

**No.3-20/2008-RKVY
Government of India
Department of Agriculture & Cooperation
Rashtriya Krishi Vikas Yojana (RKVY) Cell

**Krishi Bhawan, New Delhi
Dated the 18th September, 2008**

To

Agriculture Production Commissioner/Principal Secertary (Agriculture)
of all States/UTs.

**Subject: Minutes of Review Meeting on RKVY held on 30.7.2008.

Kindly find enclosed a copy of the summary record of meeting to review the implementation of the Rashtriya Krishi Vikas Yojana (RKVY) held under the chairmanship of Hon'ble Deputy Chairman, Planning Commission on 30.7.2008 at New Delhi for necessary action.

Yours faithfully,

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Summary records of the proceedings of the review meeting on Rashtriya Krishi Vikas Yojana (RKVY) under the Chairmanship of Deputy Chairman, Planning Commission, held on 30.7.2008 at the National Agricultural Science Centre, Pusa Complex, New Delhi.

The Deputy Chairman, Planning Commission in his opening remarks conveyed the Prime Minister's concern on the low growth rate and dwindling trend of public investment in agriculture sector. During X Plan, the share of Agriculture and its Allied sectors was in the range of 2-3% of the Plan outlay, and the agriculture growth rate was only 2.47%. It was with this concern at the sluggishness in the growth of Agriculture that the National Development Council in its 53rd Meeting decided to give a thrust to Agriculture by providing an additional channel of funding to the states in the form of an Additional Central Assistance (ACA) during the XI Plan to the tune of Rs.25,000 crore. RKVY as the programme is called is supposed to provide the sheet anchor around which the states could mobilize themselves into taking pro-active steps in drawing up and implementing suitable schemes/projects identified to be suitable to the states in order to achieve the national target of 4% growth during XI Plan.

Secretary (DAC) while welcoming the participants from the states gave a brief account of implementation of RKVY during 2007-08 and 2008-09. RKVY offers wide scope to the States to take meaningful and effective initiatives as one of the strategies to spur growth not only in agriculture per-se but also in the allied activities of Animal Husbandry, Dairying and Fisheries. From the feed-back

received so far, there has been a positive response from the states and they look forward to RKVY as an opportunity to rejuvenate the sagging rural economy through agriculture and Allied activities. Secretary, DAC took the opportunity of the presence of the representatives from the states to remind them of the obligations on their part of drawing up District / State Agriculture Plan besides the prime consideration of allocating adequate funds indicating of their increasing and sustained interest in Agriculture and Allied sectors as indexed in the baseline expenditure.

1. EXPERIENCE AND FEED-BACK FROM THE STATES

To initiate the process of interaction, , Six states viz. Bihar, Madhya Pradesh, Karnataka, Punjab, Maharashtra and Tripura besides other states were called upon to share their experience in implementing RKVY in their states.

While welcoming RKVY, **Bihar** brought out four main issues. These are: the desirability of conveying the allocation of RKVY funds well before finalisation of the states' budget; presence of the representatives from the GOI in the SLCC meetings should not be mandatory as this delays the process of sanction; adequate flexibility should be given to states in formulating programmes /projects and RKVY should have an in-built provision to incentivize states which make concerted efforts towards growth of agriculture.

Punjab highlighted issues related to their declining area of cultivable land, deteriorating soil health, decrease in the quality and quantity of water, un-remunerative cost of cultivation besides technological stagnation.

Madhya Pradesh highlighted lack of long term commitment on fund -flow which in turn affects planning; there is need for re-defining the implication of convergence beyond the mere exercise of diverting funds available under various developmental heads. The representative of the state government further emphasized the need for capacity building especially at the district level. Uncertainty in timely availability of crucial inputs throws all planning for agriculture out of gear. RKVY funds should be allowed to be used as margin money in establishing critical infrastructure. At least, 10% of RKVY funds should be reserved for giving incentive to policy reforms. The state feels that it stands to benefit by the participation of the representatives of DAC and Planning Commission in the SLSC meetings by sharing their experiences.

Karnataka gave a detailed account of the projects selected during 2007-08 in various areas including constitution of farm ponds, agricultural research and extension.

Maharashtra suggested that animal husbandry, dairying and fisheries sector should be treated at par with agriculture for the purpose of income-tax and other concessational benefits including bank-credit. A long term export policy for agriculture should be evolved. Crucial inputs like seeds and fertilizers should be made available at reasonable rates. On the preparation of district plans, he informed that as it will take sometime to recast the DAPs as per the c-DAP manual brought out recently, funds for 2008-09 may be released on the basis of existing DAPs and SAPs provided the projects approved by the SLSCs feature in the DAPs.

