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RashtriyaKrishiVikasYojana-
Remunerative Approaches for Agriculture and Allied sector Rejuvenation
(RKVY-RAFTAAR)

Operational Guidelines

2017-18 to 2019-20

Department of Agriculture, Cooperation & Farmers welfare

Ministry of Agriculture & Farmers Welfare

Government of India

KrishiBhawan, New Delhi-110001

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1. Introduction

1.1 RashtriyaKrishiVikasYojana was initiated in 2007 as an umbrella scheme for ensuring holistic development of agriculture and allied sectors by allowing states to choose their own agriculture and allied sector development activities as per the district/state agriculture plan.

1.2 The scheme has come a long way since its inception and has been implemented across two plan periods (11th and 12th). During the XI Plan, an amount of Rs. 22,408.76 crore was released to States and 5768 projects were implemented. In the 12th plan Rs.31,488.44 crore was released and over 7600 projects were implemented in the sectors of crop development, horticulture, agricultural mechanization, natural resource management, marketing & post-harvest management, animal husbandry, dairy development, fisheries, extension etc. Till 2013-14, the scheme was implemented as an Additional Central Assistance (ACA) to State Plan Scheme with 100% central assistance. It was converted into a Centrally Sponsored Scheme in 2014-15 also with 100% central assistance. Since 2015-16, the funding pattern of the scheme has been altered in the ratio of 60:40 between Centre and States (90:10 for North Eastern States and Himalayan States). For Union Territories the funding pattern is 100 % central grant.

1.3 Based on feedback received from States, experiences garnered during implementation in the 12th Plan and inputs provided by stakeholders, RKVY guidelines have been revamped as **RKVY –RAFTAAR-RemunerativeApproaches for Agriculture and Allied sector Rejuvenation**toenhance efficiency, efficacy and inclusiveness of the programme forthe remaining period of the Fourteenth Finance Commission.

2. Objectives of RKVY-RAFTAAR

2.1 RKVY-RAFTAAR aims at making farminga remunerative economic activity through strengthening the farmers' effort, risk mitigation and promoting agri-business entrepreneurship.

2.2 The main objectives of the scheme are-

(i) To strengthen the farmers' efforts through creation of required pre and post-harvestagri-infrastructure that increases access to quality inputs, storage, market facilities etc. and enables farmers to make informed choices.

(ii) To provide autonomy, flexibility to States to plan and execute schemes as per local/ farmers' needs.

(iii) To promote value chainaddition linked production models that will help farmers increase their income as well as encourage production/productivity

(iv) To mitigate risk of farmers with focus on additional income generation activities - like integrated farming, mushroom cultivation, bee keeping, aromatic plant cultivation, floriculture etc.

(v) To attend national priorities throughseveral sub-schemes.

(vi) To empower youth through skill development, innovation and agri-entrepreneurship based agribusiness models that attract them to agriculture.

3.Eligibility Criteria and Inter State Allocation of Funds:

3.1 RKVY-RAFTAAR will continue to be implemented as a Centrally Sponsored Scheme in the ratio of 60: 40 (Government of India and State Share respectively) except in case of north eastern and hillystates where the sharing pattern is 90:10. For UTs the grant is 100% as Central share. The list of allied sectors as indicated by the erstwhile Planning Commission will bethe basis for determining the sectoral expenditure, i.e., Crop Husbandry (including Horticulture), Animal Husbandry and Fisheries, Dairy Development, Agricultural Research and Education, Forestry and Wildlife, Plantation and Agricultural Marketing, Food Storage and Warehousing, Soil and Water Conservation, Agricultural Financial Institutions, other Agricultural Programmes and Cooperation.

3.2 Eligibility Criteria: Since RKVY-RAFTAAR has now been recast as a Centrally Sponsored Scheme whereby States are contributing their share, all States/ UTs will be eligible for funding under RKVY-RAFTAAR.

3.3 Criteria for interstate allocation:

The quantum of assistance (or fund allocation) to the States will be in accordance with the parameters and respective weights as explained in **Appendix-A**. RKVY-RAFTAAR Funds will be made available to the States in two installments of 50% each. Inter-State allocation criteria will not be applied for providing funds under the sub-schemes of RKVY-RAFTAAR.

3.4 Release of funds will be made to the State Governments, central government institutions, autonomous bodies, national/ international institutions based on the annual plans.

4.Programme Components (Streams): RKVY-RAFTAAR funds would be provided to the States as grant by the Central Government in the following streams.

4.1 A. Regular RKVY-RAFTAAR -70% of

annual outlay will be allocated among States as per criteria under following heads.

a. Infrastructure and assets- **50% (of 70%) of regular RKVY-RAFTAAR outlay**- pre-harvest infrastructure- 20%, post-harvest infrastructure- 30%
b. Value addition linked production projects(agribusiness models) that provide assured/ additional income to farmers including Public Private Partnership for Integrated Agriculture Development (PPPIAD) projects- **30% (of 70%) of regular RKVY outlay.**
c. Flexi funds- **20% (of 70%) of regular RKVY-RAFTAAR outlay**. States can use this fund for supporting any projects as per their local needs preferably for innovative activities in agriculture and allied sectors.

4.1 B.RKVY-RAFTAAR special sub-schemes – 20% of total annual outlay- based on national priorities as notified by Govt. of India from time to time for development of region and problem specific areas.

4.1 C. Innovation and agri-entrepreneur development -10% of annual outlay-for encouraging innovation and agri-entrepreneurs through skill development and financial support. It will support incubatees, incubation centers, KVKs, awards etc. These funds will be with Central Govt. (DAC&FW) including 2% of administrative costs at the Centre. **In case the funds are not utilized, they will be diverted to regular RKVY and sub-schemes.**

4.2 A. Regular RKVY-RAFTAAR (Infrastructure / Assets): Of the 70% outlay under this headStates can utilize 20% of regular RKVY budget under this stream to establish pre-harvest infrastructure and utilize 30% budget to establish post-harvest infrastructure (indicative) in agriculture and allied sectors (total 50% of 70%). However, States are free to choose projectsbased on necessity at ground level. Projects under this stream will emanate from State Agriculture Infrastructure Development Programme (SAIDP) that states should prepare for the remaining period of the 14thFinance Commission.The details of activities that can be undertaken under this stream are given at **Appendix B**. While a number of infrastructure items are covered under Rural Infrastructure Development Fund (RIDF) and Viability Gap Funding (VGF) of the Ministry of Finance, RKVY funds should supplement those sources and not replace them. In any case, quantum of assistance under RKVY should not exceed assistance under VGF. Recurring expenditure to the extent of human resources requirement on contractual basis and chemical components to run the testing labs will be allowed for three years subject to the condition that 2% administrative expenditure allowed under the scheme is exhausted beforehand. States need to provide justification for the same.

4.2 B Regular RKVY-RAFTAAR - Value addition linked production projects (agribusiness models) that provide assured/ additional income to farmers: Under this component i.e. 30% (of 70%) states can take up value added agribusiness projects that take care from production to marketing of any agriculture /allied sector activities that specifies end to end processes i.e. farm to markets with assured and additional income to the farmers. For example in rain fed areas where millets are the main crop, States can devise a model where farmers groups (Farmer Producer Organizations-FPOs) can be encouraged to grow millets under crop development scheme, Millets Development Directorate of Indian Council of Agriculture Research (ICAR) can provide technology for value addition (breakfast cereal, biscuits, noodles, pasta, rawa making machines etc) to the millet growers and companies like Britannia and ITC/ private individual entrepreneurs can be roped in for marketing of the value added products. The guidelines of Private Public Partnership for Integrated Agriculture Development (PPP-IAD) provided **(Appendix-C)** under RKVY-RAFTAAR can be followed by states for developing these kind of projects that ensure definite additional income to farmers. States can consider the value chain models developed by the Indian Council of Agriculture Research (ICAR) under National Innovation Agriculture Projects (NIAP) for developing projects under this component. States can also dovetail schemes in value chain development. For example, production of cereals/ coarse cereals & millets/ horticulture crops could be encouraged under production oriented schemes like National Food Security Mission, Mission for Integrated Development of Horticulture etc. and the value addition, marketing component can be proposed under RKVY-RAFTAAR. Similar kind of dovetailing is suggested for other sector such as animal husbandry, fisheries, dairy, sericulture etc.

4.2 C Regular RKVY-RAFTAAR-flexi funds: States are free to utilize these funds i.e.20% (of 70%)as per their local needs preferably for innovative activities in agriculture and allied sectors. An illustrative list regarding activities which may be taken up under production component of this stream is given at **Appendix- D**.

