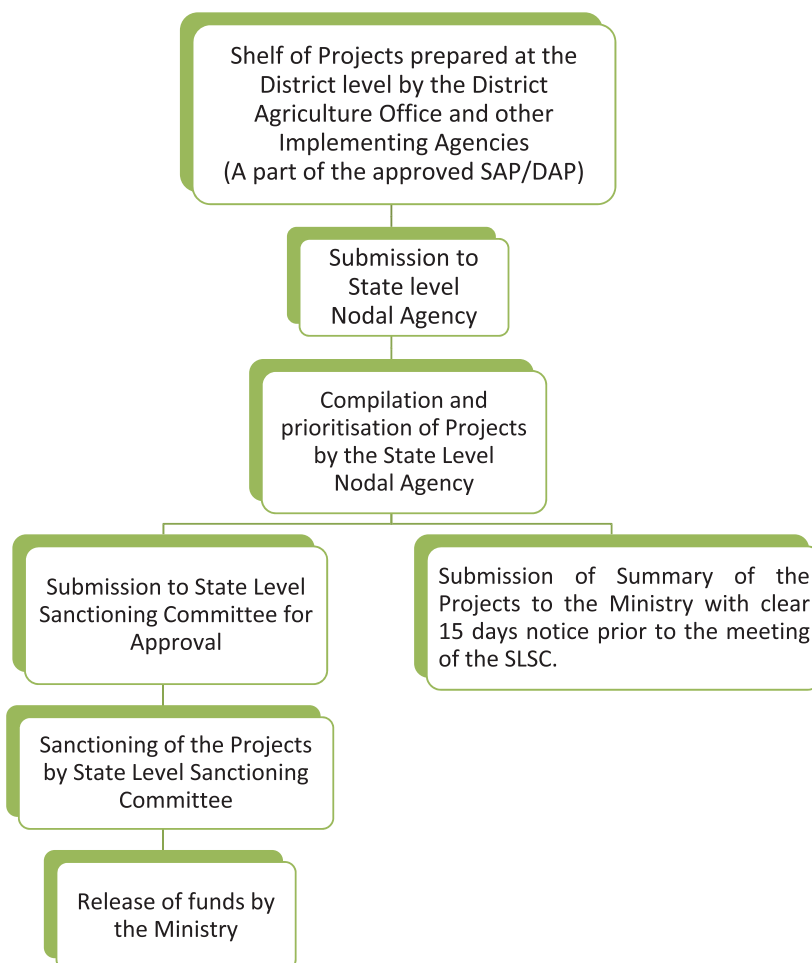


# CHAPTER-3

## PLANNING PROCESS AND COORDINATION

### 3.1 Introduction

One of the main objectives of the RKVY was to ensure the preparation of agriculture plans for the districts and the States based on agro-climatic conditions, availability of technology and natural resources. The States were required to prepare the Agricultural Plans for the State as a whole and for each district individually, comprehensively covering resources with definite action plans. The process of preparation of these agricultural plans from grassroots level up to their submission to Ministry and Planning Commission is shown below:



Since agriculture planning requires considerable technical support from experts in agriculture and allied sectors, Agriculture Planning Units at different levels of Local Bodies viz. Village/Panchayat Agriculture Planning

Unit (VAPU/PAPU) at Village Panchayat level, Block/Taluka Agriculture Planning Unit (BAPU/TAPU) at Block/Taluka level and District Agriculture Planning Unit (DAPU), at District/Zilla Parishad level were to be constituted involving a group of experts from various disciplines relevant to the needs of the area. The DAP had to integrate multiple programmes that were in operation in the district concerned, include the resources and activities indicated by the State and combine the resources available from other programmes.

Each State was to prepare a comprehensive State Agricultural Plan (SAP) by integrating the DAPs. Ensuring that the State's priorities with respect to agriculture and allied sectors were appropriately captured in the District Agricultural Plans, was the responsibility of the nodal department/state agency vested with the responsibility of preparing the SAP.

The nodal department/state agency created for this was to undertake/compile such projects from each district, prioritise them and place them before the State Level Sanctioning Committee (SLSC), vested with the authority to sanction the projects. Once the SLSC sanctioned the projects, the Ministry was to release funds to the nodal department/state agency.

