

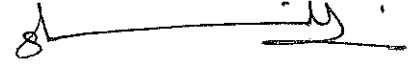
F.No. 10 (2)/.2014 PF-II
Government of India
Ministry of Finance
Department of Expenditure

North Block, New Delhi
Dated. 25th May, 2015

Office Memorandum.

Subject:- Minutes of the meeting of EFC was held on 8th May, 2015 to consider the proposal of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY).

The undersigned is directed to enclosed the approved minutes of the meeting held on 8th May, 2015 under the Chairmanship of Secretary (Exp.) on the above mentioned subject is for information and necessary action.



(Dr.Shivali M.Chouhan)
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Minutes of the meeting of Expenditure Finance Committee held on 8th May, 2015 to consider the proposal of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)

The meeting of Expenditure Finance Committee to consider the 12th Plan proposal on Pradhan Mantri Krishi Sinchayee Yojana was held on 8th May, 2015 at 3.00 PM in the Fresco Hall, North Block, New Delhi under the chairmanship of Shri Ratan P. Watal, Secretary, Expenditure, Ministry of Finance. The list of participants is annexed.

Secretary Expenditure welcomed the participants and requested DAC to make brief presentation of the proposal.

A brief presentation on PMKSY was made by Joint Secretary(Crops), DAC highlighting the genesis of PMKSY, programme architecture, components and targets etc. During the course of discussion following observations were made.

Secretary, Expenditure wanted to know the architecture of convergence of different components and related programmes in the PMKSY. He also wanted to know the details of the role of nodal department and implementing partner of other components. JS (Extension), DAC explained that the existing institution of Agriculture Technology Management Agency (ATMA) has initiated activities of assessing the gaps under Strategic Research and Extension Plan (SREP) which addresses the gaps in all dimensions of agriculture including that of irrigation. These information will be made use in developing district irrigation plan ensuring convergence of all programmes/activities for water convergence and management at the district level. The institutional set up under SAMETI may also be made use at the state level to ensure appropriate convergence.

Secretary, Agriculture observed that agriculture department will be nodal department for implementation of PMKSY and services of NRAA at National Level would be utilized for coordination of different elements of PMKSY.

Secretary, Expenditure observed that efforts should be made to analyze the gaps in synergy and coordination regarding implementation of related activities and instead of creating new institution at district/state level these gaps need to be addressed through appropriate restructuring /strengthening of existing establishments available for undertaking these activities.

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Secretary, Expenditure also observed that in the present scenario i.e., in the absence of the Planning Commission, any plan wise projection may be avoided. He suggested that the proposal may be developed for remaining of current plan or for the five year period of the fourteenth finance commission.

JS, Expenditure mentioned that PMKSY is like the alter-ego of MNREGA as it has the potential to raise agriculture productivity and alleviate distress on a permanent basis. It is a novel programme which genuinely seeks to achieve convergence and looks at the entire value chain from creation of a water source to increase in marginal productivity of crops in the fields. It has two new and two existing components. The two existing components are: AIBPFM and Watershed Development. The two new components are: Har Khet ko Pani (HKKP) and Per Drop More Crop (PDMC).

The pending liabilities of the ongoing major and medium irrigation and flood control projects under AIBPFM need to be addressed and funded separately. FM has already announced some increase in funding at the supplementary stage. AIBP should focus on Major and Medium Irrigation, including the National Projects that have a specific legacy and history. Instead of spreading resources thinly, AIBP should focus mainly on faster completion of ongoing projects. Command area development, minor irrigation works and RRR of water bodies (except pari-passu command area works which are an integral part of the major and medium projects) may be taken out of AIBP and covered under the PMKSY (HKKP). In any case, these are state level activities, where GoI engagement should be on planned basis, through clearly delineated DPR's and there should be no duplication of efforts.

As regard to watershed development, no new watershed projects should be taken up for the time being and priority to be given to completion of existing watershed projects and their convergence with the efforts under PMKSY. Districts/rainfed areas where watershed projects are in an advanced stage of completion may be taken up on priority under the PMKSY.

In so far as the Per Drop More Crop component is concerned, it was discussed that apart from micro irrigation, other activities for increase in marginal productivity like soil moisture analysis, cropping pattern, agronomic practices, extension activities etc. should be taken up as a complete package of activities under the new program. If necessary, the relevant components under existing agriculture programs, along with their budget lines, may be


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shifted to the PMKSY and merged with it to ensure a complete package of solution for achieving the objectives of PMKSY.

