

Chapter 2

Performance Audit

*Performance Audit on
Implementation of Rashtriya Krishi
Vikas Yojana*

Chapter 2: Performance Audit
Agriculture Department**2.1 Implementation of Rashtriya Krishi Vikas Yojana****2.1.1 Introduction**

Rashtriya Krishi Vikas Yojana (RKVY) is a centrally sponsored state plan scheme with 100 *per cent* central assistance which has been under implementation in the State from 2007-08. The broad objective of the scheme was to increase agricultural production and productivity keeping in line with the National Agricultural Policy (2000) which aimed at achieving growth rate of four *per cent* on sustainable basis. The assistance was available in two distinct streams *i.e.* Stream I and II with the conditions that at least 75 *per cent* of the allocated amount would be available under Stream-I comprising specific projects. Under Stream-II, a maximum of 25 *per cent* of the funds allocated would be available for strengthening the existing state sector schemes and filling the resource gap in the State plan scheme. Department of Agriculture, Government of West Bengal (GoWB) is the nodal department which coordinates with 10 State Government Departments⁶ for project preparation and approval, implementation, monitoring and evaluation of the RKVY scheme in the State. Performance Audit was undertaken to assess the implementation of the scheme covering the period from 2007-08 to 2013-14.

2.1.2 Organisational set up

Department of Agriculture and Co-operation (DAC), Ministry of Agriculture, GoI was responsible for budgetary controls, release of funds and overall administration of the scheme at national level. The State Level Sanctioning Committee (SLSC) under the chairmanship of the Chief Secretary was to approve the projects at state level and to monitor implementation of the scheme by 11 departments involved to ensure that projects were implemented in accordance with guidelines laid down by GoI.

2.1.3 Audit Objectives

The Performance Audit was conducted with the objectives of assessing whether:

- Planning process of the departments was in accordance with the RKVY guidelines;
- Financial management ensured adequate and timely availability of funds and their economic utilisation;
- Projects were implemented with effective coordination between nodal department and other implementing departments; and
- Internal control mechanisms were put in place to ensure efficient monitoring.

⁶ Agriculture Marketing, Animal Resources Development, Fisheries, Forest, Food Processing Industries and Horticulture, Co-operation, Water Recourses Investigation and Development, Panchayat and Rural Development, Irrigation and Waterways and Micro and Small Scale Enterprises and Textile Departments.

2.1.4 Audit Criteria

The main sources of audit criteria were:

- Guidelines for RKVY of Department of Agriculture & Co-operation, Ministry of Agriculture, Govt. of India,
- Reports of Planning Commission,
- State Agriculture Plan,
- Guidelines for projects under implementation,
- Instructions issued at State/District level for implementation of RKVY,
- GFR as well as West Bengal Financial Rules, and
- West Bengal Treasury Rules.

2.1.5 Audit Scope and Methodology

The Performance Audit was carried out between February 2014 and July 2014 covering the period from 2007-08 to 2013-14 and involved scrutiny of records relating to implementation and procedures adopted in operation of the scheme. Audit also conducted joint physical verification of 17 project sites and interacted with beneficiaries. Out of 20 sectors under Stream-I, 10 sectors⁷ were selected through Stratified Simple Random Sampling method. Projects from each selected sector were again chosen by using Probability Proportional to Size with Replacement (PPSWR) method as detailed in the table no. 2.1.1.

Table 2.1.1: Details of selected projects under sectors

(₹ in crore)

Name of the Sector	Total Projects		Projects selected	
	Nos.	Project Cost	Nos.	Project Cost
Animal Husbandry	85	262.27	4	78.82
Fisheries	78	85.74	3	17.08
Horticulture	107	141.34	5	19.31
Agriculture Mechanisation	10	129.03	2	56.84
Seed	24	108.69	2	23.19
Dairy Development	10	21.18	2	4.98
Cooperatives/Cooperation	51	63.10	5	10.16
Marketing and Post-Harvest Management	38	227.25	3	22.25
Agriculture Research	4	4.99	2	4.54
Natural Resources Management	20	115.96	2	37.51
Total	427	1159.55	30	274.68

(Source: RKVY website)

Further, out of four sub-schemes⁸ under RKVY, the sub-scheme with the highest outlay *i.e.* BGREI was selected for audit examination. Again, five districts for each selected sector were identified through PPSWR method. Sector-wise selected projects and districts have been shown in **Appendix-2.1**.

⁷ Marketing and Post Harvest Management, Animal Husbandry, Fisheries, Horticulture, Agriculture Mechanisation, Natural Resources Management, Seed, Dairy Development, Agriculture Research and Cooperatives/Cooperation.

⁸ Bringing Green Revolution to Eastern India (BGREI), National Mission for Protein Supplements (NMPS), Nutricereals and Vegetable Initiative for Urban Clusters (VIUC).

An Entry Conference was held in March 2014 with the Secretary of nodal department and officers of various allied departments wherein audit objectives, criteria, scope and methodology of audit were explained. An Exit Conference was also held in December 2014 with the Secretary of nodal department and officers of ten allied departments wherein audit findings were discussed and views expressed by the departments were included in the report.

2.1.6 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the department of Agriculture as well as other allied departments, district implementing agencies and their officials during the course of Performance Audit.

Audit Findings

2.1.7 Planning Process

Guidelines of RKVY (paragraph 3.2) stipulate preparation of District Agriculture Plan (DAP) by each district. DAP includes financial requirement and the sources of finance for development plans of agriculture and allied sectors of the district for five years in a comprehensive manner. DAPs should be integrated into a comprehensive State Agriculture Plan (SAP). Preparation of DAPs and SAP was one of the criteria for eligibility to receive RKVY funds.

2.1.7.1 Delayed preparation and submission of DAP/SAP

RKVY was launched in 2007-08 and as per RKVY guideline, SAP was to be prepared by 2008-09 incorporating all DAPs. Audit, however, observed that SAP was prepared for the period 2009-12 in June 2010. The activities of two years (2007-08 and 2008-09) could not be included in the SAP due to such delay. The reason for late submission of SAP was attributed to late preparation of DAPs.

The department stated (December 2014) that the delay in preparation of SAP was due to the Parliamentary Election held in the year 2009. The reply was not tenable as SAP was to have been completed by 2008-09.

2.1.7.2 Weaknesses in SAP

Preparation of SAP without taking village level inputs

The Comprehensive District Agriculture Plan (C-DAP) Manual of Planning Commission stipulates that panchayat/village level planning is the most important exercise in preparation of C-DAP. As per the Manual, Panchayat/village plans are to be integrated into a Block/Taluk Plan with the approval of Taluka/ Block Panchayat Samiti which is then integrated into C-DAP and finally all the C-DAPs are to be integrated into the SAP.

Audit found that three out of eight test checked districts prepared DAPs without consideration of the village level inputs. In case of remaining five districts also, Audit found no records to suggest that village level inputs had been considered.

