



Public Expenditure Tracking Survey

COOPERATIVE FARMING, SMALL IRRIGATION AND
TRANSPORTATION OF SEEDS & FERTILIZERS PROGRAMME



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Foreword

Agriculture is the most vulnerable economic sector to the impacts of climate change. Any impact that undermines growth in agriculture not only concerns a large number of people as nearly two-third of the population is engaged in agriculture, but also hampers national efforts of achieving some of the key goals of the SDGs. The Government of Nepal has already emphasized focusing on the ways of making agriculture sector climate resilient by helping the farmers adapt to the emerging climate threats. The ADS has laid out the detailed plans to respond to the climate impacts. In addition, several programmes in annual plans of the ministry have been identified as climate related as they respond to the demands put forth by the farmers to deal with problems likely to have been caused by changing local climate.

As an important step towards increasing budget transparency and accountability, and ensure that the budget allocated to climate related programmes do reach the vulnerable farmers to help them respond to the local problems, there is a need to follow the money, and what better way would there be than doing it in collaboration with civil society organizations (CSOs) for impartial tracking. With

this in mind, the ministry with support from UNDP's regional programme "Strengthening the Governance of Climate Finance to Benefit the Poor and Vulnerable" and in collaboration with Freedom Forum, a CSO having experience in similar work has conducted a Public Expenditure Tracking Survey (PETS) of a government-funded programme titled 'Cooperative Farming, Small Irrigation and Transportation of Seeds & Fertilizers Programme' in the districts of Bardiya and Udayapur that represented Tarai and hill respectively in responding to climate change impacts.

The findings of the survey has encouraged us to carry out similar exercises that apply specific transparency and accountability tool to enable a wider range of beneficiaries to understand the scope, expected results of budget allocations and actual expenditures in relation to climate change adaptation policies and activities. We intend to conduct PETS in other areas with climate related programmes to ensure that the scarce resources are directed to the most needy areas to address climate impacts and make agriculture climate resilient in the long term by using the findings to inform decision-making in agriculture sector planning at MoAD.

Dr. Yogendra Kumar Karki
Joint Secretary

Disclaimer Statement

Given the limited scope of the study restricted within two districts of Udayapur and Bardiya, the results should be interpreted with caution and as indicative only and in no way they represent the entire agriculture sector of Nepal. Further the findings are based on case studies carried out following qualitative assessment methods, for which information on public expenditure made by “Cooperative Farming, Small Irrigation and Transportation of Seeds and Fertilizers Programme”, were triangulated with people’s perception about the expenditure made under the programme. A positive correlation between the two observed in the study is an indication of relevance of programme expenditure in responding to climate change from peoples perspective. The study should be considered as an important step in building foundations for scaling up future engagement with civil society organizations in tracking expenditure and assessing impacts of government’s programme earmarked for climate- relevant investment.

Acronyms

ADS	Agriculture Development Strategy
CA	Constituent Assembly
CC	Climate Change
CCB	Climate Change Budget
CECI	Centre for International Studies and Cooperation
CPEIR	Climate Public Expenditure and Institutional Review
CSO	Civil Society Organisation
DADC	District Agriculture Development Committee
DADO	District Agriculture Development Office
DDC	District Development Committee
DTO	District Treasury Office
EBP	Executive's Budget Proposal
FCGO	Financial Comptroller General Office
FGD	Focus Group Discussion
FF	Freedom Forum
FY	Fiscal Year
GCF	Green Climate Fund
GoN	Government of Nepal
IBP	International Budget Partnership
KII	Key Informant Interview
LDC	Least Developed Country
MoAD	Ministry of Agricultural Development
MoF	Ministry of Finance
MoFALD	Ministry of Federal Affairs and Local Development
NAPA	National Adaptation Programme of Action
NPC	National Planning Commission
OAG	Office of the Auditor General
OBS	Open Budget Survey
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PRAN	Programme for Accountability in Nepal
SPF	State and Peace-building Fund
UNDP	United Nations Development Programme

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Executive Summary

Climate Change (CC) has the potential to negate development gains and undermine the future possibilities and aspirations of the people. As a climate vulnerable country, Nepal must effectively and efficiently mobilise resources – from both domestic and international sources – to respond to the negative impacts on day-to-day lives and livelihoods. Nepal's climate change budget has increased by over seven-fold since fiscal year (FY) 2013/14. Further, the country is positioned to receive additional international funds -- as commitments made by the international community indicate. Hence, it is important to generate evidence on whether or not public money reaches the end beneficiaries in an effective and efficient manner to help them in responding to the increasing climate change risks.

The Public Expenditure Tracking Survey (PETS) was piloted in the government's 'Co-operative Farming, Small Irrigation and Transportation of Seeds & Fertilisers Programme' in Bardiya and Udayapur districts. The programme is a response to climate change and covers all of Nepal's 75 districts.

Agriculture is most vulnerable to climate change impacts. About two-thirds of Nepal's population is engaged in agriculture. As such climate related resources and programmes should reach these groups for enhancing their resilience to climate impacts. The government programme that was analysed seeks to provide subsidies for the repair of small irrigation schemes through farmers' groups and is regulated by the Small Irrigation Special Programme Implementation

A Public Expenditure Tracking Survey (PETS) is a social accountability tool which can be used to follow the money and determine how much of the originally-allocated resources reach to the intended beneficiaries at local level. Expenditure tracking can be used to check whether or not public money is spent as planned. The tool is also useful to generate evidences on the public spending pattern needed for fact-based advocacy for change or reforms.

Guideline-2061 BS (Amendment-2070 BS). The government guideline allows it to implement small irrigation programmes of up to Rs. 150,000 in collaboration with farmers' group, and up to Rs. 300,000 through a cooperative. The recipients have freedom to design and implement schemes to match their needs.

The PETS was conducted among beneficiaries associated with 20 farmers' groups/cooperatives that had received grants through the District Agriculture Development Office (DADO). The survey traced the flow of funds from government agencies to end-users throughout FYs 2013/14 and 2014/15. The study was carried out from September 2016 to January 2017.

The key objective of the PETS is to generate evidence on how funds flow through existing financial and administrative systems, determine how much of the originally allocated resources

The PETS was conducted among beneficiaries associated with 20 farmers' groups/ cooperatives that had received grants through the District Agriculture Development Office (DADO).

The government developed the Climate Change Budget Code (2012) and carried out the Climate Public Expenditure and Institutional Review (CPEIR) in 2011.

reach end beneficiaries, identify political and institutional problems in the deployment of human and in-kind resources in the districts and assess compliance against the government guidelines for managing the small irrigation special programme. The study adopted a top-down view of the context of climate finance, policy frameworks and structures along with its outcomes, and a bottom-up view based on perspectives of beneficiaries and stakeholders of the programme while focusing on the flow of funds and its accountability effects. The PETS used a mixed-method combining quantitative and qualitative techniques using literature reviews, beneficiary surveys, consultations, field observations, Focus Group Discussions (FGDs), and Key Informant Interviews (KIIs). Information acquired from the primary sources included the planning and decision-making process, fund flow mechanisms and practices, monitoring and evaluation, benefits to end users and transparency and accountability practices.

Nepal has introduced some exemplary policy interventions, initiatives and mechanisms to respond to the adverse effects of climate change. The government developed the Climate Change Budget Code (2012) and carried out the Climate Public Expenditure and Institutional Review (CPEIR) in 2011. These serve as tools for planning and budgeting for channelling funding for climate change and related activities. The tools have also opened up avenues for tracking climate finance. Sustainable use of water resources for energy, forestry, irrigation and safe drinking water are some of the 11 areas considered as climate change-related activities according to the Climate Budget Code. According to Climate Change Budget Code-2012 developed by the National Planning Commission, development activities related to any of the following are considered as climate change related. They are sustainability of natural resources and greenery promotion, land use planning and climate resilient infrastructures, climate change induced health

hazards, climate change induced hazards to endangered species, Green House Gas (GHG) emissions reduction, sustainable use of water resources, food safety and security, low carbon emission through renewable and alternate energy, climate induced disaster risk reduction, awareness, education and database creation and policy, legislation and plan of action for climate change. The programme studied is 'Highly Relevant' to climate change according to the criteria but had been overlooked while coding in government documents.

Key findings **Overview of expenditure**

Based on the data of the government treasury controller's office in the districts, the expenditure of the irrigation programme was about 98 percent and 99 percent in Bardiya district in FYs, 2013/14 and 2014/15, respectively; and it was 100 percent and 97 percent in Udayapur in the corresponding years. Likewise, the capital spending was 73 percent and 93 percent in Bardiya, and 100 percent and 91 percent in Udayapur (See Table 4-1).

Key institutional mechanisms

The key institutional mechanisms involved in the flow of funds from government agencies to end beneficiaries of the 'Cooperative Farming, Small Irrigation and Transportation of Seeds & Fertilizers Programme' include Legislature-Parliament, National Planning Commission (NPC), Ministry of Finance (MoF), Ministry of Agricultural Development (MoAD), Department of Agriculture, Agriculture Extension Directorate, Office of the Auditor General (OAG), District Treasury Office (DTO), DADO and grantees (farmers' groups and cooperatives).

Compliance status

The government guidelines were followed on legal registration, operation, contribution, commitment and engagement of groups/cooperatives to be eligible for accessing grants

from the DADO. The guidelines state that the groups/cooperatives should be registered with DADO or under other concerned government agencies and should have completed at least a year of operation with regular meetings, and must also be committed to the development of the agriculture sector, and abide by the process required to be followed to receive the grants.

Socio-economic impacts

The programme has been effective in terms of service delivery, was transparent on use of budget, and had contributed to increase in food production and productivity, crop intensity and crop switching. The irrigation opportunities offered by the small irrigation schemes had allowed farmers to have food security and generate income through off-seasonal commercial vegetable farming. Small irrigation had allowed them to cultivate at least three crops, including vegetables, each year, and to switch to commercial farming from subsistence agriculture, and generate higher incomes.

Another positive aspect of the project was the group mobilisation, awareness among farmers about the grant selection process, discussion among stakeholders on climate change related concerns, and people's participation in the construction and maintenance of irrigation schemes.

Transparency/Accountability

The farmer and cooperative groups followed a transparent decision-making process followed by social accountability practices such as annual public hearings and sharing of information among members. More than half of the total 20 institutional respondents (55 percent) said that the grant allocated to groups/cooperatives was used properly while 35 percent said it was moderate in terms of use. The beneficiaries were interested in attending public information meetings on programmes and plans. Around 45 percent respondents had actively participated in public audits/hearings organised by farmers'

groups/cooperatives. None of the respondents had used the Right to Information to seek and receive information from the concerned public bodies.

The programme has helped small farmers to adapt to water scarcity in farming/agriculture. Further, irrigation channels designed locally also suit local needs, and have helped to address climate risks.

Gaps

Compliance of guidelines

- Involvement of frontline farmers' groups in the procurement of irrigation equipment and machineries
- Distribution of grants to the same groups in two consecutive years
- Scattered distribution of grant amounts

Participatory monitoring

- Inadequate participatory and transparent monitoring of the irrigation schemes
- Monitoring was not undertaken with checklists and was not useful for bringing improvements to the programme, for learning and promoting accountability practices
- There was almost no practice of preparing monitoring report with evidences from the monitoring agencies such as DADO, civil society organization (CSO) representatives, media and other government officials and on this the farmers saw room for improvements
- Inadequate participatory planning due to lack of information
- Mismatch between the needs and design of the irrigation schemes in some cases
- Affluent people and leaders influence location of irrigation schemes
- Ad-hoc decision-making was evident in the programme selection, planning and investment.