4.3 RKVY-RAFTAAR (Special Sub-Schemes): This will comprise of sub-schemes based on national priorities as notified by the Govt. of India from time to time. The inter-se allocation of funds across various components should suitably incentivize micro irrigation, post-harvest management and immediate attention to districts which are prone to drought and are predominantly rainfed. States that are moving towards liberalization and market reforms in agriculture including the adoption of the model APML Act, 2017 as well as removal of felling and transit restriction in agro forestry may be incentivized by giving priority to proposals from such States. In the event of Government of India not declaring any special sub-scheme in a year (or not continuing sub-schemes of previous years) or the aggregate amount earmarked for such special sub-schemes falling short of 20% of the RKVY-RAFTAAR budgetary allocation for the year, the remaining amount will be allocated to regular RKVY funds.

4.4 Innovation and agri-entrepreneur development:

1) This fund will be utilized for creating end to end solution for agri-entrepreneurs through skill development and financial support for setting up agri-enterprises. The activities of the cell can be specified as follows:

- Support public/ private incubation centers - for infrastructure, mentoring of agri-entrepreneurs
- Support to public/private institutions (state, national, international) KVKs involved in agribusinesses training and skill development
- Financial support to incubatees / individual youth / farmers/ FPOs with innovative ideas for setting up of agri businesses that will benefit farmers-empowerment of small and medium Agri entrepreneurs
- Awards to entrepreneurs, holding competitions etc.

4.5 Details of the innovation model along with its guidelines shall be issued separately. Administrative costs to the tune of 2% will be utilized for UTs budget, engagement of consultants, monitoring & evaluation activities, publicity activities, conducting studies. The amount will also be used for Information EducationCommunication (IEC) on various agri schemes for the benefit of farmers towards improvement of their production and income by States and the Government of India.

4.6 Promotion of Farmer Producer Organizations (FPOs) under RKVY RAFTAAR:

(i) Guidelines: SFAC has been mandated by DAC & FW, Ministry of Agriculture & Farmers Welfare to support the State Governments in the promotion of FPOs.Guidelines for FPOs are placed on the website of RKVY and may be utilized to promote FPOs under all streams of RKVY-RAFTAAR.

(ii) Formation: Formation of FPOs has been supported through the scheme "Vegetable Initiative for Urban Clusters (VIUC)" and Integrated Development of 60,000 Pulse Villages in Rainfed areas, whereby FPO projects has been taken up by some State Governments under general RKVY funds. Funds for formation and strengthening of FPOs&projects under FPOs may be taken up under RKVY –RAFTAAR for the period 2017-18 to 2019-20.However, no duplication with other schemes should be made.

(iii)Subsidy: Subsidy pattern for FPOs should be as per the existing schemes and their norms.

(iv)To enhance the farmer's income, the FPOshaving 500 or above number of farmers maybe supported under RKVY-RAFTAAR. Further, FPOs may also be promoted in the less populated areas/districts of the State.

4.7 Cost Norm & Pattern of Assistance:

Activities/components proposed under RKVY-RAFTAAR especially under Infrastructure & Assetsstream are generally covered under various ongoing schemes/programmes of Central Government viz. Deptt. of Agriculture, Cooperation& Farmers Welfare, Deptt. of Animal Husbandry, Dairying & Fisheries, Deptt. of Land Resources, Ministry of Water Resources, Ministry of Food Processing Industries, Ministry of New & Renewable Energy, Ministry of Rural Development etc. Technical requirements / standards and financial norms (cost norms and pattern of assistance) etc. for these activities/components that have been specified in various schemes/programmes will also be applicable for RKVY-RAFTAAR. In the absence of such criterion in respect of any component in Central Plan Scheme, norms and conditions prescribed by respective State Governments for their schemes may be applied. In cases where no Central / State Govt. norms are available, a certificate of reasonableness of the proposed project cost along with reasons thereof will invariably be given by State Level Project Screening Committee (SLPSC) in each such case. For infrastructure and assets projects, 100% assistance is provided if these are in public sector as also in the PPP mode. Otherwise for private sector infrastructure projects, the assistance is 50%. For production oriented components (either under value addition linked production or flexi funds), the assistance will continue to be 25% of the project cost under RKVY-RAFTAAR. Statesmay refrain from undertaking activities/ components as illustrated in **Appendix- E.**

4.8 District Agriculture Plans and State Agriculture Plans(DAP/SAP): Several States/UTs have already prepared comprehensive district and State agriculture plans for XII Plan, which should be revised and updated appropriately for implementing RKVY-RAFTAAR during currency of Fourteenth Finance Commission keeping in view modification proposed for the plan period and emerging needs of the State. DAP shall not be the usual aggregation of existing schemes but would aim at moving towards projecting the requirements for development of Agriculture and allied sectors of the district. These plans will present the vision for Agriculture and allied sectors within the overall development perspective of the district. DAP's would also present their financial requirements in addition to sources of financing the agriculture development plans in a comprehensive way. DAP will include animal husbandry and fishery development, minor irrigation projects, rural development works, agricultural marketing schemes and etc. keeping in view the natural resources and technological possibilities in each district. District level potential linked credit plans (PLP) already prepared by the National Bank for Agriculture and Rural Development (NABARD) and Strategic Research and Extension Plans (SREP) developed under the Agricultural Technology Management Agency (ATMA) etc. may be referred for revision of DAPs. It should also be ensured that the strategies for convergences with other programmes as well as the role assigned to the Panchayati Raj Institutions (PRIs) areappropriately incorporated in DAPs. States may also engage consultants/consulting agencies to revise / update DAPs and SAP.

4.9 Each State will also have a comprehensive State Agricultural Plan (SAP) for the remaining period of the Fourteenth Finance Commission by integrating the District Plans. SAPswill invariablyhave to indicate resources that can flow from the State to the districts.

4.10 Several States/UTs have already prepared comprehensive district and State agriculture plans for XI&XII Plans, which should be revised and updated appropriately for implementing RKVY-RAFTAAR during 2017-18 to 2019-20 keeping in view modification proposed for the period and emerging needs of the State.

4.11 Revision and updating of SAPs could be a two-way process. Firstly, State nodal department (or Agriculture Department) could get DAPs revised in the first instance to ensure that priorities of the State are properly covered in the district plans. States should, at this stage of scrutiny, ensure that requirements of districts and priorities of the State are appropriately captured and aligned in DAPs. Alternately, State Nodal Agency could communicate to the districts in the first instance, the State's priorities that ought to be reflected in the respective district plans and the districts may incorporate these in their updated district plans.

4.12 Preparation/revision of the DAPs is an elaborate, exhaustive and iterative process and care needs be taken by the State nodal department and district agriculture department in ensuring that these plans cover the entire gamut of agriculture & allied sectors.

4.13 State Agriculture Infrastructure Development Programme (SAIDP): Each State will be required to prepare a SAIDP in a manner similar to that of DAPs and SAPs for identifying a shelf of projects for RKVY-RAFTAAR (Infrastructure & Assets) stream. SAIDP should ideally be a consolidation of requirement of infrastructure identified in DAPs and SAP.

4.14 State Planning Department will provide revised/updated SAP and SAIDP to Department of Agriculture (DAC) and NitiAayogas a part of the State's annual State Plan exercise.

5. Project Screening and Approval Committees:

5.1 State Level Project Screening Committee (SLPSC): AState Level Project Screening Committee (SLPSC) will be constituted by each State for screening RKVY-RAFTAAR project proposals, which will be headed by the Agriculture Production Commissioner or any other officer nominated by the Chief Secretary. Other members of the SLPSC would be decided by the State Chief Secretary. SLPSC will screen all project proposals for ensuring conformity with RKVY-RAFTAAR guidelines and that they flow from SAP/DAP/ SAIDP besides being consistent with technical requirements / standards and financial norms (cost norms and pattern of assistance) etc. in respect of components that have been specified in relevant Central Government/State Government schemes.

5.2 SLPSC will also screen all Detailed Project Reports (DPRs) prepared by various departments for their suitability, linkage to SAP,DAP and SAIDP and its adherence to the RKVY-RAFTAAR guidelines. Before recommending projects to SLSC, SLPSC will further examine and ensure that –

- Funds available under other schemes of the State Government and / or Government of India for the proposed projects have been accessed and utilized before projects are brought under the RKVY-RAFTAAR umbrella;
- RKVY-RAFTAAR projects/activities should not create any duplication or overlapping of assistance /area coverage vis-à-vis other schemes/programmes of State/Central Government;
- RKVY-RAFTAAR funds are not being proposed as additional or 'top-up' subsidy to other ongoing schemes/programmes of State/Central Government;
- At least 25% of the total value of projects have emanated from Comprehensive District Agriculture Plan (CDAP) and have been approved by the District level Panchayati Raj Institutions (PRIs) so that field level gaps are correctly addressed;
- State Agriculture Infrastructure Development Programme (SAIDP) has been prepared; detailed project reports (DPRs) include provision for monitoring and evaluation;
- For research projects proposed under RKVY-RAFTAAR, clearance of Indian Council of Agriculture Research (ICAR) has been obtained; for animal husbandry projects Department of Animal Husbandry, Dairying & Fisheries, has agreed;
- Convergence with other State/Central Schemes has been attempted;
- Recommended projects ensure adequate allocation to allied sectors including Farmer Producer Organizations (FPO) and projects on PPP mode should also be promoted and established.

