

**WATER FINANCING PARTNERSHIP FACILITY
PILOT DEMONSTRATION ACTIVITY**

Request Form

Activity Title: Demonstrating Capacity Strengthening Approach to Enhancing Sustainability and Accountability of Irrigation Water Users' Association through their Federation in Nepal	
Proposer (Name, Div/Dept):	
Request Date: 8 October 2008	
Country (DMC): Nepal	Region: South Asia
Activity Proposed Start Date: November 2008	Activity Proposed Duration: 12 months
Cost Estimate: US \$ 49,300	
Implementing Organization Contact: National Federation of Irrigation Water User Association, Nepal (NFIWUAN) Kathmandu, Metropolis 34, Old Baneshwor, Kathmandu P.O.Box No. 21398, Telephone/Fax No. 977-1-4475010 E-Mail: nfiwuan@wlink.com.np	
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Background and Rational

1. Irrigation water users in Nepal have formed themselves into a National Federation of Irrigation Water Users' Association, Nepal (NFIWUAN) to collectively improve their performance by drawing from their respective strengths and sharing those strengths with others. NFIWUAN was established in 1998 comprising 13 WUAs from 8 districts at the initial stage. It received its legal status in August 1998 after being registered in the district administration office in Kathmandu. NFIWUAN held its first national assembly meeting in Kathmandu in which 91 WUA representatives from 30 districts participated. In the second national assembly meeting held in January 2004 at Janakpur, there were over 400 participants from 66 districts. At this time, 2,139 units of WUAs from 68 districts were registered in NFIWUAN. It was established for the purpose of promoting participatory irrigation development, user empowerments and partnership among the agencies involved in irrigation development.

2. The specific objectives of NFIWUAN are to make users aware of the government policy, regulation and act relating to irrigation; develop leadership among water users for better coordination and effective participation with irrigation agencies; conduct research, study, performance evaluation, and user capacity development trainings for sustainable development of irrigation projects; organize WUAs all over the country and ensure women and marginalized irrigation communities are mainstreamed in decision-making; and assist government agencies in planning, implementing and policy formulation on behalf of irrigation beneficiaries.

3. There is wide concern for development and involvement of user organizations in the Government's Irrigation Policy and project documents prepared by external funding agencies. One of the three objectives of Irrigation Policy (2003) is to "develop institutional capacity of Water Users for sustainable management of existing system". The irrigation policy clearly anticipates sustainable management of irrigation systems through involvement of user organizations and the NFIWUAN. Farmer-managed irrigation scheme improvement

projects are now implemented nationwide including the ADB-assisted Community-managed Irrigated Agriculture Sector Project (CMIASP) and the World Bank-assisted Integrated Water Resources Management project, and NFIWUAN is progressively forging partnerships with the government and international NGOs like Ford Foundation, Asia Foundation and Care Nepal through regular program engagement. Under the CMIASP, involvement of NFIWUAN in many activities, such as district inventory collection and information campaigns is mentioned. However, little efforts have been made by any organizations in order to really develop the institutional capacity of NFIWUAN. NFIWUAN is invited periodically to undertake project activities as a partner, but it does not have adequate trained and skilled manpower to meet the specific requirements of the projects.

4. Hence, the need to strengthen NFIWUAN's capacity and prepare it to meet short-term challenges offered by the existing farmer-managed irrigation rehabilitation projects in Nepal and demonstrate the effectiveness of federating WUAs and establishing permanent capacities to deliver necessary awareness campaigns and capacity strengthening support to individual WUAs at the local level.

Objectives

5. The overall objective of this PDA is to demonstrate how to make irrigation WUAs more sustainable and durable through regular capacity building and monitoring by NFIWUAN. With strengthened capacity, water user organizations can sustain and continue harvesting the irrigation benefit obtained after project completion. WUAs would involve minority groups to make decisions, ensuring equitable distribution of irrigation water for their livelihood. The PDA will also empower WUAs and NFIWUAN and facilitate the reflection of the voices of stakeholders in the central level policy and program formulation process.