Preparation of plan without assessing proper prioritisation

It was observed in Audit that the yearly proposals were prepared centrally at directorate level without taking inputs from the districts. As a result, prioritisation of projects was not done according to the actual requirement of the districts. Audit found instances in test checked districts that SAP was prepared without assessing ground level demand as follows:

- In four test checked districts, it was observed that during 2007-08 to 2010-11 nine⁹ projects having estimated cost of ₹ 64 lakh could not be implemented though funds were allocated by the directorate. The implementing agencies had attributed various reasons viz. lack of interest among beneficiaries, non-finalisation of design, non-availability of site, skilled man power and seeds etc. for non-implementation of the projects.
- Further, two¹⁰ projects, were not completed due to lack of demand from beneficiaries inspite of availability of funds.
- In Burdwan district Fisheries Department released ₹ 60 lakh for the project –‘development of Integrated Fishery of 12 Co-operative Societies’ without ascertaining the actual number of eligible societies. Subsequently ₹ 30 lakh could not be utilised due to non-availability of eligible societies.
- Again, implements purchased and supplied during 2008-09 and 2009-10 to the government agricultural farms remained unutilised as those were purchased without assessing their requirements and suitability as discussed in paragraph 2.1.9.4.

The department stated (December 2014) that the audit observation was noted for future guidance.

2.1.8 Financial Management

2.1.8.1 Allocation, Release and Expenditure

The position of allocation, release and expenditure during the years 2007-08 to 2013-14 under RKVY including sub-schemes are shown in the table no. 2.1.2.

Table-2.1.2: Year-wise project sanctioned and expenditure

(₹ in crore)

Year	Allocation by GoI	Funds released by GOI	Expenditure	Excess(+)/ Short (-)
2007-08	59.37	54.93	54.76	(-) 0.17
2008-09	147.38	147.38	79.38	(-) 68.00
2009-10	166.55	147.38	143.44	(-) 3.94
2010-11	373.78	335.98	322.51	(-) 13.47
2011-12	486.26	486.65	362.77	(-) 123.88
2012-13	464.81	374.58	466.19	(+) 91.61
2013-14	508.14	265.08	221.76	(-) 43.32
Total	2206.29	1811.98	1650.81	

(Source: Finance Accounts and VLC Data compiled by AG (A & E), WB)

⁹ Construction of Community vermi-compost unit, Production of hybrid seed in Government Farm, Clinic cum plant disease diagnostic centre, Cool Home Unit in Hooghly, Integrated farming system, green manuring and organic DC in Paschim Medinipur, Demonstration on organic farming in Jalpaiguri and Covered Shed for Seed Processing units in South 24 Parganas.

¹⁰ Construction of vermi-compost pit and Construction of compost production unit in individual farm in Paschim Medinipur.

There was substantial savings during 2011-12 and excess expenditure in 2012-13 amounting to ₹ 123.88 crore and ₹ 91.61 crore respectively due to delayed release of 2nd instalment of RKVY funds of 2011-12 by GoI which was utilised in 2012-13 resulting in excess expenditure in that year. Audit scrutiny of sanction orders of GoI, State Government and nodal department revealed that first instalment of funds for the year 2011-12 was received in September 2011 due to delay in holding of SLSC meeting (September 2011). As a result, release of second instalment also got delayed (March 2012).

2.1.8.2 Delay in release of funds at various levels leading to blockage of funds

RKVY guideline stipulates that the State should ensure utilisation of GOI funds promptly as non-utilisation of central assistance would hinder further release of funds.

Audit noticed various cases of delay in release of funds at different levels viz. from Finance Department to nodal department and from nodal department to implementing agencies as shown in *Appendix-2.2*. Out of 30 test checked sanction orders of Finance Department in 12 cases, funds were released with delays ranging between 30 and 120 days; in 10 other cases the delay was even more than 120 days. Similarly in respect of sanction orders of nodal department, funds were released with delays ranging between 30 and 120 days in two cases and in one case the delay was more than 120 days. Despite availability of funds, late release adversely affected the implementation of projects as discussed in paragraph - 2.1.9.1.

The nodal department stated (December 2014) that efforts would be made to streamline release of funds.

2.1.8.3 Short release of funds and its implications on Projects

The amount of second instalment of GoI funds depends upon the progress of utilisation of funds. Thus the State should ensure that the funds released are utilised promptly, properly and progress reports sent to the Ministry at the earliest. Short release of funds adversely affected the implementation of various projects.

Scrutiny of records revealed that State could not avail second instalment amounting to ₹ 332.03 crore during 2010-11, 2012-13 and 2013-14 due to delays in submission of Utilisation Certificates (UCs) as detailed below in the table no. 2.1.3.

Table 2.1.3: Delay in submission of UCs of 1st instalment

(₹ in crore)

Year	Funds released by GOI in 1 st instalment	Date of release of 1 st instalment by GoI	Date of submission of UCs	Funds not released by GOI in 2 nd instalment
2010-11	140.16	June 2010	February 2012	36.97
2012-13	56.00	October 2012	May 2013	56.00
2013-14	125.29	September 2013	April 2014	239.06
Total				332.03

(Source: Sanction orders and UCs)

Scrutiny of test checked districts revealed that various components under the projects viz. Bishesh Go-Sampad Bikash Abhijan, reclamation of acidic soil by

liming materials, demonstration centre on bio-fertilizer, establishment of community vermi-compost unit and green manuring expansion programme though approved by SLSC in May 2010 could not be taken up as of March 2014 due to non-receipt of second instalments.

2.1.8.4 Utilisation Certificates

As per RKVY guidelines Agriculture Department was responsible for furnishing UCs in the prescribed proforma. Further, funds remaining unutilised at the end of a year are either to be surrendered, or adjusted towards grants-in-aid payable during the subsequent year. Year wise funds received, UCs submitted to DAC are given in the table no. 2.1.4.

Table 2.1.4 Year-wise release of funds vis-a-vis submission of UCs

(₹ in crore)

Year	Funds released by GoI	Expenditure	UCs submitted to GoI	Date of submission	UCs yet to be submitted (March 2014)
2007-08	54.93	54.76	54.93	19.06.2009	All UCs submitted
2008-09	147.38	79.38	141.85	19.06.2009	5.53
2009-10	147.38	143.44	147.38	09.02.2012	All UCs submitted
2010-11	335.98	322.51	334.64	09.02.2012	All UCs submitted
2011-12	486.65	362.77	487.99	11.10.2012	
2012-13	374.58	466.19	374.58	29.05.2013	All UCs submitted
2013-14	265.08	221.76	174.25	25.04.2014	90.83
Total	1811.98	1650.81	1715.62		96.36

(Source: Copies of sanction letter and UCs)

Audit observed that:

- State received a total grant of ₹ 1811.98 crore under RKVY including sub-schemes during 2007-08 to 2013-14, against which expenditure of ₹ 1650.81 crore was incurred. However, as seen above, UCs for higher amount (₹ 1715.62 crore) were sent to GoI as of April 2014.
- RKVY funds amounting to ₹ 251.56 crore for the period from 2007-08 to 2012-13 were lying un-utilised with different implementing agencies as on March 2014 against the total receipt of ₹ 1546.90 crore as discussed in paragraph 2.1.8.7.