5.3 State Level Sanctioning Committee (SLSC): A State Level Sanctioning Committee (SLSC) headed by the Chief Secretary of the State is vested with the authority to sanction specific projects recommended by the SLPSC under each stream of RKVY-RAFTAAR in a meeting attended by representatives of the Government of India also. SLSC will comprise of all Departmental Heads, Directors of concerned Directorates, State Agriculture University (SAU), with Secretary (Agriculture) as the Member Secretary and representatives of NITI Aayog, Department of Agriculture, Cooperation & Farmers Welfare, Department of Animal Husbandry, Dairying & Fisheries, etc. The composition of SLSC is at **Appendix-**

G. The quorum for SLSC meetings would not be complete without the presence of at least one representative from the Government of India. SLSC will normally approve projects equal to the amount of allocationof the State under RKVY-RAFTAAR. Under no circumstance, will SLSC approve projects for more than 150% of the allocation of the Stateunder RKVY-RAFTAAR for funding in a year (also taking into account cost to be incurred in the year concerned for multi-year infrastructure projects). In case projects with outlay higher than the allocation of the State are approved by SLSC, priority will be indicated in the Minutes of the SLSC meeting *inter-alia* specifying costs and physical & financial targets that will be taken up for implementation during the year limited to the ceiling of total allocation of funds to the State for the year. In case of projects having implementation period spanning more than one financial year, year-wise phasing of expenditure and targets/milestones to be achieved will be specifically mentioned in the minutes of the SLSC meetings. A summary of projects approved by SLSC should be given by the State in the format as at **Appendix-I**

5.4 SLSC will also be responsible for proper implementation and monitoring of each project sanctioned by it under each stream of RKVY-RAFTAAR; Reviewing implementation of the schemes' objectives and ensure that the projects/schemes are implemented in accordance with the guidelines laid down; Ensuring that no duplication of efforts or resources takes place; Initiating evaluation studies from time to time, as may be required. It will also be the responsibility of SLSC to ensure that all extant procedures and instructions of the Government of India besides the RKVY-RAFTAAR scheme guidelines are followed so that the expenditure incurred on implementation of the projects is the barest minimum with due concern for economy in expenditure and also in conformity with the canons of financial propriety, transparency and probity.

5.5 It will also be the responsibility of SLSC to ensure that while selecting beneficiaries under any project of RKVY-RAFTAAR, adequate coverage of small and marginal farmers, Scheduled Castes, Scheduled Tribes and women and other weaker segments of society is ensured so that the benefits of implementation of a particular project or the scheme as a whole accrue to the intended beneficiaries in accordance with guidelines and policies of the Government. Since the Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) have been included from 2017-

18, States are mandated to ensure that benefits of the scheme go to the intended beneficiaries. In addition, SLSC shall also ensure that Farmer Producer Organizations (FPO) are given desirable support in RKVY projects. SLSC shall meet as often as required but shall meet at least once in a quarter.

6 Preparation & Sanctioning of Projects:

6.1 Detailed Project Reports (DPRs): RKVY-RAFTAAR is a project-based scheme. Thus, Detailed Project Reports (DPRs) shall have to be prepared in the format provided to the states**(Appendix-F)** for each of the RKVY projects incorporating all essential details i.e. feasibility studies, competencies of the implementing agencies, anticipated benefits (outputs/outcomes) that will flow to the farmers/ State, definite time-lines for implementation etc. In case of large projects costing more than Rs. 25 crore**,** DPRs should be subjected to third party 'techno-financial evaluation' and circulated well in advance to concerned Central Ministries for obtaining comments/observations.

6.2 DPRs for all projects relating to agriculture, animal husbandry, dairying and fisheries etc., should certify that there would be no duplication of funding and/or taking up similar activities as in other Plan schemes of Central/State Government. DPRs should clearly indicate the year-wise physical & financial targets proposed under each project. It will be permissible for the States to initiate specific projects with definite time-lines, and clear objectives for Agriculture and allied sectors excluding forestry and wild life, and plantations (i.e., Coffee, Tea and Rubber). Farmer-centric activities in the forestry sector may be taken up after the consent of thecentre.

6.3 Agriculture Department, the Nodal Department at the State level will place RKVY-RAFTAAR project proposals before the State Level Project Screening Committee (SLPSC) which shall, after due consideration, place appropriate and adequately scrutinized project proposals before the State Level Sanctioning Committee (SLSC) for approval.

7. Planning & Implementation of RKVY-RAFTAAR: Agriculture Department of the State shall be the nodal department for the implementation of the scheme. For administrative convenience and ease of implementation, State governments may identify, or create an exclusive agency for implementing the scheme on a fast-track basis. Even where such an Agency is created/designated, the entire responsibility of ensuring proper implementation of RKVY-RAFTAAR rests with the Agriculture Department of the State. In a situation where the

States notify a Nodal agency, the costs of running the agency, will have to be met from within the 2% limit of allocation under RKVY-RAFTAAR (excluding special schemes) States may supplement any administrative expenditure in excess of the 2% limit, from their own resources.

7.1 The Agriculture Department/nodal agency will be responsible for the following:-

- Preparing State Agriculture Plan (SAP) & State Agriculture Infrastructure Development Programme (SAIDP) and ensuring the preparation of the District Agriculture Plans (DAPs).
- Effective coordination preparation and appraisal of projects, implementing, monitoring, and evaluation with various Departments and implementing Agencies.
- Management of funds received from the Central, and State Governments and disbursement of the funds to the implementing agencies.
- Furnishing of utilization certificates and quarterly physical & financial progress reports to the Department of Agriculture, Cooperation & Farmers Welfare. Effectively utilizing and regularly updating web enabled IT based RKVY Management Information System (RKVY-MIS).

7.2 The State Level Nodal Agency will forward SLSC meeting notice along with agenda and project details to Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) so as to reach at least 20 days prior to the meeting of SLSC to enable Government of India's representatives to prepare in advance and to participate meaningfully in the SLSC meeting. Once the agenda is received in DAC&FW, states need to present the project proposals in the meeting conducted by DAC&FW for finalization of comments prior to SLSC. During SLSC meeting, the Chairman should take the comments of DAC&FW into consideration before approving/modifying/ rejecting projects. Once the projects are sanctioned by SLSC, DAC&FW will release funds to the State Government only. As envisaged in National Policy for Farmers (2007) (para 11-viii), Panchayati Raj Institutions (PRI) should be actively involved in implementation of RKVY especially in selection of beneficiaries, conducting social audit etc.Recommended activity mapping for effective devolution of funds, functions and functionaries to Panchayati Raj Institutions (PRIs) is at **Appendix- J.**

8. Release of Funds: 50% of the RKVY-RAFTAAR annual allocation will be released as first installment to the State, upon the receipt of the minutes of SLSC approving implementation of new projects and/or continuation of ongoing projects during the current financial year along with lists of projects approved and their entry in RKVY Database (RDMIS). In case, total cost of approved projects is less than the annual outlay, funds to the tune of 50% of approved project cost will be released. Release of the second and final installment of 50% would be considered on fulfillment of the following conditions:

a) *100% Utilization Certificates (UCs) for the funds released upto the previous financial year;*
b) *Expenditure of at least 60% of funds released in the first installment during the current year; and*
c) *Submission of performance report in terms of physical and financial achievements as well as outcomes, on a quarterly basis, within the stipulated time frame in the specified format. Entry of physical & financial progress in RDMIS*is also a must.

If a State fails to submit these documents within a reasonable period of time, the balance funds may be re-allocated to better performing States. The Nodal Agency shall ensure that Project-wise accounts are maintained by the Implementing Agencies and are subjected to the normal process of Statutory Audit. Likewise, an inventory of the assets created under RKVY-RAFTAAR Projects should be carefully maintained and assets that are no longer required should be transferred to the Nodal Department, for its use and redeployment where possible. Central assistance will be released as per the approved mechanism of the Ministry of Finance. Nodal Agency/Department should ensure that the Central Assistance released under the Scheme is utilized in accordance with the approved State and District Plans. Since the amounts of the second and final installment of the allocation will depend upon the progress of utilization of funds, States should ensure that funds released are utilized promptly and properly and progress reports are sent to DAC&FW at the earliest. Non-utilization of central assistance will hinder further release of funds. The format for Utilization Certificate is at **Appendix- H.**

9. Administrative Expenses & Contingencies: TheState is permitted to use upto 2% of its total RKVY-RAFTAAR funds (excluding funds allocated under RKVY sub-schemes) for incurring administrative expenditure that includes payment to consultants, recurring expenses of various kinds, staff costs, etc. However, no permanent employment can be created nor can vehicles be purchased. DAC&FW may retain a proportion of 2% of the RKVY-RAFTAAR funds (including RKVY sub-schemes) at the Central level for releasing grants in aid to UTs, engagement of consultants, monitoring and evaluation activities, publicity, conducting studies and Information Education Communication on various schemes. The Nodal Agency is authorized to hire consultants/consulting agencies to prepare DPRs and up to 5% of the funds in the stream can be utilized for the preparation of DPRs.

