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**Submitted by: EnterpriseWorks Worldwide
1828 L Street, N.W.
Suite 1000
Washington D.C. 20036
U.S.A.
Contact: Ann Koontz**

**Asia Network for Sustainable Agriculture and
Bioresources (ANSAB)
P.O. Box 11035
Min Bhawan, Kathmandu, NEPAL
Contact: Bhisma P. Subedi, Executive Director**

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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
CBED	Community Based Economic Development
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 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 September 30, 2002, 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 improved management) and strengthen and improve policy implementation in community forestry nation-wide.

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.

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) is considered a global “hotspot” of biodiversity based on Norman Myers’ conservation setting priorities.

The project works 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). This implementation arrangement with local partner NGOs is practical and 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 conflicts have affected some of the activities in this period. Large group meetings were not allowed during the emergency period and entry into forests for monitoring was restricted. Because of this, several planned activities in the field were postponed and other strategies like holding training and other activities meetings in Nepalgunj were adopted. The affected planned activities include: some district coordination meetings; study tours and exchange visits; growth and yield studies; and some post formation support to FUGs. Despite the situation, good progress continues to be made on major targets and the project is more or less on track. Table 1 gives major achievements vis-à-vis short-term objectives for year three and Table 2 summarizes progress by activity..

b. Highlights - (October 1, 2001 – September 30, 2002)

Table 1: Objectives for Year Three and Major Accomplishments Vis-à-Vis Objectives

Objective	Major Accomplishments
Work with 40 communities in the districts of Jumla, Humla, Bajhang, Dolpa and Mugu to develop and implement conservation and resource management plans	45 community Forest User Groups (FUGs) assisted in developing conservation and resource management plans in Humla, Jumla, Bajhang, Mugu and Dolpa. The federating process for the five districts' FUGs and linkages to Federation of Community Forest User -Nepal (FECOFUN) are also on track.
Bring an additional 7,235 hectares (21,000 ha cumulative) under improved management through community forestry	15,320 hectares brought under improved management this year (23,354.6 ha cumulative - 77.85 % of the overall project goal). Includes formation or post formation support to community groups.
Improve policy development and implementation to enhance biodiversity management by communities in all five districts	<p>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.</p> <p>Advocated policy changes along with other members of the Nepal NTFP Network (NNN) that resulted in favorable changes including release on trade ban and revision of the unscientific and illogical royalty rates for Yartshagumba (<i>Cordyceps sinensis</i>). Consequently, the government reconsidered the royalty charges. These changes mitigate the threat of destructive collection of NTFPs since unreasonable royalties and trade bans promote illegal activities over sustainable and monitored FUG activities.</p>
Facilitate communities in the project area to establish and operate 3 enterprises that are linked to <i>in situ</i> biodiversity	Provided technical support to three existing non timber forest products (NTFPs) enterprises - (Malika Handmade Paper Pvt. Ltd. (MHPL) in Bajhang, Tripurasundari in Dolpa, Humla Oils Pvt. Ltd. (HOPL) in Humla) and established two new community based forest enterprises (Bhagwati Oil Milling Enterprise in Jumla and NTFPs Trading Cooperative in Humla). The enterprises add value to the NTFPs, increase local incomes and employment, transfer technical skills on sustainable species management and harvesting and demonstrate the need for biological monitoring to ensure a long-term supply of the resources.
Enhance community capacity through extension, training, study tours and exchange visits	The majority of planned extension and trainings held. Some study tours and exchange visits had to be postponed due to the security situation. When possible alternate meetings were held in Nepalgunj to keep overall project targets on track.
Document preliminary lessons from the implementation of the Biodiversity Monitoring Plan	<p>Extension materials in Nepali for NTFPs (Lokta, Jatamansi, and Atis) published and distributed. Publications focus on sustainable harvesting, regeneration management, local value addition, marketing and trade.</p> <p>Revised biological monitoring forms and continue to look for ways to simplify for community groups. Used the threats analysis tool with each FUG; initiated project's biological monitoring plan with organized FUGs and plan to evaluate the biological monitoring component of the project in 2003 with external evaluation.</p>

c. Table of Activity Status

Table 2 – Activity Status for Year Three

Activity Number	Activity Title	Status*	Annex 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	9
1.b	Community forestry orientation and training	Completed	10
1.c	Community forestry best practices workshops	Not planned in year 3	11
1.d	District community forestry federation workshops	Completed in Bajhang, Mugu; others.on-track	11
1.e	National level workshop	Not planned in year 3	12
1.f	Exchange visits and study tour	Mixed	12
1.g	Production and distribution of extension materials	Mixed	13
Objective 2 Enhance knowledge and skills of forest user groups in sustainable use and conservation of biological resources			
2.a	Staffing and training	Completed	14
2.b	Conflict resolution for community forest mapping	Completed	15
2.c	Technical and logistical support to communities	Completed	15
2.d	Promotion of community forestry agenda	Completed	17
2.e	Post-formation support to FUGs	Mixed	18
2.f	Conservation education	Completed	20
Objective 3 Promote use of natural products in an ecologically sustainable and socially equitable manner			
3.a	Business development services to communities	Mixed	20
3.b	Business plans for community-based enterprises	Mixed	21
3.c	Business management training	Mixed	22
3.d	Securing enterprise start-up capital	Mixed	23
3.e	Provide marketing support	Completed	25
Objective 4 Generate scientific information for the sustainable management of biological resources			
4.a	Biodiversity conservation monitoring system	Completed	26
4.b	Harvested species regeneration status	Mixed	27
4.c	Information dissemination	Mixed	28
4.d	Biodiversity monitoring data collection and analysis formats	Mixed	29
4.e	Growth and yield studies	Mixed	30
4.f	Biodiversity monitoring methodology development	Completed	30
4.g	Exploration and dissemination of indigenous knowledge and practices	Completed	31