The department stated (December 2014) that reconciliation would be done to regularise the discrepancies.

2.1.8.5 Diversion of funds

RKVY guidelines lay down that the nodal department should ensure that the Central assistance released under RKVY is utilised in accordance with the approved SAP/DAPs. Audit observed following departures:

- “Asset Building Activities” under BGREI includes assistance for Shallow Tube wells/ Bore wells, Dug wells and Pump Sets. Audit, however, noticed that ₹ 11 crore of BGREI funds (2012-13) was utilised for purposes like purchase of sprayer, manually operated paddy thresher, cono-weeder, drum seeder etc. which were not covered under BGREI sanctions.
- ₹ 3.70 crore sanctioned for the component “Site Specific Activities” of BGREI for the year 2012-13 was diverted to organize Krishi Mela,

Agriculture and Horticulture food fest, Vivekananda Mela and Uttar Banga Utsav.

- Despite no provision of 'Krishak Bazar' in the approved interventions of Extending Green Revolution to Eastern India (EGR)¹¹, the nodal department had released (September 2012) ₹ 3.50 crore to West Bengal State Marketing Board (WBSMB) for construction of 'Krishak Bazar' from the unspent funds lying with them pertaining to EGR of 2010-11. The department stated that the amount was released as it was a flagship project of the State. However, admitting the audit observations the department stated (December 2014) that the same were noted for future guidance.

2.1.8.6 Irregularities in expenditure out of one per cent share of RKVY funds

RKVY guidelines prescribed upto one per cent of its total funds for administrative expenditure viz. payments to consultants, various recurring expenses, staff costs, etc.

Accordingly, Agriculture Department received ₹ 12.04 crore for administrative costs during the period from 2008-09 to 2013-14. The Agriculture Department spent ₹ 5.05 crore and released ₹ 82.67 lakh further to four allied departments¹² for meeting their administrative costs till January 2014. Balance funds of ₹ 6.16 crore were kept in bank account along with interest of ₹ 57.27 lakh earned on the same. It was seen in audit that due to non-release of adequate funds by the Agriculture Department for meeting the administrative costs, other departments had incurred administrative expenditure of ₹ 3.13 crore from the project funds. At the instance of Audit, an amount of ₹ 1.07 crore was released to other departments between February and April 2014.

Scrutiny of administrative expenditure of ₹ 5.05 crore incurred by the Agriculture department revealed some inadmissible expenditure as detailed below:

- ₹ 1.58 crore was spent by the nodal department to organise Maati Utsav, 2013 and Agriculture and Horticulture Food Fest, 2013 (February 2013). These expenses were not covered in RKVY.
- ₹ 20.25 lakh was spent during 2009-10 by the nodal department for repair/renovation of office building of the Directorate at Kolkata (Writers' Buildings) violating RKVY guidelines.

The department stated (December 2014) that measures would be taken to follow the guidelines while spending funds under administrative cost.

2.1.8.7 Parking of funds

West Bengal Treasury Rules (Rule 4.116) provides that no money shall be drawn from the treasury in anticipation of demand or to prevent lapse of budget grants. Audit observed that the nodal department had drawn ₹ 512.48 crore from treasury in the last quarters of the years during

¹¹The scheme renamed as Bringing Green Revolution to Eastern India, a sub-scheme of RKVY since 2011-12.

¹²Co-operative, Animal resources development, Fisheries and Agriculture Marketing.

2007- 08 to 2013-14 (₹ 331.15 crore only in March) against “Nil payment vouchers” to avoid lapse of budget grant and placed the same in bank account of different implementing agencies. Test check of records revealed that funds amounting to ₹ 251.56 crore¹³ were still lying unspent as on 31 March 2014 with those agencies.

The department stated (February 2015) that ₹ 39.81 crore had been withdrawn from the implementing agencies. However, the department needs to intensify their efforts for reconciliation.

2.1.9 Project implementation

The SLSC approved 554 projects at a cost of ₹ 1338.52 crore under 20 sectors of Stream-I for the period 2007-14, out of which 371 projects (₹ 564.36 crore) were completed and 183 projects (₹ 774.16 crore) were in progress as on 31 March 2014. Sector wise status of the projects is indicated in the *Appendix-2.3*.

The audit findings with respect to the test checked sectors/projects are given in the subsequent paragraphs.

2.1.9.1 Animal Husbandry

With the objective of providing sustainable means for alternative livelihood, especially for small and marginal households, Animal Resources Development Department (ARDD) had taken up 85 projects including feed and fodder development, breed improvement, animal health, poultry, infrastructure development, extension and training at an estimated total cost of ₹ 262.27 crore under RKVY. As of March 2014, 71 projects were completed at a cost of ₹ 194.89 crore. Audit selected four ongoing projects¹⁴ as per the sampling frame used for scrutiny and observed the following:

Bishesh Go-Sampad Bikash Abhijan (Phase I, II and extended Phase II)

The annual milk production in the State in 2009-10 was 42.79 lakh M.T. against the actual requirement of about 59.74 lakh M.T. The main reason for this deficit was the absence of any recognised breed of cattle. The production was to have been augmented to 64.09 lakh MT by 2014-15 as per target. To reduce the milk deficit by quantitative, qualitative and genetic improvement of cattle population, Paschim Banga Go-Sampad Bikash Sanstha (PBG SBS), an autonomous body under ARDD, was entrusted with implementation of “Bishesh Go-Sampad Bikash Abhijan” (Abhijan) in 2010-11 at total cost of ₹ 135.93 crore. The Abhijan, *inter alia*, included several components *viz.* Awareness Generation Campaign, Artificial Insemination (AI) and heifer rearing etc. Shortcomings in implementation of the Abhijan were as follows:

¹³ ₹12.02 crore with four autonomous bodies (West Bengal Industrial Development Corporation, West Bengal State Horticulture Development Society, West Bengal Co-operative Milk producers Federation Limited and BENFISH), ₹161.17 crore with the nodal department and ₹78.37 crore with different directorates and 14 test checked districts.

¹⁴ Bishesh Go-Sampad Bikash Abhijan' is a project being implemented through three phases i.e phase I, II and 'extended phase II'. These three phases of the project are shown as three different projects by the department. The other project is 'Development of model for sustainable backyard poultry farming'.

Suboptimal growth in milk production

PBGSBS received total grants of ₹ 100.76 crore during December 2010 to January 2014 for implementation of the Abhijan in 100 blocks of the State to augment the milk production by 21.30 lakh MT within a span of five years and spent ₹ 97.05 crore till July 2014. Milk production had increased only by 5.81 lakh MT in three years against the target of 21.30 lakh MT in five years.

