

No.3-1/2007-RKVY
Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation
(RKVY Division)

Krishi Bhavan, New Delhi
Dated the 15th January, 2008.

To

The Pay & Accounts Officer (Sectt.)
Ministry of Agriculture
Department of Agriculture & Cooperation,
16-Akbar Road, Hutments
New Delhi-110011.

Sub: Appointment of National Institute of Rural Development (NIRD), Hyderabad as Consultant for monitoring and evaluation of Rashtriya Krishi Vikas Yojana (RKVY) – Release of First Instalment of funds therefor during 2007-08.

Sir,

1. I am directed to convey the sanction of the President of India to the appointment of the National Institute of Rural Development (NIRD), Hyderabad as Consultant for assisting the Department of Agriculture in monitoring and evaluation of Rashtriya Krishi Vikas Yojana (RKVY) at a total cost of Rs.125 lakh per annum and release of payment of **Rs. 50,00,000 (Rupees Fifty lakh only)** to the said Institute, being **40% (1st instalment)** of the total cost of Rs. 125 lakh for the year 2007-08 as per the Agreement signed between the Department of Agriculture and Cooperation (DAC) and the NIRD on 31st December, 2007 (copy annexed).

3. The release of funds to the NIRD is subject to the following conditions:

- a) The NIRD will perform the tasks/activities as a Consultant as mentioned in Para 2 of the Agreement;
- (b) The NIRD will provide outputs (first year) to Department of Agriculture & Cooperation as mentioned in Para 4 of the Agreement;
- (c) The Institute will incur expenditure on the items mentioned in Para 5 of the Agreement;
- (d) The Agreement will be subject to review in its entirety, including the consultancy fee, from year to year, preferably

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during the annual period, to decide on its continuance, with or without modifications, or otherwise;

(e) The Institute will have to report on utilization of funds released and submit the Outputs mentioned at 2 to 5 & 9 of Para 4 of the Agreement before the release of 2nd instalment of funds during 2007-08;

(f) Provisions relating to Tax Deduction at Source (TDS) will be applicable to the Institute.

4. The accounts of the Institute to the extent of funds released for the said purpose under RKVY Scheme shall be open to inspection by the sanctioning authority and audit, both by the Comptroller and Auditor General of India under the provision of CAG (DPC) Act, 1971, and internal audit by the Principal Accounts Office of the Ministry or Department, whenever the Institute is called upon to do so.

5. The expenditure is adjustable under Demand No. I - Department of Agriculture and Cooperation and may be debited to the following Head of Account:

Major Head 2401	- Crop Husbandry
Minor Head-800	- Other Expenditure
Sub Head-35	-Additional Central Assistance Scheme to State Plans for Agriculture
350028	- Professional Services

6. This sanction issues in exercise of the delegated powers in consultation with the Finance Division of the Department of Agriculture and Cooperation vide their Dy. No.3431/FA dated 27.12.2007.

7. The receipt of this letter may please be acknowledged.

Yours faithfully,

Encl: As above.

MSC
Esh
(M.S. Sethi)

Under Secy. to Govt. of India
Telephone No.23381557

Copy forwarded to:

1. The Principal Accounts Officer, Ministry of Agriculture, Deptt. of Agri. & Coop., 16-A, Akbar Road Hutments, New Delhi.
2. The Controller and Auditor General of India, New Delhi.
3. The Accounts Officer (L&G), Ministry of Agriculture, Deptt. of Agri. & Coop., 16-A, Akbar Road Hutments, New Delhi.
4. Director General, NIRD, Rajendranagar, Hytderabad-500 030
5. Deputy Director General, NIRD, Hyderabad
6. Director (MM & RKVY), DAC
7. Under Secretary (RKVY), DAC
8. Sr. PPS to Secretary (A&C)/ PPS to AS (PKB)/ PS to JS (RKVY)
9. Finance Division / Budget Section / Budget & Accounts Section of DAC.
10. RKVY Cell / Guard File

M.S. Sethi

(M.S. Sethi)

