

Government of Nepal
Ministry of Energy, Water Resource and Irrigation
Department of Water Resource and Irrigation
Irrigation Modernization Enhancement Project

Training on Project Accounting System



Training Report

Submitted by

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Acronyms

ADB	Asian Development Bank
ADO	Agriculture Development Office
CAMO	Central Agricultural Management Office
CPMO	Central Project Management Office
DDG	Deputy Director General
DWRI	Department of Water Resources and Irrigation
FMIS	Farmer Managed Irrigation System
ICWM	Integrated Crop Water Management
IMEP	Irrigation Modernization Enhancement Project
NDC	Nationally Determined Contribution
PAM	Project Administration Manual
PD	Project Director
PIU	Project Implementation Unit
RIP	Rajapur Irrigation Project
SDE	Senior Divisional Engineer
SEO	Statement of Expenditure
WUA	Water User Association
WUC	Water User Cooperative
WRIDD	Water Resource and Irrigation Development Division

1. Introduction:

The Irrigation Modernization Enhancement Project (IMEP), funded by the Asian Development Bank (ADB), aims to enhance productivity, profitability, and climate resilience in Farmer Managed Irrigation Systems (FMIS) across five provinces in Nepal including institutionalizing irrigation modernization and integrated crop water management (ICWM). The project is expected to benefit approximately 56,000 families by modernizing 32,000 hectares of surface irrigation systems, piloting hill lift irrigation to irrigate 1,354 hectares of dry uplands, strengthening farmer and institutional capacity in ICWM, and introducing climate-smart agriculture along with enhanced agriculture value chains.

The project aligns with Nepal's National Water Plan (2002–2027), which prioritizes year-round irrigation and FMIS modernization; the Agriculture Development Strategy (2015–2035), which focuses on intensification and economic growth in agriculture; and the National Water Resources Policy (2021), which emphasizes irrigation expansion and institutional strengthening. Additionally, it supports Nepal's Second Nationally Determined Contribution (NDC) to climate change, which promotes access to climate-smart agriculture for smallholder farmers and marginalized groups. The project also aligns with ADB's Strategy 2030, focusing on poverty reduction, gender equality, and climate resilience.

Contributing to national food security, the project seeks to increase farm productivity and sustainability through three key outputs. The first output involves modernizing irrigation infrastructure, including the upgrading of 100 FMIS systems covering 17,452 hectares and the Rajapur Irrigation Project (RIP) covering 14,500 hectares. It will include the construction of permanent gated intakes, canal lining, and flood protection structures, alongside the development of 12 pilot hill lift irrigation systems using modern piping networks and micro-irrigation.

The second output focuses on capacity building for farmers and institutions, aiming to strengthen Water User Associations (WUAs) and Water User Cooperatives (WUCs) in

operating and maintaining irrigation systems. It will also support agri-enterprises, market linkages, and access to finance, institutionalize ICWM guidelines and training modules, and ensure the participation of at least 33% women and 10% disadvantaged groups.

The third output introduces modern agriculture and value chain development by promoting climate-smart agricultural practices, mechanization, and value-added processing. It includes the establishment of digital advisory services to provide real-time information on weather, crop planning, market access, and agricultural inputs, helping farmers improve operational efficiency and decision-making. Additionally, selected WUAs and WUCs will receive modern farming machinery, storage facilities, and digital market linkage support through a subsidized financing model.

Central Project Management Office (CPMO), Central Agricultural Management Office (CAMO), and Project Implementation Units (PIUs) are the responsible to maintain accounting system of the project. The project follows Nepal Public Sector Accounting Standards on a cash basis of accounting and aligns with the Government of Nepal's accounting policies and international accounting principles.

To ensure proper financial management, the CPMO, CAMO, and PIUs maintain separate financial records, including cash receipts, payments, and expenditure categories. The project utilizes the government's chart of accounts while aligning financial reporting with ADB's disbursement and reporting requirements. Key financial controls include registers of signed contracts, disbursement records, withdrawal applications, and claims submitted under the ADB loan. Additionally, financial statements are prepared quarterly and annually, consolidating data on budget utilization, disbursements, and reconciliations with ADB's financial records.

In the complexity of financial management and the need for compliance with ADB's accounting and disbursement procedures, this training program was enhancing the capacity of project staff across all implementation levels. The training aims to strengthen their understanding of financial reporting, disbursement processes, audit requirements,

and reconciliation practices to ensure effective project implementation and financial transparency.