Scrutiny of records of two selected district offices¹⁵ of ARDD and the office of the PBGSBS revealed that eight components¹⁶ out of 24 under the Abhijan were not carried out at all due to delayed/short receipt of funds by the implementing agency.

Short achievement in Awareness Campaign

The component -“Awareness Generation Campaign” was to have been taken up for creation of awareness of the rural farmers about the Abhijan and to secure their active participation for adaptation of Artificial Insemination (AI) technology to have a recognised breed of cattle for betterment of their livelihood. Scrutiny of physical and financial progress reports of four selected blocks¹⁷ of the two districts revealed that only 79 campaigns were conducted during April 2010 to March 2014 against the target of 1042 as stipulated in the DPR.

Artificial Insemination was not commenced

The DPR stipulated target of 100 *per cent* AI of the breedable bovine population by March 2015 through Abhijan under RKVY along with other existing schemes since these schemes could not address the existing shortfall. Audit, however, noticed that the component was not commenced in Abhijan due to delayed/ short release of funds by the nodal department. As a result, AI level which was 20 *per cent* before commencement of Abhijan could reach only 42 *per cent* (during 2010-11 to 2013-14) through the existing scheme¹⁸.

Heifer rearing suffered due to inadequate feed

With a view to minimise early age mortality rate of cattle and buffalo, ‘Abhijan’ envisaged the heifer rearing component¹⁹ with different types of support like periodical health check-up and supply of medicines and food to the heifers. As per the DPR heifer rearing was to be commenced from birth of the heifers and continued up to the age of three years. Audit noticed that rearing of the heifers was actually started from the age of three to 24 months. Further, each heifer was required to be provided 500 kg of cattle feed during their rearing period²⁰. But they were provided with only 100 kg to 200 kg of feed during the entire rearing period. Scrutiny revealed premature death of

¹⁵ Bankura and Coochbehar.

¹⁶ Benchmark survey, AI, fodder development, castration of stray bull, enrichment of straw, marketing of milk, incentive to the animal owners and AI health cards.

¹⁷ Cooch Behar-II, Raipur, Sarenga and Shimlapal.

¹⁸ National Project on Cattle and Buffalo Breeding (NPCBB), Govt. of India, launched in October 2000.

¹⁹ Providing health protection through supplying food, medicines as well as insurance coverage to the newly born calves upto the age of 36 months.

²⁰ 1st year-100 kg, 2nd year- 200 kg and 3rd year- 200 kg.

1931 heifers out of 249298 identified for rearing, which can partly be attributed to the lack of adequate balanced cattle feed during their early ages.

The department admitted (December 2014) that due to short release of funds, many components of Abhijan could not be executed as per DPR.

Testing of cattle feed not done

As per agreement, the representative of PBGSBS was to take three random samples of cattle feed for testing the quality of feed in any Government laboratory and payment was to have been made only after receipt of the satisfactory tests. However, till May 2014, cattle feed of 35395 MT was procured at an approximate cost of ₹ 42.48 crore without any sample test. Thus, the quality of feed supplied by the contractor was not ensured. Department's reply that there was no complaint from the owners of heifers does not address the audit point.

Poultry feed plants

To ensure optimum growth of chicks as well as to provide feed to the chicks at lower rate, ARDD took up four poultry feed plants²¹ with production capacity of 2 tons per hour in each district and in the West Bengal University of Animal and Fishery Sciences (WBUAFS). Funds of ₹ 31.84 lakh were released in December 2008 and in April 2009 for setting up feed plants in two test checked districts *i.e.* Jalpaiguri and South 24 Parganas. Audit scrutiny revealed that only the feed plant at South 24 Parganas had started operation in July 2014. The department attributed this to delay in finalisation of site and completion of work. The plant at Jalpaiguri did not start operation due to non-completion of electrical works. Further, a sum of ₹ 35.20 lakh was released in December 2009 to WBUAFS for setting up of a feed plant. But instead of constructing the plant, a poultry feed godown was constructed for keeping ready feed for poultry farms which was a deviation from the DPR.

2.1.9.2 Fisheries

To improve the fish and fish seed production in the State, Fisheries Department had taken up 78 projects including support to farmers' fish ponds, assistance (including training) for development of infrastructure of fisheries department agencies, marketing of fisheries etc. at an estimated total cost of ₹ 85.74 crore. As of March 2014, 46 projects were completed at a cost of ₹ 48.79 crore. Three projects were selected for audit and the audit findings are discussed below:

Culture of Indigenous small fish not adequately taken up

The project 'Culture of Indigenous small fish in backyard pond' was taken up by Fisheries Department in 2011-12 with the objective of culturing and propagating minor carp and other indigenous fish varieties²², which were either threatened or were on the verge of extinction. The focus of the project was to restore aquatic biodiversity and enhancement of fish production through planned production and culture system in the backyard ponds.

²¹ Jalpaiguri, Purulia and South 24-Parganas and one at the campus of West Bengal University of Animal and Fishery Sciences (WBUAFS).

²² Sarputi, Koi, Pabda, Desi tangra etc.

Scrutiny revealed that in three out of six test checked districts, seeds of Indian Major Carps²³ were supplied to the beneficiaries instead of fish seed of Minor Carp as mentioned above due to non-availability of seeds of Minor Carps as envisaged. Audit observed that Fisheries Department took up the project without ensuring the availability of seeds of Minor Carps. Thus, the objective of the project was not fulfilled although an expenditure of ₹ 45.00 lakh was incurred (till July 2014) in three districts. The department admitted (December 2014) the audit observation.

Components of integrated fisheries not executed

Fisheries department took up the project – ‘Development of Integrated Fishery for Cooperative societies’ under RKVY during 2011-12 with the objective of encouraging integrated fisheries and more productive utilisation of the unutilised land areas available with the economically strong and well managed co-operative societies (Category-A Cooperative Society²⁴). The project involved supply of fish seed and feed, dragnet, plantation and animal husbandry. In selected seven districts, the project was implemented in 76 societies by incurring total expenditure of ₹ 3.23 crore till July 2014. Audit observed that plantation and animal husbandry components were not executed in nine and thirteen societies respectively. The department stated (December 2014) that the plantation and animal husbandry components were being implemented now. However, all the components of the project were to have been executed simultaneously as per the project objective.

Projects executed without approval of SLSC

Fisheries Department had implemented 12 projects costing ₹ 11.65 crore during 2008-09 and 2010-11, but none of the projects was approved by the SLSC. Post facto approval was not obtained from the SLSC in subsequent years in respect of any of the projects. Details of such projects are shown in *Appendix- 2.4*.

The department stated (December 2014) that though approval of the SLSC was not available in the department, it was presumed that approval of the SLSC was taken by the Nodal department. Such presumption, however, had no basis.