10. Timelines: As far as possible, the following timelines shall be adhered to by the Centre and States.

- Project Screening By SLPSC – December
- SLSC Agenda to be sent to RKVY Division in DAC&FW- 1st Week of January
- A meeting in DAC&FW prior to SLSC meeting to discuss Agenda/project proposal of Individual States - January and February
- Intimation of Ministry's Comments To States –February
- SLSC Meeting- First Week of March
- SLSC Minutes to RKVY Division- Last Week of March
- 1st instalment Releases- April-May
- UCs, progress report submission, MIS updation- end of September-October
- 2nd instalment release- October onwards.

11. Monitoring & Evaluation:

a. RKVY-Management Information System (RKVY-MIS): DAC&FW has put in place a web-based Management Information System (MIS) for RKVY to collect essential information related to each project. States will be responsible for timely submission/updating project data online in the system (preferably on a fortnightly basis), which has been designed to provide current and authenticated data on outputs, outcome and contribution of RKVY projects in the public domain (http://www.rkvy.nic.in). As RKVY-MIS report shall be the basis of 'on-line monitoring' and judging 'Inter-State performance', States may establish a dedicated RKVY-MIS cell for this purpose.

b. Geotagging of assets initiated in 2016-17 is to be continued and states should geotag assets at the beginning, middle and completion of the asset creation. Twenty five percent (25%) of the projects sanctioned by the State each year under regular RKVY-RAFTAAR and its Sub-schemes shall have to be compulsorily taken up for third party monitoring and evaluation by the implementing States. Action plan for monitoring and evaluation will be decided by the SLSC every year in its first meeting based on project cost, importance of the project etc. preferably covering all sectors. The State Government will be free to choose any reputed agencies for conducting the monitoring and evaluation work in their States. Requisite fees/cost towards monitoring & evaluation will be met by the State Government from the 2% allocation retained by them for administrative expenses. At Government of India Level, Department of Agriculture, Cooperation & Farmers Welfare will conduct concurrent evaluation, mid-term and end-term evaluation of the scheme by a suitable 3rd party. The performance of the States will be reflected in the Outcome Budget document of this Ministry. Provision for Project Management teams consisting of consultants, technical assistants at the centre, state and district levels for monitoring of projects can be done from 2% RKVY-RAFTAAR administrative expenses funds.

12. Convergence: Since RKVY-RAFTAAR is mandated to fill the gaps wherever existing in the field, it is essential to encourage convergence with schemes like Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Swarnajayanti Gram SwarojgarYojana (SGSY) and Backward Regions Grant Fund (BRGF). States shall also ensure convergence with other Central Schemes of Ministry of Agriculture & Farmers Welfare (e.g. Department of Agriculture, Cooperation & Farmers Welfare and Department of Animal Husbandry, Dairying and Fisheries & Department of Agriculture Research & Education) and other relevant Ministries/Departments viz., Ministry of Food Processing Industries, Ministry of New and Renewable Energy, Department of Land Resources, Ministry of Rural Development, Ministry of Water Resources etc. Ministry of Panchayati Raj shall also be appropriately consulted for ensuring that local/Panchayat level requirements are adequately addressed in District Development Plans.

13. Changes in the RKVY-RAFTAAR: Department of Agriculture, Cooperation& Farmers Welfare, Ministry of Agriculture& Farmers Welfare, Govt. of India may effect changes in the RKVY-RAFTAAR guidelines, other than those affecting the financing pattern as the scheme evolves, whenever such changes are considered necessary.

14. These guidelines are applicable to all the States and Union Territories.

Appendix –A

Inter State Allocation of the funds under RKVY-RAFTAAR

Inter-State allocation of RKVY-RAFTAAR funds will be based on the following parameters and weights:

Sl. No.	Criteria/Parameters	Weightage
1	*Percentage share of net un-irrigated area in a State to the net un-irrigated area of all States.*	**15%**
2	*Percentage of small and marginal farmers in the state compared to total number of small and marginal farmers in the country.*	***20%***
3	*Moving averages of the increase in plan expenditure in agriculture & allied sectors including animal husbandry, fisheries etc. in the previous 3 year period.*	***30%***
4	*Average Gross State Value Added (GSVA) in agriculture and allied sectors in the last 3 years.*	***20%***
5	*Percentage of youth population in the state compared to total youth in the country.*	***5%***
6	*Inverse of Yield gap between state average yield and potential yields as indicated in the frontline demonstration data.*	***10%***

2.0 Ministry of Agriculture & Farmers Welfare could modify above criteria/weights depending upon new parameters becoming relevant in future.

3.0 Expenditure which should be excluded for the purpose of parameter No. 3 concerning expenditure on agriculture and allied sectors are:

(a) Expenditure on output subsidies such as that relating to food subsidy, subsidy for procurement of milk, bonus on procurement of food grains and other crops, etc.;

(b) *Expenditure on Civil Supplies and Public Distribution System. However, expenditure on creation of storage and warehouse for agriculture purposes will be considered for the purpose of Parameter 3;*
(c) *Expenditure on interest subvention, electricity or diesel subsidy etc.;*
(d) *Debt relief or other one time relief to farmers;*
(e) *Irrigation except as included in para-4 c below.*

4.0 Certain expenditure which is directly related to the development of agriculture sectors may be allowed in the expenditure on agriculture and allied sectors for the purpose of Parameter 3;

a) *Expenditure on watershed development including State's share on Integrated Watershed Management Programme (IWMP);*
b) *Plan and non-plan expenditure on agriculture and allied sectors;*
c) *Plan expenditure on Minor Irrigation & Command Area Development; and*
d) *Expenditure incurred on agriculture and allied sectors out of the funds devolved for the decentralized district planning units or to the autonomous regional/sub-regional development councils set by the States such as Bodoland Territorial Council, etc.*

Appendix-B

Illustrative List of Projects that can be funded under RKVY-RAFTAAR (Infrastructure & Assets)

Sl. No	SECTOR	DESCRIPTION OF INFRASTRUCTURE
1.	Horticulture	Nurseries
		Tissue Culture Labs/Units
		Creation of water resources (Community tanks/Farm ponds/on farm water resources with plastic/RCC lining/water storage structures)
		Creation of value resources and protected cultivation (Green House/ Poly House/Shade Net House infrastructures)
		Sanitary and phyto sanitary infrastructure
		INM/IPM infrastructure such as Disease Forecasting Units, Plant Health Clinics, Leaf/Tissue Analysis labs, Bio-control laboratories
		Certification of Gap (Good Agricultural Practices) including infrastructure
		Vermi compost units
		Controlled atmosphere storage, staging cold room
		Cold storage/pre cooling/refrigerated van, cold chain infrastructure
		Ripening/Curing chamber
		Evaporative/low energy cool chamber (8 MT)
		Primary/minimal processing units
		Terminal/wholesale/Rural market
		Functional infrastructure for collection, sorting, grading, packing etc.
		Preservation Units (low cost), Warehouse
		Low cost Onion/Garlic storage, Pusa zero energy cool chamber
		Horticulture mechanization (Tractor & Power tillers are not allowed)
		Marketing infrastructure for horticulture produce
		Pack house, Reefer Vans
		Infrastructure related to Horticulture produce processing as per Ministry of Food Processing Industries (MoFPI) guidelines.
2.	Natural Resources Management	Soil & Water conservation activities (Terracing, Gully Control Measures, Spill Ways, Check Dams, Spurs, Diversion Drains, Protection Walls etc.)
		Reclamation of problem Soils (Acid/Alkali/Saline/Ravine/Water logged.
3.	Pest Management & Pesticide quality control	Labs for production of bio-control agents
		State Pesticide Residue Testing Labs
		State Pesticide Testing Labs
		Bio-Pesticide Testing Labs
		Seed Treatment drums & chemicals
4.	Soil Nutrient Management	Setting up of new soil testing laboratories.
		Strengthening of existing soil test laboratories with micro-nutrient testing facilities.