Discrepancy in records

- There were slight discrepancies between the records of the DADO and the responses of beneficiaries, especially in regard to the

The beneficiaries were interested in attending public information meetings on programmes and plans.

grant amount and contingency deductions in some cases. There was some variance in the grant amount provided by the DADO and that received by farmer groups in some cases, indicating leakage. However, this was not the case for all small irrigation special grant recipients.

Major learning

- The small irrigation programme was useful for addressing climate change with people's participation and was also an example of effective use of resources
- The project has potential up-scaling and replication to engage more farmers
- The engagement of CSOs as intermediaries can assist in bridging the information gap and can help towards fact-based analysis

Key recommendations

- The programme needs to be up-scaled and replicated to include more beneficiaries to increase resilience capacity of small farmers to adapt to climate impacts

- Increased coordination among government agencies (for example, Department of Irrigation, Department of Soil Conservation and Watershed Management and Department of Water Induced Disaster Prevention) can assist in designing more effective interventions
- There is need for information sharing and sensitisation on procurement practices and the compliance guideline among farmer groups
- Government agencies including DADO should carry out monitoring as per the guidelines and provide feedback to stakeholders for effective delivery
- Engagement of CSOs needs to be promoted to bridge the information gap between the frontline service providers and beneficiaries for ensuring accountability at various stages
- Newly-formed local governments need to be encouraged to continue and upscale this model especially in the districts that have experienced regular droughts

Introduction

1.1 General Background

Nepal has been channelling its own resources as well as international climate finance to respond to the climate change related challenges. According to the Climate Change Budget (CCB), the Government of Nepal (GoN) has allocated 30.7 percent of the annual budget i.e. Rs. 393.33 billion to climate change for FY 2017/18. With the Green Climate Fund (GCF) in place and recent financial pledges of developed countries to raise \$ 100 billion every year by 2020 to support developing countries to fight against climate change, Nepal is poised to receive additional international funds for responding to the climate-related challenges.

This is a reason why it is important to generate evidences on whether or not public money intended for tackling the impacts of climate change effectively reaches the end beneficiaries. This was the reason for piloting the PETS in the “Cooperative Farming, Small Irrigation and Transportation of Seeds & Fertilizers Programme”. As part of the process, a beneficiary survey was conducted among the members of farmers’ groups/cooperatives that had received government grants for small irrigation through the DADOs of Bardiya and Udayapur districts.

This PETS covering FYs 2013/14 and 2014/15 was supported by United Nations Development Programme (UNDP) as part of its overall efforts to strengthen the integration of climate finance in the development planning and budgeting processes under an umbrella programme, “Strengthening the Governance

of Climate Finance to Benefit the Poor and Vulnerable”.

The MoF has a crucial role in mainstreaming climate change policy priorities in regular developmental efforts through effective climate budgeting and delivery in collaboration with multiple actors including line ministries. The MoF introduced the Climate Budget Code in FY 2013/14 and has gradually increased allocation of dedicated budgets to activities related to climate change. Likewise, the MoAD has the key role of mainstreaming climate change in agricultural planning and of transferring successful lessons to the local level in the country’s new administrative setup.

1.2 Objectives

This study aimed to evaluate and monitor services related to the government programme on small irrigation. It sought to gather information beyond official data and administrative records to understand what actually happens to public money appropriated for climate-relevant programmes. The purpose of the study was to generate evidences on how funds were flowing through the existing financial and administrative systems against how it should be done. The specific objectives of the PETS were:

- To determine how much of the originally allocated resources reached the end beneficiaries,
- To identify political and institutional problems in the deployment of human and in-

The MoF introduced the Climate Budget Code in FY 2013/14 and has gradually increased allocation of dedicated budgets to activities related to climate change.

- kind resources in the study districts, and
- To assess the status of compliance of the government guideline for the small irrigation special programme.

1.3 PETS framework and methodologies

A review of literature, reports, district budgets, official records, consultation and interaction meetings with different stakeholders, field survey, KIIs, expert inputs, informal discussions, and sharing of the draft report among stakeholders were the major methodological tools used. The study captured the bottom-up view of the programme focusing on flow of expenditure and its accountability effects. Both quantitative and qualitative techniques were used (See: Chapter 2).

1.4 Scope of the PETS

The two districts chosen for the study were among five districts where the Ministry of Federal Affairs and Local Development (MoFALD) had undertaken the d-CPEIR, with UNDP assistance. The PETS covered the programme expenditure data of FYs 2070/71 BS (2013/14) and 2071/72 BS (2014/15). The PETS covered 20 farmers' groups, 10 each in Bardiya and Udayapur districts that had received grants from the respective DADOs. (See: Annex-1)

1.5 Limitation of the PETS

The study has attempted to cover the perspectives of some concerned stakeholders, mainly the farmer groups that had received the grants. It was not possible to conduct an in-depth study within the timeframe and resources, and therefore the results may not represent the overall spending and accountability picture of the programme and its response to climate change effects. Nonetheless, the findings were expected to provide some insights and recommendations that could help towards better targeting and results. The MoAD, as recipient of the report findings and recommendations, can use the knowledge in programme planning and monitoring. The findings can also assist the MoAD, NPC and MoF for proper coding, planning and budgeting for the programme from climate change perspectives. After the state restructuring, Nepal now has 753 local governments. The study findings are also expected to be of use to the new political and administrative units as they formulate climate change mainstreaming policies.

1.6 Study Period

The study was conducted between September 2016 and January 2017. However, the MoF data on the climate budget for FY 2017/18 have also been used to describe the broader context of climate finance in Nepal.

The PETS covered the programme expenditure data of FYs 2070/71 BS (2013/14) and 2071/72 BS (2014/15).

Study Design and Methodologies

2.1 Study framework

The PETS is a social accountability tool that can be used to trace the flow of fund from spending agencies to end-beneficiaries. It helps to monitor whether or not public money is spent as planned. The tool is helpful to generating evidence of the spending patterns that can be used for fact-based advocacy for reforms. PETS has been used by local bodies in Nepal to track budget against promises made to people for enhancing public service delivery and providing effective governance. The Programme for Accountability in Nepal (PRAN), supported by the State and Peace-building Fund (SPF), had engaged different CSOs working on Public Financial Management (PFM) to promote accountable, transparent and responsible governance at the national and local levels. In doing so, the Centre for International Studies and Cooperation (CECI), as the grants manager, had developed capacity of over 30 local CSOs on local budget analysis using PETS. Likewise, CECI in association with Policy Research and Development undertook PETS' for the District Development Committee (DDC) block grants, Village Development Committee (VDC) block grants and Constituency Development Fund in 35 VDCs of six districts (Kanchanpur, Kailali, Bardiya, Banke, Dang and Surkhet) in 2016.

The main research questions related different aspects of resource allocation and transfers, spending patterns, programme selection and planning, execution, monitoring and oversight, transparency and accountability practices, and its benefits were:

1. What are the established procedures in regard to resource allocation and transfers?
2. What are the spending patterns at different levels?
3. What are the existing structures and systems of financial flows and public finance reporting?
4. What are the gaps between planned and actual spending; budgeted and disbursed fund?
5. What are the gaps in the provisions of policy and practice?
6. In what ways are the end beneficiaries actually benefitting from the grants?
7. What are ways to improve policy provisions/practice to address the gaps?

2.2 Methodology

A series of consultation and co-ordination meetings were held with different stakeholders including government agencies, UNDP and subject experts before finalising the scope, methodology, tools and other associated issues of the PETS. Individual and group meetings were held to finalise the study design, methodology and questionnaire. Key stakeholders including officials at information, climate change, budget and planning sections at MoAD, and its directorate and district offices, MoF, NPC and experts were also consulted. This resulted in agreement on the following methodology for the PETS:

- Consultation with MoAD/DADO officials to determine objective and scope of the study
- Mapping of service delivery to identify sources to obtain data for the PETS
- Assessment of data availability from the Financial Comptroller General Office (FCGO), DADO, DTO and farmers' groups

PETS has been used by local bodies in Nepal to track budget against promises made to people for enhancing public service delivery and providing effective governance.

Primary data was collected through individual and institutional field surveys, FGDs, KIIs, interactions with non-beneficiaries and other stakeholders, and field observations.

- Identification and selection of stakeholders, determination of sample size
- Preparation of the checklist of questionnaire and piloting of the PETS
- Collection of data from document reviews, interviews and structured questionnaire
- Data entry, verification and documentation of output/result, and
- Discussion of preliminary findings of the report with stakeholders.

2.3 Data collection tools

Both primary and secondary data were collected. Secondary information was largely used to verify data obtained from primary sources. Primary data was collected through individual and institutional field surveys, FGDs, KIIs, interactions with non-beneficiaries and other stakeholders, and field observations. Separate questionnaires were developed to collect information from institutional and individual beneficiaries. (See: Annex 2 for institutional questionnaire and Annex 3 for individual questionnaire)

Purposive sampling was used to select farmers' groups and cooperatives for the PETS. It covered 20 farmers' groups of Bardiya and Udayapur districts that received grants from the respective DADO. A total of 165 respondents including 77 from Bardiya and 88 from Udayapur were selected for the individual survey, whereas 20 respondents, 10 from each district, were approached for filling up the institutional survey form. Ten key informants, five from each district, including Chief District Officer, Local Development Officer, DADO Chief, DTO representative, DADO agriculture extension officers were interviewed. Similarly, two

FGDs were conducted in the districts and each had 12 participants. Brief interactions were also held with 16 non-beneficiary farmers. Secondary information was collected from sampled agencies, government offices and websites. Periodic publications of different agencies were consulted for secondary information.

A desk review of available policy documents and reports related to climate change, climate finance, budget transparency and accountability and PETS was undertaken. Other literature consulted included budget documents of Nepal, UNDP's climate finance conference documents, learning documentations and presentations, International Budget Partnership (IBP)'s Open Budget Survey (OBS)-2015 global and Nepal reports, Nepal CPEIR, Climate Change Budget Code, Budget Code Application Review, Agriculture Development Strategy (ADS)-2015, Future for Climate Finance in Nepal, and different brochures and reports.

The study acquired information on the planning and decision-making process, fund flow mechanisms, monitoring and evaluation, benefits to end users and transparency and accountability practices. The study has also attempted to understand and document best practices in the fund flow and management.

2.4 Data entry and processing

Data coding sheet was developed before entry and the structured questionnaires were coded. Consistency was checked throughout the research process and after data entry. Field data was processed and analysed using the Statistical Packages for Social Science Software (SPSS).

Contextual Analysis

3.1 General background

Globally Nepal is ranked as one of the most vulnerable countries to adverse impacts of climate change. In recent years, Nepal has witnessed recurring climate change induced hazards such as flash floods, landslides, glacial outbursts, heat wave and cold wave, droughts and unpredictable rainfalls, among others. These have direct negative bearings on the lives and livelihoods of people as well as on the national economy and natural ecosystem.

According to the National Adaptation Programme of Action (NAPA), 29 of Nepal's 75 districts are highly vulnerable to landslides, 22 to drought, 12 to Glacier Lake Outburst Floods, and nine districts to flooding. The 2013 study on Economic Impact Assessment of Climate Change in Key Sectors (agriculture, hydropower and water-induced disasters) had estimated the direct cost of current climate variability and extreme events to be equivalent to 1.5-2 percent of current GDP/year (approximately USD 270-360 million/year in 2013 prices), and much higher in extreme years.

Against the backdrop, Nepal has committed to graduate from its status as least developed country (LDC) to developing country by 2022 and become a middle-income country by 2030. However, Nepal also faces several challenges including sluggish economic growth, slow development progress and ineffective fund mobilisation in addition to the increasing climate change effects in its path towards reaching the development milestone. Therefore, effective and efficient budget management, one that al-

lows the public with opportunities to engage in the processes, and makes it possible for oversight agencies to check spending of public resources against established practices are important to attain the national goal.

