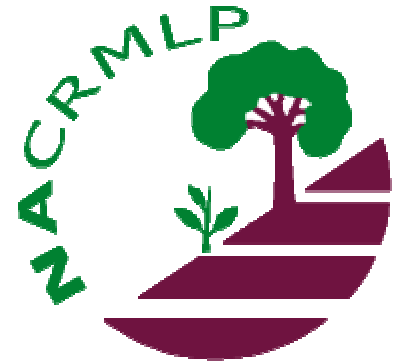


NEPAL AUSTRALIA COMMUNITY
RESOURCE MANAGEMENT AND
LIVELIHOODS PROJECT

Milestone 2:
Part I - Guideline Development



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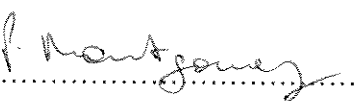
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ANNEXES

Annex 1: September 2005 Users' and Practitioners Workshop Proceedings

PROVIDED AS SEPARATE DOCUMENTS

**Part II: Guidelines for Preparing Second Generation Community
Forest Operational Plans**

**Part III: Best Practice Example Second Generation CF
Operational Plan** Sri Hile Jaljale Ka Community Forest Users'
Group, Janagal Cluster, Kabhre District

Acronyms

AusAID	Australian Agency for International Development
BP	Business Planning
CAP	Community Awareness Program'
CDG	Community Development Group
CF	Community Forestry
CFD	Community Forestry Division
CFDP	Community Forestry Development Program
CFUGs	Community Forest User Groups
DAG	Disadvantaged Group
DFCC	District Forestry Coordinating Committee
DfID	Department for International Development
DFO	District Forest Office/r
FECOFUN	Federation of Community Forestry Users, Nepal
FSPSES or "FSP"	Final Stage Plan & Sustainable Exit Strategy/Final Stage Plan
GG	Good Governance
GSE	Gender and Social Equity
HRD	Human Resource Development
INGO	International Non-Government Organisation
LFP	Livelihoods & Forestry Program
LIP	Livelihood Improvement Planning
MFSC	Ministry of Forests and Soil Conservation
NACRMLP	Nepal Australia Community Resource Management and Livelihoods Project
NGO	Non Government Organisation
NGSP	Non Government Service Provider
NTFP	Non-Timber Forest Products
OP	Operational Plan
SEDC	Safe and Effective Development in Conflict
SL	Sustainable Livelihoods
SNRM	Sustainable Natural Resource Management
ToR	Terms of Reference
WEP	Women's Empowerment Program

Summary

Community Forestry in Nepal has entered its “second generation” stage, involving a shift from establishing and protecting community forests to their optimum management and utilisation. Second generation issues include sustainable natural resource management (SNRM), business development, and broader concerns for sustainable livelihoods (SL), good governance (GG), gender and social equity (GSE), and conflict sensitivity. By law, Community Forest User Groups (CFUGs) prepare two core documents that govern their overall and natural resource management: a Constitution; and an Operational Plan (OP). To address SL, GG, and GSE issues, The Nepal Australia Community Resource Management and Livelihoods Project (NACRMLP) developed a Livelihood Improvement Planning (LIP) approach. During the final NACRMLP year, and through the “Final Stage Plan,” NACRMLP identified a need to integrate LIP, business planning, and SNRM into an “integrated” OP, now known as a Second Generation OP.

The current Community Forestry Development Program (CFDP) Guidelines, revised in BS 2058 (2002 AD), were found to have a number of conceptual and operational limitations. In particular, they did not sufficiently reflect business development, “LIP,” and latest SL concepts, and were not sufficiently “user-friendly” to enable CFUG users, local resource people, and field staff to prepare OPs in a cost-effective way that promotes local understanding and ownership.

This Milestone document provides updated and field-tested Guidelines for preparing a CFUG Operation Plan that integrates the following elements:

1. Sustainable Livelihoods, good governance, gender and social equity, and conflict sensitivity;
2. Business development planning; and
3. Sustainable natural resource management.

The Guidelines were developed through a collaborative effort primarily between communities (CFUGs) and their local resource people (facilitators), FECOFUN leaders, NACRMLP specialist and field staff, DFO staff, MFSC Community Forestry Division (CFD), and a working group formed by CFD, involving other CF projects and stakeholders.

This document includes the Guidelines, a best practice example of a Second Generation OP evidencing the elements 1, 2, and 3 above, and a description of the participatory process used with stakeholders to develop both the guidelines and the example OP.

1 Introduction and Rationale

1.1 Second Generation Community Forestry

Nepal's Community Forestry development program has entered a "second generation" stage, involving a shift from establishing and protecting community forests to their optimum management and utilisation. Second generation issues include sustainable natural resource management (SNRM) and 'active' or 'intensive' forest management, business development, and broader concerns for sustainable livelihoods (SL), good governance (GG), gender and social equity (GSE), and, in the current national context, conflict sensitivity. 'Active/intensive' forest management involves shifting from passive forest protection to silvicultural management, including selective thinning, sustainable harvesting of non-timber forest products (NTFPs), and other agro-forestry practices, such as the introduction of more productive forage/fodder species.

By investing actively in SNRM, CFUGs can develop new and enhanced business opportunities to generate increased revenues at both CFUG level and the level of gender, caste, profession, or socio-economically-based interest sub-groups within the CFUG. In turn, the CFUG and its sub-groups can reinvest these business revenues in other livelihood-enhancing initiatives. From a 'Sustainable Livelihoods' perspective, the CFUG can consciously invest in natural assets/capital, generate financial assets/capital, and convert this financial capital into other livelihood assets—i.e. social, human, and physical capital, including community, legal/institutional, and human resource development.

