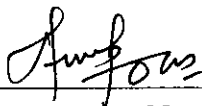


**RECORD OF DISCUSSIONS  
BETWEEN  
JAPAN INTERNATIONAL COOPERATION AGENCY  
AND  
CONCERNED AUTHORITIES OF  
THE GOVERNMENT OF NEPAL  
ON  
JAPANESE TECHNICAL COOPERATION  
FOR  
PARTICIPATORY WATERSHED MANAGEMENT AND  
LOCAL GOVERNANCE PROJECT**

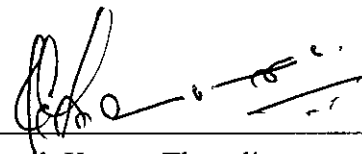
With regard to the Minutes of Meeting between the Preparatory Study Team and the Government of Nepal dated November 21 2008, Japan International Cooperation Agency (hereinafter referred to as "JICA") had a series of discussions, through the Chief Representative of JICA in Nepal, Authorities Concerned of the Government of Nepal with respect to desirable measures to be taken by JICA and the Government of Nepal for the successful implementation of the above-mentioned Project.

As a result of the discussions, and in accordance with the provisions of the Agreement on Technical Cooperation between Government of Japan and the Government of Nepal, signed in Kathmandu on September 3, 2003, the JICA and the Nepalese authorities concerned agreed to recommend to their respective Governments the matters referred to in the document attached hereto.

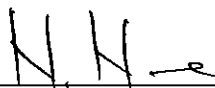
Kathmandu, June 8, 2009



Dr. Annapurna Nand Das  
Joint Secretary  
Chief, Planning and Human Resource  
Division  
Ministry of Forests and Soil Conservation  
Government of Nepal



Mr. Dinesh Kumar Thapaliya  
Joint Secretary  
Planning and Foreign Aid Coordination  
Division  
Ministry of Local Development  
Government of Nepal



Mr. Noriaki Niwa  
Chief Representative  
Nepal Office  
Japan International Cooperation Agency



## THE ATTACHED DOCUMENT

### I. COOPERATION BETWEEN JICA AND THE GOVERNMENT OF NEPAL

1. The Government of Nepal will implement the Participatory Watershed Management and Local Governance Project (hereinafter referred to as “the Project”) in cooperation with JICA.
2. The Project will be implemented in accordance with the Master Plan which is given in Annex I.

### II. MEASURES TO BE TAKEN BY JICA

In accordance with the laws and regulations in force in Japan and the provisions of Article III of the Agreement, JICA, as the executing agency for technical cooperation by the Government of Japan, will take, at its own expense, the following measures according to the normal procedures of its technical cooperation scheme.

#### 1. DISPATCH OF JAPANESE EXPERTS

JICA will provide the services of the Japanese experts as listed in Annex II. The provision of Article III(b) of the Agreement will be applied to the above-mentioned experts.

#### 2. PROVISION OF MACHINERY AND EQUIPMENT

JICA will provide such machinery, equipment and other materials (hereinafter referred to as “the Equipment”) necessary for the implementation of the Project as listed in Annex III. The provision of Article III(e) of the Agreement will be applied to the Equipment.

#### 3. TRAINING OF NEPAL PERSONNEL IN JAPAN

JICA will receive the Nepal personnel connected with the Project for technical training in Japan.



### III. MEASURES TO BE TAKEN BY THE GOVERNMENT OF NEPAL

1. The Government of Nepal will take necessary measures to ensure that the self-reliant operation of the Project will be sustained during and after the period of Japanese technical cooperation, through full and active involvement in the Project by all related authorities, beneficiary groups and institutions.
2. The Government of Nepal will ensure that the technologies and knowledge acquired by the Nepal nationals as a result of the Japanese technical cooperation will contribute to the economic and social development of Nepal.
3. In accordance with the provisions of Article VI of the Agreement, the Government of Nepal will grant in Nepal privileges, exemptions and benefits to the Japanese experts referred to in II-1 above and their families.
4. In accordance with the provisions of Article VIII of the Agreement, the Government of Nepal will take the measures necessary to receive and use the Equipment provided by JICA under II-2 above and equipment, machinery and materials carried in by the Japanese experts referred to in II-1 above.
5. The Government of Nepal will take necessary measures to ensure that the knowledge and experience acquired by the Nepal personnel from technical training in Japan will be utilized effectively in the implementation of the Project.
6. In accordance with the provision of Article V(b) of the Agreement, the Government of Nepal will provide the services of Nepal counterpart personnel and administrative personnel as listed in Annex IV.
7. In accordance with the provision of Article V(a) of the Agreement, the Government of Nepal will provide the buildings and facilities as listed in Annex V.
8. In accordance with the laws and regulations in force in Nepal, the Government of Nepal will take necessary measures to supply or replace at its own expense machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the Equipment provided by JICA under II-2 above.
9. In accordance with the laws and regulations in force in Nepal, the Government of

*Nc*

*Amf*

*[Signature]*

Nepal will take necessary measures to meet the running expenses necessary for the implementation of the Project.