	Fertilizers	Setting up of new fertilizer Quality control Laboratories (FQCLs).
		Strengthening of existing FQCLs.
	Bio Fertilizers/Organic Farming	Setting up of State of art liquid/carrier based Bio fertilizer/Bio pesticide units;
		Setting up of Bio-fertilizers & Organic Fertilizer Quality Control labs (BOQCL)
		Strengthening of BOQCL.
		Setting up of mechanized Fruit/Vegetable market waste/Agro waste compost production unit. Setting up of Input production unit.
		Promotion of Organic Inputs on farmer's field (Manure, Vermi- compost, Bio- fertilizers, Liquid/Solid, Waste Compost, Harbal extracts etc).
	Integrated Manure Management	Liquid Bio-fertilizer consortia (Nitrogen fixing/phosphate solubilizing/potassium mobilizing bio- fertilizer).
		Liquid Bio-pesticides (Tricghodermaviridae, Pseudomonas, Fluorescence, Matarhizium, Beaviouriebassiana, Pacelomyces, verticillium).
		Phopphate Rich Organic Manure (PROM).
		Vermi- compost
5.	Animal Husbandry	Semen collection and Artificial Insemination(AI) Units/Production Center
		Breeding farms
		Dispensaries/Hospitals for treatment of Animals
		Vaccine Production Unit
		Diagnosis Labs, including Mobile Units
		Animal Ambulance
		Cold Chain for storing and transportation of frozen Semen
		Tractor fitted with Fodder Block Machine
		Carcass rendering Plant to collect the fallen animals for processing/utilization in scientific manner
		Modernization of animal slaughter houses* and markets for livestock /livestock products
		Establish/Strengthening of Cold Chain Infrastructure for storage of Veterinary Biological.
		Establishment/Strengthening of Check post/Quarantine camps for restriction of animal movement, strengthening of animal disease reporting system.
	Dairy	Milk Collection Centers and Infrastructure :
		Purchase of milking machines (single/double bucket)
		Setting up of milk chilling/bulk milk cooling centres (BMC) along with automatic milk collection units (AMC)
		Setting up/modernization/strengthening of milk processing units

		Strengthening /expansion of cold storage facility for milk and milk product
		Purchase of insulated/refrigerated transport vehicles
		Setting up of milk parlor/milk booth
		Strengthening of lab facility in milk chilling/milk processing unit
		Establishment of cattle feed storage godown
		Establishment/strengthening of cattle feed plant
		Establishment of cattle shed for milch animals
		Setting /strengthening of ETP at milk chilling/milk processing unit
	Fisheries	Fish Ponds/Reservoirs
		Fish seed Hatcheries
		Marketing infrastructure
		Mobile Transport/Refrigerated vans
		Cold Storage & Ice Plants
6.	Marketing and Post-Harvest	Fruits & Vegetable Markets/Distribution Centres
		Market Infrastructural Facilities, including Agricultural Produce Market Committees (APMC)
		Construction of Specialized Storage Facilities like Onion Storage Godowns
		Electronic Trading including Spot and Futures Markets and E-auctioning
		Farmers Service Centres
		Food Grain Procurement Centres
		E-KisanBhawans / Internet Kiosks
		Grading including grading line
		Quality Control
		Packing
7.	Seeds	Seed Testing Labs
		Seed Processing Facilities
		Seed Storage Godowns including Dehumidified Refrigerated Seed Storage Godowns
		Seed Certification Agencies and Certification Infrastructure
		Seed Multiplication Farms
8.	Agriculture Mechanization	Custom Hiring Centers for Agricultural Equipment
		Agriculture Machines Testing Centers
		Establishment of Hi-tech hubs for Custom Hiring.
		Establishment of Post-Harvest Technology Units for Primary Processing and Value Addition.
		Use of Solar Energy in Agriculture i.e. Solar pump sets, Solar dryers, solar energy in green house etc.
		Development of Modern Farms of agricultural mechanization at Govt./SAUs level for demonstration
		Training, Demonstration, Distribution of agricultural machinery and

		establishment of custom hiring centers for Straw Management.
9.	Agricultural Extension	Kisan Call Centres
		ATMA Infrastructure at State, District and Block level as per following details: 1. State Level: Support for creating essential infrastructure at State Agriculture Management Extension Training Institutes (SAMETIs). 2. District level: Support for creating separate building for District ATMA to operate extension related activities within the district effectively. 3. Block level: Support for creating essential infrastructure for the Block ATMA cell for convening regular meetings of BTT, BFAC and offices for BTMs/ATMs.
		Knowledge / Technology Resource Centres
		Community Radio Station (CRS)
		SAMETI Infrastructure
		Skill Development in Agriculture: Organization of National Skills Qualifications Framework (NSQF) compliance Skill Development courses developed by Agriculture Skill Council of India (ASCI), of minimum 200 hrs duration for fresh entrant, Reskilling courses and assessment of candidates through Recognition of Prior Learning (RPL) process prescribed by Ministry of Skill Development & Entrepreneurship (MSDE) / ASCI for the farmers, farm women, Rural youth. These courses are to be organized by institutes of DAC & FW, DAHD & F, ICAR institutes, SAUs, KVKs and SAMETIs and institutes under State Agriculture & allied Departments. Funding for organization of Skill Development workshops, bringing out of short films/ media publicity for promotion of skill development, carrying out of skill gap analysis study, impact analysis study and handholding support etc.
10.	Credit & Cooperation	Use of Aerial Vehicle (UAV/DRONE) for assessment of cropped area, crop losses, crop health monitoring etc.
		Set up and maintenance of Automatic Weather Stations (AWSs)/ Automatic Rain Guage Stations (ARGs) for PradhanMantriFasalBimaYojana (PMFBY)/Restructured Weather Based Crop Insurance Scheme (RWBCIS).
11.	Agriculture Research	Research Infrastructure
		Strengthening of KrishiVigyanKendras (KVKs)
12.	Minor / Micro Irrigation	Shallow Wells & Dug Wells
		Tube Wells ***(except in dark/grey /critical zone identified by Central Ground Water Board)***
		Percolation & Minor Irrigation Tanks
		Farm Ponds
		Field channel
		Piped Water Conveyance System
13.	Fodder & Feed	Infrastructure for sapling / slice of Fodder yielding plants / grasses.

		Strengthening & Development of Infrastructure of State/ Milk Federation/ SAUs/ Veterinary University Farms for fodder seeds & fodder production, training & demonstration
		Infrastructure for Fodder Demonstrations for Livestock based farming system approach
		Establishment of Silage making units
		Fodder Blocks making unit with Fortified Maize Stovers/ paddy straw
		Bailing machines for harvested crops / plant residues
		Hand driven chaff cutters
		Power/diesel/solar driven chaff cutters
		Strengthening & Development of Infrastructure of State / Milk Federation/ SAUs/ Veterinary University Farms for fodder seeds & fodder production, training & demonstration
		Infrastructure for Azolla production
		Setting up of Fodder Banks/ depots and silos
		Rejuvenation for Forage production from Wasteland/ Gauchar/ Rangeland/ grassland / non-arable land / Rivers basin, drainage line, degraded mining land, watershed catchments area / canal embankments / Forest fringe involving NGOs/ private players/Sheep /Goat Societies
		Infrastructure for hydroponic fodder as commercial activity
		By –Pass Protein Production Unit
		Setting up of high capacity Fodder Block Making & enrichment units, tractor mountable Fodder Block Making units/ Hey Bailing Machine/ Straw Reaper/ Forage Harvester Reaper.
		Infrastructure for area specific mineral mixture plants/units
		Feed making and processing units
		Feed pelleting units,
		Infrastructure for establishment modernization of Feed testing laborator
		Modernization of feed making and processing units.

*Extant norms of Ministry of Food Processing Industries, Govt. of India / Dept. of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, Govt. of India will apply.

Note:

1. The above illustrative list of projects isindicative and not exhaustive.
2. Food processing units, especially those industries which get assistance under various schemes of the MoFPI, should not be eligible for assistance under RKVY.
3. State specific research projects through SAUs/ICARs in any area of agriculture and allied sectors may be undertaken under Production Growth stream only.
4. Infrastructure and Assets stream emphasizes promoting group approach for subsidies. Accordingly, level of subsidies in the case of unspecified projects should be kept to the minimum for higher coverage of beneficiaries/ areas.
5. State should form of stakeholders' groups/organizations involving them in planning, execution and future maintenance of the created assets.

Appendix-C

Framework for supporting Public Private Partnership for Integrated Agriculture Development (PPPIAD) under RKVY-RAFTAAR

A Scheme for facilitating large scale integrated projects, led by private sector players in the agriculture and allied sectors, with a view to aggregating farmers, providing additional income to farmers and integrating the agricultural supply chain, with financial assistance through RKVY-RAFTAAR under the direct supervision of State Governments, supported by National Level Agencies.