Plan Finance Division also suggested that instead of making general provision for administrative cost, pro-rata provision may be made available at each level to strengthen coordination, scientific planning and technical support for effective implementation of PMKSY. Agriculture Universities and their graduates may be involved in a big way to make the new program a success.

It was also pointed out that real convergence will take place at the level of Detailed Project Reports (DPR), which will need to be prepared separately for each block/district selected under the program. The DPRs will need to clearly delineate activities and allocate expenditure to different components of the PMKSY, Other Centrally Sponsored Schemes like MNREGA, Livelihood Mission etc. and also what the physical and financial involvement of different State Government agencies should be.

Secretary, Ministry of Water Resources expressed concern on the change in funding pattern. Secretary, Expenditure clarified that after increase in devolution to the States, Govt. of India is in the process of rationalizing the funding pattern of centrally sponsored schemes. However, the prevailing funding pattern of National Projects, as requested by the MoWR, is likely to continue.

Secretary, Department of Land Resources observed that livelihood support activities are important activities of watershed development, in addition to the soil and water conservation interventions and emphasized continuation of these activities under watershed program. Secretary, Expenditure observed that considering the limited availability of fund, convergence be ensured from all possible sources. Secretary, DoLR agreed with the suggestion that the livelihood support activities of watershed should be converged with National Rural Livelihood Mission wherever it is operational and soil and water conservation activities should be converged with MGNREGA.

Joint Secretary, Department of Financial Services observed that the financial liabilities involved towards interest subvention are not acceptable. Secretary, Agriculture mentioned that one time support to the farmers for installing precision irrigation system may instead be considered if lending support in the nature of crop loan is not feasible. Secretary, Expenditure also agreed with this suggestion.



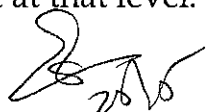
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Additional Secretary &FA observed that the existing ATMA/SAMETI set up may be strengthened by inclusion of nominees from land resources and irrigation departments in the State. He also suggested a system to encourage vender competition for providing choices and alternatives for the benefit of farming community. All the components of PMKSY be implemented in proper sequence and the end result should focus on precision irrigation and efficient water use.

Joint Secretary, Rural Development suggested phasing the convergence with MGNREGA. The activities may be focused in selected blocks which could be saturated in the first phase, instead of extending the program to a larger reach. Secretary, A&C supported the suggestion made by RD.


After detailed discussion the EFC made the following recommendations:

1. The Pradhan Mantri Krishi Sinchai Yojna is recommended with an indicative outlay of Rs. 50,000 crore over a period of five years from 2015-16 to 2019-20. As mentioned in the Union Budget 2015-16 the PMKSY will have four components: AIBP, Watershed Development, Har Khet ko Pani and Per Drop, More Crop.
2. Suitable guidelines should be made for selection of districts/sub-districts to be taken up under the scheme. In rainfed areas, preference may be given to districts where watershed development works are near completion. Similarly, in irrigated areas, preference may be given to districts where project investments have already been made under AIBP.
3. Administrative expenses may be provided on pro-rata basis, not exceeding 5 percent, at each level to strengthen coordination, scientific planning and technical support for effective implementation of PMKSY at the field level. Agriculture Universities in the State may also be closely involved with the formulation and implementation of the Detailed Project Reports and the District Level Plans.
4. To ensure convergence of efforts in the field, each DPR and/or District level Plan should specify a clear delineation of activities and allocation of costs among various components of PMKSY, other Centrally Sponsored Schemes, as well as departmental resources of the State Government. Since convergence will essentially take place through the implementation of DPRs, project implementation agency at the district/sub-district level must include the executive functionaries of each concerned line department at that level.