#### **IV. ADMINISTRATION OF THE PROJECT**

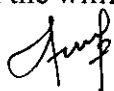
1. Joint Secretary, Planning and Human Resource Division, MoFSC, as the Project Director, will bear overall responsibility for the administration and implementation of the Project.
2. Director-General, DSCWM, as the Project Manager, will be responsible for the managerial and technical matters of the Project.
3. The Japanese Team Leader will provide necessary recommendations and advice to the Project Director and the Project Manager on any matters pertaining to the implementation of the Project.
4. The Japanese experts will give necessary technical guidance and advice to Nepal counterpart personnel on technical matters pertaining to the implementation of the Project.
5. For the effective and successful implementation of technical cooperation for the Project, a Joint Coordinating Committee and District Working Committees of JCC will be established whose functions and composition are described in Annex VI.

#### **V. JOINT EVALUATION**

Evaluation of the Project will be conducted jointly by JICA and the Nepal authorities concerned, at the middle and during the last six months of the cooperation term in order to examine the level of achievement.

#### **VI. CLAIMS AGAINST JAPANESE EXPERTS**

In accordance with the provision of Article VII of the Agreement, the Government of Nepal undertakes to bear claims, if any arises, against the Japanese experts engaged in technical cooperation for the Project resulting from, occurring in the course of, or otherwise connected with the discharge of their official functions in Nepal except for those arising from the willful misconduct or gross negligence of the Japanese experts.



## **VII. MUTUAL CONSULTATION**

There will be mutual consultation between JICA and Government of Nepal on any major issues arising from, or in connection with this Attached Document.

## **VIII. MEASURES TO PROMOTE UNDERSTANDING OF AND SUPPORT FOR THE PROJECT**

For the purpose of promoting support for the Project among the people of Nepal, the Government of Nepal will take appropriate measures to make the Project widely known to the people of Nepal.

## **IX. TERM OF COOPERATION**

The duration of the technical cooperation for the Project under this Attached Document will be five years from 15th July 2009 to 14 July 2014.

ANNEX I	MASTER PLAN
ANNEX II	LIST OF JAPANESE EXPERTS
ANNEX III	LIST OF MACHINERY AND EQUIPMENT
ANNEX IV	LIST OF NEPAL COUNTERPART AND ADMINISTRATIVE PERSONNEL
ANNEX V	LIST OF BUILDINGS AND FACILITIES
ANNEX VI	JOINT COORDINATING COMMITTEE
ANNEX VII	PROJECT DESIGN MATRIX (PDM)
ANNEX VIII	PLAN OF OPERATIONS (PO)



## MASTER PLAN

1. Project Title: Participatory Watershed Management and Local Governance Project

2. Framework of the Project

(1) Objective

Overall Goal: Improved participatory watershed management in better collaboration with DSCO and local bodies is applied in other districts by the initiative of MoFSC and MoLD.

Project Purpose: Improved participatory watershed management in better collaboration with DSCO and local bodies is implemented in the target districts

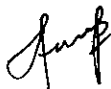
(2) Outputs

- 1 Capacity of DSCWM and DSCO on participatory watershed management in the targeted area is improved
- 2 Institutional arrangement for the implementation of participatory watershed management is reviewed in line with local governance

(3) Activities

- 1-1. Review the current SABIHAA activities.
- 1-2. Assess the current status of skills and expertise of DSCWM and DSCOs on watershed management and identify the issues and necessary field techniques and scientific knowledge (Set the baseline of technical expertise and capacity of DSCWM and DSCO.)
- 1-3. Develop a training plan and training manuals based on 1-1.
- 1-4. Conduct training workshops and On the Job Training for DSCWM and DSCO.
- 1-5. Review and revise the training plan and training manuals.
- 1-6. Organize a mobile training team in DSCWM and dispatch to Kavre and Sindhupalchowk in order to introduce participatory watershed management
- 1-7. Organize an extension team in Kaski DSCO and dispatch to neighboring targeted Districts in order to introduce participatory watershed management
- 2-1. DSCO examines the current status of community resource management plans (CRMP), ward-level annual plans, and sub-watershed management plan.