Background and Rationale

The agricultural produce landscape in India is undergoing significant and rapid change. This is primarily led by changing consumer demand preferences, as rising incomes rearrange the contents of the household food basket in both urban and rural India. Concern for food safety, traceability and assured year-round availability of quality agri produce at reasonable prices are demands which have emerged at the top of the supply chain. Organized retail is doubling its share every three years or so and is likely to play an increasingly important role in influencing the nature of agricultural markets in the coming decade. Traditional production and supply arrangements are unlikely to prove adequate in meeting the challenges posed by these two major developments.

Agriculture GDP is heavily weighted in favour of high value produce like horticulture, animal husbandry, dairy, poultry and fish products. Recent evidence suggests that this segment is increasingly favoured by small and marginal producers as it is labour intensive, offers quicker returns and can engage a higher proportion of women (especially dairy activities). Thus there appears to be immense potential to leverage high returns from non-cereal sub sectors, especially for small producers. This fits well with the vision of Hon'blePrime Minister for doubling of farmers' income by 2022.

However, several hurdles need to be overcome to reach these highly desirable goals. For one, 85% of operational land holdings in the country are now marginal or small and unless there is urgent intervention in aggregating producers through farmer's institutions, we are unlikely to achieve scale in production and leverage it to the advantage of all stakeholders, especially primary producers. The fragmented agricultural marketing value chain and the large number of intermediaries is another major constraint, leading to wastage, low returns to producers and volatility in availability and prices at the consumer end. Estimates of the wastage of perishable such as fruits and vegetables range from 18-40% but they are undeniably too high and penalize both producers and consumers. The example of AMUL in milk demonstrates the benefits of value chain integration in agricultural produce. Yet, an efficient supply chain for cereals, perishables and other high value agricultural produce is unlikely to materialize unless there is parallel investment in aggregating farmers and farm produce at the bottom end, and strong and direct linkages are created between producers and market players, both for retailing raw produce and processed food.

Finally, the growing demand for quality agricultural products creates an opportunity to reduce risk in agriculture through the integration of producers on the one hand and retailers and processors on the other. While production and price risks are the most obvious areas of attention, the potential to create partnerships between farmer's groups and market players also opens up better links with input suppliers, financial institutions and research bodies. This convergence can lead to better targeting of government expenditures on agricultural subsidies and achieve better outcomes for public policy. Overall, a collaborative effort between the government, farmers and corporates in agriculture is likely to raise the rate of agricultural GDP growth, thereby directly impacting rural poverty.

In the above scenario, RKVY-RAFTAAR is likely to be a major window of funding during the remaining period of Fourteenth Finance Commission (FFC) (2017-18 to 2019-20) to support integrated agriculture and allied sector projects. However, there were challenges of limitation of technical, administrative and financial capacity at the state level to absorb the growing level of funding support under RKVY. Project monitoring and assessing project outcomes were also areas requiring strengthening. PPPIAD was conceived of as an alternative mode of implementation under RKVY during 12th plan period, using the technical and managerial capabilities of the private sector in combination with public funding, to achieve integrated and sustainable outcomes, as also to achieve value chain integration and additional private investment in agriculture and is proposed to be implemented under RKVY-RAFTAAR during 2017-18 to 2019-20.

Main features of PPPIAD

- Corporates to propose integrated agricultural development projects across the spectrum of agriculture and allied sectors, taking responsibility for delivering all the interventions through a single window. Each project to target at least 500 and above number of farmers, spread over the project life.
- Complete flexibility in design, but ensuring an integrated value chain approach, covering all aspects from production to marketing. Projects can span 2-3 years.
- Average investment per farmer during project must be quantified, though an average of Rs. 1.00 lakh per farmer will be a desirable benchmark. Government support will be restricted to 50% of the overall per farmer investment proposed, with a ceiling of Rs. 50,000 per farmer through the project cycle. The remaining investment will be arranged by the corporate through institutional financing and its own and farmer contributions. All subsidies will be directly routed to farmers or reimbursed to project leaders after verification of asset distribution to farmers.
- Key interventions which must feature in each project are: a) mobilizing farmers into producer groups and registering them in an appropriate legal form or creating informal groups as may be appropriate to the area and Project (joint stock or producer companies, cooperatives, self-help group federations etc.); b) technology infusion; c) value addition; d) marketing solutions; e) project management.
- Financial assistance will be provided by State Governments directly to corporates through the RKVY-RAFTAAR window after the project has been approved by SLSC, subject to a ceiling of Rs. 50,000 per farmer or 50% of the proposed investment per farmer, whichever is lower. Subsidy to farmer for availing mechanization/grading/shade nets etc. could be considered separately as it is a large investment.
- Projects can also be proposed by corporates to State Governments through Small Farmers' Agri-business Consortium (SFAC). This institution has been designated as a National Level Agency for this purpose by Dept. of Agriculture and Cooperation& Farmers Welfare, Govt. of India. SFAC will act as a facilitator to link the project promoter to the concerned State Government. The role of SFAC will be to examine the proposal from a technical viewpoint and thereafter propose it for funding to the concerned State. SFAC will be restricted to being a support agency to facilitate the

process of technical appraisal, coordination and facilitation; it will not be involved in implementation directly or handling funds.

• An independent monitoring agency (like NABARD or other a suitably qualified consultancy firm with no conflict of interest with the particular project it is to monitor) will be appointed by the State Government to closely track the performance of the project and report to all relevant stakeholders in the State and Central government.

Coverage and Scope PPPIAD launched during the 12th Plan is being continued under RKVY-RAFTAAR for the remaining period of Fourteenth Finance Commission (FFC) (2017-18 to 2019-20), whereby State can take up value addition linked production projects that may take care from production to marketing of any agriculture & allied sector activities that specify end to end processes.

Objectives

Main objectives of scheme are:

Augmenting the current government efforts in agricultural development by leveraging the capabilities of the private sector by:

- Addressing all concerns related to production and post-harvest management in agriculture/horticulture and agriculture allied sectors.
- Enhancing production and productivity, improve nutritional security and income support to farmers.
- Promote, developing and disseminating technologies for enhancing production and productivity.
- Assisting states in addressing the entire value chain, right from the stage of pre-production to the consumers table through appropriate interventions.
- Creating employment generation opportunities for skilled and unskilled persons, especially unemployed youth.
- Improving value addition and ensuring farmer’s profitability increases.
- Making farming a viable business proposition.
- Improving the delivery and monitoring mechanism under RKVY-RAFTAAR funded projects.

Strategy

To achieve the above objectives, the scheme will adopt the following strategies:

- Companies to submit a Detailed Project Report (DPR), to States directly or SFAC for consideration of SLSC.
- Organize growers into Farmers Association/Groups in every project.
- Identify/select aggregators and enable tie-up with farmers/associations/groups.
- Coordinate with ICAR/SAUs/Private Sector to provide improved varieties of seeds/seedlings and to introduce innovative technologies as required.

- Addressing issues in the credit supply chain with support from NABARD.
- Measures for production and productivity enhancement by adopting improved cultivars, production technologies using precision farming techniques, protected cultivation, micro irrigation etc.
- Primary processing, sorting, grading, washing, packaging and value addition clusters.
- Logistics from farm to market including:
  - Post-Harvest Management, Storage and Transport infrastructure.
  - Aggregators for suitable tie ups in the supply-chain.
- Support to these groups to develop warehouses, cold chains, Controlled Atmosphere (CA).

Procedure for Approval and Implementation

Strategy and Roadmap

Companies will identify the regions and develop the project for integrated agriculture development. The strategy & road map formulated by companies should invariably contain information on geography & climate, potential of agriculture development, availability of land, SWOT analysis, and strategy for development and plan of action proposed to be taken to achieve goals in the identified region. The document should focus on adoption of cluster approach for production and linking with available infrastructure, or to be created, for post-harvest management, processing, marketing and export. Growers/farmers would also be entitled for assistance under all schemes of DAC& FW/other departments of Government of India so that these schemes can ensure appropriate synergy and convergence for maximum benefit in the field. Each DPR will also provide a Results Framework Document (RFD), giving clearly verifiable indicators for tracking the progress of the project during its life cycle.

Implementing Agencies

1. Small Farmers Agri-Business Consortium (SFAC).
2. State Government (Agriculture Department)/State level agencies.
3. Private sector partner.

Proposals can be either submitted directly to States or to SFAC at the national level. In either case, the NLA or State Government will examine the project proposal from the viewpoint of suitability to priorities and objectives of the State and the general framework of RKVY-RAFTAAR. If found suitable, the proposal will be forwarded to the SLSC chaired by Chief Secretary for consideration. Based on the approval of the SLSC, the project will be rolled out after an agreement has been signed between the State Government and Project Promoter.

