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Acronyms

ADB/N	Agricultural Development Bank/Nepal
ANSAB	Asia Network for Sustainable Agriculture and Bioresources
CARE/Nepal	Cooperative Assistance of Relief Everywhere, Nepal
CDO	Chief District Officer
CECI/CBED	Community Based Economic Development Project of Canadian Center for International Studies and Cooperation, Nepal
CF	Community Forest (ry)
CSIDB	Cottage and Small Industry Development Board
DADO	District Agriculture Development Office
DDC	District Development Committee
DFO	District Forest Office(r)
DPP	District Partnership Programme of SNV
EWV	EnterpriseWorks Worldwide
FECOFUN	Federation of Community Forestry Users, Nepal
FUG	(Community) Forest User Group
GCP	Global Conservation Program of USAID
HBTL	Himalayan BioTrade Pvt. Ltd.
HCDA	Humla Conservation and Development Association
HJSS	Himali Jaributi Sarokar Samuha
IEDI	Industrial Enterprise Development Institute
IOF	Institute of Forestry
MFSC	Ministry of Forests and Soil Conservation
MHPL	Malika Handmade Paper Pvt. Ltd.
MIS	Market Information System
NACRMP	Nepal Australia Community Resource Management Project
NGO	Non-Governmental Organization
NNN (SM)	Nepal NTFP Network (Sharing Meeting)
NTFP	Non-Timber Forest Product
OP	Operational Plan
SCDP	Sustainable Community Development Programme
SDC	Swiss Development Cooperation
SFDP	Small Farmers Development Program
SNV/Nepal	Netherlands Development Organization, Nepal
UMN	United Mission to Nepal
USAID	United States Agency for International Development
VDC	Village Development Committee

I. SUMMARY OF ACTIVITY STATUS AND PROGRESS

a. Introduction

This semi annual report presents the progress of the “Enterprise-Based Biodiversity Conservation” project supported from USAID’s Global Conservation Program for the period of October 1, 2001 to March 31, 2002, first half of the third year of the project.

Implemented by EnterpriseWorks Worldwide (EWW) and Asia Network for Sustainable Agriculture and Bioresources (ANSAB), the overall project goal is to conserve the globally significant mountain biodiversity of western Nepal through community forest management linked to enterprise development. The project aims to bring 30,000 hectares under improved management in five years (this is in addition to 13,765 ha already under effective management), and strengthen and improve policy implementation in the area of community forestry nation-wide.

The priority regions for this project are the subtropical, temperate, and alpine forests of Nepal’s western Himalayas, which contain strong botanical diversity both in terms of species richness and in terms of endemism and suffer from a high level of anthropogenic disturbance. The project area, (which includes the districts of Humla, Jumla, Bajhang, Dolpa, Mugu, and Kalikot) is considered a global “hotspot” of biodiversity based on Norman Myers’ conservation setting priorities.

Project implementation began with three districts -- Bajhang, Humla and Jumla. The activities were extended to two additional districts (Mugu and Dolpa) in year two of the project. In the third year activities have been implemented in the five districts and Kalikot remained excluded as the unfavorable security situation continued to prevail.

Currently the project has been working with local partner NGOs in all project districts: Humla (Humla Conservation and Development Association), Bajhang (Social Development Center), Jumla (Rural Development Group Program), Dolpa (Dolpa Sarbangin Bikash Samaj) and Mugu (Rural Community Development Center). We found that the current implementation arrangement with local partner NGOs to be not only practical but effective. The local partnership promoted local capacity building, long-term sustainability, local level coordination, and smooth implementation of project activities particularly in the present security situation in the project area.

As the fieldwork is mostly done in the forests and nearby areas, the recent political tensions in the country have impeded project progress in this period. Several planned activities were affected: some district coordination meetings; study tours and exchange visits; growth and yield studies; and some post formation support to FUGs. Large group meetings are suspect in the rural areas and entry into forests is heavily restricted. Because of this, several planned activities in the field were postponed and other strategies like holding larger group meetings in Nepalgunj are being explored. However, staff members are continuing the work with communities and in headquarters of the project districts. Good progress continues to be made on major targets and the project is more or less on track.

b. Highlights

(October 1, 2001 – March 31, 2002)

Major accomplishments include:

- A total number of community Forest User Groups (FUGs) working with the project in Humla, Jumla, Bajhang, Mugu and Dolpa reached to 34. With addition of 4,923 ha in this

period (68% of year 3 goal), the formation or post formation support to these community groups resulted 18,688 ha of forestland being handed over to communities for improved management (62% of the overall project goal).

- Continued the distribution of the Manual on *Enterprise Development for Natural Products*. ANSAB has sold or distributed over 450 copies since September 2000 both domestically and internationally.
- Provided business development services to FUGs in Humla, Jumla, Bajhang and Dolpa for enterprises in essential oils, papermaking and other natural products. Preliminary work was also done in identifying suitable NTFPs for enterprise establishment in Mugu. Independent film crew did a piece on Bajhang paper enterprise and the disk is proved for USAID.
- Organized and participated in several forums discussing policy and program issues, including the Nepal NTFP Network (NNN). Suggestions on NTFPs policy were also provided to National Planning Commission and the Government for the tenth five-year plan.
- Created a mechanism of sharing, collaboration, minimizing duplication of efforts, identifying NTFP promotion intervention nodes (such as training, marketing and policy review), promoting NTFP agenda and policy debates through Nepal NTFP Network.
- Facilitated the creation of Himali Jadibuti Sarokar Samuha (HJSS), a policy advocacy group on Himalayan NTFPs to provide feedback to policy makers on ground realities and advocate for the development of appropriate policies and their proper implementation.
- Advocated along with other members of NNN for reducing the unscientific and illogical royalty rates for Yartshagumba (*Cordyceps sinensis*). Consequently, the government reconsidered the royalty and brought down to Rs. 20,000 per kg from Rs. 500 per piece. On the average, a kg contains 3000 – 3500 pieces.

c. Table of Activity Status

Table 1 – Activity Status for Year Three

Activity Number	Activity Title	Status*	Page
Objective 1 Expand and institutionalize participatory resource management and conservation under Nepal’s forestry policies and legislation			
1.a	Prioritization of geographical area and community groups	Completed	7
1.b	Community forestry orientation and training	Completed	8
1.c	Community forestry best practices workshops	Not planned in year 3	9
1.d	District community forestry federation workshops	Completed in Bajhang, On-track other districts	9
1.e	National level workshop	Not planned in year 3	10
1.f	Exchange visits and study tour	Delayed	10
1.g	Production and distribution of extension materials	Mixed	11
Objective 2 Enhance knowledge and skills of forest user groups in sustainable use and conservation of biological resources			
2.a	Staffing and training	On-track	12
2.b	Conflict resolution for community forest mapping	On-track	12
2.c	Technical and logistical support to communities	On-track	13
2.d	Promotion of community forestry agenda	On-track	19
2.e	Post-formation support to FUGs	Delayed	20
2.f	Conservation education	On-track	20
Objective 3 Promote use of natural products in an ecologically sustainable and socially equitable manner			
3.a	Business development services to communities	On-track	21
3.b	Business plans for community-based enterprises	Mixed	21
3.c	Business management training	Mixed	22
3.d	Securing enterprise start-up capital	On-track	23
3.e	Provide marketing support	On-track	24
Objective 4 Generate scientific information for the sustainable management of biological resources			
4.a	Biodiversity conservation monitoring system	Mixed	25
4.b	Harvested species regeneration status	Completed in Jumla, Delayed other districts	26
4.c	Information dissemination	On-track	27
4.d	Biodiversity monitoring data collection and analysis formats	On-track	28
4.e	Growth and yield studies	Delayed	28
4.f	Biodiversity monitoring methodology development	On-track	29
4.g	Exploration and dissemination of indigenous knowledge and practices	On-track	29

*Status may include activities that are Completed, On-track, Delayed, Mixed Performance, or Canceled.