2.1.9.3 Horticulture

The State is a major producer of fruits, vegetables, flowers, tea and spices. To develop the horticulture sector both through area expansion and productivity improvement, Food Processing Industries and Horticulture Department (FPI&HD) had taken up 107 projects, viz. creation of nurseries and green houses, development of horticulture farms/facilities, area expansion of vegetables, fruits, coconut and floriculture etc. at an estimated total cost of ₹ 141.34 crore. As of March 2014, 79 projects were completed at a cost of ₹ 54.20 crore. Audit observations on the selected five projects are as follows:

²³ Indian Major Carp like ruhi, katla etc.

²⁴ Functional co-operative societies with up to date Annual General Meeting and Audit Reports.

Delay in establishment of Horticulture Technology Dissemination Centre

With the objective to provide necessary technical support to the farmers regarding improved handling practices of all horticulture crops, project for the 'Establishment of Horticulture Technology Dissemination Centre' in three districts²⁵ was approved during 2007-08 to 2011-12. Audit scrutiny revealed that project was only partially completed till May 2014. Projects approved at cost of ₹ 1.58 crore for Bankura and Paschim Medinipur could not be started due to non-finalisation of site. 90 per cent of civil work was completed in Malda for which funds of ₹ 1.02 crore were released in February 2008. Audit observed that there were delays in finalisation of site, selection of the executing agency and approval of the enhanced cost.

The department while accepting the audit observation informed (December 2014) that two projects at Malda and Bankura were now in progress and that of Paschim Medinipur was yet to commence due to non-availability of land.

2.1.9.4 Agriculture Mechanisation

Agriculture Mechanisation plays a vital role for timely completion of various agricultural operations like land preparation, sowing, transplanting, irrigation, weeding and inter-culture operation, spraying, dusting, harvesting, storing and processing etc. Use of improved farm implements in agriculture reduces the cost of cultivation which leads to more income per unit area and facilitates adopting diversified and multiple cropping systems.

Agriculture Department had taken up 10 projects viz. Farm mechanisation and establishment of Agri-Implement Hubs at an estimated cost of ₹ 129.03 crore. As of March 2014, eight projects were completed at a cost of ₹ 18.02 crore. Audit findings of two selected projects are discussed below:

Non utilisation of farm machinery in the Government farms

SLSC approved "Farm Mechanisation in Government Agriculture Farm" at a total cost of ₹ 7.03 crore during 2007-08 and 2008-09 with a view to increase overall output (seed) of the 196 Government Agricultural Farms in the State by application of improved farm machinery. SAP envisaged the average production target of 6250 MT in the government seed farms during the 11th plan period. In order to achieve this target different farm implements²⁶ were supplied between 2007-08 and 2009-10 to 83 Government farms in 11 districts procured at a total cost of ₹ 4.50 crore. Audit scrutiny revealed that implements costing ₹ 2.01 crore were lying un-utilised since their supply (2008-09 and 2009-10) due to non-availability of power connection, trained manpower etc. Joint physical verification of three Government Farm in two districts revealed that Seed Processing Units²⁷ which were procured (2008-09) at cost of ₹ 6.80 lakh were kept in open air resulting in deterioration of the implements. Non-utilisation of these implements may have affected the

²⁵ Malda, Paschim Medinipur and Bankura.

²⁶ Seed Processing Unit, Seed Dresser cum Treater, Seed Dryer, Seed Drill, Power Paddy Reaper etc.

²⁷ Seed Processing Units perform various activities like Cleaning, grading, treating, moisture testing and weighing of seeds.

production of seeds as it was noticed in audit that the production of the government seed farms during the last two years of the plan period (2010-11 and 2011-12) were 2345 and 2435 MT respectively as against the targeted production of 6250 MT.

Utilisation of farm implements in the Agri-Implement Hubs not ensured

SLSC approved (2008-09) establishment of 49 Agri-Implement Hubs at a cost of ₹ 3.76 crore in 18 districts through Self Help Groups (SHGs)/Co-operative Societies. The Hubs were to have been provided with farm implements like power tiller, pump set, drum seeder, cono weeder²⁸, seed tillage machine, reaper, paddy thresher etc. for use by farmers on rental basis. In the selected eight²⁹ districts, 22 Hubs were established (between 2009-10 and 2010-11) at a total cost of ₹ 1.69 crore.

Scrutiny revealed that required periodic progress reports on the implementation of hubs were not sent by SHG/ Co-operative Societies to the respective district agricultural authorities as per the condition of the MOUs, neither was there any follow up by the district authorities. In absence of reports, proper monitoring of utilisation of the implements of the hubs could not be ensured.

Further, physical inspection of five Hubs in five districts with departmental representatives revealed that 21 out of 25 implements supplied to the hubs in Jalpaiguri district had not been used by farmers. Drum seeder, cono-weeder, seed tillage machine etc. supplied to hubs in Paschim Medinipur and Malda were lying unutilised stated to be 'due to lack of interest among farmers'. As a result, the very purpose of establishment of the Implement Hubs could not be fulfilled and the expenditure became unfruitful. The Department failed to assess the demand for these implements before making the expenditure.

Financial Support Scheme for Farm Mechanisation

Agriculture Department launched (December 2012) Financial Support Scheme for Farm Mechanization (FSSM) for extending subsidy³⁰ to the eligible beneficiaries³¹ for purchase of farm equipment and machineries. Funding of FSSM (₹ 101.73 crore³²) was earmarked mainly from different Centrally Sponsored Schemes including unspent amount of RKVY funds lying under the component "Farm Mechanisation" for the year 2011-12 and 2012-13 respectively. Subsidy amount is deposited to the Kisan Credit Card (KCC) accounts of eligible beneficiaries under the scheme. In selected eight districts, audit observed that District Agriculture Office (DAO) was not aware whether implements had been procured by beneficiaries who had received such subsidy amounting to ₹ 36.18 crore. The department only stated (December 2014) that

²⁸ A machine for weeding between rows of paddy crops.

²⁹ South 24 Parganas, Purba Medinipur, Nadia, Jalpaiguri, Hooghly, North 24 Parganas, Malda and Paschim Medinipur.

³⁰ ₹ 10000 to ₹ 45000.

³¹ Individual farmers, members of Primary Agricultural Co-operative societies, joint liability groups having valid Kisan Credit Cards.

³² RKVY (unspent amount of ₹ 19.07 crore for 2011-12), BGREI (₹ 53.15 crore), NFSM (₹ 8.57 crore), MMA (₹ 16.75 crore), MM-II (Jute and cotton) (₹ 0.29 crore), ISOPOM (₹ 3.50 crore) and State Plan (₹ 0.40 crore).

necessary vigilance was being exercised through existing agriculture extension officials for proper monitoring of the benefits of the scheme. The reply does not address the issue raised in audit.

Inadmissible subsidy

Subsidy of ₹ 72.45 lakh was paid to 161 beneficiaries in six districts³³ at the rate of ₹ 45000 per beneficiary out of the RKVY funds for purchase of Tractors, in violation of RKVY guidelines as purchase of tractor was not admissible under RKVY.

