rs. 1487678.00) in all WUAs At present, Chandra, West Gandak, Hardinath West, Kamala West, Manusmara, Patharaiya, Khageri and Banganga have established system of collecting service road tax also. Annual audits were completed in time in all 12 systems except in Kamala East and Mohana. The audit comments received in last year were improved in this year by improving financial performance – maintaining ledgers, timely settlement of expenses and made financial transactions by cheque. For maintaining transparency in budgeting a public audit was adopted in these systems.

Based upon the previous categories (three levels i.e. A Level-as perfect in financial record keeping, B Level- satisfactory in financial record keeping, C level- need more room to improvement) a survey was conducted in WUAs to assess financial management capacity. In this year some changes observed were- WUA-MCC records and process were being maintained and followed in accordance with the learning from the training; settlement process and records were improved than last year- by following WUA financial rules in proper time. The assessment showed some WUAs upgraded their performance to better position, those, in C categories reached to B, and B, to A category and A category WUAs also improved further. Grading done based on their performance and financial records is as below:

Table 8: Financial management capability of WUAs

Level/Category	Project	Performance
A- Perfect	Chandra Canal, Khageri, Panchakanya, West Gandak,	Adopted double entry system of accounting, updated financial records, and maintained ledger properly. Each WUA has assigned financial transaction to secretary/treasure making him fully accountable to prepare

Level/Category	Project	Performance
	Manusmara II, Piparpati Parsauni, Patharaiya, Hardinath West	budget and settle advance personally with project. 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, Banganga, Hardinath East	Maintaining simple single entry financial record keeping system in simple ledger. Each WUA has assigned financial transaction to its office secretary in order to prepare budget and advance.
C-Improvement needed	Kamala East, Manusmara I	Single entry system of financial record keeping just started in simple ledger. Financial transaction not well managed and WUAs have not assigned proper individuals for preparing budget and payment.

The project will continue to coach and guide WUA secretaries to upgrade from B level status to A level status and also from C level to B level in year-4 also.

A total of 68 events of advocacy training to general assembly, MCC, BCC, and TCC were organized by program, where advocacy facilitators developed from SAMARPAN program were absorbed. In the training 1,652 members including 491 women and 102 Dalits were participated from 12 systems except Mohana and Kamala East. During the training, 45 issues like- low women representation in Key position of WUA, Inequitable water distributions, unavailability of water in some areas, lack of canal maintenance practice, lack of established mechanism of ISF collection etc were identified from the members and they were grouped into two levels: Local level and National level.

BOX 6 Result of advocacy in Piparpati

Indian canal management team and local users including IDO and Liaison Officer had reached an agreement of maintaining canal water supply level of Indian canal at the intake point of Piparpati canal last year. The WUA succeeded to get water in more than 80 % of the Piparpati Irrigation System command area in last year also. Indian canal management committee continued maintaining water level in Piparpati canal intake even in the drought season of this year. According to the negotiation of last year users are receiving water adequately in this monsoon and winter season.

The local level issues are being addressed by WUAs at local levels. However, the identified national level issues such as policy support to ISF collection from other organization like VDC and Land Revenue Office, users participation in policy formulation at national level and women and Dalit inclusion will be dealt by the NFIWUAN through appropriate networking.

15 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

In order to enhance technical and managerial capacity, focusing on good governance, study tour and training workshop to higher-level DOI officials, and participatory canal operation and maintenance training to middle and lower level technicians were provided during this fiscal year.

a. Good Governance Workshop

A two-days training workshop on good governance in Canal Operation and Maintenance was organized to higher officials of DOI. A total number of 30 DOI staffs including Director General,

Deputy Director Generals, Regional Directors, Division Chiefs, and Project Managers participated in the workshop. The workshop was facilitated by B.K. Pradhan, R.L. Kayastha, M.M. Shrestha, Ex-Secretaries of HMGN; Dr. M. Manandhar, good governance section, Staff College and Dr. R.N. Timilsina, registrar, Supreme Court, Nepal. The main focus of the workshop was on application of good governance characteristics in new Irrigation Working Procedures 2061. As an outcome of the workshop, everyone participant unanimously agreed upon incorporation and practice of good governance characteristics (transparency, accountability, participation, rule of law, decentralization and equity) in canal operation and maintenance activity of DOI. DOI is going to practice application of Good Governance characteristics in jointly managed and farmer managed O&M projects through Irrigation Working Procedure 2061.

b. Study Tour

Five senior DOI staffs- Director General-1, Deputy Director General-2, Chief System Management and Training Program-1 and Senior Administrative Officer visited Bangkok and Philippines. These five officials expressed that they learned participatory approach in irrigation development in Philippines. Their learning from the study tour were shared to SAGUN program and DIOs through their tour report. As a commitment S.P. Rajbhandari, DDG, IMD/DOI expressed that “These learnings are going to be incorporated in the development of Irrigation Policy Guidelines”.

c. Participatory O&M training

Knowledge and skills on participatory canal operation and maintenance were imparted through 4 days training program to 18 assistance engineers and 28 overseers from Regional Directorates, big projects (Sunsari Morang, Kankai, Mahakali, Bagmati, Kamala) and IDO. Main contents of the training were: program and achievements of SAGUN Irrigation, equitable canal maintenance and water distribution (best practices of SAGUN), participatory O&M approach, roles and responsibility in participatory O&M, water measurement practice, WUA status and strengthening approach (SAGUN practice) and resource generation and management.

16 *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.*

a. Advocacy functions of NFIWUAN

SAGUN-Irrigation program developed advocacy capacity of the central committee members of NFIWUAN during the second year period of the SAGUN program. With this developed advocacy capacity of the members, NFIWUAN completed 26 events of advocacy workshop in all 14 WUAs under SAGUN-Irrigation program (see Photo 14). A total of 1,285 users including 383 women and 902 males participated in the open forum. The advocacy workshops identified the following issues jointly by SAGUN-TA staffs and NFIWUAN members during year-2 of the program:

- Need of decentralized approach for higher efficiency of ISF collection
- Need of accountability bearing for handed over canal operation and maintenance



Photo 14: Advocacy Workshop for WUA members

- Application of equitable canal maintenance and water distribution for social justice
- Need of increasing women participation in WUA organization and in WUA decision making programs.

As a result of this effort (campaigned on behalf of the users), WUA of Panchakanya *and* Khageri increased women members by 7 numbers in MCC and by 3 numbers in Khageri respectively from zero level.

Likewise, huge participation of users in tertiary cleaning and field channel development resulted 866.4 KM cleaned canal in this year. All BCCs of WUAs have adopted the process and culture for this practice.

A clear-cut understanding as well as practice of accountability is observed in all levels of WUAs organization for ISF collection, canal maintenance and water distribution.

b. Inventory collection in districts

SAGUN-Irrigation Component supported NFIWUAN to collect district inventory of smaller, medium and larger WUAs with a view to identify their current positions so that economic sustainability of the federation and these groups can be assessed by NFIWUAN through established process of ISF collection. The inventory of such 9 WUAs as reported by NFIWUAN is given in the table below:

Table 9: Inventory of irrigation WUAs in districts

SN	District	# of WUA	Area ha.	# of House holds	Population		Type of HW		Type of Irrigation			
					Men	Women	Perma- nent	Tempo- rary	Surface	GW	Lift	Handed over systems
1	Dhanusha	14	22983	42922	104530	108865	6	4	6	8	-	4
2	Rukum	86	3092	12787	42407	45941	3	77	86	0	-	1
3	Nawalparasi	152	31380	45404	131224	142548	11	141	148	4	-	3
4	Chitwan	58	22566	22340	NA	NA	29	29	45	11	1	2
5	Kapilvastu	43	26574	45173	117444	110729	14	27	42	1	-	1
6	Kailali	54	76648	67198	259939	313102	1	53	52	2	-	2
7	Siraha	18	14790	18889	81892	84913	10	8	10	8	-	2
8	Saptari	18	63686	12373	38629	38990	13	5	16	2	-	7
9	Sarlahi	37	17542	14367	43762	42197	25	12	25	12	-	5
	TOTAL	480	279261	281453	541666	589931	112	356	430	48	1	27

Note: Data Source District NFIWUAN, G.W.= Groundwater, HW = Head Works

c. District assembly meeting

Following the inventory collection, District NFIWUAN organized a district level assembly gathering all identified WUAs chairperson and women representatives of district level WUAs. District line agency offices (Agriculture, Irrigation, Co-operatives, Journalists, Political Leaders *and* District Development Officer) also participated in the gathering. A total of 75 WUAs in Nawalparasi, 55 in Chitwan and 50 in Kailali took part in the discussion. The key propositions which were discussed and accepted was as follows:

- Reformation of District NFIWUAN in Nawalparasi, 16 members district committee was formed during the assembly

- ISF will be collected in all WUAs of Chitwan District for sustainable function of DNFIWUAN. ISF at the rate of Rs.1/per Bigha will be deposited to DNFIWUAN at Chitwan
- District level WUA activities will be conducted through DNFIWUAN- Chitwan
- DNFIWUAN will be involved in WUA election process and bank account opening.

d. Support to Steering Committee

To regularize the decision-making practices of central NFIWUAN in every month, 7 events of such meetings were supported by SAGUN. With this support, regular meeting in NFIWUAN was started program and progress-reviewing practices were established. Participatory decision making behavior was cultivated and a habit of future program planning in the committee was set.

In addition, the CoP of SAGUN Program, TL and other staff of the Irrigation component actively participated in the policy advocacy campaign like “Access to Budget Allocation in O&M of Irrigation Systems” and regular assemblies conducted by central NFIWUAN. As a result it has helped to develop common understanding among the SAGUN program, national level policy makers like NPC members and NFIWUAN members to address policy issues in the irrigation management.

