

# Intergovernmental Relations (IGR) in Agriculture Sector and Its Effects on Service Delivery at Local Level in Federal Nepal

Bishnu Kumar Bishwakarma<sup>1\*</sup>, Bishnu Raj Upreti<sup>2</sup>, Durga Devkota<sup>3</sup> and Naba Raj Devkota<sup>4</sup>

<sup>1,2,3</sup>*Agriculture and Forestry University, Rampur, Chitwan, Nepal*

<sup>4</sup>*Gandaki University, Pokhara, Nepal*

\*Corresponding author: [bkbishwakarma@gmail.com](mailto:bkbishwakarma@gmail.com)

## Abstract

**Purpose:** This research was done with the objective to explore the current practice of sectoral IGR; factors affecting it, and effects of IGR on agricultural service delivery.

**Methods:** Mixed method was employed to collect data. The qualitative method employed 35 Key Informants' Interviews (KII) and nine Focused Group Discussion (FGD). Empirical data were obtained from the cross-sectional survey of 140 sectoral staff from 18 local governments during 2021 to 2022 and analysed accordingly.

**Results:** The current agricultural sector IGR lacks coordination, cooperation, has a distinct gap on information exchange and local level have limited negotiation capacity. Fiscal transfer, functional demarcation, clarity in roles and responsibilities and institutional establishment between three tiers of the government were found major factors affecting sectoral IGR. Ninety percent of the respondents reported that the current gap in sectoral IGR has resulted duplicating functions, overlapping roles, thin institutional arrangement, limited capacity of the local governments, and higher dependency of local governments to federal level for financial and human resources. Such gap in IGR has negatively affected agricultural service delivery at local level.

**Conclusion:** Findings of this research suggests that the federal government need to facilitate for the sectoral coordination mechanism and strengthen the negotiation capacity of local governments for smoothening sectoral IGR and thereby effective service delivery, particularly those related to agricultural extension and service delivery.

---

**Keywords:** Constitution, Coordination, Cooperation, Negotiation, Restructuring

---

## 1 Introduction

The Constitution of Nepal has adapted cooperation, coordination and coexistence as the major principle of relationship between the three tiers of the government (Constitution of Nepal, 2015). Based on the Constitution, cooperation indicates that many functions are interdependent and interrelated between the three tiers of the government. Therefore, the federal, province and local governments will have to jointly execute some functions (e.g., agriculture), rights are spread out based on their competencies and accommodate various options to provide services to the people (Constitution of Nepal, 2015; GoN, 2020; Devkota, 2020). Coordination is a way of harmonizing the various activities conducted by the different levels of government in order to increase its effectiveness. Coexistence encompasses mutual respect, non-interference, equality, mutual cooperation and mutual interest. These constitutional principles are considered as the major directives of the intergovernmental relations between federal, province and local governments (Constitution of Nepal, 2015; FIARCC, 2016; GoN, 2020). The constitution of the Nepal has provisioned agriculture, both exclusive as well as concurrent functions between three tiers of the government (Constitution of Nepal, 2015; FIARCC, 2016; GoN, 2017a). In one hand the concurrent functions have created interdependence, feeling of togetherness and demands joint interventions. On the other hand, the concurrent functions have created overlapping, duplication and often conflicts in relation to roles, responsibilities and jurisdiction (Devkota, 2020; Bishwakarma et al., 2022; Paudyal, 2021). The federalization of the sector has resulted significant impacts in sectoral governance such as autonomy in policy design, institutional arrangement, staffing, priority setting and financial resource allocation (Kyle & Resnick, 2016; Subedi et al., 2019; Devkota, 2020; Bishwakarma et al., 2020; Bishwakarma et al., 2021; Bishwakarma et al., 2022). Moreover, political, fiscal and administrative autonomy at each level of the government has created new and complex intergovernmental relations (IGR) between three tiers of the government. In this context, this research was done with the main objective to assess the existing practices of IGR in agriculture sector to address the following research questions;

- i) What are the legal and institutional arrangement in relation to agriculture sector IGR?
- ii) What are the factors affecting IGR and why?
- iii) What are the current gaps and issues of agriculture sector IGR in federal Nepal? And,
- iv) What is the effect of current IGR in agricultural service delivery?

## 1.1 IGR and its models

Poirier & Saunders (2010) views intergovernmental relations (IGR) as political power-games and negotiations. According to Phillimore (2013) IGR is the processes and institutions through which governments within a political system interact. IGR is integral part of the federal system (Poirier & Saunders, 2015). IGR is a necessary feature of multi-tier governments, whether unitary or federal (Ikeanyibe et al., 2019). Ogunna (1996) has seen it as complex pattern of interactions, cooperation and inter-dependence between two or more levels of the government. Olaiya (2016) reported that in a federal state, the constitution is the reference point that defines the relationship between and among levels of government. According to Isioma (2010), the aim of the IGR is to enable government activities (primarily service delivery) effective and efficient through synergy. There are several dimensions of IGR in its form such as vertical, horizontal, sectoral, formal and informal (Phillimore, 2013). IGRs in the form of national-state-local, state-state, extra-governmental and non-governmental bodies interactions (Zimmerman, 1992; Ikelegbe, 2004). Federal-state-local, federal-state, state-state, state-local and local-local (Akume, 2014; Ponnle, 2011). “Informal IGR are inevitably more difficult to observe but often as important as formal mechanisms, if not more so. Informal interactions often hold the system together” (Harwood & Phillimore 2012). Deil Wright (1978), “in his first edition of *Understanding Intergovernmental Relations* published in 1978, explained three models of IGR- coordinated authority model, inclusive authority model and overlapping authority model” (Figure 1). Wright further explain that “the coordinate authority model depicted the clear separation between national and state/local relationships and the distinct boundaries separating the levels of government. The inclusive authority model, by contrast, presented a system in which IGR based on a hierarchical set of relationships and emphasized the predominant role of the national level”. In the overlapping authority model, the author explained IGR essentially a set of overlaps among national, state, and local units simultaneously. According to Burke (2014), Wright emphasized the role of bargaining between actors in overlapping authority model of IGR.