SUCCESS STORIES

The major threats to biodiversity in the project area are over exploitation of forest resources from outsiders and forest user groups (FUG) members. The FUG development process gives community members skills and strategies for making subsistence (grazing, fuel wood collection, farming, NTFP collection) and commercial activities (commercial level NTFP activities) sustainable. But, effective FUG resource management can only happen when groups can control access by outsiders and have a system of incentives and punishments to enforce community use of resources. Conflict management over resource use has been one of the biggest barriers for individual communities to achieve cooperation that allows for sustainable resource management.

ANSAB has been making steady progress in facilitating conflict negotiations and demonstrating to communities and government officials that the negotiations, rather than being avoided, need to be prioritized. ANSAB's work also illustrates that encroachment punishments can and do need to be enforced and if structured in a reasonable way (i.e. intended to benefit the larger community good, rather than punishment for punishment's sake) communities will work to see them enforced. The example from Bajhang illustrates the success in promoting this strategy of good governance at the FUG level. The second success story from Darma illustrates how the threat from Indian traders and over exploitation of commercial NTFPs is being countered.

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, FUG members 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 felt they could not do anything to change the situation. The conflict between these two groups had been ongoing for two years.

The community forest guard visited the 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 fine. 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 as the group is now back on track for instituting effective resource management.

Change brought through NTFPs trade in Darma of Humla

Non Timber Forest Products (NTFPs) such as Jatamansi, Gucchichyau, Sunpati and Samayo are found in good quantities in Darma of Humla. However, little was known of their use and value. For some of these plants (e.g. Jatamansi) overexploitation has already happened in India and the Indian traders have targeted Nepal where supplies are still available. It is in the Indian trader's interest to target unorganized communities and give them no market information. The result is indiscriminant harvesting and little income earned by the villagers for arduous work. The majority of commercial over exploitation of NTFPs in Nepal is due to this threat.

With the support from ANSAB, community forestry was established in 2001 in Darma. This has helped to improve the collection, conservation and enterprise activities. FUG members are now organized to counter this outside threat from Indian traders and have skills to do sustainable harvesting and linkages to better markets. But, FUG formation and enterprise development has also improved community development and gives even greater incentives for achieving effective resource management.

FUG members were able to collect enough money through NTFP enterprise activities 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 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 biological impact study, anecdotal positive signs have been observed (i.e. availability of plants in collection areas and regeneration). An evaluation is planned for 2003 that intends to focus on biological monitoring effectiveness.

ANNEX 1

DETAILED DESCRIPTION OF SITE PROGRESS BY ACTIVITY

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 project continues to focus activities in threat-prone, biologically significant areas with poverty-ridden groups. 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.

District level review and planning workshops were conducted in all districts. The participants included Members of Parliament, DDC Chairpersons, FECOFUN officials and other stakeholders. In the workshop progress at the district was reviewed and activities for year 4 prioritized.

Due to the security situation, district level coordination meetings were held only in Jumla and Mugu this year. Other district stakeholders were gathered for annual and planning workshop in Nepalgunj. For areas where coordination meetings could not be held, the coordination and implementation issues were discussed in the August, Nepalgunj meeting.

The annual and planning workshop was held from 14-15 August, 2002 in Nepalgunj. There were 34 participants representing former Members of Parliament and DDC, DFO, MFSC, HJSS, FECOFUN, and ANSAB partner NGOs of Karnali zone and Bajhang district. Annual progress reports were reviewed and planning for next year was presented by staff members of all working districts. The workshop also discussed burning issues in community forestry and NTFPs and decided to provide recommendations to MFSC, Department of Forests, and National NTFP Coordination Committee. ANSAB has already sent the recommendations to the above mentioned offices. Recommendations are available upon request.

Activities by district are given below.

Humla – This year, the program was extended to Nepka of Sreemasta VDC. In October 2001, site level prioritization meeting was organized in Nepka for planning of FUG support activities in which 22 participants including 5 female were present. In the VDCs assembly of Mimi and Melchham, participants also discussed plans for FUG activities. The numbers of participants in these meetings were 77 and 44 in Mimi and Melchham respectively.

Jumla – The site level prioritization workshops/meetings were completed in Patarasi, Chhumchaur, Dillichaur, Patmara and Depalgaon. Patmara and Depalgaon were new sites added this year. One planned meeting in Guthichaur could not take place due to the security situation.

Three CFs were identified, two from Depalgaon (Deurali and Kalke) and one from Patmara (Bhagwati). During DDC Council meeting, a separate meeting was held to facilitate smooth coordination of district level stakeholders.