1.2 NACRMLP's "Livelihood Improvement Planning" (LIP) Approach

To address livelihoods, good governance, and GSE issues, NACRMLP developed a Livelihood Improvement Planning (LIP) approach during Stage 1 (2003-04). The LIP approach was implemented in 26 CFUGs and one sub-watershed area community development group (CDG). LIP included the following concepts, processes, and tools:

- The Sustainable Livelihoods Framework, with planned livelihood improvement initiatives focused on the poor and disadvantaged groups (DAG)¹
- Gender & Social Equity in CFUG resource distribution
- CFUG good governance practices
- (Participatory) Institutional Assessment of the CFUG as an organisation, using 11 construct variables to capture especially GG and GSE indicators
- Interest/target group identification based on wellbeing ranking in order to focus on the poor and socially excluded
- Focus Group meetings
- Household-level interaction meetings
- Participatory Situation (Livelihood) Analysis
- Participatory Resource Mapping
- Livelihood needs analysis of different social groups

¹ NACRMLP Stage 1 used the term/acronym 'DAG' for socially excluded groups

- CFUG “institutional visioning”
- Prioritisation of CFUG activities
- Preparation of a LIP document, including related CFUG policies & constitution provisions

In addition, two other NACRMLP programs closely related to LIP were the ‘Community Awareness Program’ (CAP) and the Women’s Empowerment Program (WEP). CAP involved the use of extension materials, street theatre performances by trained local performers, and back-up radio programs around various themes in second generation community forestry. WEP involved using a 6-10 module training program to train up to four facilitators in each CFUG who implemented functional literacy- and practical topic-based women’s empowerment classes for groups of around 20 women. Many WEP groups implemented savings schemes, kitchen gardens, improved land use management, forage development and goat rearing projects, and small-scale, forest-based income generating enterprises. In addition, the WEP activities increased women’s voice and participation in CFUG governance.

LIP activities were carried out by two to four local resource people selected by each CFUG, who the Project trained as “LIP facilitators.” The facilitators assisted the CFUG to prepare the LIP during periods spent in the community in the gaps between the three modules in the Project’s LIP training curriculum. In the 27 LIPs that were prepared, CFUGs planned and implemented a variety of livelihood improvement activities, including sub-group forest resource-based enterprises, such as lapsi candy and leaf plate making, and activities in land use management, forage development, and small livestock. As a result of undertaking the consultative and awareness-raising LIP process, many of the 27 LIP CFUGs also introduced changes in governance that increased the voice and participation of women and other poor and socially excluded groups. However, most of the 27 groups also reported a difficulty in accessing external support for LIP implementation. Further, the relation between a CFUG’s ‘LIP’ and its ‘OP’ was not made clear during this period, causing some confusion over responsibility for supporting CFUGs with their LIPs.

1.3 NACRMLP Final Stage Activities to Promote Second Generation OPs

The design of NACRMLP’s June 2005-June 2006 Final Stage Plan and Sustainable Exit Strategy (FSPSES, or “FSP” for short), identified a need to integrate LIP/GG-GSE, business development and business planning (BP), and SNRM conceptually and operationally within an “integrated” OP. Integration of LIPs and OPs was emphasised in AusAID’s May 2005 Directive, which advised the Project to “rationalise the number of OPs/LIPs it seeks to finalise... by working with a smaller number of CFUGs to finalise a smaller number of high quality, replicable OPs/LIPs.”

Accordingly, the FSP included various result area interventions and indicators related to integrating LIP, BP, and OP. These ranged from policy, institutional, and curriculum development to CFUG level implementation, and included:

- Policy level guidelines on preparing Second Generation OPs (Result I, Activity 1.6)
- Preparation of Second Generation OPs—including LIP, BP, & SFM—in 10 CFUGs (Result I, Activity 1.5)
- Integration of LIP and BP modules in the OP preparation/revision curriculum (Result I, Activity 1.5)

1.4 Activity 1.6 - Developing the Guidelines

The title of Activity 1.6 was “CFUG ownership of OPs,” with a planned output of “user-friendly guidelines for a CFUG-driven, cost-effective OP revision process that integrates LIP and business planning.” The activity addressed broad MFSC concerns, in particular:

1. CFUG ownership of their Operation Plan, reflected in many OP documents being full of inconsistencies and gaps in planning logic, and difficult to understand.
2. The OP revision backlog in almost all districts, often affecting as many as 50% of CFUGs, and constraining them from implementing forest management and business development activities. The backlog reflected:
 - a. DFO outreach capacity and related decentralisation issues, including the role of local resource people (facilitators) and non-government service providers in providing technical, business development, and social/governance OP-related services to CFUGs
 - b. Cost effective institutional/methodological modalities for OP preparation/revision that takes advantage of CFUG strengths and resources

For all these reasons, NACRMLP identified a need for "user friendly" guidelines for OP preparation/revision. At the same time, the Project was conscious of the potential contradiction of developing guidelines that were at once more comprehensive and sophisticated - to integrate additional GG, GSE, conflict sensitivity, and business planning processes and methods, as well as up-to-date SNRM systems - and simple for users.

Thus, considering the backlog, limited DFO budget and human resources, CFUG ownership, CFUG resources, and the second generation issues to be mainstreamed, the requirements for the OP process/guidelines were:

- Simple, user-friendly
- Cost-effective
- Decentralised and CFUG-empowering
- Integrating LIP, BP and SNRM
- Partnership/co-production service delivery arrangements that take advantage of the ability of many CFUGs to pay for services
- Appropriate for various audiences—users, practitioners, and stakeholders as a guide to both policy and field methodologies

1.5 Activity 1.5 - CFUGs preparing Second Generation OPs

In the FSP, preparation of OPs integrating LIP, BP, & SNRM was planned in 10 CFUGs. Due to delays in developing Second Generation Operational Plan (OP) guidelines², field implementation started only in December 2005 with a four-day Second Generation OP training module for CFUG OP, LIP, and BP facilitators selected from 3-4 CFUGs in each of NACRMLP's four Final Stage "cluster" areas³. Training participants also included multi-disciplinary (Natural Resources, Business, and Social/Community Development) DFO and project field and specialist support staff.

NACRMLP used the Second Generation OP preparation work as the method to pilot the Second Generation OP guidelines. The consultation, data collection and analysis, and Second Generation OP preparation work was carried out by the CFUG level team of facilitators during field periods between two Second Generation OP training modules, supported by cluster level field staff—together comprising the 'cluster team'—with 'coaching' and process/progress monitoring by Project specialists⁴. Cluster teams prepared and followed an action plan integrating the work of SNRM, business, and livelihood improvement planning into one process.

1.6 Activity 1.5 - Integrating Training Curricula

Integrating LIP and BP modules in the OP preparation/revision facilitator training curriculum was an integral aspect of the Second Generation OP Guideline development process.

1.7 NACRMLP's Final Stage Livelihoods-based Framework for Community Forestry and a Second Generation OP

The Guideline development process included an effort to strengthen the conceptual/operational framework for second generation community forestry. This began during NACRMLP's first, September 2005, field-based user/practitioner⁵ workshop to develop the user-friendly Second Generation OP guidelines. The workshop involved an exercise to assess how effectively the existing CFDP Guidelines were understood and used by users/practitioners in OP preparation/revision. The exercise revealed the Guidelines' strengths and weaknesses and, specifically, an imbalance between the technical, economic/business, and social content, the emphasis being on technical forestry.