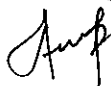
- 2-2. DSCWM and DSCO collect and document experiences of the Project activities, and accumulate lessons learned.
- 2-3. DSCO advocates participatory watershed management based on 2-1.
- 2-4. DSCO organizes Coordination Committees (depending on the size of the communities) in the targeted areas.
- 2-5. DSCO conducts training for Coordination Committees to write proposals to VDC/DDC budget allocation, provide technical supports, and monitor and evaluate activities.
- 2-6. DSCO coordinates with VDC/DDC for approval and monitoring of the Coordination Committee activities.
- 2-7. The mobile team and the extension team supervise and advise the implementation of SABIHAA in respective targeted areas.

(4) Target Area:

National level, Syangja District, Myagdi District, Baglung District, Parbat District, Kaski District, Tanahu District, Kavre District, and Sindhupalchowk District.

Note: Project Design Matrix is shown in ANNEX VII and Plan of Operations is shown in ANNEX VIII.

Note: In case in which the Master Plan should be changed due to the situation of the Project, JICA and the Government of Nepal will agree to and confirm the changes by exchanging minutes of meetings.



**LIST OF JAPANESE EXPERTS**

1. Three long-term experts and some short-term experts will be dispatched as needed.
2. The fields of experts will be decided as needed and including the following fields:
  - (1) Watershed management;
  - (2) Local governance;
  - (3) Social mobilization

\* Chief Advisor and Coordinator may serve concurrently as one of the above-mentioned experts or another.

Note: Additional experts not listed above would be dispatched in accordance with the needs for the effective implementation of the Project.



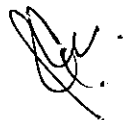
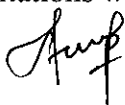


### LIST OF MACHINERY AND EQUIPMENT

Part of machinery and equipment necessary for the effective implementation of the Project will be provided by the Japanese side within the budget allocated for technical cooperation. Main items of machinery and equipment to be provided are as follows:

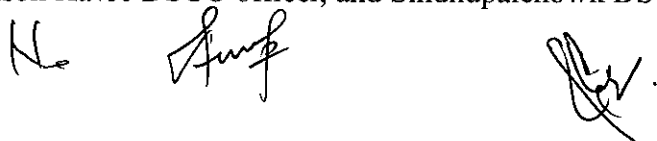
1. Facilities for training workshops;
2. Vehicles; and
3. Facilities for soil conservation assessment

Note: Contents, specification and quantity of the above-mentioned equipment will be decided through mutual consultations within the allocated budget of the Japanese fiscal year.



**LIST OF NEPALESE COUNTERPART AND ADMINISTRATIVE PERSONNEL**

1. Project Director  
Joint Secretary, Planning and Human Resource Division, MoFSC
  
2. Project Manager  
Director-General, DSCWM
  
3. Other staff  
(1) DSCWM  
Project Manager will nominate official personals in charge (counterparts) from relevant Divisions of DSCWM before the commencement of the Project.  
Such counterparts will be finalized by a review among DSCWM, Experts and JICA.  
  
(2) MoLD  
Decentralization Work Plan Coordination Section Chief, MoLD
  
4. Counterparts in Western Development Region  
Liaison Kaski DSCO officer, and 5 DSCO officers
  
5. Counterparts in Central Development Region  
One of the Technical Section Chiefs at DSCWM  
Liaison Kavre DSCO officer, and Sindhupalchowk DSCO officer



**LIST OF OFFICES AND FACILITIES**

1. Office and facilities necessary for the Project
2. Room space and necessary infrastructure facilities for installation and storage of the equipment
3. Offices and basic logistics facilities for the JICA experts
4. Other facilities mutually agreed upon as necessary

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## JOINT COORDINATING COMMITTEE

### 1. Functions

The Joint Coordinating Committee (hereinafter referred to as "JCC") will meet at least once a year or whenever the necessity arises, in order to fulfill the following functions:

- (1) To approve the Project Plan to be formulated by the Project in accordance with the R/D.
- (2) To review overall progress of the technical cooperation project, in particular, activities carried out based on the above.
- (3) To review and exchange views on major issues arising from or in connection with the Project.
- (4) To periodically revise the PDM and PO, as necessary.
- (5) To recommend and request for necessary actions to organizations concerned.