6. Specifically, the PDA aims to:

- Develop capacity of members of NFIWUAN on program planning, monitoring and evaluation.
- Provide training on management capacity development of 10 district federations of Irrigation Water User Association (WUA).
- Form 5 district federations and establish 20 district federation offices with office facilities
- Strengthen NFIWUAN for preparation of vision and medium-term development plan and provide support to NFIWUAN for its annual report, newsletter, policy advocacy seminar, general assembly election and office management.

7. The project component consists of three parts: (1) Capacity development of central and district members of NFIWUAN and District Federation of Irrigation Water Users Association (DFIWUA), (2) Formation and establishment of DFIWUA, (3) Supporting NFIWUAN with annual report and newsletter publication, policy advocacy seminar, general assembly election and office management support.

Scope of Works/Description of Activities

8. Farmer managed irrigation systems (FMIS) are the smaller size irrigation systems constructed, controlled and managed by farmers themselves. These systems mostly located in the hills have become the great means of agricultural production and ultimately the potential source of livelihood of poor farmers. Such systems are being rehabilitated by government through the financial resources support of bilateral agencies. These systems are implemented with participatory approaches involving users and organizations including NFIWUAN and district federations. Hence, the first task of this project is to develop the

knowledge and skills of NFIWUAN and its district federation on program planning, monitoring and evaluations so that they can understand how FMIS projects and management transfer projects are being implemented and whether these plans are being implanted as planned or there is any deviation in the process. This will involve the following activities:

- Selection of 25 members (NFIWUAN and district federation) by the executives of NFIWUAN
- Building knowledge and skills of the 25 members through training
- Deploying a few members of the trained group to on going FMIS development projects like in CMIASP, ADB and World Bank for feedback to management group.

9. To meet the second objective, training management skills and knowledge will need to be developed. It is anticipated that the users and user organizations will be developed and empowered delivering various basic trainings at the field. Farmers school for seasonal water management procedures based on crops and farming system have to be implemented through peer training process. In general, several trainings including office management, resource management, leadership development, program planning, and operation and maintenance are needed in every FMIS. The training will also highlight irrigation as a service that must be delivered in an efficient manner from the provider to WUA, and in turn from WUA to its members. In order to conduct and manage such basic skill and knowledge building trainings, NFIWUAN and its district federations need training management skill for efficacy, efficiency and effectiveness in training program delivery. For this, members of district federations (7 districts from central development region and 7 from eastern region) will be involved. Three persons from each district and seven persons from NFIWUAN will be selected for the training. This will involve the following activities:

- Selecting participants for training management from NFIWUAN and district federation.
- Developing training material for training
- Organizing and conducting training
- Maintaining the record and roster of the trained staff and circulating the outcomes to FMIS development projects

10. NFIWUAN has established 68 district federations so far. Five district federations (Solokhumbu, Sindhuli, Khotang, Taplejung and Panchthar) which are included in CMIASP are not in existence. So, association and involvement of these district federations has not been possible in many irrigation projects including CMIASP. Almost 35 district federations (all in the central and eastern regions except Chitawan and Dhanusa) do not have even minimum office facilities. So, this project aims to establish 20 district federations with office supports. This will involve the following activities:

- Send members from NFIWUAN to 5 districts to form district federation
- Inform 20 district federations to submit lists (already decided and approved) for purchasing office support materials.
- Purchase the office support material to 20 district federations.

11. Strengthening institutional capacity of NFIWUAN activities -- such as General (national) Assembly election, quarterly review meeting, newsletter and annual report publication, and policy advocacy on FMIS implementation process improvement -- will be supported and regularized. Constitution, rules and policy of NFIWUAN are amended every four years by general assembly in accordance with the Irrigation Policy and Act. The amended constitution, rules and new program for four years with vision need to be submitted to General Assembly for approval.

12. For dissemination and communication of irrigation innovations and processes, NFIWUAN will be assisted in improving publication of trimester newsletter containing new irrigation innovation, participatory processes, WUA development approach, lessons learned in irrigation projects, etc. This will be very useful learning material to many. Under the PDA, this program will be continued providing small support for the following activities:

- Inviting members of General Assembly from all over the country
- Preparing draft constitution, rules, and program for upcoming four years
- Organizing and conducting General Assembly election
- Submitting, commenting and approving new programs, rules and constitution by new committee.
- Formulation and development of visions and medium-term development plan

13. As the PDA seeks to demonstrate a model for WUA capacity building for replication and scaling up, the PDA will also document the process of the institutional strengthening at district and central level, and prepare a toolkit for WUA strengthening led by central NFIWUAN, for future use not only in Nepal but in other countries where ADB is promoting the strengthening WUAs to improve irrigation service efficiency.