Bajhang – As planned three site level prioritization workshops were organized in Talkot, Chhanna and Kotdewal range posts this year. 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 – Two site level prioritization workshops were organized, one in Seri VDC and the other in Srikot. In Seri 58 participants including 42 women were present, and in Srikot out of 146 participants 110 were women. As prioritized in the workshops, 5 FUGs of Seri and 7 FUGs of Srikot received direct technical support from the project. Since no additional forest areas in these VDCs can be brought under improved management, the project was extended to Khamale VDC where a site prioritization workshop was organized and support activities have been initiated. In Mugu, the district level coordination meeting was held in June, where two female and 16 male participants were present.

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	Completed
District level annual review and planning workshop in all districts	Completed
Project level annual review and planning workshop in Nepalgunj	Completed

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. These 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, 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 Depalgaon 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 (2 of them were all women managed) have been receiving support to some extent this year. Awareness on NTFP use and management was also raised and information on forestry rules and policy was also disseminated.

In Humla, a meeting was organized in Changadandiya FUG of Nepka, Srimastha VDC to share current progress. The FUG had been 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 year 3. In place of this activity, other district level workshops and exchange visits contributed to the exchange of best practices in the project.

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

Summary of major achievements

Various types of services were provided to establish and strengthen the federations. In June, the district level Federation of Community Forest Users, Nepal (FECOFUN) was formed in Mugu. 47 participants including 15 females representing 25 FUGs were present in the meeting, which formed a FECOFUN Ad-hoc committee. ANSAB staff members supported an orientation program by providing information on FECOFUN. Logistic support was also provided by ANSAB. In Dolpa, a number of FUGs have shown interest to become a member of FECOFUN. The preparation work has been done to form a district FECOFUN in year 4.

Legal awareness training for FUGs and FECOFUN were conducted in Jumla from 2 – 3 May, 2002. Altogether 20 participants including 2 females were present. Participants were able to

understand basics of legal procedures of community forestry and rules and regulations 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 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.

Sensitization training to FECOFUN members of all working districts was conducted from 11-12, August in Nepalgunj. The role of FECOFUN in community forestry promotion was discussed and the training was facilitated by the General Secretary of National FECOFUN.

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 Ad-hoc Committee establishment in Mugu	Completed
Support to FECOFUN for motivators' training in Bajhang	Completed
Legal awareness training to FUGs and FECOFUN in Jumla and Humla	Completed in Jumla
Sensitization training to FECOFUN in all districts	Completed

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), DFOs and other district stakeholders is critical to the success of the project. Three types of visits and two study tours were planned for year 3. The study tour for DDC, DFO, CSIDB, FUGs, FECOFUN and district entrepreneurs was cancelled 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 the 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 the FUGs
- Create awareness in sustainable resource management, cultivation and domestication of select non-timber forest products

Inter-FUG exchange visits within districts were organized from 17-19 May, 2002. 10 participants including 4 females visited different VDCs and enterprises in Jumla. The participants visited District offices of FECOFUN, Forest Department, and Department of Plant Resource, and observed nursery and Chimara community forest where they inquired about their activities including the information on Saffron cultivation.

Table of progress in meeting key activity benchmarks

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

Activity 1.g: Production and distribution of extension materials

Summary of major achievements

Preparation of materials for four important NTFPs (Lokta, Jatamansi, Kutki and Atis) has been completed. However, Kutki has been dropped from the publication and distribution list as its collection has been banned recently (ANSAB has been working with the Government on rationalizing the sustainable management of Kutki and other species). The rest of the species were selected based on need for sustainable harvesting information, commercial potential, and the potential impact of information on the business position of local collectors and traders. The extension materials are in Nepali and widely circulated in the project districts to collectors, FUGs, local traders, NGOs and DFO staff. 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 useful marketing and resource management information and knowledge.

The security situation in Bajhang has affected establishing a NTFP nursery and demonstration plots. Booklets for two new species, Dhatelo and Seabuckthorn are in process. The draft of Dhatelo booklet has been prepared and work on Seabuckthorn booklet has been initiated. The technicians could not go to Jumla due to the security situation and this has affected planned video production on awareness and examples of good community forestry (CF).

Table of progress in meeting key activity benchmarks

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

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 provided a hands-on training to social mobilizers in each district. Later a three-day social mobilization training was organized in Nepalgunj from August 11-13, 2002. There were 17 participants (two females) from Humla, Mugu, Jumla, Dolpa, Bajhang and Darchula. The participants were able to gain basic theoretical and practical knowledge on current social mobilization practices and acquired basic skills needed to work with communities.

A two-day staff capacity-strengthening workshop for field and center level staff members held in Kathmandu, May 12-13, 2002 shared work experience among staff members and reviewed individual performance including relative strengths. The discussion was focused on field activities and setting strategies for future work. The participants also identified training needs for personal development and updated tools for planning and decision making.

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.

During the reporting period three community forestry facilitators (CFF) were recruited and provided orientation to the GCP project. They were given the opportunities to work with the experienced field staff to gain practical insights to internalize the principles, approach, strategies and methods.

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
Staff capacity strengthening workshop	Completed

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. Conflict resolution is key to addressing threats to biodiversity associated with outside encroachment.

