

## CASE STUDY

### **Study of Decentralized Agricultural Service Provision: A Case of Achham District of Nepal**

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#### **ABSTRACT**

In general, decentralized, demand-driven, and participatory programs tend to be more democratic in design and more successful in implementation. Achham is the far-western district of Nepal where the provision of disbursement of agriculture services, at village development committees (VDCs), is significantly active for agriculture extension services. This study aims to analyze the provision and practice of decentralized agriculture in VDCs through Agriculture forest and environment committee (AFEC) and existing governmental structure and its role for farmers to farmer extension system and the adoption of sustainable soil management (SSM) practice by the farmers. The study concluded that dispersion of block grant for agriculture and various sectors of investment by government in agriculture sector were partially used, but SSM technologies were highly adopted by farmers. The study showed that the block grant and fund from organization were bucketing for one window policy but some organization also basket the program to minimize duplication. Establishment of AFECs and functional groups in VDCs level is effective and efficient for decentralization of agriculture and inclusion of women and DAGs.

**Key words:** Agriculture forest and environment committee, block grant, decentralization, experience leader farmers, sustainable soil management technologies

#### **INTRODUCTION**

Decentralization refers to the allocation of fund, resources, and responsibilities from the central government to lower bodies including the intermediate and local government bodies or quasi-independent government organizations or the private sector. The flow of services to the local bodies makes themselves capable to act as the main body within the respective area that works under the policies of the central authority. The agricultural decentralization helps for the transfer of all heterogeneous services that include all tangible, non-tangible, and non-storable goods that are provided to the agricultural producers to increase their productivity. Being itself a

heterogeneous component, there are no any clear differences between goods and services; rather, they end as two spectrums.

#### **Current situation of service delivery in Nepal**

Government of Nepal (GON) has already made devolution of agriculture extension service to the local government bodies in line with local self-government act (LSGA) 1999.<sup>[1]</sup> Decentralization helps in the correction of the urban bias that has been created due to geographic dispersion of the citizens, their discrimination in policy frameworks against agriculture. The agricultural extension and research help to increase the people's participation in technology programs as well as to make the programs more accountable for users.<sup>[2,3]</sup> For service delivery, government has adopted various institutional arrangements to provide public goods and services to the people.

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## Mechanism of agriculture service delivery

GON has provisioned block grant to all village development committees (VDCs) for the developmental works. The fund is collected from the internal revenue and other supporting organizations and development partners. The agricultural development is announced in budget speech (BS) of fiscal year (FY) 2068/69, where GON considered agricultural development under the local development. The block grant was not efficiently utilized by the respective governmental bodies. Ministry of federal affairs and local development (MoFALD) issued directives for at least 15% of the total block grant to be expended in the agricultural sector and many of the VDCs have been following the directives. The existing structure in VDCs could not implement the directives properly. Hence, an additional structure under the supervision of VDC named – Agriculture forest and environment committee (AFEC) is formed and has been provisioned in the existing legal document, i.e., LSGA 1999. AFEC was formed for the sorting, mobilization, and utilization of local resources. The fund to be utilized in agricultural sector has been utilized in other developmental works by the VDCs.<sup>[4]</sup> AFEC, as an organized functional group (FG), has been working in the entire VDCs of Achham district for providing the agricultural services to the farmers granted by the government. According to these revealed documents, AFEC was established in each VDCs of Achham district for the proper utilization of agricultural services provided by GON and other development partners. The main objectives of this research were to study the decentralized agricultural service provision in Achham district of Nepal.

## MATERIALS AND METHODS

Achham district of far-western mid-hill of Nepal was selected purposively to study the major process of decentralization as it lies to an uttermost position from the central government [Figure 1]. The population of Achham district was 257,477, of which 1,120,008 (46.6%) were female. A pre-structured questionnaire was used for collecting and analyzing data on which this study is based. Different methods of participatory research such as focus group discussion, face-to-face interview, as well as secondary data were used for detail

analysis. Analysis of the data focused on the following:

- Provision of decentralized agriculture services at grass root level
- Participation of experience leader farmers (ELFs) in farmers to farmer's extension services and block grant used by AFECs in decentralization of agriculture services.

Secondary data were taken from sustainable soil management program (SSMP). Relevant reports and documents constituted the sources of secondary data and information for analysis. Focus group discussions were organized to explore the ideas, perspectives, and concerns of the groups in terms of resources and services provision by AFECs and official members at relevant post of governance during the field study, at the district, and service center. The checklist was prepared for the field survey which included the discussions with government officials and key informants at the district level and focuses group discussions.