² Partly a result of linking this activity to the NACRMLP-supported, longer-term CFD initiative to revise the national CFDP Guidelines

³ As part of the FSP's purpose of consolidating Stage 1 activities, NACRMLP focused interventions in four "cluster areas" (two in each district), selected primarily according to natural resources/business potential, previous NACRMLP interventions, and conflict safety. Selected CFUGs are listed in part 2 below

⁴ Including an 'Integrated OP Consultant'

⁵ Participants included CFUG leaders, OP and LIP facilitators, FECOFUN representatives, and project and DFO field staff

As the Second Generation OP process evolved, NACRMLP identified the main elements of an updated framework for second generation community forestry as including the following:

- The Sustainable Livelihoods Framework, key elements including:
 - Risks and vulnerabilities at household or community level.
 - Five (or six) capital/assets—natural, human, social, financial, physical, (political).
 - Policies, institutions, and processes.
 - Livelihood (and equitable business development) strategies.
- Human rights/“rights-based programming”, emphasising inclusion rights of poor and socially excluded groups in CFUG governance and benefit sharing:
 - Good governance.
 - Gender and social equity.
- Decentralisation:
 - Re-defining appropriate public sector (MFSC, DFO staff) roles at different levels.
 - Partnership, “co-production”, and contract-out service provision arrangements between government, private sector, and non-government service providers (NGSPs) within the MFSC’s NGSP and DFCC policies.
 - Role and recognition of community level, local resource people—facilitators and animators—in providing user-paid, demand-driven OP, LIP, WEP, BP services to CFUGs.
 - CFUG facilitator ‘teams’, or CFUGs as service providers to other CFUGs.
 - Multi-disciplinary facilitators.
 - Accreditation of facilitator training institutions/curricula.
 - Skill testing.
 - Sustainable support system for facilitators through NGSPs, federations, government, or other institutional arrangements.

1.8 Two Inter-Related Guideline Efforts

As noted above, the Project activity to develop “user-friendly guidelines for a CFUG-driven, cost-effective OP revision process that integrates LIP and business planning”—the “Second Generation OP guidelines”—catalysed, and directly supported, a broader MFSC Community Forestry Division initiative to revise the national CFDP Guidelines. How these two processes, involving two separate consultancies, unfolded is described in the next section, “How the Guidelines were developed—a stakeholder consultative process.”

The compressed FSP timeframe impelled the Project to draw a distinction between the longer-term and broader mandate of revising the CFDP Guidelines, and the immediate result of developing the user-friendly Guidelines for Second Generation OPs. Initially, a facilitating activity was identified to assist the Project to convene the “Practitioner workshop—User-friendly guidelines for integrated OPs.” The activity was also to document the workshop findings related to developing updated OP preparation and revision guidelines, and making improvements and changes to the MFSC CFDP Guidelines.

This activity led to a short-term consultancy, “Integrated OP Guidelines Consultancy,” which built on a key finding of the practitioner workshop, namely that the current CFDP Guidelines were outdated, particularly in relation to second generation CF issues. As the consultancy Terms of Reference (ToR) expressed it:

The MFSC is fully aware of the dynamism of the CF sector, the inevitable progress of second generation issues, as well as the need for conflict sensitivity in CFUG activity. Accordingly, at its CF interaction meeting November 16, 2005, a task team involving different CF stakeholders and projects was established that will coordinate the work of updating the CF Guidelines. This consultancy will feed into the work of that task team.

Thus, this NACRMLP consultancy evolved into a key input into the national CFD-level effort to revise the CFDP Guidelines. Although this became a longer-term process than the Project’s immediate activity of developing and piloting Second Generation OP guidelines, NACRMLP worked with the Guidelines Consultant towards making the guidelines user-friendly.”

A second consultancy, “Preparation of “Best Practice” Examples—Integrated Operation Plans,” was initiated to assist the Project with the immediate task. This consultant led the design and instructional activities of two Second Generation OP facilitator training modules, directly supported cluster teams to implement the Second Generation OP preparation work, documented the process and lessons learned, and played a lead role in finalising the Second Generation OP Guidelines. In addition, she played a lead facilitating role for the CFUG selected to produce the best practice example Second Generation OP—Janagal cluster’s “Hile Jaljale Ka.”

Accordingly, and as required by AusAID, the remainder of Milestone 2 covers the following:

- Consultative process of preparing the Second Generation OP guidelines
- The Second Generation OP Guidelines
- Best practice Second Generation OP example

2 How the Guidelines were Developed - A Stakeholder Consultative Process

2.1 April 2005 - Second Generation OP Guidelines Task Team⁶

NACRMLP Final Stage activity in developing improved OP guidelines began during the Final Stage design work in April 2005 when a task team including DFOs and Project staff was formed. This task team reviewed the then status of OP revision, including the backlog, along with various institutional models for OP revision used by DFOs, the Project, and other CF projects. Previously, during the Nepal Australia Community Resource Management Project (NACRMP) period, five institutional models had been identified (of which four were tested) for OP revision, including:

- OP revision by DFO staff
- DFO contracting out OP revision services to a ranger/motivator team
- OP revision by Donor projects/INGOs (Not tested)
- OP revision by NGOs, CFUG networks, and VDCs with DFO support
- OP revision by local NGOs (leading social aspects) and Range Post staff (technical)

During NACRMP, a total of 59 OPs were revised using four of these modalities, and lessons learned in respect of variables including type of CFUG⁷, revision cost, number of paid person days per OP, time needed, quality of first draft, and CFUG ownership/commitment to the revised OP. Among the recommendations was one of categorising CFUGs in terms of orientation towards commercialisation, local marketing and harvesting for local consumption, or subsistence/continued protection, and adopting appropriate OP revision approaches accordingly.

At this time, OP preparation identified the need for a forest management plan, a community development plan, and an institutional strengthening plan. In the experiments, OP revision time varied from 6–12 weeks, and the cheapest modality—for ‘easy’ CFUGs implemented directly by DFO staff—was Rs18,000/OP, just less than half the cost of ‘difficult CFUG’ OPs that were contracted out. NGOs and CFUG networks were funded for OP revision for CFUGs oriented to timber and NTFP commercialisation at a cost of Rs20-35,000/OP.

The NACRMLP task team identified roles of different stakeholders in OP revision functions, and analysed the role of different incentives and compensation systems for facilitators, DFO staff, and others involved in the preparation work. Based on the earlier NACRMP/DFO experiments, potential approaches to reduce the OP revision backlog included:

- Defining A, B, and C categories of forest for forest management purposes based on resource/commercial potential, and hence with different level of effort for OP revision (depending also on forest/CFUG size).