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	Completed

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

Summary of major achievements

This year the project strengthened 18 additional forestry user groups (FUGs) in Humla, Jumla, Mugu, Dolpa and Bajhang. 23,354.6 ha of community forests have been handed over to date since the beginning of the project and an additional 15,320 ha have the potential to be handed over. ANSAB is ahead of the projected number of hectares of biologically important habitat brought under improved management (23,354.6 ha achieved to date versus 21,000 projected by year three). In this reporting period, 9589.6 ha of new area were added. The number of groups, 45 achieved versus 40 projected is also ahead of the target.

This year formation or reorganization of FUGs and preparation or revision of CF OPs in all working districts have been completed. Similarly support for the negotiation and CF handover in all districts was provided.

Annex 2 gives an overview of the 45 FUGs assisted so far and the types of technical assistance being provided. The highlights for this year are given below by District.

Bajhang – The reformulation process for the Bhaitanko FUG of Masta VDC and Latun FUG of Riluv VDC has been completed. In addition, six existing FUGs were provided needed post-formation support in forest management and institutional development. In total 2731.57, ha CF area has been covered by 8 FUGs and 1,496 households are involved in the community forestry activities. Besides the estimated area, the potential CF area expansion is 1950 ha.

Jumla – Nine FUGs are received technical support to expand areas of community forests and strengthen their capacity in forest management. In total 9870.11 ha of CF has been covered by 12 FUGs and 1420 households are involved in the community forestry activities.

Humla- The project has provided technical support to 11 FUGs in Humla this year. In total 5332.92 ha CF has been covered and 800 households are involved in the community forestry activities.

Mugu – ANSAB provided technical assistance to nine FUGs this year covering a total of 413.42 ha of CF and 573 households for community forestry activities. Rapport building with other FUGs is also in progress.

Dolpa – The project has supported 5 FUGs in Shoon and Majhphal VDCs covering a total of 5006.57 ha and 367 households in community forestry. Rapport building with other FUGs is also in progress.

Table of progress in meeting key activity benchmarks

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

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 day-long 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 and the necessary preparation work to establish its central office in Kathmandu was completed.

The annual HJSS assembly was held on August 13, 2002 in Nepalgunj. There were 23 participants in the assembly. They formed a 9-member executive committee, reviewed existing Jadibuti policies and regulations, determined their strategies, and prepared annual work plan for 2003.

At the district level, HJSS have been formed in Bajhang, Mugu, Dolpa and Jumla. 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 as well as offices of Forestry, Agriculture, Livestock, FECOFUN, NGOs, CSIDB and news 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.

In Dolpa- A seven members ad-hoc committee was formed in the district. The committee is headed by DDC chairperson and includes representatives from FECOFUN, traders, FUGs, and partner NGOs.

Although informal meeting was organized in establishing a district level HJSS, the activity could not take place in Humla due to the unavailability of required members in the headquarters (they had left the area due to the security situation). This activity will be completed in the beginning of year 4.

Sharing of biodiversity conservation and management issues was continued among the members of the NNN (Nepal Non-Timber Forest Products Network). Six NNN Sharing Meetings were held this year. 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 Development 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. The copy of Himalayan Bioresources is available upon request..

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 Mugu, Dolpa and Jumla, postponed in Humla
Support to HJSS activation in all five districts	Completed in 4 districts
NNN meetings and task forces	Ongoing
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 ongoing 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 certain tasks in this period. Community forest and NTFP management trainings were conducted in Dolpa, Mugu, Jumla and Bajhang. The purpose was to increase the capacity of FUG members towards effective management of CF with emphasis on NTFPs.

Group dynamics and social mobilization training was originally planned in Mugu. However, realizing the importance of the subject, it was incorporated with the social mobilization training held in Nepalgunj from August 11-13, 2002. The participants were able to understand the social mobilization practices and gained skills for social mobilizers.

While fund management and bookkeeping training were planned only for Dolpa and Mugu, based on the need this was conducted in Jumla as well. In Dolpa, the training was undertaken ... and in Mugu from June 30 - July 2, 2002. There were 25 participants in Mugu who were committed to keep the account up-to-date and manage fund properly. In Jumla, a three day training on record keeping and fund management was held in May 5-7 for 15 participants (including 4 women) representing 6 FUGs. Social Mobilizer of Mugu was provided training on Chiraito nursery management from February 7-8, 2002 in Dolakha. With this skill and knowledge, Social Mobilizer conducted Chiraito nursery management training in Srikot and Seri VDC in Mugu.

Two Lokta management trainings were completed in Bajhang. One training was conducted in Ranada for 40 participants (2 women) in June and the other in Kailash was an advance training for 70 users (35 women) in September.

Other training , workshops and activities under the post formation support were cancelled due to the security situation.