II. DETAILED DESCRIPTION OF SITE PROGRESS

a. Key Short and Long-term Program Objectives for the Site

Long-Term Objectives

The project's four key long-term objectives are to:

- a) Expand and institutionalize participatory natural resource management and conservation practices within the framework of community forestry in Nepal,
- b) Enhance knowledge and skills of FUGs and local harvesters in sustainable use and conservation of biodiversity,
- c) Promote commercial use of natural products in an ecologically sustainable and socially equitable manner, and
- d) Generate scientific information required for the sustainable management of the biological resources.

Short Term Objectives

The objectives for year three of the project are to:

- Work with 40 communities in the districts of Jumla, Humla, Bajhang, Dolpa and Mugu to develop and implement conservation and resource management plans,
- Bring an additional 7,235 hectares (21,000 ha cumulative) under improved management through the community forestry process,
- Improve policy development and implementation to enhance biodiversity management by communities in all five districts,
- Facilitate communities in the project area to establish and operate 3 enterprises that are linked to *in situ* biodiversity,
- Enhance community capacity through extension, training, study tours and exchange visits, and
- Document preliminary lessons from the implementation of the Biodiversity Monitoring Plan.

b. Activity Description

Objective 1 Expand and institutionalize participatory resource management and conservation under Nepal's forestry policies and legislation

Activity 1.a: Prioritization of geographical area and the development of community forest user groups (FUG)

Summary of major achievements

The stakeholders meetings and participatory exercises carried out in each of the five districts prioritized the geographic area and community groups for this year. In these districts, geographic areas adjacent to the existing project area have been selected to ensure ecological connectivity, achieve economies of scale in joint enterprise undertakings, and minimize resource use conflicts including pressure on non-handed over forest areas close to community forests.

Due to security situation district level coordination meetings could not take place during the planned period. These meetings will be held as soon as the security situation allows for such activities or alternate meetings in Nepalgunj will be explored.

Activities by district are given below.

Humla – In this period, the program was extended to Sreemasta VDC. In October 2001, site level prioritization meeting was organized in Nepka, Srimastha VDC for planning of FUG support activities. In the VDCs assembly of Mimi and Melchham, participants also discussed plans for FUG activities. The numbers of participants in these meetings were 22, 77 and 44 in Nepka, Mimi and Melchham respectively.

Jumla – A site level prioritization meeting was organized each in Patarasi, Chhumchaur, Dillichaur, Patmara and Depalgaun. The program extended to Patmara and Depalgaun VDCs.

Bajhang – Three site level prioritization workshops were organized in Talkot, Chhanna and Kotdewal range posts in this period. Participants from DDC, VDCs, FECOFUN, FUGs and DFO were involved in the workshops (40 participants in Talkot, 33 participants in Chhanna and 20 participants in Kotdewal).

Mugu – In this period, one site level prioritization workshop was organized in Seri and Srikot VDCs. As planned in this meeting, 5 FUGs of Seri and 7 FUGs of Srikot VDC have been receiving direct technical support. But it was determined that there were no more forest areas in these VDCs to put under effective management. So it was decided to extend to Khamale VDC where a site prioritization workshop was organized and support activities have already been initiated.

Dolpa –The site level prioritization workshops were conducted in Soon and Majhphal VDCs with 17 and 18 participants from Soon and Majhphal respectively. Discussions were held with Ban Udhyam (a joint undertaking of BSP/New ERA funded by USAID and USAID Nepal) to explore ANSAB’s takeover of Ban Udhyam’s project activities in Dolpa.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 1.a	Status
Site level prioritization and coordination meetings/workshops in all 5 districts	Completed
District coordination meeting in all 5 districts	Delayed
District level annual review and planning workshop in all districts	On-track
Project level annual review and planning workshop in Nepalgunj	On-track

Activity 1.b: Conduct Community forestry orientation

Summary of major achievements

Field-based orientation and training provide community leaders with an opportunity to learn about community forestry policy provisions, including FUG roles, rights, responsibilities and benefits. As part of FUG formation and reformulation process, orientations to community leaders were organized in Humla, Jumla, Bajhang, Mugu and Dolpa. This included broad but closely related topics ranging from policy provisions to roles, rights and responsibilities of FUGs in the use and management of community forests.

In Bajhang, Public Awareness on Community Forestry Orientations were organized in Ranada and Khetkot of Masta VDC in February 2002. Eighty-one participants including seven females were present in Ranada whereas 37 including 13 females were present in

Khetkot. Similarly, a Community Forestry Orientation Workshop was organized in Latun, where 58 participants including 32 females were present.

In Dolpa Community Forestry Orientations were organized in 3 FUGs in Jiun (51 participants), Shoon (78 participants) and Ranga (35 participants) of Shoon VDC.

In Jumla, Community Forestry Orientations were organized in 2 FUGs of Depalgaun and one FUG of Patmara VDCs. DDC approved a bid to extend work in these areas during the council meeting.

In Mugu, community forestry orientation meetings were organized in three FUGs of Srikot VDC, where intensive CF support activities started this year. Altogether, 11 FUGs have been receiving support to some extent.

In Humla, a meeting was organized in Changadandiya FUG of Nepka, Srimastha VDC to share current progress. The FUG was passive for a long time. The accounts of Changadandiya were also audited.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 1.b	Status
Orientation in Bajhang	Completed
Orientation in Dolpa	Completed
Orientation in Jumla	Completed
Orientation in Mugu	Completed
Orientation in Humla	Completed

Activity 1.c: Conduct district level community forestry best practices workshops for local and district government and forestry officials

Summary of major achievements

No additional community forestry best practices workshops were planned for the year 3. In place of this activity, other district level workshops and exchange visits will contribute to the exchange of best practices in the project.

Activity 1.d: Establish and support district level community forest federation

Summary of major achievements

Efforts have been made to support establishing district level Federation of Community Forest Users, Nepal (FECOFUN) each in Mugu and Dolpa. A number of FUGs have shown interest to become a member of FECOFUN.

Motivators' Training on Community Forestry was organized in Chainpur, Bajhang in 11 – 13 March 2002. Thirty-five participants including 13 females were present representing six range posts of the district. The participants were exposed to legal aspects of community forestry, organizational structure of FECOFUN, the role of NGOs in community forestry and NTFP management and development, the role of women in community forestry, and different motivation approaches in community forestry. The participants also designed an annual action plan for the range posts level. A video on successful community based enterprises of Bajhang and Dolakha was shown during the training period. The facilitators were from ANSAB, FECOFUN, DFO and CARE Bajhang.

The project support in institutional strengthening and technical capacity building of FECOFUN continued in Humla and Jumla. Legal awareness training to FUGs and FECOFUN in these districts and sensitization training to FECOFUN in all project districts are in process.

