

This Public clarification is being issued by the Office of the Programme Management, Commercial Agriculture & Resilient Livelihoods Enhancement Programme (CARLEP) in response to the article published in The Bhutanese on 28th May, 2022 under the headline “Lapses and poor implementation of Nu 2 billion Agriculture program for 6 Dzongkhags”

Date: 2nd June, 2022

The audit observation reported in ‘The Bhutanese’ newspaper on the lapses and poor implementation of CARLEP project for the FY 2020-21 are clarified as follows:

The caption reading “**Lapses and poor implementation of Nu. 2 billion Agricultural Programme for 6 Dzongkhags**” is misleading. Since the start of project implementation from the Year 2016, the project has benefited 21226 households of the six Dzongkhags through various interventions in dairy and vegetable value chain. During the first national lockdown, the agriculture sector of six eastern Dzongkhags collected and distributed 48.23 MT of assorted vegetables (excluding potato) and Livestock sector collected and distributed over 92.99 MT of dairy products and 7520 cartons of eggs. These are the results of the interventions supported by the programme in vegetable & dairy value chains.

1. The total proposed budget for the year 2020-2021 was Nu. 305.315 million and the expenditure incurred was Nu. 224.16 million (70% financial progress). As per the audit findings and recommendation, a sum of **Nu.658,896/-** has been already recovered and deposited into the project’s designated account & RAA Bumthang via letter no. MoAF/OPM-CARLEP/Finance-02/2021-22/161 dated 18th February, 2022. A sum of **Nu. 2772944/-** remains recoverable as of now, which will be pursued within the stipulated time of 3 months from the publication of final audit report and the Action Taken Report (ATR) will be submitted to RAA for resolving the issues. The lapses incurred during the financial year is Nu. 3,43,1840/- (Nu. 3.43 million) which is 1.53% of the total expenditure incurred.

Therefore, it would have been more appropriate to report as “**Lapses and poor implementation of Nu. 3.43 million Agriculture Programme for 6 Dzongkhags**” instead of extrapolating over the entire project duration masking the numerous successful interventions of the project and casting unnecessary doubt over the overall successful implementation of the project.

2. Most of the observations related to incomplete activities are cow shed, biogas, dryland irrigation, rain water harvesting, green house installation & electric fencing. For these activities, the essential materials such as CGI sheet, cement, HDPE pipes, energizers were provided through the project, while the beneficiaries contributed labour and locally available materials like timber, sand and boulders. However, the works were delayed due to the late supply of materials from the programme side as well as non-availability of labour and local materials from the beneficiary side. Both the supply of materials as well as execution of works on time were affected by the pandemic. However, now all the works are completed in all aspects and Action Taken Report (ATR) is to be submitted to RAA.
3. Unlike in the past years, during the fiscal year 2020-21, the monitoring activities were affected by the pandemic. In all the Dzongkhags, the sector heads were part of CoVID-19 task force and were heavily involved in aggregating and distributing various agricultural products within and outside their Dzongkhags. This affected in effective monitoring & providing timely technical or supervisory guidance to the gewog extension officials. Some of the Gewog Extension officers were also involved in COVID-19 duty.
4. The observations related to non- installation of sprinklers, cow shed, rain water harvesting and electric fencing have been resolved and reported to RAA. However the observations related to cost

of cattle purchase, procurement of HDPE pipe and variation in rate of upland paddy, excess payment of milk can, excess payment for irrigation channel and rectification works, diversion of funds, excess payment to private nursery, chaff cutter and ginger processing plant and machine are in the process of being resolved by the relevant Dzongkhags and sectors responsible in implementing the activities.

Following are the pictorial evidence of completed activities:



Completed Sprinkler Irrigation in Lhuentse



Completed Electric Fencing in Yangtse



Completed Cow shed in Mongar