2.1.9.5 Seed

The production and productivity has direct correlation to the availability of quality seed which forms a critical production input. With a view to ensure the production of quality seeds, department of Agriculture took up 24 projects for development of seed farms, seed processing centres and seed storage, seed production and seed certification etc. at estimated cost of ₹108.69 crore. As of March 2014, 12 projects were completed at total cost of ₹ 16.40 crore. Audit findings in respect of two selected projects are discussed below:

To improve infrastructure of Government farms, Agriculture department took up infrastructure development project³⁴ in 17 districts for Government farms under this sector during 2007-08 to 2010-11 at a total cost of ₹ 45.57 crore. As on March 2014, expenditure of ₹ 37.15 crore was incurred. Irregularities found in test checked districts are as follows:

Created assets remained idle

Joint physical verification of seven farms with the departmental representatives in five³⁵ districts revealed that Scientific Seed Go-down, implement shed, covered shed for Seed Processing Unit (SPU), tube well etc. constructed at total cost of ₹ 73.96 lakh were lying unutilised for the period ranging between one and two years due to non-availability of new electrical connection and non-supply of SPU.

Four irrigation channels constructed at cost of ₹ 7.79 lakh at Mathurapur Block Seed Farm of South 24 Parganas were not used ever since their construction in 2008-09 due to shortage of manpower (Krishi Shramiks) resulting in unfruitful expenditure.

Seed Processing Unit not constructed

Directorate of Agriculture allotted ₹ 22.00 lakh to District Agriculture Officer, South 24 Parganas during 2010-11 for construction of covered shed for three Seed Processing Unit (SPU) in three government farms. No work was taken up till 31 March 2014 and the funds remained unutilised. The district authority stated that those were not constructed as projects like Kisan Mandi and Food Godown were constructed (2012-13) in the area earmarked for the construction of SPUs. The reply was not tenable as Kisan Mandi and Food Godown have no relation with processing of seeds.

³³ Bardhaman, Nadia, Jalpaiguri, Hooghly, North 24 Parganas and Malda.

³⁴ Boundary walls, go-down, threshing floor, implement sheds, pucca irrigation channels etc.

³⁵ Jalpaiguri, Nadia, Purba Medinipur, Paschim Medinipur and North 24 Parganas.

Thus, the infrastructure facilities of the Government farms could not be improved even after incurring expenditure of ₹ 37.15 crore which resulted in non-achievement of target of seed production that has been discussed in paragraph 2.1.9.4 also.

The department stated (December 2014) that necessary steps were being taken by the concerned district in this regard.

2.1.9.6 Dairy Development

West Bengal Co-operative Milk Producers' Federation Limited (WBCMPFL) was formed as an apex body of milk co-operatives for implementing dairy development activities in the State. Accordingly, ARDD allotted funds in favour of WBCMPFL for implementation of 10 projects at a cost of ₹ 21.18 crore. As of March 2014, nine projects were completed at a cost of ₹ 15.44 crore. Audit findings are discussed below:

Automatic milk collection units remained inoperative

WBCMPFL installed (December 2009) 169 automatic milk collection units (AMCUs) and eight bulk milk cooler units (BMCUs) in 11 districts at a cost of ₹ 3.78 crore under the project "Dairy Development (2008-09)". Scrutiny revealed that 26 AMCUs installed at a cost of ₹ 34 lakh remained inoperative for a period ranging between one and three years due to insufficient milk procurement and other reasons. Confirming the audit observation, Department stated (December 2014) that WBCMPFL was trying to enhance the level of milk procurement so that the inoperative equipment could be operated again.

Idle investment on a centralized laboratory

WBCMPFL received total amount of ₹ 2.51 crore between 2008-09 and 2012-13 for establishment of a centralized laboratory at Salt Lake. The purpose of the project was to standardise the overall situation of milk procurement and monitor the quality of milk throughout the State. The work was completed in March 2011 at total cost of ₹ 2.14 crore including cost of equipment of ₹ 1.99 crore. But audit observed from minutes of Board meeting of WBCMPFL that due to lack of skilled manpower, the sophisticated and costly equipment procured at a cost of ₹ 1.99 crore remained idle since its procurement (December 2009). The department stated (December 2014) that necessary initiatives were being taken to run the laboratory without specifying such initiatives.

2.1.9.7 Co-operatives/Co-operation

With a view to promote the idea of co-operatives among the people by making them participate in the development activities, the Co-operation Department had taken up 51 projects for construction of godown, cold storage, fertilizer distribution and other facilities at total cost of ₹ 63.10 crore. As of March 2014, 27 projects were completed at a cost of ₹ 29.30 crore. The audit findings in respect of five test checked projects are as follows:

Non completion of multipurpose mini cold storage

SLSC approved the project "Establishment of Multipurpose Mini Cold Storage" to be implemented in four districts³⁶ by the Co-operation Department

³⁶ *Burdwan, Hooghly, Nadia and Howrah*

at a cost of ₹ 2.60 crore. Agriculture Department released the entire amount equally in two instalments in November 2011 and May 2012 respectively to the Co-operation Department for construction of five cold storages. In three selected districts³⁷, construction of cold storages were not completed as of June 2014 due to delayed execution of civil work (Burdwan and Howrah districts) and non-procurement of machinery (Hooghly district).

Incomplete godowns

Co-operation Department released ₹ 1.36 crore for construction of 28 godowns in 2008-09 of which 24 godowns were completed at a cost of ₹ 1.17 crore. Four godowns with project cost of ₹ 19.09 lakh in two districts³⁸ could not be completed due to land problem (one godown), lack of technical supervisor (two godowns) and electrical connection problem (one godown).

Workshop-cum-sales counters remained unutilised

The construction cost of ₹ 55.90 lakh for eight SHG's workshop-cum-sales counters in four districts³⁹ under Primary Agriculture Credit Co-operative Societies (PACS) was released by the department of Co-operation during 2010-11 for training, manufacturing, sales of handicrafts and other products. Audit observed from site visit that the sales counter in Hooghly district completed in March 2012 was being utilised as a community hall. Workshop in Purulia district completed in August 2013 without sales counter and one unit in Burdwan district completed in May 2012 also remained unutilised since their construction.

The department stated (December 2014) that necessary steps would be taken to sensitise the co-operative societies for utilization of the projects for their intended purposes. The reply is general and lacks specific details of the steps contemplated.