⁶ Multi-stakeholder “task teams” were established and used during the initial Final Stage period to develop Final Stage implementation approaches.

⁷ “Easy” to “difficult,” depending on forest size, number of households, conflicts, etc.

- Modalities involving varying forms of CFUG empowerment, facilitator training, and incentives, with support/follow-up from FECOFUN, NGO, or DFO Forest Guards depending on forest category and demand for technical or social planning.
- Awareness campaigns.
- Establishing a facilitator/technician network as a service providing institution.
- Proposed contents of an agreement between CFUG, OP facilitator, and DFO that specified detailed roles and responsibilities of CFUG, facilitator, Range Post, and DFO office in the OP revision process.
- Use of a “loose sheet” OP document, so that only necessary sections of the document are changed at revision time.
- Attachment of certain OP data as annexes.

The task team also reviewed several DFO/Project proposals for the content of an OP and the content of OP revision facilitator training, then in 3 modules totaling 11 days.

2.2 September 2005 Users/Practitioners Workshop on User-Friendly Second Generation OP Guidelines

The period May-August 2005 involved intensive NACRMLP work in finalising the Final Stage Plan and then re-organising approaches, re-defining and re-selecting working areas, and re-mobilising staff around consolidated programs with focus CFUGs in prioritised cluster areas. For this reason, Second Generation OP Guideline activity resumed only in August 2005. The initial intended approach of the task team included drawing on earlier OP revision experience, reviewing the best practice examples for lessons on process and output (OP document), incorporating state-of-the-art specialist input in elements of LIP, BP, and SNRM, and revising and field testing guidelines.

Second Generation OP Guideline development started most systematically in September 2005 through a four-day users/practitioners’ workshop. NACRMLP specialists developed a workshop schedule that adopted the following process:

1. Visioning of an “ideal integrated OP,” using an “Appreciative Inquiry” approach.
2. Review of current CFDP Guidelines from the perspective of users’ experience.
3. Review of actual OPs, and comparison with CFDP Guidelines.
4. Review of actual LIPs, Business Plans, and SNRM/Active Forest Management principles and practices.
5. Analysis of approaches and methods to integrate LIP, BP, and SNRM best practice into (integrated) OP guidelines.
6. Implications for institutional modalities/arrangements.
7. Training/HRD implications.

This workshop provided a substantial step forward to NACRMLP’s Guideline development process. The detailed workshop proceedings are provided in Annex 1. Key outputs and outcomes of the workshop were:

- Systematic, in-depth analysis and input of field- and district-level users and practitioners regarding the elements of an Second Generation OP, and process and methods for integrating best practices of LIP, BP, and SNRM.

- Institutional options for an Second Generation OP.
- Roles different stakeholders could play in integrating LIP, BD, and SNRM.
- Visioning of characteristics of an ideal OP.
- Constructive critique of current CFDP guidelines, and specific recommended changes, in particular regarding the relative attention given in these guidelines to SNRM, BP, and ‘LIP’-related contents and process.
- A Community Forestry-oriented adaptation of the Sustainable Livelihoods Framework—“An Integrated OP”.
- Recommendations for the continued NACRMLP consultative process to develop user-friendly guidelines with key stakeholders.

Regarding suggested revisions to the CFDP Guidelines, workshop participants proposed specific contents and provisions to be added/changed in specified sections of the current Guidelines. The proceedings recorded all these suggestions in minute detail, including original transcripts of break-out group discussions and presentations in Nepali language.

2.3 Drafting the Revised CFDP Guidelines

By November 2005, a consultancy was arranged with the facilitator of the September workshop to continue the process of drafting revised CFDP Guidelines. NACRMLP specialist staff invested several days in informal workshop activity to prepare an initial draft, detailed “Outline Table of Contents for revised CFDP Guidelines”, and identified action plan steps to meet with a reference group, draft and field test guidelines, and share lessons learned with a broader stakeholder audience. The stakeholder reference group was anticipated as including Community Forestry Division, DFOs, other CF projects (NSCFP, LFP, Churia FDP), FECOFUN, HIMAWANTI, COFSUN, Forest Action, Ranger Association, and selected forest product business development institutions.

An important contribution of the NACRMLP specialist working group was to identify the new ingredients of an introductory conceptual and policy framework for the revised Guidelines. This identified the key policy, conceptual, and sector developments not reflected in the Guidelines’ 2002 revision, and included:

- The PRSP, 10th Plan, MDGs
- World Bank/DFID social inclusion report
- MFSC GSE vision, NGSP, DFCC, and NTFP policies
- GPSE indicators
- Local Self Governance Act/Decentralisation
- Sustainable Livelihoods Framework and rights-based approaches
- FECOFUN strategic planning
- Size of CF sector—8 million CFUG members
- Shifts in public sector role away from direct service delivery towards standards, quality control, M&E, and co-production arrangements
- Developments in role of facilitators, and CFUG self reliance and ownership

A Working Group, whose task would be to prepare a revised version of the CFDP guidelines, was formed at the 16 November, 2005 CFD Community Forestry Interaction Meeting. The interaction meeting shared NACRMLP and LFP experience on livelihoods, good governance, business development, and sustainable forest management, as well as second generation issues recognised by the 4th national CF workshop, 2004. Members of the working group included a representative each from LFP, NACRMLP, NSCFP, FECOFUN, HIMAWANTI, Forest Action, COFSUN, TISO, and CFD.

On 1 December, 2005, the members of this working group formed the core participants for the first sharing meeting to discuss revising the CFDP Guidelines. The Outline Table of Contents prepared by NACRMLP specialists together with the September 2005 workshop report was used as the basis for the sharing. The same afternoon, the working group members stayed on at the NACRMLP meeting hall to finalise their ToR and review their activity/field visit schedule. The working group's ToR included a review of relevant documents, field level consultations on issues and best practices with all stakeholder groups (including entrepreneurs), drafting of revised guidelines, followed by consultation meetings at various levels to gain feedback. A final draft of the guidelines would be prepared by May 2006.

The third meeting of the working group, 12 December, 2005, finalised its activity schedule, formed groups for field visits, prepared a budget for NACRMLP and other CF projects to support, and prepared checklists for three types of field interactions with stakeholders—CFUG, DFO/line agencies, and NGO-FECOFUN-private sector.