### 3.2 Deficiencies in the preparation and submission of DAP/SAP

Inclusive planning was a major component, apart from convergence, to be taken up as the groundwork for successful implementation of RKVY. Scrutiny of records in audit revealed the following deficiencies in planning as shown below: (detailed State-wise findings in **Annex-II**)

| Parameters in planning process     | Absent in (No. of states) |
|------------------------------------|---------------------------|
| 1 Agro-climatic study              | 5                         |
| 2 Convergences with other schemes  | 6                         |
| 3 Preparation of DPR               | 9                         |
| 4 Involvement of grass root agency | 8                         |
| 5 Projects in SAP not in DAP       | 5                         |

One of the core concepts of RKVY was inclusive planning by addressing the requirement of the people. It also envisaged convergence with other schemes to avoid duplication and due consideration for the agro-climatic condition. Audit study revealed that these factors were not considered by many states. Scrutiny of the records by Audit in the States revealed that in five States, 143 projects with an approved cost of ₹ 1962.29 crore were included in SAP without being reflected in DAPs as shown below:

**Table 3.1**

| Sl. No.      | Name of State | No. of projects included in SAP but not reflected in DAPs | Approved cost of such projects (₹ in crore) |
|--------------|---------------|---|---|
| 1.           | Assam         | 1   | 7.00  |
| 2.           | Bihar         | 102   | 1524.65                                     |
| 3.           | Gujarat       | 27  | 225.49                                      |
| 4.           | Meghalaya     | 2   | 5.70  |
| 5.           | Rajasthan     | 11  | 199.45                                      |
| <b>Total</b> |               | <b>143</b>  | <b>1962.29</b>                              |

In Rajasthan, it was observed that DAPs of three districts were not available at the time of compilation of the district plans in SAP. However, eight projects of these three districts with total cost of ₹ 273.77 crore were approved by SLSC without proposals in DAPs and SAP.

When these deficiencies were brought to the notice of the Ministry, it replied (July 2014) that to strengthen planning process at State level, revised RKVY guidelines (effective from 2014-15 onwards) had been issued which stipulated that all DPRs will be screened by State Level Project Screening Committee (SLPSC) before recommending project to SLSC for approval. The SLPSC was to ensure that projects recommended by them are reflected in DAP and SAP, and there is no duplication or overlapping of the project with other schemes of State/Central Government. The Ministry also replied (July 2014) that it is possible to have projects which may not be part of DAPs, but are included in SAP. The reply is contrary to the provisions of para 3.2 of the guidelines which state that each State will prepare a comprehensive State Agricultural Plan (SAP) by integrating the DAPs.

**Recommendation 1:** *The Ministry should ensure that plans are prepared after taking into account the agriculture needs of the area and agro-climatic conditions.*

**Recommendation 2:** *The Ministry should ensure that States take up only those projects which are consistent with DAPs and SAP.*

### 3.3 Submission of SAP to Ministry

Although the Ministry had not prescribed any cut-off date for submission of SAPs, the guidelines provided for preparation of DAP and SAP within the three month period from the date of issue of RKVY guidelines (i.e. December 2007). Therefore, it was expected that all States would submit their SAPs to the Ministry by 31 March 2008. Scrutiny of records in States revealed that with reference to this timeline, the delay in submission of SAP to the Ministry ranged from 14 to 42 months in the case of 20 States (details in **Annex-III**). Jharkhand, Manipur and Sikkim did not furnish any information in this regard.

Non-preparation/delay in submission of SAP in seven States was attributed to non-pursuance of the matter by the nodal department, absence of district-wise proposals, finalisation of SAP without preparation of DAPs, etc. (details in **Annex-IV**).

### 3.4 Inadequate scrutiny of projects by Ministry

Para 5.4 of RKVY guidelines provided that the state level nodal agency would forward the agenda along with a gist of the projects to the Ministry so as to reach at least 15 days before the meeting of the SLSC to enable the Ministry's representative to participate meaningfully in the SLSC meeting. It was noted in audit that the RKVY Division in the Ministry, after receipt of agenda notes (project proposals) from the States, circulated them to the concerned Subject Matter Division (SMD) for approval. Each SMD would then convey its approval/disapproval of the concerned project along with its comments to the RKVY Division. Test check of records in the RKVY Division revealed the following:

- (a) The SMDs often commented that the agenda notes/project proposals forwarded by the States were insufficient and incomplete as a result of which they were unable to comprehensively evaluate the project proposals. The SMDs asked for the Detailed Project Report/full details of the project from the RKVY Division which the latter was often unable to furnish;
- (b) Due to incomplete details of the projects, the SMDs also commented that duplication of similar schemes of Ministry/State needs to be

avoided. There was, however, no mechanism in the Ministry to check such duplication;

- (c) The projects relating to major/minor irrigation were referred by RKVY Division to the Natural Resource Management (NRM) Division for comments. NRM Division, in turn, asked the RKVY Division to seek the comments of Ministry of Water Resources, as it was the subject matter of that Ministry. Audit did not observe any such reference being made to Ministry of Water Resources or its comments on such projects;
- (d) The time limit of 15 days period was too short for the Ministry to obtain full details of any project and to obtain the comments of SMDs/ Ministry of Water Resources.