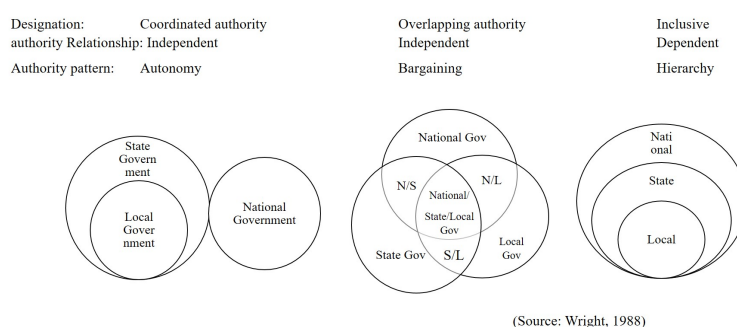


Figure 1: Model of national, state and local government relationship

## 2 Methods

### 2.1 Philosophy of the research

The constitutional power provisions and unbundling of such power has created new dimensions and complexity in the sectoral IGR (Devkota, 2020; GoN, 2020; Bishwakarma et al., 2022). Furthermore, agricultural sector development and service delivery is complex subject and has governed by several factors such as political and economic context from global to local level policy environment, IGR, national and subnational governments capacity and farming context (Dahal et al., 2020; Bishwakarma et al., 2022). Therefore, to understand and explain such complex phenomena, this research employed both qualitative and quantitative approaches. In qualitative approach, “interpretivism” was used to understand and explain the existing IGR practices and its impact on agricultural service delivery. Where the reality (data) is subjective, contextual and mind dependent thus based on how people understand and explain certain phenomena within their context. Whilst, “Positivism” prevails in describing the objective data (Needleman & Needleman, 1996; Slevitch, 2011) such as institutional capacities (e.g., human resources, physical facilities) in this research.

### 2.2 Study sites

This research was conducted in purposively selected 18 local governments (Figure 2). The major criteria for selecting these local governments include geographic diversity, socioeconomic and farming context, local policies and program and local capacity in policy design, planning, financial resource allocation and policy implementation.

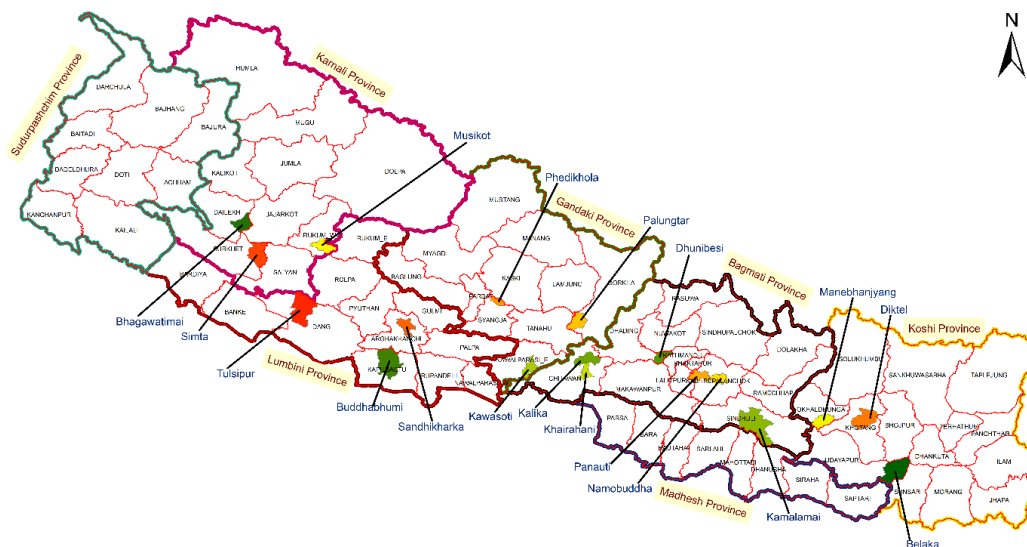


Figure 2: Selected local governments investigated for this research

Table 1: List of selected local governments used for this research

Province	Number	Local governments
Koshi	3	Belaka, Manebhanjyang, Diktel
Bagmati	6	Kamalamai, Namobuddha, Panauti, Dhunibeshi, Khairahani, Kalika
Gandaki	3	Kawasoti, Palungtar, Phedikhola,
Lumbini	3	Buddhabhum, Sandhikharka, Tulsipur
Karnali	3	Simta, Musikot, Bhagawatimai

### 2.3 Data collection methods

The qualitative approach employed thirty-five Key informant interviews (KIIs), nine focused group discussions (FGDs) and direct field observations . The key informants were purposively selected officials from the local governments (Mayor, Deputy Mayor, ward chairs and sectoral staff), sectoral officials from the province and federal level institutions. For key informant interviews a comprehensive checklist was prepared and finalized with experts. The major objective of the focused group discussion was to obtain in depth information about the subject matter in relation to operationalization, effectiveness and outcome of any interventions from beneficiary perspective. The FGD participants for this study were purposively selected from the specific population i.e. farmer groups/cooperatives who are directly affected by each policy intervention. For each FGD, 5-7 farmers were selected including women farmers. Direct observations related to process and outcome (such as institution, policies, service delivery approaches, physical facilities) was done to understand the realistic scenarios in reflecting different context (socioeconomic, political, geographic) of the study sites. Direct observation was combined and executed parallel with other methods of data collection (KIIs, FGDs, Survey). To assess the existing human resources and capacities, physical facilities and farmers’ access to services, quantitative survey (e.g. staff survey and analyzing the farmer records) at local level was done. Moreover, the quantitative primary survey was combined with secondary data such as farmers’/groups records, and relevant reports of the local, province and federal level institutions.

