CHALLENGES AND ISSUES OF DECENTRALIZED AGRICULTURE SERVICE AT THE VDC LEVEL: EXPERIENCES FROM OKHALDHUNGA DISTRICT

M. Jaishi1, R. Allen2 and L. Sahi3
1Institute of Agriculture and Animal Science, Tribhuvan University, Nepal, 2Sustainable Soil Management Program (SSMP), 3UNNATI Inclusive Growth Program in Nepal

ABSTRACT
Decentralized management of natural resources has the potential to solve the twin problems of Nepalese society which are poverty and poor governance. An important focus of the Local Self Government Act (LSGA) of 1999 is to develop a local self-governance system and local leadership through which local bodies (LBs) make decisions on matters affecting their daily needs and livelihoods. Through the capacity building of local bodies, there is an ample opportunity to boost effective decentralized agriculture service provision at the VDC level. The objective of this paper is to provide basic understanding of the challenge and issues felt during implementation of VDC-level decentralization in the agricultural sector. A review of documents describing extension reforms and experiences was conducted in support of this study. Experience to date shows a great willingness of rural people to take responsibility for local development and to receive appropriate training to improve their management capability. LBs and development partners can assist in capacity building and further strengthen such local bodies to mitigate weaknesses. However, there remain challenges and issues to provide effective agricultural services in enhancing the livelihoods of the poor and to the promotion of more market-led production system.

Key words: Devolution, local bodies (LB), agriculture forest and environment committee (AFEC), local self-government act 1999, experience leader farmer (ELF).

INTRODUCTION
Extension services are increasingly a part of decentralization and devolution process where decentralized extension are an increasingly common aspect of proposed extension reforms which engage local government bodies and grassroots organizations (Ernest, et al., 2011). Hagen, 2012 emphasized that decentralized, demand-driven, and participatory programmes tend to be more democratic in design and are more successfully implemented. Agricultural extension services are under increasing pressure to become more effective, more responsive to clients, and less costly to government (World Bank 2000, Bird, 1994). Recent decentralization efforts are taking place in a context of re-conceptualizing and re-structuring extension approaches and generally acknowledged that supply-side extension should be abandoned for demand-driven approaches that are more responsive to farmers' need (Rivera and Alex 1997, FAO, 2001,). Government of Nepal (GON) has already made devolution of agriculture extension service to the local government bodies in line with local self-government act 1999 (Dahal, 2010; GoN/MOAC, 2007).

The main objective of this paper is to provide basic understanding of the challenge and issues felt during implementation of VDC-level decentralization in the agricultural sector. The study is mainly relied on extensive review of experiences and examples from Okhaldhunga district. The study is focused to the exploration of challenges and issues of decentralized agriculture service provision, its impact on agricultural service provision, its cost effectiveness, the content delivery, and the potential sustainability of such new approach to service provision.
**Decentralized agriculture service provision: experiences from Okhaldhunga district**

Rural farmers of Okhaldhunga are facing agronomic problems resulting in lower yield and less income (ICIMOD, 2008). It has been realized that to make more responsive, accountable and to the involvement of management process in the fiscal system, the structure and planning process should be restructured (Smith, 1997). Therefore, there is increasing focus on the VDC-level, Agriculture Forestry and Environment Committee (AFEC) as manager of the local agriculture development programme and on the decentralized farmer to farmer (FtF) agriculture extension approach, promoted by SSMP; thus supports the spirit of devolution as presented in the LSGA. The local VDC leaders and the sub-committee members are now expected to take a lead in the planning and implementation of village level development programmes, and the more skilled farmers are expected to be directly and actively involved in the testing and diffusion of appropriate and need based agricultural practices and technologies, both new and old.

The FtF decentralization approach for the agriculture sector is based on the development of experienced leader farmers (ELFs) and other existing local resource persons, who are selected from local farmers. These resource persons are trained and supervised under specific thematic areas by qualified staff from the local public and private sector. These skilled farmers are being mobilized as extension agents to other farmer groups. These skilled farmers and ELFs played a pivotal role in the process of decentralized extension system. In fact they are generally progressive farmers with years of farming experiences, having good leadership and communication skills, having motivation to bring about change, and are interested in serving disadvantaged groups. They are well trained, change proven and have knowledge about local appropriate agronomic and farm management practices, including sustainable soil management technologies which enable them to provide training and follow-up support, as well as to disseminate new and old technologies, ideas and crop production system to the farmer groups.