On 15 December, 2005 NACRMLP presented the status of the “Revision of Community Forestry Guidelines” activity to the PCC. The presentation covered the three inter-related activities—Activity 1.5, Activity 1.6, and the CFDP Guidelines working group activity. The PCC endorsed the Project's stakeholder-driven approach and the national significance of the activities, while noting that as far as possible the guidelines should be developed and tested in Nepali language, and the Project term “integrated” OP would not be necessary in the final, national version of the CFDP Guidelines.⁸

Between December 2005 and January 2006, drafting of successive versions of the CFDP Guidelines proceeded with the benefit of feedback from working group field visits, Project specialists, other CF projects, and other stakeholders, such as HIMAWANTI. For instance, HIMAWANTI advocated stronger provisions to ensure minimum 50% women's participation in CFUG executive committees, including 15% Dalit and 15% Janajati, with similar affirmative action towards women in economic programs.

In January 2006, NACRMLP took the initiative to send the then CFDP Guidelines draft to a specialised editor for “user-friendliness” treatment. The editor was thoroughly briefed on requirements, and options discussed beforehand. For instance, ways were discussed to introduce a consistent approach to formatting, with clear, easy-to-read section headings and sub-titles, and the use of shaded boxes whenever a new concept or term requiring definition is introduced. Similar, striking forms of presentation could be used to distinguish between process and practical actions, methods, or tools. Language style and subject matter “flow” was also discussed. Attractive and possibly amusing illustrations and diagrams would add value.

⁸ NACRMLP used the term “Integrated” OP to draw attention to the Final Stage Plan's task of integrating especially LIP and business planning into the OP.

The current Second Generation OP Guidelines presented in this Milestone use relevant sections of this partially user-friendly-treated draft of the CFDP Guidelines as a basis.

2.4 Pilot Second Generation OP Preparation Activity with Cluster CFUGs

Due to the Final Stage's compressed timeframe, the activity of CFUGs actually preparing Second Generation OPs using Project Second Generation OP guidelines had to proceed in parallel to the longer-term CFDP Guidelines work. The activity was implemented through a classic Action Research approach, with intensive process monitoring and documentation, and feedback of lessons learned into re-design of methods, guidelines, and curriculum.

The Second Generation OP activity was accomplished through:

- Selecting focus CFUGs within clusters for Second Generation OP preparation work, and existing or new OP, LIP, and WEP facilitators to receive Second Generation OP training.
- NACRMLP specialists preparing draft instructions and formats for processes and methods of field consultation, data collection, analysis, and Second Generation OP content for cluster CFUG facilitators and DFO/Project cluster staff (cluster teams)⁹.
- Iterative process for finalising Second Generation OP (table of) contents, through successive conceptual drafts and continual revisions during final stages of preparing the best practice Second Generation OP example.
- Training modules in Second Generation OP for cluster teams based on the draft instructions, with CFUG field work in between, and a separate SEDC workshop for cluster-based Project staff¹⁰.
- Intensive coaching of cluster teams by the “Best Practice integrated OP” consultant and other NACRMLP specialists.
- Detailed process self-monitoring and documentation by cluster teams facilitated by the consultant, in the field and in reflection sessions (as long as three days) during training modules.

CFUGs selected in the cluster areas were the following:

- Chautara cluster, SP
 - Aasetar, Shreechhap, Gaurati
- Dandapakhar cluster, SP
 - Kalapani, Bolde, Tamche
- Janagal cluster, KP
 - Hile Jaljale Ka, Dhungepakha, Thulopakha-3, Byangdhunga
- Dungkharka cluster, KP
 - Dugulche Amilchaur, Bhasmepakha, Bhusunepakha, Patnebhanjhyang

⁹ The instructions included materials from the September 2005 workshop, current drafts of the revised CFDP Guidelines, Stage 1 LIP methods, and new materials developed by the specialists' group.

¹⁰ SEDC training for DFO staff and cluster facilitators is planned.

Key sessions of the training curriculum used for Second Generation OP preparation covered the following:

- Second generation CF.
- The concept of an Second Generation OP, including latest Second Generation OP framework/diagrams.
- Best practices in SNRM, business planning, and GSE/GG, within a Livelihoods framework.
- Draft Second Generation OP content and overall preparation process, including indicative action plan for work with CFUGs.
- Suggested agendas, processes, and participatory methods to use in:
 - Cluster team meetings,
 - CFUG executive committee meetings—for initial consultation, action planning, and data collection, and for data synthesis, visioning, planning and budgeting
 - Focus/interest group and tole meetings,
 - Inventory, and other data collection,
 - Analytical, visioning, objective-setting, plan preparation, and final consultation and awareness/”ownership-building” work¹¹; and
 - All the above in relation to SNRM, business, and livelihood improvement planning.

The actual Second Generation OP processes and methods used in the four clusters are recorded in detail in the process report. All cluster teams developed an action plan including a time schedule for completing the various Second Generation OP activities to be undertaken in different CFUGs. After training module I, these activities included the cluster team meeting, CFUG committee meeting, field data collection, street theater, interest group/tole meetings, boundary survey, block division and survey, forest inventory, business development assessment, and cluster team meeting for reviewing data and other field work. The Action Research work documented processes, methods, and good practices through all these activities, including tasks such as preparing participatory resource maps, institutional analysis, social maps, and data analysis.

¹¹ Using the ‘CAP’ street theatre approach

3 Limitations

The resulting set of Second Generation OP Guidelines/Curriculum and best practice example should be regarded as a “current best practice/work-in-progress.” As mentioned earlier, NACRMLP specialists and cluster teams used an Action Research-oriented participatory process to develop and pilot OP guidelines that integrated SNRM, LIP, and business planning approaches within an extremely short time frame for an integrated technical-economic-social process, and only partly linked to the broader, more consultative CFDP Guidelines exercise.

Annex 1

September 2005 Users' and Practitioners Workshop Proceedings

Annex 1: September 2005 Users' and Practitioners Workshop Proceedings

1. Introduction and summary

Nepal-Australia Community Resource Management and Livelihoods Project (NACRMLP) organised a workshop (28-30 September 2005) in Banepa with the broader aim of undertaking preparatory homework and analysis for developing user-friendly guidelines for Operational Plan (OP) revision. The purpose of the workshop was to make user-friendly improvements to Ministry of Forest and Soil Conservation (MoFSC) existing guidelines based on field experiences and specialist inputs from NACRMLP's three program-related result areas- social, business and technical.

The workshop brought together different stakeholders (users of OP guidelines)-community forest user group (CFUG) members, facilitators, District Forest Office (DFO), NACRMLP staff, Federation of Community Forest Users-Nepal (FECOFUN) and the specialists in the technical, business and social fields. It provided opportunities to interact and exchange ideas and experiences between the participants.