Under Secretary to Government of India

*Issue after attaching
-w encl. (copy of agreement)
M
15/11/08*

SO (RKVY)

issued
18/11/08

Agreement between the Department of Agriculture and Cooperation (DAC), Ministry of Agriculture, Government of India and the National Institute of Rural Development (NIRD), Hyderabad appointing NIRD as a Standing Consultant for implementation and monitoring of the Rashtriya Krishi Vikas Yojana (RKVY)

1. Background

In compliance with the resolution adopted in the National Development Council (NDC) in May 2007, the Department of Agriculture & Cooperation (DAC), Ministry of Agriculture (MoA), Government of India has formulated an Additional Central Assistance Scheme entitled, Rashtriya Krishi Vikas Yojana (RKVY). The goal is to achieve a 4% growth in agriculture by the end of 11th Five Year Plan period. The scheme has been operationalised during 2007-08. The main objectives of the scheme are:

- i) To incentivise the States so as to increase public investment in agriculture and allied sectors.
- ii) To provide flexibility and autonomy to States in the process of planning and executing agriculture and allied sector schemes.
- iii) To ensure the preparation of agriculture plans for the districts and the States based on agro-climatic conditions, availability of technology and natural resources.
- iv) To ensure that the local needs/crops/priorities are better reflected in the agricultural plans of the States.
- v) To achieve the goal of reducing the yield gaps in important crops, through focused interventions.
- vi) To maximize returns to the farmers in agriculture and allied sectors.
- vii) To bring about quantifiable changes in the production and productivity of various components of agriculture and allied sectors by addressing them in a holistic manner.

The RKVY will be implemented in the States and Union Territories as a State Plan Scheme. The RKVY funds would be provided to the States as 100% grant by the Central Government. The quantum of funds given to a State will *inter alia* depend on the share of the agriculture & allied sectors in the State Plan Budgets of the past three years preceding the launch of RKVY. In order to avail this fund, the States will have to prepare a State Agriculture Plan (SAP) which is a consolidated and well integrated document based on the District Agricultural Plans (DAPs). The Plans will have to be formulated in accordance with the RKVY guidelines and the general guidelines of District Planning issued by the Planning Commission. The scheme will support project based component called Stream I, for which a minimum of 75% of the funds will be allocated, and the Stream II will support the existing schemes up to a maximum of 25% of funds.

The States will prepare the SAP with professional assistance wherever necessary, and also integrating the District Agriculture Plans. The SAP and DAPs should bring about a convergence with on-going schemes that have provisions for agricultural development (eg. NREGS/DDP/DPAP/SGSY/BRGF/Bharat Nirman etc.). Capacity building for planning, appraisal/scrutiny of projects coming from districts, preparation of a shelf of projects, implementation and monitoring of schemes, are important tasks under RKVY. Funds will be released by DAC based on the proposals received from the States. The DAC will monitor the programme implementation and also carry out pan-India evaluations; upto 1% of the RKVY funds can be retained and utilized by the DAC for the latter.

Since RKVY is a nation-wide programme and may involve vetting large number of schemes for adherence to the guidelines, DAC would require substantial support to scrutinize the proposals and recommend release of funds. Further, a programme of this magnitude would need constant supervision and guidance for mid-course correction during implementation. In this context, DAC has requested NIRD if it could help the DAC in the implementation, monitoring and evaluation of the scheme. In response to

this request NIRD has expressed its willingness and suggested the following possible roles/responsibilities for itself.

- i) NIRD can be notified as the national nodal Agency for the M&E of RKVY. The NIRD can network with competent Institutions for the M&E purposes.
- ii) NIRD can do the capacity building of the Institutions/officials engaged in the implementation of the RKVY.
- iii) It can carry-out concurrent Monitoring and Evaluations of RKVY.
- iv) It can plan and conduct Mid-term and End of Programme evaluations of the projects under the RKVY, and
- v) Be a standing consultant for the Ministry of Agriculture on a retainership basis, periodically to advise the Ministry.
- vi) Any other specialized tasks that the Ministry may like to assign from time to time, with respect to RKVY, as well as other programmes of the Ministry, such as Macro - Management, etc.

The DAC has, in principle, agreed with the suggestion and requested NIRD to submit a proposal “to advise the MoA on the Implementation and Monitoring of the scheme as a Standing Consultant” vide letter D.O.No.3-1/2007/RKVY of 29th October 2007 from the Joint Secretary (RKVY). Accordingly, this proposal has been prepared.