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	Completed
Srikhanda management workshop in Bajhang	Cancelled
Support to participatory organizational assessment in Humla	Cancelled
Community forest and NTFP management training in Bajhang, Dolpa and Mugu	Completed
Group dynamics and social mobilization training in Mugu	Completed
Fund management and bookkeeping training in Dolpa and Humla	Completed
Nursery management training in Mugu	Completed
Fire control training in Humla	Cancelled
Lokta management training in Bajhang	Completed

Activity 2 f: Conservation education

'Samrakshan Siksha', a conservation education book, which was published by ANSAB in Nepali language, has been field tested and found to very useful for local communities. Considering demand for the book, the second edition of the book is being finalized for the printing. The conservation education program originally planned for Humla was shifted to Dolpa because the demand from community people in Dolpa was very high. In Dolpa, 9 literacy classes were conducted with the help of assistance from District Education Office, Dolpa. These classes have raised the understanding of 158 participating users on conservation activities at the community level. A conservation education program has been planned in all five districts including Humla for year 2003. The combining of conservation education with literacy classes first started in Humla, based on expressed needs of the community for adult literacy classes. While not a direct goal of the project, the methods used in Humla raised adult literacy by more than 60% in target areas (from about 29% to about 48% according to an independent evaluation).

Table of progress in meeting key activity benchmarks

Activity	Status
Conservation education in Humla	Postponed in Humla (shifted to Dolpa)

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. Following this result, entrepreneurship training, which was participated by 18 potential entrepreneurs including 1 female participant, was held in Jumla headquarters from 25-26 July, 2002.

Instead of having 3 separate workshops in 3 different districts, a combined workshop on enterprise identification was organized in Nepalgunj on 25 March 2002. The combined workshop provided a cross learning opportunity to the participants and broadened their understanding on enterprise types and selection process. There were 13 participants representing Humla, Mugu, Jumla, Dolpa, Bajhang as well as Dolakha and Baglung districts. Participants identified Jatamansi, Sugandhawal and Kutki (although now banned) 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 completed. The district-based enterprise identification workshops are planned for year 4.

Informal meetings were held with traders in Nepalgunj in connection with networking in the respected districts. However, most of the traders living in Nepalgunj were reluctant to visit the districts due to security reasons. Enterprises feasibility studies in potential CF could not be completed this year because the visits of feasibility study team to some forest areas and nearby villages were restricted due to imposed emergency and security situation.

In Jumla, local networking of NTFP producing FUGs was supported. In this regard orientation meeting was held in May 31, 2002 during NTFP producers' networking meeting, where 16 participants including 2 female were present.

Providing marketing support for community based forest enterprises (CBFEs) is a regular task of ANSAB. Price lists of different NTFPs and other relevant information were broadcast by Radio Nepal and published in community based monthly publication 'Ukali', quarterly ANSAB's publication 'Lahara' and regional bulletin 'Karnali' as well as the national daily newspaper Kantipur. Ukali, Lahara and Karnali were 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	Completed
Enterprise identification workshops in Dolpa, Mugu and Humla	Completed (venue moved to Nepalgunj)
Support traders' networking within four separate districts	Postponed
Enterprises feasibility studies in potential CF of Humla, Mugu, Dolpa and Bajhang	Delayed
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 Bhagwati Oil Milling Enterprise completed. The enterprise is owned by local communities of Bhagawati FUG of Urthu, Patmara VDC, in Jumla. The enterprise has been providing oil milling services to the communities and generating profits and employment to the local people to create an incentive so that they are interested in sustainable management of the resource base. It is also helping 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 power directly. Micro hydropower development 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 the forest area and nearby villages.

A number of NTFPs have been identified with the preliminary study. However, enterprise development plans for two more enterprises have not been completed because the process needed field visits to validate the earlier resource condition findings and work together with community people and their leaders.

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: The 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 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.

Operation skills development training was planned in Jumla for the community owned distillation enterprise, assuming that the enterprise would be operational in the district. Since the enterprise ran into an internal management problem, this activity has been postponed. In year 2003, two CBFs will receive this training to improve their operations.

Enterprise Management and Development Training in Nepalgunj. ANSAB organized a weeklong training on Enterprise Management and Development to strengthen the capacity of managers of ANSAB supported enterprises, FUGs Officials and entrepreneurs of the program area of 7 districts from in 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

and 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.

Necessary preparation for *skill improvement training* for NTFP collection, storage and packaging in Bajhang and Mugu was done and the resource persons for the training were also identified. However, it was not possible to undertake these activities during the planned period due to the security situation.

In Bajhang, the *share distribution ceremony* of MHPL enterprise concluded on October 13, 2001. In the ceremony, 5000 shares valued at Rs.100 each 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	Postponed
Enterprise management training support	Completed
Skill improvement training: NTFPs collection, storage and packaging in Bajhang and Mugu	Postponed
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 last year. It was also registered at the district Water Resource Committee. ANSAB facilitated 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 collected around Rs. 250,000 of the total target of Rs. 500,000. Due to the security situation further work has been delayed.

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 and the enterprise was revived. The enterprise is currently running smoothly and providing milling services. For this work, ANSAB facilitated the enterprise to attract financial contribution from the District Partnership Program of the SNV-Nepal.

In Jumla, Bhagwati Oil Milling Enterprise was supported to secure funds for their enterprise operations. The enterprise raised Rs. 85,000 from the users of Bhagawati FUG and received Rs. 50,000 from District Partnership Program of SNV-Nepal (DPP). ANSAB also provided Rs. 25,000 from its equity fund provision to the enterprise.

Also in Jumla, ANSAB staff held a series of meetings with the local communities on the revival of the Jatamansi distillation enterprise. Management options and start up time table are still being negotiated. Revival of the distillation enterprise in Jumla will be done in year 2003.