The participants of the workshop assembled a set of best practices of OP. They identified indicators for an ideal OP (that addresses the issues of livelihoods, business development and sustainable forest management). The participants also reviewed the section of MoFSC community forestry guidelines that relate to OP preparation (Chapter 4) and revision (Chapter 6) in the light of actual field experiences based on the practices facilitated by the NACRMLP and DFO. They proposed a number of recommendations to make the guidelines user-friendly and integrated to address the issues of livelihoods, good governance and sustainable forest management.

The participants also discussed the ways to integrate the livelihood improvement program (LIP), business development (BD) and sustainable forest management (SFM) into OPs in terms of both the products and processes.

Based on the suggestions coming from the workshop, a tentative future action line for NACRMLP is recommended as follows:

1. Share the outcomes (recommendations from the workshop) with the representatives of other stakeholders (DFO, FECOFUN and CFUGs at district and range post level).
2. Develop guidelines incorporating all the recommendations coming from the workshop for the exclusive use of the project.
3. Conduct pilot testing in preparing or revising the Operational Plan for a maximum of five CFUGs both in Kabhre Palanchok and Sindhu Palchok districts by using the new guidelines.
4. Compile the lessons coming from the use of the revised guidelines (Project use).
5. Share the lessons with the national forum includes bilateral projects, NGOs FECOFUN and government.
6. Provide the recommendations to government for revising guidelines with the compilation of comments and suggestions coming from the national forum.

2. Recommendations for Revising Guidelines

These recommendations are coming out from the workshop organised by NACRMLP in Banepa from 28-30 September 2005. A range of participants from different stakeholder groups such as DFO, FECOFUN, CFUGs, CF facilitators, Project and NGOs engaged in the interaction and concluded with the following recommendation in revising the Guidelines for Community Forestry Development Program.

Table 1: Recommendations coming from the workshop participants in revising the community forestry guidelines

Contents (What) to be added	Where to incorporate in the Guidelines?	How to incorporate?	Remarks
A. Social aspects			
1. DFO approves the revised OP to incorporate necessary adjustment (before expiry date of the current OP). The revision should be made by the CFUG and approved by the general assembly ¹² .	Chapter 6 of current guidelines, paragraph 3. Chapter 5, section 5.4 also allows to incorporate.		The provision in current guidelines (chapter 6, first bullet needs to be elaborated and explained. <i>“The CFUG requests amendment during the implementation phase because of problems and changed circumstances”</i>
2. Women should be represented in the CFUG committee by 50% and DAG should be represented proportionate of the population	Chapter 3, section 3.2.2 bullet 10		“Formation process of CFUG committee” in chapter 3, section 3.2.2, and bullet 10 should be elaborated
3. Address second generation issues of community forestry- good governance (equity and justice), livelihood improvement (through business development) and sustainable forest management	Add a section in chapter 3 and subsequent provision in chapters 4, 5 and 6.		
4. CFUG develop a plan for livelihood improvement to address the need of the poorest of the poor	Chapter 4, section 4.2.2		<i>“Women, and the poor and marginalised should be included in tole meetings as their demands need to be incorporated in the discussions”</i> (4.2.2 line 6) – this provision should be interpreted as the livelihood improvement of these categories of people

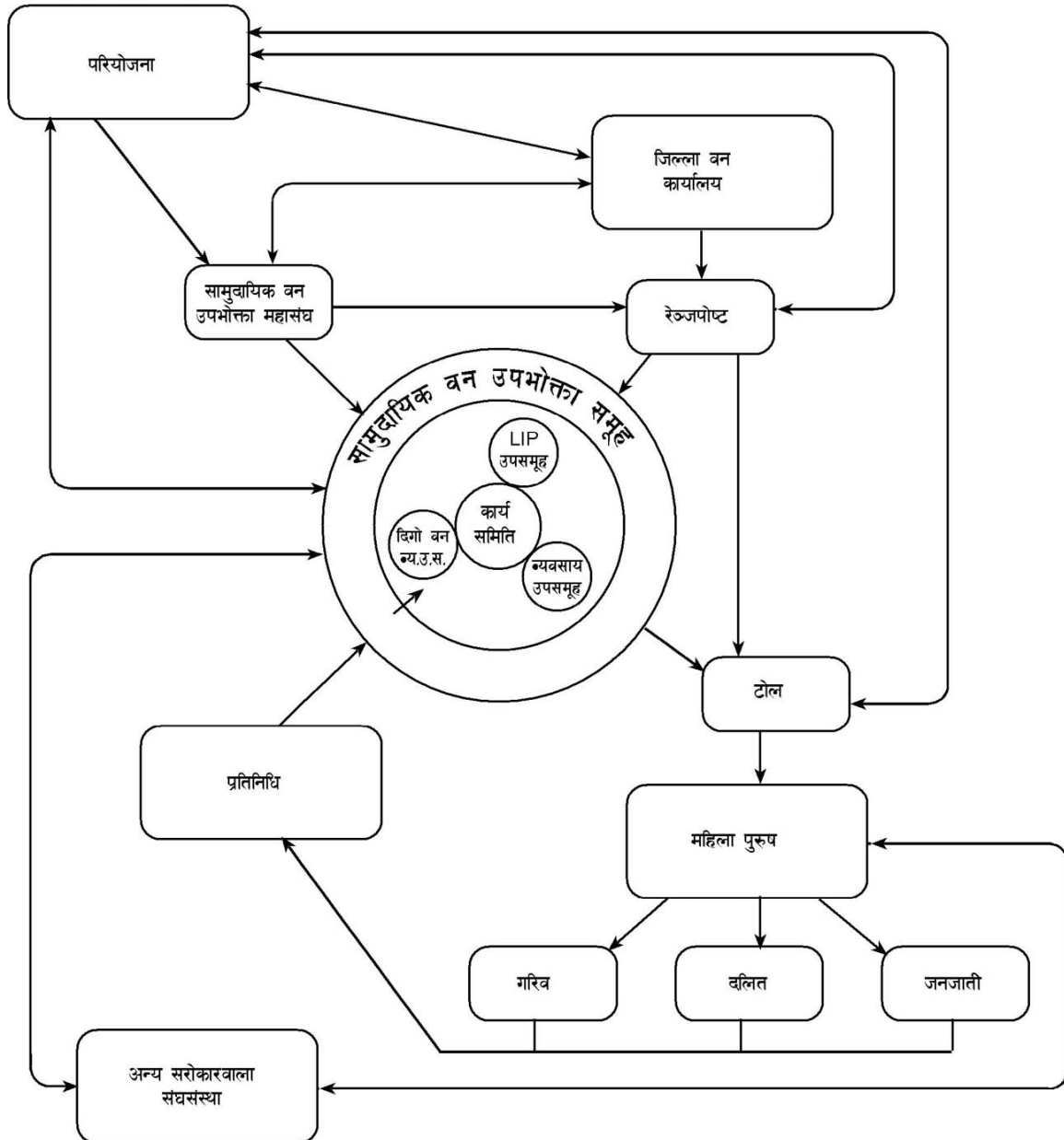
¹²The FUG members made a recommendation that the provision for not revising OP for at least two years, should be removed (decision made by the Ministry)