### 2.4 Data analysis and interpretation

The qualitative data was analyzed using Thematic analysis (TA) method. Themes were defined based on the pattern of data. The researcher attempted to describe how participants (key informants and focused groups) construct their individualistic and shared meaning around the subject. The interpretation “includes the voices of participants, the reflectivity of the researcher, and a complex description of the phenomena (Greetz, 1973; Creswell, 2007). The quantitative data was analyzed using descriptive statistics such as frequency and percentages. Both qualitative and quantitative results further triangulated with relevant literatures.

Table 2: Key methods of data collection and number of samples

Key methods	Level	Description of sample	Number of samples
KIIs	Local	Elected representatives from municipality and rural municipality, sectoral local staff, representatives of cooperatives, local market management committees	35
	Province and Federal	Officials from AKCs, Directorate of Agriculture Development, DoA, MoALD	15
FGDs	Local	Coop, farmer groups	9
Direct observation	Local	Agriculture and Livestock Development Sections of local government, market-related infrastructures, technologies	18
Staff survey	Local	Sectoral staff of local level	140

### 3 Results

#### 3.1 Existing IGR practices in agriculture sector

Analysis of the KIIs and observation revealed that limited formal and informal mechanisms have been practices in relation to agriculture sector IGR. The vertical IGR between federal to province to local level in agriculture sector is summarized in Table 3. The formal IGR in agriculture sector is limited with intergovernmental fiscal transfer (conditional grant), staff adjustment and deputation and reporting of few activities. The existing sectoral IGR has distinct lack of formal mechanism (functional responsibilities and institutional arrangement) for coordination and linkages between three tiers of the government. Moreover, the analysis of the KIIs revealed that informal coordination and relation is dominant due to lack of formal mechanism.

Some of the local governments (Belaka, Diktel, Simta, Musikot, Bhagawatimai, Khairahani, Phedikhola) have formulated Municipal Agriculture Development Committee (MADC) at Municipality level led by elected representatives (either Mayor/Chair or one of the ward chairs). Members of the committee included farmer's representative and private sector actors but the composition varied between the local governments. The major roles of MADC are to coordinate with different actors, support local government in planning and monitoring and facilitate policy formulation and implementation in relation to agriculture sector.

#### 3.2 Legal and institutional arrangements related to agriculture sector IGR

The Constitution (Article 220), the report of the Unbundling of constitutional power (Schedule 5,6,7,8 and 9) (FIARCC, 2016), the Local Government Operation Act (GoN, 2017b), Federal Province and Local level (Cooperation and Interrelation) Act (GoN, 2020) have been found the major legal framework of agriculture sector IGR. Article 220 of the Constitution includes the provision for District Coordination Committee (DCC) to make coordination between Municipalities within a district. Article 234 of the Constitution has provision for an Inter-Provincial Council, which is a dispute resolution body between the federal and provincial governments or between different provincial governments. Federal Province and Local level (Cooperation and Interrelation) Act, has provisioned Provincial Coordination Council as an important forum for intergovernmental relations to facilitate planning and budgeting issues between provincial and local governments. However, 90% of the key informants indicated that these legal provisions are so broad and agriculture sector seldom receives priority. Moreover, the decision-making process by this mechanism is so lengthy that sectoral officials are not motivated to bring issues and agenda in such forums.

#### 3.3 Factors affecting agriculture sector IGR

Analysis of the key informants' interviews revealed that both formal (functions, institutions and policies) and informal mechanisms have been affecting the existing IGR in agriculture sector. Legal provisions (Constitutional provisions including related Act and laws described above), have direct implication on the IGR. Informal coordination practices have been found mostly at individual level such as commitment and priority of political commitment, political relations, understanding, attitude and culture, and personal relations. Such informal practices have found dominant and strongly affecting existing IGR in agriculture sector. The findings how each factor has been affecting sectoral IGR is briefly summarized in the following points

Table 3: A brief summary of existing IGR in agriculture sector between federal, province and local governments in federal Nepal (Source: compiled by authors, 2023)

	Federal	Province	Local
Federal		<ul style="list-style-type: none"> <li>-Staff deputation (e.g., Secretary of province Ministry by Federal Ministry of Agriculture and Livestock Department</li> <li>-Intergovernmental fiscal transfer</li> <li>-Informal coordination for implementing activities and monitoring</li> <li>-Ministerial and secretary level coordination meetings</li> </ul>	<ul style="list-style-type: none"> <li>-Staff adjustment</li> <li>-Intergovernmental fiscal transfer</li> <li>-Informal coordination for project implementation</li> <li>-Some project level activities are endorsed and monitored by Municipal Agriculture Development Committee (MADC*)</li> </ul>
Province	<ul style="list-style-type: none"> <li>-Reporting</li> <li>-Provide coordination support upon request</li> </ul>		<ul style="list-style-type: none"> <li>-Staff Support (OVOT**)</li> <li>-Sometime technical support through Agriculture Knowledge Center (AKC) and Veterinary Hospital and Livestock Expert Service Center (VHLESC)</li> <li>-Providing conditional/specialized grant</li> <li>-Informal coordination for Specific activities</li> </ul>
Local	<ul style="list-style-type: none"> <li>-Provides reports of conditional program upon request</li> <li>-Request financial supports/projects (mostly from political leadership)</li> </ul>	<ul style="list-style-type: none"> <li>-Provides reports of conditional program upon request</li> <li>-Request financial supports/projects (mostly from political leadership)</li> </ul>	