Assembly of district FECOFUN of Humla is in progress in order to establish a district branch of FECOFUN Nepal. ANSAB in collaboration with the District Partnership Program of the Netherlands Development Organization (DPP), USC Canada, and SCDP are to provide support in organizing the assembly.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 1.d	Status
Support to FECOFUN establishment in Dolpa	On-track
Support to FECOFUN establishment in Mugu	On-track
Support to FECOFUN for motivators' training in Bajhang	Completed
Legal awareness training to FUGs and FECOFUN in Jumla and Humla	On-track
Sensitization training to FECOFUN in all districts	On-track

Activity 1.e: Hold national level workshops to bring actors together, accelerate progress, and document lessons learned

National level workshop was carried out in year 1 and the next one is planned for year 4.

Activity 1.f: Exchange visits and study tours

Summary of major achievements

Gaining the support of District Development Committees (DDCs) and DFOs and other district stakeholders is critical to the success of the project. Three types of visits and two study tours are planned for year 3.

The study tour for DDC, DFO, CSIDB, FUGs, FECOFUN and district entrepreneurs was delayed due to the security situation. Similarly, project site visit for MFSC and other line ministry officials could not take place due to unfavorable circumstances within the MFSC and security situation.

In the FUG exchange visit, 15 participants including three females from 10 VDCs of Bajhang district visited different places within Bajhang. They visited Binayak Pimidanda CF, Hemantawada CF and Ritthapata Smriti CF from January 7-11, 2002. The purpose was to familiarize the participants with the success of community forestry activities. The participants inquired about forest management, benefits sharing processes, decision-making processes, enterprise operation and local development efforts by FUGs. They also visited District Forest Office, District FECOFUN and Malika Handmade Paper Company. According to the participants' reflections, the exchange visits enabled them to:

- Share information on commercially important forest species, specifically NTFPs, and their marketing dynamics
- Share experiences about institutional and local capacity building in community forestry and enterprise activities

- Observe fund management (record keeping, collection of money, uses etc.) activities within community forest user groups
- Create awareness in management, cultivation and domestication of select non-timber forest products

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 1.f	Status
Study tour for DDC, DFO, CSIDB	Delayed
Project site visit for MFSC and other line ministries officials	Delayed
Study tour for FUGs, FECOFUN and entrepreneurs	Delayed
Inter FUG exchange visits within districts in Bajhang, Jumla and Humla	Completed in Bajhang, On-track in Jumla and Humla
Program monitoring visits by district line agencies in all districts	On-track

Activity 1.g: Production and distribution of extension materials

Summary of major achievements

Preparation of materials for four important NTFPs (Lokta, Jatamanssi, Kutki and Atis) has been completed. However, Kutki has been dropped from the publication and distribution list as its collection has been banned recently. The rest of the species were selected based on commercial potential, and the potential impact of information on the business position of local collectors and traders. The extension materials are in Nepali and will be widely circulated in the project districts to collectors, FUGs, local traders, NGOs and DFO staff. The printing and distribution was delayed due to the possible government revision of selected policies. These leaflets will be distributed in the second half of the year 3. The main focus of these publications is sustainable harvesting, regeneration management, local value addition, marketing and trade. Earlier, in working with communities and local stakeholders, it was observed that collectors, local traders and FUGs were having difficulty managing their initiatives effectively. This management problem was a lack of access to marketing and resource management information and knowledge in suitable forms.

The security situation in Bajhang has affected establishing NTFP nursery and demonstration plots. Booklets for two new species, Dhatelo and Seabuckthorne are in process. The draft of Dhatelo booklet has been prepared and work on Seabuckthorne booklet has been initiated.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 1.g	Status
Publish and distribute booklets prepared in year two	On-track
Technical support to DFO to establish NTFP nursery in Bajhang	Delayed
Technical support to DFO to establish demonstration plot in Bajhang	Delayed
Prepare booklets for two new species	On-track
Video production on awareness and examples of good CF management in Jumla	On-track

Objective 2 Enhance knowledge and skills of forest user groups in sustainable use and conservation of biological resources

Activity 2.a: Staffing and training

Summary of major achievements

In staffing, ANSAB had planned to provide training for community motivators of all districts and organize staff capacity-strengthening workshop. Social Mobilization training has been provided on a ‘hands on’ basis to social mobilizers of Mugu, Bajhang and Dolpa in Nepalgunj and their respective districts. Although, this training was originally planned for Jumla, it was not possible due to the security situation.

Mr. Mahendra Khadka, Social Mobilizer of Rural Center Development Program of Mugu participated in two day long training on ‘Chiraita’ Cultivation and Management in Dolakha from February 7-8, 2002. The training was jointly organized by Nepal Agriculture Research Council, Dolakha District Forest Office and Nepal Swiss Community Forestry Project.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 2.a	Status
Social mobilization training for community motivators of all districts	Completed, except Jumla pending
Staff capacity strengthening workshop	On-track

Activity 2.b: Provide planning and conflict resolution skills for community forest mapping which results in formation and reorganization of community forest user groups (FUGs) and preparation of their constitutions

Summary of major achievements

Conflicts related to resource boundaries are common due to a high dependence on resources, herding systems that cover a wide area of forest and pastures, and limited availability of livelihood alternatives. In this period, 5 FUGs received conflict resolution skills in Jumla, Bajhang, and Dolpa as part of FUG formation and reformulation process. This covered issues related to forest policy, traditional rights, and local institutions and facilitation skills for conflict resolution.

In addition, DFO, VDC and FECOFUN were also apprised of the conflict management processes, outcomes and related issues. DFO and FECOFUN can be expected to play a more active role in mediating conflicts related to community forestry. Because of the project’s inputs in conflict management, retention of critical indigenous rights in forests and pasture management has been encouraged.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 2.b	Status
Conflict resolution for community forest mapping	On-track

Activity 2.c: Provide technical and logistical support to communities for completing FUG registration and paperwork requirements

Summary of major achievements

In this reporting period, the project strengthened seven additional forestry user groups (FUGs) in Humla, Jumla, Mugu, Dolpa and Bajhang. While 18,688 ha of community forests have been handed over to date since the beginning of the project and an additional 8099.7 ha have the potential to be handed over. ANSAB is on track for the projected number of hectares of biologically important habitat brought under improved management (18,688 ha achieved to date versus 21,000 projected by year three). In this reporting period, 4,923 ha of new area were added. The number of groups, 34 achieved versus 35 projected in this period, is almost on track.

Table 2 gives an overview of the 34 FUGs assisted in this period and the types of technical assistance being provided.

Bajhang – The reformulation process for the Bhaitanko FUG of Masta VDC and Latun FUG of Rilu VDC has been completed. In addition, six existing FUGs were provided needed post-formation support in forest management and institutional development. In total 2731.56, ha CF area has been covered by 8 FUGs and 1,496 households are involved in the community forestry activities.

Jumla – Nine FUGs are receiving technical support to expand areas of community forests and strengthen their capacity in forest management. In total 5,635.68 ha CF area has been covered by 9 FUGs and 1,067 households are involved in the community forestry activities.

Humla- The project has been providing technical support to 10 FUGs in the district. In total 5,301.58 ha CF has been covered by 10 FUGs and 757 households are involved in the community forestry activities.