### 2. Members of the JCC

#### (1) Chairperson

Secretary, Ministry of Forests and Soil Conservation (MoFSC)

#### (2) Nepalese side

Joint Secretary, Planning and Human Resource Division, MoFSC (Project Director)

Director General (Project Manager), DSCWM

Program Director, Local Governance and Community Development Programme (LGCDP), Ministry of Local Development (MoLD)

Joint Secretary, Self-Governance and Coordination Division, MoLD

Decentralization Work Plan Coordination Section Chief, MoLD

Regional Director, Western Regional Forest Directorate

Regional Director, Central Regional Forest Directorate

Chief, Foreign Aid Coordination Division, MoFSC

Chief, Planning Section, DSCWM

Chief, District Soil Conservation Offices (DSCO) as necessary

#### (3) Japanese side

Chief Representative, JICA Nepal Office

Chief Advisor of the Project

Other experts of the Project as necessary

Embassy of Japan (observer)

Note: Official(s) of Embassy of Japan may attend the JCC meeting as observer(s). The co-chairperson can name new members or request the attendance of other participants, as necessary, upon agreement of the JCC. Participation from broader relevant organizations will be encouraged.

### **District Working Committees of JCC**

The District Working Committee will be formed in each target district and the meetings will be held semiannually, or more as necessary for smooth implementation of the Project. Prospective function and the members are as follows.

#### 1. Function

- (1) To review the progress of the Project, in particular, activities carried out based on the approved Project Plan.
- (2) To monitor the progress and coordinate necessary activities with related organizations concerned.
- (3) To implement necessary countermeasures for issues, as necessary.

#### 2. Members

##### (1) Chairperson

Chairperson, District Development Committee (DDC)

##### (2) Nepalese side

LDO, DDC

Chairperson of targeted Village Development Committee (VDC)

Planning Officers of targeted DDC and Section Officer of DSCWM, as necessary  
Officers and Technicians of DSCO, DDC and VDC

Representatives from other line agencies (DADO, DFO, WDO, etc.)

##### (3) Japanese side

Representative from JICA Nepal Office, as necessary

JICA experts or Project staff

\*GoN and JICA can invite other personnel, as necessary.

##### (4) Member secretary

District Soil Conservation Officer



Project Design Matrix (PDM<sub>0</sub>)

Project Name: Participatory Watershed Management and Local Governance Project

Target Area: National level, Syangja Dist., Myagdi Dist., Baglung Dist., Parbat Dist., Kaski Dist., Tanahu Dist., Kavre Dist, and Sindhupalchowk Dist.

Duration: From August, 2009 to July, 2014 (five years)

Counterpart Agencies: MoFSC, DSCWM, DSCO, and DDC in the targeted areas

Target Group: DDC, VDC and community groups in the targeted areas

Narrative Summary	Verifiable Indicators	Means of Verifications	Important Assumptions
<p><b>Overall Goal:</b> Improved participatory watershed management in better collaboration with DSCO and local bodies is applied in other districts by the initiative of MoFSC and MoLD.</p>	<p>Improved participatory watershed management is adopted in Soil Conservation and Watershed Management Programme.</p> <p>Improved participatory watershed management in better collaboration with DSCO and local bodies is implemented in ○ districts other than targeted districts.</p>	<p>Government watershed management plans and programmes</p> <p>Publications and seminars on improved participatory watershed management</p>	
<p><b>Project Purpose:</b> Improved participatory watershed management in better collaboration with DSCO and local bodies is implemented in the target districts.</p>	<ul style="list-style-type: none"> <li>▪ Allocation of the budget from DDC for participatory watershed management in better collaboration with DSCO and local bodies is increased.</li> <li>▪ By the termination of the Project, joint monitoring and evaluation by DSCO and DDC is conducted.</li> </ul>	<p>Project documents Documents of DSCO Documents of DDC</p>	<p>Program budget of Nepalese Government is not reduced.</p>
<p><b>Outputs:</b></p> <p>1. Capacity of DSCWM and DSCO on participatory watershed management in the targeted area is improved.</p> <p>2. Institutional arrangement for the implementation of participatory watershed management is reviewed in line with local governance.</p>	<p>1-1. XX% of trainee participated in the training workshops understand participatory watershed management</p> <p>1-2. Participatory watershed management is practiced at prioritized subwatersheds in target Districts</p> <p>2-1. An updated operation guideline for SABIHAA approach.</p> <p>2-2. XX% of policy/program makers of VDC/DDC understand participatory watershed management.</p> <p>2-3. The number of activities approved by VDC/DDC is increased by XX% .</p> <p>2-4. XX% of community people in the prioritized subwatershed of the target Districts are satisfied with the Project.</p> <p>*CC refers to Coordination Committees in the target districts.</p>	<p>Project documents</p>	<p>National calamities do not occur in an intensive scale.</p> <p>Security situation in target area is not deteriorated.</p>