\*In Karnali province Agriculture Sector Development Program (ASDP), one of the federal government projects, in Koshi province and Nepal Agricultural Service Development Program (NASDP), a bilateral project, are facilitating to establish MADDC at Municipality and coordinate for the implementation of project activities at local level.

### 3.3.1 Functional demarcation

The agriculture sector IGR has been found based on the functional elaboration in the report of unbundling of power (schedule 5,6,7,8 and 9) (FIARCC, 2016). Elaboration of the exclusive functions (Schedule 6 and 8) and demarcation of the roles specially in the concurrent functions (schedule 9) has found directly associated with institutional arrangement, transfer of roles, staff adjustment and intergovernmental fiscal transfer from national to subnational level. Agriculture as both exclusive and concurrent functions, has complexity and several issues on functional demarcation such as agriculture development at local level, regulatory functions, functions related to agriculture market and infrastructure development, agriculture research and input management.

### 3.3.2 Institutional arrangement

Institutional arrangement is one of the important factors affecting IGR in agriculture sector in federal Nepal. The restructuring of the agriculture sector has resulted independent non- hierarchical institutional arrangement at three tiers of the government (Figure 3). The key informants indicated that such institutional arrangement without coordination mechanism has limited the interaction between three tiers of the government.

### 3.3.3 Sectoral policies

Sectoral policies of three tiers of the government have been found affecting sectoral IGR. For example, the federal level Agriculture Development Strategy (MoALD, 2015), Periodic Plans, annual program and policies are affecting IGR in terms of intergovernmental fiscal transfer, program implementation, monitoring and reporting. Similarly, the sectoral policies of province and local governments have been found major basis to negotiate with federal government. Deployment of human resources, technical backstopping, reporting and information exchanges and fiscal transfer from federal to province and local levels are found also affected by province and local level sectoral policies. The findings are in line with Radin (2012), who has expressed that each policy sector tends to have

its own IGR networks and personnel. Moreover, the local and province governments having concrete sectoral policies and strategies, have higher tendency to interact with federal level and vice versa.

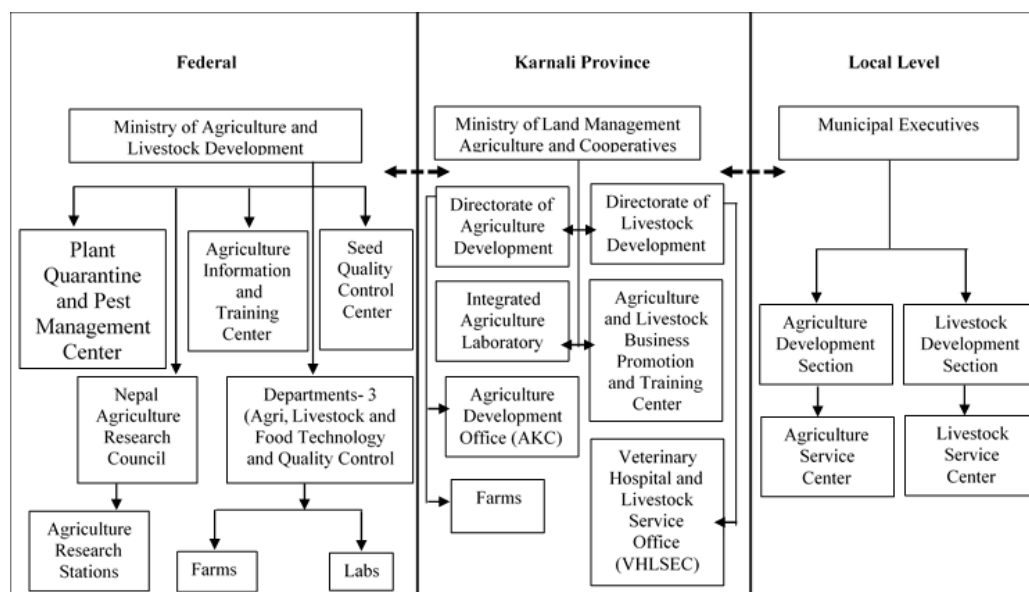


Figure 3: Institutional arrangement of agriculture sector at federal, province and local level under federal system (Sources: Adapted from Bishwakarma et al., 2020)

### 3.3.4 Intergovernmental fiscal transfer

Fiscal power is one of the most dominating factors affecting IGR in agriculture sector in Nepal. Due to limited jurisdiction of subnational level in collecting taxes and limited internal revenue, subnational governments are dependent on federal government for financial resources. The Inter-Governmental Fiscal Management Act (GoN, 2017b) has provisioned that the federal government has to provide equalization, conditional, complimentary, and special grants to subnational governments. This intergovernmental fiscal transfer is one of the dominant factors how federal government interact with subnational governments. Negotiation and bargaining of the subnational governments are largely dependent on political interest and relations (e.g. similar ruling parties at national and subnational government or different), political leadership commitment and priorities and sectoral policies at the national and subnational level. Intergovernmental fiscal transfer has been found one of the major means that federal government has been anchoring national policies at subnational level.