Mugu – Four FUGs Panimula, Dhauri salyadi, Srikot and Balhalna of Srikot VDC have been supported by ANSAB in this first half of the year 3. A total of 133.32 ha of CF have been covered and 246 households are involved in the community forestry activities. Rapport building with other FUGs is also in progress.

Dolpa – The project has covered three FUGs (Devasthan, Devi and Shoon) in Shoon VDC covering a total of 4,885.57 ha and 265 households in the community forestry activities. Rapport building with other FUGs is also in progress.

Table 2 Status of Community Forestry in GCP Project Area as of March 31, 2002 and Technical Assistance Provided and Planned

Name of FUG	No. of HH	Current CF Area (ha)	Status as of March 2002	Planned	
				Est. Area CF expansion	Activities
Bajhang					
Binayak Pimidanda (Kailash 1-7)	235	912.22	Local site assessment completed, human and institutional capacity developed, change in legal status, management actions designed with appropriate participation, FUG reformulated, management actions being implemented, ongoing monitoring and evaluation, adaptive management demonstrated	-	Technical support in resource management and enterprise operation
Hemantawada (Hemantawada 1-9)	600	1293.53	Local site assessment completed, human and institutional capacity developed, change in legal status, management actions designed with appropriate participation, FUG reformulated, management actions being implemented, ongoing monitoring and evaluation	-	Technical support in resource management and NTFP marketing
Lahare (Gadaraya 8-9)	81	231.72	Local site assessment completed, human and institutional capacity developed, management action designed and being implemented, ongoing monitoring and evaluation	100	Technical support in OP implementation
Binayak (Gadaraya 8-9)	79	187.6	Local site assessment completed, human and institutional capacity developed, management action designed, change in legal status, management action being implemented, ongoing monitoring and evaluation	-	Technical support in OP implementation
Matuwa (Kalukheti 5-7)	179	20	Local site assessment completed, human and institutional capacity developed, management action designed, change in legal status, management action being implemented, ongoing monitoring and evaluation	-	Technical support in OP implementation
Ranada (Kotdeval 1-3)	178	40	Local site assessment completed, human and institutional capacity being developed /constitution amended, management actions being refined.	500	Technical support in OP preparation
Bhaitanko Sherophero (Masta 1)	81	9	Local site assessment completed, human and institutional capacity being developed /constitution amended	150	Technical support in CF reformation
Latun (Rilu 4)	63	37.5	Local site assessment completed, human and institutional capacity being developed /constitution amended	1200	Technical support in CF reformation
<i>Bajhang District Total</i>	1496	2731.57		1950	

Name of FUG	No. of HH	Current CF Area (ha)	Status as of March 2002	Planned	
				Est. Area CF expansion	Activities
Jumla					
Phurkisalla (Patarasi 1-2)	151	2625	Local site assessment completed, management actions designed with appropriate participation, FUG reformulated, human and institutional capacity developed, change in legal status, management actions being implemented, ongoing monitoring and evaluation	-	Technical support in OP implementation
Lamteli (Patarasi 3-6)	183	2849.5	Local site assessment completed, management actions designed with appropriate participation, FUG reformulated, human and institutional capacity developed, change in legal status, management actions being implemented, ongoing monitoring and evaluation	-	Technical support in OP implementation
Bhaleni (Patarasi 8-9)	116	5.48	Local site assessment completed, human and institutional capacity developed, management actions being implemented.	500	Technical support in OP implementation
Syalapatal (Chhumchaur 1-3)	121	40	Local site assessment completed, human and institutional capacity developed, management actions designed	1926*	Facilitating negotiations with DFO on OP approval, implementing OP
Upreghat (Dillichaur 7-9)	184	40	Local site assessment completed	-	Technical support in OP implementation
Baghejale (Dillichaur 7-9)	184	0	Local site assessment completed	3000	Technical support in OP preparation
Mahari Mahadev (Chhumchaur 9)	21	20.8	Local site assessment completed	-	Technical support in OP implementation
Churekoti Pari Patal (Chhumchaur 7-8)	72	13.9	Local site assessment completed, management actions designed	1678*	Facilitating negotiations with DFO on OP approval, implementing OP
Kharkhare (Chhumchaur 7-8)	35	41	Local site assessment completed	-	Technical support in OP implementation
Jumla District Total	1067	5636.18		7104	

Name of FUG	No. of HH	Current CF Area (ha)	Status as of March 2002	Planned	
				Est. Area CF expansion	Activities
Humla					
Jadikausi (Darma 7-9)	81	2142	Local site assessment completed, management actions designed with appropriate participation, FUG formulated, human and institutional capacity developed, change in legal status, management actions being implemented, ongoing monitoring and evaluation	-	Technical support in OP implementation
Baghedhunga (Darma 1-2)	101	1896	Local site assessment completed, management actions designed with appropriate participation, FUG formulated, human and institutional capacity developed, change in legal status, management actions being implemented, ongoing monitoring and evaluation	-	Technical support in OP implementation
Syali Kocheni (Mimi 3-4)	38	993.33	Local site assessment completed, management actions designed with appropriate participation, FUG formulated, human and institutional capacity developed, change in legal status, management actions being implemented, ongoing monitoring and evaluation	-	Technical support in OP implementation
Basaldhara (Mimi 5-9)	106	0	Local site assessment completed, FUG formulated, human and institutional capacity developed	400	Technical support for OP preparation, CF handover and implementation
Gairipatal (Darma 5-6)	56	0	Local site assessment completed, FUG formulated, management actions designed, human and institutional capacity developed	36*	Technical support for OP preparation, CF handover and implementation
Rocha (Mimi 1-2)	33	50.25	Local site assessment completed, FUG reformulated, human and institutional capacity developed, management actions being designed	1890*	Technical support for OP preparation, CF handover and implementation

Name of FUG	No. of HH	Current CF Area (ha)	Status as of March 2002	Planned	
				Est. Area CF expansion	Activities
Rani Swara (Rimi Women) (Darma 7-9)	81	0	Local site assessment completed, FUG formulated, management actions designed, human and institutional capacity developed	46*	Technical support for OP preparation, CF handover and implementation
Lepche Dangsile (Melchham 1-9)	167	0	Local site assessment completed, FUG formulated, management actions being designed, human and institutional capacity developed.	2520*	Technical support for OP preparation
Malika (Melchham 7-8)	39	120	Change in legal status, local site assessment completed, management actions designed with appropriate participation, human and institutional capacity developed, management actions implemented, ongoing monitoring and evaluation	600	Technical support for ongoing monitoring and adaptive management
Melchham (Melchham 3-6)	55	100	Change in legal status, local site assessment completed, management actions designed with appropriate participation, FUG formulated, human and institutional capacity developed, management actions being implemented, ongoing monitoring and evaluation	400	Technical support for ongoing monitoring and adaptive management
Humla District Total	757	5301.58		5892	
Mugu					
Panimula Badachaur, (Srikot 4-5)	54	76.96	Local site assessment completed	-	Technical support in OP preparation
Thalhalna, (Seri 2)	44	0	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation	3.7*	Technical support in OP preparation
Dhauri salyadi women CF, (Srikot 2-3)	83	35.52	Local site assessment completed, human and institutional capacity developed, management actions being implemented	-	Technical support in OP implementation
Thula gaira lataka koirala, (Srikot-8)	65	20.84	Local site assessment completed, human and institutional capacity developed, management actions being implemented	-	Technical support in OP implementation
Mugu District Total	246	133.32		3.7	