In the light of the above this agreement has been entered into **between the Department of Agriculture and Cooperation (DAC) in the Ministry of Agriculture, Government of India and the National Institute of Rural Development (NIRD), Hyderabad appointing NIRD as a Standing Consultant for RKVY.**

2. Tasks / Activities by NIRD as Standing Consultant

Brief description of various activities/tasks that would be taken up by NIRD is presented below:

A. Implementation

- i) Assist the DAC in scrutinizing the referred SAPs for their completeness and adherence to the guidelines and make recommendations.
- ii) Attend SLSC Meetings, whenever required, to assist in the process of approval of Stream-I projects, as well as in suggesting mid-course corrections wherever necessary.
- iii) Establish a network of resource support institutions, empanel them and orient them to RKVY so as to assist the States and districts in planning/implementation and monitoring of RKVY, at local level. NIRD will assist in empanelling these and other institutions to carry out concurrent Monitoring and Evaluation studies described under Monitoring below. NIRD may hold Orientation Workshops for such institutions on a separate budget.
- iv) Study and review the administrative arrangements for planning and implementation of RKVY in terms of their adequacy and effectiveness, across the States. The design and scope of the study will be finalized after a preliminary visit to States and some districts and also in consultation with and inputs from DAC.
- v) Study, document and review the methodologies adopted for planning RKVY Scheme/projects across the States and suggest modifications, if any.
- vi) Prepare background notes on issues for discussion during the review of the Scheme by DAC based on the concurrent monitoring and evaluation and other studies described under Monitoring below.

B. Monitoring

- i) Helping the States to set up clear base line indicators and specifying milestones for RKVY; monitoring the indicators, on sample basis, in some districts in each State.
- ii) Document best practices/innovation under various components of RKVY across the country for wider dissemination.
- iii) Review the monitoring arrangements across the States for effective implementation of RKVY and provide suggestions wherever necessary. A concept note on the issues to be studied and areas of enquiry will be finalized based on preliminary visits to States and districts
- iv) Carry out 'process study' of RKVY implementation in the States to identify shortcomings/problems including in planning and implementation arrangements and provide feed back to States and DAC with particular reference to flow of funds (time lags) and utilization. The design and scope of the study will be finalized in consultation with and inputs from DAC.
- v) Design and Plan to carry out external concurrent monitoring for verification of physical and financial progress, on a sample basis, quarterly by rotating the districts in a State to cover all the scheme districts in a year through contracting institutions across the country as detailed in (iv) above. Consolidated summary reports will be prepared by NIRD with relevant suggestions for follow-up actions. A National Workshop (3 days) will be called to discuss the design of the study and also to orient and train the partner institution.
- vi) Design and Plan 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 and share the findings in State/National Workshops through contracting institutions across the country. Consolidated summary reports

with suggestions for follow-up actions will be prepared by NIRD. A National Workshop (3days) will be called to discuss the design of the study and also to orient and train the partner institution.

- vii) Assist DAC in designing and carrying out studies, field supervision etc. as may be necessary and whenever the need arises, through partner institutions.

3. Method of Executing the Project

The following three Centres of the NIRD will be associated with the project as Core Team:

Centre for Planning, Monitoring & Evaluation (CPME)

Centre for Agrarian Studies and Disaster Mitigation (CAS & DM)

Centre for Water and Land Management (CWLM)

One of the above centres will be notified as a Nodal co-coordinating agency at the NIRD for liaising with DAC and the States.

In addition to this, specialists will be engaged as Consultants to assist the Core Team. Since the scheme covers the whole country, NIRD will establish a network of specialized institutions both in public and private sector, in each state as partner institutions, so as to carry out the tasks/role/responsibilities listed under section 2 above. NIRD will function as a national umbrella organization. Suitable training and orientation will be given to partner institutions, with specific/separate budgets. While the designing of the process, concurrent monitoring, concurrent evaluation and special studies will be done by the NIRD, the actual studies will be contracted out to Partner Institutions under the overall guidance and supervision of NIRD using the 1% fund available under RKVY for pan-India evaluation studies.