17 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

18 Lessons learned and best practices documented and disseminated for replication

a. Process documentation and case study

The best practices, which produced desired results, are documented for replication in the similar situation. The extract, principles *and* concepts have been developed as training materials, which were used during participatory training of DOI staffs. The documented process of the important practices in this year are as follows:

- *Process documentation on FC construction* by Ezee G. C.: It provides full details on institutional and technical approach for least cost method of developing field channel within tertiary block through BCCs.
- *Process documentation on equitable water schedule application (case- study in PIS)* by U.N. Jha and R.R.S. Neupane: This documents provides a complete process of preparing and applying irrigation water resource equitably thus reducing irrigation conflicts even during summer paddy. This process is adoptable even during the water shortage period through coupon system.
- *Process documentation on equitable canal maintenance* by U. Shrestha: SAGUN Irrigation has devised a practice of equitable canal maintenance concept and such socio-technical practices have been thoroughly documented for replication else where in irrigation projects.
- *Process documentation on democratic WUA election process (case study of PIS and KgIS)* by K. Gautam and D. Upreti: A democratic approach of election adopted by KgIS and PIS appeared to be cheerful completion of WUA election. So, the process *and* steps adopted by WUA during the election has been documented completely for the replication elsewhere in the WUA formation period.

- *Process documentation on preparation and revision of parcellary map* by Dr. I L Kalu: The field approaches of preparing participatory parcellary map applied in IMTP period and SAGUN Irrigation period has been well documented with issues and impacts in using parcellary map.

b. Discussion paper

The following discussion papers are produced this year by SAGUN Irrigation for brainstorming on new thoughts and insights over irrigation management issues:

- *Irrigation Pricing Policy* by Dr. Khem Raj Sharma, Chief SMTP/DOI: The paper covers social objectives and objectives setting of ISF, cost recovery concept, need of increasing water productivity and strategy for pricing policy.
- *Policy Reforms for Participatory Approach in Irrigation Management* by Dr. D.P. Ghimire, Rampur Campus: In this document, policy gaps have been identified in regards with participation of users in irrigation management.
- *Discussion paper on Policy Reforms for Decentralization in irrigation Management* by Dr. Gopi Krishna Sedhain, Development Vision-Nepal (P.) Ltd.: The paper covers legal framework, governing decentralized irrigation management policy, review of Irrigation Policy and Regulations, Irrigation Act, issues and agendas for further course of action with recommendation.

c. Periodic lecture by program staff

A total of 8 lectures were delivered by program staff in WUAs. They were: Developing effective water user association in Chandra Nahar, Hardinath West, Manusmara I and II by R.C. Mahato, DE, IDO Saptari; Decentralization approach in irrigation management in Panchakanya and Khageri by Dr. Devi Ghimire; Good governance in irrigation management in West Gandak and Banganga by S. Yadav, DE, IDO Nawalparasi and R. Shreebastav Act. DE, IDO Kapilbastu. MCC committee members and BCC executives of those sites benefited from the lectures.

d. Students' thesis studies

The students were supported to conduct following thesis studies:

- *Governance practice in Patharaiya Irrigation Project* by Birendra Bahadur Chand, M.A. (Rural Development) student, Central Department of Rural Development, T.U. (thesis completed and submitted to SAGUN)
- *Challenge of Good Governance in WUA, Banganga WUA* by Sanjaya Gyawaly, M.A. (Rural Development) student, Central Department of Rural Development, T.U. (thesis is under defense)
- *The Role of Kamala Irrigation System on Targeted Farmers, Kamala WUA* by Kharbhusan Shaha, M.A. (Rural Development) student, Central Department of Rural Development, T.U. (thesis is under defense)
- *Optimization of Irrigation Water Management (A Case Study of Irrigation System)* by F. Shrestha, B.E. student, IOE, TU.(draft completed)

e. Training manuals, Constitution and Rules of WUAs

The following training manuals have been published after field test and application in several training conduction with a view to change the attitude *and* behavior of WUA executives and members:

- Monitoring and evaluation resource training manual by Sabita Koirala, Consultant ICA-Nepal. The manual covers all tools and technique of field level participatory monitoring and evaluation to be learned by resource person.
- M&E field level training manual by Dhruvaraj Gautam, M&E Specialist. This manual covers participatory planning process, monitoring process, evaluation process and indicator of monitoring, tailored made to WUA.
- Leadership development manual by Umesh Shrestha *and* Durga KC. This manual covers 9 important leadership skills required to develop capacity of WUA. Such skills are- planning, organizing, directing and presenting, controlling, motivating, communicating, conflict resolution, risk taking and monitoring.
- Irrigation system rehabilitation and management training manual by DOI Staffs. This manual covers O&M prioritization, survey and design, O&M work process based on IWP 2061, quality control, supervision and equitable water distribution.

Many WUAs were supported for preparation and publication of constitutions *and* rules:

- Constitution and rules – Piparpati Parsauni, Nawalparasi, Panchakanya, Chitwan
- Constitution – Chandra canal, Saptari
- Rules – Banganga, Kapilbastu

f. Dissemination of documents

Many of above documents were disseminated to the following stakeholders for sharing experiences, findings and best practices produced in SAGUN-Irrigation programs:

- Department of Irrigation, Regional Director Offices, Projects, Irrigation Division Offices of 9 districts, Ground Water Project, Chitwan, and interested professionals of DOI
- CARE/Nepal – Central Office
- National Federation of Irrigation Water Users Association, Baneshor, Kathmandu
- District Federation of Irrigation Water Users Association, Chitwan, Taulihawa, Dhanusha, Nawalparasi
- WUA of Chandra, Kamala, Hardinath, Manusmara, Panchakanya, Khageri, Banganga, Patharaiya *and* Mohana.
- Local NGOs-Sahamati, VDRC, NIDS
- Individual consultants, participants (Tazakistan) etc.

2.2.2 Major Issues and Challenges

As in Year-2, this year also, particularly during first and second quarter period, some *Bandhs* and blockades and also election period of WUA constrained regular program operation and monitoring activities from the project office. The effects of election and security were very severe in KISE, HISE, MIS-1 and MoIS.

a. *Insecurity Situation Hindering Program Quality Performances and Progress*

Mohana Irrigation System – Programs are withdrawn totally from Mohana irrigation system for Year-3 and Year-4, as rebels put very difficult conditions- need of agreement with them, need of changing all program budget to canal construction only and need of salary contribution to them from the working staffs. Likewise during 1st quarter period all Eastern project sites were affected due to imposed restriction by rebels to enter into certain part of the command area.

b. *WUA under Election Process Suggested Postponement of the Program*

Kamala East- WUAs was dissolved by general assembly for new election. Later, conflicts between WUA and general members grew to higher extent causing complete program stoppage from 2nd quarter to 4th quarter. Now it is resolved, so program will be conducted for year-4.

Hardinath East- WUA could not complete election in due time due to interference by rebels. So, program could not be implemented from second to fourth quarter. Now the issue has been solved. Programs have been started from the middle part of the fourth quarter i.e. August 05.

Khageri Irrigation- Election period was declared during second quarter of the year-3. It took complete one-quarter period for the election during which WUA postponed the program.

c. *Internal Conflicts within WUA Caused Program Postponement*

Internal conflicts among executives of MIS-I and Banganga created program disturbance during 3rd and 4th quarter respectively of the program period. At present the conflicts are resolved and WUAs are engaged for the program implementation.

Causes of conflicts: In Manusmara-I, constitution allowed only two signatories (Chairperson and treasures). Treasure remained busy in the personal affair, hence, could not give time for WUA. Alternate arrangement has been made by WUA at present for the program operation. It is anticipated the conflict will be solved very soon.

In Banganga, during election, separate election committee formed new MCC and tried to make it legitimized. Now the formal one is taking action to informal MCC, which is underground at present.

However, to mitigate the constraining environment and leadership to execute programs the following strategies were adopted:

- Mobilization of selected LRPs and GSMs for field level training whenever there was restriction in a certain part of irrigation command area;
- Flexibility in training venue was adopted. Training venues were changed from more affected area to less affected area or quite near to common public place;
- Activities focused on water users level were directly handled by project staffs whenever there was election of WUA and whenever main committee of WUA were dissolved by general assembly; and
- Wherever there appeared critical problem of transportation, WUA was facilitated to make provision of hired motorcycles from the program budget.

2.2.3 Lessons Learned and Best Practices

a. Lessons Learned

Several good lessons were learned during the course of program implementation period in this year. Some of the lessons learned are as follows:

a1. Organizational Saving through the Application of Good Governance Practices

A total amount of Rs. 18,960,658.00 was spent by 14 WUAs. The budgeted program cost to WUAs was Rs.21,760,658.00, out of which Rs.2,800,000.00 was saved by all 14 WUAs cumulatively. The saved amount could have been spent by WUAs, but it did not happen so, because all WUA members became very pragmatic and reasonable for cost saving during estimate preparation in WUA. They tried to save each rupee from each corner of budget item such as communication, non-residential approach to reduce participant per diem, use of local resource person and minimizing expenditures in miscellaneous item. The MCC made one person (secretary or member) fully accountable in managing the training programs. The program costing procedure was based on the pre-prepared norms and rules. During the program operation, the program in charge became very strict to adhere to the norms of expenditure and process. The following principles that contributed to minimize the organizational cost are derived from this incidence of work process:

- In WUA community organizations, if program and budget planning is done in participation with concerned stakeholders, a reasonable costing of the program is achieved as individual interest and monopoly cannot grow in the discussion.
- If community programs are operated with established norms and criteria, the operational cost does not exceed to plan cost.
- If a person is deputed with full accountability and responsibility, there is least chance of process and norms deviation during program operation in the community.

a2. Factors Contributing to Anticorruption Attitude of WUA

In accomplishing the program activities about Rs. 32,384,831.00 was mobilized to 14 WUAs during second and third year period under program cost. The project accountant observed complete and systematically maintained financial records showing no leakages and misuses of the fund. It became a matter of discussion and interest among all project staff (trainers, specialists and capacity development officers).

How could this happen? After thorough review of approach, it was unanimously agreed upon the facts that WUAs involved all level stakeholders during program planning, WUAs honestly followed a full institutional process of program accomplishment (participatory planning, implementing, monitoring and auditing), field staffs and WUA executives sincerely monitored on going programs, and employed field level staffs worked with WUAs fairly and most sincerely without seeking any undue advantages from this learning, the following working principles are derived for anticorruption attitude development among WUA executives while working with WUAs under partnership modality:

- If program and budget planning is done in participation with concerned stakeholders, a reasonable costing of the program is achieved as individual interest and monopoly cannot grow in the discussion.