Name of FUG	No. of HH	Current CF Area (ha)	Status as of March 2002	Planned	
				Est. Area CF expansion	Activities
Dolpa					
Devasthan, (Shoon 5-6)	62	1425.4	Local site assessment completed, human and institutional capacity developed, management action designed, change in legal status	-	Technical support in OP implementation
Devi, (Shoon 1-4)	87	1378.5	Local site assessment completed, human and institutional capacity developed, management action designed, change in legal status	-	Technical support in OP implementation
Shoon, (Shoon 7-9)	116	2081.67	Local site assessment completed, human and institutional capacity developed, management action designed, change in legal status	-	Technical support in OP implementation
Dolpa District Total	265	4885.57		0	
Totals All Districts					
34 FUGs	HH	ha		ha	
	3831	18688		14949.7	

* Indicates area surveyed and operational plan designed that the DFO is considering for handover.

Total area already surveyed in Jumla	3604 ha.
Total area already surveyed in Humla	4492 ha.
Total area already surveyed in Mugu	3.7 ha.
Total area already surveyed	8099.7 ha.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 2.c	Status
FUG formation or reorganization in Bajhang	On-track
FUG formation or reorganization in Dolpa	On-track
FUG formation or reorganization in Jumla	On-track
FUG formation or reorganization in Mugu	On-track
FUG formation or reorganization in Humla	On-track
Preparation or revision of CF OPs in Bajhang	On-track
Preparation or revision of CF OPs in Dolpa	Completed
Preparation or revision of CF OPs in Jumla	On-track
Preparation or revision of CF OPs in Mugu	On-track
Preparation or revision of CF OPs in Humla	On-track
Support to negotiation and CF handover in all districts	On-track

Activity 2.d: Promote community forestry agenda for the Karnali area at the Nepal NTFP Network (NNN) meetings and other national forums

Summary of major achievements

A daylong meeting was held on January 25, 2002 to form an executive committee of the Himali Jadibuti Sarokar Samuha (HJSS). The meeting formed a nine members committee comprised of Members of Parliament, DDC Chairpersons, District FECOFUN Chairpersons of Karnali region and the ANSAB Coordinator. The committee discussed the NTFP policy environment in Karnali area and developed appropriate recommendations. The committee also decided to register HJSS as an NGO at the Kathmandu District Administration Office. The registration process is underway.

At the district level, HJSSs have been formed in Bajhang and Mugu. ANSAB, in coordination with Social Development Center and DDC, organized a one-day workshop and formed a 13 member district level Himali Jadibuti Sarokar Samuha – Bajhang representing various offices and organizations on November 22, 2001 in Chainpur, Bajhang. The purpose of the workshop was to identify, conserve and promote Himalayan herbs in the district. Altogether 35 participants were present representing DDC, VDC, District level political parties, Forest Office, Agriculture Office, Livestock Office, FECOFUN, NGOs, CSIDB and newspaper reporters. It is worthy to note that different herb related stakeholders have committed to work for the development and promotion of Himalayan herbs, and create mechanisms through the committee.

In Mugu, a workshop was organized on March 24, 2002 in order to form a district level HJSS. Altogether 26 participants were present and an 11 member HJSS committee was formed. The participants were represented from different FUGs, VDCs, NGOs, NTFP trade and Government offices. The district level HJSS plans to highlight NTFP issues and organize trainings and workshops at the district level.

Sharing of biodiversity conservation and management issues was continued among the members of the NNN (Nepal Non-Timber Forest Products Network) in this period. Two NNN Sharing Meetings were held in the first half of the year 3. The meetings and workshops helped disseminate conservation issues between the participants. A NNN task Force, constituted representing 5 different organizations by the NNN Sharing Meetings provided policy feedback to National Planning Commission (NPC) and the Government for the Tenth Five-Year Plan of Nepal.

The NNN has been publishing and distributing the *Himalayan Bioresources* newsletter covering conservation and enterprise issues at the community and international levels.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 2.d	Status
Support to HJSS formation in all five districts	Completed in Bajhang and Mugu, On-track in other districts
Support to HJSS activation in all five districts	On-track
NNN meetings and task forces	On-track
HJSS meeting in Kathmandu	Completed

Activity 2.e: Post-formation support to FUGs

This activity was proposed under objective two in order to ensure the sustainability of FUGs formed in past years. FUGs already formed need continuous technical and institutional backup for better management of their forests and NTFP resources, exploring enterprise options, and for assistance in organizational processes. Technical support has been provided to operational plan implementation in all five districts.

The security situation and difficulty in accessing many parts of Karnali region has seriously affected ability to perform certain tasks in this period. Community forest and NTFP management training in Dolpa was completed. Other training and workshops are delayed.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 2.e	Status
Technical support to operational plan (OP) implementation in all five districts	On-track
Srikhanda management workshop in Bajhang	Delayed
Support to participatory organizational assessment in Humla	On-track
Community forest and NTFP management training in Bajhang, Dolpa and Mugu	Completed in Dolpa Delayed in other districts
Group dynamics and social mobilization training in Mugu	Delayed
Fund management and bookkeeping training in Dolpa and Humla	Delayed
Nursery management training in Mugu	Delayed
Fire control training in Humla	Delayed
Lokta management training in Bajhang	On-track

Activity 2.f: Conservation education

‘Samrakshan Siksha’, a conservation education book, which was published by ANSAB in Nepali language, has proved very useful to community people. It was field tested in Humla and found to be effective. Considering the demand of the same book, the second edition is in process. The informal literacy classes will be organized using the conservation as the subject matter.

With demand from community people in Dolpa, literacy class support was also provided.

Activity	Status
Conservation education in Humla	On-track

Objective 3 Promote uses of natural products in an ecologically sustainable and socially equitable manner

Activity 3.a: Business development services to community

Summary of major achievements

A series of meetings were held with the communities of Bajhang, Jumla and Humla for the improvement of existing enterprises and establishment of potential enterprises. These interactions were fruitful in creating the feeling of community ownership for the enterprise and resource management.

A list of potential NTFPs has been identified in Jumla for the establishment of Community Based Forest Enterprises. With field visits and interactions with local traders, DFO and community people, Dhatelo - (*Prinsepia utilis*) a hardy and a domesticated plant for fencing purpose - was ranked the most viable product for developing an enterprise. Entrepreneurship training has been planned in relation to the establishment of a Dhatelo oil enterprise.

A preliminary workshop on identifying appropriate NTFPs for enterprises was completed in Nepalgunj on 25 March 2002. There were 13 participants representing Humla, Mugu, Jumla, Dolpa, Bajhang as well as Dolakha and Baglung districts. Participants identified Jatamansi, Sugandhawal and Kutki in Humla; Padamchal, Samayo and Allo in Mugu; Dhatelo, Jatamansi and Dhupi in Jumla; Jatamansi, Seabuckthorne and Yartshagumba in Dolpa; and Lokta, Padamchal and Kutki in Bajhang. These results will be verified in the enterprise identification workshops in the respective districts, and enterprise feasibility studies will be started.