Contents (What) to be added	Where to incorporate in the Guidelines?	How to incorporate?	Remarks
5. Blocks of the community forestry area can be allocated to the poorest of the poor for income generation activities. Resource rich areas can also be allocated to them by the CFUG. It should be approved by the general assembly of the CFUG.	Chapter 4, section 4.2.2		
B. Technical aspects			
1. CFUG can harvest an average allowable cut based on the average increment	Chapter 4, section 4.2.1		Bullet 4 of 4.2.1 should be interpreted as average annual cut (determine <i>“figures for growing stock, mean annual increment and annual harvestable amount for all forest products from each block using the forest resource assessment”</i>)
2. For the intensive management of pine forests (especially plantations), thinning of the trees should be done based on the existing stock and age of the trees	Chapter 6, section 6.1		Bullet 3 of the section 6.1 <i>“evaluate the forest condition and inspect plantation activity”</i> need to be elaborated and extended
3. The interest groups can cultivate grasses, amriso, bamboo, nigalo and other cash crops in the allocated land to them in the community forestry area.	Chapter 4, section 4.2.1		Elaborate bullet 3 <i>“divide the forest area into blocks and sub blocks according to the forest management objectives based on user’s demands”</i>
C. Economic aspects			
1. Based on the condition of forests (A, B and C), the CFUG can establish forest based enterprises based on both timber and non timber forest products. For this, a business development plan should be prepared by the CFUG and annexed in OP. <ul style="list-style-type: none"> • Provision for entrepreneurship and commercialisation of forest resources • A provision for business development service (by DFO and other concerned stakeholders) 	Add a section in chapter 4 related to business development plan Can also be added in chapter 5, section 5.3		Develop a format for the business development plan (see page 16 and 17 of the Nepali version of the workshop document) The distance limit for establishing sawmill should not be imposed.
2. Simple rules and procedures should be followed in selling the forest products even for outside of the district. DFO facilitates the process of simplifications. Some of the areas to be simplified are: stamping, transit, auction etc.	Chapter 5, section 5.3, bullet 3		<i>“Assist the CFUG in processing and marketing of forest products available from its community forest”.</i>

Contents (What) to be added	Where to incorporate in the Guidelines?	How to incorporate?	Remarks
There is no clear legal basis for harvesting and marketing of the forest products from the community forests. This is regulated by the policies of forest products marketing from the national forests.			
D. Others			
1. OP should comprise four parts as follows: <ul style="list-style-type: none"> • Part 1: General introduction • Part 2 : Sustainable forest management (Intensive forest management) • Part 3: Livelihood improvement plans • Part 4: Business Development Plan 	Add this provision in chapter 4, section 4.2 of the guidelines		Second Generation OP
2. Three sub groups (sustainable forest management, livelihood improvement plan and business development plan) can be formed within the CFUG committee to facilitate and coordinate the process of Second Generation OP	Chapter 3, section 3.2.2		Second Generation OP
3. Get ready LIP and BD plans while preparing or revising the OP, it could be implemented after approval from general assembly. Or A and B categories CF should include the LIP and BD plans during preparing or revising OP, while C category CF should make a provision for LIP and BD plans that can be developed in certain period of time and be implemented.	Add a section in Chapter 4 for LIP and BD		
4. The work of the facilitators both from the government and non government sector will be recognised by DFO as legitimate facilitation	Chapter 6, section 6.2		Add a provision as follows: <i>Other supporting organisations include CFUGs, FECOFUN, NGOs, Projects and other local groups such as women groups, saving and credit groups etc.</i>
5. Some portion of the CFUG fund should be allocated for empowerment program (educational fund, gender budgeting, DAG budgeting etc)	Chapter 4, section 4.2.2, bullet 24.		<i>Program for uplifting women and marginalised people need to be elaborated for the allocation of the budget.</i>

3. What Institutional Arrangement is needed for a Second Generation OP?

एकिकृत कार्ययोजनाका लागि प्रस्तावित संरचनागत व्यवस्था / सरोकारवालाहरूको सहकार्य



This institutional arrangement has been developed and recommended by the participants of the workshops to implement the Second Generation Operational Plan of community forest management. They also recommended that the forest user groups can form a number of issue based sub committees such as human resource development sub – committee, self monitoring sub committee etc. Many of the CFUGs have already put this idea into practice.

4. What Roles Different Stakeholders could Play in Integrating LIP, BD and SFM?

The role devised for different stakeholders in supporting the implementation of Second Generation OP below also came out of the group discussions in the workshop. The role and responsibilities assigned to different stakeholders in the table below are in line with the institutional arrangement presented in the diagram above.

Table 2: Roles and responsibilities assigned to different stakeholders for implementing a Second Generation Operational Plan

Stakeholders	Role and responsibilities
CFUG committee	<ul style="list-style-type: none"> • Identification of the opportunities for LIP and BD and SFM • Identification of enterprises for interest groups • Need assessment for training to enhance skills and knowledge and to implement the plans • Identification of facilitators • Coordination of human and other resources available at CFUG level.
DFCC	Coordination and monitoring
NGOs/clubs	Facilitations
Bank, livestock office and chambers of commerce	Provide services
DFO and Range Posts	<ul style="list-style-type: none"> • Human resource support • Pilot testing (test the ideas in some CFUGs in initial phase to refine the ideas) • Technical and legal support • Approval of the changes in OP (even in mid-term) • Monitoring and follow-up of the Second Generation OP
Facilitators	<ul style="list-style-type: none"> • Facilitation and support to prepare Second Generation OP • Support to forest management activities • Act as local resource person to strengthen institutional mechanism of CFUGs
FECOFUN	<ul style="list-style-type: none"> • Coordination, advocacy for the Second Generation OP and scaling up of the concepts and processes
Projects	<ul style="list-style-type: none"> • Training to facilitators, users and DFO staff in Second Generation OP • Policy feed back to government and other national level stakeholders • Support in field testing the concepts, processes and methodologies • Scaling up and out of the field tested processes and methodologies
VDC	<ul style="list-style-type: none"> • Forest boundary identification, training support and support in OP preparation

5. What Elements are Included/Missing in CF Guidelines to Prepare an Ideal OP?

A group exercise identified the major characteristics of an “ideal OP”. The participants themselves defined the indicators for an ideal OP in three different groups and presented in the plenary. The Column 1 (characteristics of ideal OP) in the table below is the summary of the group presentation. The columns 2 and 3 are the analysis of the facilitators’ team to identify the gaps and or matches in the CF guidelines to promote an ideal OP and the line of actions to be followed.