3.2 Budget transparency, public participation and oversight

Nepal has yet to put in place adequate systems for ensuring that public funds are used in transparent and accountable ways. Nepal's score in the Open Budget Survey dropped to 24 out of 100 in 2015, from 44 in 2012, which is an indicator of decreasing budget transparency. Furthermore, the International Budget Partnership-managed global survey has revealed that the GoN provides the public with minimum budget information and limits the possibility of citizens to engage in the process.

Nepal's score on public participation was 19 out of 100, which is lower than the global average of 25. Budget oversight by the legislature was also weak at 18, while oversight by the OAG, the supreme audit institution, was adequate at 75 out of 100. Nepal's score of 24 out of 100 is much lower than the global average score of 45, according to the Open Budget Index – the world's only independent and comparative measure of budget transparency, participation and oversight. Nevertheless, the decline in transparency observed in Nepal appears to be temporary in nature as it resulted mainly from its failure to publish the FY 2013/14 Executive's Budget Proposal (EBP) on time for making it available to the public. The EBP was released after the

Nepal's score on public participation was 19 out of 100, which is lower than the global average of 25.

budget was approved by the Legislature-Parliament causing the score in the transparency component to fall. Nepal has also been using several social accountability tools such as social audits, public hearings, community scorecards and citizen report cards, and PETS’.

3.3 Small Irrigation Special Programme: Overview

The Small Irrigation Special Programme is a regular government initiative under the MoAD with a budget sub-head No. 312120. It has been implemented for more than 15 years and covers all 75 districts. The programme’s objective is to provide subsidies for repairs of small-scale irrigation systems through farmers’

groups and/or cooperatives, and for bearing the transportation costs of seeds and fertilisers. The government claims that it a successful initiative in the agriculture sector.

According to the Small Irrigation Special Programme Implementation Guidelines-2061 BS (First Amendment-2070 BS), the programme was designed to contribute to poverty alleviation through income generation based on the needs of small farmers. Ideally, it was to support the construction, maintenance and operation of small and feasible surface irrigation structures and systems such as rain harvesting ponds, different types of water-lifting machineries (dhiki pump, mono block pump sets, hydraulic ram, cycle pumps, Persian Wheel, gear pump, canal,

Box 3-1: Project Selection Criteria

According to the Small Irrigation Special Programme Implementation Guidelines, following criteria need to be considered while selecting the projects/schemes.

- Group of farmers registered with DADO/concerned government agencies have completed a year of operation with regular meetings and are committed to agro-sector development
- Focus on group irrigation in regard to surface irrigation and pond construction
- Optimally mobilise local resources through people’s participation; the applicant should contribute 15 percent of total costs in cash, kind or material support, or all three
- Small irrigation schemes that can immediately provide irrigation services
- Special consideration is to be given to the interests and welfare of Dalits, freed Kamaiyas, socially backward and disadvantaged groups
- Selection should be carried out in a manner that ensures participation of women farmers’ groups
- Reach out with irrigation service to the areas where programmes are oriented towards income-generating commercial agriculture
- Project selection to contribute to the stipulated pocket areas to the extent possible
- Provide support to expand irrigation area and resolve the irrigation problems by arranging concrete and polythene pipes in existing canals damaged by floods and landslides
- The cooperative organisation/farmers’ group/users’ group should seek grants for feasible schemes and their participation in implementation is mandatory
- Encourage schemes likely to reduce unfavourable environmental effects
- Select projects/schemes avoiding duplication in coordination with agencies implementing small irrigation projects in the district, and
- Selected grants/schemes should be completed within the same FY.

well, temporary dam, concrete pipe, drip irrigation, sprinkler etc.). The idea was to provide support to the small farmers under which each farmer group would be eligible to receive the grants up to Rs. 150,000 and cooperatives, up to Rs. 300,000. The guidelines specify that local contribution to the projects should be at least 15 percent in cash or kind.

The beneficiaries of the programme are members of the farmer groups or cooperatives. The District Agriculture Development Committee (DADC) headed by Local Development Officer and comprising of the Chief District Officer and representatives of other government and non-government organisations decides on the support based on the demand of farmers. However, the concerned DADO is responsible for disbursing the funds once it receives the go-ahead from the Department of Agriculture (DOA). The guidelines provide a basis for fund use to address the demands of beneficiaries and mobilise funds for the purpose.

The support for the small irrigation programme for FY 2013/14 was Rs. 4,886,000 (Bardiya) and Rs. 3,570,000 (Udayapur), while it was Rs. 6,171,000 (Bardiya) and Rs. 5,879,000 (Uday-

apur) for FY 2014/15. The programme addresses two areas – plan/programme supporting food safety and security, and use of water resource for irrigation– which the Climate Change Budget Code has considered to be Climate Change related. This is also one of nine thematic priorities of the NAPA for which a thematic working group has been formed. Importantly, this also is a priority of the ADS-2015. The climate change and natural resource management issue relates to ensuring sustainable modernisation and commercialisation of agriculture for strengthening resilience to climate change. The ADS has emphasised the management of natural resources in the context of increasingly more severe climate change events.

The programme, however, was not labelled as climate change-related in the budget code developed by the NPC. It was an oversight and the responsible NPC official, when consulted, expressed commitment to correct the coding based on recommendation from the MoAD. The DADO of Bardiya and Udayapur districts both agreed that the programme was ‘highly relevant’ to climate change as the budget allocated to it was fully spent to support small irrigation that is categorised as climate change-related.

¹ According to the agreed criteria of the Climate Budget Code developed by NPC, ‘highly relevant’ refers to the spending of more than 60 percent of the allocated budget of the programme on climate change related activities.



Results and Analysis

The study team consulted key actors, stakeholders and beneficiaries of the programme to seek inputs and feedback on different aspects of transparency, accountability and systemic efficacy of the programme at central, district and beneficiary levels. The study findings are the outcomes of interactions with diverse sections of beneficiaries, non-beneficiaries, implementing agencies, government and non-government oversight agencies, and review of available literature.

4.1 Fund and service flow mechanism

The fund and service flow mechanism for the programme involves the parliament (previously, Legislature-Parliament), NPC, MoF, MoAD, DOA, Agriculture Extension Directorate, OAG, DTO, DADO and grantees (farmers' groups and cooperatives). The resource flow chart helps understand budgetary flow from the centre to frontline service providers and recipients.

The above chart (Figure 4-1) describes various steps involved in the fund and service flow of the 'Cooperative Farming, Small Irrigation and Transportation of Seeds and Fertilisers' programme. The steps include:

- MoAD gives expenditure authorisation to the DOA, Department to the Agriculture Extension Directorate and Directorate to the DADO
 - Fund release process: The FCGO and DTO are involved in fund release process
 - After receiving budget details, annual work plan and authorisation for expenditure, the DADO requests the DTO to release the budget in the format of FCGO
 - Before the budget release, the FCGO checks and verifies the ministry's authorisation letter, and the FCGO releases the order to
- The parliament (Legislature-Parliament) enacts the budget including the appropriation bill and subsidiary bills presented by the MoF
 - NPC provides budget ceilings, coordinates planning process, issues guidelines for budget formulation and approves programme (while preparing the budget)
 - MoF issues authority to the MoAD for expenditure

Figure 4-1: Fund and Service Flow Chart

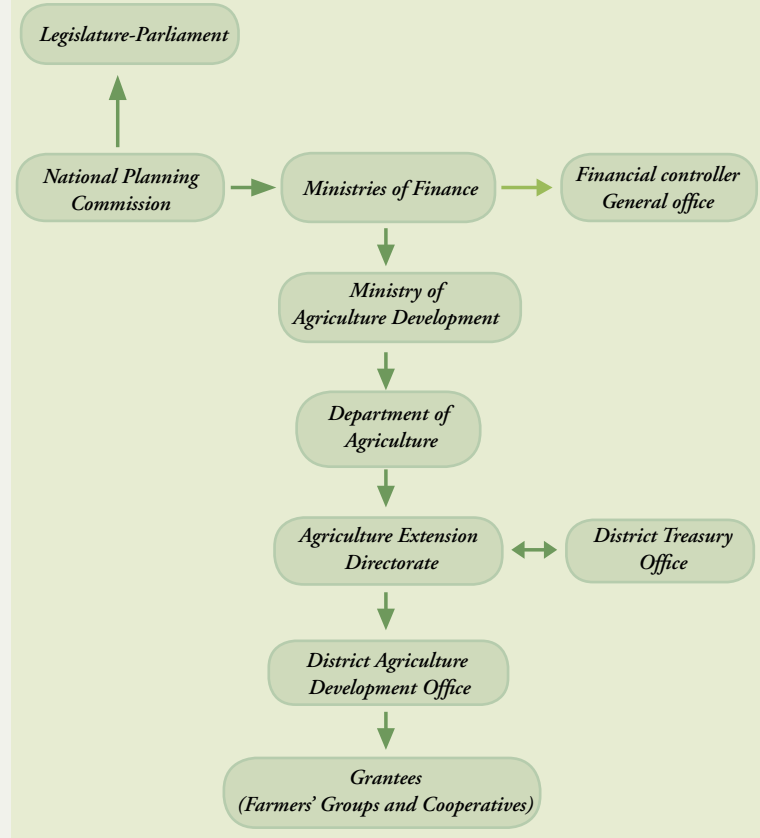


Table 4-1: Financial Allocations and Expenditure in Districts (Amount in Rs)

District	Fiscal Year	Allocation	Expenditure (Rs)	Expenditure%	Capital (Rs)	Capital %	Recurrent (Rs)	Recurrent %	Unspent amount
Bardiya	2013/14	4,886,000.00	4,769,896.00	98	3,500,231.00	73	1,269,665.00	27	116,104.00
	2014/15	6,171,000.00	6,135,867.00	99	5,682,543.00	93	453,324.00	7	35133.00
Udayapur	2013/14	3,570,000	3,570,000	100	3,570,000	100	-	-	-
	2014/15	5,879,000.00	5,729,000.00	97	5,241,000.00	91	488,000.00	9%	150,000

the DTO and the programme (approved by NPC) reflected in budget

- The budget is released only when the above-mentioned process is duly completed, and
- The DADO provides budget to the small farmers' groups and cooperatives selected for the grants in two instalments after deducting 5 percent of the budget as contingency

4.2 Fiscal Year wise financial allocations and expenditure in districts

The following table shows annual financial flows along with the allocation and expenditure of 'Cooperative Farming, Small Irrigation and Transportation of Seeds and Fertilisers' programme in Bardiya and Udayapur districts in FYs 2013/14 and 2014/15. The DTOs of the two districts provided the data for analysis.

The information above shows that DADO Bardiya had spent Rs. 4,769,896 i.e. 98 percent of the amount (Rs. 4,886,000) allocated for the programme in FY 2013/14. Capital spending was Rs. 3,500,231 i.e. 73 percent of the total, and recurrent spending Rs. 1,269,665 i.e. 27 percent. The unspent amount (Rs. 116,104) was returned to the national treasury. In the same FY, DADO Udayapur spent the entire allocation i.e. Rs. 3,570,000, with 100 percent capital expenditure.

Out of the total allocation of Rs. 6,171,000, the expenditure of DADO Bardiya in FY 2014/15 was 99 percent i.e. Rs. 6,135,867 with 93 percent capital spending and seven percent recur-

rent spending. The unspent amount was Rs. 35,133. DADO Udayapur had spent 97 percent of the allocation (i.e. 5,729,000 out of Rs. 5,879,000) in the same FY. Udayapur had 91 percent capital spending i.e. Rs. 5,241,000 and nine percent recurrent spending (Rs. 488,000).