Informal meetings were held with traders in Nepalgunj in connection with networking in the respected districts. However, most of the traders are currently living in Nepalgunj and are reluctant to visit the districts due to security reasons.

Providing marketing support for CBFEs is a regular task of ANSAB. Price lists of different NTFPs and other relevant information is broadcast by Radio Nepal and published in community based publication 'Ukali', regional bulletin 'Karnali' as well as the national daily newspaper Kantipur. Ukali and Karnali are also distributed regularly in the project areas.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 3.a	Status
CBFE entrepreneurship training in Jumla	On-track
Enterprise identification workshops in Dolpa, Mugu and Humla	On-track
Support traders' networking within four separate districts	On-track
Enterprises feasibility studies in potential CF of Humla, Mugu, Dolpa and Bajhang	On-track
Support local networking of NTFP producing FUGs in Jumla	On-track
Provide MIS/marketing support for CBFEs	On-track

Activity 3.b: Develop business plan for community based enterprises

Summary of major achievements

Two Dhatelo oil extraction enterprises in Jumla: Dhatelo is one of the traditional sources of cooking oil in the district of Jumla and the Karnali region. It can survive even in poor soils

and in diverse climatic conditions. Having tremendous potential for area expansion, Dhatelo can be promoted for economic uses and ecological benefit. Since the traditional extraction technology was found inefficient and troublesome, an alternative technology coupled with a micro-hydro project has been identified for oil extraction.

- a. Preparation of business plan of Urthu Edible Processing Pvt. Ltd. has been initiated. The proposed restart of Edible Oil Processing Private Limited will be owned by local communities of Bhagawati FUG of Urthu, Patmara VDC, in Jumla. The enterprise intends to provide services, generate profits and employment to the local people to create an incentive so that they will be interested in sustainable management of the resource base. It will also help to upgrade the economic condition of the local collectors and cultivators, providing the opportunities to collect, cultivate, and sell the raw materials. The success of this enterprise will be measured by its economic returns to the local communities, reduction of women drudgery, and its effective management of the resource base. This enterprise will create incentives for conservation and management of the resource base to those poor people who are heavily dependent on the forests for their livelihood.
- b. Based on the ANSAB completed pre-feasibility study (done last year) for the community group in Talphi, Jumla to establish Dhatelo Oil Expeller Enterprise a micro hydropower station is being pursued. To run the expeller plant, electricity is the better option rather than water itself. Necessary preparation for the establishment of micro hydropower has stopped recently due to security reasons. Similarly, a detailed feasibility study and Enterprise Development plan preparation is being withheld, as it is not possible for staff members to visit forest area and nearby villages.

The security situation has highly affected the staff movement especially in the project area. Although a number of NTFPs have been identified with the preliminary study, it is necessary to visit the field, validate the earlier findings and work together with community people and their leaders. For this reason, the third Enterprise Development Plan is yet to be finalized.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 3.b	Status
Develop three enterprise development plans	Mixed

Activity 3.c: Conduct business operation and management skills training for forest user groups

Summary of major achievements

Enterprise Workshop in Bajhang: Social Development Center with the support from ANSAB organized a daylong workshop on Enterprise Management and Co-ordination on October 8, 2001 in Chainpur, Bajhang. The purpose of the workshop was to identify and address the issues on NTFP enterprise and management. Similarly, coordination among stakeholders was also one of the objectives. There were 42 participants altogether. They represented private enterprises, FUGs, traders, VDC officials, DDC, District FECOFUN, CSIDB, Plan International, CARE Nepal, District Administration office, Social Development Center and ANSAB. The workshop proved helpful to local people of the district and organizations working there. The issues on NTFP enterprise and management were identified and addressed, and an action plan was prepared. A district level NTFP forum was also established. The workshop was just a starting point to strengthen the capacity of the local

NTFP based entrepreneurs and participants who have already expressed their commitment to follow up and regulate the activities.

Enterprise Management and Development Training in Nepalgunj. ANSAB organized a weeklong training on Enterprise Management and Development focusing on NTFPs from March 20 – 26, 2002 in Nepalgunj. The purpose of the training was to equip current and potential entrepreneurs with skill and knowledge on enterprise management as well as development. There were 13 participants including one female representing community based enterprises and forest users groups from seven districts, namely Humla, Jumla, Mugu, Dolpa, Bajhang, Dolakha and Baglung. The contents of the training were management introduction, production, marketing, financial management, human resource management and natural resource management. Staff members from ANSAB, Industrial Enterprise Development Institute (Nepalgunj Branch) and District Forest Office, Banke facilitated the training sessions.

Skill improvement training for NTFP collection, storage and packaging in Bajhang and Mugu, as well as operation and management skills training in Jumla, are in process. The resource persons for the training have been identified. However, these activities are field based and it is not possible to undertake these under the current security situation.

In Bajhang, the *share distribution ceremony* of MHPL enterprise concluded on October 13, 2001. In the ceremony, 5000 shares each equivalent to Rs. 100 were distributed to 235 households. The shares were calculated based on wage labor services of the 235 households, during the construction of the enterprise site. The enterprise is under the management of Shree Binayak Pimi Danda Community Forest Users Group representing all 235 households. This has raised the feeling of enterprise ownership by the community people. In Dolpa, preliminary work still has to be done before facilitating FUG shares. This activity is planned for the second half of the year.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 3.c	Status
Enterprise workshop in Bajhang	Completed
Operation skill development training in Jumla	Delayed
Enterprise management training support	Completed
Skill improvement training: NTFPs collection, storage and packaging in Bajhang and Mugu	Delayed
Facilitate greater FUG share in Bajhang and Dolpa	Completed in Bajhang and on-track in Dolpa

Activity 3.d: Securing enterprise start up capital

Summary of major achievements

Communities groups established contacts with the local banks, and are building trust. ANSAB is also collaborating with other development agencies such as DPP/SNV, DDC, ADB/N, and CARE-Nepal in Bajhang and DCS in Jumla. There were two separate distillation enterprises in Jumla which were established five years ago. However, these enterprises were not able to operate due to various reasons. In order to make use of existing but unused distillation plants, ANSAB staff members explored possibilities to revive the

enterprises. The feasibility study was also completed. As the enterprise development planning was in process, the local people expressed a willingness to run the enterprises themselves. They requested that ANSAB offer technical and marketing support. ANSAB will provide technical support in marketing once the distillation plants start to produce the essential oils.

ANSAB completed feasibility study for the community group in Talphi, Jumla to establish the Dhatelo Oil Expeller Enterprise. A mass meeting of the community members formed a committee comprising nine members for micro-hydro at Talfi in July 15, 2001. It is also registered at district Water Resource Committee. ANSAB is facilitating the whole process including social mobilization. At the same time, some of the FUG members visited the Agriculture Development Office (ADO) and the Livestock Office to explore the possibility of raising funds for the electricity. Through facilitation of ANSAB staff members, the committee has been able to collect around Rs. 250,000 of the total target of Rs. 500,000. It is expected that the community will be able to run enterprise once the micro hydropower unit is completed.