- Establishment of strong program and expenditure monitoring mechanism in the field in participation with concerned stakeholders reflects the ongoing situation and status (weaker or stronger) thereby reasons and attitude become clear to everyone.
- Fair mind induces fair attitude. The WUA community persons work sincerely if the WUA community workers work sincerely.
- There is least chance of financial misuse if financial movement is based on institutional process developed on the ground of work process and mutual trust between program implementer and WUA members.
- Public auditing and hearing activity designed as a part of program minimize corruption attitude of WUA executives for fear of getting exposed of ill works in the public.

b. Best Practices

While working with the WUA communities the following practices that produced outstanding results are briefly narrated below for replication:

b1. Equitable Water Scheduling for Irrigation Water Conflict Resolution and Peace Building in Irrigation Community

- Complete TC and FC cleaning and maintaining on the basis of equitable norms.
- Conduct meetings with MCC/BCC regarding need of system establishment for equitable water distribution especially for winter/summer season crops.
- Collect field database: parcellary map, users inventory, land area and water schedule of upstream canal system.
- Develop water distribution schedule on proportionate allocation based on area.
- Demonstrate schedule in the field in the presence of concerned BC/TC members.
- Monitor the outcome and process.

b2. Good Governance Practice for Saving Program and Organizational Cost

- Develop plan and budget involving all concerned persons in full participation.
- Delegate authority to a person making fully responsible for the assigned tasks.
- Inbuilt income and expenditure transparency mechanism through public auditing and public hearing in the program management.

b3. Effective Management Approach for Developing Anticorruption Attitude of the WUAs

- Set objectives, approaches and activities participatory involving all concerned persons.
- Adopt institutional process to build the required implementing capacity of the associations.
- Establish monitoring and feed back mechanism at the field level or worksite.
- Provide sufficient environment for building fair attitude of the working staffs.

2.2.4 Thematic

Gender Social Motivator's Role in Increasing ISF in Chandra canal

Ram Prakash Sing
TT, Chandra Canal

"I, Rita Chaudhari (Tharu), live in the Odhara BC of Chandra Nahar Irrigation System (CIS). I got married at the age of 14 while I was studying in grade 9 about 12 years ago. Though I was very much interested to continue my education, I had to stop after I passed my School Leaving Certificate level. In our society, a man is allowed to enjoy every kind of entertainment (i.e. playing card, sitting ideal and chatting) while a woman is supposed to do household tasks as well as agriculture field works. After 2 years of my marriage, most miserable moment occurred in my life, my husband became insane. This made me even more responsible toward my family care and household tasks making me physically and mentally weak. After one year, my mother-in-law also died and it added more sorrow. Miseries did not stop here. As the saying goes problem does not come alone, it came from all direction. Same thing happened to me. After 6 months, fire broke in my village and our house and all property was destroyed in that fire. Every thing was dark in front of me. I felt like my whole life had come to an end. I lost the power to think anymore. I became frustrated and helpless."

In the mean time, CARE Nepal and RITI-APTEC started Irrigation Management Transfer Project (IMTP) in CIS. The program opened vacancy for Social Motivators. Mrs Chaudhary applied for the same post and luckily she was selected. The main job responsibilities were to make farmers' door-to-door visit to collect Irrigation Service Fee (ISF) in CIS. At the time, the program provided job orientation training to all Social Motivators at Bharatpur. After attending this training, she started to go to places, collect men and women and orient them about the importance of irrigation, women participation, women group formation, roles and responsibilities of WUA, and ISF collection. After seeing her active involvement, farmers started to appreciate her work. Her husband also appreciated and helped in every possible way. Villagers also encouraged her to work voluntarily in locally formed Women Development Organization. Since then she became closer to villagers. After sometimes, IMTP program was over, but she did not stop herself here. She continued her work in health and sanitation field. After one year, SAGUN Irrigation program was implemented in CIS. Again, she got opportunity to work as a Gender Social Mobilizer (GSM) in CIS under the SAGUN program. She was provided various capacity building trainings such as good governance, leadership development, and equitable water distribution from SAGUN Irrigation component. According to Mrs. Chaudhary, all those training programs provided by SAGUN enhanced her capabilities especially skills, knowledge and techniques to perform more efficiently and effectively at the community level.

Presently, she is working in BCC's Office regularly. Mrs. Chaudhary does not have to go to every household to collect ISF. Farmers have started to come to BCC Office for the payment of ISF. As a result, the collection rate of ISF has been increased. The written records related to farmers' name list and their landholdings, water share, membership fee, meeting minutes, annual incomes and expenditures in the BCC Office were well updated. An appropriate and effective ISF collection mechanism has also been established. She is also able to convince farmers and to explain the importance of field channels construction and effective equitable water distribution. This has reduced water related conflicts for equitable sharing of O&M cost and distribution of water to the farmers that used to occur in the past.

There are four women sensitization groups in Chandra and she is active and leading member of one of the sensitization groups. Periodically she organized a series of group meetings, discussions and interactions about the representation in decision-making body at different levels of the WUA and

active involvement of women participation in WUA's activities. The awareness level of the women users is found very high in comparison to past. Involving women awareness campaign has increased the collection of ISF.

After seeing these drastic changes in women, Rita Chaudhari says, "I feel I have done something good for my community. Now I forget all my past miseries and start a new life with enthusiasm to work more and serve the village. I feel proud to be able to work as a son even being a daughter- in-law of my husband's house. I earn money to meet our basic requirement and to keep social status for my family in my village. Even though I could not study, now I am determined that, I will teach my both children and give the right direction in life for their self-development. Lastly, I thank SAGUN Irrigation program from inner core of my heart for strengthening me to face every obstacle and to lead a very happy life."

Increase Women's Participation in WUA through Gender Social Motivator

Krishna Bahadur Khadka
ICBO Bharatpur

In 2002, SAGUN Irrigation program was started in Panchakanya Irrigation System with an aim to establish good governance in WUA i.e. transparency, participation, accountability and predictability. WUA selected Mrs. Harikala Adhikari as a Gender Social Mobilizer (GSM) to mobilize community in irrigation management. The major job responsibilities were to disseminate the information from MCC to BCC; organize regular BCC meeting; facilitate for the enforcement of the decisions of the MCC and BCC; collect ISF, Membership Fee and Water Share Fee from irrigators; facilitate for opening the bank account in the name of BCC; motive the water users for mobilizing the people for cleaning the BCs and TCs; and facilitate to increase women representation in different levels of WUA through the awareness campaign on the provision of constitution.

A series of meetings, workshops and trainings were provided to the women users for raising their rights on water use. Finally, women organized campaign in the command area and pressurized WUA to maintain appropriate level of women representation in WUA. WUA was compelled to make provision of women representation of 33 % in the constitution. Women become happy to participate in the WUA election. In last February 2005, WUA conducted election after 4 years; women representation was 41 % (7 women in total 17) in MCC. Women are holding in the vital positions of vice-chairperson and treasurer of the committee. Women have played a major role in decision-making in the WUA so that the widows and other women headed household who have less than 18 year aged child only need not pay labor contribution for the maintenance of the irrigation system.

After the successful movement, Harikala Adhikari expressed, "I joined many other groups and started facilitation in those groups. I changed myself as an activist against discrimination. Today, I am confident that women can also lead a community and can make changes at communities."

2.2.5 Prospects for Next Year

The cumulative experiences and successfully exercised strategies and alternatives will be continued in year-4 also in order to achieve results, purpose, objectives and goals of SAGUN-Irrigation components. Despite the difficult environmental situation, SAGUN-Irrigation component so far achieved more than 80% progress of planned targeted activities this year. With the same zeal and spirit fourth year activities will be implemented with the following key prospective strategies:

- Program activities in Mohana Irrigation System will not be implemented for the security cause of the working staffs.
- Program in East Kamala and East Hardinath will be implemented in year-4 to achieve 37% and 70% target progress. Some indicators like ISF; area increment will be met partially.
- Three pairs of trainers will be hired in order to accomplish activities of Manusmara-I, Kamala East and Hardinath East and West Gandak where the target progress level is low.
- Resource persons from women development offices and IDO offices will be mobilized to complete the activities.
- The ISP/ICBO of Bharatpur cluster will be mobilized on task assessment basis to accomplish core trainings.
- Developed local resource persons LRP (WUA) will be extensively mobilized for all one-day awareness programs.
- Exit plan activities will be monitored and implemented through ICBO/ISP of cluster team.
- Continuity will be given of WUA partnership approach for program implementation.
- 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 Patharaiya and other projects where security situation continues to worsen.

2.2.6 Visitors

The SAGUN-Irrigation component received following visitors during this Year. The overall program approach, achievements, lessons learned, best practices were briefed and shared through published documents with these visitors.

S N	Name of visitor	Organization	Purpose/objective	Dates	Places visited
1	James F Moriarty, US Ambassador Dr. August VonBon Millard, SO7 Team Leader	US embassy USAID Nepal	Program supervision	Nov. 19, 2004	Bharatpur office and PIS
2	S.P. Rajbhandari, DDG Dr. K.R. Sharma, SMTP Chief	DOI	Progress monitoring Training Supervision and to be resource person of DOI staff training	May 1, 05 and Sept.18-20, 2005	Khageri, project office, Chitwan, Bharatpur
3	Keshav Neupane, Indu Gurung	NFIWUAN	Program setting of DNFUIWUAN	June 27,2005	Bharatpur Office, CIS, PIS, KIS
4	WUA chairman, Managers, Engineers	Tazakistan WUA	Good Governance experience and project handover sharing	Aug.18, 25,2005	Khageri, PIS, WgIS
5	Govinda Gyawali	ADB	Project status assessment and WUA development approach sharing	Sept.25, 2005	Project office Bharatpur
6	Dr. Bijana Acharya, CTO	USAID	Monitor ongoing progress of SAGUN-Irrigation Monitor data collection practice	March 9, 2005 22 Oct., 2005	Bharatpur office PIS

2.3 Partnership for Hydropower Component

The third year of program (October 2004 to September 2005), demonstrated the full-fledged implementation of program activities in all three Program sites: Upper Modi, Middle Marshyangdi and Khimti I. Formation of Participatory Environmental Impact Monitoring Committee (PEIMC) under District Level Coordination Committee (DLCC) Lamjung, and its functioning has been one of the key breakthroughs leading to achieve Expected Result # 1. Similarly, district level workshop declarations to allocate 25% of hydropower revenue received by DDC to the affected VDCs in Ramechhap and allocation of six hundred thousand rupees to four hydropower project affected VDCs in Dolakha district, and initiation from the affected communities to form a national network are other key achievements made by the program during this reporting period. It is anticipated that such achievements will certainly lead towards achieving Expected Result # 2, although much way is yet to go ahead on this.