The low recurrent expenditure in 2013/14 was due to enforcement of a code of conduct for the Constituent Assembly (CA) elections and delays in approval and authorisation of budget to concerned agencies. According to DADO officials, normally the recurrent expenses allocated under the small irrigation programme are not spent because they have several other programmatic expenses of a recurrent nature at DADO, and the recurrent costs are covered from another budget line. Among other reasons are frequent transfers and late appointment of office and finance chiefs, unavailability of vehicles for field monitoring, and tendency of spending recurrent budget at the end of the fiscal year. When the country's capital spending trend has been on the decline, the expenditure incurred in small irrigation in both the study districts was satisfactory. The small irrigation programme of DADO in Bardiya had an average capital spending of 83 percent in the two years while it was 95.5 percent for Udayapur.

4.3 Discrepancies between official and farmer groups' records

Some discrepancies were found between the records maintained by the DADOs and the grant recipients about the grants provided and received. The government guideline has specified that a contingency of five percent of the

estimated project cost be retained while providing grants. But, in many cases, the contingency had not been deducted while in a few others a higher deduction had been made. This reveals ad hoc decision-making by the authorities-concerned and non-compliance with the guideline, which in turn, raises questions about transparency and accountability in the management of public money.

According to the official records of the DADO, Bardiya, the five group receipts examined by the PETS had received small irrigation grants of Rs. 380,000 in FY 2013/14 without a contingency deduction but the groups' records show they had received only Rs. 332,000 from the DADO. The contingency amount at the rate of five percent adds up to Rs. 19,000. With this, the groups were entitled to receive a net grant of Rs. 351,000 but had received Rs. 332,000. This discrepancy was evident in the records of the DADO and the farmer groups, which leaves an unaccounted sum of Rs.29,000 i.e. 8.5 percent of the total grant. Similarly, in FY 2014/15, the DADO record shows that five farmers' groups/cooperatives received Rs. 690,000 without deducting the contingency. The amount farmers received was Rs. 655,500.

However, the cumulative records of the groups covered in the study revealed that they had received only Rs. 615,000, leaving Rs. 40,500 unaccounted for. This is five percent of the total amount.

The contingency was not properly deducted in Udayapur. The agreement papers and interviews with chairperson/secretary of farmers' groups, revealed that for some groups the contingency was not deducted while for others more than five percent had been deducted. For instance, according to the DADO record, Raudidas Farmers' Group in Udayapur had received a grant of Rs. 65,000 in FY 2014/15, whereas the group record showed Rs. 60,000 as the amount received after contingency deduction. The right calculation of contingency would be Rs. 3,250, so the group was entitled to receive Rs. 61,750 instead of Rs. 60,000.

The DADO record shows that five farmers' groups/cooperatives received Rs. 690,000 without deducting the contingency.

4.4 Beneficiary survey (institutional)

The results in this section are derived from responses provided by chairpersons/secretaries of farmers' groups and cooperatives covered by the study.

Table. 4-2: Grant amounts in the records of DADO and grant recipient groups

Name of farmer's group / cooperative	Grant received year	Grant Amount NPR(DADO Record)	Grant Amount NPR Group Record	Variance	Variance %
Bardiya					
krishi Bikash Krishak Samuha	2013-14	100,000.00	100,000.00	-	0%
Santoshi Krishak samuha	2013-14	65,000.00	42,000.00	(23,000.00)	-35%
GaneshbabaPragatisheel Krishak Samuha	2013-14	65,000.00	60,000.00	(5,000.00)	-8%
Srijansheel krishak samuha	2013-14	100,000.00	70,000.00	(30,000.00)	-30%
Nawa Yubak Krishak Samuha	2013-14	50,000.00	60,000.00	10,000.00	20%
Krishi Bikash krishak samuha	2014-15	150,000.00	150,000.00	-	0%
Milan Krishak samuha	2014-15	150,000.00	150,000.00	-	0%
Chandra Surya krishak samuha	2014-15	130,000.00	130,000.00	-	0%
Maina Bahuriya krishi sahakari	2014-15	130,000.00	130,000.00	-	0%
Sana Kishan Krishi Sahakari	2014-15	55,000.00	55,000.00	-	0%
Total		995,000.00	947,000.00	(48,000.00)	-5%

Udayapur					
Budhagyani Krishak samuha	2013-14	50,000.00	50,000.00	-	0%
Gantidhura Mishrit krishak s	2013-14	60,000.00	60,000.00	-	0%
Gurans Ardhabasayik Krishak Samuha	2013-14	46,000.00	40,000.00	(6,000.00)	-13%
Millenium Mahila Krisha Samuha	2013-14	46,000.00	45,000.00	(1,000.00)	-2%
Sungabha Krishak Samuha	2013-14	60,000.00	60,000.00	-	0%
Raudidas Karesabari Mahila krishak Samuha	2014-15	65,000.00	60,000.00	(5,000.00)	-8%
Nawa Jyoti Mahila Krishak Samuha	2014-15	65,000.00	65,000.00	-	0%
Baijanath Krishak Samuha	2014-15	100,000.00	100,000.00	-	0%
Laliguras Krishak Samuha	2014-15	65,000.00	60,000.00	(5,000.00)	-8%
Hatemalok Krishak Samuha	2014-15	75,000.00	75,000.00	-	0%

The farmers' groups and cooperatives had obtained grants for four types of small irrigation schemes, namely canal maintenance, pump set/pipes, water lifting motors/pipes and water harvesting ponds/pipes. The schemes receiving grants included canal maintenance (two in Bardiya and four in Udayapur), pump sets/pipes (six in Bardiya and two in Udayapur), water lifting motors/pipes (two in Bardiya and three in Udayapur) and one water harvesting pond/pipe in Udayapur.

4.4.1 Programme Information and Compliance

All 20 farmers' groups/cooperatives covered in the PETS were eligible to seek and receive small irrigation grants in line with the government guideline. This requires groups/cooperatives to be registered with the DADO or under other concerned government agencies, have completed at least a year of operation with regular meetings, and to be committed to

agriculture development in accordance with the systems and processes to claim grants.

Altogether 19 of 20 small irrigation schemes that had received grants in Bardiya and Udayapur districts during the two fiscal years had been completed within the same year. This shows that 95 percent groups had complied with the completion requirements of the guideline.

4.4.2 Programme planning and selection

The guideline has clearly specified the criteria for programme selection and the operational procedure. The information was passed on to beneficiaries through public notices seeking application for small grants from farmers' groups and cooperatives. Among the respondents, 95 percent said that they were aware of the project selection and planning processes. Total 17 of 20 respondents (85%) said that project selection and planning was on-demand and as per the group decision. However, all grant recipient

Table 4-3: Types of Small Irrigation Schemes in Bardiya and Udayapur

Types of small irrigation	Bardiya	Udayapur	Total
Canal maintenance	2	4	6
Pump-set/pipe	6	2	8
Water lifting motor/pipe	2	3	5
Water harvesting pond	0	1	1
Total	10	10	20

groups/cooperatives did not get the amount they had requested. DADO officials, however, said that they had distributed the grant amount to more groups keeping in mind the budgetary constraints, large number of applicants and pressure from different corners.

Sixteen out of 20 respondents said they were aware of the total budget approved for the small irrigation scheme while three were unaware, and one did not respond. Six, among the 10 respondents in Bardiya, said that they were aware of the total programme budget; three said they were unaware and one did not respond. In Udayapur, all 10 respondents were aware of the approved budget. All 20 respondents said that they made decisions as a group which was confirmed by the minutes of the meetings suggesting that the groups were functional and had participatory decision-making.

4.4.3 Programme execution

Altogether 12 of 20 respondents (60%) said they were partially aware of the government guideline, especially on matters related to programme selection and operation process, while eight respondents (40%) said they were not aware of the provisions. Only 80 percent of them were aware of the selection process and 60 percent were not fully aware of the provisions.

In Bardiya, four of 10 respondents said they were aware of government guideline while the number was eight for Udayapur. On the question regarding selection of members in the groups/cooperatives, 19 respondents said the members selected were from among beneficiaries and farmers whereas one respondent did not respond to the question.

Altogether 19 respondents of 20 (95%) said that they had also contributed to the small irrigation special programme. From the response, it is clear that the beneficiaries had shared their contributions through either one or two or all three measures – cash, kind and materials.

According to the groups' chairpersons/secretaries, also respondents in the survey,

Table 4-4: Awareness of Total Programme Budget Approved

S.N	District	Yes	No	Total
1	Bardiya	6	3	9
2	Udayapur	10	0	10
	Total	16	3	19

Table 4-5: Share of Contribution (Cash)

District	Share of Contribution (Cash)Rs.					Total
	700	12,000	20,000	42,000	44,000	
Bardiya	1	0	1	1	0	3
Udayapur	0	1	1	0	1	3
Total	1	1	2	1	1	6

members of 10 of 20 groups had contributed 111 days, five groups' members contributed cash (Rs. 138,700) and eight groups' members provided material support including construction materials, equipment such as machineries, sickles, blades, spades, shovels, buckets, ropes, hammers, nails, saws, etc. The small irrigation grants recipient groups/cooperatives are required to contribute to the projects and their contribution in construction and maintenance of canals and water harvesting ponds was higher compared to that in the installation of irrigation motors and pumps.

The administrative expenses for implementing grants ranged from Rs. 1,500 to Rs. 10,000. Only eight groups and cooperatives said that their average administrative expenditure was Rs. 4,325. In Bardiya Rs. 12,100 had been incurred as administrative expenses against Rs. 40,500 in Udayapur. The total administrative cost in both districts was Rs. 52,600.

Only 40 percent respondents (8 of 20) said they received support materials and grants in 1-2 weeks, 20 percent (4 respondents) said they had to wait for 2-4 weeks, 5 percent (1

In Bardiya, four of 10 respondents said they were aware of government guideline while the number was eight for Udayapur.

Table 4-6: Administrative Cost

S.N	District	Cost
1	Bardiya	12,100.00
2	Udayapur	40,500.00
	Total	52,600.00

The administrative expenses for implementing grants ranged from Rs. 1,500 to Rs. 10,000.

Table 4-7: Time to receive support materials

S.N	Time	Frequency	Percent
1	1-2 weeks	8	40
2	2-4 weeks	4	20
3	4-6 weeks	1	5
4	Above 6 weeks	7	35
	Total	20	100

Table 4-8: Time to Receive Grants/Services

District	1-2 Weeks	2-4 Weeks	4-6 Weeks	Above 6 Weeks	Total
Bardiya	2	2	0	6	10
Udayapur	6	2	1	1	10
Total	8	4	1	7	20

respondent) said it had taken 4-6 weeks, and remaining 35 percent (7 respondents) said had taken more than six weeks to receive services from the DADO.

Overall, six farmers' groups in Bardiya had to wait for more than six weeks to receive grants or services while only one respondent in Udayapur had to wait as long. Also six respondents in Udayapur said that they had to wait merely 1-2 weeks for services while no respondent in Bardiya had received services in such a short period. This was mainly due to comparatively better management and maintenance of planning and programme-related records, greater awareness of beneficiaries, civic engagement and oversight, mobilisation of service centres and types of small irrigation schemes desired by farmer groups. With fewer options for water sources compared to Bardiya, beneficiaries in Udayapur also seemed to be more eager to do what was possible with available resources. The irrigation schemes also varied in the two districts due to the terrain. Bardiya is a Terai district with plain lands, so it was easier for the beneficiaries to manage water through simple structures and schemes such as water pumps. Udayapur being a hilly district faced more challenges in procuring water and there they used canals and bamboo aqueducts for getting water for irrigation.