All fund releases will be made directly by the State Government to the concerned private sector Project Promoter, based on satisfactory progress reports. Funding will be in the form of reimbursement of expenditures incurred by the Project Promoter on various approved budget heads, after these have been duly verified by the independent monitoring agency.

A baseline survey to determine the entry level situation and end-of-project survey will also be conducted by the independent monitoring agency to assess the impact of the project intervention. It will further furnish monthly, quarterly and annual progress reports to DAC&FW and the State and operationalize

Information Communication Technology (ICT) enabled Management Information System (MIS) up to grass root level and if need be develop and host its own website.

Scheme Components and Pattern of Assistance

The Scheme will cover all project components in all agriculture and allied sector areas. All farmer related services (i.e. not inputs or hardware) and other interventions leading to productivity enhancement will be supported fully. There will be a 50% limit on items (like farm machinery and irrigation infrastructure) which are to be provided on subsidy to farmers. However, there will be flexibility as far as the community based projects are concerned. For instance, 100 per cent subsidy can be obtained by FPOs for developing warehousing infrastructure under Rural Godown Scheme.

The scheme will be demand and need based in each segment. Technology will play an important role in different interventions. The interventions envisaged for achieving desired goals would be varied and regionally differentiated with focus on potential vegetable crops to be developed in clusters by deploying modern and hi-tech interventions and duly ensuring backward and forward linkages.

Performance based overhead costs will be given to the companies for meeting administrative expenses for executing the projects. The companies would have to submit Results Framework Document (RFD) for getting the project approved. If the company's performance is excellent, it can be entitled to maximum overheads of 8 per cent, similarly, if it is average, it would be entitled to overheads of 5 per cent. If the company's performance is poor, it would be only entitled to overheads of 2 per cent.

The release of funds would be done in a phased manner as per the approved project proposal. The entire project would be divided into five phases with a specific financial allocation for each phase. Amount pertaining each phase would be released during the beginning of each phase. For availing funds of the subsequent phase, the company would have to submit a detailed utilization certificate from the company auditor and interim project report of that phase.

Dispute Redress Mechanism

A standing mechanism to review projects sanctioned under PPPIAD and resolve disputes will be activated at the State level with the following composition:

(a) Agriculture Production Commissioner or Principal Secretary, Agriculture – Chair

(b) Commissioner/Director, Agriculture – Member Secretary

(c) Representative of Private Sector Implementing Partner – Member

(d) Representative of independent monitoring agency – Member

This DRM will be the forum to resolve any disputes which arise during the implementation of PPPIAD projects. If this committee is unable to resolve an issue, it will be referred to the SLSC chaired by Chief Secretary, in which all members of the DRM will be invited to participate. The decision of the SLSC in any matter will be final.

Disclaimer: *PPP-IAD guidelines are subject to revision from time to time as per the policy directions from GOI.*

Appendix-D

Activities relating to Production stream which may be supported from Flexi funds of RKVY-RAFTAAR

The components / activities which would be eligible for project based assistance under RKVY-RAFTAAR are elaborated below. This is an illustrative list and the States may choose other components/activities, but ensure that they are reflected adequately in the SAP and the DAP.

a) ***Integrated development of major food crops such as wheat, paddy, coarse cereals, minor millets, pulses, oilseeds*:** Assistance can be provided for making available certified/HYV seeds to farmers; production of breeder seed; purchase of breeder seed from institutions such as ICAR, public sector seed corporations, production of foundation seed; production and distribution of certified seed; seed treatment; Farmers Field Schools at demonstration sites; training of farmers etc. Similar support would be provided for development of other crops such as sugarcane, cotton or any other crop/variety that may be of importance to the state.

b) ***Integrated development of fodder crops including perennial grasses, fodder , trees and shrubs:*** Assistance can be provided for making available certified/HYV fodder seeds to live stock rearers, production & purchase of breeder fodder seed from institutions such as ICAR and SAUs, public & private sector seed corporations, production of foundation fodder seed; production of certified foundation seed. Assistance can also be provided for forage production from Wasteland/Gauchar/Rangeland/grassland/non-arable land/Rivers basin, drainage line, degraded mining land, watershed catchments area/canal embankments/Forest fringe. Fodder demonstration for Livestock based farming system approach. Assistance extended to crops residue producers and crop residue collection, storage transportation for fodder to animals. Diversification of Agricultural crops to fodder crops Inter cropping of Fodder Crops in horticulture grove.

c) ***Agriculture mechanization*:** Assistance can be provided to individual beneficiaries for farm mechanization efforts especially for improved and gender friendly tools, implements and machinery. However, assistance for large equipment e.g. tractor, combine harvester, sugarcane harvester, cotton picker etc. for which individual ownership may not be economically viable, assistance should only be limited for establishing custom hiring centres under RKVY (Infrastructure & Assets) stream.

d) ***Activities related to enhancement of soil health*:** Assistance can be provided to the farmers for distributing soil health cards; micro nutrient demonstration; training of farmers for promotion of organic farming including printing of publicity/utility literature; amelioration of soils affected with conditions such as alkalinity and acidity.

e) ***Development of rainfed farming systems in and outside watershed areas:*** Assistance for promoting integrated farming system (agriculture, horticulture, livestock, fisheries etc.) generating livelihoods for farmers Below the Poverty Line (BPL).

f) ***Integrated Pest Management schemes:*** This would include training of farmers through Farm Field Schools etc. on pest management practices; printing of literature/ other awareness programmes.

g) ***Promoting Extension Services:*** This would include new initiatives/support ongoing initiatives for skill development, training & extension activities under Sub- Mission on Agriculture Extension (SMAE) initiatives – both in terms of more coverage and enhanced outreach, preferably those of small & marginal farmers through-

(i)Skill Development for imparting skill based training of rural youths of more than 200 hours duration.

(ii)Complement and supplementing ongoing Training & Extension activities of SAME, especially under ATMA.

(iii) The support would help revamp the existing State agricultural extension systems.

Activities relating to enhancement of horticultural production**:** Assistance will be available for nursery development and other horticulture activities, pollination support through bee keeping andestablishment of new garden (Area expansion) for fruits, vegetables, flower, mushroom, spices, aromatic plants and plantation crops etc.

h) ***Animal husbandry and fisheries development activities*****:** Assistance will be available for improvement in fodder production, genetic up-gradation of cattle and buffaloes, enhancement of milk production, enlarging raw material base for leather industry, poultry development, development of small ruminants and enhanced fish production, Improvement in livestock health (Sub-component- Foot and Mouth Disease Control programme, Vaccination and surveillance against PPR, Brucellosis and other economically important disease of livestock and poultry, Training of Vets and Para-vets, Awareness and Animal Health Camps, Surveillance under Antimicrobial Resistance (AMR) and one Health approach for zoonotic disease).

i) ***Study tours of farmers****:* Study tours of farmers within the country especially to research institutions. Model farms etc.

j) ***Organic and bio-fertilizers:*** Support for decentralized production at the village level and their marketing, etc. This will include vermicomposting and introduction of superior technologies for better production.

k) ***Sericulture:*** Sericulture upto the stage of cocoon production along with extension system for cocoon and silk yarn production and marketing**.**

The above list is not exhaustive. Therefore, schemes that are important for agriculture and allied sector development, but cannot be categorized under (a) to (k) can also be proposed under this stream.

However, projects for creation/strengthening of infrastructure & assets should be funded under RKVY – RAFTAAR (Infrastructure & assets) stream.

Appendix-E

ILLUSTRATIVE LIST OF PROJECTS/ACTIVITIES THAT SHOULD NOT BE FUNDED UNDER RKVY-RAFTAAR

1. Creation/topping up of any kind of revolving fund / corpus fund ;
2. Expenditure towards maintenance of assets or any such recurring expenses;
3. Expenses towards Salary, Transport, Travelling Allowances (TA), Daily Allowances (DA) of permanent /semi-permanent employees. However, expenses towards hiring of manpower on outsourcing/contractual basis can be met within 2% allocation earmarked for administrative expenses with approval of SLSC.
4. Expenses towards POL (Petrol, Oil, Lubricants);
5. Financing State's share and/or topping up subsidy level in respect with other Central/State Schemes;
6. Foreign Visits/Tours including study tours of farmers abroad;
7. Purchase of vehicles;
8. Financing any kind of debt waiver, interest subvention, payment of insurance premium, compensation to farmers and calamity relief expenditure; additional bonus over & above Minimum Support Price (MSP);
9. Creating/Strengthening assets in Private Sector/NGO's beyond what is permissible under any schemes/programmes of Govt. of India.