The decision on choice of technologies is made collectively by the interested farmer group, and refined with the assistance from ELFs, government extension and project staff. To date in Okhaldhunga, the interested farmer groups has been found to be involved in farmyard manure management, legume integration, and vegetable and cash crop production, which indicates a strong influence of SSMP as these are the focus areas of the programme. The decision to supporting and funding the programme is made by the AFEC on the basis of a written proposal prepared by the farmer group with assistance from community leaders, ELFs, government and programme staff.

**1.2 Evolution of decentralised extension in Okhaldhunga district**

SSMP has broken the ground in this uncharted territory of decentralizing agriculture development to the lowest administrative level – but support from both local and central government is required to ensure further progress to be made.

In 2067/68 (2010/11), the DDC in Okhaldhunga at its 4th DDC council issued a directive to all 56 VDCs to establish an AFEC with the operational role for planning, implementation and monitoring of agricultural activities in the VDC. In support of this, the District Periodic Plan of 2013 for Okhaldhunga has emphasized the formation of an AFEC in all VDCs, and the promotion of economic activities through this committee (DDC Okhaldhunga, 2013).

Farmers were more encouraged after the budget speech of 2068/69, when the MoFALD issued a directive to all VDCs that they should allocate 15% of their block grants for local agriculture development. These directives provided tremendous impetus for decentralized extension and the
establishment in Okhaldhunga and other SSMP launched districts, but most of the VDCs were not in a position to plan and execute agricultural development activities due to inadequate capacity such bodies. The proper utilization of allocated block-grant budget was thus not ensured simply due to the lack of capable person to handle that allocated budget. It was realized that if it is due the lack of right person would be further possibility of endangering the future allocation of grants to the agriculture sector. For this reason, there is a huge demand of capacity building to ensure functional and effective AFECs (Jaishi et al., 2013). As a result, VDC capacity building became a major focus of SSMP’s regular programme from 2010 to develop and enhance demand-based agriculture service provision through the AFEC. Other important programme activities concentrated on capacity building of the EFS, together with their certification through the NSTB, and the provision of funds to the more competent AFECs for funding of development proposals and plans of further farmer groups (SSMP 2010).

**Decentralized agriculture service provision in Okhaldhunga district—in practice**

Crowder 1996 strongly suggested that for decentralized extension to be effective requires efforts to strengthen local-level intermediary organizations, especially those that represent the interests of poor farmers. After four years of implementing the decentralized approach in Okhaldhunga, this study has revealed various changes and effects in agricultural service delivery, as well as the performance and role of the local bodies (LBs), especially in comparison with the roles envisaged in the LSGA and LSGR.

The findings include:

a) Nepal’s LBs can provide services to local people in a responsible and accountable manner; however
b) The LBs face functional difficulties due to the absence of elected representatives;
c) The LBs have inadequate capacity to perform their responsibilities;
d) The LBs which are active and people-oriented are discouraged due to the current lack of a linkage between the monitoring mechanism and the funding system; and
e) They are unable to fulfil the demand of local people due to the lack of resources.

The study also revealed that the LSGA and LSGR have not been implemented in the right spirit or direction in Nepal, as the political party alliances and bureaucrats assigned by the Central Government to run the LBs (Dhungel, 2004). The reasons are mainly distribution of resources at
the adhoc basis rather than undertaking participatory planning and implementation as envisaged in
the rules and regulations of the LBs. The institutional capacity of the VDCs is very weak as there
is absence of efficient and strong leadership perhaps due to the absence of elected representatives
(Shrestha, 2013). Government officials deployed from the centre in DDCs are accountable only to
the MoFALD rather than people centred. Moreover, VDC secretaries are influenced and in some way
threatened by the politicians Therefore, there is a weaker decentralized agriculture service provision
as what expected perhaps due to political instability.