In 1994, a 10 KW Micro hydropower plant was set up at Jawa River in Urthu of Jumla. To use the water turbine in daytime, a group of 18 farmers established an edible oil extraction machine with the loan of Rs. 150,000 from Agricultural Development Bank in 1996. A contract was also signed between the farmers' group and hydropower authority regarding the use of water turbine during the day. In two years of the enterprise running, conflict between farmers group and other community members arose when the water turbine broke down. The main reason was that the farmers' group had earned the profit but did not contribute to the maintenance fund for the hydropower. Consequently, villagers did not get electricity service. The machine was removed and taken to the village in 1998. Last year, some of the community members approached ANSAB for mediation between two parties. ANSAB staff members held several meetings and provided the options. With continued efforts of ANSAB, 18 members of the farmers' group happily agreed to hand over the enterprise to FUG in exchange for the cost of the enterprise, and the dispute was resolved. A Preliminary Business Plan was also completed. Now the community people are working to revive the enterprise. The District Partnership Program of the SNV-Nepal has already committed to provide Rs. 50,000. Other potential sources of funding are Energy Sector Assistance Program, DDC, and ADB/N.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 3.d	Status
Promote funding for in situ enterprises among investors	On-track
Revival of Jatamansi distillation enterprise	On-track
Securing enterprise start-up capital in Jumla for Dhatelo oil extraction	On-track

Activity 3.e: Provide marketing support

Summary of major achievements

Several efforts have been made by ANSAB in networking and coordinating community enterprises, fair trade companies and market information providers to raise the bargaining power of the local enterprises, ensure product quality and improve resource management. With the support from ANSAB, Himalayan BioTrade Pvt. Ltd. (HBTL) has been providing market information to several communities including those in the project area. In addition,

ANSAB has been mobilizing its Business Service Center, and Market Information System (MIS) Unit to serve this purpose.

Through HBTL, ANSAB continued to provide easy access to needed market information for various Community Based Forest Enterprises (CBFEs) as well as promote their products. Malika Handmade Papers Pvt. Ltd. and Humla Oil Pvt. Ltd have been directly supported in marketing their products. Other community enterprises and collectors outside the project area were also provided marketing services.

In order to support marketing of Nepali handmade papers, a district level handmade paper traders ad-hoc committee was formed on October 8, 2001 in Bajhang. Market information, including the price of hand-made paper, was shared with the communities in Bajhang. The transparency has increased the community forest group's bargaining power to gain from the increased price. Links has also been established with Nepal Paper Products, which has been purchasing hand made paper at reasonable prices.

The marketing Information Service Unit of ANSAB has been providing various marketing information to collectors, village traders, and community Forest User Groups (FUGs) throughout the country, through direct communication, relevant development projects, and mass media such as radio and newspapers on monthly basis. The project is funded by Swiss Development Cooperation (SDC) and the Netherlands Development Organization (SNV) Nepal. Collectors and local traders have themselves remarked that the access to marketing information has helped them improve their bargaining capacity and increase their income.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 3.e	Status
Promotion of CBFE products	On-track
Facilitate the access of local harvesters, traders, and CBFEs to marketing information	On-track
Provide direct marketing support to CBFEs in Humla	On-track

Objective 4 Generate scientific information for the sustainable management of biological resources

Activity 4.a: Biodiversity conservation monitoring system

Summary of major achievements

Maps: In this period, using topographical maps as well as intensive field survey and verification, maps for 7 community forests with a total area of 4923 ha, (cumulative 18,688 ha, 34 CF) have been prepared. These maps delineate boundaries of community forests and management blocks. More detailed biophysical information, such as land cover types (mainly vegetation stand) altitudes, slope, soil condition and regeneration, is collected and presented in sketch maps for participatory planning and management of community forest. Efforts are being made to incorporate information captured in sketch maps into CF maps for monitoring purposes.

Baseline: The Biodiversity Monitoring Plan updated during last reporting period was used and data collection format has been adapted and refined based on the experiences of its use in the field. A baseline status has been assessed using the 3 criteria and their indicators (refer updated Biodiversity Monitoring Plan) for each FUG that will provide a basis for ongoing monitoring of changes in biodiversity status as a result of project interventions. Baseline reports of the two FUGs in Jumla have been completed. The seven FUGs formed or

reorganized this year (see Activity 2c) have been facilitated to assess the respective biodiversity baseline. The outcomes of the biological baseline assessments are used by the FUGs to prepare the resource conservation and harvesting plans. The process has generated the data required for assessing growing stock, growth rate, yield and sustainable harvesting systems for product selection, as well as informing the project participants about the general situation. This will be a base for measuring the impact on biodiversity along with the project intervention.

Initial discussions with FUGs and enterprises to orient them on biodiversity monitoring, especially the use of monitoring tools such as record keeping, were completed. Orientation meetings have been initiated in all project districts. The formal orientation on monitoring will be held in the second half of this year. Monitoring activities of new Community Forests has also been started and implementation of community based monitoring system is ongoing.

The orientation meetings with different stakeholders are needed for biodiversity monitoring. Discussions, mostly informal, are undergoing with DFOs and other stakeholders, while hands on consultation has been provided to FUGs and NTFP enterprises towards the monitoring process.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 4.a	Status
FUG/enterprise orientation on monitoring (including record keeping)	Initial discussions completed
Implement community based monitoring system (assessment of threats, social response and ecosystem health and vitality and generate feedback)	Continuous feedback, hands on training, and advice to stakeholders on-track
Orientation meeting with DFO	Completed in Humla and Bajhang

Activity 4.b: Harvested species regeneration status

Summary of major achievements

ANSAB staff members working in Humla, Jumla and Dolpa have observed and documented traditional harvesting practices. Similar work has also been initiated in Mugu and Bajhang. The collected information will be analyzed to identify options and strategies for promoting sustainable harvesting system. Species for the assessment include Jatamanshi, Atis and Kutki.

ANSAB staff in Jumla has facilitated establishment of experimental plots of Jatamanshi to assess fire and grazing effects. The experiment includes three treatments and five replications, altogether forming 15 experimental plots. This experiment was established in Bagjale CF of Dillichour VDC of Jumla district during second year of the project. This experiment was established in a participatory way; monitoring, observation and analyses are made through participatory processes to enable FUGs and other stakeholders make desired actions depending on their own evaluation. Although the CF is in the process of handover, the FUG is more interested on those experimental plots, particularly on systematic tests of grazing and fire effects on regeneration. The size of each plot is 4 square meters (2m*2m) with total experimental area of 60 meter squared (also see the box below). Preliminary analysis of this year indicate that grazing reduces 31.25% of Jatamanshi yield, while firing of jatamanshi habitat on the onset of the spring reduces only 6.25% of Jatamanshi yield as compared to the control treatment.

Box A: Dillichaur Biodiversity Monitoring TrialSpecies: Jatamanshi (*Nardostachys grandiflora*)

Treatments

1. Firing of grassland
2. Grazing allowed
3. Control

Replications: 5

Total experiment area: 60 m²

Individual plot size: 2m*2m

The experimental plots need to be established in forest areas, and the establishment is contingent upon user needs and participation. Other experiments planned for this year could not be established due to security reasons.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 4.b	Status
Establish experimental plots for Jatamanshi regeneration in Jumla	Completed
Establish experimental plots for Samayo in Mugu	Delayed
Establish a Lokta nursery in Bajhang	Delayed
Establish experimental plots for Lokta in Bajhang	On-track
Establish experimental plots for morels in Dolpa	On-track

Activity 4.c: Information management and dissemination**Summary of major achievements**

ANSAB staff participated in various national workshops, meetings and forums and shared the project approach and outcomes with others (also see Activity 2d). Poster presentations were made illustrating the project's target audience and beneficiaries, geographic coverage, and a sample of activities.