Two respondents said they faced trouble accessing grants due to time-consuming

application process while two others blamed the lengthy authorisation process. Likewise, two respondents said that their efforts were hampered by late delivery of procured materials and poor planning in grant distribution. Importantly, 14 of the total respondents i.e. 70 percent said they did not face any trouble in accessing grants.

Among the respondents, 65 percent said that service delivery of the programme was effective, 25 said it was moderate, and 10 percent did not have a response. They measured effectiveness of the programme with the agriculture yields gained after expansion of the irrigated areas following intervention under the small irrigation special programme.

Six of 10 respondents in Bardiya said that the programme was effective while the number of respondents in Udayapur who agreed to this was seven. Likewise, four respondents in Bardiya said the services were moderate while there was no one in Udayapur who had the same opinion.

4.4.4 Programme monitoring and oversight

As regards monitoring, 75 percent respondents said the programmes were monitored and 20 percent said they were not monitored while five percent did not respond. The DADO and CSO representatives did the monitoring. Major tools used for monitoring were site visits, interviews

Table 4-9: Evaluation of Service Delivery

Service Delivery	District		Total
	Bardiya	Udayapur	
Effective	6	7	13
Moderate	4	1	5
No Response	0	2	2
Total	10	10	20

with beneficiaries and public hearings. But the monitoring was not done with concrete checklists and hence it was not very effective in bringing improvements to the programme and accountability practices. There was almost no practice of developing monitoring report by the agencies -- such as DADO, CSO representatives, media and other government officials -- that were involved.

The submission of project completion report is one of the provisions specified in the guideline. The compliance to this was high as the groups/cooperatives had to submit the report for receiving final instalments. Total 85 percent grantees had submitted the programme completion report, five percent had not submitted it, and 10 percent did not have a clear response. However, the groups not submitting the project completion report were also provided final payment, which was a breach of the provision in the guideline. The system of reporting was sound but compliance remained weak.

4.4.5 Transparency/accountability

One objective of the PETS is to determine how much of the originally allocated resources reach the end beneficiaries. This section deals with the issues concerning the level of budget use, potential areas for leakages and people's participation in social accountability practices and processes such as public audit/hearing.

Among the respondents, 55 percent (11 respondents) said budget was used properly, 35 percent said it was used moderately well,

five percent said it was not used properly and another five percent had no response. While digging further, two respondents said that there has been a mismatch between the needs and the designed scheme and that they were not properly consulted. Another three said that the leakage in the budget was "high".

Of the respondents, 45 said leakages were not high, 35 percent did not respond to the question and 20 percent said there was high leakage from the budget (Fig.4-2).

When asked about the use of social accountability tools, 80 percent respondents said that public audits/hearings were held annually within their groups. The groups also practiced their own type of public audits. For instance, Shrijansheel Krishak Samuha of Rajapur, Bardiya has adopted the practice of conducting 'Khojani-Bujhani' (literarily, seeking and understanding truth) in the month of Magh (mid-January) every year. This was prevalent in the indigenous Tharu farmers' groups. No respondents were found using the constitutionally guaranteed right to seek information to seek and receive it from concerned public bodies.

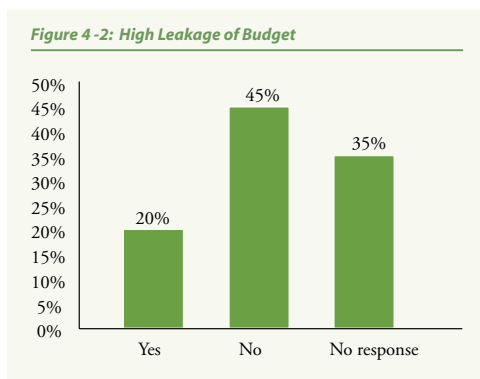
Altogether 45 percent respondents had actively participated in public audits/hearings organised by farmers' groups/cooperatives, 50 percent had not participated and the remaining five percent had no response. This showed that the beneficiaries were not very interested to attend such events aimed at informing public about programme and plans.

The DADO and CSO representatives did the monitoring.

Table 4-10: Use of Budget

S.N	Use of Budget	Frequency	Percent
1	Properly	11	55.0%
2	Moderately	7	35.0%
3	Not Properly	1	5.0%
4	No Response	1	5.0%
	Total	20	100.0%

The groups had set norms for using water such as payment for using water lifting motor or pump sets on an hourly basis.



4.4.6 System to ensure irrigation equity

The term system above refers to any indigenous practice of distributing water channelized through different sources and schemes for irrigation in an equitable manner. Just distribution of natural resources is important because discriminatory practices are also likely to occur.

Among the respondents, 90 percent said that the systems/measures adopted to ensure irrigation equity was based on hourly allocation in proportion of land area, five percent said water was distributed on an ad hoc basis, and the remaining five percent did not respond.

The groups had set norms for using water such as payment for using water lifting motor or pump sets on an hourly basis. They used the money for maintenance of the schemes. But, in many cases, the irrigation machines were found set up at the home of influential people in the group.

When asked about dispute handling mechanisms, 50 percent said there was a dispute-handling mechanism in place, while 45 percent said that there was no such structure, and 5 percent did not respond. In many groups, the committee itself redressed the complaints regarding water distribution.

4.4.7 Programme benefits

Expansion of irrigated land and subsequent increase in agriculture production is one of the thrusts of the small irrigation special programme. This section explores some evidences to assess whether or not the programme had delivered the stated results.

Among the major benefits of the programme were increase in food production, as stated by 90 percent of the respondents, 80 percent said crop intensity was a benefit, and 60 percent pointed out crop switching and economic benefits. In FGDs, participants said small irrigation had been helping them to grow at least three crops including vegetables each year, in switching to commercial vegetable farming from subsistence farming, and in generating income.

The respondents of four groups said that the programme had expanded irrigated land by up to 100 percent and increased food production by 50 percent, while other respondents said that the increase in production ranged from 10 percent to 200 percent after irrigation was available. Some farmers were regarded as model farmers in vegetable production.

Table 4-11: System to Ensure Irrigation Equity

System/District	Bardiya	Udayapur	Total
Hourly allocation in proportion of land area	9	9	18
Ad hoc basis	1	0	1
No Response	0	1	1
Total	10	10	20

Fagu Ram Tharu of Nawa Yubak Krishak Samuha, Bardiya, had become a model farmer in vegetable growing, while farmers in the Hatemalo Krishak Samuha in Udayapur said their incomes had increased from the sale of vegetables they produced.

Four groups said total production had increased by 50-100 percent while eight groups said their production increase ranged from 10 percent to 200 percent after irrigation was available.

In the survey, about 36 percent each said that the programme had provided irrigation services to 5-10 hectares and 10-20 hectares, respectively. Another 20 percent said that irrigation was provided to below five hectares and five percent said that 20-40 hectares had been irrigated. The DADOs at Bardiya and Udayapur said that the total irrigated land supported by the special programme was 121 hectares, which was extremely high compared to information provided by the leaders of farmers' groups.

4.5 Beneficiary survey (individual)

4.5.1 General information

A total of 165 respondents – 77 (46.7%) in Bardiya and 88 (53.3%) in Udayapur were included in the PETS. The majority of the people were Tharu (41.2%), an indigenous ethnic group who have been living in the low lands of Nepal for centuries. Likewise, 10.9 percent of the respondents belonged to other indigenous nationalities. The individual respondents of the PETS were members of the farmers' groups and cooperatives and included those who had benefitted from the small irrigation programme in the years covered by the study.

The land owned by the respondents came under lowlands (23.6%), high land (27.3%) and irrigated land (30.9%). Another 12.7 percent possessed non-irrigated land, and the remaining five percent did not respond. Most of the respondents (58.2%) had not completed

Table 4-12: Response on Benefits of the Programme
(Out of 10 Respondents in each district)

District	Increase in Food Prod.	Crop Intensity	Crop Switching	Economic Benefits
Bardiya	10	8	6	4
Udayapur	8	8	6	8
Total	18	16	12	12

Table 4-13: Response on Benefit of the Programme

District	Below 5 Ha	5-10 Ha	10-20 Ha	20-40 Ha	Total
Bardiya	3	3	4	0	10
Udayapur	1	4	3	1	9
Total	4	7	7	1	19

the School Leaving Certificate level of education (Grade 10 equivalent).

4.5.2 Programme planning and selection

The PETS had probed into farmer group/cooperative members' awareness of programme planning and selection. All respondents of both districts were aware of the small irrigation special programme. It had a high demand. However, only 95 percent respondents (group leaders) said they were aware of the programme in the institutional survey. Likewise, 85.5 percent said that group/cooperatives meetings took the decisions on planning and selection of schemes in a participatory manner. All respondents said that the members of the farmers' groups/cooperatives that had been selected were genuine beneficiaries.

4.5.3 Programme implementation

Under the section, the respondents were asked about their awareness of the criteria for selecting groups/cooperatives for grants and the contributions of members and beneficiaries in the construction of the small irrigation

The respondents of four groups said that the programme had expanded irrigated land by up to 100 percent and increased food production by 50 percent.

Table 4-14: Respondents According to District

S.N	District	Frequency	Percent
2	Bardiya	77	46.7
3	Udayapur	88	53.3
	Total	165	100

Table 4-15: Programme assessment by respondents

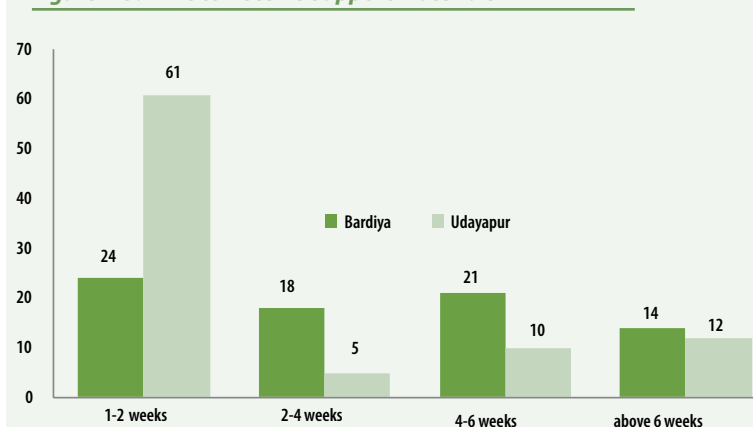
District	Effective	Ineffective	Moderate	Total
Bardiya	44	4	29	77
Udayapur	79	7	2	88
Total	123	11	31	165

schemes, their satisfaction on the performance, irrigated land area and time it had taken them to receive services, among others.

As regards assessment of programme performance, 123 respondents said it was effective, 11 ineffective and 31 said it was moderate. Altogether 44 of 77 respondents (57%) said the programme was effective in Bardiya while 79 respondents (90%) said it was effective in Udayapur. Table 4-15 shows that the small irrigation programme was more effective in Udayapur than in Bardiya.

Time to receive grant/support measures the efficacy of the programme/service delivery system. The figure (4-3) shows that 61 of 88 respondents had received grants/services within 1-2 weeks followed by five respondents who had received it in 2-4 weeks, 10 in 4-6 weeks and 12 after six weeks) in Udayapur. In comparison, 24 respondents said that they had received the grants within 1-2 weeks while 18 said they had received it within 2-4 weeks, followed by 21 in

Figure 4-3: Time to Receive Support Materials



4-6 weeks, and 14 who had received it after 6 weeks in Bardiya.

