

## CHAPTER-7

### CONCLUSION

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The RKVY has been conceived as an umbrella scheme under which the states are expected to work towards growth of agricultural output, keeping in view the huge diversity of conditions and requirements across this large country. The underlying spirit of RKVY is sectoral, agro-climatic and locational variegation, targeted towards maximising advantage. This does not appear to have happened in an optimal manner. Launched as a new Additional Central Assistance Scheme to incentivize the States to draw up plans for their agriculture sector more comprehensively, the RKVY targeted a desired four *per cent* annual growth in the agriculture sector. The onus to implement specific strategies for holistic development of Agriculture and allied sectors in their areas was on the states and the Ministry had a broad role of administration of the scheme at the central level including release of funds, modifications in the guidelines for smooth implementation of the scheme and overall monitoring and evaluation from a national perspective.

This performance audit was undertaken to gain an assurance as to whether the States had implemented the scheme in an efficient manner and the Ministry had adequately discharged its role in administering the scheme at the national level.

Audit noted that the planning process which was the groundwork required for successful implementation of the RKVY was deficient in various aspects in many States. In five States, 143 projects with an approved cost of ₹ 1962.29 crore were included in the State Agricultural Plan without being reflected in District Agriculture Plans. Further, the Ministry was not able to properly scrutinize the project proposals put up by the States due to paucity of time. Despite the deficiencies pointed out by the Subject Matter Divisions in the Ministry such as risk of duplication with other CSS/State plan schemes, project proposals were approved by State Level Sanctioning Committee. Deficiencies pointed out by the Ministry in respect of 73 project proposals of nine States costing ₹ 367.99 crore were overlooked by SLSC and these projects were sanctioned during the review period. Ten projects costing ₹ 64.60 crore in four States which were directly not related to Agriculture and allied sectors were also approved by SLSCs. Cases of non-convergence of RKVY projects with existing GOI schemes or existing State Plan schemes and non-coordination between the nodal department and implementing departments/agencies were also noticed in 14 sectors and eight sub-schemes. Thus many projects went through without adequate local ownership or the required scrutiny at various levels.

Financial management under the scheme was deficient as many instances of excess expenditure, inadmissible expenditure, etc. were noticed. An important

area of concern was submission of incorrect Utilisation Certificates by States. Even though expenditure was not/partially incurred out of the grant received under the scheme, the States submitted UCs for the entire grant received by them. As a result, the exact expenditure incurred at a given point of time remained un-ascertainable. Besides, instances of inflated figures of expenditure were noted. As of September 2013, UCs for an amount of ₹ 2610.07 crore were outstanding from 26 States. Short release of funds of ₹ 154.65 crore was noticed in three States adversely affecting the project delivery. Excess expenditure of ₹ 106.13 crore without the approval of SLSC was noticed in 50 projects in seven States. Grants of ₹ 759.03 crore were found parked in Personal Ledger Accounts/ Personal Deposit Accounts/Savings Bank Account/Fixed Deposit Account in 11 States. In four States, diversion of RKVY grants of ₹ 114.45 crore for other purposes was noticed in audit. Besides, Audit also noticed various cases of delay in release of funds at various levels viz. from State Government to nodal agency and from nodal agency to implementing agency.

During the review period, 4061 projects under Stream-I were sanctioned in the selected 19 sectors in 27 States out of which 2506 projects were completed, 1279 under progress, 85 not yet implemented, 100 abandoned and 90 dropped. The details of one project in Rajasthan were not available. Out of 100 abandoned projects, expenditure of ₹ 134.95 crore was incurred on 28 abandoned projects.

Out of 393 projects selected in 19 sectors of the RKVY for audit examination, cases of under-performance and irregularities were noticed in 150 projects (38 *per cent*). In seven sectors<sup>1</sup>, cases of under-performance and irregularities were noticed in more than 50 *per cent* of the selected projects. In Sericulture sector, cases of under-performance and irregularities were noticed in all the six selected projects. Out of 40 projects selected under Stream-II for audit, cases of under-performance and irregularities were noticed in 11 projects (27 *per cent*). Out of 10 sub-schemes, cases of under-performance and irregularities were observed in the implementation of six sub-schemes.

Monitoring and evaluation of the scheme both at the Central and State levels needs strengthening in a big way. There were huge shortfalls in the meetings of the SLSCs across all States. In eight States, the Committee under the Chairmanship of the Agriculture Production Commissioner for review of the implementation of the RKVY projects was not even constituted. In eight States, MIS system had not been established. In its limited evaluation exercise, the NIRD pointed out various deficiencies in the working of the scheme, which remain to be addressed. Audit could not find any benchmarks to measure the effectiveness of the scheme in terms of increased production and growth rate of agricultural sector.


<sup>1</sup> Fisheries, Extension, Fertiliser and Integrated Nutrient Management, Organic Farming/Bio Fertilisers, Non-farming activities, Sericulture and Innovative Programmes/Others

As per records of Central Statistical Organisation (CSO), during the Eleventh Five Year Plan period (2007-08 to 2011-12), the average growth rate of agriculture and allied sectors was 3.6 *per cent* whereas during the years 2008-09 and 2009-10, the growth rate was 0.1 and 0.8 *per cent* respectively. Even during 2012-13, the growth rate was 1.9 *per cent* as per provisional estimates of CSO. No correlation between RKVY implementation and agricultural growth rate could be established, as it was not a measurable target under the scheme, for Centre as well as State

Though the Centre had envisaged RKVY as a flexible scheme giving due consideration to selection of projects based on detailed planning with meticulous consideration of local factors, the manner in which projects were sanctioned, without requisite pilot studies and regardless of local variabilities, compromised its intended bottom-up approach, and resulted in a scramble for project approvals. The sheer number of projects, without exercise of informed judgment, made the programme bulky and unwieldy leading to underperformance.

The Ministry must take necessary steps to rectify the deficiencies pointed out by Audit to bring RKVY on track.

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