## RESULTS AND DISCUSSION

### Total budget of the district and disbursement to agriculture sector

The credit is essential for the sound implementation of developmental activities. The internal revenue within the district, allocated budget from central government, and grants from other institutions are the major sources of fund. District development committee (DDC) Achham has been utilizing more than 85% of total budget in developmental works. In 2067/68, the total budget of Achham DDC was Rs. 6,178,358, whereas the expenditure was Rs. 5,882,915. During the FY 2068/69, the budget was reduced to Rs. 5,459,733 and 92% of it was utilized. Likewise, there was 2.49% rise in budget, i.e., Rs. 13,605,324 and 95% of the fund was expended. Furthermore, there was rise in budget during the FY 2070/71 to Rs. 19,015,740, of which 81%, i.e., Rs. 15,478,916 was spent in development works. Total block grant allocated for agriculture in all VDCs in the district in 2069/70 was 5,007,000 NRS. This is the amount of 10% of total budget of the district for agricultural development. The GON has announced through BS in FY 2068/69 BS that agricultural development in the country is crucial and a certain amount of total grant

should be allocated for agricultural sector only. Immediately after announcement in BS, MoFALD issued directives to all VDCs to allocate at least 15% of the total block grant for the development of agriculture sector and many VDCs have followed the directives. GON has issued a local resources allocation and mobilization guideline in 2069 BS with the purpose to ensure the effective and efficient utilization of VDC block grant in a transparent and sustainable manner fostering participatory and inclusive development through this block grant. However, the existing structural setup was not able for agricultural development. Hence, a new linkage structure, named AFEC, was established. Furthermore, among the total of 75 VDCs of the district, the adoption of the directives was undertaken in the FY of 2068/69 by 33 VDCs. However, later during the FY 2069/70, the number of VDCs increased to 46, and finally, all the 75 VDCs adopted the allocation of budget for agriculture sector in FY 2070/71. Comparatively, the utilization part is not going as per the spirit of LSGA as the allocated budget by district council and VDC council. For proper utilization of the allocated budget requires more capacity development toward demand side.

### Mechanism of resource flow

AFEC is the main implementer of agricultural services to farmer to farmer extension service government and nongovernmental institute's basket grant at AFEC and provides guidelines to the DDC and VDCs as well. The farmers' group demands fund for agriculture service from VDC through AFEC and utilizes it properly for agricultural production. At first, the farmers group discusses about the topic for the fund utilization. Hence, it is also bottom approach; it includes the inputs through the government level or directly the money value. They fill up the demand form for the request of resources in the AFEC. The demand forms from various FGs are received by AFEC and are prioritized in the severity of demand within the FGs.

AFEC mobilized ELF's as resource person as demanded by FGs and provides technical knowledge and training to the farmers group. The record is kept by AFEC about the service given by specifying the date and type of service provided. AFEC then allocates the budget to the various groups. The groups also prioritize the demand within the farmers and provides it to the farmer in

