

Consultation Workshop on

# **RKVY and Decentralized Planning in Agriculture Strengthening Spaces for Small Farmers Engagement**

8th - 9th November, 2012 | Patna

Organizers :



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India



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Experience, Challenges and Way Forward**

Discussion paper for Consultation workshop on RKVY

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# **RKVY and Decentralized Planning in Agriculture Experience, Challenges and Way Forward**

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## **1. Introduction**

The Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 16 August, 2007 approved Additional Central Assistance Scheme (ACA) for Agriculture & Allied Sectors, namely, Rashtriya Krishi Vikas Yojana (RKVY) with an envisaged outlay of Rs.25,000 crores during the XIth Five Year Plan. For the year 2007-08, 2008-09, 2009-10 & 2010-11 outlays of Rs.1263 crores, Rs.2891.70 crores, Rs.3777.07 crores, and Rs.6722 crores were approved at RE stage and for the current year, an amount of Rs.7810.87 crores has been allocated under this scheme. RKVY aims at achieving 4% annual growth in agriculture sector during the XIth Plan period, by ensuring holistic development of agriculture and allied sectors.

### **1.1 Major objectives of the RKVY**

The RKVY seeks to achieve 4% growth rate in agriculture. The main objectives of the scheme are as follows:

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

**1.2 Decentralized agricultural planning in the RKVY :** The soul of the RKVY lies in decentralized agriculture planning, involving a number of stakeholders and beginning at the smallest unit of village through to Block and district level. The State Agriculture Plan envisaged in the RKVY is nothing but an aggregation of C-DAP.

The district is supposed to be the last unit of planning and after being approved by the DPC (District Planning Committee), the C-DAPs were planned to be aggregated to form the State Agriculture Plan (SAP). The decentralized planning was to bring out the quintessential character, strength and weaknesses of each block and district, based on their agro climatic conditions. This would have also ensured improved reflection of the local needs/crops/priorities in the SAPs. However, majority of the states (except Kerala, Karnataka, Assam etc.), during the 11<sup>th</sup> Plan could not implement the spirit of decentralization while coming up with SAPs. Many of them including Bihar did not even attempt to plan at decentralized manner as directed by the RKVY guidelines.

**2. Decentralized Planning in India :** After independence the concept of democratic decentralization in planning and development administration was recognized as an important tool to achieve overall development. Consequently, the same was incorporated as Article 40 of the Indian Constitution which envisages that “the State shall take steps to organize village panchayats with such powers and authority as may be necessary to enable them to function as units of self-government”. The spirit of decentralization calls for preparation of plans and their implementation by involving people through a participatory bottom up approach.

Many committees and commission have strongly advocated adoption of decentralised planning approach. Among these the committee headed by Balwant Rai Mehta (1957) took the first step. This lead was followed among others by Asoka Mehta (1978), Hanumantha Rao (1984) G.V.K Rao (1985) and Ramachandran (2006). In 1992 a real serious attempt was made with the Amendment of the Constitution and introduction of Article 243(A-ZG) and mandated including others formation of DPCs for democratic decentralized planning involving people.

The 73rd and 74th Constitutional Amendment Acts (1993) have further paved a way to evolve new system of governance in Panchayat Raj and Local self - government which has mandated local planning at the Gram Panchayat, Taluk Panchayat and District Panchayat levels as well as at urban local governments and their consolidation into a District Plan in each district. The State governments/Union Territory Administrations, at present, are at varying degrees of the implementation of Constitutional requirements under article 243 (A-ZG).

**3. Experience of decentralization under the RKVY during the 11<sup>th</sup> Plan :** The process of decentralised planning for agriculture was taken right earnestly during the 11th plan. The agriculture component of this decentralized planning was put in place as Comprehensive District Agriculture Plan (C-DAP). C-DAP was expected to be a comprehensive agricultural plan of a district involving agriculture, horticulture, animal husbandry and allied agricultural activities in a sustainable framework. This was also expected to be based on the people’s needs and aspirations for development and prepared comprehensively through participatory bottom up approach with ‘Gram Sabhas’ as the basic unit of planning, taking into account the resources (natural, human and financial) available and by covering all the sectoral agricultural programmes and schemes operational in the district.

The spirit of decentralization and C-DAP formulation included: a) process implementation and its internalization, which entails bottom-up participatory approach involving all local bodies with Gram Sabha as the starting point, b) Convergence of all programmes/schemes, financial sources and disciplines/departments in agriculture sector; c) Operationalization of C-DAPs by formulating State Agriculture Plan (SAP) through aggregation of C-DAPs of the State, and obtaining funds from different developmental programmes and using these as per the C-DAPs. This spirit has been well brought out in the Guidelines for CDAP formulation provided in the form of "Comprehensive District Agricultural Plan (C-DAP) -- A Manual by Planning Commission (2008)". As per these guidelines each state were to follow an institutional arrangement that consisted of: a) Planning Committees (PCs) as per article 243-ZD of constitution of India, which have the authority to prepare plans b) Agricultural planning units (APUs), which were to assist formulating good C-DAPs, c) to engage Technical Support Institute (TSI) who could effectively help the state in capacity building and handholding at all local body level, d.) Prepare C-DAPs as per the guidelines, and e) constitute a State Level Steering Committee (SLSC) to ensure implementation of process of decentralization and desired convergence in the state and approve projects, which emerge from C-DAPs. In addition formulate a planning schedule: A time line for preparation of C-DAP.

