



Provincial and Local Agricultural Services in Nepal: Collaboration for Effective Delivery

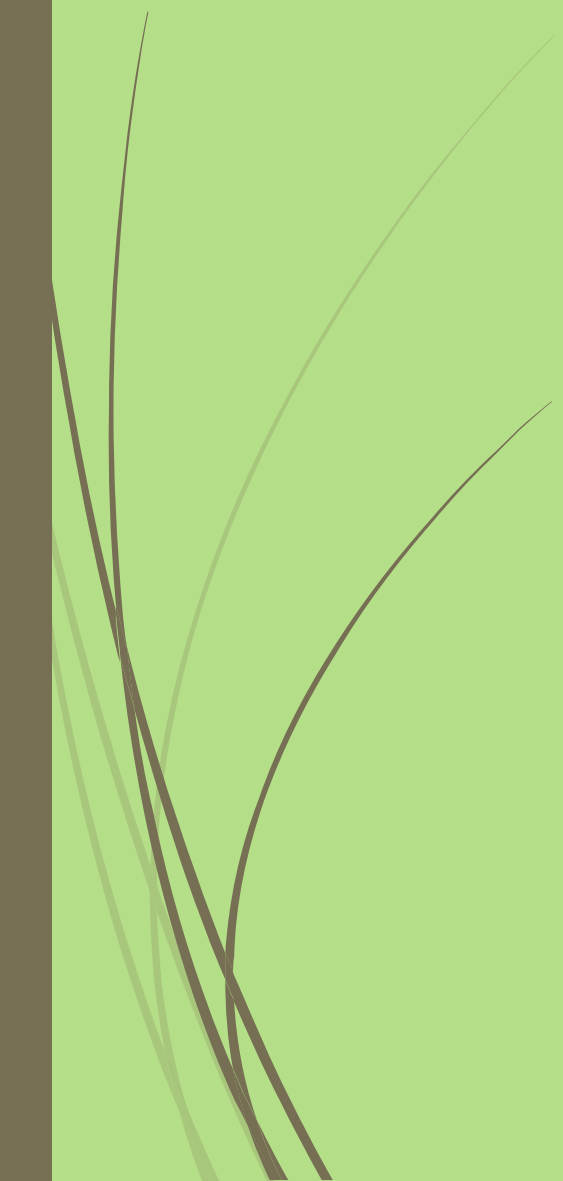
(Experience Sharing from Gandaki Province)

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Presentation Outline

- **Context**
 - **Provisions under the Constitution**
 - **Role of different governments for agricultural service delivery**
 - **Opportunities, Challenges, and Way Forward**
 - **Possible collaboration with NAPA**
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General Context

- **Agriculture, primarily subsistence, gradually shifting to commercialization**
- **Agriculture productivity is low for most crops in South Asia Region, hence challenge to improve productivity**
- **While 27% of GDP is contributed by agriculture, 30% comes from remittance; - remittance income has contributed towards poverty reduction, growing feminization of agriculture, increasing abandoned land, changing food system and demand**
- **Country is vulnerable to climate change - ranks fourth in CC vulnerability and thirteenth in flood**



General Context continued...