2.1.9.8 Marketing and Post Harvest Management

SAP has stated that farmers do not earn more than 15-20 *per cent* of the price paid by the end consumer, while 70-80 *per cent* of the price is shared by the intermediaries. It has emphasised that if the marketing channel is controlled more by the growers than by middlemen, this situation might improve. To improve the marketing and post-harvest management, the Agriculture Marketing Department had taken up 38 projects for construction of go-downs and warehouses, setting up/strengthening of market infrastructure, cold storage and cold storage chains etc. at an estimated total cost of ₹ 227.25 crore during 2007-14. As of March 2014, 33 projects were completed at a cost of ₹ 54.02 crore. Three projects were selected for detailed scrutiny and audit findings in respect of these are as follows:

Created assets remained unutilised

Nine shops were constructed under RKVY 2010-11 by Sheoraphuli Regulated Marketing Committee (RMC) at a cost of ₹ 37.18 lakh. Though the work was completed in October 2012, the shops were not allotted till February 2014 and

³⁷ *Burdwan, Hooghly and Howrah*

³⁸ *Purulia and Hooghly*

³⁹ *Burdwan, Hooghly, Howrah and Purulia*

remained unutilised even after a lapse of 16 months from their completion due to the absence of any instruction from the West Bengal State Marketing Board (WBSMB) for their allotment.

WBSMB constructed (July 2011) 32 stalls in a shopping complex at Deganga in North 24 Parganas district at a cost of ₹ 70.69 lakh. Scrutiny revealed that the stalls were not allotted to the beneficiaries as of August 2014 due to non-fixing of the rent of the stalls. Audit observed that the department forwarded the proposal to Special Land Acquisition Officer for fixation of rent only in February 2013, *i.e.* more than one and half years after the construction of the stalls.

An amount of ₹ 2.40 crore was sanctioned during 2011-12 for construction of covered shed, surface drain, pump house, etc. in Wholesale Fish Market Complex by English Bazar Regulated Market Committee (RMC), Malda. The project was financed in 50:50 ratio out of RKVY funds and own funds of the RMC. Though the work was completed in January 2013, the same remained unutilised even after a lapse of 16 months due to delay in finalisation of allotment process as the fishermen for whom the infrastructure was built were not willing to transfer their business to the new complex from their present business location and also due to their non-acceptance of terms and conditions of allotment by the RMC. This indicated that the department did not carry out proper feasibility study before taking up of the project.

Thus the objectives of the schemes remained unachieved as large numbers of assets created could not be put to use due to lack of proper planning and adequate initiative by the department. The department stated (December 2014) that necessary initiatives would be taken for utilisation of the completed shops/stalls/market complex shortly. The reply is general in nature.

2.1.9.9 Agriculture Research

Agricultural education and research plays a vital role for consistent development of agricultural sector. Two State Agricultural Universities⁴⁰ and four National Level Institutions are operating in the field of agricultural extension services in the State which are working in close association with State Agriculture Department in the State for dissemination of knowledge and transfer of appropriate technology to the farmers. Agriculture Department had taken up four research projects during the period 2008-09 to 2012-13 at total cost of ₹ 4.99 crore. As of March 2014, two projects were completed at a cost of ₹ 4.54 crore. Audit findings in respect of the selected projects are discussed below:

Idle investment on construction of Training Cum Testing Institute

With the objective to establish a state-of-the-art training and testing institute on farm mechanisation and scientific maintenance of farm equipment by farmers as well as to promote research, Bidhan Chandra Krishi Viswa Vidyalaya (BCKV) took up (December 2009) the project “Establishment of a State Level Training Cum Testing Institute for Farm Mechanisation (Phase- I)” at approved cost of ₹ 2 crore.

⁴⁰ Bidhan Chandra Krishi Viswavidyalaya and Uttarbanga Krishi Viswavidyalaya.

Scrutiny revealed that expenditure of ₹ 1.53 crore was incurred on construction work including office equipment as of February 2012. Machinery of only ₹ 2.94 lakh was purchased against the sanction of ₹ 74.70 lakh. Balance fund of ₹ 0.44 crore remaining unutilised was withdrawn (February 2012) by the nodal department. Thereafter no further progress was achieved till July 2014. As a result, the purpose of the project remained unfulfilled as BCKV was not in a position to conduct either any training programme or testing of farm machinery resulting in unfruitful expenditure of ₹ 1.48 crore on construction works. The department did not give any reply to audit observation and no record was available as to why the required machinery could not be procured despite availability of funds.

2.1.9.10 Implementation of projects under Stream-II

State received a total sum of ₹ 334.77 crore under Stream-II of RKVY during 2007-14 for strengthening of the existing State sector schemes. Audit findings in this respect are discussed below:

Unfruitful expenditure on GPS-enabled vessel monitoring system

Fisheries department incurred ₹ 2.52 crore (in January and May 2011) on the work of installation of GPS-enabled vessel monitoring system with tracking device in fishing boats. The whole expenditure proved unfruitful as the aerial distance for signal transmission of the equipment from shore was found to be 39 km against the minimum requirement of 60 km. The department accepted the observation and stated (December 2014) that a number of meetings and correspondence had been made with the BSNL to resolve the matter but the problem was yet to be solved.

Irregular assistance to a private limited company

A private Limited company submitted (2011) the Detailed Project Reports in respect of two schemes, viz. Quality Control Laboratory for Ayurvedic and Herbal Products (₹ 1.15 crore) and Processing unit of Ayurvedic and Herbal Products (₹ 9.96 crore) to the department of Horticulture. The schemes were to be funded by promoters' contribution (₹ 5.74 crore), bank loan (₹ 4.57 crore) and by National Medicinal Plant Board (₹ 0.80 crore). Though there was no provision for funding of these schemes under RKVY, the department approved ₹ 80 lakh under RKVY and released a sum of ₹ 40 lakh in December 2012 towards these schemes to the company.

Idle investment on construction of a rice mill

Co-operation Department released total amount of ₹ 3.05 crore in November 2010 and January 2012 to a society⁴¹ for construction of a rice mill in Hooghly district. The civil work of the project was awarded (February 2012) to an agency at a cost of ₹ 1.36 crore for completion by August 2012. The agency abandoned the civil work in April 2014 after executing work worth ₹ 55.88 lakh; work had not started till December 2014. Though civil work was not completed, machinery like boiler, fuel feeding system and air ducting assembly worth ₹ 17.85 lakh was purchased in October 2013 and could not be installed till December 2014. As a result, the costly

⁴¹ *Panisheola Samabaya Krishi Unnayan Samity Ltd.*

machines were lying unutilised in the open. The department stated (December 2014) that necessary steps would be taken to complete the project as early as possible.

Funds released to PMU remained unspent

Co-operation Department released ₹ 2.12 crore between March 2010 and January 2011 to Project Management Unit (PMU) with a view to helping the co-operative societies to identify suitable activities and to guide them to undertake these activities profitably in respect of agriculture and allied sectors. The PMU was to complete the activities⁴² by March 2012. The PMU could only spend ₹ 1.08 crore till July 2014; ₹ 1.04 crore remained unutilised whereas utilisation certificate of the entire funds was sent in March 2012. The department admitted that the funds were lying with the PMU and would be utilized to complete some projects under RKVY as well as for imparting training to the members of the co-operative societies.

2.1.9.11 BGREI

BGREI, one of the sub-schemes of RKVY, was launched in 2010-11 with the main objective of maximizing the yield of rice and wheat per unit area by disseminating state-of-the-art agricultural practices among participating farmers through Demonstration Centers (DCs).