Implementation Schedule, Institutional Management Arrangement and Proponent Qualification

A. Project Implementation Schedule

14. The project will be implemented over a period of one year. During the 1st quarter of the year, district federation offices will be established and strengthened. During the remaining 3 quarters, various activities will be accomplished in accordance with the schedule below (Figure 1). During the last month of the year, annual program and Project Completion Report will be prepared.

Figure 1. Implementation Schedule

Activities	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
District Level Federation Capacity Development				
5 District Federation Formation	■			
20 District Federation Strengthening		■	■	
Training of Trainers for WUA administration and operations		■	■	
Training for Project Planning, Monitoring and Evaluation		■		
Central Level NFIWUAN Strengthening				
General Assembly Election	■			
Vision and Medium-term Programs, Policy dialogues		■	■	■
Quarterly Review Meetings		■	■	■
Newsletter Publication		■		■
Consultants				
Short-term Consultants for Capacity Development	■	■	■	■
Process Documentation Specialist			■	■
Assistant Researcher				■
PDA Operations				
Office support for PDA Administration				
Reporting				
Inception, Quarterly and Final Reporting	■	■	■	■

B. Institutional Management Arrangements and Partnership Approach

15. The program will be managed by NFIWUAN, which will serve as PDA implementing agency, in partnership with RITI–Nepal, a consultancy firm. NFIWUAN will have overall programmatic, administrative and management responsibility for the program. Its office is located in Baneshwor, Kathmandu. RITI Nepal office is located in Jawalakhel Lalitpur. NFIWUAN and RITI have worked as partners in implementation of WUA development and Irrigation Service Fee collection project activities. Professionals and experts of RITI had shared with NFIWUAN experiences and knowledge gained through Irrigation Management Transfer Projects financed by ADB and Irrigation Management Project financed by USAID in the past. RITI will provide technical backstopping to NFIWUAN. The RITI team co-coordinator (consultant) will assist NFIWUAN with the overall implementation of project activities. Specifically, RITI will assist NFIWUAN in the following activities:

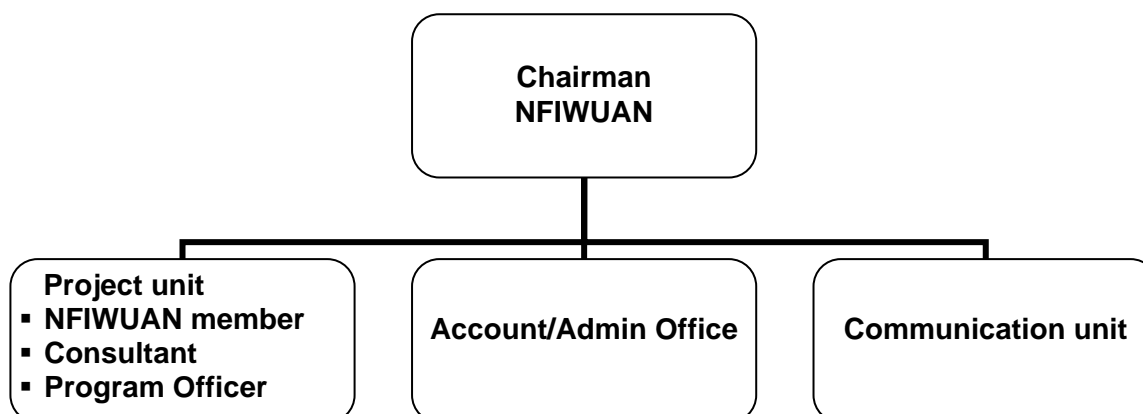
- Keeping project accounts perfect and transparent as required by ADB;
- Train central NFIWUAN members in developing training management skills; monitoring and evaluation skill, and program supervision process;
- Assist and train executives of district federations in developing training needs plan for their district-level WUAs;
- Establish good governance characteristics (transparency, equity, participation and rule of law) while executive project management functions (planning, staffing, controlling and decision making);
- Assist central and district NFIWUAN in formulating its constitutions, rules and policy so that social inclusion and empowerment of women and landless farmers are achieved; and
- Assist NFIWUAN in forming district federations and their establishment.