Thirty-nine of 165 respondents responded to the question on difficulties in collecting grants from the DADO (Figure 4-4). In Bardiya, only one respondent said that the application process was time consuming while eight each said it was the long authorisation/procurement process and delay in delivery of procured materials. Only 16 out of 165 respondents responded to the question in Udayapur. Eight respondents said the process was time consuming and eight others said poor planning was an issue in accessing the grant.

4.5.4 Transparency/accountability

This section provides the responses of individual beneficiaries on transparency/accountability practices in the districts.

Based on the table above, it can be said that Udayapur is ahead in terms of the proper use of the programme budget. All 88 respondents said the budget was properly used in Udayapur while only 43 out of 76 respondents (56%) in Bardiya said the same. Eight respondents said the budget use was “moderate”, nine said it was not used properly, and 16 said they were not aware of the issue.

The members of groups/cooperatives said they had benefitted from the programme, especially in terms of increased food production, crop intensity, lower production cost, and increase in income (Figure 4-5). About 31 percent said that irrigation had helped to increase food production and 27 percent said water allowed them to cultivate several crops each year. Another 20 percent said the availability of water had reduced the cost and increased their incomes.

4.6 Case Studies

Discrepancy between records and reality

The Nawa Yubak Krishak Samuha, a 22-member group, was registered with the DADO,

Bardiya, in 2004. The group of largely Tharu farmers has members from Bechepur, Shree Krishnapranami Tole. Bechepur is a pocket area for vegetable production and contributes almost one third of the supply in Gulariya bazaar.

According to the Bardiya DADO records, the Nawa Yubak farmers' group had received small irrigation grants for two consecutive FYs 2013/14 and 2014/15, which in principal, is against the government guideline. Besides, there has been a large demand for grants at the DADO, hence repeating support to the same group is not a fair practice. "Number of small irrigation programmes that the DADO can support is small but there are many requests," said Shiva Subedi, Extension Officer, Bardiya. He added, "So, there are complaints from farmers who've not received the grants."

Interestingly, in interviews the group members said they did not accept grants for two water-lifting pumps amounting to Rs. 130,000 (Rs. 65,000 each) in FY 2014/15 when the farmers' group was asked to contribute Rs. 20,000 from their end. They said they had been offered two electric pumps of a brand whose market price at the time was only Rs. 18,000 each. This was the reason for not accepting the grant.

"It was injustice to add burden to farmers in the name of distributing grants, so we refused the grant mainly because we were asked to contribute Rs. 20,000," said a leader of the group who wished not to be named. The guideline requires recipients to also make a 15 percent contribution of the cost estimate. This can be done through kind, labour or cash, or a mix of all three. The guideline also emphasises transparency in all transactions, which was not done in this case. The farmers did not fully trust the DADO for procuring the irrigation equipment (pump).

The concerned official, however, said that the grant was distributed to Ghar Bagaincha

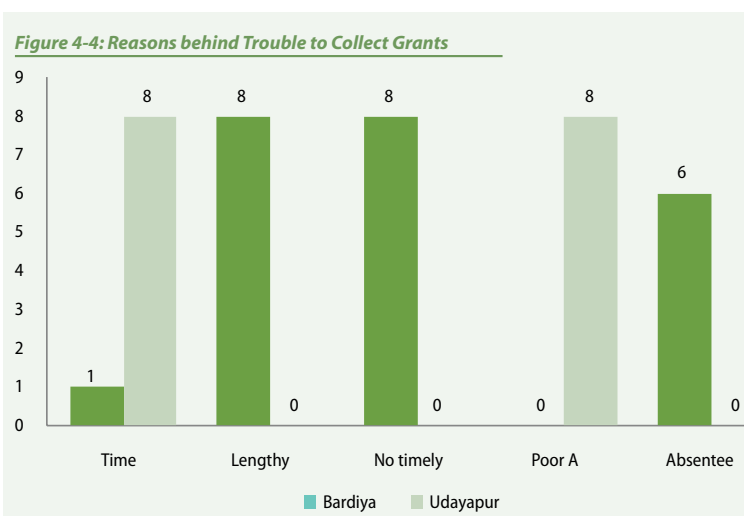
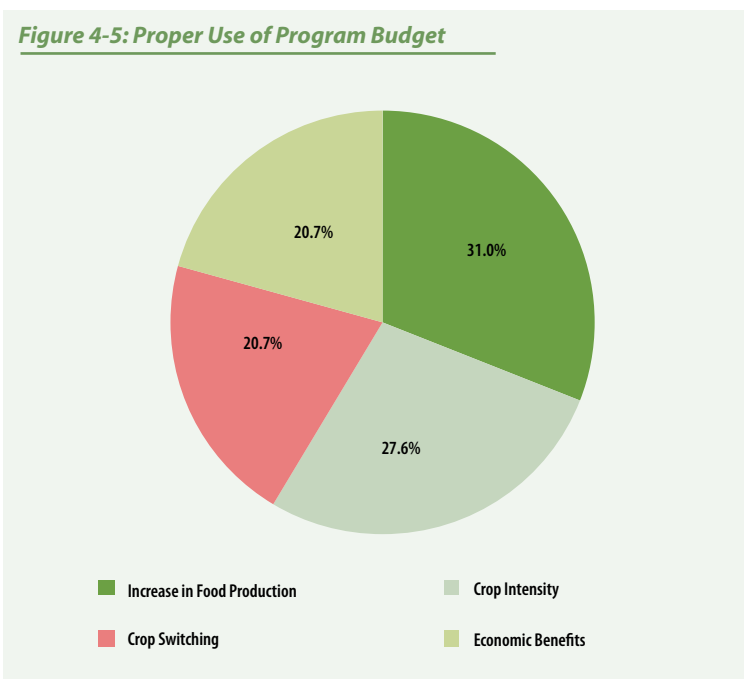


Table 4-16: Proper Use of Programme Budget

District	Properly	Moderately	Not Properly	Not Aware	Total
Bardiya	43	8	9	16	76
Udayapur	88	0	0	0	88
Total	131	8	9	16	164



The guideline also emphasises transparency in all transactions, which was not done in this case.

Krishak Samuha, Sehaluwa, Gulariya after a dispute between the two groups, Nawa Yubak and Ghar Bagaincha. The official record shows the Nawa Yubak also as a grant recipient. This case is also an evidence of discrepancy between the record and reality.

Poor planning behind improper public spending

The Millennium Mahila Krishak Samuha, Udayapur, is a women farmers' group. It is located at Chyandanda, Katari. The group of 35 women had received a grant of Rs. 45,000 under the 'Cooperative Farming, Small farmers and Transportation of Seeds and Fertilisers' programme in FY 2013/14.

Using the grant, the group dug a well near the Maruwa Harit Community Forest and

purchased an electric motor to pump water. "We built the well near the community forest to irrigate barren land and keep the forest green with water," said Devi Pokharel, Chairperson of Millennium Women Farmers' Group. However, the group could not use the well to realise their objective of promoting income generation through vegetable farming and forest protection. "The Electricity Office did not permit us to install an electric motor at the well built on public land when we submitted an application for a connection," said Meena Koirala, Group Secretary. The well, therefore, remains unused.

This case is an example of grant making without taking into account the different factors that could affect success, which is but improper use of public funds.

Conclusion, Key Learning/Findings and Recommendations

5.1 Conclusion

The PETS studied the flow of allocated fund from the source to end users, and has identified some of the gaps in the deployment of human and in-kind resources in the study districts. The study also analysed the status of compliance of the government guideline for managing the small irrigation special programme.

The programme was encouraging with fairly effective service delivery, transparent use of funds and also the results: increase in food production and productivity, increase in crop intensity and crop switching, increase in incomes resulting in increased resilience of farmers to respond to climate risks. Group mobilisation, awareness among farmers about the grant selection process, discussion among stakeholders about climate change, and their participation in the construction and maintenance of irrigation schemes were some positive aspects of the programme.

Capital spending of the programme was high and the government guidelines were largely followed. Based on the data generated by the government's treasury controller office, the capital spending was 73 percent and 93 percent in Bardiya district in FYs 2013/14 and 2014/15, respectively; it was 100 percent and 91 percent in Udayapur for the same FYs.

The government guidelines were followed regarding legal registration, operation, contribution, commitment and engagement of groups/cooperatives for eligibility for accessing

grants from the DADO. More importantly, the programme has reflected how the climate policy can be put into actions to address different climate risks. The government has provided guidelines and a small amount of money to all districts with no imposition in terms of design and delivery. Activities are locally designed to suit local needs and priorities. The irrigation opportunities resulting from the government support had helped farmers increase incomes from off-seasonal vegetable farming, in addition to growing other crops.

Despite these positive aspects, there were certain areas in the programme that required reforms. The PETS has identified some areas that could allow irregularities in procurement of irrigation equipment by the DADO on behalf of the beneficiaries. Inadequate information flow and outreach mechanism, poor planning and records management, weak oversight and monitoring, inadequate coordination among government bodies, political and administrative influence in decision-making, distribution of grants in convenient areas, and procurement mismanagement were some areas that would require close scrutiny.

There were some discrepancies between the records of the DADO and responses of the beneficiaries, especially in regard to the grant amount and contingency deduction. Though small in absolute terms, the variance in the grant amount provided by the DADO and received by farmers' groups was an indication of leakage. However, this does not apply to all small irriga-

The government has provided guidelines and a small amount of money to all districts with no imposition in terms of design and delivery.

The new local context with elected local governments could change the situation and contribute towards more transparent and accountable decision-making.

tion special grant recipients but remains a challenge that was identified in the study districts. In absence of elected representatives at local bodies, Nepal has had ad-hoc mechanisms comprising representatives of political parties that often influenced decision-making, and at times also claimed to be the stakeholders. This could have been reason for ad hoc decision-making evident in programme selection, planning and investment. The new local context with elected local governments could change the situation and contribute towards more transparent and accountable decision-making.

The PETS that was carried out in the districts could be customised and applied as a social accountability tool at local level. The local government agencies could use the tool to monitor progress of programmes and also the accountability of those entrusted with providing services at the local level.

5.2 Learning

- The small irrigation programme had assisted farmers to address issues resulting from climate change and its design that allows participation of beneficiaries also served to ensure effective use of public funds.
- The programme has a potential to be up-scaled to engage larger number of farmers in the effort to address local climate concerns.
- The engagement of CSOs as intermediaries to bridge information gap between farmers and government agencies can assist towards improving fact-based analysis.
- The approach allows opportunities for dialogue between government and CSOs, and
- The PETS is a useful tool to generate infor-

mation and evidences of the use of public funds at the beneficiary level.

5.3 Recommendations

The main recommendations of the study are presented below:

- The programme needs to be up-scale to cover larger groups of beneficiaries to contribute towards increasing resilience capacity of small farmers to adapt to climate impacts.
- Coordination among government technical agencies (for example, Department of Irrigation, Department of Soil Conservation and Watershed Management, and Department of Water Induced Disaster Prevention) can assist towards designing more effective interventions.
- There is need to ensure fair and widespread information sharing, in addition to orientations on procurement practices and government guideline to allow farmer groups to contribute towards strengthening local accountability.
- Government agencies including DADO need to undertake increased monitoring, as per the guidelines, and provide feedback to the stakeholders for effective budgeting and delivery of this and similar programmes.
- Engagement of CSOs to bridge the information gap between the frontline service providers and beneficiaries can also contribute to increased accountability at various stages of programme implementation, and
- Newly formed local governments need to be continually encouraged to continue and upscale this approach and programme especially in the districts that have continued to experience regular droughts and other climate impacts on water resources.