### 3.3.5 Leadership priority and commitment

Analysis of the KIIs revealed that leadership priority and commitment is one of the crucial factors affecting IGR in agriculture sector. This has been observed at federal, province and local level. Political leadership at the local government who have given higher priority to agriculture sector in terms of program and resource allocation have been also found proactively communicating and negotiating with province and federal level (both sectoral staff and political leadership). For example, political leadership of the Phedikhla, Khairahani, Belaka, Musikot, Bhagawatimai have been found actively negotiating with province and federal level for agriculture sector program and budget as compared to other local governments investigated under this study. Similarly, functioning of the thematic committee (ministerial and secretary level between federal and province) and networking and negotiation with local level has been found largely dependent on the political leadership commitment and priority.

## 3.4 Existing gaps and issues of agriculture sector IGR in federal Nepal

### 3.4.1 Lack of sectoral coordination mechanism

The functional gap related to sectoral coordination has resulted lack of formal coordination mechanism between three tiers of the government in agriculture sector. Moreover, the key informants expressed that in the existing broader IGR mechanisms described above, agriculture sector has seldom received priority including other local issues. The KIIs elucidated that sectoral communication through such broader mechanism is time taking and formal communication is often not possible for urgent matters. The lengthy process and less sectoral priority by such broader mechanism often found demotivating sectoral officials to communicate regularly between three tiers of the government institutions. Lack of formal sectoral mechanism has often resulted reluctance among

the bureaucrats for coordination, since they are more accustomed with formal mechanism. Lack of sectoral coordination has been so prominently realized that the federal sectoral minister in 2021 said “we built the three-story building with no stair” indicating the serious gap of coordination functions in agriculture sector

### 3.4.2 Intergovernmental fiscal transfer and existing planning system

There is increasing issues that federal government is holding the major chunk of sectoral budget and providing limited budget to subnational governments. The sectoral budget allocation trend by the federal government from FY 2018/19 to FY 2021/22 clearly indicated federal government is holding major portion of the sectoral budget (Figure 4). Moreover, the key informants expressed that the federal government through the higher percentage of conditional grants, imposing conditional program to subnational governments. Representatives of the province and local governments expressed that they are demotivated to implement such conditional program since some of the conditions are difficult to fulfill and cannot be implemented within the stipulated time. Further, the KIIs expressed that the federal to province and local level and from province to local level are providing such conditional grants even for small and nominal activities and often contradicts with local needs and priorities. Moreover, the existing planning system is top down (federal level first, province and then local) which clearly indicate the centralized budgeting system. The federal level without knowing the needs and priority of the province and local level formulates program and budget (conditional program and budget) which is increasingly becoming an issue of IGR between three tiers of the government in terms of planning and intergovernmental fiscal transfer.

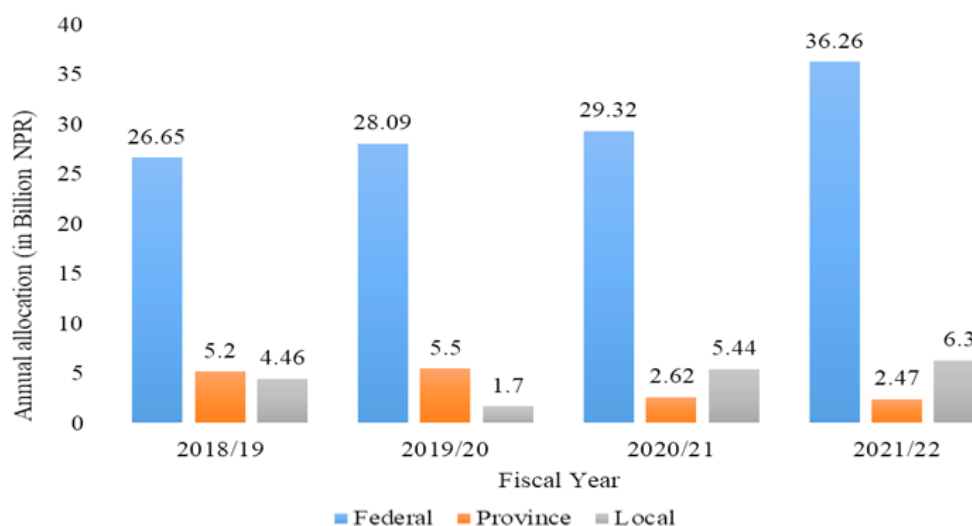


Figure 4: Annual federal agricultural budget allocation at three tiers of the government (Source: MoF, 2018- 2021)

### 3.4.3 Understanding, culture and practice

The key informants clearly elucidated that federal system is new to the country and have limited experiences and practice. Due to such limitation, understanding of the jurisdiction and roles of each tier of the government is not uniform among the political leadership and sectoral officials. For example, province governments are increasingly raising issues that federal government has undermined their jurisdiction. Moreover, the federal level political leaderships and officials often have expressed and behave like subnational governments are sub ordinates or implementation units of federal government, resulting issues of understanding coexistence, coordination and cooperation. Key informants at local and province level elucidated that centralized mindset and past unitary system baggage have been dominant in existing IGR at three tiers of the government.