Tripura in the context of peculiar location and land based pattern, the state emphasized its strategy of agricultural growth through proper and adequate use of inputs and seeds. The representative informed of the active participation in drawing up plans and also in their execution at the grass-root level.

2. PRELIMINARY FINDINGS OF NIRD ON RKVY

Representatives of NIRD had visited 20 states in order to obtain a feed-back on implementation of RKVY. Some of the salient observations by are as follows:

- a) There is enthusiastic response particularly in the districts due to increased availability of resources.
- b) Agriculture Universities gained significant space in agricultural planning and growth.
- c) Many states have undertaken good preparatory work in order to give a boost to RKVY.
- d) There is a need to streamline the process of release of funds at various stages starting from DAC to the state level and the implementing agencies.
- e) Preparation of c-DAP is a weak area in many states.
- f) Inadequate understanding and willingness for convergence in the field- it is a mind-set problem.
- g) Inadequate attention to dry-land agricultural productivity- pulses and oilseeds are viewed as difficult areas.
- h) Priority for research inadequately reflected; frontier areas of growth potential –should be focused (bio-tech).
- i) Many programmes which are implemented in the districts like BRGF, NREGA, c-DAP, NRHM, SKEP etc. lay stress on preparation of

district plans. The district officials are confused and display distinct signs of suffering from what could be termed as 'Plan Fatigue'.

3. EMERGING ISSUES

In the course of the interaction with the state representatives, some issues emerged which need to be addressed in order to facilitate implementation of RKVY:

(i) Capacity building: The States seem to have a uniform limitation of its officials not being able to rise to the occasion when it comes to perceiving what a district plan should be, and how to give shape to it. Clear perception of a district plan will help to sustain its implementation. This calls for an urgent need for enhancing capacity building of the functionaries at various levels involved in district plan preparedness. State Government suggested earmarking of 3 to 5% of RKVY funds for imparting suitable training to the concerned officers.

(ii) Fund flow: While most of the states expressed the need of higher allocation under RKVY, a point was also stressed on the need for advance intimation of the quantum of funds likely to be made available in order to ensure long- term planning.

The other issue relates to the manner in which RKVY funds should be released to be states. While majority of the states would prefer release of funds directly to the autonomous bodies notified by the state government, states like Orissa and Bihar would favour routing of funds through the normal state budget.

(iii) Research: Progressive agricultural states like Punjab and Haryana stressed on the need for improving genetic quality of seeds for which research Institute should focus their attention on. They stressed upon the need for improving genetic quality of seeds for which research Institutes should lay emphasis. Mere multiplication of seeds will not give the break through for higher production.

Vice-chancellors of the State Agricultural Universities (SAUs) were appreciative of the new thrust under RKVY while SAUs have availed of funds under RKVY under 2007-08. There is, however, a requirement for more funds to be provided to SAUs and research institutions after being neglected so long.

(iv) Convergence: Many states expressed lack of clarity on the issue of convergence due to implementation of similar schemes / projects in the same areas, as that of RKVY CEO, NRAA clarified that this problem should not come up if the district plan had been properly drawn up taking all points into consideration. The District Planning Committees (DPC) should play a pre-eminent role in moulding the district plans for maximizing livelihoods, income, employment and sustainability.

While concluding the session, Member (Agriculture), Planning Commission stated that RKVY should not be perceived as a separate additional programme. By its very nature, it was an Additional Central Assistance to the State Plan which should provide sufficient elbow room to the states to draw up their agricultural plan. This implies that the states integrate the DAP and SAP with their normal state plans within the resources available from different sources

including RKVY. On the question of release of funds to the states, he drew the attention of the participants to the CAG's adverse comment on releasing funds directly to the autonomous agencies as such a process eventually leads to large accumulation of unutilized amount outside the official state's kitty. It is, however, incumbent on the state to release funds received to the implementing agencies without any delay.

On the concern expressed by the Deputy Chairman on synerzisation between technical input and people's participation, Member (AS) stressed that a sound and well drawn up District Plan take the PRI's on board and backed up by technical support from the line departments, should be able to pull through and meet the objectives of the Programme.

Member also expressed his concern at the low off take of RKVY funds by the allied sectors of Animal Husbandry, Dairying and Fisheries as reflected in the figures during 2007-08. As the contribution of these sectors to the GDP is substantial, states are requested to pay due attention to these sectors at the time of sanctioning schemes. In case, it is felt necessary that these sectors are not able to frame suitable schemes, funds, provided for preparation of district plans could also be used for engaging consultants to help identify appropriate schemes/projects.

The session ended with a vote of thanks to the Chair.