16. To the extent possible, NFIWUAN will establish contact with and seek technical advice from the International Water Management Institute (IWMI) which has been designated as a regional water knowledge hub for irrigation reform.

C. Project Activity Management Organization

17. NFIWUAN central office in Baneshwore, Kathmandu is headed by Mr. R.P. Mehata, the NFIUWAN chairman who will be authorized person in approving budget and expenditures under the PDA. He will be assisted by an account officer and program management officer along with the consultant deputed by RITI.

Figure 2. Organizational Structure



18. The account officer, program officer, and project consultant will recommend the work program and budget for Chairperson / NFIWUAN's approval. The program officer (to be engaged) will manage trainings and other activities as listed in annual plan, The account officer (Mr. Kedar Koirala) will be responsible for maintaining financial records and statements of expenditure (SOE), and will submit documents for reimbursement, with Chairperson approval.

19. The team co-coordinating consultant (TCC, Mr. R.R.S. Neupane) from RITI will be responsible for assisting the NFIWUAN project team and Chairperson for planning, implementing and evaluating the project. Also, he will ensure capacity development of central and district NFIWUAN members as expected by the project. Mr. Neupane has huge past experience in institutional development acquired from Irrigation Management Project (1995-2002), ADB assistance; SAGUN Irrigation Project, CARE/Nepal and USAID assistance (2002-2006). He has Master Degree in Water Management and has working experience of 35 years as trainer and institutional and water management specialist in irrigated agriculture. His input will be for 5.5 months in one year.

20. The TCC will prepare and submit quarterly reports along with project completion report. The reports will indicate results and impacts of planned activities and will be submitted to chairperson / NFIWUAN and project activity officer, ADB. The TCC will closely monitor the budget expenditure and utilization by NFIWUAN; adoption and implementation of good governance characteristic in overall project management; and social inclusion in program implementation.

Expected Results (Outputs, Outcome, Impact)

21. The PDA results in terms of output, outcomes and impacts will be as described below.

A. Outputs

- 25 trained members of NFIWUAN and district federation on program planning , monitoring and evaluation (9 from central region, 9 from eastern region and 7 from NFIWUAN)
- 50 trained members of NFIWUAN and district federation on training management skill and knowledge
- 5 newly formed district federation in eastern region. 20 district federation having office support in place.
- National assembly election and new executives of NFIWUAN
- 4 publication of Newsletter
- One policy advocacy seminar on FMIS implementation
- New vision and mid term development plan of NFIWUAN
- Process document of capacity strengthening approach of NFIWUAN and toolkit development for WUA strengthening.

B. Outcomes

- NFIWUAN and district federation members engaged in performance evaluation of WUAs of district federation by FMIS rehabilitation project
- NFIWUAN and district federation members implemented more and more user level training effectively.
- 20-district federation supported FMIS project like CMIASP through water user development activities.

- Newly elected members of NFIWUAN approved modified constitution, rules and new long-term 5-year program of NFIWUAN.
- Suggestions, modification and new innovative indigenous methods on FMIS implementation submitted to Ministry of Water resource for policy changes.

C. Impacts (beyond 3 years)

22. The impacts of the project will be seen after three years of project completion. However, some impacts as mentioned below are visible at the end of the project.

- Improved intervention strategy and implementation procedures of FMIS and associated user empowerment process.
- Forthcoming FMIS implementation strategy and procedures are improved with efficiency and effectiveness;
- Increased confidence, response and positive attitude among users towards participatory approach of FMIS development through peer training approach.
- Accelerated preparatory intervention approach in CMIASP through supportive activities of WUA like in information campaign, WUA contribution and irrigation facility construction.
- NFIWUAN implemented ratified constitution, rules and five year program to enhance farmer managed irrigation system of Nepal.
- Government received policy inputs from NFIWUAN to improve FMIS implementation strategy and procedures.

Project Performance Indicators

23. At the beginning of the project implementation, a baseline study will fix the qualitative and quantitative indicators. These performance indicators will be measured against the status quo and will be reported in the final report:

- Number of capable resource persons on monitoring and evaluation process and training management in NFIWUAN.
- Number of formed and established district federation actively involved in FMIS improvement activities like in CMIASP.
- Modified and ratified cases of constitution and rules and key features of long term program of NFIWUAN.
- List of policy inputs for improving FMIS implementation procedures.