### 3.4.4 Local capacities

Table 4 summarizes the existing staff strength of the selected local governments investigated which shows higher percentage of the existing staff are junior level. The existing staff strength, thin institutional arrangement and limited physical facilities indicated that there is a serious capacity gap in terms of sectoral policy implementation, planning, most importantly the negotiation capacity to convince political leadership and establish linkages and coordination with province and federal level. The capacity gap at local level have resulted lack of timely monitoring and reporting of programs affecting in program design and budget allocation, coordination, appropriate

targeting and importantly convincing the political leadership that why particular service provision is necessary and important.

Table 4: Summary of staff strength at Agriculture and Livestock Development Section of selected local governments

Staff strength	Gender		Staff position					Total number of staff	Educational qualification of Staff				
	Female	Male	Officer	JT	JTA	OVOT	Assistant		Master	BSc Ag/BVSc	I Sc. Agriculture	JTA/T SLC	Other
Total	74	147	46	43	74	38	21	218	6	24	38	134	22
%	34	66	21	20	34	17	10	100	3	11	17	61	10

### 3.5 Effect of existing IGR in agricultural service delivery

Service delivery is the interface of IGR where each tier of the government interacts with people. Therefore, the IGR between three tiers of the government directly affect the service provisioning and type of services receiving by each citizen. The major effect such as overlap and duplication in service delivery, mismatch between the farmer's need and service provisioning, poor technical backstopping and limited institutional and capacity development have been observed at local governments investigated.

#### 3.5.1 Overlap and duplication

Overlapping and duplication are found mainly due to unclarity of roles, lack of functional demarcation, delay in functional transfer and each level of the government is directly acting on the citizen. Constitutionally, agricultural service delivery is under the jurisdiction of local government. However, province and federal level are often heavily engaged in service delivery either directly (implementing agricultural service delivery activities at local levels) or indirectly through the conditional program by federal level. The KIs and FGDs further expressed that overlapping and duplication have resulted often in competition between the governments (especially province and local), different provisions for the similar activities, lack of effective monitoring, and lack of accountability of the activities implemented. The participants of the FGDs expressed that due to gap in information and differences in support provisions, such overlap and duplication often has been increasing conflicts among the service providers and service recipients.

#### 3.5.2 Mismatch between the farmers needs and service provisioning

Analysis of the FGDs revealed that due to lack of coordination and linkages between three tiers of the government, there is mismatch between the farmers needs and service provisioning at local level. During the FGDs, particularly the semi commercial and commercial farmers expressed that the subsidized inputs distribution continued from each level of the government as traditional way which is not matching the need of farmers. Higher conditionality in federal and provincial support to local governments and limited own resources of the local governments aggravating such issues of mismatch between farmer's need and the service they receive. Moreover, there is increasing tendency of each government on distributive program (e.g. subsidies, equipment), thus more resources to populist program which do not truly reflect the real need and priority of the farmers, potentiality and the market demand. Such distributive program has been found higher in those local governments where political leaderships do not have priority and concrete policy provisions.

#### 3.5.3 Issue of technical backstopping

The sectoral staff, participating farmers of FGDs and political leadership at the local level expressed that there is a serious issue of technical capacity gap of the local staff and quality services to farmers. Due to lack of coordination and missing of technical backstopping function, there is no formal mechanism that local staff receive technical support when they need. Besides the appropriate coordination mechanism (both formal and informal) two major reasons of such challenges include confusion and limited proactive communication from the local staff with province and federal level (how and who to communicate) and, lack of communicating skill and



communication facilities that further demotivating local staff to communicate proactively. Further the FGDs elucidated that the services related to technological innovations, demonstration, product diversification and market related service provisioning to the farmers are limited. Sectoral staff are mostly doing administrative functions such as buying of materials and distributing such materials to farmers. Subsistence farmer, semi-commercial farmers and commercial farmers often having the same support (e.g., amount of seed, equipment). Specialized technical services as per the need of farmers are lacking at local level.

## 4 Discussion

This research elaborated intergovernmental relations as one of the important aspects of agriculture sector federalization and service delivery which has affected sectoral coordination, negotiation, bargaining and exchange of information between three tiers of the government. This research has identified that unclarity in the functional elaboration of the agriculture sector in Unbundling Report (FIARCC, 2016), has created existing issues of duplication and overlap affecting sectoral IGR. Scholar (Phillimore, 2013; Devkota, 2020) argue that since, IGR is interaction among the different levels of government, understanding the roles and responsibilities of each level and developing effective relationships to improve their ability to meet their expectation is crucial. Considering the functional clarity as a pertinent need in other sectors as well, in 2023, the federal government has formulated a committee to review such issues and identify the gap in functional elaboration of the constitutional power (Schedule 5,6,7,8 and 9). Further, intergovernmental fiscal transfer is one of the major aspects of operationalization of the sectoral powers by each tier of the government. Financial power has been affecting in designing Annual Policies and Programs, service delivery and local capacity in negotiating with province and federal levels. Scholars have argued that fiscal power is one of the major factors affecting IGR. According to Goldman (1986) economic resources, which enhance the capacity of political actors to pursue their desired courses of action is an important intergovernmental power. Phillimore (2013), in his conclusion, highlights power is at the center of any system of IGR – and is closely linked to the relative fiscal capacity of the various governments and are more like diplomatic relations than contractual or legal relations. He further adds that the central government need to remember and respect the jurisdiction of all sub-national governments.