Table 3: Details of the indicators and analysis

Characteristics of ideal OP (Indicators)	Match/missing in Guidelines	What needs to be done?
A. Social Aspects		
Capturing the interests of poor, women and marginalised people through tole level discussion	4.2.2 and 6.2	Needs to be put into practice with an interpretation favouring the disadvantaged groups
Simple to the level that all users could understand it	Missing	Very simple Nepali language (local daily uses language), Add this provision in introductory section of the guidelines
Gender equity- in decision-making forum, their participation should also be guaranteed for taking decision-making role for all other development activities. Women should hold one of the key positions (Chairperson, Secretary and Treasurer)	Included to some extent in section 3, 4 and 5, but to be improved	A compulsory provision for 50 percent women to be represented in CFUG committee (Chapter 3 section 3.2.2, formation of the CFUG committee needs to be elaborated to guarantee representation of women by 50% Also consider which women (rich vs poor, educated vs uneducated, Dalit vs upper caste etc)
Proportionate representation of DAG and ethnic groups in decision making	Missing	Make a provision in chapter 3, section 3.2.2 Consider, which dalit, ethnic members etc (education, class, employment, etc)
Transparent and accountable procedures	Not included explicitly	Chapter 3, section 3.2 Also depend upon the how the practice is being facilitated
Include activities that empower the women poor and marginalised	Matches to the provision in Chapter 4, section 4.2.2	Elaborate the provision “ <i>program for uplifting women and marginalised people</i> ”
Part of the community forest legally handed over to the poorest of the poor	Lack of legal provision	Add a section in chapter 4.

Characteristics of ideal OP (Indicators)	Match/missing in Guidelines	What needs to be done?
Promotion of local skills and knowledge	Lack of clear provision	Elaborate and include about local knowledge and skills of CFUG in chapter 5 section 5.3 bullet 7 “ <i>upgrade skills associated with investment planning and priority ranking within the CFUG</i> ”
B. Technical Aspects		
Forest inventory that covers all timber and non timber resources	A clear provision in guidelines in chapter 4 section 4.1.1 bullet 4	It needs to be implemented in practice with positive interpretation. The problem lies with the practitioners as forestry experts provide value to timber
A match between the forest condition and needs for the forest products of the people	Chapter 4 section 4.2.1 and 4.2.2	A realistic calculation should be made to meet the needs of the people. Often the trend of calculation of allowable cut is below the average allowable cuts
Inconsistencies in constitutions and OP should be avoided		
Indicators for sustainable forest management	Missing	Can be included in chapter 4 section 4.2.2
A provision for forest product commercialisation	Included to some extent in the guidelines	A subsection in 5.3 should be added detailing the mechanism of commercialisation
A provision of NTFP management	Missing	A sub section should be added to Chapter 4 section 4.2.2
A plan to convert pine forest into broad leaf forest	Missing	Add a sub section in Chapter 4
C. Economic Aspects		
Investment of income for appropriate work (income generation, enterprising etc)	Missing	Add a sub section under 4.2.2 (elaborate the bullet “ <i>provision for fund utilisation</i> ”)
A clear marketing strategy for the forest products	Missing	Elaborate the section 5.3 and 4.2.2 about the strategy for marketing
A clear process for NTFP collection and storage	Missing	Add a sub section in 4.2.2 with an elaboration about the NTFP collection, storage and marketing
Appropriate monitoring mechanism	Though the monitoring section occupies the major part in chapter 6, it does not clearly define the role of self and collaborative monitoring	Add a sub section in Chapter 6 with a clear provision for self and collaborative monitoring for facilitating the implementation of ideal OP

6. Recommendations to NACRMLP for Future Action Lines

The focus of the workshop was primarily to draw out some insights and lessons for recommendations for user-friendly guidelines for Second Generation operational plan of community forestry. Findings were sought, useful for both the Ministry of Forests and Soil Conservation and Community Forest User Groups, to address the second generation issues of community forestry.

Some of the recommendations to NACRMLP to take future action to facilitate the processes of development of user friendly guidelines are as follows:

1. Discuss and internalise the recommendations proposed in Table (for revising the existing community forestry guidelines) among the project team members.

The project team members, especially the specialists of three different programs: LIP, BD and sustainable forest management, should discuss and internalise the contents to be incorporated in the guidelines and develop reflective views on the recommendations made by the workshop.

2. Share the outcomes (recommendations from the workshop) with the representatives of other stakeholders (DFO, FECOFUN and CFUGs at district and range post level).

A half day workshop can be organised to share the outcomes from the workshop. The participants' feedbacks on the outcomes would be valuable to initiate the process of developing revised guidelines for the use of the project.

3. Develop guidelines incorporating all the recommendations coming from the workshop for the exclusive use of the project.
4. Conduct field testing in preparing or revising the Operational Plan in maximum of five CFUGs both in Kabhre Palanchok and Sindhupalchok districts by using the new guidelines.
5. Compile the lessons coming from the use of the revised guidelines (project use).
6. Share the lessons with the national forum which includes bilateral projects, NGOs FECOFUN and the government.
7. Provide the recommendations to government for revising guidelines with the compilation of comments and suggestions coming from the national forum.

7. Photographs of the Workshop

Photo 1: Group discussion



Photo 2: Plenary discussion



Limitations

URS Australia Pty Ltd (URS) has prepared this report in accordance with the usual care and thoroughness of the consulting profession for the use of AusAID and only those third parties who have been authorised in writing by URS to rely on the report. It is based on generally accepted practices and standards at the time it was prepared. No other warranty, expressed or implied, is made as to the professional advice included in this report. It is prepared in accordance with the scope of work and for the purpose outlined in the Proposal dated November 2002.

The methodology adopted and sources of information used by URS are outlined in this report. URS has made no independent verification of this information beyond the agreed scope of works and URS assumes no responsibility for any inaccuracies or omissions. No indications were found during our investigations that information contained in this report as provided to URS was false.

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