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Implications of Devolution for the Agriculture sector

Agricultural and Natural Resource Issues and Policy Reform

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Features of devolution

- **Fiscal decentralization (autonomy)**
 - **Capacity constraints**
 - **Obscure accountabilities**
 - **Policy coordination and implementation**
 - **Introduced by military governments to legitimize their presence**
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Autonomy (Provincial)

- **Devolved ministerial functions**
 - **Eliminated the concurrent list**
 - **Increased inter-governmental transfers- formula based - larger transfers**
 - **Authority to raise taxes (GST)**
 - **Authority to raise loans**
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Autonomy (Local)

- **autonomy to local governments has been limited**
 - **province specific regulations do not devolve sufficient functions and powers to the local governments**
 - **provincial governments have authority to suspend or remove the heads of elected local governments**
 - **Local Government Fund is managed by the Finance Department/ Finance Minister of the province**
 - **the local councils have limited powers to impose taxes or exercise regulatory functions**
- **international donor have stalled improvements in local government autonomy (budget support, financing of vertical programs)**

Capacity Constraints

Capacity constraints are sizeable

- **Resources- vertical fiscal imbalance are high - unfunded mandates (current and development)**
 - **differential capacities at the provincial levels**
 - **Personnel- bureaucratic structure relevant expertise and training, education, and access to facilities and technology**
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Accountability

- **Informal influences on accountability- *biradari*, political influence- (local government elections)**
- **Ambiguous responsibilities and accountability**

Questions for discussion

- **Is agriculture sector likely to fare better under a devolved system of government?**
 - **Does the current devolution system establish effective subnational governments with adequate financial, administrative and political powers?**
 - **How can the capacity of the subnational governments be improved?**
 - **Who are the key players in the devolution process and how they have affected accountability at the different tiers of government?**
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