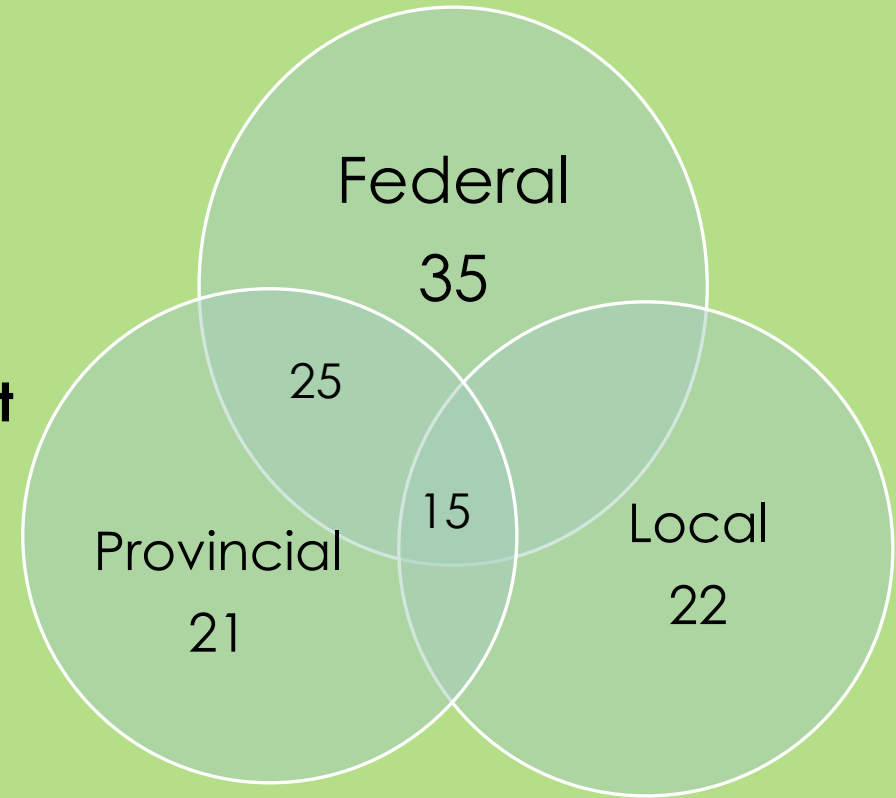


- Other external shocks- price(cardamom-price fluctuation), market uncertainty, pandemic as covid 19
- New pest and disease emergence
- Growing agricultural trade deficit -Quality, Competitiveness, Volume/Scale
- Globalization and its ripple effects- trade policies of other countries
- Digitalization of agriculture – pacing up
- Inadequate number of the extension workers, their qualification and skills
- ***Under these context that the three tiers of the government have to work***



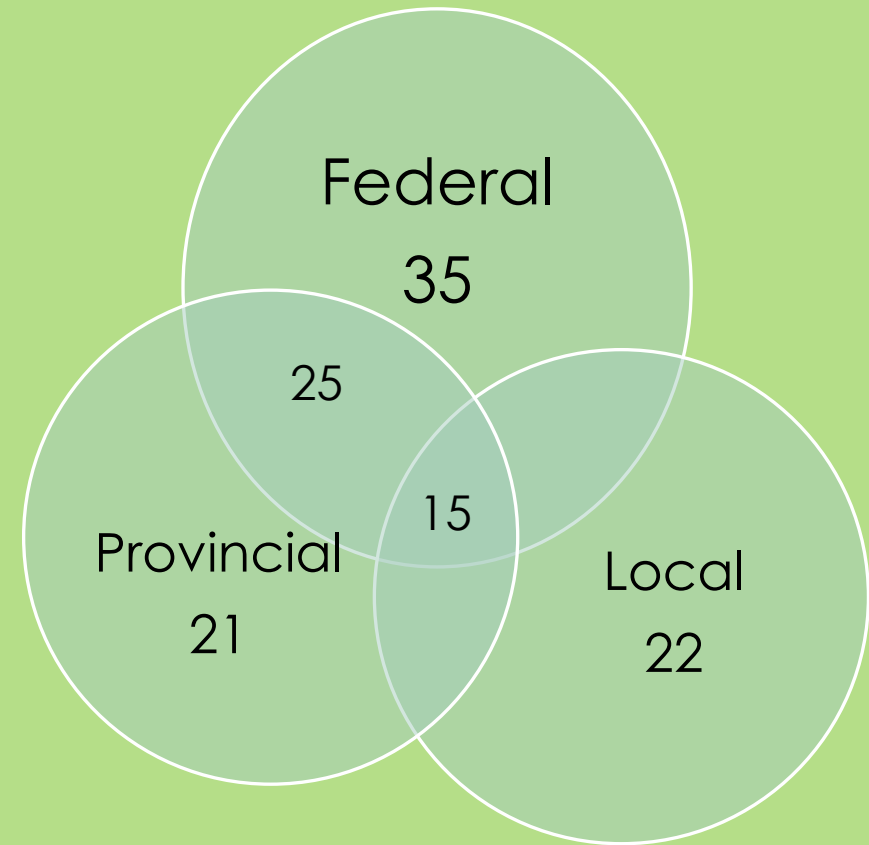
Provisions in the Constitution of Nepal

- Three tiers of government: local, provincial, federal.
- Nepal consists of 753 local governments, 7 provincial, and 1 federal/central government.
- Local and provincial governments hold various political, fiscal, and administrative powers; concurrent powers exist with the federal government.
- 35 political, fiscal, as well as administrative powers are given to the federal government, 21 to the provincial governments, and 22 to the local governments.
- At the same time, there are **25 concurrent powers between federal and provincial governments**, whereas **15 are shared between federal, provincial, and local governments**.