Stakeholder Participation

24. The district federation members, concerned divisional staff of Department of Irrigation, local leaders, and line agency staff implementing FMIS would be the prime stakeholders of this project. Their participation and valuable comments, suggestions and contribution will be incorporated to make the program more effective and useful. RITI-Nepal has reliable experience in stakeholder involvement strategy and participatory approaches required for community development, so it will support in this activity.

Scope for Replication/Use in other Country

25. Partnership approach between user federations and government in managing natural resources like water would be a model experiment through this project. This approach can

be replicated by Federation of Drinking Water and Sanitation and Federation of Disaster Sufferer Groups, where Government wishes to launch natural resources management programs involving users and user organizations. The anticipated key strategy outcomes of this partnership approach would be increased level of good governance, advocacy capacity, ensured empowerment of disadvantages and women group, implementation of participatory approaches, decreased level of corruption and effective program results.

Cost Estimates

26. The overall cost estimate contains cost of capacity development, operational support, program support of NFIWUAN in undertaking the PDA activities.

Table. Cost Estimate

S. No	Inputs/Expenditure Category		Total Cost, US \$
A	<i>Consultants/Specialists and related services</i>		11,341
	◆ water management consultant for 5.5 person months @ \$870/month		4,785
	◆ Process documentation specialist for 2 person months @ \$800/month		1,600
	◆ Assistant researchers for 1.5 person months @ \$800/month		1,200
	◆ Program officer for PDA activity for 12 person months @ \$188/month		2,256
	◆ Travel cost and per diem @ \$20/day		1,500
B	<i>Conference, Workshop, Surveys and related expenses including training</i>		23,138
	1. Training cost (one event of M&E training and two events of TOT for 25 participants, 7 days training in both Kathmandu and Biratnagar (The training cost includes participants daily allowance, room and board charge, training materials, hall and projector renting, and stationary).		6,616
	2. Formation of new district federation in five districts		1,449
	3. Training resource persons and coordinators for delivery in lecture and for managing training (monitoring & evaluation, training on TOT)		6,524
	Break-down as follow-		
	◆ Training coordinator for 7 days @ \$43.5/day for 3 training events	914	
	◆ Training resource persons, 2 for 7 days @ \$43.5/day for 3 training events	1,827	
	◆ Training assistant for 7 days @ \$14.5/day for 3 training events	304	
	◆ Travel cost for coordinator and training asst @ \$65.2 for 2 days for 3 training events	782	
	◆ Travel cost for 2 resource persons @ \$7.25/day for 2 days for 3 training events	87	
	◆ Travel cost for 25 participants @ \$17.4 for 2 days for 3 training events	2,610	

S. No	Inputs/Expenditure Category		Total Cost, US \$
	4. Institutional strengthening of NFIWUAN ◆ National assembly election for approving vision and mid-term planning, new policy and constitution of NFIWUAN (election consisting of 500 assembly members covering room and board & daily allowances for 3 days)		7,246
	Break-down as follow-		
	(i) Food for 300 participants @ \$4/day for 3 days	3,600	
	(ii) Lodging for 300 participants @ \$3/day for 3 days	2,700	
	(iii) Equipment and hall charge for 3 days	346	
	(iv) Transportation	600	
	◆ Quarterly meeting for reviewing progress of PDA (\$108.75 for each meeting covering snacks, transportation for 25 members)		435
	◆ Quarterly Newsletter publication for disseminating new innovative process, outcome, achievement, lesson learnt of PDA (\$217 for each publication)		868
C	<i>Office Equipment, Office space rental and related services</i>		9,901
	1. Office establishment in 20 district federation		4,348
	2. Office space renting PDA program		2,604
	3. Stationary and supplies		864
	4. Communication		1,392
	5. Transport		693
D	<i>Service contractor</i>		4,920
	1. Computer secretary 12 person months @ \$150/month		1,800
	2. Finance officer 12 person months @ \$188/month		2,256
	3. office assistance 12 person months @ \$72/month		864
	Total PDA grant financed		49,300