Comment [SBB1]:

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	Delayed
Securing enterprise start-up capital in Jumla for Dhatelo oil extraction	Completed

Comment [SBB2]:

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. Market information was also provided through the ANSAB's quarterly publication 'Lahara' and community newsletter "Ukali", and also making the price listing board in all districts. 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 have also been established with Nepal Paper Products, which has been purchasing hand made paper at reasonable prices. In addition, Himalayan Bio-Trade brokers handmade paper and the distilled oil from Bajhang and Humla respectively.

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 remarked that the access to marketing information has helped them improve their bargaining capacity and increase their income.

As part of promoting CBFE products, various products of CBFEs were also displayed at Nepal Development Forum Bazaar held in Kathmandu in February, 2002. Over 5000 people visited the ANSAB stall which included CBFE products and inquired about the products, enterprise activities and their capacities in production. Some traders also showed interest in marketing the CBFE's products displayed during the fair.

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	On-track

marketing information	
Provide direct marketing support to CBFs in Humla & Bajhang	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

Implementation of biodiversity monitoring is linked with the community forestry process, especially social analysis and resource assessment. Data are generated according to the Biodiversity Monitoring Plan which is continually adapted and refined (data collection and recording formats in particular). The data collected in the project thus far have been organized and analyzed so that findings are available to FUGs, enterprises and concerned stakeholders to develop forest management operational plans and enterprise development plans, and other forest development activities.

With the security situation, the planned field verification of the biological monitoring system could not take place at the intended levels in most districts. This is recognized as a serious constraint to assessing how biological monitoring is truly progressing at the field level. To help mitigate this constraint, ANSAB held broad based project review and planning meetings in Nepalgunj. These meetings incorporated the limited biological monitoring data that was collected from the cluster level in villages. Project progress was also presented in DDC's review meetings. Monitoring teams (in the past and project plans to resume once security improves) include government line agencies at the district level. Individual project sites are monitored by FUGs and their preliminary results, monitoring issues and concerns were discussed in the Nepalgunj meeting. While the security situation has hampered the planned biological monitoring, EWW/ANSAB already identified the need to further simplify the biological monitoring and plans in year four to do an evaluation of progress made on the biological monitoring component of the project and seek recommendations for improvements.

Even with these constraints, the project continued to work on needed biological monitoring components that directly support sound resource management. These include: community resource mapping, baseline data collection, experimental plots for select commercial species to gain scientific information on sustainability issues, and nursery establishment.

Maps: This year, using topographical maps as well as intensive field survey and verification, maps for 18 community forests with a total area of 9589.6 ha, (cumulative 23354.6 ha, 45 CF) were 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 the past year was used and data collection formats have been adapted and refined based on the experiences of its use in the field.

A baseline status has been assessed for each FUG in accordance with the biodiversity monitoring plan that will provide a basis for ongoing monitoring of changes in biodiversity status as a result of project interventions. The 18 FUGs formed or reorganized this year have completed biodiversity baselines. 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 resource condition. 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. Discussions, mostly informal, are ongoing with DFOs and other stakeholders, while hands on consultations have been provided to FUGs and NTFP enterprises for the monitoring process. Orientation meetings with different stakeholders are needed for biodiversity monitoring. Orientation meetings with DFO staff have been completed in Bajhang, Jumla, Dolpa and Mugu. Monitoring activities of new community forests have also started and implementation of community based monitoring system is ongoing.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 4.a	Status
FUG/enterprise orientation on monitoring (including record keeping)	On-track
Implement community based monitoring system (assessment of threats, social response and ecosystem health and vitality and generate feedback)	On-track
Orientation meeting with DFO	Completed

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 is being analyzed to identify options and strategies for promoting sustainable harvesting system. Species for the assessment include Jatamansi, Atis and Kutki.

ANSAB staff in Jumla have facilitated the establishment of experimental plots of Jatamansi 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. Preliminary analysis this year indicates that grazing reduces 31.25% of

Jatamansi yield, while burning of jatamansi habitat at the onset of spring reduces Jatamansi yield only 6.25%.

In Mugu, design work for experimental plots for Sugandhwal (Samayo) has been completed. Establishment of experimental plots on the ground has been delayed and will be done in year 2003.

In Bajhang, five Lokta nursery beds were established during the reporting period. A total of 400 seedlings were planted. Similarly, five Lokta demonstration plots were established in Binayak CF in Bajhang. Weeds and unnecessary plants have been removed and the measurements of Lokta plants were taken. Regeneration pattern and growth of Lokta is being monitoring.

Ten experimental plots having 25 square meters each were established in Binayak CF in Bajhang to observe and study the harvesting of Lokta species. The plots were established on different aspects and in different nature of lands (dense, sparse, fire affected and grazing). Lokta with more than 1 meter height were selected and different treatments (harvesting leaving 4cm, 6 cm, 8 cm, 10 cm, 15 cm and 30 cm at the bottom) have been given to the experimental plots to identify an appropriate harvesting technique for the species.

The CFUG members of Dolpa were very much interested to establish Morels experimental plots. Identification of appropriate site and other preparation for the village level experiment have completed. Establishment of the plots on the ground has been delayed and will be done in year 2003.