METHODOLOGY
This paper is an outcome of experiences of major project activities of SSMP phase-3 (2008-
2010) and phase 4 (2011-2014) implemented over a period of 7 years and a follow-up to an earlier
article that broadly described key factors of success for decentralized public agricultural extension.
A single-case study method was adopted. This was considered appropriate for an in-depth study of
a complex organizational process, such as planning, implementation and monitoring. A review of
documents describing extension reforms and experiences was conducted in support of this study;
this was helpful as a reference for suggesting interventions in light of issues and challenges in the
planning and management process related to agricultural service provision observed at the VDC
level in Okhaldhunga district.

RESULTS AND DISCUSSION
Implementation issues in decentralized agriculture service provision in Nepal
Marothiya, 2009 argued that the process of decentralization would lead to an improvement in
resource allocation, efficiency, accountability and equity besides promoting democracy by bringing
government closer to the people, enhancing local participation and building social capital. The
success of decentralization depends, to a great extent, on the degree of articulation among, and
participation of the local politicians, the political parties and the electoral system (Chatree, 2007).
If the local institutions failed, the practice of decentralized service provision may also fail. Hobley
(1996) explained that decentralized service provision is a challenging task for the authorities to
create new institutions and make them work efficiently for decentralization.

The degree of authority that government can transfer to the local bodies might vary according
to the internal governance structure and policies, laws and regulations in place. If management of the
natural resources is to be effective and efficient, two features should characterize the management
and decision making processes of these local bodies:

1. Clearly defined institutional arrangements (within which the local communities and local
government will operate) which minimize the potential for prolonged and costly disagreements
between resource user groups and the local bodies;
2. A decision making structure to be shared at different levels of local administration so that cost-
benefit related factors are internalized within some cohesive decision making unit hoping to the
organized decision-making structure.

Challenges and issues of decentralized agriculture service at VDC level
The main weaknesses, dilemmas and challenges are facing by the local bodies imparting an
effective decentralized agriculture service provision at the VDC levels are discussed below.
Absence of elected representatives

The absence of elected representatives in the local bodies is widely believed to be the main reason for their poor functioning. Due to this absence, the government through an executive decision established the all-party mechanism (APM) to advise government employees at both the VDC and DDC levels. Although local politicians through the APM are thus involved in the decision-making process, no mechanism exists to hold them accountable to the people for those decisions. In the absence of local elections, the VDCs are run by a committee headed by a VDC secretary with two other government employees. At the district level there is no government-constituted committee, but the Local Development Officer (LDO) operates and manages the DDC.

The dominance of the All Party Mechanism (APM)

Although the APM is merely an advisory body to the local bodies, this concept of APM has emerged as all-powerful in the planning process at both the VDC and DDC. The APM plays an assertive role in the collection, compilation and finalization of programmes and projects put forward for funding by the VDC and DDC. In some cases, it even defines which members of any user committee will implement and manage those programmes and projects which have been approved for implementation (Prasai, 2013). The real planning process begins not in the open session meetings of the concerned local body, but in closed-door sessions, even held at midnight, in which only persons selected by the APM, with the concurrence of the VDC secretary or LDO, are allowed to participate. Moreover, there are no provisions of inclusion of interested persons including women. After receiving the programmes from the VDCs for funding support, the DDC, together with politicians involved in the APM, review and finalize the plans for financing and implementation. The main influence on the programme finalization derives from the opinions and bias of the APM members, certain politicians, and pressure of the people on the political leaders. As at the VDC level, the influence of the big three or four political parties prevails at the DDC. Consequently, there is a real risk of the financial resources and development opportunities that are channelled through the local bodies are captured by a limited group of the most influential people, leaving a large number of people and even whole sectors of the community out of the development mainstream. Thus, the socio-economic situation of significant numbers of people may continue to stagnate with a decentralized agriculture service system embedded at the VDC level.