**Activities:****Activities for Output 1:**

- 1-1. Review the current SABIHAA activities.
- 1-2. Assess the current status of skills and expertise of DSCWM and DSCOs on watershed management and identify the issues and necessary field techniques and scientific knowledge (Set the baseline of technical expertise and capacity of DSCWM and DSCO.)
- 1-3. Develop a training plan and training manuals based on 1-1.
- 1-4. Conduct training workshops and On the Job Training for DSCWM and DSCO.
- 1-5. Review and revise the training plan and training manuals.
- 1-6. Organize a mobile training team in DSCWM and dispatch to Kavre and Sindhupalchowk in order to introduce participatory watershed management
- 1-7. Organize an extension team in Kaski DSCO and dispatch to neighboring targeted districts in order to introduce participatory watershed management

**Activities for Output 2:**

- 2-1. DSCO examines the current status of community resource management plans (CRMP), ward-level annual plans, and sub-watershed management plan.
- 2-2. DSCWM and DSCO collect and document experiences of the Project activities, and accumulate lessons learned.
- 2-3. DSCO advocates participatory watershed management based on 2-1.
- 2-4. DSCO organizes Coordination Committees (depending on the size of the communities) in the targeted areas.
- 2-5. DSCO conducts training for Coordination Committees to write proposals to VDC/DDC budget allocation, provide technical supports, and monitor and evaluate activities.
- 2-6. DSCO coordinates with VDC/DDC for approval and monitoring of the Coordination Committee activities.
- 2-7. The mobile team and the extension team supervise and advise the implementation of SABIHAA in respective targeted areas.

**Input:**Japanese Side

- Experts\*
  - Watershed management.
  - Local governance.
  - Social mobilization.
- \* Chief Advisor and Coordinator may serve concurrently as one of the above-mentioned experts or another.
- Equipment
  - Facilities for training workshops.
  - Vehicles.
  - Facilities for soil conservation assessment.
- Local costs
  - A portion of Project implementation costs.
- Training of Nepal personnel in Japan/Third Country
- Field training for local staff.

Nepalese side

- Counterparts
  - Project Director.
  - Project Manager.
  - Other Staff.
- Local staff
- Land, buildings & facilities.
  - Project Offices (Pokhara & Kathmandu).
  - Meeting rooms for workshops.
- Local costs
  - Salaries of counterparts and local staff.
  - A portion of SABIHAA implementation costs.

Pre-conditions

- DSCWM promotes the Soil Conservation and Watershed Management Programme according to its Logframe.
- Government of Nepal promotes the policy of decentralization and devolution according to the Local Governance and Community Development Programme.
- DSCWM continues to apply SABIHAA model.

## Tentative Plan of Operation (POo)

Project Title: Participatory Watershed Management and Local Governance Project

Term of Cooperation: 15 July 2009 - 14 July 2014

Outputs	Activities	Year 1				Year 2				Year 3				Year 4				Year 5				
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
1 Capacity of DSCWM and DSCO on participatory watershed management in the targeted area is improved.	1.1 Review the current SABIHAA activities.																					
	1.2 Assess the current status of skills and expertise of DSCWM and DSCOs on watershed management and identify the issues and necessary field techniques and scientific knowledge. (Set the baseline of technical expertise and capacity of DSCWM and DSCO.)																					
	1.3 Develop a training plan and training manuals based on 1-1.																					
	1.4 Conduct training workshops and On the Job Training for DSCWM and DSCO.																					
	1.5 Review and revise the training plan and training manuals.																					
	1.6 Organize a mobile training team in DSCWM and dispatch to Kavre and Sindhupalchowk in order to introduce participatory watershed management.																					
	1.7 Organize an extension team in Kaski DSCO and dispatch to neighboring targeted Districts in order to introduce participatory watershed management.																					
2 Institutional arrangement for the implementation of participatory watershed management is reviewed in line with local governance.	2.1 DSCO examines the current status of community resource management plans (CRMP), ward-level annual plans, and sub-watershed management plan.																					
	2.2 DSCWM and DSCO collect and document experiences of the Project activities, and accumulate lessons learned.																					
	2.3 DSCO advocates participatory watershed management based on 2-1.																					
	2.4 DSCO organizes Coordination Committees (depending on the size of the communities) in the targeted areas.																					
	2.5 DSCO conducts training for Coordination Committees to write proposals to VDC/DDC budget allocation, provide technical supports, and monitor and evaluate activities.																					
	2.6 DSCO coordinates with VDC/DDC for approval and monitoring of the Coordination Committee activities.																					
	2.7 The mobile team and the extension team supervise and advise the implementation of SABIHAA in respective targeted areas.																					

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