The Modi Welfare Coordination Committee (MWCC), which has been emerged out as an apex body of the program target groups in Upper Modi Hydroelectric Project (UMHEP), has also developed positive perception towards the hydropower developer and had begun to play proactive role in facilitating resumption of project construction work. This will also be contributing towards achieving win-win partnerships among the project affected communities and the hydropower developer. 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 Annex 6.

2.3.1. Start up / Support / Phase Over Activity

a. 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 4 FOs participated in 3-day training on writing skills. TL also received 3-day training on analytical skills and 3-day training on conflict resolution from CARE funding. Similarly, 4 FOs received 3-day advocacy orientation training from CARE funding.

b. Completion of Mid-term Situation Analysis

As the working scenario remained different in UMHEP due to the long stoppage of project construction work a situation analysis was indispensable to carry out program activities. For this it was decided to carry out mid-term situation analysis. The study focused on the achievements made so far and outlining the future course of program implementation. The study showed that the internal governance of the target groups has been improved substantially, positive perception has been developed between the project affected communities and the power developer, and there is the need of carrying out capacity strengthening and awareness activities in order to contribute facilitating project resumption from the proactive role of the local communities. The apex body of the UMHEP target groups visited DoED, MoWR, the Power Developer, DDC, District Administration Office and extended support from their side for the resumption of project construction work and advocated for the resumption of the project construction work.

c. Preparation of Exit Strategy

As the program was in the third year of its implementation development of exit strategy was a requirement. A thorough and participatory process was adopted while developing the exit strategy. The issue was discussed at the target community level, district level and implementing partners level

to have common understanding. Besides, the issue was discussed at SAGUN Coordination meeting and Program Support Unit (PSU) meeting. During the process achievements made so far were thoroughly discussed and the suggestions were collected for the safe exit. Discussions at the various levels revealed that the internal governance of the target groups has been substantially strengthened from the program implementation. Awareness has been developed in the policy and provision related to hydropower development, environmental management and benefits sharing at the target community level. Coordination forums developed by the program such as DLCCs in Kaski and Lamjung districts, SAGUN Coordination Committee in Khimti I and CLCC at the central level have been becoming appropriate mechanisms to develop win-win partnerships. Participatory Environmental Impact Monitoring Committee formed under Lamjung DLCC has begun its work, but is yet to be tested for its value addition. In sum, the achievements made so far are quite encouraging, but all key stakeholders and the local communities felt that program should work for some more time in order to sustain its positive impacts imparted in.

d. Strengthening Local Implementing Partners' Capacity

Local implementing partners have been continuously supported through regular coaching, monitoring besides providing formal trainings in the needy areas. Following trainings were provided to the partner organizations:

- Financial management training to 4 staff looking after the finance
- Advocacy orientation training to Program Coordinators and executive. Altogether, 6 participants participated in the training.
- Two motivators from partner organizations participated in 11-day Advocacy Facilitators' Training
- Environmental impact monitoring training to staff and selected executives. Altogether, 13 participants participated in the training.
- Six staff from all partner organization received training on writing skills.

Among the above training the advocacy orientation and advocacy facilitators' training were organized by mobilizing CARE cash matching fund.

Below are the key highlights of the achievements made so far in partners capacity strengthening:

- Internal governance capacity of the partner organization had been improved substantially. Their decision making processes are much transparent and participatory as compared to the initial stage of partnership. For the sake of transparency, financial details of the expenditures have been displayed in the notice boards (see Photo 15), which includes not only the SAGUN Program but also other programs that the partners have been undertaking. Partner in Khimti I conducted public auditing (see Photo 16) during the annual review workshop, which helped to win the trust of the local communities upon the Program.
- Planning, implementation, monitoring and reporting skills have been substantially improved. Completion of all but 2 activities planned for year 3 by the Lamjung partners can be taken as one of the examples of matured planning and implementation. Qualities of the analytical reports have been improved much than the time of partnership by all partner organization.
- With the experience gained from implementing SAGUN Program, COPPADES, one of the implementing partners in MMHEP, managed to secure funding from CIDA to implement SAGUN type of program in Khudi Hydroelectric Project Lamjung.

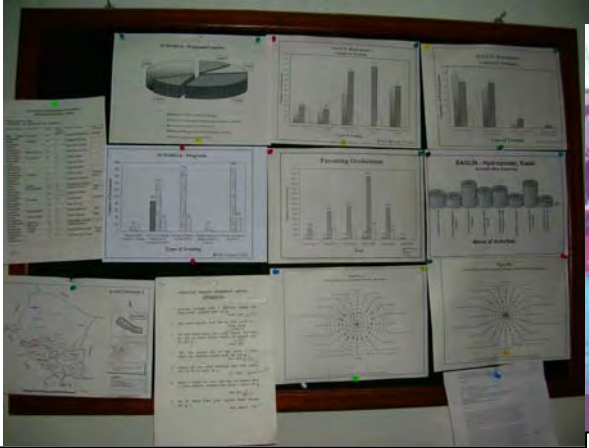


Photo 15: CDF has started the practice of displaying budget and expenditure on the notice board



Photo 16: Pahadi conducting public auditing during annual review workshop

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

The District Level Coordination Committees (DLCCs) formed in Lamjung and Kaski districts and Component Level Coordination Committee (CLCC) at the component level have been instrumental in smooth implementation of SAGUN program as envisaged. Further, Lamjung DLCC formed Participatory Environmental Impact Monitoring Committee (PEIMC), which is also functioning in the field. More discussions about PEIMC will be made in sub-section 'e'. Lamjung DLCC has also been involved actively in resolving issues of the power developer, affected communities and government agencies (see Photo 17). Box 7 highlights some of the suggestions and decisions:



Photo 17: Lamjung DLCC under progress

BOX 7: Highlights of Lamjung DLCC

- Chief District Officer, member of the committee, suggested to include informative message about compensation, health, and notices from the power developer during the *Lok Dohori* program. The suggestion was incorporated and became highly useful to pass the authentic information.
- Outlining the positive impacts brought by the program, the committee requested SAGUN Program to extend its program activities in Khudi and Nyadi Hydroelectric Projects. Khudi has already secured funding and is being implemented by one of SAGUN's local implementing partners, whereas, proposition has been made to include Nyadi in the fourth year AWP.
- MMHEP developer raised concern on hamper created by a contractor employed by DDC while collecting sand and gravel from the power development site. LDO, immediately responded that the contract was made without perceiving the disturbance to the power developer assured to terminate the contract.
- LDO tabled the agenda for recommending the distribution of 1.69 million rupees revenue received by Lamjung DDC from the regional quota. The committee discussed in detail the agenda and finally made recommendation to allocate at least 60% of the amount received to hydropower and environment related area in the district.

b. Communities' capacity enhancement through target groups

Strengthening the internal governance capacity of the existing community based groups (target groups) is one of the key interventions to develop win-win partnerships. Capacity strengthening activities are primarily based on the governance capacity assessment using Spider Web Tool. Altogether, 2,152 participants (1,290 women and 394 *Dalit*) received training through 75 events of various training (see table 10).



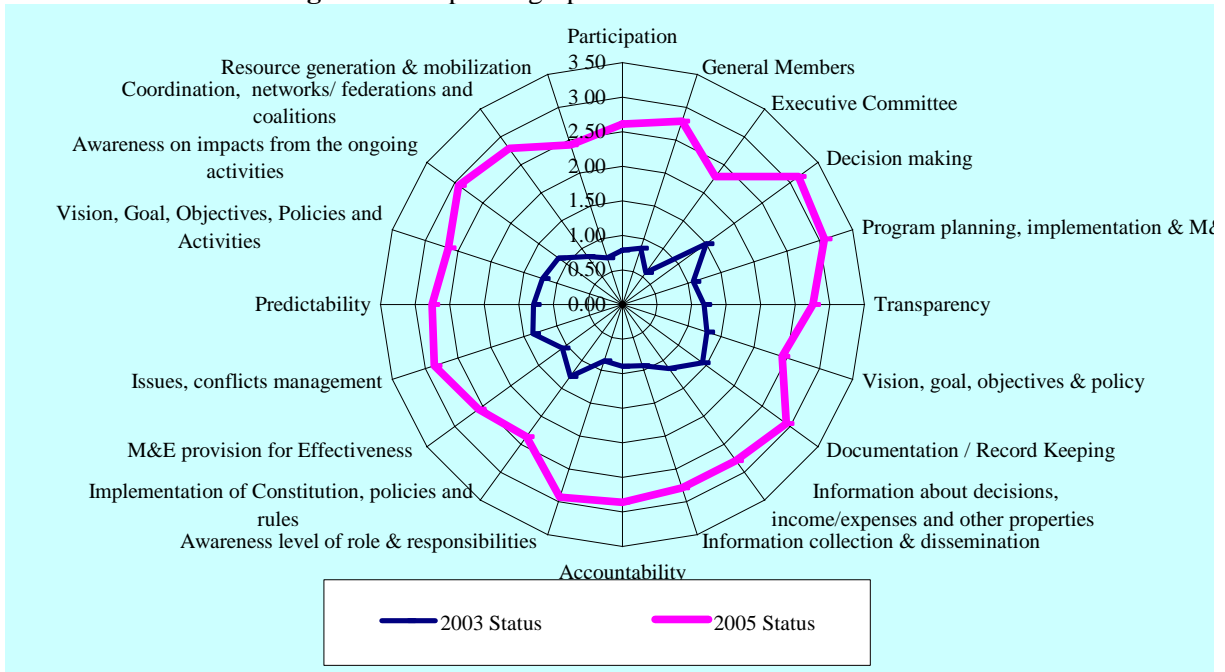
Photo 18: Annual review workshop under progress, inset Mr. Gyawali, LDO presenting the DLCC achievements and Mr. Biswakarma, representative of affected community presenting the achievements made by the program target

Table 10: Training participants with disaggregated figures

Training / Workshop topic	Total participants	Women	Dalit	Remarks
Hydropower governance	826	542	189	22 events
Advocacy for good governance	66	28	13	3 events
Gender and diversity	985	603	166	39 events
Effective communication	72	42	6	4 events
Community level review	182	72	18	6 events
Proposal writing	21	3	2	1 event

Substantial improvements were observed in the target group functioning during reassessment of their good governance practices. Figure 15 shows the changes in the Spider web of Clubs of UMHEP, Kaski as an example. The faint line represents the benchmark status whereas the bold line represents the incremental status due to SAGUN Program.