Low representation of discriminated people in decision-making bodies

Despite the LSGA's mandatory provision for the participation of women and other disadvantaged sections of the society in the village and district councils, as well as in the VDC and DDC, no mandatory provision has been made for their representation in the VDC and DDC level APMs (Dhungel et al., 2011). However, discriminated people, including women, in both an institutional and individual capacity, were invited to attend council meetings at both the VDC and DDC. As to their inclusion in the closed-door meetings in which programmes are identified and approved for funding, there are mixed findings. Nevertheless, the awareness of village-level development activities by women and the disadvantaged seems to have increased – although, in Dalits of Okhaldhunga were not effectively represented either in the planning processes or in the APM at either the village or district level.

Meaningless devolution

Despite claims of different sectors of the GoN that the responsibility for programme planning in agriculture and livestock extension, and in primary healthcare and primary education, had been devolved to the DDC, the planning process in these sectors remains the same as it used to be. The
programmes in these sectors are not properly discussed at either the VDC or the Village Council, as envision in the LSGA. The district-level annual programmes of these sectors are prepared by the district offices -for example, the DADO, the DLSO, based on the ceilings and guidelines received from their respective central departments. The only change that has taken place under the devolution umbrella is in the budget-release process; prior to devolution, the allocated budgets for the approved programmes were directly released by the District Treasury Control Office (DTCO) to the DADO or DLSO, for example, based on written authority from their respective central departments. Now the budget allocation to “devolved” programmes is being transferred through the DDC.

**Increased grant amount without institutional capacity**

The rapid expansion of the block grants to the VDCs in recent years is to be commended, but largely represents a top-down effort to comply with GoN policy, and does not consider the institutional capacity at the local level, particularly of the AFECs, which largely remains poor in the planning process, and in the identification of suitable enterprises or specific crops for that particular VDC.

**Anchoring the decentralized agriculture service**

This is the key to sustainability; two major challenges exist - firstly, ensuring that all committee members are fully conversant with the aims and modalities of a participatory and demand-based agriculture service system and the crucial role of the ELFs and local resource persons, and secondly, ensuring that the AFEC is well established and functions effectively and free-of-interference within the VDC.

**Incomplete and poor quality projects**

Many of the projects and activities implemented by the farmers group, user committees or individual households have remained incomplete, or the poor quality work. This was corroborated by most political persons, local leaders and other public figures. The incomplete and poor quality project activities were perhaps due the top-down approach of selection criteria especially beneficiaries selection, location and or technology. If the project was demand driven and the involvement of appropriate stakeholders the set activities would be successfully completed. Political pressure is another major reason for incomplete and poor quality work.

**No supervision or monitoring**

There is no existing mechanism for proper monitoring either at the local level or at the district level. Most of the programmes either remained as such or monitored only for the sake of formalities. When monitoring are activities going on, either the monitoring team fails to provide the feedback in a proper manner, or the beneficiaries do not take it seriously, or act upon it. In addition, even though an annual progress reviews of the programmes was conducted at the DDC at the end of each fiscal year this was done just for the sake of formality. It was necessary to carry out monitoring and evaluation to understand whether the set activities are properly implemented in a right direction or further correction needed for its betterment. Accordingly, the implementation of agriculture service provision at VDC level, the working modalities of AFECs and ELFs, the follow up of agriculture
service implementation guideline and its decentralized system of governance are the area needed to be regularly monitored.

**Resource and incentives for ELF and local resource persons**

AFECs are not yet linking activities with the resources required to fund the employment of the ELF or other local resource persons. SSMP has put much effort and funding into developing the ELF, as has both government and other projects to develop their extension and resource staff. Currently, many of the ELF and village level agriculture workers remain un-used, underutilized and inactive. AFECs need to rapidly make use of these valuable local resources and combine the planned programme and activities with the required financial resources. These can make differences in the lives of rural people. Likewise, we can also train the local persons as resource person to help provide services to the rest of the farmers. Finally, we can achieve the essence of satisfaction and the feeling of a job “well done” become the collective stimulus for improving the performance of the extension system.