2. Objectives:

The primary objective of this training is to enhance the capacity of government staff in effectively managing the financial aspects of ADB-funded projects. Specific objectives of the training were as follows;

- Equip participants with a clear understanding of ADB's financial management, disbursement, and reporting requirements.
- Develop participants' ability to plan, allocate, and utilize project funds efficiently, ensuring transparency and accountability.
- Train government staff on proper record-keeping, financial documentation, and timely submission of financial reports aligned with ADB guidelines.
- Familiarize participants with internal control mechanisms, risk management strategies, and procurement procedures to meet ADB and national audit standards.
- Strengthen ethical financial practices, fraud prevention, and risk mitigation strategies in managing ADB-financed projects.

3. Training Duration and Location

The training was successfully conducted at Doleshwor Village Resort and Farm House, located in Suryabinayak-8, Doleshwor, Bhaktapur, Nepal. The program spanned over two days, from April 10 to April 11, 2025, and was organized as a residential training, allowing participants to fully immerse themselves in the learning experience without the distraction of daily commuting.

The training venue provided an ideal setting for professional development. Nestled amidst nature, the peaceful environment and lush greenery contributed significantly to creating a calm, focused, and motivating atmosphere for learning. The serene surroundings not only enhanced participant concentration but also encouraged informal discussions, peer learning, and overall well-being during the training period.

The natural beauty of the location, combined with comfortable facilities, helped ensure the event was both productive and enjoyable for all attendees..

4. Training Participants:

A total of 38 participants attended the training, representing both federal and provincial government entities. The participants included officials from various technical and administrative backgrounds, contributing to a diverse and rich learning environment. Among the attendees were the Division Chiefs and Account Officers from the Water Resource and Irrigation Development Division (WRIDD) in Bagmati Province, as well as Chiefs or Account Officers from the Agriculture Development Offices (ADO) within the same Bagmati province.

From the federal level, participants included the Project Directors (PDs), Senior Divisional Engineers (SDEs), Account Officers, Engineers, and other technical staff from the Central Project Management Office (CPMO). Additionally, PDs and Account Officers from the Central Agricultural Management Office (CAMO) were also present.

The group comprised 4 female and 34 male participants, reflecting a predominantly male demographic while also highlighting the growing participation of women in technical and managerial roles within government service. The diversity of institutions and roles represented in the training enriched the discussions and contributed to a broader understanding of the inter-agency coordination needed for successful project implementation.

5. Training Methodology

The two-day training on the disbursement and Statement of Expenditure (SEO) of ADB-funded project accounting systems was carefully designed to strengthen the financial management capacity of government officials working on Irrigation Modernization Enhancement Project (IMEP) funded by ADB. The methodology adopted a balanced approach, combining theoretical inputs with practical sessions to ensure that participants not only understood the policies and procedures but also developed the necessary skills to implement them effectively in their respective institutions.

On the first day, the training commenced with an inauguration program that set a formal and enthusiastic tone for the two-day event. The session was chaired by Mr. Gopal Sharma, Project Director, while the chief guest of the program was Mr. Basudev Timilsina, Deputy Director General (DDG) of the Department of Water Resources and Irrigation (DWR). The inauguration program was skillfully hosted by Mr. Bal Bahadur Gharti, Senior Sociologist from the Irrigation Modernization Enhancement Project (IMEP). During the opening remarks, Ms. Palpasha Maharjan, Senior-Divisional Engineer (SDE) from IMEP, extended a warm welcome to all the participants and stakeholders. She also clearly outlined the objectives of the training, emphasizing its importance in enhancing financial management practices, understanding disbursement procedures and improving compliance with the ADB-funded project accounting system.

Training was began with the Project Administration Manual (PAM) discussion which was facilitated by PD Gopal Sharma. Rest of the presentation were conducted by ADB affiliated resource person; Financial Control Officer Mr. Arjun Neupane, Financial Management Officer Mr. Divas Khadka and Senior Financial Control Assistant Mr. Sushrut Dhakal .

The training and context-setting session, where participants were introduced to the overall framework of ADB-funded project structures and financing modalities. This was followed by an in-depth presentation on ADB disbursement mechanisms, including the Account, Reimbursement, Direct Payment and Commitment Procedures. The facilitators highlighted the eligibility criteria, required documentation, fund flow mechanisms, and reporting timelines associated with each disbursement method. Real-life case studies from current ADB projects in Nepal were also shared to provide contextual understanding and foster interactive discussions on common operational challenges.

Participants actively engaged in group discussions, raising practical concerns and learning through shared experiences. The day concluded with a demonstration of ADB-approved financial templates and reporting formats, which are essential for compliance and audit readiness.

The second day focused primarily on the preparation of the Statement of Expenditure (SEO) and hands-on exercises. Facilitators provided a detailed walkthrough of the SEO preparation process, outlining step-by-step guidelines, critical documentation requirements, and a checklist approach to ensure accuracy and completeness. Participants were divided into groups and engaged in practical simulation exercises using sample data to prepare SEO forms. Each group's work was reviewed collectively, encouraging peer-to-peer learning and reinforcing good practices.