Table of progress in meeting key activity benchmarks

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

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 the 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 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 CBFs 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.

Bishma P. Subedi, presented a paper on *Towards Expanded Property Rights of Local Communities Over Forest Resources in Nepal: Lessons and Strategies* during the international conference on Global Perspectives on Indigenous People's Forestry: Linking Communities, Commerce and Conservation jointly organized by the University of British Columbia, Lakehead University Faculty of Forestry, Forest Environment and a host of other organizations. The conference was attended by members of indigenous forest enterprises/communities, forest industry, socially responsible investors, technical support NGOs, government agencies, donors and research institutes.

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	On-track
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 and organize the data pertinent to participatory monitoring of biodiversity. This includes participatory collection and analysis of data with the FUGs and enterprises. Biological monitoring data collection from various FUGs and CFs was done along with the FUG formation and reformation, and CF inventories and operational plan preparation. The data were analyzed and fed into the FUG forest management planning activities. Data processing formats are being revised to make it easy and more relevant to the users. This date and the system will be used for and evaluated by the evaluation planned for 2003. Similarly, community based enterprises are also continuously keeping records of the raw material sourcing,

forest products processing, and other enterprise activities. Based on the records, these enterprises are making decisions on raw material sourcing and processing activities. These records have been checked by ANSAB staff, but field verifications are still pending due to the security situation.

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/delayed field work
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 improve the inventory method, development of yield tables were planned. Design of yield table study and preparatory activities for Datelo and Jatamansi have been completed in the reporting period. Information collection activities for developing yield table for Datelo and Jatamansi have been completed. Analysis of the data and preparation of yield table for Dhatelo has completed. Yield table preparation of Jatamansi is delayed and will be done in year 2003. Yield table preparation for Lokta is postponed for year 2003.

Table of progress in meeting key activity benchmarks

Benchmark/Output for Objective 4.e	Status
Conduct Dhatelo and Seabuckthorn yield study in Jumla	Completed for Dhatelo, postponed for Seabuckthorn
Prepare Jatamansi yield table in Jumla	Delayed
Prepare Lokta yield table in Bajhang	Postponed

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. As part of refinement of data collection tools, a seven-day long training/workshop was conducted from 6-12 June in Dhulikhel. There were 12 participants from 7 districts including 1 female consisting of ANSAB's forestry staff, Rangers of District Forest Offices, and NGO staff. The main purpose of the training was to enhance skills/knowledge on practice, method, tool and technique of the forest resource inventory in the high altitudinal area, standardize the resource inventory practices in ANSAB, provide basic skills on high altitudinal plant identification, and update of bio-diversity monitoring activities. With the inputs from the workshops, observation of the biodiversity monitoring implementation, and discussions with ANSAB staff, the methodology of biodiversity monitoring is being continuously improved and updated. A community level biodiversity monitoring plan is also being developed (to augment FUG specific plans). The community level biodiversity monitoring plan will be implemented by FUGs to collect biodiversity monitoring

data which will be directly useful for the groups while devising their forest management plans and forest products harvesting activities.

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.

To explore cultural and traditional values and threats to biodiversity, Amchi workshops were held in Jumla and Mugu in this year. In Jumla, a two day long workshop was organized from 23 – 24 May, 2002 in which 14 practitioners were present. The participants discussed on available herbs in the district and their uses. In the workshop, 76 types of herbs were exhibited with their description.

Similarly, a daylong Amchi workshop was held on 13th July 2002 in Mugu. There were 16 participants including 1 female representing DDC, DFO, District Health Office and Amchis of Roga, Roba, Mugu and Pina VDCs. The participants discussed illnesses and treatments using herbs. Altogether 35 indigenous treatment methods were highlighted and documented. These methods have been disseminated to other districts.

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	Completed
Amchi workshop to explore cultural and traditional values and threats to biodiversity in Mugu	Completed

ANNEX 2

Status of Community Forestry in GCP Project Area

By District and Forest User Group

Status of Community Forestry in GCP Project Area as of September, 2002 and Technical Assistance Provided and Planned

Name of FUG	No. of HH	Current CF Area (ha)	Status as of September 2002	Planned	
				Est. Area for CF expansion	Activities
Bajhang					
Binayak Pimidanda (Kailash 1-7)	235	912.22	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG reformulated, management actions being implemented, ongoing monitoring and evaluation initiated, 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, management actions designed with appropriate participation, change in legal status, 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 actions designed with appropriate participation, management actions being implemented, ongoing monitoring and evaluation	100	Technical support in OP implementation and NTFP marketing
Binayak (Gadaraya 8,9)	79	187.6	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, management actions being implemented, ongoing monitoring and evaluation		Technical support in OP implementation and NTFP marketing
Matuwa (kalukheti 5-7)	179	20	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, management actions being implemented, ongoing monitoring and evaluation		Technical support in OP implementation
Ranada (Kotdeval 1,2,3)	178	40	Local site assessment completed, human and institutional capacity developed, constitution amended	500	Technical support in OP preparation