**Capacity Building of ELF**

ELFs are better able to understand new ideas, and adapt new technologies, when they have learnt the potential benefits of sharing and self-experimentation. Capacity building of the ELF and other extension workers needs to be a continuous process, and follow-up programmes to monitor their activities, with the aim of continually improving their performance, need to be planned and budgeted by the responsible organization, the DADO. Currently, there is a wide gulf in the competence of ELFS as extension agents, in terms of technical competence and training, coaching, human resource and mobilization skills – some are excellent, and some are poor. Moving to a local level, decentralized, market-driven, participatory extension strategy as important long-term implications on the need for skilled and regularly monitored, supervised and upgraded local extension workers. This should be managed by the DADOs, properly budgeted every year, and closely supervised by the relevant DoA Department.

**Capacity Building of AFEC members**

To date, the practice of decentralized extension in SSMP’s, there are 7 working districts that are not working satisfactorily, although it was well acknowledged in the early days. This is mainly due to difficulties in the availability and flow of information, and in monitoring, poorly developed structures and functions, and more authoritarian structure in guidance to the local institution. Capacity building of AFEC members is possible only by providing rigorous and regular training support. When AFECs was first established, there was a 14-step programme planning process involved into the local bodies. Later on due to the top down pressure it is not working well. Thus, needs to be supported by scheduled follow-up as well as coaching of VDC members and political persons towards the necessity of capacity building to the AFEC members for the development of rural context.

**Linking the ELF and the service centres**

It remains a challenge to convince the central and district-based government officers that:

a) Much can be achieved in agriculture development by competent local resource persons, development partners,

b) Partnerships and synergies between public and private bodies can really assist the agriculture development process.
The GoN agriculture extension workers, the ELFs, other local resource persons, as well as community level agriculture workers can be utilized by filling the gaps in the extension service, providing they are all trained to the required level of technical and social competence. The ELFs should be mobilized for supporting the farmer group at the planning, implementation, monitoring and evaluation process so that the local people honoured the value of AFEC and take part in making necessary plans and development of the proposals. Thus local people would are submitted to the AFEC.

**Linkage with social mobilization**

In Nepal, majority of the poor and discriminated communities are unorganized and vulnerable and reside in the more remote locations, much beyond the reach of the district-based service providers, even the decentralized institutions - thus, resources and opportunities are not effectively reaching the majority of poor and discriminated. Currently, however, there is no strategy or policy to solve this problem. Several "projects", however, are implemented by NGOs, INGOs, and the donors which incorporate social mobilization, awareness raising, group formation and organisation, skill enhancement, but there is no concept or plan to include these, specifically targeting the disadvantaged, as an integral part of the decentralization policy or process. If included, this would ensure that all communities are enabled and motivated to demand resources, opportunities and services, which are meant for them under the block grant regulations.

**No vision statements or plans for the agriculture and natural resource sector**

Institutions such as the CAC, WCF, ASC, LSC, Ilaka, range post, as well as political representatives, progressive farmers (including ELFs) and cooperatives are important as vehicles for organizing communities and securing a common vision on where they want to see their community and VDC after a certain period of time. At the District level, however, the DDC Okhaldhunga has prepared the District Periodic Plan 2070-75 as a medium term agriculture development plan – in contrast, none of VDCs in Okhaldhunga have yet prepared their VDC periodic plans, which would greatly assist in focusing their annual agriculture development activities and budget priorities. Strict adherence to the plan and its objectives may also assist in avoiding political interference in the budgeting and expenditure process.

**Defining responsibility**

The policy makers have anticipated the decentralized governance system as an attempt to make the centre powerless while empowering the local level. (De and Jirli, 2011) This, however, should be not the case, as decentralization means defining responsibilities for each level, for both government institutions and officers, as well the private sector and civil society actors such as the NGOs, INGOs, donors and business community. This definition of roles needs to be undertaken at the central level, the district level and especially at the local level.

**CONCLUSION AND RECOMMENDATIONS**

Decentralized management of natural resources has the potential to solve the twin problems of Nepalese society which are poverty and poor governance. Currently, in centralized agriculture service delivery system the local bodies are dependent on the centre and donor-driven projects for funding, which does not encourage sustainability, independent thought or innovative approaches and activities – in future, these local bodies need to explore ways and means of raising funds for their own local development plans, through working closely and cost-sharing resources with beneficiaries,
donors, and small and large local enterprises in the private sector. To make it more effective, demand-based extension service is required, owned and managed by local government units and grassroots organizations. A nationwide strategy for extension and development on the basis of the decentralized approach put forward in this paper needs to be developed and implemented in the very near future.