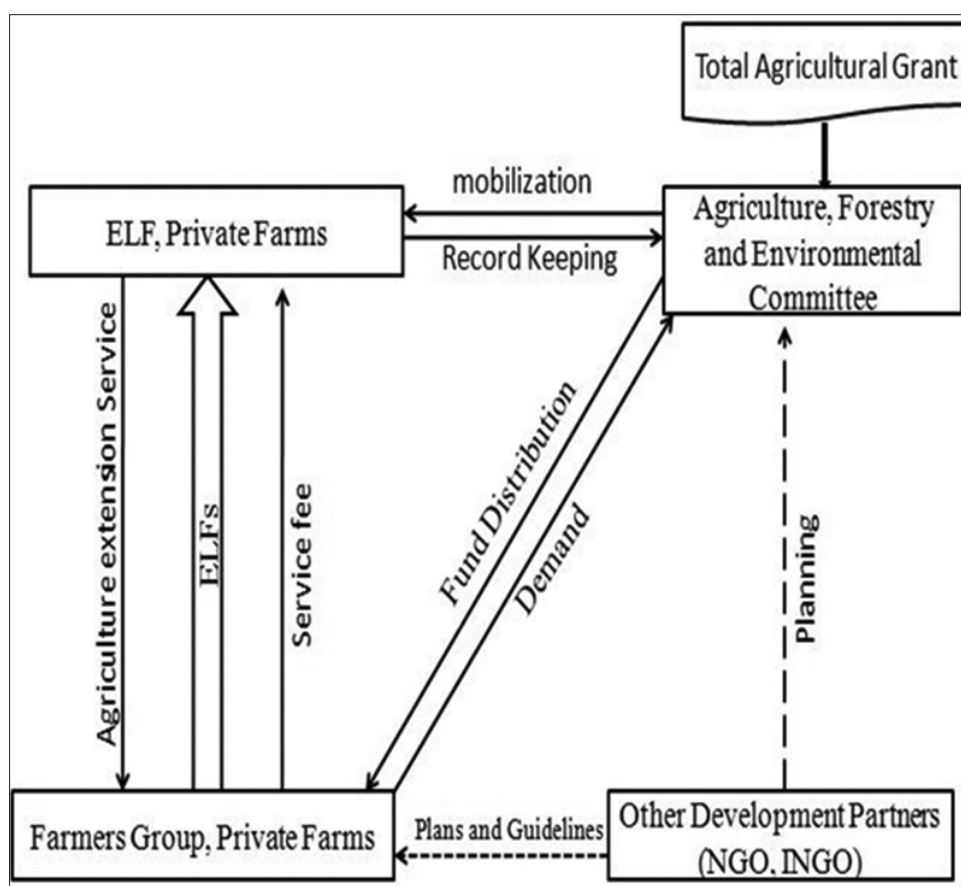


Figure 1: Functional structure of Agriculture forest and environment committee in Achham district

sequential order, i.e., they distribute it in rotation from years to years. It is because the fund allocated is not enough to distribute to all farmers.

### Sector of investment of block grants

The block grant has been allocated to various sectors of agricultural development. The different sectors include commercial vegetable growing, fruit farming, cash crop, livestock raising, small irrigation, and establishment of collection center. The expenditure of block grants has led to the rise in living standard of the people. The major contributing factors for increased income are farming practices (vegetable, polyhouse, and cash crops), increased access to market, marketing and sales, employment opportunities, and other opportunities through agriculture.

### Adoption of SSM practices by farmers group

SSM practices were based on the principle of maximum utilization of local resources and the promotion of crop management practices that enhanced the production. Improved farmyard manure (FYM), urine collection and utilization, composting, botanical pesticides, legumes integration, and fodder and forage promotion are SSM technologies that are locally resource based. The services are provided by ELFs on the improvement of FYM, urine collection and utilization, botanical pesticides preparation, off-season vegetable production, plastic houses promotion, etc. More than 80% of the DAGs households are benefitted from adoption of SSM technology.

In 2010 farmer's groups in Achham district, 45% adopted single cropping, 50% double cropping and 5% adopted multicropping. However, after the adoption of SSM technology and agricultural services provided by ELFs, 27% adopted crop integration and 73% adopted mixed cropping pattern. However, none of the groups adopted single cropping. In Achham, 8000 households adopted more than two SSM practices. On this regard, 7881 health and human services (HHs) had adopted more than two SSM practices. 7968 HHs have adopted the improved FYM practices, 433 HHs have adopted composting practices, and 864 HHs have adopted the use of botanical pesticides. Furthermore, 9727 HHs have adopted the legume integration with main crops

and 1514 HHs have adopted forage and fodder cultivation. SSM practices were used in rational way to minimize the use of chemicals that are harmful for environmental entities. Finally, it was concluded that 9727 farmers adopted SSM practices that are good for the production and productivity that reduced the dependency on chemicals.

### CONCLUSION

Due to the top-down approach of decentralization, the existing governmental structure designed for agriculture service provision was not able to provide the demand-based services to the farmers' group. The decentralization of the agricultural services in Achham was strengthened and smoothed by the institutionalization of AFEC. The major changes are the institutionalization of AFEC, particularly formation and in the way of institutionalization of those structures in all 75 VDCs of the district. These structures particularly formed after implementation of SSMP-IV support and facilitated to create the awareness of the agricultural planning, prioritization of plan, demand to their local bodies through VDC council, budget release, and implementation of their activities as per plan. AFEC also facilitates their groups to make their agriculture plan, capacitate their farmer's group's implementation, monitoring, and evaluation of agriculture program. They also enforce the local bodies to allocate the budget to agriculture sector as provisioned under local resource mobilization guideline 2067. People also address the demand of farmer groups through discussion in AFEC. AFEC is a good institution for participatory planning, budgeting, monitoring, and review and for public audit. SSM practices reduced the dependency on the use of chemical fertilizers and chemical FYM, cattle urine, and biological pesticides.

### ACKNOWLEDGMENT

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