Figure 15: Expanding Spider Web of Clubs in UMHEP



Some effect level changes were observed as a result of the capacity strengthening activities, which also show the strengthened governance of the target groups (Table 11).

Table 11: Effect level changes in the target groups

Parameters	Benchmark (%)	Sept 2004 status (%)	Sept 2005 status (%)
Women in executive committees of the mixed groups	14	19.4	28.28
Dalit in executive committees	10	10.9	14.77
Groups having their account audited	15.09	35.85	45.28
Groups holding general assembly meeting	28.30	49.06	69.81
Groups with "Ka" ¹ good governance using Spider web tool	4	11.32	30.19

¹ "Ka" status represents securing more than 75 % marks as per the Spider Web governance assessment tool.

c. Capacity enhancement of key stakeholders

Environmental impact monitoring training cum workshop was organized to Lamjung district level government line agencies. Further, as the strengthening of environmental governance of civil servants, the Lamjung LDO was supported to participate in a 3-day workshop on Appreciative Inquiry for Peace and Development. The monitoring visit from MoWR and DoED could not be materialized. DoED and MoWR had strongly requested to organize training on environmental monitoring, as they lack the capacity in this respect. The request has been discussed in detail and proposed for fourth year AWP considering its justified grounds.

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 from the power development and helping the marginalized to be empowered to come forward. Below are the outputs achieved:

- A tailor-made practical literacy course focusing on development, environment, and good governance (*Bikash ra Batabaran Sushasan Chhalphal*) was run in 14 centers (6 in UMHEP and 8 in MMHEP). Altogether, 219 participants (215 women and 151 *Dalits*) from MMHEP area participated in the literacy classes. Altogether, 162 participants (154 women and 36 *Dalits*) participants from UMHEP are almost completed the literacy course. Participants of the literacy course had made remarkable changes. Table 12 presents the highlights of changes reported from MMHEP.

Table 12: Impact of *Sushasan Chhalphal*

Areas of Impacts	Quantity
Affiliation into community based groups	79 participants
Formation / reactivation of group	3 groups
Received support from other organization and program	90 participants
Construction of own building	2 centers' participants
Resolution of household level conflict	3 conflicts
Monthly cleaning of village road / water source	8 centers' participants
Latrine construction	78 participants
Making compost / manure	50 participants
Developed kitchen garden	129 participants
Commercial vegetable farming	3 participants

- Altogether, 48 participants (42 women and 33 *Dalits*) participated in 4-day leadership development training. Similarly, 50 participants were trained with leadership development skill during the second year period. Assessment of those training recipients had shown that 37 participants (37.75%) have been found affiliated with community-based groups. Of the total affiliation 15 participants (15.31%) have assumed the key positions.
- Altogether, 100 participants (58 women and 43 *Dalits*) of UMHEP and MMHEP were provided 8 types of skill development training to support their household incomes. The participants were either from the poorest strata or the most affected households from the hydropower development. Table 13 presents the details of those skills development training.

Table 13: Details of skill development training

SN	Type of training	Participants		
		UMHEP	MMHEP	Total
1	Off-season vegetable farming	23		23
2	Bee keeping	-	7	7
3	Goat rearing	-	32	32
4	Cooking	5	-	5
5	Computer	2	-	2
6	Cutting and stitching	9	-	9
7	Driving	8	8	16
8	House wiring	3	3	6
Total		50	50	100

- Exposure to STD like HIV/AIDS has become one of the highly likely phenomena in a hydropower project area. It is mainly due to the heavy influx of workers from outside to a community having poverty and unawareness. Similarly, water borne epidemics are also highly likely due to the water source pollution. Various activities were carried out to raise awareness. In UMHEP area hoarding boards were put by the target groups with the support of the Program. In MMHEP, *Lok Dohori* (duet song) program was organized in which an estimated 5,000 people watched the program (see Photo 19 and 20). Further, the *Lok Dohori* was telecasted from local cable television. As suggested by Chief District Officer, other information related to compensation and awareness tips received from MMHEP were also delivered to the local communities during the program. The other activity carried out in MMHEP area was school health program. Grade 9 and 10 students from 2 secondary schools were targeted from the program. Altogether, 331 students attended the class. Positive impacts of the awareness raising activities were observed. Box 8 highlights the information collected from the target groups, local clinic and medicine venders.

BOX 8: Impacts of health awareness activities

- Matters related to health care are being discussed in Mother Groups' meeting
- Number of diarrhea and typhoid patients coming to buy medicine reduced
- People are conscious and the number of patients coming for check up has increased
- Demands of condoms has increased



Photo 19: Lok Dohori viewers, Lamjung



Photo 20: Local Development Officer (DLCC Chair at present) with the winners, Lamjung

e. Participatory implementation and monitoring of mitigation plan

The Lamjung DLCC had formed a 5 member Participatory Environmental Impact Monitoring Committee (PEIMC). The committee, led by the representative from the affected community, comprises the representation from power developer and the district level government line agencies. Box 9 shows the structure of the committee.

Box 9: Structure of PEIMC	
1. Coordinator:	Chairperson, apex body of the project affected community
2. Member:	Program Officer, DDC
3. Member:	Engineer, District Technical Office
4. Member:	Representative, Power Developer
5. Member Secretary:	Program Coordinator, SAGUN Program Implementing Partner

After the formation of PEIMC, a 3-day training cum workshop was organized on environmental impact monitoring. Altogether, 43 participants (5 women and 2 *Dalits*) representing the project-affected community, power developer, government line agencies and other district level networks such as District chapters of FECOFUN, Industry and Commerce, and Journalist participated in the training (see Photo 21). The workshop outlined the role, scope and areas of participatory environmental



Photo 21: PEIMC member and program officer, DDC, Lamjung presenting the findings of field monitoring to District Level Stakeholders

monitoring. Based on the outcome of the workshop, the PEIMC has developed Participatory Monitoring Guidelines with the support of the SAGUN Program, which has been endorsed by DLCC. The committee had conducted 5 day long field monitoring. The committee shared its preliminary findings to the district level annual review cum planning workshop. The committee will continue its functioning in year 4 too.

Other activities carried out under this intervention are as follows:

- Altogether, 358 participants (159 women and 47 *Dalit*) representing the target community of MMHEP participated in 2-day Environmental Management Action Plan (EMAP) sharing workshop.
- Altogether, 50 participants (13 women and 3 *Dalit*) representing the target community of MMHEP participated in 3-day impact monitoring training.
- Updates on the implementation of EMAP of MMHEP was shared twice; one during the impact monitoring training cum workshop and another during the annual district level program review cum planning workshop. Therefore, the activity planned to share the implementation status of EMAP for MMHEP was not required separately.
- Activities related to EMAP could not be implemented in UMHEP, as the resumption of project construction work could not happen during year 3. Now, after the completion of mid-term situation analysis and community level annual review cum planning workshop, the program has come to the conclusion to defer these activities if the project construction works did not resume. The sharing of the provisions of EMAP will only be shared to the target

communities and more focus of the program will be on strengthening the advocacy skills of the affected communities to support the power developers and the government organizations concerned to resume the power development construction works soonest possible.

Preliminary level impacts of the training inputs have become visible. Below are some highlights of the impacts:

- Knowledge regarding hydropower development and environmental management has been acquired by 71.38 % among the key executive positions of the target groups and 46.45 % among other members of the target groups. (*Source: study reports of UMHEP and MMHEP*). As the key executives get more opportunities in training and they are also relatively the elite members of the community their knowledge level is higher than that of the other group members. However, 46.45 % of knowledge among the other members also shows that the knowledge acquired by the key positions has been discussed and shared among the group members, which is one of the most emphasized aspects of training program implementation.
- Altogether, 9 major issues like construction and maintenance of village trails leading to temples and crematories, high speed of vehicles, watering on roads, compensation of dried orange orchards, problem of drinking water, etc. have been raised in MMHEP. Of the total 5 issues have been addressed by the power developer, 2 issues have been surveyed and intermediation forums had been constituted for 2 more issues. This has developed confidence to the affected communities. As a result, together with the sharing of the EMAP provisions at the grassroots level, the affected communities are now confident to say that they should put their concerns in a proper way based on the authentic information; they should avoid the confrontation measures such as strikes, *bandhs* while putting forward their concerns. Raising the issues at a common forum represented by all stakeholders such as the power developer, government line agencies and the affected communities is the appropriate way of addressing the problems.
- The number of visitors from the local communities to the office of the environmental monitoring consultant showing concern about the local environment has now been increased. It shows that the environmental awareness has been increased and responsibility has also been increased.

In this way, the system has been in place and the affected communities have been involving in the implementation and monitoring of mitigation plan of MMHEP. Strengthened from the training activities and highly inspired from the progress made by MMHEP affected communities, the affected communities of the UMHEP have also developed positive perception towards the hydropower developer and had come forward to demonstrate their proactive role in the resumption of project construction works. Still, long way has to go to realize the institutionalization of the achievements made so far.