However, some impressive achievements have been observed and recorded, in order to make the proposed VDC-level decentralized agriculture system fully operational and effective, the challenges and issues documented to solve in order to ensure the sustainability of a demand-based system implemented through the AFECs. Many of these challenges centre on the capacity of the AFEC members, and the current weak capabilities for managing and institutionalizing such an approach of providing agriculture service at VDC level. This challenge requires focus on public finance management, long-term commitment, regular and repeated capacity building of the AFEC members, and commitment, support and involvement of both the village, district and central government officers.

Based on these conclusive observation regarding the implementation of decentralized agriculture service at VDC level followings are recommendations suggested to overcome the challenges of implementation of decentralized agriculture service at VDC level.

Focus on capacity building of AFEC and ELF: capacity building at all levels and in many topics is crucial to the success of decentralization. Capacity building and institutional strengthening require significant funding and human resources to widen and deepen the pool of trained AFEC members and ELFs and local resource persons. It is also important to ensure strong links with agriculture, livestock and natural resource extension and technical staff, and local agriculture-related enterprises (for example the agro-vets). This will result in a well-equipped and confident local extension team, capable of implementing various and diverse agriculture related activities.

Mobilization of ELFs: The development of the Experienced Lead Farmers has been a commendable achievement of SSMP and these have the potential to become very valuable resource persons in the farming communities for increasing the coverage of service provision (Chipeta et. Al. 2014). It is noted that in Okhaldhunga that though many ELFs have been developed in the last 4 years, few have been mobilized– of the 361 ELFs developed, only 108 (30%) have been mobilized. It is essential that each AFEC maintains an up to date register of the ELFs available for service provision in each VDC, and utilizes them as regularly as possible to ensure that skills are not forgotten and to weed out those who are not committed. In order to maintain a high level of interest and commitment within the VDC-level teams of ELFs, further training and opportunities need to be provided. In addition to basic and advanced training, the ELFs commonly participate in on-farm demonstrations and experimentation to upgrade their knowledge, skills and adoption level. In addition, to expand their horizons both in terms of personal experience and technical knowledge, they need to be provided with opportunities for study visits, interaction workshops, and other cross-learning openings to enhance their knowledge and skills.

All VDCs to prepare a VDC vision statement: A long term strategic vision, detailed annual and medium term periodic plans are yet to be prepared in the great majority of VDCs, and thus it is not clear where they stand at present, what the future goals are, what they want to achieve, and how they are going to develop over what timeline? Until these questions are answered properly, the VDCs and AFECs will have no guiding light or strategic goal. Within the VDC vision statement, it is imperative that priority crops are identified, both in terms of food security and cash income – only in this
way, can seed, sapling, and nursery requirements etc can be planned and budgeted, and particular communities or parts of the VDC identified as production areas for a specific commodity.

**Central and local government should focus public financing on the poor:** given the GoN emphasis on poverty reduction, public finances should focus on assisting the poor and discriminated and increasing their knowledge of rural income-generating activities through marketing of agricultural products.

**Promoting the one window policy for agriculture development:** to develop the local agriculture sector and the farmers themselves, especially those who are small landholders and socio-economically marginal, the state supported extension system needs to change focus, attitude, and their roles and responsibilities. In this respect, the one window approach needs to be institutionalised at the VDCs, so that all support, technical, human and financial aimed at developing the VDC, come through the VDC and AFEC, so that duplication, repetition and re-inventing the wheel are minimized. Developing the rural farmers into agriculture-entrepreneurs and making farming a profitable enterprise is a major challenge, and will be only be achieved if all donors, projects, private and public initiatives are working to the same vision and objectives. This can be greatly assisted if all plans are first approved at the VDC level and all funds are deposited in a common basket for local agriculture development under the one window policy.

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