The training concluded with a wrap-up session, during which key takeaways were summarized, participants reflected on lessons learned, and feedback was collected to improve future training programs. A post-training assessment was also conducted to measure knowledge gained. This participatory and practice-oriented training approach not only enhanced the technical capacity of the officials but also promoted collaboration among stakeholders from both federal and provincial levels.

6. Resource person

SN	Name of Expert	Designation
1	Gopal Sharma	Project Director-IMEP
2	Deewas Khadka	Financial Management Officer- ADB
3	Arjun Neupane	Financial Control Officer- ADB
4	Sushrut Dhakal	Sr. Financial Control Assistant – ADB

7. Training Materials:

The training was well-supported with comprehensive materials and logistical arrangements to ensure a smooth and effective learning experience. A range of training materials was prepared and distributed to participants, including detailed presentation slides, handouts, training notes, and essential reference documents such as the Project Administration Manual (PAM) and relevant financial guidelines. Visual aids like markers,

newsprint sheets, and meta cards were utilized during interactive sessions and group activities to enhance participant engagement and facilitate brainstorming and discussion. Additionally, comfortable accommodation and necessary travel arrangements were provided for all participants, ensuring they could fully focus on the training without logistical concerns. At the conclusion of the training, all participants were awarded certificates of completion, recognizing their active participation and learning achievement throughout the two-day program.

8. Challenges:

While the training program was largely successful, a few challenges emerged during its implementation. One of the key issues was the varying levels of prior knowledge among participants regarding the disbursement and accounting systems of ADB-funded projects. This discrepancy in understanding led to a gap in the learning pace, with some participants grasping the concepts quickly while others required additional support and clarification. This occasionally made it difficult to maintain a uniform flow of training sessions. Another challenge was related to accommodation logistics. Due to the limited availability of rooms at the training venue, some congestion occurred, resulting in minor conflicts during the allocation of rooms for participants. Though these issues were managed through on-the-spot coordination and adjustment, they highlighted the need for more careful planning in future residential training programs.

9. Way Forward:

To overcome the challenges experienced during the training, a few practical steps can be adopted in future programs. First, conducting a pre-training assessment or survey can help categorize participants based on their familiarity with ADB-funded project accounting and disbursement procedures. This will allow trainers to design more tailored content or create breakout sessions for varying competency levels, ensuring no participant is left behind. To address room allocation concerns, it is essential to confirm sufficient and suitable accommodation in advance and to develop a transparent room

assignment plan before participant arrival. Having an onsite logistic coordinator can also help promptly address accommodation-related issues. In addition, providing training materials in advance—either in soft copy or printed format—could help bridge learning gaps and allow participants to familiarize themselves with the core content beforehand.

10. Lessons Learned:

The training provided valuable insights into both content delivery and logistical management. One of the key lessons learned is the importance of understanding participant diversity in terms of professional background and technical expertise. A one-size-fits-all training approach may not be effective when participants come from varied roles such as engineers, account officers, and project managers. Tailoring sessions to meet their specific needs greatly enhances engagement and learning outcomes. Furthermore, the training reaffirmed the importance of early and detailed logistical planning—especially for residential programs. Ensuring sufficient and comfortable accommodation plays a critical role in maintaining participant satisfaction and focus. Additionally, interactive methods such as group discussions, case studies, and real-world examples were found to be effective in simplifying complex topics like ADB accounting systems. Finally, a peaceful and green learning environment significantly contributed to participants' concentration and overall positive training experience. These lessons will be crucial in planning and implementing more impactful and participant-friendly training in the future.

11. Conclusion:

The two-day training program on ADB's financial management, disbursement, and reporting systems was a pivotal component in ensuring the project's effective implementation. With a diverse group of participants from both federal and provincial government entities, the training successfully enhanced their understanding of ADB's complex financial processes and internal control mechanisms. Practical sessions and hands-on exercises, coupled with the expert facilitation of ADB-affiliated resource

persons, provided valuable insights into the preparation of financial documents like the Statement of Expenditure (SEO).

While the training program was largely successful, some challenges related to varying levels of participant knowledge and accommodation logistics emerged. These issues, however, were effectively managed and have provided important lessons for future training sessions. Going forward, pre-training assessments and improved logistical coordination will be essential in enhancing the training experience and ensuring greater participant engagement.

Overall, the training not only strengthened the capacity of government staff in managing ADB-funded projects but also fostered collaboration and coordination between federal and provincial entities. The insights gained will undoubtedly contribute to the successful financial management and accountability of IMEP, ensuring that the project meets its objectives and delivers long-term benefits to the people of Nepal.