As evident from above nature of scrutiny, there was no proper screening of projects at the Ministry's level and as such there was no considered opinion about the feasibility of such projects with the Ministry before their approval by the SLSC. In its letters (August 2012, January and February 2013) to States, the Ministry emphasized on screening of projects proposed for funding under RKVY and observed that these proposals were being put up before the SLSC without adequate pre-screening. Audit, however, noted that 73 project proposals with approved cost of ₹ 367.99 crore in respect of nine States having the above deficiencies were sanctioned by the SLSCs during 2007-08 to 2012-13 (State-wise details in **Annex-V**). Despite deficiencies highlighted by SMDs, these projects were approved by SLSCs. This showed scant regard by the States to the Ministry's guidelines regarding preparation of project proposals and consideration of Ministry's observations on the projects by the SLSC.

**Recommendation 3:** Ministry may ask States to submit clear and concise proposals for ease of scrutiny and decision making. Ministry may give itself realistic time limits for inter/intra ministry consultation and approval process.

### 3.5 Approval of projects not directly related to/not permissible under RKVY

The Ministry asked (January 2011) all States/UTs to approve only those projects which are linked to focus areas identified in the strategy adopted by the State. Similarly, in response to approval of a project involving a revolving

fund by the SLSC, the Ministry intimated (February 2013) the State of Uttar Pradesh that RKVY funds were not to be utilized for a revolving fund.

Test check of records in the Ministry, however, revealed that during 2007-08 to 2012-13, ten projects costing ₹ 64.60 crore in four States which were not directly related to agriculture or allied sectors were approved by SLSCs, including projects like strengthening the infrastructure of State Institute of Agricultural Management in Rajasthan for ₹ 25 crore (State-wise details in **Annex-VI**). Similarly, in four states, ₹ 12.43 crore was granted for inadmissible items like purchase of multi utility vehicle for ₹ 33.70 lakh by Kerala Agro Industries Corporation (State-wise details in **Annex-VII**).

The Ministry replied (July 2014) that the matter related to these specific projects was being examined and the revised RKVY guidelines include a negative list of items/activities that should not be taken up under RKVY. On items not permissible under RKVY, no specific reply was furnished by the Ministry.

### **3.6 Other cases of irregular approval/implementation of projects**

#### **A) Irregular approval of project not mentioned in Agenda**

Test check of the records revealed that 14 projects costing ₹ 84.49 crore, which were not mentioned in the Agenda forwarded by Karnataka, Uttar Pradesh and West Bengal were approved by the SLSC (details are given in **Annex-VIII**) implying bypassing of the Ministry in the selection/approval of projects. This was in violation of the RKVY guidelines.

#### **B) Irregular implementation of projects without approval of the SLSC**

In Madhya Pradesh, it was noticed that 10 projects at a cost of ₹ 37.67 crore were implemented by Department of Agriculture while 12 new projects at a cost of ₹ 88.74 crore were implemented by Animal Husbandry Department, without prior approval of the SLSC.

#### **C) Incorrect categorization of projects leading to excess allocation of funds**

In Karnataka, four projects approved by the SLSC under Stream-I were ongoing State Sector schemes such as 'Karnataka Seed Mission', 'Karnataka Farm Mechanization', 'Organic farming' and 'Agro-processing'. These projects should have been considered as Stream-II for which a maximum of 25 per cent of the allocation of funds have been earmarked. Due to incorrect

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categorization of these projects under Stream-I, excess allocation of funds of ₹ 491.68 crore was made for these projects during the period 2007-13.

In some other states, similar shortcomings were noticed as narrated in **Annex-IX**.