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5. Livelihood support activities of watershed will be converged with National Rural Livelihood Mission being run by Department of Rural Development wherever it is operational. Soil and water conservation activities may be converged with MGNREGA. PMKSY activities may be focused in the selected blocks, as identified by MoRD, which should be saturated in the first phase. No new watershed projects may be taken up at this stage and priority to be given for saturation of watershed projects which are nearing completion, in convergence with MGNREGA.
6. AIBP should focus on completion of ongoing Major and Medium Irrigation projects, instead of initiating or taking up new projects as has been the practice in the past. Command area development (except pari-passu command area works which were approved as an integral part of a major/medium project), Minor Irrigation and RRR activities may be taken out of AIBP and shifted to Har Khet ko Pani (HKKP) component of PMKSY to ensure synergy of implementation and non-duplication of efforts in the field.
7. Apart from source augmentation and micro irrigation, all other activities for potential use of available water like soil moisture analysis, cropping system including alignment, agronomic practices, extension activities etc. should be taken up as a complete package of activities under the new scheme. If such activities are presently done as sub-components of other schemes, it is suggested that such budget lines could also be shifted to PMKSY for achieving the vision of PMKSY as an integrated scheme to improve agriculture productivity in the country.
8. One time subsidy support may be given to the farmers for installing precision irrigation systems and the prevailing pattern of subsidy under OFWM component of NMSA may be suitably modified, wherever necessary. To ensure competitive pricing and prevent over-invoicing, the choice of the equipment must be left to the farmer, and subsidy paid on pre-listed rates approved at an appropriate level.
9. The funding pattern has already been recommended by a separate Cabinet Note and an exception has been made for the ongoing National Projects under AIBP.
10. The recommendations of the EFC may be suitably incorporated in the draft cabinet note and draft guidelines vetted by the Department of Expenditure before issue.



Annexure-I

Meeting of the Expenditure Finance Committee was held on 08.05.2015 at 3.00 P.M. in Room No. 169-D (Fresco), North Block, New Delhi under the Chairmanship of Secretary (Expenditure) .The proposal of the Ministry of Agriculture & Cooperation "PRADHAN MANTRI KRISHI SINCHAI YOJNA" (PMKSY) at an Estimated cost of Rs. 68,.455 crores.

The Following were attended the meeting:

Department of Expenditure

1. Sh. Ratan P. Watal, Secretary (Exp) & Chairman
2. Sh. Ajay Narayan Jha, Addl. Secretary (Exp)
3. Sh. Arunish Chawla, Joint Secretary (PF.II)
4. Dr. Shivalli M Chauhan, Director (PF.II)

M/o Agriculture & Cooperation

1. Sh. Siraj Hussain, Secretary (Agriculture & Coop)
2. SH. Raghav Chandra, AS & FA (DAC)
3. Sh. Jalaj Shrivastava, Addl. Secretary (DAC)
4. SH. Sanjay Lohiya, JS(Crops) DAC
5. Sh. Shakil Ahamed, JS (RKVY) DAC
6. Sh. Dharmendra Gupta, ASCO(DAC)
7. Sh. B. V. N. Rao, Assistant Commissioner (DAC)
8. Sh. K. S. Srinivas, JS (Marketing) , DAC
9. Sh. B. Rath, Addl. Commissioner (DAC)
10. Sh. S. K. Chaudhari, ADG (ICAR)
11. Sh. Sanjiv Gupta , JS (Extn.) DAC
12. Sh. Om Prakash, Addl. Commissioner (DAC)

D/o Water Resources

- ✓ 13. Sh. Anuj Kr. Vishnoi, Secretary, M/o Water Resources
- ✓ 14. Sh. S. K. Kohli, JS & FA, D/o Water Resources, RD & GR
- 15. Sh. Pradeep Kr., Commissioner (SP) D/o Water Resources, RD & GR
- 16. Sh. Rajiv Kumar, Senior Joint Commissioner (MoWR), RD & GR
- ✓ 17. Sh. Amarjeet Singh, AS (M/o Water Resources)

D/o Land Resources.

- ✓ 18. Ms. Vandana Kumari Jena, Secretary, M/o Land Resources
- ✓ 19. Sh. Sandeep Dave, JS (M/o Land Resources)

Ministry of Development ofNER

- 20. SH. S.P. Singh, Director (M/o Development of NER)

Department of Financial Services.

- ✓ 21. Sh. Rajesh Aggarwal, JS (DFS)
- 22. Sh. Manish Gupta, Director (DFS)

Ministry of Rural Development

- ✓ 23. Sh. R. Subramanyam, JS (M/o Rural Development)

Niti Aayog

- 24. Ms. Shudha Keshari, Directot (NITI Aayog)