To settle the current gap and issues of agriculture sector IGR in federal Nepal, both informal and ad hoc interactions and establishment of formal sectoral coordination mechanisms are necessary. The formal coordination mechanisms can be set up at sectoral ministry of province and federal level. At local level the concept of MADC and its' effectiveness need to explore further. Depending on the context, scholars have advocated the formal mechanisms (Afesha, 2015) as well as both formal and informal mechanism (Onwughalu, 2016) for the conduct of sectoral IGR. Moreover, this research found political commitment and priority as important factor affecting IGR. Adeyemo (2005) explains that IGR is a product of federalism, whatever model or combination of interactions that manifests, the effectiveness of IGR to a great extent depends on the mental disposition of the political actors. Moreover, Onwughalu (2016) explains that political solution through discussion, negotiation, bargaining, persuasion and compromise which are crucial tools of intergovernmental management is an ideal way to achieving smooth IGR.

## 5 Conclusion

The IGR in the agriculture sector in federal Nepal is complex due to mixing of exclusive and concurrent power. There is an increasing issue of coordination, cooperation and coexistence while each level of the government acting directly on the citizen with competing interest. Likewise, the existing legal instruments and the practices are not sufficient to smoothening the agriculture sector IGR between three tiers of the government. The existing unbundling of agriculture sector power (Schedule 6,8 and 9) of the Unbundling Report needs revision to further elaborate functional demarcation, coordination mechanisms, clarity in coordination roles and responsibilities of three tiers of the government. Moreover, the informal mechanisms and practices are crucial component of the IGR and establishing federal culture, understanding and practices sectoral IGR need to promote intergovernmental forums, networks and sharing. Moreover, to strengthen the coordination and linkages between three tiers of the government for effective service delivery, local capacity to communicate and negotiate with federal and province level is necessary. The agriculture sector IGR thus need coordination and facilitation from three tiers of the government, particularly to those activities related to agricultural extension and service delivery.

## Acknowledgement

The authors acknowledge key informants, participant armers of the focused group discussion and sectoral staff at local, province and federal governments for their active participation in this study and providing the information and sharing their views openly. The authors would like to thank elected representatives of the local governments for sharing their views and support to provide information during field visit.

## Authors' contribution

**B. K. Bishwakarma:** Design and executed the research including sampling, data collection, analysis and writing the manuscript. Coordinated with co-authors to collate suggestions and feedback and finalize the article.

**B.R. Upreti:** Contributed to develop theoretical concepts, guidance for literature review and developing research questions, objectives and research methodologies.

**D. Devkota:** Contributed to develop study questionnaire, review methodologies, review the manuscript and provided feedback and suggestions.

**N.R. Devkota:** Contributed to research design, sampling, research methodology finalizing questionnaire, interpretation of the results and conclusion of the study.

## Conflict of interest

The authors declare no conflict of interest in this research.

## References

- Afesh, N. (2015). The federal-state intergovernmental relationship in Ethiopia: institutional framework and its implication on state autonomy. *Mizan Law Review*, 9(2), 341-368. DOI <http://dx.doi.org/10.4314/mlr.v9i2.4>
- Adeyemo, D. O. (2005). Local Government Autonomy in Nigeria: A Historical Perspective. *Journal of Social Sciences*, 10(2), 77-87.
- Akume, A. T. (2014). The effect of intergovernmental relations (IGR) on Nigerian federalism: an examination intergovernmental management (IGM) 1999-2007. *Canadian Social Science*, 10(3), 171-180.
- Bishwakarma, B. K., Upreti, B. R., Devkota, D., & Devkota, N. R. (2020). Impacts of Sectoral Restructuring on Agricultural Service Delivery in Nepal. *International Journal of Agriculture Education and Extension*, 6(2), 392-404.
- Bishwakarma, B. K., Upreti, B. R., Devkota, D., & Devkota, N. R. (2021). Agricultural Functions, Institutions and Policies in the Context of Sectoral Restructuring in Nepal. *International Journal of Agricultural Extension and Rural Development Studies*, 8(2), 12-28.
- Bishwakarma, B.K. (2022). Federalization of Agriculture Sector: Issues and Challenges. *Nepal Public Policy Review*, 2, 339-382. doi: <https://doi.org/10.3126/nppr.v2i1.48685>
- Burke, B. F. (2014). Understanding intergovernmental relations, twenty-five years hence. *State and Local Government Review*, 46(1), 63-76.
- Constitution of Nepal. (2015). *Constitution of Nepal*. Kathmandu, Nepal: Government of Nepal, Nepal Law Commission.
- Creswell, J. W., Hanson, W. E., Plano, V. L. C., & Morales, A. (2007). Qualitative Research Designs Selection and Implementation. *The Counseling Psychologist*, 35(2), 236-264. <https://doi.org/10.1177/0011000006287390>
- Dahal, H., Karki, M., Jackson, T., & Panday, D. (2020). New state structure and agriculture governance: A case of service delivery to local farmers in the eastern Gangetic Plains of Nepal. *Agronomy*, 10, 1874. Doi:10.3390/agronomy10121874
- Devkota, K.L. (2020). Intergovernmental fiscal relations in a federal Nepal. *International Center for Public Policy Working Paper 20-13*. International Center for Public Policy Andrew Young School of Policy Studies Georgia State University Atlanta, Georgia, United States of America.
- FIARCC. (2016). Report on: unbundling of list of exclusive and concurrent powers of the Federation, the State (Province) and the Local Level provisioned in the Schedule 5, 6, 7, 8, 9 of the Constitution of Nepal. Kathmandu Nepal: Federalism Implementation and Administration Restructuring Coordination Committee, Kathmandu.
- Goldman, A. (1986). Toward a theory of social power. In S. Lukes (Ed.), *Power* (pp.156-202). New York University Press, New York.