Provisions in the Constitution of Nepal

As stipulated in Article 232 of the Constitution, Nepalese federalism -based on principles of **cooperation, coexistence, and coordination.**



Confusion, Conflict, Dispute, Duplication

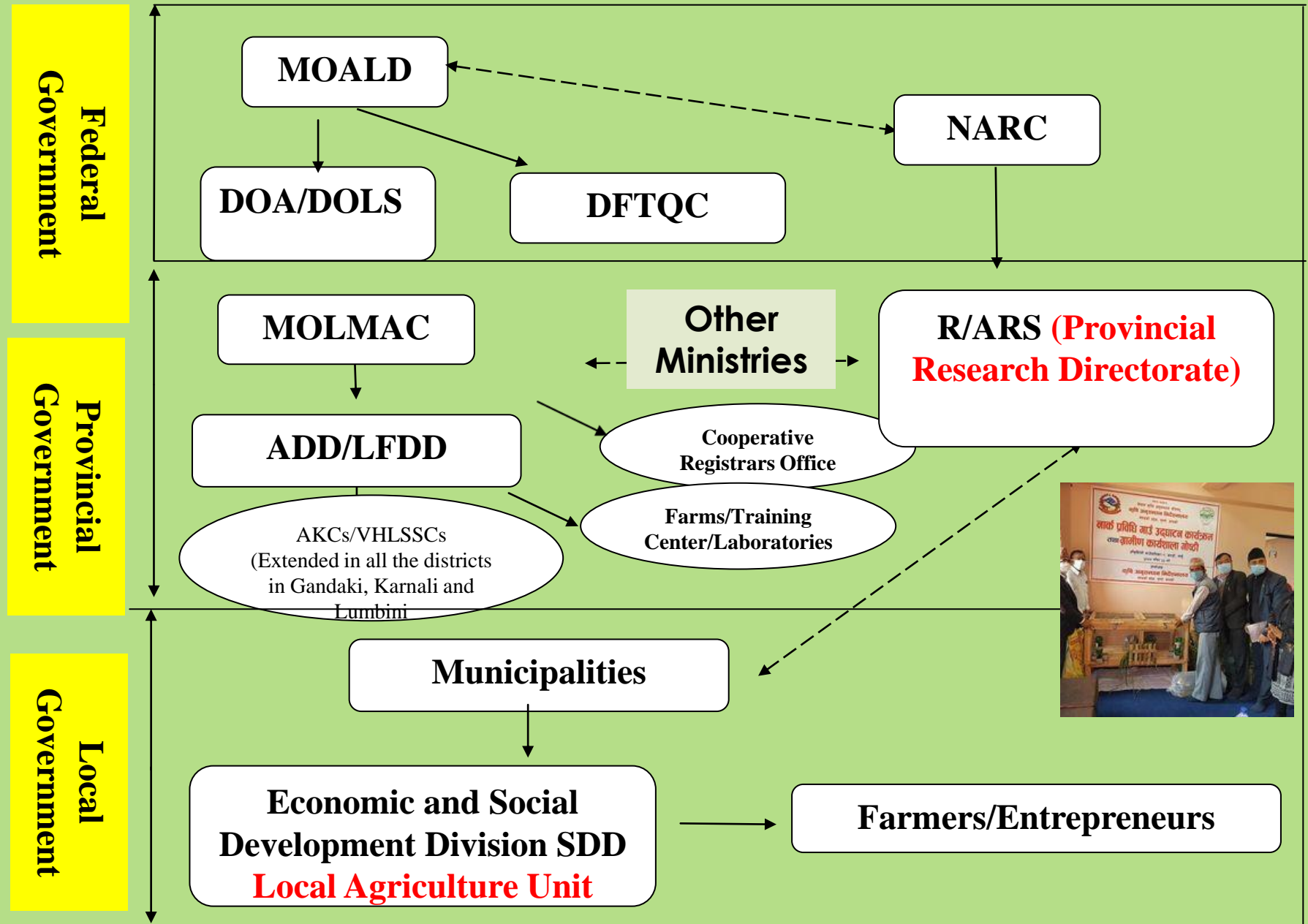
Role of Three Tiers of Government in Agriculture, Land Management and Cooperatives