Bhaitanko Sherophero (Masta 1)	81	9	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, constitution amended	150	Technical support in CF reformation
Latun (Rilu 4)	63	37.5	Local site assessment completed, human and institutional capacity developed, constitution amended	1200	Technical support in CF reformation
Bajhang District Total	1496	2731.57		1950	
Jumla					
Phurkisalla (Patarasi 1,2)	151	2625	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG reformulated, management actions being implemented, ongoing monitoring and evaluation		Technical support in OP implementation
Lamтели (Patarasi 3-6)	183	2849.5	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG reformulated, 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 designed with appropriate participation, management actions implemented, ongoing monitoring and evaluation initiated	500	Technical support in OP implementation
Syalapatal (Chhumchaur 1-3)	121	1926	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, management actions implemented		Technical support in OP implementation
Upreghat (Dillichaur 7-9)	184	40	Local site assessment completed		Technical support in OP implementation

Bagjale, (Dillichaur 7-9)	184	2189	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, management actions implemented		Technical support in OP implementation
Mahari Mahadev (Chhumchaur)	21	20.8	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions implemented		Technical support in OP implementation
Churekoti Pari Patal (Chhumchaur 7-8)	72	13.9	Local site assessment completed, human and institutional capacity developed, management actions being designed with appropriate participation	1678*	Facilitating negotiations with DFO on OP approval, implementing OP
Kharkhare (Chhumchaur 7,8)	35	41	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions implemented		Technical support in OP implementation
Bhagawati (Patmara-9)	90	89.5	Local site assessment completed		Technical support in CF reformation
Deurali, (Depalgaun-2-5)	169	51.93	Local site assessment completed	1000	Technical support in CF reformation
Kalke, (Depalgaun 8,9)	94	18	Local site assessment completed	800	Technical support in CF reformation
Jumla District Total	1420	9870.11		3978	
Humla					
Jadikausi (Darma 7-9)	81	2142	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG formulated, management actions being implemented, ongoing monitoring and evaluation		Technical support in OP implementation
Baghedhunga (Darma 1,2)	101	1896	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG formulated, management actions being implemented, ongoing monitoring and evaluation initiated		Technical support in OP implementation

Syali Kocheni (Mimi 3,4)	38	993.33	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG formulated, management actions being implemented, ongoing monitoring and evaluation initiated		Technical support in OP implementation
Thakurechaur Basaldhara (Mimi 5-9)	106	0	Local site assessment completed, 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, human and institutional capacity developed, management actions designed with appropriate participation, FUG formulated	36*	Facilitating negotiations with DFO on OP approval, implementing OP
Rocha (Mimi 1,2)	33	50.25	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, FUG reformulated	1890*	Technical support for OP preparation, CF handover and implementation
Lepche Dangsile (Melchham 1-9)	167	0	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, FUG formulated	2520*	Technical support for OP preparation, CF handover and implementation
Rani Swara (Rimi Women) (Darma 7-9)	81	0	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, FUG formulated	46*	Facilitating negotiations with DFO on OP approval, implementing OP
Malika (Melchham 7,8)	39	120	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions being implemented	600	Technical support for ongoing monitoring and adaptive management
Melchham (Melchham 3-6)	55	100	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions being implemented	400	Technical support for ongoing monitoring and adaptive management
Changardadiya, (Shreemasta 8-9)	43	31.34	Local site assessment completed	1500	Technical support for OP revision
Humla District Total	800	5332.92		7392	
Mugu					

Panimula Badachaur, (Srikot 4-5)	54	76.96	Local site assessment completed		Technical support in OP preparation
Balhalna Chautari, (Srikot 5)	44	4	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG reformulated, management actions implemented		Technical support in OP implementation
Thalhalna (Seri 2)	60	17.25	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions implemented		Technical support in OP implementation
Dhauri salyadi women CF, (Srikot 2-3)	83	35.52	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions 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 designed with appropriate participation, management actions implemented		Technical support in OP implementation
Dhura, (Shreekot 7-9)	47	46.25	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions implemented		Technical support in OP implementation
Rajkot women CF, Shreekot 1-3)	130	59.52	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions implemented		Technical support in OP implementation
Adarigad pausalla, (Shreekot 1)	90	142	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions implemented		Technical support in OP implementation
Majhdanda, (Seri 5,8,9)		11.08	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, management actions implemented		Technical support in OP implementation
Mugu District Total	573	413.42		0	
Dolpa					

Devasthan, (Shoon 5-6)	62	1425.4	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG reformulated		Technical support in OP implementation
Devi, (Shoon 1-4)	87	1378.5	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG reformulated		Technical support in OP implementation
Shoon, (Shoon 7-9)	116	2081.67	Local site assessment completed, human and institutional capacity developed, management actions designed with appropriate participation, change in legal status, FUG reformulated		Technical support in OP implementation
Pokepani, (Majhphal 3-5)	75	66	Local site assessment completed	1000	Technical support in CF reformation
Laligurans, (Majhphal)	27	55	Local site assessment completed	1000	Technical support in CF reformation
<i>Dolpa District Total</i>	367	5006.57		2000	
Totals All Districts	4656	23,354.6		15,320	
45 FUGs	HH	ha		ha	

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

Total area surveyed in Jumla

1678 ha.

Total area surveyed in Humla

4492 ha.

Total area already surveyed 6170 ha.