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- Directives and Norms for the Implementation of Agriculture Extension Programme, published by Ministry of Agricultural Development in 2016
- Agriculture Development Strategy-2016, published by Ministry of Agricultural Development of Nepal
- Final Report of Public Expenditure Tracking Survey Review of Sierra Leone, published in 2003
- Guidebook on Using Public Tracking Surveys to Monitor Projects and Small Scale Programme, published in 2010
- Nepali Citizens Climate Budget, published by Freedom Forum with quality assurance from UNDP, 2017
- Websites and publications of UNDP, Ministry of Agricultural Development, International Budget Partnership, World Bank and Freedom Forum on public financial management and climate change and climate finance

Annexes

Annex 1: List of Farmers' Groups/Cooperatives Covered in the Study

Bardiya		
Name of farmers' group/cooperative	Location	Grant received year
Krishi Bikas Krishak Samuha	Gola	2013/14
Santoshi Krishak Samuha	Gulariya	2013/14
Ganeshbaba Pragatisheel Krishak Samuha	Rajapur	2013/14
Srijansheel Krishak Samuha	Rajapur	2013/14
Nawa Yubak Krishak Samuha	Bechepur	2013/14
Krishi Bikas Krishak Samuha	Gola	2014/15
Milan Krishak Samuha	Dhodari	2014/15
Chandra Surya Krishak Samuha	Khairi	2014/15
Mainabahuriya Krishi Sahakari	Mainapokhar	2014/15
Sana Kishan Krishi Sahakari	Mainapokhar	2014/15ww
Udayapur		
Budhagyani Krishak Samuha	Rautaha	2013/14
Gantidhura Mishrit Krishak Samuha	Bhalayadanda	2013/14
Gurans Ardhabyabasayik Krishak Samuha	Katari	2013/14
Millennium Mahila Krishak Samuha	Chyandanda	2013/14
Sungabha Krishak Samuha	Murkuchi	2013/14
Raudidas Karesabari Mahila Krishak Samuha	Purano Gaighat, Triyuga	2014/15
Nawa Jyoti Mahila Krishak Samuha	Katari	2014/15
Baijanath Krishak Samuha	Sheraphant Bhalayadanda	2014/15
Laligurans Krishak Samuha	Bahedwa	2014/15
Hatemalo Krishak Samuha	Shripur	2014/15

Annex 2: Institutional Questionnaire

Public Expenditure Tracking Study (PETS) of

(Cooperative Farming, Small Irrigation and Transportation of Seeds and Fertilizers – a Government funded climate responsive programme)

Beneficiaries' Survey (Institutional)

The key objective of the study is to track climate public expenditure of a government funded agriculture programme 'Cooperative Farming, Small Irrigation and Transportation of Seeds & Fertilizers' being implemented in Bardiya and Udayapur districts. It intends to gather information beyond official data and administrative records to understand

what actually happens to public money that is appropriated for the climate change resilient programme. As an important step towards increasing budget transparency and accountability, the survey is to be conducted among the leaders of farmers' groups/ cooperatives that are receiving grants from the District Agriculture Development Office (DADO).

The information collected through this survey will be used only for study purpose. Otherwise, the data/ information will remain confidential. We hope you will help us by providing true information.

A. General Information:

- 1) Name of Respondent:
- 2) Name of Farmers' Group/Cooperative:
- 3) Designation:
- 4) District: Code :.....
- 5) VDC/Municipality:.....
- 6) Ward No: Tole:
- 7) Mobile No.: E-mail:
- 8) Land types where service was provided: (Low Land, High Land, Irrigated and Un-irrigated):

B. Programme Information

1.	Name of Programme:		
2.	Location of Programme:		
3.	Fiscal year:		
4.	Estd. date of farmers' group/cooperative :		
5.	Registered With:		
6.	Composition of farmers' group/cooperative:	1.	Dalit:
		2.	Women:
		3.	Freed Kamaiyas:
		4.	Disadvantaged Groups:
		5.	Others: Please specify
7.	Date of agreement:		
8.	Total budget:		Rs.
9.	Starting date:		
10.	Completion date:		
11.	No. of HHs benefitted:		
12.	Project Status:		1) Completed 2) Work not started 3) Work in progress

C. Programme Planning and Selection:

1.	Were you aware of the programme selection and planning process?	1) Yes 2) No
1.1	If Yes	1) On demand
		2) Priority of VDC Council
		3) Priority of DDC/DADO
		4) Other
		5) Not aware
2.	Were you aware of total programme approved budget?	1) Yes 2) No
2.1	If yes, how much?	Rs.
3.	How did you select the project or take decisions?	1) Group/cooperative meeting
		2) Informal discussion
		3) Other (please specify.....)

D. Programme Execution:

1.	Were you aware of govt. guideline to implement small irrigation programme?	1) Yes 2) No
2.	Did you know the criteria for selection of groups/cooperatives for grants?	1) Yes 2) No
3.	How were the members of group/cooperative selected?	1) From beneficiaries/farmers 2) Nominated under influence 3) Do not Know
4.	Did the beneficiaries also contribute to the programme?	1) Yes 2) No
4.1	What was the share of contribution?	1) Cash (Rs.: 2) Kind Labor (Number of days: 3) Other (specify.....)
5.	What was the administrative expense of total programme cost?	Rs.% of total programme cost
6.	What was the monitoring and evaluation expense?	Rs. % of total programme cost
7.	How long it took to receive support materials once the proposal was approved?	1-2 Weeks 2-4 Weeks 4-6 Weeks Above 6 Weeks
8.	Did you face any trouble in accessing the grants/materials from DADO?	1) Yes 2) No
8.1	If yes, what were the troubles you faced?	1. Time consuming application process 2. Lengthy authorization/procurement process 3. No timely delivery of procured materials 4. Poor planning 5. Absenteeism of service provider 6. Other (please specify).....
9.	How did you evaluate the service delivery of programme?	1) Effective 2) Ineffective 3) Moderate

E. Programme Monitoring and Oversight:		
1.	Did anyone monitor the programme execution?	1) Yes 2) No
1.1	If yes, who monitors the programme?	1) DADO rep 2) DDC rep 3) VDC rep 4) Chief District Officer 5) CSO rep/third party 6) Others (Specify.....)
1.2	How the monitoring was carried out?
1.3	Was the monitoring report shared with you?	1) Yes 2) No
1.4	Did you see any improvements in service delivery with monitoring recommendations?	1) Yes 2) No If yes, in what areas
2.	Did you prepare and submit programme completion report?	1) Yes 2) No If yes, where and when:
F. Transparency/Accountability:		
1.	Did you feel that the programme budget was being used properly?	1) Properly 2) Moderately 3) Not Properly 4) Not aware
1.1	If not properly what was the reason?	1) Mismatch between need and design/not properly consulted 2) Progress too slow 3) Leakage too high 4) Project only in paper not in field
1.2	Do you think if there were high leakages and irregularities in programme budget implementation?	1) Yes 2) No
1.3	If yes, at what level
2.	Did you know about public audit/hearing during and after completion of the programme?	1) Yes 2) No

3.	Did you participate in the public audit/hearing of the programme?	1) Yes 2) No
4.	Had you ever used Right to Information request to access info related to programme?	1) Yes 2) No
5.	What is the system/measure to ensure irrigation water equity?	Stated hourly system in proportion of land area As stated by committee focal person Ad hoc basis Others (Specify.....)
6.	Was there any dispute/complaint handling mechanism in place?	1) Yes 2) No If yes, please specify
G. Programme Benefits:		
1.	What benefits did you receive from programme?	1) Increase in food production 2) Crop intensity 3) Crop switching, i.e. from wheat to vegetable 4) Economic benefits, i.e. reduced cost of production, increased income 5) Other (Specify.....)
2.	Total mass of land irrigated	1) Below 5 Hectares 2) 5-10 Hectares 3) 10-20 Hectares 4) 20-40 Hectares 5) 40 + Hectares
3.	Annual increase in total production of food after irrigation service?
4.	Your final comments on the effective and efficient utilization of grant, if any

Annex 3: Individual Questionnaire

Public Expenditure Tracking Study (PETS)

of

(Cooperative Farming, Small Irrigation and Transportation of Seeds and Fertilizers – a Government funded climate responsive programme)

Beneficiaries' Survey (Individual)

The key objective of the study is to track climate public expenditure of a government funded agriculture programme 'Cooperative Farming, Small Irrigation and Transportation of Seeds & Fertilizers' being implemented in Bardiya and Udayapur districts. It intends

to gather information beyond official data and administrative records to understand what actually happens to public money that is appropriated for the climate change resilient programme. As an important step towards increasing budget transparency and accountability, the beneficiary survey is to be conducted among the members of farmers' groups/cooperatives that are receiving grants from the District Agriculture Development Office (DADO).

The information collected through this survey will be used only for study purpose. Otherwise, the data/information will remain confidential. We hope you will help us by providing true information.

A. General Information:

- 1) Name of Respondent:
- 2) Age:
- 3) Gender: M / F
- 4) District: Code :
- 5) VDC/Municipality:.....
- 6) Ward No:
- 7) Tole :.....
- 8) Name of farmers' group/cooperative you are enrolled:
- 9) Caste and Ethnicity:Code:
- 10) Occupation: Qualification:
- 11) Main crops:
- 12) Land Types: (Low Land, High Land, Irrigated and Un-irrigated):

1. Programme Information

1.	Name of Programme:	
2.	Location of Programme:	
3.	Fiscal year:	
4.	Date of agreement:	
5.	Total budget:	Rs.
6.	Starting date:	
7.	Completion date:	
8.	Project Status:	1) Completed 2) Work not started 3) Work in progress

2. Programme Selection/Planning Process:

1.	Were you aware of the programme selection and planning process?	1) Yes 2) No
1.1	If Yes	1) On-demand of farmers' group/cooperative 2) Priority of VDC Council 3) Priority of DDC/DADO 4) Other 5) Not aware
2.	2. Were you aware of total programme approved budget?	1) Yes 2) No
2.1	If yes, how much?	Rs.
3	How did you select the project?	1) Group/cooperative meeting 2) Informal discussion 3) Other (please specify.....)

3. Programme Execution:

1.	Were you aware of the criteria for selection of groups/cooperatives for grants?	1) Yes 2) No
2.	Did you know how the members were selected?	1) Yes 2) No
2.1	If yes how they were selected?	1) From beneficiaries/farmers 2) Nominated under influence 3) Do not Know
3.	As a beneficiary, did you also contribute to the programme?	1) Yes 2) No

3.1	What was the share of contribution?	1) Cash (Rs.: 2) Kind Labor (Number of days:) Other (specify.....)
4.	How did you evaluate the performance of programme?	1) Effective 2) Ineffective 3) Moderate
5.	Are you satisfied with progress and quality of service?	1) Yes 2) No
6.	What was the area of your land irrigated from the programme?	1) Below 5 Kattha 2) 5-10 Kattha 3) 10-20 Kattha 4) 20-40 Kattha 5) 40 +
7.	In which schemes you received support?	Shallow tube well Hume pipe Plastic ponds Water pumps (hydraulic ram, cycle pump, mono block) Makeshift dams Repair of irrigation structures Others: (Specify.....)
8.	How long it took to receive support materials once the proposal was approved?	1) 1-2 Weeks 2) 2-4 Weeks 3) 4-6 Weeks 4) Above 6 Weeks
9.	Did you face any trouble in accessing the grants/materials from DADO?	1) Yes 2) No
9.1	If yes, what were the troubles you faced?	1) Time consuming application process 2) Lengthy authorization/procurement process 3) No timely delivery of procured materials 4) Poor planning 5) Absenteeism 6) Other (please specify).....