ANSAB's internal information management system has gradually been refined and consolidated to respond to present as well as future information needs of the organization. ANSAB has recently expanded and refined the database system to include information generation and analysis of biological monitoring data.

A paper entitled "*Economic Incentives for Biodiversity Conservation in Nepal: Issues and Options*" was presented in the National Workshop in Applied Ethnobotany on Community-Based Approaches to Conservation of Medicinal and Aromatic Plants in Nepal, October 9-12, 2001, Pokhara, Nepal and were organized by Department of Plant Resources, WWF Nepal Program (People and Plant Initiative Project) in collaboration with ANSAB and Ethnobotanical Society of Nepal.

A paper *Participatory Biodiversity Monitoring* was presented in a workshop *Advances in Plant Sciences* organized by Thakur Ram Multiple College of Tribhuvan University in

Birgunj during March 17-18, 2002. Bishma Subedi shared the project experiences on biodiversity monitoring process initiated through this project.

Mr. Babu Ram Rijal, Forestry Officer of ANSAB has participated in an 18 day-long international training on *Sustainable NTFP Management for Rural Development* in Bhopal, India from November 26 to December 13, 2001. Indian Institute of Forest management and Indian Institute of Technology jointly organized the training. The training was instrumental to expose to the participant to current issues of NTFP management and technological developments in the field. ANSAB leveraged the training expenses by itself and through IDRC New Delhi.

ANSAB exhibited various products, photographs, and extension materials of CBFES at Nepal Development Forum Bazaar held at Birendra International Convention Hall, Kathmandu from February 4-7, 2002. Over 5000 people visited the ANSAB stall and inquired about its activities and NTFP products. Monitoring experience information was also shared. The visitors included those from various walks of life, such as, development workers, traders, students, government officials and the public. Some traders were interested in marketing the products generated from ANSAB supported, community based forest enterprises.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 4.c	Status
Expand and refine the database system	On-track
Training of staff on biodiversity assessment	One staff trained
Share monitoring experiences in national/international forums	On-track

Activity 4.d: Biodiversity monitoring data collection and analysis formats

It is important to continuously collect, record and collate the data pertinent to participatory monitoring of biodiversity. This includes participatory collection and analysis of data with the FUGs and enterprises. Developing data processing formats has been completed. Both FUG and enterprise data collection and analysis are ongoing.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 4.d	Status
FUG data collection and analysis	On-track
Enterprise data collection and analysis	On-track
Developing data processing formats	On-track

Activity 4. e: Growth and yield studies

Past project work has identified several issues in conducting studies on the growth of certain important NTFP species. One such issue is that current methods of NTFP inventory involve destructive methods of sampling. To correct the method, preparation of yield tables are planned and will be conducted in the second half of the year 3 (but dependent on improvement in security situation) after being delayed due to the security situation

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 4.e	Status
Conduct Dhatelo and Seabuckthorne yield study in Jumla	Delayed
Prepare Jatamanshi yield table in Jumla	Delayed

Prepare Lokta yield table in Bajhang	Delayed
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Activity 4 f: Biodiversity monitoring methodology development

Biodiversity monitoring methodology development involves a continuous process of refining the monitoring methodology based on the experiences when implementing the biodiversity-monitoring plan. Refinement of the data collection tools is ongoing. Follow-up workshop will be conducted in May.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 4.f	Status
Refine data collection tools	On-track
Conduct follow-up workshop	On-track

Activity 4.g: Exploration and dissemination of indigenous knowledge and practices

The indigenous knowledge of traditional healers, locally called Amchi and Vaidyas is very likely to be lost with the older generations. Therefore, it is crucial to document and disseminate the vast knowledge embedded in these healers across a wider audience. Necessary preparation for the workshop in Jumla and Mugu are underway.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 4.g	Status
Amchi workshop to explore cultural and traditional values and threats to biodiversity in Jumla	On-track
Amchi workshop to explore cultural and traditional values and threats to biodiversity in Mugu	On-track

III.SUCCESS STORIES

In this reporting period, a number of activities were carried out which could be taken as success stories. Along with past work and current success stories, ANSAB is very much well known for its work in Nepal. It has demonstrated successful community-based forestry enterprises in various locations and many community people have benefited from them. These innovative cases have elicited wider interests in institutions working in the NTFP, natural resources, community forestry and rural development sector.

Wider recognition

- The ANSAB enterprise approach is still highly recognized by the different stakeholders such as District Forest Offices and other development organizations in the project districts. Bagmati Watershed Management Project, Nepal Agro-forestry Foundation, IUCN Nepal, SNV Nepal, CARE Nepal, SDC Nepal, International Fund for Agriculture Development, among others have consulted ANSAB and are trying to adapt the enterprise approach to NTFPs in their respective programs.

Community conflict resolved in Rilu of Bajhang district

Four years ago Drishti forest users group was handed over a Community Forest in Rilu village in the northern part of Bajhang district. In the beginning, members of FUG were active but later started to leave the village in search of work in India. Lacking community leaders, some villagers encroached upon the community forest and illegally built huts and houses. The NTFPs were harvested haphazardly. The condition of forest was deteriorating. The members of FUG were sad and frustrated, as they could not do anything. The conflict between these two groups has been present for the last two years.

The community forest guard visited District Forest Office several times and requested action to stop CF encroachment. However, due to the security situation, government officials could not visit Rilu. Knowing ANSAB's good work in the district, DFO officials as well as FUG members requested ANSAB to facilitate a solution to this issue. Accepting the challenge ANSAB staff visited Rilu and held a meeting. Both conflicting groups were able to express their views; the consequences of illegal practices in the CF were explained. In the end, those who had built huts in the CF agreed to stop and even were prepared to pay fines. Rs. 4,800 were collected as fines. To activate the CF work again, an ad-hoc committee was also formed. The committee has now successfully led the process of community-based conservation and use of forest resources in Rilu. For resolving this conflict, both Drishti FUG and DFO Bajhang are grateful to ANSAB.

Change brought through NTFPs trade in Darma of Humla

Non Timber Forest Products (NTFPs) such as Jatamanshi, Gucchichyau, Sunpati and Samayo are found excessively in Darma of Humla. However, little was known of its use and value. With the support from ANSAB, community forestry was established in 2001. This has helped to improve the collection, conservation and enterprise activities. FUG members were able to collect enough money through NTFP collection to set up 3 KW peltric sets (electricity generators) in three locations. Before ANSAB's assistance, people in that part of the district lacked electricity facilities.

With earning from NTFPs, the quality of life has also improved. Mr. Krishna Aidi of the same village earned up to Rs. 18,000 in one season by collecting and selling herbs in Humla.

The project is running well in the third year, despite the security situation in the rural areas. Although it is too early to proceed with a full impact study, many positive signs have already been observed. A mid-term evaluation is planned for the second half of the year that intends to focus in on biological monitoring effectiveness and efficiencies and other topics still being determined. In future reports, EWW and ANSAB will try to assemble more detailed impact information (hectares under improved management, number of FUGs and number of community members) from projects and organizations that are learning and benefiting from GCP supported interventions.