Appendix-F

Detailed Project Report

FORMAT

i. **Context/Background:** This section should provide a general description of the scheme/project being posed for appraisal.

ii. **Problems to be addressed:** This section should describe the problem to be addressed through the project/scheme at the local/regional/national level. Evidence regarding the nature and magnitude of the problems should be presented, supported by baseline data/survey/reports etc.

iii. **Aims and Objectives:** This section should indicate the development objectives proposed to be achieved, ranked in order of importance. The outputs/deliverables expected for each development objective should be spelt out clearly.

iv. **Strategy:** This section should present an analysis of alternative strategies available to achieve the development objectives. Reasons for selecting the proposed strategy should be brought out. Basis for prioritization of locations should be indicated (wherever relevant). This section should also provide a description of the ongoing initiatives, and the manner in which duplication can be avoided and synergy created with the proposed project.

v. **Target Beneficiaries:** There should be a clear identification of target beneficiaries. Stakeholder analysis should be undertaken, including consultation with stakeholders at the time of scheme/project formulation. Impact of the project on weaker sections of society, positive or negative, should be assessed and remedial steps suggested in case of any adverse impact.

vi. **Management:** Responsibilities of different agencies for project management of scheme implementation should be elaborated. The organization structure at various levels, human resource requirements, as well as monitoring arrangements should be clearly spelt out.

vii. **Finance:** This section should focus on the cost estimates, budget for the scheme/project, means of financing and phasing of expenditure. Options for cost sharing and cost recovery (user charges) should be explored. Issues relating to project sustainability, including stakeholder commitment, operation-maintenance of assets after project completion and other related issues should also be addressed in this section.

viii. **Time Frame:** This section should indicate the proposed zero date for commencement and also provide a PERT/CPM chart, wherever relevant.

ix. **Cost Benefit Analysis:** Financial and economic cost-benefit analysis of the project should be undertaken wherever such returns are quantifiable. Such an analysis should generally be possible for infrastructure projects, but may not always be feasible for public goods and social sector projects.

x. **Risk Analysis:** This section should focus on identification and assessment of risks inimplementation and how these are proposed to be mitigated. Risk analysis could include legal/contractual risks, environmental risks, revenue risks, project management risks, regulatory risks, etc.

xi. **Outcomes:**Criteria to assess success and whether or not the development objectives have been achieved should be spelt out in measurable terms. Base-line data should be available against which success of the project will be assessed at the end of the project (impact assessment). Success criterion for scheme deliverables/outcomes should also be specified in measurable terms to assess achievement against proximate goals.

xii. **Evaluation:** Evaluation arrangements for the project, whether concurrent, mid-term or post-project should be clearly spelt out. It may be noted that continuation of schemes from one period to another will not be permissible without a third-party evaluation.

Last but not theleast, a self-contained **Executive Summary** should be placed at the beginning of the document.

Appendix-G

Composition of State Level Sanctioning Committee (SLSC)

Chief Secretary	-	Chairman
Agri. Prod. Commissioner /Principal Secretary (Agriculture)	-	Vice-Chairman
Secretary, Finance	-	Member
Secretary, Planning	-	Member
Secretary, Fisheries	-	Member
Secretary, Animal Husbandry	-	Member
Secretary, Environment and Forests	-	Member
Secretary, Panchayati Raj	-	Member
Secretary, Rural Development	-	Member
Secretary, Water Resources/Irrigation/Minor Irrigation	-	Member
Director, Agriculture	-	Member
Director, Horticulture	-	Member
Director, Animal Husbandry	-	Member
Director, Fisheries	-	Member
Representative of Department of Agriculture, Cooperation& Farmers Welfare, Govt. of India(Officer not below the rank of Joint Secretary)	-	Member
Representatives of Departments of Animal Husbandry, Dairying & Fisheries, Govt. of India(Officer not below the rank of Joint Secretary)	-	Member
Representative of State Agriculture University	-	Member
Representative of Planning Commission	-	Member
Secretary, Agriculture	-	Member-Secretary

Note:

1. SLSC may co-opt two more members from Agricultural Research Organizations, reputed NGOs working in the field of Agriculture, Deputy Commissioners of important districts, and leading farmers.
2. The quorum for the SLSC meeting would not be complete without the presence of at least one representative from the Government of India.

Appendix-H

Form of Utilization Certificate

Sl. No.	Letter No. and date	Amount
	Total	

Certified that out of Rs.____________of grants-in-aid sanctioned during the year ________in favour of ________under this Ministry/Department Letter No. given in the margin and Rs._______on account of unspent balance of the previous year, a sum of Rs.________has been utilized for the purpose of _________for which it was sanctioned and that the balance of Rs._______remaining unutilized at the end of the year has been surrendered to Government (vide No._________________, dated _________)/will be adjusted towards the grants-in-aid payable during the next year _________.

2. The Utilization Certificate should also disclose whether the specified, quantified and qualitative targets that should have been reached against the amount utilized, were in fact reached, and if not, the reasons thereof. They should contain an output-based performance assessment instead of input-based performance assessment.

3. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of checks exercised

1.
2.
3.
4.
5.

Signature__________________

Designation_______________

Date______________________

Note:

(i) Component -wise UCs may be furnished for General, SCSP, & TSP separately for Normal RKVY-RAFTAAR and each of the Sub-schemes.

(ii) Sanction No. and date of sanction for release of State share fund should be mentioned in UC.

Appendix- I

Format for summary of projects approved by SLSC

Ongoing projects

Sector Name:

Sl. No.	Name of Project	Sanctioned SLSC No./ Date	Total Cost	Phasing of expenditure(Year-wise)			Fund received so far	Fund soughtin C.F.Y.	Targets			Achievements		Remarks (if any)
									Physical	Financial	Cost/Unit	Physical	Financial	
Total														

New projects

Sector Name:

Sl. No.	Name of Project	Total Cost	Phasing of expenditure (Year-wise)			Fund soughtin C.F.Y.	Targets			Remarks (if any)
							Physical	Financial	Cost/Unit	
Total										

Appendix-J

Recommended activity mapping for effective devolution of funds, functions and functionaries to Panchayati Raj Institutions (PRIs)

RKVY-RAFTAAR FUNCTIONS MAP

Si. No.	ACTIVITY DESCRIPTION		State Government	District Planning Committee (DPC)	LOCAL GOVERNMENTS AND PLANNING BODIES			User groups. SHGs. Etc.
					Panchayati Raj System/Institutions			
	Activity Category	Union Government			District Panchayat	Intermediate Panchayat	Village Panchayat	
1.	Setting Standards	**DAC& FW:** Issue of guidelines for implementation of RKVY-	Issue/translation of guidelines in local language.					
2.	Planning	**DAC & FW and Planning Commission:** To provide framework for preparation of SAP.	Preparation of SAP by integrating the District Agriculture Plans (DAPs)	Will be associated in the formulation of DAP taking into account location specific agro-climatic conditions, natural resources etc.	Districts Agriculture Planning Unit (DAPU) may be actively associated in formulation of Comprehensive District Agriculture Plans	Block/TalukaA griculture Planning Unit (BAPU/TAPU) may be associated in providing inputs for DAP.	Village Agriculture Planning Unit (VAPU) may be associated in identifying clusters/selection of beneficiaries.	
3.	Implementation of Projects (Crop, Development Horticulture, Micro Mini irrigation, Animal Husbandry, Sericulture etc. as per sectors taken up	**DAC & FW**: Release of funds to State	Release of funds to implementing Departments/ Agencies.	priorities projects based on availability of funds	Will be associated in selection of site/ location of projects in consultation with implementing agencies.	Will be associated in selection of locations/villages implementation agencies	Will be associated in selection of beneficiaries based on cluster approach (however, there should not be any repeat beneficiary year after year in RKVY-RAFTAAR).	Priority should be given to SC/ST, Women and weakersection of the society.

4.	Monitoring & Evaluation of Projects	Impact Evaluation	Concurrent Evaluation	Concurrent Evaluation	Quarterly review meetings for monitoring progress of RKVY-RAFTAAR projects in district, providing feedback for policy formulation and planning.	Monitoring progress of RKVY-RAFTAAR interventions and providing feedback for DAPs.	Social audit shall be done at Gram Sabha level.	

DAC & FW: Dept. of Agriculture, Cooperation & Farmers Welfare, DAP- District Agriculture Plan, SAP- State Agriculture Plan, SHG- Self Help Group

RKVY-RAFTAAR FINANCE MAP

Sl. No.	**Scheme sub component /funding stream**	**Allocation (Rs. Cr.)**	**Percentage**	**Level to which mapped, based on activity mapping of function (% of allocation)**					**Remarks**
				Centre	State	Local Government		User group/civil society	
						Intermediate Panchayat	Village Panchayat		
Sectoral and district –wise allocation of projects under RKVY-RAFTAAR shall be done by the States. State may devolve funds to Panchayat bodies as per projects allocated for implementation.									