Schedule 5 Federal	Schedule 6 Province	Schedule 7 Concurrent between Federal and Province	Schedule 8 Local Government	Schedule 9 Concurrent among three tier
International trade, exchange, port, quarantine	Agriculture and livestock development, trade, business, transportation	--	Agriculture and animal husbandry agro-products management, animal health, cooperatives Management, operation and control of agricultural extension	Agriculture
Insurance policies, securities,	-	Insurance business operation and management	---	--
Cooperatives regulation	-	Contracts, cooperatives, partnership and agency related matters	Cooperative institutions	Cooperatives
-	-		Local roads, rural roads, agro-roads, irrigation	

Role of Three Tiers of Government in Agriculture, Land Management and Cooperatives

Schedule 5 Federal	Schedule 6 Province	Schedule 7 Concurrent between Federal and Province	Schedule 8 Local Government	Schedule 9 Concurrent among three tier
		Early preparedness for rescue, relief and rehabilitation from natural and man made calamities	--	Disaster management
		Supply, distribution, price control, quality and monitoring of essential goods and services	--	--
		Biological diversity	Local market management, environment protection and bio-diversity	Forests, wildlife, birds, water uses, environment, ecology and bio-diversity
National Statistics	State statistics	-	Collection of local statistics and records	
Land use policies, human settlement development policies		Land policies and laws relating there to		

Public sector agricultural development support structure in Nepal



E D U C A T I O N

**ADS
(Decentralized
Ag. Extension
System)**

(i) establishment of Community Agricultural Extension Service Centers (CAESC) in each VDC; (ii) strengthening capacity of existing and planned agricultural extension stations which provides backstopping services to the CAESCs; and (iii) promoting a voucher system to empower farmers to access the best available extension and extension service providers

- **The CAESC established on Sindhuli and Rautahat districts**
- **Under ASDP Project (IFAD supported) in Surkhet-CASEC planned to be piloted in five wards of municipality starting next month.**

Issues and Challenges in Agriculture Service Delivery (Extension Service as well as other Regulatory Functions)

Issues of Power Sharing between the three tiers of government- now operationalized through the adoption of Intergovernmental Coordination Act 2077

Other Issues and Challenges – for example

- Ensuring the effective delivery of agriculture service – institutions, human resource availability, legal provisions. Technical human resource shortage is constraining agricultural programs of Municipalities
- Capacity of technicians on planning, budgeting, formulating guidelines, surveillance, data collection
- Regulatory function- limited, mostly guided by federal law, authority with federal government; capacity and facilities limited

Issues and Challenges in Agriculture Service Delivery (Extension Service as well as other Regulatory Functions)...continued

- **Communication and coordination between the three tiers of government regarding the functional division of power and authorities : The federal government directly coordinates with local governments and coordination between the local government and provinces is not strong.**
- **Operational costs of federalism which has implication on the resource allocation for development activities : although provinces have allocated approximately 10 percent of their provincial budget. Agriculture falls outside the priority of Municipalities.**