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

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 equitable distribution and proper utilization of revenues collected from hydropower utilization. Accordingly, the interventions were designed and implemented. In this respect, the activities implemented and performance monitored presented in line with the interventions. Much of the activities under this objective has been focused in Khimti I project area in year 3. Only the

governance training has been expanded to 4 more affected VDCs namely Tarkughat, Bharte, Hiletaxar and Archalbot in MMHEP site. More activities under this objective will be carried out in UMHEP and MMHEP besides Khimti I in year 4.

a. Setup of coordination and communication forum/mechanism

The SAGUN Coordination Committee represented by all 10 affected VDCs of Dolakha and Ramechhap districts, representatives of both DDCs, representatives of power developer and Khimti Rural Electrification Cooperative, which was brought on board last year had been involved in planning, selecting the participants, reviewing the implementation actively. Considering its important role in the district level coordination now it is expanded to the VDC level networks and committee following a more democratic way to select the representatives from 10 VDCs. So far, it held 4 coordination meetings. One annual review cum planning workshop was also organized as an expanded form of the coordination committee. Altogether, 74 participants (15 women and 6 Dalit) representing the affected communities, DDCs, VDCs, power developers participated in the workshop. It also managed to review the program, and highlighted the achievements made so far and put forward suggestions for the next year plan.

The Program managed to conduct two district level workshops in Manthali, Ramechhap and Charikot, Dolakha (see Photo 22). The workshops were focused on the distribution of revenue received by the DDCs. Both workshops were participated by district level key government line agencies led by DDC, district level networks and representatives from the project-affected communities including the ex-representatives at VDC, *Ilaka*, District and Member of Parliament. Although, the workshop was mainly expected to discuss on the distribution and proper utilization of hydropower revenue received by DDC and will address the concern of the project affected communities regarding their share on the revenue, new issues of inter-district distribution as well as electrification emerged out during the workshop. In Ramechhap, the workshop concluded with the declaration that at least 25% of the revenue received by the DDC will be allocated to the project affected VDCs until a clear-cut policy on revenue sharing comes into place. In Dolakha, the forum could not reach to the consensus of declaring certain percentage to the affected VDCs. However, the LDO share the information that DDC Council had already decided to allocate Rs. 600,000 to the four affected VDCs. In both workshops consensus was made to have a clear-cut revenue distribution and utilization policy. Summary of the both workshops has been narrated in Box 10.



The affected communities are working further to outline the areas of impact and quantify the impacts as far as possible so that the parameters could be developed while preparing guidelines for revenue sharing and its utilization. A central level workshop, which is due as it was postponed twice due to the mass transfer of LDOs, has been rescheduled for October 27 and 28. The workshop is expected to move one step ahead in preparing a revenue sharing guideline.

BOX 10: Broad outcomes of Manthali and Charikot Workshops

Guiding frame for distribution:

- Distribution from DDC onward should be based on impacts in the areas such as economic, social, environmental, runoff area, irrigation, sound pollution, etc of the power development site.
- There should have clear guiding policy from the central level, otherwise the affected communities will always be suffered from the majority voices at the district level.
- Such guiding policy should be prepared in the participation of the local stakeholders and in the presence of experts in this aspect.
- For the time being DDC Ramechhap will allocate an amount not less than 25% of what they received to the 6 affected VDCs. DDC Dolakha had already allocated Rs. 600,000.00 to the 4 affected VDCs.

Guiding frame for utilization:

- The revenue received from hydropower royalty should be utilized in power generation and electrification sector in the district.
- Proposition for its utilization in figure:
 - VDCs housing dam, tunnel, powerhouse - 20%
 - VDCs in the downstream and catchments area (for general development works) - 10%
 - Integrated watershed management program - 10%
 - DDC - 60%

b. Capacity enhancement for DDC/affected VDCs/CSOs

Five events of policy awareness training were conducted focusing on the LSGA provisions. Altogether, 128 participants (28 women and 16 *Dalit*) representing the VDCs, ex-representatives, social leaders and community based organizations from the affected communities participated in the 2-day training program. Similarly, good governance training was organized in Khimti I and MMHEP area. In MMHEP, these training were organized targeting the affected VDCs, which were not covered under H1. In year 3, four more affected VDCs were brought under program outreach. In total 92 participants (15 women and 4 *Dalit*) representing VDC board members, ex-VDC representatives, CBOs, CFUGs, and social leaders from 4 affected VDCs namely Tarkughat, Bharte, Hiletaxar and Archalbot participated in 4 events of 3-day training. Similarly, 903 participants (506 women and 111 *Dalit*) representing the 10 affected VDCs of Dolakha and Ramechhap districts participated in 38 events of 2-day training. The training at Khimti I were solely facilitated by LRPs who earlier received 8-day ToT on Good Governance. In addition good governance capacity assessment was also carried out during the course of training in Khimti I.

Similarly, a total of 469 participants (246 women and 37 *Dalit*) representing 40 groups participated in 20 events of 2-day training on effective communication through group management. These trainings were also facilitated by LRPs who earlier received 3-day training on effective communication.

Exposure visits were organized in all 3 Program sites. Altogether, 89 participants (22 women and 9 *Dalit*) representing the affected communities, DDCs, Power Developer and VDC secretaries participated in the exposure visits. UMHEP visited MMHEP; MMHEP visited Khimti I and Sunkoshi Hydropower Projects and Khimti I visited Kulekhani Hydropower Project. During the visit each visiting team had interaction with the representatives of the project affected communities, power developer and respective DDCs.

Strategic guidance and logistic support was provided to the representatives of Khimti I and UMHEP to visit other hydropower projects in order to explore the progress made by those projects in terms of revenue sharing and other areas of interests. Khimti I team visited MoLD, MoWR at the center and

Bhotekoshi, Indrawati and Sunkoshi Hydropower projects. Similarly, UMHEP team visited the power developer, DoED and MoWR at the center and Kali Gandaki I, Modi Hydropower Projects.

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

Activities planned under this intervention were supporting VDCs and / or DDCs to organize public auditing and strengthening capacity of the project affected communities to effectively participate in the public auditing. In the last year, the activities were mainly planned for Khimti I area. However, due to the fluid operating environment did not support to conduct such activity. Now, the guidelines for conducting social / public auditing has been prepared and the target groups are supported if they wish to conduct such auditing. One NGO (SAGUN target group) from MMHEP organized public auditing with the support of the Program. The issue raised during the auditing was discussed in the recently concluded annual review and planning workshops. The participants suggested that the public auditing is a vital part for strengthening governance therefore it should be planned and carried out at the target group and VDC level wherever possible. Such practices will develop confidence and ultimately it will become a part of development program. Accepting the suggestions, the activities have been proposed in AWP Year 4.

Realizing the gravity of the issues undertaken by the Program, an initiative was also begun during year 3 by mobilizing CARE's cash matching. The initiative focused on strengthening the advocacy capacity of the hydropower project affected communities at the policy level. For this advocacy orientation training and advocacy facilitators training were conducted covering all 3 Program sites. Capitalizing the gathering during advocacy orientation training and realizing the importance of networking the participants had formed a 7-member Situation Analysis Committee as a beginning to form a national level networks.

By conducting the revenue related activities, particularly in Khimti I, the following achievements had been made in the last year.

- The project-affected communities had been sensitized about the provision of hydropower revenue to the DDCs. Now, the local communities are very positive towards the hydropower project.
- Declarations to allocate 25% of hydropower revenue received by Ramechhap DDC to the project affected VDCs has been taken as a good beginning to develop revenue sharing and utilization policy.
- All the stakeholders had felt need of the governing policy to utilize hydropower revenue beyond DDC.

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. Considering the sensitivity of the issues to be studied and the present operating environment, case studies could not be completed as planned. Other activities were fairly completed against the plan.

Following are the activities accomplished and specific outputs under this expected result:

- Published and distributed central level workshop proceeding captioned "Hydropower Development in Nepal: Prosperity and Challenges". Learning document on governance has

been prepared, which is in the draft form. A poster showing the governance message is under preparation. Documentation and dissemination of hydropower governance related materials and proceedings of the training and workshop has been a high priority given activity. Altogether, 1,393 reference materials and 443 proceedings had been distributed to various stakeholders such as the affected communities, power developers and district as well as central level government line agencies. One documentary showing the dynamics of hydropower development and major issues around it has been telecasted from Channel Nepal. It was also shown during the district level review workshop at Lamjung. Representative of MMHEP appreciated the content of the documentary, although few strong concerns of the affected communities were visualized in the documentary.

- Two studies were carried out in UMHEP and MMHEP to see the impact of trainings. One case study focusing on the nature and types of conflict encountered while constructing Khimti I Hydropower project and the ways of handling them is underway. Field data collection part is already halfway done.
- Altogether, 8 students' thesis/field study had been supported. All students completed their studies and presented their major findings in a meeting organized by the Program, but one student has yet to present his findings.
- Memorandum of understanding has been signed with two more academic institutions during the last year. They are Central Department of Rural Development, TU and Center for Development Studies, KU.
- KU had organized 1-day curricula review workshop with the support of SAGUN Program.
- Component Level Coordination Committee has been actively and professionally engaged in the implementation and review of SAGUN Program. It has been professionally delivering the task of facilitating students' thesis/field studies.

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:

“Mobilization of local resources strengthens local ownership thus ensuring sustainability”

To manage the challenge of larger program area in Khimti I Hydropower (10 affected VDCs enlarged in 2 DDCs) Project than assumed at the time of program redesign, concept of LRPs was introduced in a more strategic way than in UMHEP and MMHEP. Similarly, applying the learning of UMHEP, it was decided to go with the local partner exclusively from within the project-affected area irrespective of their capacity to implement the program. Relatively weaker partner was available as compared to other 3 partners in UMHEP and MMHEP while implementing the strategic decision. However, now, after the one year of observation in Khimti I clearly indicated that the ownership of the program has been much stronger in Khimti I as compared to UMHEP. Institutionally and organizationally UMHEP partner was supposed to be much better than Khimti I, but in reality it was totally different. Now, the program implementation had been much easier in Khimti I, as there are established Local Resource Persons having full ownership and commitments towards the program and the local partner from within the affected communities.