SLSC approved ₹ 594.84 crore for implementation of BGREI during the period from 2010-11 to 2013-14. Audit findings in this respect are mentioned below:

Re-allocation of funds shifted the approved priorities

GOI approved ₹ 269.04 crore during 2012-13 under three interventions, viz. Block DC of rice/ wheat⁴³, Asset building⁴⁴ and Site specific activities⁴⁵ respectively. Allocation under the three interventions *vis-a-vis* actual expenditure for the year is mentioned in the table no. 2.1.5.

Table 2.1.5: Allocation of funds *vis-a-vis* expenditure under three interventions of BGREI

(₹ in crore)			
Sl. No.	Name of the Interventions	Fund allocated	Actual expenditure
1.	Block DC of rice/ wheat	155.12	73.18
2.	Asset building activities	53.15	79.37
3.	Site specific activities	60.77	116.45
Total		269.04	269.00

(Source: Departmental records)

Audit observed that excess expenditure of ₹ 55.68 crore (₹ 116.45 crore - ₹ 60.77 crore) was incurred under site specific activities for construction of 'Krishak Bazar' which was not included in the approved intervention of BGREI. The department stated (December 2014) that for site specific need,

⁴² Survey of PACS, training/sensitization, rain water harvesting, seed development projects.

⁴³ Providing specific input packages like seed, pesticides and micro-nutrients etc.

⁴⁴ Construction of dug well, bore well and pump sets etc.

⁴⁵ Construction of irrigation canals, electric power supply etc.

‘Krishak Bazar’ was taken up. The reply is not tenable as construction of Krishak Bazar was not defined as a component of the “site specific activities” in the scheme guidelines and unilateral re-allocation of funds shifted the approved priorities.

Irregular distribution of fertiliser

There was no provision for distribution of fertiliser among participating farmers in block DCs as per the guidelines of BGREI. However, Audit observed that an amount of ₹ 7.25 crore was incurred out of BGREI funds in 2012-13 for supply of 7218.75 MT of fertilizer in 18 districts.

The department stated (December 2014) that distribution of fertilizer as an intervention was taken up to assist the small and marginal farmers for balance application of phosphate and potash due to sudden escalation of price. The reply is not tenable as there was no provision for this expenditure in BGREI guidelines.

2.1.10 Monitoring

The guidelines on RKVY and instructions issued by the Department of Agriculture and Co-operation, GOI, envisage an inbuilt system of monitoring and evaluation at the Ministry and State level. SAP also suggests adopting an effective monitoring mechanism including: (a) Internal monitoring of the progress of the schemes by the district/block level authorities (b) An inter-departmental co-ordination mechanism for joint implementation and monitoring of plan components involving more than one department.

2.1.10.1 Monitoring by Ministry of Agriculture, Department of Agriculture and Co-operation

National Institute of Rural Development (NIRD), Hyderabad was appointed (December 2007) by DAC as consultant to perform activities for monitoring and evaluation of RKVY projects in the State. Scrutiny revealed several lapses in the monitoring mechanism as discussed below:

- Audit scrutiny of sanction orders revealed that the nodal department did not immediately release the funds to the implementing agencies, an instance of which was mentioned in para no 2.1.8.2. NIRD also in its report (February 2010) had pointed out the same.
- As per the agreement with DAC, NIRD was required to suggest a plan for carrying out external concurrent monitoring for verification of physical and financial progress as well as concurrent evaluation in the middle of 11th Plan period and at the end of 11th Plan period (two evaluations in 5 years). Audit, however, observed that State Government recognised the need of monitoring and evaluation by external agency in the SAP, but failed to take up the matter with DAC to get this done by NIRD as per existing provision in the agreement between DAC and NIRD or through any agency engaged by them.
- As per RKVY guidelines, the nodal department was to furnish quarterly physical and financial progress reports to DAC. Scrutiny revealed that the nodal department did not furnish any periodic physical and financial progress report to DAC after obtaining the same from the implementing

agencies. They did not ask the implementing agencies to furnish periodic report and returns. The matter was also pointed out by NIRD in its monitoring report.

2.1.10.2 Monitoring by SLSC

RKVY guidelines stipulate that the SLSC will be responsible for monitoring the progress of sanctioned projects/schemes, reviewing the implementation of schemes and ensure that programmes are implemented in accordance with the guidelines. SLSC is also required to undertake field studies to monitor the implementation of the projects and initiate evaluation studies from time to time. Guidelines further stipulate that the SLSC shall meet as often as required but shall meet at least once in a quarter.

Audit observed that the minutes of SLSC meetings did not make mention of discharge of the above functions. Field study report and evaluation report was not available with the department. Further, total seven meetings were held against the minimum requirement of 24 meetings during 2008-14. Even though several projects were delayed considerably as discussed in the earlier paragraphs, SLSC did not address the issues or suggest course corrections to implementing agencies to overcome the bottlenecks. Thus monitoring by the SLSC was ineffective.

Accepting the audit observation, the department stated (December 2014) that a state level monitoring team constituting all stakeholders would be set up and each stakeholder would monitor the schemes individually. Besides, a State level calendar regarding proper implementation of the schemes would be framed and a third party agency would also be engaged for monitoring.

2.1.10.3 Monitoring by DLSC

With a view to proper implementation, monitoring and reviewing of RKVY schemes, State nodal department constituted (October 2008) District level monitoring committee (DLSC), which was to meet once in every month. Scrutiny of records of the six districts revealed that total 36 meetings were held against requirement of 432 meetings between 2008 and 2014 (upto March 2014).

The department stated (December 2014) that instruction would be issued to DLSC for monitoring of the schemes as per guidelines.

2.1.11 Impact evaluation of RKVY

As per the agreement with DAC, NIRD was required to carry out a concurrent evaluation in the middle of 11th Plan period and at the end of 11th Plan period (two evaluations in 5 years) to assess the impact of the scheme in terms of productivity, production (growth) and income. No records of such concurrent monitoring and evaluation by NIRD were found in the nodal department.

2.1.12 Conclusion

The District level agricultural plans were prepared without due consideration of the village level inputs. Prioritisation of projects was also not done according to the actual requirement of the districts. There were delays in release of funds at every level. Substantial amounts drawn from treasury

remained unspent at different levels. Implementation of projects suffered due to inefficiency of the department to release funds in time, lack of detailed planning and supervision. Availability of land and technical manpower were not ensured before taking up projects. The nodal department as well as SLSC did not monitor and review the implementation/ achievement of project objectives.

2.1.13 Recommendations

Department may consider the following:

- The bottoms-up planning process should be followed, taking inputs from the village and districts and reflecting the ground level priorities as prescribed in the Manual of Planning Commission;
- Fund management should be streamlined and monitored on a regular basis;
- Coordination between different departments involved in implementing the same project should be improved by setting up an appropriate institutional mechanism as stipulated in the SAP;
- Monitoring of DLSC and SLSC should be substantially improved.