4. Programme Monitoring and Oversight:

1.	Did anyone monitor the programme execution?	1) Yes 2) No
1.1	If yes, who monitors the programme?	1) DADO rep 2) DDC rep 3) VDC rep 4) Chief District Officer 5) CSO rep/third party 6) Others (Specify.....)
2.	Had you seen the programme info published in the notice/hoarding board at programme site?	1) Yes 2) No
3.	Were you aware of preparation and submission of programme completion report?	1) Yes 2) No If yes, where and when:

5. Transparency/Accountability:

1.	Did you feel that the programme budget was being used properly?	1) Properly 2) Moderately 3) Not Properly 4) Not aware
1.1	If not properly what was the reason?	1) Mismatch between need and design/not properly consulted 2) Progress too slow 3) Leakage too high 4) Project only in paper not in field
2.	Do you think if there were high leakages and irregularities in programme budget implementation?	1) Yes 2) No
2.1	If yes, at what level
3.	Did you know about public audit/hearing during and after completion of the programme?	1) Yes 2) No
4.	Did you participate in the public hearing of the programme?	1) Yes 2) No

5.	Had you ever used Right to Information request to access info related to programme?	1) Yes 2) No
6.	What was the system/measure to ensure irrigation water equity?	1) Stated hourly system in proportion of land area 2) As stated by committee focal person 3) Ad hoc basis 4) Others (Specify.....)
7.	Was there any dispute/complaint handling mechanism in place?	1) Yes 2) No If yes, please specify

6. Programme Benefits:

1.	What benefits did you receive from programme?	1) Increase in food production 2) Crop intensity 3) Crop switching i.e. from wheat to vegetable 4) Economic benefits i.e. reduced cost of production, increased income 5) Other (Specify.....)
2.	Annual increase in total production of food after irrigation service?
3.	Your final comments for the effective and efficient utilization of grant, if any

Annex 4: : Attendance (FGDs)

Attendance Sheet					
		Venue: Gaighat (Udayapur)		Date: 20 January 2017	
S. N.	Name of participant	Designation	Organization	Phone number	Signature
1	Shiva Dhungel	ATC Livelihood	World Vision	9841226317	
2	Shiromani Khatiwada	Programme Coordinator	NESPEC	9852835078	
3	Som Bdr Danuwar	Chairperson	NFFF	9842876224	
4	Binod K Karki	District Coordinator	SWOG	9852830258	
5	Shyam K Ghimire	Project Coordinator	CEAPRED	9841227800	
6	Lalit Shah	Director	People to People	9842838306	
7	Hari K Rai	Vice-Chairperson	FNJ Udayapur	9842805037	
8	Biswo R Tamang	Editor	Triyuga Express Daily	9842855746	
9	Ajaya K Shah	Project Coordinator	Jalpa Integrated Development	9842828084	
10	Mithun Thakur	Correspondent	Gaighat Today	9842843848	
11	Ganga Rai	Chairperson	NESPEC	9852835803	
12	Krishna Sapkota	Consultant	UN Climate Finance Project	9851196110	

Attendance Sheet					
		Venue: Gulariya (Bardiya)		Date: 08 January 2017	
S. N.	Name of participant	Designation	Organization	Phone number	Signature
1	Bishnu Timilsina	President	NGO Federation Bardiya	9858081000	
2	Prisma Singh Tharu	Executive Director	Tharu Mahila Utthan Kendra	9858021457	
3	Rajendra Dhital	University Teacher	babai Multiple Campus	9848021200	
4	Yadav Acharya	Journalist	Annapurna Post	9848027554	
5	Indira Subedi	Vice-President	Sunaulo Mahila BMC	9848030169	
6	Bishnu Sharma	IPM Trainer		9848034535	
7	Badri Kala Achayra	Cooeprative Activist	Sunaulo Mahila BMC	9858021810	
8	Kamal Panthi	Sub Editor	Kantipur Bardiya	9858022281	
9	Bal Krishna Oli	Coordiantor	Bardiya CSO Network	9858040222	
10	Krishna Sapkota	Consultant	UN Climate Finance Project	9851196110	
11	Bhojraj mahatara	Driver			
12	Bishnu Bhusal	IPM Trainer	DADO, Bardiya		

Annex 5: : Synopsis of Interactions

This section has captured key deliberations of farmers' groups and cooperatives, individual beneficiaries, non-beneficiaries and key stakeholders recorded during the FGDs, KIIs and other interactions.

Small irrigation boon for vegetable production and income generation

One of the key objectives of the small irrigation special programme is to support farmers to increase agriculture productivity thereby enhancing income generation. Most of the groups' leaders interviewed in the field expressed their satisfaction with the irrigation support arguing availability of irrigation facilities, albeit small in size, has inspired them to adopt entrepreneurship. The farmers further stated that, with irrigation services nearby, their cropping pattern and intensity have changed prompting them to focus on season and off-season vegetable farming.

"The programme was effective for it had benefitted them to expand irrigation base, increase agriculture yields and sustain their group activities" said Buddhiram Tharu, Secretary of Srijansheel Krishak Samuha, Rajapur. It had multiple effects on lives and livelihoods of farmers. The barren land was changed into fertile with irrigation support from DADO. Jasoda Devi Kafle, a woman farmer of Katari-10, Barmajhiya, in Udayapur district, shared that she had increased her maize production by over two fold and mustard yields by over seven folds in seven Kattha of land and sold radish of Rs. 10,000 in a season after the irrigation facilities. "I have arranged water lifting motor of my own at home after seeing opportunity in the sector", she added. The programme seems effective in getting the farmers into commercial vegetable

farming as well as multiple crops harvesting in both the district.

Ineffective information flow and outreach mechanism

The Guideline has stipulated process for providing grants to the eligible groups. Imparting information is the preliminary step. During consultations, it was found that the DADOs have been using their notice boards, service centres, local radios and newspapers, information boards of district-based government offices and concerned VDCs to solicit applications for grants from farmers' groups. However, the existing information and communications mechanisms are not much effective to reach out the message to illiterate farmers. It was observed that there are chances for uneven distribution of resources/grants in lack of timely, accurate, understandable and comprehensive information to farmers. Limited access to information also shrinks the chance for people's participation in the use of public resources.

Poor record management and archiving system

Poor information record system of DADO troubled getting some of the records. The archiving system is not effective and records are not maintained well. The post-quake situation has caused damages to the office building of DADO Udayapur; things are in mess and publications of yesteryears were not found at office. The poor record system was evident in Bardiya DADO when the concerned official could not provide administrative and financial records of the small irrigation programme conducted in the FY 2013/14.

Transparent screening of application for grants under question

There are no concrete transparent and accountable practices in screening the applications solicited for grants. Farmers know the result once it is published in the notice board of the DADO. Some of the farmers' group leaders voiced their concern that they had ended up submitting applications for grants since there was no hope to receive grants. To address such grievances, the DADO should introduce a system to deal with the screening process in a more transparent manner. In regard to the endorsement of selected schemes, the DADC normally formalizes the list of groups or cooperatives once the committee is assured of adopting due process in grants selection. Programme execution is the responsibility of the groups/cooperatives which also has several shortcomings in absence of routine and robust monitoring.

Group dynamics good but not free from the clutch of affluent sections

All the small irrigation grants recipient farmers' groups, being registered with DADO, are functional with good practice of regular meeting and participatory decision making process. Importantly, the groups had submitted grants applications based on institutional decision which also reflected in their minutes. It has substantially helped translate the policy provision of people's participation in small irrigation schemes into practice. However, equity in benefit sharing among members is still a question in absence of routine and robust monitoring. The trend is those having large mass of lands were found taking initiative to form and activate groups for reaping benefits from the grants.

Despite some good practices, the groups are not free from the influence of some handful people which also affected the benefit sharing from the water resources. The political influence has

counted much in the distribution of grants. "At least 10% of the small irrigation special programme grants in the district have been selected on political pressure", admitted one of the officials of Bardiya DADO on condition of anonymity.

Proper evidence-based planning and decision making not in sight

The lack of evidence-based planning and decision-making process is visible. Though the Guideline has clearly instructed the service providers to not repeat grants to the farmer groups, the policy compliance is weak in Bardiya district. Some farmers' groups had received grants in both FYs 2013/14 and 2014/15 which had meted out injustice to those waiting for the support since long. The office has furnished no justifiable answer to the decision. Likewise, in Udayapur, the distribution of grants is in and around municipal areas and not in the areas where there are genuine needs of farmers. It is because of no evidence-based decision-making. Had there been the practice of planning and decision-making, the distribution of the grants would have been different.

Weak oversight and watchdog role

The oversight role is very crucial in holding the authority to account. Among the key oversight mechanism in the districts are media, district treasury single account and CSOs. The roles of these actors are not much vibrant in both the districts. Being small in budget, the programme has not received any attention from media and CSOs. There is a big scope of independent monitoring from the oversight bodies, but it is hardly happening in both the districts. Though there is effective right to information movement in Udayapur, no one was found demanding information from DADO to gather evidence for accountability or media reporting. The practice of joint monitoring under the coordination of DADO is in place, but it is meagre and unsystematic. "We did not get any

written report with concrete recommendations for the improvements of small irrigation special programme taking place in field. It also makes the farmers' groups more accountable", said Chhetra Bahadur Karki, Secretary of Hatemalo Krishak Samuha, Udayapur. He added, small support from the programme has contributed to mobilize the unused local resources to improve livelihoods of the farmers, and the frequent monitoring with checklist from different agencies would be spectacular to know the use and abuse of government resources.

Though a monitoring mechanism is in place to check possible wrong doings of farmers' groups, there is no systematic body to keep vigil on the activities of the concerned office. Monitoring is meagre, ineffective and ritualistic rather than being focused on bringing improvements to the initiative.

Mismatch progress reporting with ambitious policy targets

The Guideline has defined 'small irrigation special programme' as an initiative to expand irrigated areas by mobilizing small grants through registered farmers' groups while stating that the support would be to provide irrigation service up to 25 Hectares in hilly area and 200 Hectares in Terai (plain) area. The target itself is much ambitious and unrealistic. "There is a wrong trend of showcasing programme progress in a fabricated manner since it is not possible to irrigate several hectares of land through meagre support. Ideally, the programme is to channel support of farmers to unlock tiny problems so that they can arrange irrigation service", said Saroj Kanta Ghimire, District Agriculture Development Officer, Udayapur. Hardly is it possible to irrigate 4-5 Ropanis of

land in hilly areas but the exaggerated reporting trend has shown unrealistic progress, he added. "This tendency has affected our whole development planning and interventions", he said. The same is evident in Bardiya district as there is no regular monitoring to check whether the data produced from the field is realistic or not.

Inadequate coordination among government agencies

It is found that three government agencies – DADO, DDC and Irrigation Division Office – are involved in providing irrigation related services to the people in the district. Coordination among the three agencies would obviously create synergy in service delivery efforts. However, there is no functional coordination between the offices. "At least the coordination between the DADO and Irrigation Office would yield better results from irrigation services. The DADO is best placed to identify schemes for irrigation while the Irrigation Office is equipped with technical human resource. So, the coordinated efforts of these offices would create opportunity to enhance benefits to farmers and construct small irrigation schemes keeping environmental aspects as well", said Bharat Rawat, District Agriculture Development Office, Bardiya. Likewise, echoing the same idea, Bhupadoj Karki of Udayapur Irrigation Office argued that bringing together agriculture expertise of DADO and technical expertise of irrigation office could better address the growing needs of farmers and realise the objective of delivering effective irrigation services. "The agriculture and irrigation programme should go together but it is not happening due to coordination gaps between these two offices. Better the coordination, better the schemes design and construction and monitoring of technical aspects", he noted.

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