Annex:

Annex 1: Training Session & Schedule

Time	Activity/Topic	Resource person
Day 1		
09:45-10:00	Registration/Tea-Coffee	CPMO
10:00-10:15	Opening Remarks	CPMO
10:15-12:00	Project Administration Manual: Key Insights from the IMEP Manual	Gopal Sharma
12:00-13:00	Lunch Break	
13:00-14:00	Financial Management	Deewas Khadka
14:00-15:30	Financial Management	Deewas Khadka
15:30-15:50	Tea Break	
15:50-17:00	Project Output, Activities and Info	Arjun Neupane
Day 2		
9.00-10.00	Disbursement Policies Principles and Guidelines	Arjun Neupane/ Sushrut Dhakal
10:00-10:45	Disbursement Procedures, Monitoring and Non-Compliance	Arjun Neupane/ Sushrut Dhakal
10:45-11:15	SOE Procedures and SOE review	Arjun Neupane/ Sushrut Dhakal
11:15-12:00	Common Issues Encountered	Arjun Neupane/ Sushrut Dhakal
12:00-13:00	Lunch	
13:00-14:00	Q & A Session	Arjun and Deewas
14:00-14:15	Closing Remarks and Survey	CPMO
14:15-14:45	Tea Break and Closure	

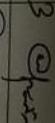
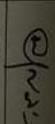
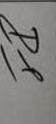
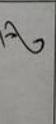
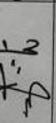
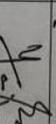
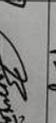
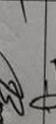
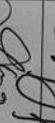
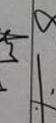
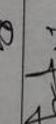
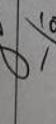
Annex 2: Participants Attendance

Government of Nepal
 Ministry of Energy, Water Resource and Irrigation
 Department of Water Resource and Irrigation
 Irrigation Modernization Enhancement Project-IMEP

Attendance Sheet

SN	Name	Designation	Office Name	Contact number	Signature	
					1 st day	2 nd day
1	Krishna B. Pande	Div. Chief	Water Resources & Irrigation Dev. Div, Sindhuli	9854042105		
2	Bhaskar Prasad	Div. chief	WRIDD Sindhupalchowk	9851153202		
3	Manoj Thapa	Div. chief	WRIDD, Lalitpur	9851247880		
4	Jibon Kumar Bhandari	Accountant	APD, Sindhuli	9849063545		
5	Tek Nath Humagain	Accountant	ADD Dhanghi	9841658764		
6	Rupesh Neupane	Div. chm	WRIDD, Dolakha	9851045315		
7	Nirmal Dahal	"	WRIDD, Makwaspur	9855031881		
8	Gorinda P. Bhurjel	"	WRIDD, Ramechhap	9856054248		

9	Keshab Khimal	Chief Other IOTR	Agriculture Div. office Nuwakot	9851150128		
10	Biraja Paudel	Division Chief	WRIDD Kamepalechok	9841346917		
11	Ghanashyam Karki	"	" Brahatapur	9851110882		
12	Tal Bahadur Tamang	"	" Nuwakot	9851150909		
13	Ram Bahadur Khatri	Accountant	WRISD Parguwa	984922205		
14	Chaman Prasad Shrestha	Account officer	DofA	9841345102		
15	Subas Barua	sub-division chief	WRISD, Rasuwa	9851211775		
16	Aashma Pahal.	Agriculture Ext. officer.	Agriculture Div. office, Lalpur	9841151609		
17	Kajendra Basnet	Deputy Officer	WRISD, Lalpur	9851051905		
18	Jagannath Guinire	Account Officer	WRPD Dhusipura	9852052522		
19	Shiv Prasad Pokharel	Accountant	WRPD Nuwakot	9849782415		
20	Anjun Khakisi	"	WRISD Dolakha	9849174860		
21	Gopendra Bdr Adhikari	"	A.P.O. Kavre	9841174923		

22	Madhuk Koirala	SDE	IMEP, DWRE	9843718923		
23	Palpasa Mahajan	SDE	IMEP, DWRE	9841397257		
24	Ramila Shrestha	Account	" "	9851192352		
25	F. N. Slek	Pro. sp.	ADA	9851125490		
26	Manish Maharjan	SDG	WREDD, Dhading	98512212490		
27	Bishnu Prasad Chapagain	Acct Off	WRIDD Kathmandu	9761702297		
28	Devasi Choudhary	ADP	f no.	9801231408		
29	Sushrut Dhalak	"	Senior FCA	9851158433		
30	Anju Nepal	"	F C O	9801231419		
31	Bai Bahadur Gharti	IMEP	Senior Swasth	985112456		
32	Shakti Acharya	IMEP	Maya Subba	9841362025		
33						
34						

Annex 3: Photographs





Annex 4: Handout