- GoN. (2017a). Local Government Operation Act. Government of Nepal, Nepal Law Commission. [www.lawcommission.gov.np](http://www.lawcommission.gov.np)
- GoN. (2017b). Inter-governmental Fiscal Management Act. Government of Nepal, Nepal Law Commission. [www.lawcommission.gov.np](http://www.lawcommission.gov.np)
- GoN. (2020). Federal, Province and Local level (Cooperation and Interrelation) Act 2020. Government of Nepal, Nepal Law Commission. [www.lawcommission.gov.np](http://www.lawcommission.gov.np)
- Greetz, C. (1973). Thick Description: Toward an Interpretive Theory of Culture. In Greetz, C. (Ed.), *The Interpretation of Cultures* (pp. 3-30). New York, NY: Basic Books.
- Harwood, J., & Phillimore, J. (2012). The effects of COAG's National reform agenda on central agencies. Melbourne: Australia and New Zealand School of Government.
- Ikeanyibe, O. M., Chukwu, P. C., & Ibietan, J. (2019). Model and determinants of state-local governments' relations in Nigeria. *Revista de Administração Pública*, 53(6), 1040-1066.
- Ikelegbe, A. (2004). Intergovernmental relations governance and development in Nigeria. In O. Festus (Ed.), *Intergovernmental relations in Nigeria*. Ibadan: PEFS.
- Isioma, U. I. (2010). Strengthening intergovernmental relations for improved service delivery in South Africa: Issues for consideration. *Journal of US-China Public Administration*, 7(1), 51-57.
- Kyle, J., & Resnick, D. (2016). Nepal's 2015 Federal constitution implications for the governance of the agricultural sector. International Food Policy Research Institute, Washington, DC
- MoALD. (2015). Agriculture Development Strategy (2015-2035). Part 1 and Part 2, Singhadarbar, Kathmandu, Nepal. Ministry of Agriculture and Livestock Development, Government of Nepal.
- MoF. (2018-2021). Red Book. Government of Nepal, Ministry of Finance, Singhadarbar, Kathmandu, Nepal.
- Needleman, C., & Needleman, M. L. (1996). Qualitative methods for intervention research. *American Journal of Industrial Medicine*, 29(4), 329-337. <https://doi.org/10.1002/>
- Ogunna, A. E. C. (1996). *A handbook on local government in Nigeria*. Owerri, Versatile Publishers.
- Olaiya, T. A. (2016). Federalism and intergovernmental relations in Africa: retrospect and prospects from Nigeria. *Public Administration Research*, 5(2), 87-103. Doi:10.5539/par.v5n2p87
- Onwughalu, V. C. (2016, 19 October). Politics of Intergovernmental relations in a federalism: rethinking the constitutional status of local government in Nigeria. Nigerian Political Science Association (NPSA) South East Zone, University Auditorium/Faculty of Law, Imo State University, Owerri.
- Paudyal, L. M. (2021). Policymaking on governance and service delivery in Nepal. Policy Research Institute, Kathmandu, Nepal.
- Phillimore, J. (2013). Understanding intergovernmental relations: key features and trends. *Australian Journal of Public Administration*, 72(3), 228-238. Doi:10.1111/1467-8500.12025
- Poirier, J., & Saunders, C. (2010). Comparative reflections on intergovernmental relations in federal countries. *Dialogues on intergovernmental relations in federal systems* (pp.3-8). Ottawa: Forum of Federations and International Association of Centers for Federal Studies.
- Poirier, J., & Saunders, C. (2015). Comparative Experiences of Intergovernmental Relations in Federal Systems. In J. Poirier, C. Saunders, and J. Kincaid (Eds.), *Intergovernmental Relations in the Federal System*, (pp.1-13). Forum of Federations.
- Ponnle, S. L. (2011). Nigeria's 1999 constitution and intergovernmental relations (IGR): need for improvement. *Ozean Journal of Social Sciences*, 4(3), 199-205.

- Radin, B. (2012). The instruments of intergovernmental management. In B. G. Peters & J. Pierre (Eds.), *The SAGE Handbook of Public Administration* (pp. 735-749). Los Angeles, SAGE.
- Shrestha, R. (2019). Governance and institutional risks and challenges in Nepal. World Bank, Washington DC.
- Slevitch, L. (2011). Qualitative and quantitative methodologies compared: ontological and epistemological perspectives. *Journal of Quality Assurance in Hospitality & Tourism*, 12(1), 73-81. <https://doi.org/10.1080/1528008X.2011.541810>
- Subedi, T. B., Subedi, R., & Sapkota, B. R. (2019). Agriculture extension system in Nepal: context of federal restructuring. *Doubling the Income of SAARC Countries: Extension Strategies and Approaches* (pp. 163-178). Kathmandu Nepal: Nepal Agricultural Extension Association (NAEA) Kathmandu and Ministry of Agriculture and Livestock Development Agriculture Information and Training Center (AITC) Lalitpur.
- Wright, D. S. (1988). *Understanding intergovernmental relations*. Books/Cole publishing Company.
- Zimmerman, J. F. (1992). *Contemporary American federalism: the growth of national power*. Leicester: Leicester Books.

**Correct citation:** Bishwakarma, B. K., Upreti, B. R., Devkota, D., & Devkota, N. R. (2024). Intergovernmental Relations (IGR) in Agriculture Sector and Its Effects on Service Delivery at Local Level in Federal Nepal. *Jagriti-An Official Journal of Gandaki University*, 1(1), 161-172.