4. Outputs (first year)

1. Comments and suggestions on the proposals from the States under RKVY as and when referred to by the RKVY Division of DAC.
2. Report on Administrative Arrangements for RKVY across the States with critical analysis and observation within 3 months of signing the agreement for the assignment.
3. List of Resource Institutions across the States identified to serve as Technical support back up to States for RKVY within 3 months of the assignment.
4. Report on Methodologies adopted for Planning for RKVY by different States with critical analysis of strengths and weaknesses within 6 months of signing the agreement.
5. Report on Monitoring arrangement in the States for RKVY with suggestions by the 7th month of assignment.
6. Report on Process study on the implementation of RKVY with suggestions by the 11th month of assignment. This study will also cover the planning and implementation aspects of RKVY.
7. Consolidated Summary Report on concurrent monitoring for verification of physical and financial progress by April 2008 and **every quarter thereafter** based on reports from contracted institutions. However, since it may take time to finalise the list of partner institutions by March 2008, the first report study will be carried out by NIRD on a sample basis to provide a feed back to DAC by April 2008.
8. Consolidated Summary Concurrent Evaluation reports on RKVY implementation and outcomes during middle of 11th Plan (Mid term) and end of 11th Plan (Terminal) based on reports from contacted institutions.
9. Case studies of Best Practices/Innovations under various components of RKVY – every half yearly. The first report will be submitted by July 2008. While the first report may be able to cover only the concept, design and implementation of such elevations, the subsequent study reports will try and capture the outcomes also.

Note: Items 7, 8 and 9 will be continuing activities from the 2nd year in addition to 1 in the outputs.

5. Budget for 12 months

A. NIRD Time Cost

1. Senior Faculty: 12 man months @ Rs.65,000 per month	Rs. 7,80,000
2. Associate Faculty: 12 man months @ Rs.40,000 per month	Rs. 4,80,000
3. Three (3) Consultants @ Rs.35,000 for 12 months	Rs. 12,60,000
4. Support staff - Four EDP Assistants at Rs.7000/- PM for 12 months	Rs. 3,36,000

B. Communication

1. Computing cost (Lumpsum)	Rs. 2,00,000
2. Telephone / Fax	Rs. 2,00,000
3. Stationary	Rs. 1,00,000

C. Travel Cost

6 trips/year to each state 7 days each trip @ Rs.25,000 (TA+DA) for 28 States (Including hiring of vehicles for local transport) restricted to actual expenditure incurred.	Rs. 42,00,000
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D. Field Study(item 2+3+7) of Outputs Cost

3 Pan-India studies @ Rs.10.0 lakh each (Items 2,3 & 7 under Outputs)	Rs. 30,00,000
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E. National Workshops for designing Concurrent monitoring and evaluation studies and Orientation to partner institutions (2 number @ Rs.4.0 lakh)	Rs. 8,00,000
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Total Rs.1,13,78,000

F. NIRD Overhead 15%	Rs. 11,35,600
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Grand Total Rs. 1,24,91,600

Say Rs.125.00 lakhs/annum

Note: The cost of Concurrent Monitoring (Quarterly), Concurrent Evaluation (2 Studies during the Plan period) and other studies, as may be required will be separate based on the design and scope.

6. The budget proposed at 5 above is only a break-up of the annual retainership of Rs.125 lakhs and will cover the items that are included definite deliverables. Any items that are posed to the NIRD over and above will be mutually negotiated and separately budgeted for.

7. Release of Funds

1) 40% on Signing agreement	Rs. 50,00,000
2) 30% on submission of Outputs 2 to 5 & 9	Rs. 37,50,000
3) 30% on submission of Outputs 6 to 8	Rs. 37,50,000
Total	----- Rs.125,00,000 -----

8. Review of Agreement

This Agreement will be reviewed in its entirety, including the consultancy fee, from year to year, preferably during the final quarter of the annual period, to decide on its continuance, with or without modifications, or otherwise.

Signed on the 31st December, 2007

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On behalf of
National Institute of Rural
Cooperation, Development: Hyderabad
of India, New Delhi

On behalf of
Department of Agriculture &
Ministry of Agriculture, Govt.