Few Issues and Challenges in Federalism

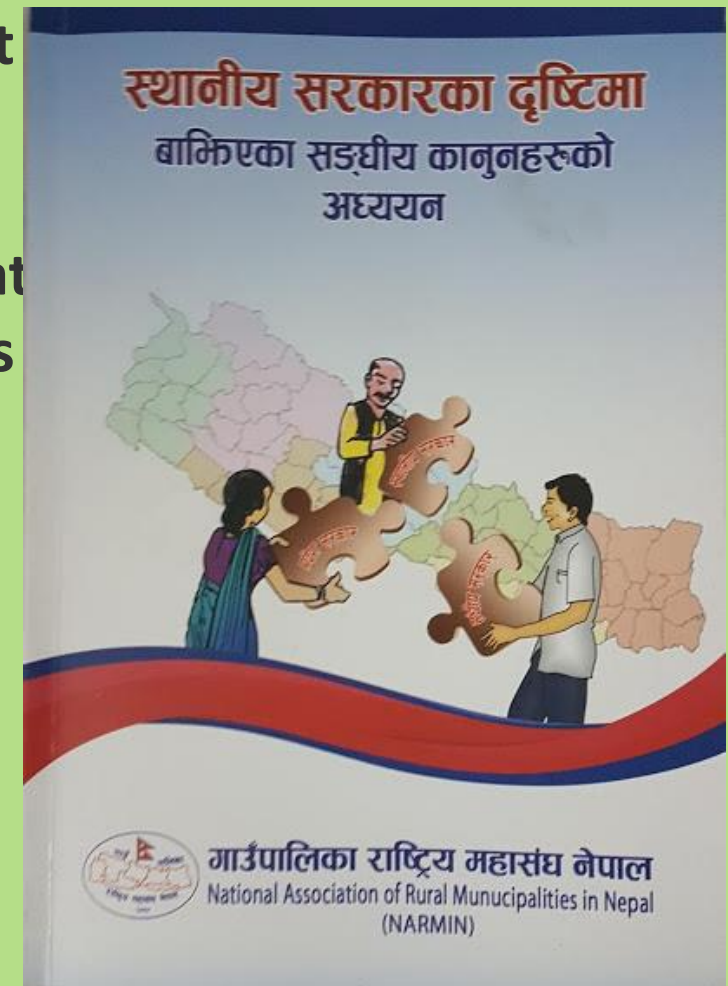
Key administrative challenges

- **Management of bureaucracy (not yet complete) - without new civil service act, there was reluctance to shift to province and local government - huge vacancy (nearly 45% under Gandaki Province, MOLMAC) – implication on service delivery**
- **Recruiting or placing well-trained and -intended staff at the local and provincial governments**

Few Issues and Challenges in Federalism

Key administrative challenges

- Challenges in the formulation of laws and policies without compromising citizen's rights; without **contradiction/conflict** among the governments - capacity.
 - National Association of Rural Municipality showed that the federal law which has the provisions that breaches the exclusive right of the local government.
 - Province 2 has filed the case against federal government for the similar legal conflict
- Planning Cycle (bottom up ??)



There are Challenges Yet There are Great Opportunities

- The Constitution lists the exclusive and concurrent powers of the federal, provincial, and local governments: this is an opportunity to define the priority programs; institutional provisions, improve the service delivery mechanism
- The local government level has the provision **to align its plan/programs with the federal and provincial levels** (there is limited interaction during planning process of local government with other provinces and federal)



There are Challenges

Yet There are Great Opportunities...

- Can develop and implement periodic (multi-year), annual, strategic, and sectoral medium-term development plans in pursuance to the policy, target, goal of the federal and provincial governments (e.g., Climate Investment Plan, Investment Plan for Apple)
- Can operate and manage any plan or project in **a joint investment of the federal and provincial governments or in a public-private partnership model** (mostly in infrastructure)
- The local government level can **coordinate, facilitate, and support the implementation of federal and provincial projects.** (PMAMP's pocket programs, Local crop promotion program, organic mission etc from federal ministry)

The Inter-governmental Relations Act, 2077

National Coordination Council (NCC): to be chaired by PM, ministers, chief minister and representative from LG are members; Special Committees, **Sectoral Committees**

Province Coordination Council: Earlier, in the Local Government Operation Act (LGOA), 2017. Now replaced with the same provision in the new law. **2018 first meeting prepared** 'Federalism Implementation Action Plan' including 29 different thematic areas. Expected to be more practical and effective.

PCCs meet at least once a year (March-April) to discuss provincial priorities and to bring coherence in their upcoming fiscal year budget and plans

District Coordination Committee – less effective so far



Way Forward....

Study coordinated by MOALD and USAID KiSSAN 2 Project suggested few strategies to strengthen the linkages

Where do we stand now??

- 3-pronged strategy proposed for enhancing three-tier coordination and linkages in agriculture, **institutionalizing agricultural database system**, and **increasing ADS ownership and implementation at the local level**.
- The strategy consists of developing an integrated (or, at least, a well-coordinated) agricultural development service delivery system through re-orientation, re-alignment and re-structuring of provincial agricultural development support structures and programs (**province level – doing it gradually**)
- Capacity development of Municipalities through deployment of agricultural staff as per the planned agricultural staffing structure, provision of training and expert services to their agricultural staff (**critical but beyond our jurisdiction, OVOT are working, largely HR deficit, some municipalities are recruiting**)

Study coordinated by MOALD USAID KiSSAN 2 Project suggested few strategies to strengthen the linkages..