### 3.7 Coordination with other departments/schemes in States

DAPs were to integrate multiple programmes in operation in the district concerned, include the resources and activities indicated by the State, combine the resources available from other programmes and were then to be finalised. The elements that were to be taken into account had to cover at least:

- a) Sectoral and District segments of the State Plan
- b) Centrally Sponsored Schemes viz. NREGS, BRGF, SGSY and Bharat Nirman, etc. and
- c) Tied and untied grants from the Central and State Finance Commissions.

Subsequently, the nodal agency/Agriculture Department were to be responsible for coordinating effectively with various Departments and implementing agencies with respect to the preparation and appraisal of projects and then their implementation, monitoring and evaluation. As per para 6.3 of the guidelines, the SLSC was, inter-alia, responsible for ensuring that no duplication of efforts or resources took place. As per instructions issued by the GOI (March 2010), the 'states were to make all efforts to encourage the convergence of RKVY programmes with National Rural Employment Guarantee Act (NREGA) so that the incomes of the agrarian communities were maximised in the process.'

### 3.8 Absence of convergence/coordination activities

Test check of records in States revealed instances of non-convergence of RKVY projects with existing GOI schemes or existing State Plan schemes. Out of 19 sectors, instances of non-convergence and non-coordination between the nodal department and implementing departments/agencies in 14 Sectors and eight sub-schemes were noticed (project wise details in **Annex-X**). A few sector-wise instances of non-convergence and non-coordination are shown below:



Table 3.2

| RKVY sector/<br>scheme             | Duplicate scheme   | Lack of<br>coordination  | States                        |
|------------------------------------|--|--|-------------------------------|
| Community tube-well scheme         | MGNREGS  |  | Uttar Pradesh                 |
| Seed distribution through Monsanto |  | Farmers got seeds late due to lack of coordination with agricultural Department.       | Rajasthan                     |
| Enhancing production of wheat      | Bringing Green Revolution in Eastern India (BGREI) in same districts |  | Uttar Pradesh                 |
| Animal Husbandry                   | SGSY/ATMA/National Project for Cattle and Buffalo Breeding           |  | Uttar Pradesh                 |
| Agriculture Mechanization          | Also under MMA   |  | Chhattisgarh                  |
| Natural Resource Management        | Water Harvesting implemented under other existing schemes.           |  | Jammu & Kashmir and Meghalaya |
| Post-Harvest Management            | Overlapping of similar programmes                                    |  | Gujarat and West Bengal       |
| Fisheries                          |  | Dropped due to existence of similar central scheme which was more beneficial.          | Rajasthan                     |
| Organic Farming                    |  | Lack of coordination between various departments resulted in overlapping of activities | Uttarakhand                   |

In respect of the eight sub-schemes of RKVY, namely, BGREI, Saffron Mission, VIUC, NMPS, AFDP, RADP, Programme for Integrated Development of 60,000 Pulses Village in Rainfed Areas and INSIMP, it was noticed that the activities taken up under these sub-schemes had already been taken up under normal RKVY, existing State/Central schemes in four States of Assam, Jammu and Kashmir, Rajasthan and Uttar Pradesh, thus showing lack of convergence.



**Recommendation 4:** *The design of the scheme may be reviewed to remove complexity and multiplicity of schemes in agriculture sector.*

The Ministry stated (July 2014) that the matter was being taken up with the State Governments.

### 3.9 Conclusion

Out of 27 States covered in the review, Audit observed that the planning process was deficient in many States in several aspects such as non-involvement/participation of the grassroot level agencies like Gram Panchayat/ Gram Sabhas/BAPU/VAPU, absence of grassroot inputs in the preparation of DAP, deficiencies in the preparation of SAP such as absence of agro-climatic study/convergence with other programmes etc. Despite deficiencies highlighted by the Ministry in 73 project proposals costing ₹ 367.99 crore, these were approved by SLSC. In contravention of the guidelines, ten projects costing ₹ 64.60 crore which were not directly related to agriculture and allied sectors were approved by SLSCs, and expenditure of ₹ 12.43 crore was incurred on items not permissible under RKVY.

Due to lack of coordination and absence of convergence at the planning level, there was overlap of RKVY projects with existing schemes of Central/States like MGNREGS and also within RKVY itself with respect to the sub-schemes. Lack of convergence results in wastage of public money at the cost of the exchequer. Further, it also points out to the fact that the DPRs were not prepared properly taking advantage of possible synergy through convergence with the existing schemes of Central/State Government. A well-coordinated effort of marshalling resources from all segments to boost agricultural growth is therefore missing.