“Starting from the simplest one is the right way of achieving the tougher one”

The Program has been a real challenge to the implementer in the sense that it is simultaneously handling the first and second generation issues like group formation, group dynamics, awareness raising, good governance, rights, hydropower and environmental policies. At one hand it has to emphasize to bring up the most marginalized strata of the community in the mainstream of development. On the other hand, it has to make the local communities able to coordinate with the

power developers and government line agencies to achieve better service delivery in terms of addressing environmental impacts and sharing the hydropower accrued revenue. Welcoming the challenge, the Program decided to run practical literacy classes captioned “*Bikas ra Batabaran Sushasan Chhalphal*” meaning Governance Discussion on Development and Environment. It covers the agro-forestry, health and sanitation, community development, and group dynamics together with the more complex issues of rights, good governance, hydropower development, and environmental management.

Now, it has been found that the activity targeted to the most marginalized strata of the community (of the total 393 participants 384 – 97.7 % are women and 184 – 46.8% are *Dalit*) has become one of the most successful activities. Analysis and field staff reports show that the beginning from the simplest and day-to-day affairs of kitchen garden, composting and simple health care made it easier to enter into the most toughest issues like hydropower development and environmental impact. Now, the participants begun to knock the door of government agencies, power developers and even the elites groups within the community for addressing their issues and concerns. The simplest discussion at the beginning not only helped their day-to-day life, but it also build a strong relationships between the discussion facilitators and the participants ultimately making possible the complex issues also an interest of the marginalized people. The newly approved Small Scale Livelihood Support Activities is expected to build upon the achievements made so far and contributing to bring the marginalized in the mainstream of development.

2.3.4 Thematic

Kalika brought a quake in Lamjung

Bijay Gurung
Program Coordinator
COPPADES, Lamjung

Lamjung, is one of the 75 districts of Nepal, which lies in the Western Development Region. According to the record of District Administration Office, Lamjung, there are more than 300 NGOs² registered. Among the registered only few NGOs are implementing some activities as per their goal and objectives. Others are only limited to renewing function. Kalika Environment and Nature Conservation Society (KENCS) of Udipur VDC Ward # 4 is one organization among those 300 NGOs registered. It was established and registered in 2001 (2058 BS), was limited to formality of renewal and was almost inactive.

In 2003 (2062 BS), when SAGUN Program initiated activities in MMHEP, KENCS was also included in the program target groups. Governance assessment identified the following major weak areas for KENCS:

- Meeting of EC were not regular
- Records and documents were not well managed
- No any regular resource
- Limited participation/involvement of women and *Dalit* members
- No any annual or periodic plans

SAGUN conducted different training/workshops on the basis of CA of target groups. KENCS also actively and regularly participated in those events. Major activities conducted are Good Governance, Group Management, Record Keeping, Gender, Conflict Management, Proposal Writing, EIA/EMAP, Training of Trainers, Impact Monitoring, Program Review Workshops, etc.

After above activities, significant changes and improvement are observed in KENCS. Some of the examples are involvement of *Dalit* and women in EC, regularity of meeting, annual plan is prepared and are being implemented, improvement in documentation and recording, transparency etc. According to members of the organization and community the key change observed is transparency of organization's decisions and records. The major achievements till date are:

- KENCS had secured financial support and implemented the following programs:
 - Sanitation awareness program and management of plastic bags in the local town securing financial support from MMHEP.
 - Goat rearing activity for *Dalit* and poor securing financial support from COPPADES.
- Internal governance within organization is improving significantly

² NGO gets legal status after registered in concerned District Administration Offices as per the Organization Registration Act 2034 BS. Every year NGOs must be renewed.

In the process of practicing the good governance practices, KENCS conducted a public audit on September 3, 2005 inviting its EC and general members including other stakeholders of the VDC. During public audit plan, progress, budget and expenses and decision-making process were presented. EC members answered many questions raised by attendees. All the EC members had demonstrated accountability while responding the questions and concerns. The participants and local people who heard and knew about public audit have taken the event as a very important and popular activity.



Photo 23: KENCS conducting public auditing

KENCS had also been successful to flow message to other NGOs that *"To institutionalize good governance practices, PUBLIC AUDIT is very essential and important process"*. And KENCS has been a first and foremost NGO in the district conducting **PUBLIC AUDIT**. Actually it brought a **quake** in the district.

This is another Sakuna !

Sakuna Karki
LRP, Ramechhap

My name is Sakuna Karki. I was born in Phulasi VDC Ward # 1, Sankhe of Ramechhap district Nepal. My father is Yam Bikram and mother Sabitra Karki. I am third daughter among 7 sisters. We have only one brother after seventh sister. I have just passed 10+2 and thinking to continue my study.

I was only a student. My routine work was to attend school and perform household chores. Being a girl from a rural village and traditional thinking family, I never got opportunity to attend special programs in the village. Especially about the participation in the meeting, training and workshops, people used to say that is not the concern of daughters. Daughters must not chat with young boys. It will decrease family status. Why to send daughter in the trainings, as they have to go to their husband's houses or other places after marriage. Skills and knowledge they learned will be not used. Even though there is a local organization named Pasupati Women Development Organization (PWDO), but I was not allowed to be a member and create my saving account.



Photo 24: Sakuna Karki

Even though I am an extrovert since my childhood, I was not used to talk to boys due to conservative thinking as mentioned above. My thinking was also similar to those of my family members. I never used to look straight to boys. I had also negative perception towards boys.

In October 2004, SAGUN Program in partnership with local NGO named Pahadi Samudayik Swasthya Karyakram (Pahadi) informed affected target groups of Khimti I Hydropower Project to send a SLC passed participant from each VDC to participate in Trainer's Training. PWDO selected me and sent for training. This training has changed mode of my life. It has encouraged and created an energy and confidence within me. After the training and subsequent refresher trainings, I started to facilitate different training like good governance, group management, gender, provision of hydropower revenue in my village.

Persons saying different negative things like “daughters can do nothing and they have to go another places” and training participants like Ram Bahadur Thapa, Hima Karki, Indira, Bishnu and many more to whom I facilitated in the trainings now used to say Sakuna has come up and she changed our thinking. Daughters also can do many things. “Those saying actually touched my heart”. I am more and more encouraged. In addition, SAGUN Program had provided us an advocacy facilitator training. This training increased my confidence that I can advocate any social issues of my village and even of district. Now, I am able to raise the voices of voiceless and against rights denial. In the mean time to entertain our rights and to get success in our lives I understood that positive attitude is the key for bringing changes.

My grand father and many elderly people (so called intellectual) always used to blame others even Khimti I Project. They have negative attitude towards the project. They were angry, as they were not getting electricity connection like nearby other villages that have already the facility. In my grand father's leadership they were planning to cut down the electricity poles and wires nearby their villages to get electricity connection. I knew that strategy and tried to convince my grand father that let's go in a positive way. Let's go to Project office to request for electricity connection. No one liked my idea. I tried many options and lastly, I requested Ram Bahadur Thapa who is positive to me and was also a participant of training, which I facilitated to gather community people to discuss the issue.

The meeting was held and issue was discussed. I tried to convince people to take positive way of putting their issue. Many of the participants accepted to go delegation to project office. At last not willingly my grand father accepted to lead the delegation with 10 more members. Next day, they went to project office and met Project Manager Madan Upadhyaya and put their demand. The manager ensured them that project will provide connection as soon as the project will receive budget. He also said that if this delegation was here last year, you have had already the electricity connection. However, I will try my best. All the delegation team members including grandfather are surprised that it was so easy and simple. We were thinking of negative way even riots. That was not the right one. When they returned home my grandpa keeping hand on my head told me that "Oh! my granddaughter! you know many things. I did not know that you could show us right path. The proverb: we must hear the suggestions even of youngsters came true. At the same time we also care about our duties while demanding our rights".

I am so glad that my learning during advocacy training has been practiced and it worked very well. Common issues with collaborative and positive efforts always produces success and "win - win" situation. Now my neighbors, even elder people ask me for suggestions. I am also involved to raise voices of *Dalit* and women. Even now, one of my uncles warns me not to involve in such works. He used to say, “if they will be well off, they will not obey us, you don't know many things”. But I am well aware that such saying and behaviors are discrimination.

Therefore, still I have to do many things in my community. Now, I am not that Sakuna not talking with boys, elderly people and all others, going school, coming back and doing household works. I am another Sakuna advocating for the establishment of rights and community development.

Thank you ! SAGUN and Pahadi for making me another SAKUNA, which I liked very much !

2.3.5 Major Issues and challenges

After the field implementation of program activities and with the observation of preliminary impacts brought in by the program till date it has been realized that the working issue of SAGUN-Partnership for Hydropower component is quite sensitive but result oriented. 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. To address the gap it was decided to involve ex-representatives and political parties besides the present DDC and VDC board. However, the scenario after February 1 has challenged the proposition, as the government local bodies and the political parties had bitter relationships.
- **Operating situation and mobility issue:** Frequent *Bandhs* and blockades have also hampered in achieving the set targets. It can be expected to continue in the next year too.
- **Implementation of the program activities in the newly added areas:** Considering the genuine demands from the local communities, DDC and central level government agencies the program team had decided to expand its program area. It is an opportunity as well as challenging to the Program team. Managing from the limited staff together with the newly approved Small Scale Livelihood Activities is a real challenge in terms of workload. However, the team has accepted the challenges and expects that the matured implementing partners and LRP's together with the SAGUN staff will face the challenge.
- **Sustainability of the program accomplishments:** The discussion carried out during the preparation of exit strategy preparation had revealed that the program is leading towards achieving its objectives. However, being a very abstract type of program and many dependencies it may not be a right guess that within one-year remaining period all the accomplishments will get institutionalized.

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. Further, it will try its best to address the sustainability issue by exploring resource support to build on the accomplishments and achievements made so far. Those left over activities of the year-3 will also be adjusted and completed in the fourth year as per their relevance.