- Review and reorganization of their current agricultural unit, and provision of TA in developing agricultural database and ADS implementation action plans; **(budget and guidelines, software from federal ministry, ADS orientation ongoing)**
- Facilitating agricultural program coordination between and among the three-tiers of government through legal and administrative measures initiated at federal level (now the bill approved)
- Joint program planning and review processes at the provincial/local levels **(very much realized by PPC and other ministries during review meeting)**, partially started at Federal Level, DCCs at the district level are also being used as a forum to coordinate (e.g., PMAMPs Block Program, Public hearing)

Way forward to ensure effective agricultural services

- Legal provisions through the coordination Act- we need to put agendas related to agriculture development and effective service delivery mechanism in various committees
- Sectoral Committees - under the convenorship of sectoral federal ministers with provincial ministers and representatives of LGs as members for sectoral coordination (but how these two committees connect is not clear)
- The main purpose of the Committee is to work jointly and coordinate in different thematic areas between the three tiers of government. It is also called a ministerial-level council
- **Technical Coordination Mechanism** established by the MOALD (federal)
 - Ministerial Level (federal and province ministers) (was more of an informal)
 - Secretary Level (federal secretary and province secretaries)
- **Similar informal coordination committees need to be established at provincial level to coordinate with local governments) to be led by Minister**

Way forward to ensure effective agricultural services

- Legal provisions through the coordination act- we need to put agendas related to agriculture development and effective service delivery mechanism in various committees
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Way forward to ensure effective agricultural services

- **Technical Coordination Mechanism** established by the MOALD (federal)
- **Secretary Level** (federal secretary and province secretaries) – meeting to be conducted every once in four months
- **Similar informal coordination committees** need to be established at provincial level to coordinate with local governments) to be led by Minister



Way forward to ensure effective agricultural services

- Should support the local government level in various planning and budgeting aspects such as to provide the guidelines, including a budget ceiling on national and provincial priorities and standards prior to the beginning of the process of formulation of the annual plan (EU TA from federal Ag. Ministry- through province need assessment and capacity building in planning process; collection of agricultural statistics, agricultural guidelines, coordination for resource matching)
- Joint Planning, Monitoring and Operate the projects and programs in coordination with local level units
- Draft and send model guidelines, directives, law as per the need of local-level units (request made by agri-technicians)

Way forward to ensure effective agricultural services

- Regular interaction mechanism at AKC and VHLEC with agricultural technicians at local government – ongoing but needs more functional (planning to collect statistics, disease surveillance, farmers information etc.) – planning to share the list of grantee, joint monitoring, resource matching for seeds and seedlings (in coordination with federal ministry)
- Piloting of CASEC and Experience sharing
- Capacity need assessment and organize trainings (Small Irrigation Cost Estimation, Insurance Agent etc)
- Facilitation of Marketing- Linking production with market (by Province and Federal Ministries), Mobilizing cooperatives

Way forward to ensure effective agricultural services

- **R-E-E-F**

- **Planning to establish Coordination Committee at MOLMAC with members from Agriculture research directorate, Gandaki Province and other research stations and Agriculture University and farmers (similar to RTWG, but more of technical)**
- **Internship programs for the technician**
- **Steering Committee for flagship program (Chief Minister Climate Smart Agriculture Model Village)- research, education, farmers, NGOs**



Way forward to ensure effective agricultural services

- Human Resources Planning and Development – Exampel : Agricultural Engineers, Coffee Expert, Tea Experts, Biotechnology Experts (with Gandaki University)
- Through Agricultural Project/Programs- support in technicians to municipalities
- Expanding and Strengthening service facilities (laboratories, animal hospitals)
- Timely Communication and Information sharing (Federal-Local-gap among the provinces), among other projects

Collaboration among NAPA and Provincial and Local Governments

- **Sharing expertise and knowledge, and capacity strengthening**
- **Policy dialogue/interaction and advice**
- **External monitoring and evaluation of provincial projects/programs with technical support from NAPA**
- **Developing/revising curricula of agricultural education program offered at provincial colleges/universities**
- **Offering distance teaching and research collaboration at provincial colleges/universities**



Thank You!!