2.3.6 Visitors

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

Name of visitor	Position	Visited place
James F. Moriarty	US Ambassador	UMHEP, Kaski
August Von Millard	SO7, Team Leader, USAID	„
Raymond Edler	Regional Contracting Officer, USAID	„
Satish Kumar	Contracting Specialist, USAID	„

Name of visitor	Position	Visited place
Pradeep Neupane	”	”
Ram Gurung	”	”
Dr. Bijnan Acharya	CTO, USAID	”
Tim Rieser	USAID	”
Don Clark	USAID	”
Hope Farley		”
Dr. Bijnan Acharya	CTO, USAID	”
Ramzy Kanaan		”
Dr. Pralhad Yonjan		”
Dr. Bijnan Acharya	CTO, USAID	”
Netra N Sharma	ACTO, USAID	”
Dr. Bijnan Acharya	CTO, USAID	Khimti I
Naren Chamugam	Act. GDO Director, USAID	”
Bhism Subedi	Chief, ANSAB	”
Bhim Prasad Shrestha	Chairperson, FECOFUN	”

2.4 Policy Analysis

In the third year, final report of the study on the irrigation service fee collection was prepared and circulated to the donor agency, Department of Irrigation, concerned Irrigation Division Offices, Water Users Associations, NFIWUAN and other relevant stakeholders. The findings of the study were shared in the all staff program meeting of the Irrigation Component.

Study on pro-poor community forestry activities was conducted in 15 CFUGs of Banke, Bardia, Kailali and Dhading Districts. Draft report has been prepared which will be circulated to relevant stakeholders for their inputs. Please refer to the progress under Forestry and Buffer Zone Component for major findings of the study.

In the irrigation component study on women's participation was targeted for this fiscal year. General framework for the study on the women's participation in irrigation was developed. Preliminary field visit was made to West Gandak Irrigation System and Panchakanya Irrigation System to gather information on women's participation and initiatives to promote women's active role in irrigation management. Secondary information as well as field information has already been gathered from West Gandak Irrigation System and Panchakanya Irrigation system. However, analysis and report writing part is yet to be completed.

In the Partnership for Hydropower component, an outreach material has been prepared. This material highlights various policy provisions related to hydropower development. This material will be used as an extension material to the hydropower affected communities, and other stakeholders. This is expected to be useful for policy education. This material has been developed as a background material for the policy study on revenue distribution mechanism. Please refer to Annex 7 for summarized progress.

PART – II: PROGRAM IMPLEMENTED BY HMG/N COUNTERPARTS

Department of Forest and Department of National Parks and Wildlife Conservation through DFOs and Park Offices have conducted various technical and institutional development activities of SAGUN Program such as CFUG formation, support to CFUG to prepare their FOPs and constitutions; renewal of expired FOPs and hand-over of Community forests. Other activities include workshops and seminar on CF and BZ forest management, CF extension, NTFP nursery and market management, forest nursery operations and seedling production, IGAs and study tours.

Similarly, the Department of Irrigation has conducted various capacity building and water management training for the WUAs. The progresses achieved by these Government counterparts for the reporting period are as follows:

a. Progress achieved by Department of Forest and Department of National Parks and Wildlife Conservation

a1. Department of Forest

Program implemented districts: Banke, Bardia, Kailali and Dhading

S.N.	Program	Plan	Progress
1.1	CFUG Program		
1.1.1	Users Group Formation (no.)	23	57
1.1.2	FOP Preparation and Forest Hand over (no.)	23	73
1.1.3	Renew of FOP (no.)	35	36
1.2	Training		
1.2.1	CF management training (UG) (events)	6	6
1.2.2	CFUG management training (UG) (events)	1	1
1.2.3	CF management and forest inventory training (events)	0	1
1.2.4	CF management and forest inventory training (FG, Forest Work Assistant)	1	0
1.2.6	Accounting and Recording Keeping (UG)	2	2
1.2.7	Nursery management training (events)	1	1
1.2.8	Private forest management training (events)	2	2
1.2.9	Forest inventory training (UG)	1	1
1.2.10	NTFP collection and utilization training (events)	1	1
1.2.11	NTFP management and (Nursery) market management training	2	2
1.2.12	Computer training (staff)	5	7
1.3	Workshop/seminar		
1.3.1	Range Post/Area Level Planning workshop	11	4
1.3.2	District Level Planning workshop	4	3
1.3.3	DDC/VDC representatives (events)	1	0
1.3.4	District and central level stakeholders workshop	1	0
1.3.5	District coordination workshop	3	2
1.3.6	Fire control	3	4
1.4	Extension activities		
1.4.1	World Environment Day	4	4
1.4.2	UG evaluation and awards	3	2
1.4.3	Production and distribution of extension materials (no.)	3	4
1.4.4	Essay competition (Event)	1	1
1.4.5	Forest Day Celebration (events)	6	5
1.4.6	CF management demonstration plots establish (UG)	2	1
1.4.7	CF management demonstration plots maintenance (UG)	1	2
1.4.8	Purchase of field materials	1	1
1.4.9	Video show	3	0

S.N.	Program	Plan	Progress
1.5	Study tour		
1.5.1	CFUG study tour (outside district) (events)	1	0
1.5.3	Cross visits within district (events)	1	1
1.6	Nursery maintenance and seedling production		
1.6.1	Nursery maintenance (no.)	7	6
1.6.2	Seedling production (thousands) (no.)	120	120
1.6.3	NTFP seedling production and distribution (thousands) (no.)	68	65.97
1.6.4	Seedling productions supports to CFUGs (groups)	28	21.33
1.6.5	Plantation (ha)	50	50

a2. Department of National Parks and Wildlife Conservation

Program implemented districts: Bardia (RBNP) and Dolpa (SPNP)

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	125,000
1.3	Training on forest management, herb plantation and collection	Ha.	30	30
	Training on forest management, herb plantation and collection	Person	80	80
1.4	Community forest management plan preparation and handover	No	10	0
1.5	MIS Training	Times	1	1
2	Income Generating Activities			
2.1	Support to BZCFUGs for Poultry farming (Training)	UGs	7	7
2.2	Support for piggery	UGs	1	1
3	Community Development			
3.1	Drinking Water Schemes	Places	1	1
3.2	Monitoring and evaluation of MIS training	Times	1	0
3.3	Trail maintenance	Km	20	20
3.4	Installation of Bio-Gas Plant	No	20	20
3.5	Construction of Wooden Bridge	No	2	1
3.3	Maintenance of Wooden Bridge	No	2	2
4	Religious Places Conservation and Renovation			
4.1	Monastery maintenance	No	2	2
4.2	Temple maintenance	No	1	1

b. Progress achieved by Department of Irrigation

S.N.	Activities	Target Group	Unit	Total	SAGUN-TA	SAGUN-DOI	Completed by DOI by the end of FY 61/62 (2004/5)	Remaining to be done by DOI	DOI Proposal for FY 62/63
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	Governance Capability Development								
I-1.1.1	Governance training to WUA -25 p/event, (3days)	MCC/ BCC/ minor members	Event	73	59	14	10	4	3
I-1.1.11	Specialized training on governance	MCC	Event	2	0	2	0	2	0
I-1.1.12	Refresher training on governance	MCC	Event	2	0	2	0	2	1
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	14	4	4
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	14	0	0
I-1.2.14	System rehabilitation, improvement and modernization		Event	14	0	14	8	6	5
I-1.2.15	Specialized training on water management		Event	2	0	2	0	2	0
I-1.2.16	Refresher training on canal operation and maintenance		Event	2	0	2	1	1	1
I-1.3	Management Capability Development								
I-1.3.5	On-farm water management practices		Package	2	0	2	0	2	0
I-1.3.6	Advanced water management at field level		Event	14	0	14	0	14	12
I-1.3.7	Specialized training on management		Event	2	0	2	0	2	1
I-2	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	0
	Total								27

3. FINANCIAL STATUS

In this fiscal year, overall expenditure of SAGUN Program comes out to be 59.38%. The direct cost and personnel cost were 62.76% and 77.54% respectively. The overall expenditure incurred in the SAGUN Program activities was 56.45%. The details of the financial expenditure is given in the following table:

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

FY: 2005

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'05	EXPENSES OF JULY'05-SEPT'05	EXPENSES AS OF SEPT'05	BUDGET BALANCE AS OF SEPT'05	BURN RATE
1	Staff Cost:						
	Salaries & Benefits:						
	a. National	1,452,084	1,015,087	132,258	1,147,345	304,738	79.01%
	b. International	74,073	33,127	2,847	35,974	38,099	48.57%
	Sub-Total of Staff Cost	1,526,157	1,048,214	135,105	1,183,319	342,837	77.54%
2	Support Cost (CO)	221,167	80,717	22,983	103,700	117,467	46.89%
3	Other Direct Costs:	244,132	172,015	16,089	188,104	56,028	77.05%
4	Procurement Costs	78,506	49,354	116	49,469	29,037	63.01%
	Sub-Total of Direct Costs (2, 3 & 4)	543,805	302,085	39,188	341,273	202,532	62.76%
5	Activities Costs						
	a) CARE	1,194,892	538,171	41,218	579,389	615,503	48.49%
	b) RITI	846,965	466,235	77,067	543,302	303,663	64.15%
	c) RIMS-Nepal	179,140	94,258	18,381	112,639	66,501	62.88%
	d) WWF	233,032	192,195	(21,817)	170,378	62,654	73.11%
	e) FECOFUN	282,749	0	139,090	139,090	143,659	49.19%
	Sub-Total of Activities Costs	2,736,778	1,290,858	253,939	1,544,797	1,191,981	56.45%
6	Operation Costs of Sub-Grantees:						
	a) RITI	530,728	303,122	36,267	339,388	191,340	63.95%
	b) RIMS	258,748	105,646	8,655	114,301	144,447	44.17%
	c) WWF	188,728	81,048	38,464	119,512	69,216	63.32%
	d) FECOFUN	57,540	0	19,207	19,207	38,333	33.38%
	Sub-Total of Sub-Grantees Costs	1,035,744	489,815	102,594	592,409	443,335	57.20%
	TOTAL	5,842,484	3,130,973	530,826	3,661,799	2,180,685	62.68%
7	Indirect Costs Recovery (7.83% of Total USAID FUND)	457,466	245,155	41,564	286,719	170,748	62.68%
	TOTAL	6,299,950	3,376,128	572,390	3,948,518	2,351,432	62.68%
	Matching Fund	1,668,723	543,398	239,992	783,390	885,333	46.95%
	GRAND TOTAL	7,968,673	3,919,526	812,382	4,731,908	3,236,765	59.38%