**1.1 Tools for decentralized agriculture Planning in the 11<sup>th</sup> Plan:** Important steps taken to expedite implementation of decentralized planning in agriculture sector during 11th Five Year Plan were:

1. **Rashtrya Krishi Vikas Yojna (RKVY)** (Funding from RKVY to States was linked to formulation of C-DAPs in the States in addition to incentivize states to invest more in their agriculture sector),
2. **Provision of funds for C-DAP formulation** (states were supported by fund of Rs10 lakhs per district for C-DAP formulation exclusively and to enable the states to establish a planning cell at district level),
3. **Member on State Level Sanctioning Committee (SLSC)** (One member each from DAC and Planning Commission, was placed on the State Level Sanctioning Committee (SLSC) of states for monitoring the progress of implementation),
4. **Software for planning** (Plan-plus software was developed by the NIC and trainings and handholding was offered by NIC through its district offices to facilitate formulation of C-DAPs. In addition states were encouraged to develop their own software for the purpose. Rajasthan took the lead in developing and using software.),
5. **Disincentive to increase speed of C-DAPs formulation:** Despite all support and persuasions, the progress of C-DAPs formulation was slow; Planning Commission cautioned states that a sum of Rs one crore per district, for which C-DAP is not prepared, would be deducted from their budget allocation.

**1.2 Institutional arrangement envisaged in the RKVY :** The entire scheme of RKVY rested on formulation of appropriate CDAP. The C-DAP prepared at the district level is a compilation of projects prepared by the agriculture and allied sectors such as horticulture, fisheries, animal husbandry, dairy, marketing and cooperation, water and soil conservation and so forth. The realistic plans received from the sectoral departments are consolidated at the district level by the district nodal agency and the same is presented before the DPC for suggestions and comments. The revised version of the CDAP based on the suggestions and comments is placed again before the DPC for final perusal and approval. After that, it is submitted to the State nodal agency for further approval. The state level agency after receiving the C-DAPs from all districts will consolidate and include the State level projects covering more than one district to form the State Agricultural Plan. This plan after approval by the appropriate State level authority will be sent to the Planning Commission through the Ministry of Agriculture and Cooperation, Government of India for consideration and approval.

**3 Divergences :** In most of the States, the responsibility of providing guidance for formulation of C-DAPs was assigned to the Technical Support Institutions (TSI). Unfortunately the TSIs instead of providing guidance and building capabilities of the sectoral heads and PRI functionaries at the district and below, themselves prepared the C-DAPs without the participation of the stakeholders. Therefore, the quality was not upto the mark. The primary and secondary data required to prepare the C-DAPs was not maintained properly in the sectoral departments at the district and lower levels and therefore the shelf of projects prepared by the sectoral heads has become a wish-list and it has no relationship with the needs and available resources. The feasibility, viability, and sustainability of the projects have not been examined through appropriate appraisal techniques and therefore the expected outcomes and impacts of the projects have not been achieved. The Department of Agriculture has been alleged to have a lion's share of the total funding while other allied sectors fail to get even 20% of their budgetary requirements.

Preparedness in terms of competence and confidence to formulate the projects was inadequate and in some cases it was completely absent, resulting unrealistic project formulation. The coordination at the district level has been found to be weak as some of the heads of the allied sectors happen to be senior to the head of the nodal agency. Even though the district collector is the chairman of the nodal agency, because of his/her preoccupation with existing responsibilities he/she is unable to find the requisite time to coordinate with the heads of the sectoral departments. Therefore to overcome this problem, the head of the nodal agency should be senior to all other heads of the sectoral departments under the overall supervision of the district collector.

Monitoring of the progress of C-DAP formulation showed that States poorly handled the basic requirements in formulating C-DAP, which pertaining to the constitutional and quality aspect of C-DAPs formulation, which carried the spirit of decentralization. States did not care to implement process of decentralized participatory bottom up approach and internalize it. Operationalization part of C-DAP has also remained unat-

tended. States were mostly slow in putting in place the institutional arrangement suggested. These are detailed below:

### **Essential steps in District Planning Process in the RKVY and experience**

Formulation of Vision statement:	Formulation of Vision statement: Not properly done; should be the task of DPC. No consultations took place.
Information Needs and Analysis:	Done in a limited manner. Data base required strengthening. SWOT analysis should be done in each gram sabha and the needs and core sectors should be identified to focus on, for further development. Verilittle comparison is done with the state level information Though DAPs are available on web site(not all plans), they and the indices are not shared with public in consultative meetings with the panchayats so that development strategies could be decided collectively.
Discussion on the vision:	Not done. Should be shared at all levels
Preparation of Participatory Panchayat Plans:	Not effectively done. Lack of awareness and involvement solicited and process followed.
Integration of Village Panchayats Plans into block plan- intermediate Level:	Not done. Block plans are not separately prepared. They should be prepared wherein project priorities should be built in.
Integration of block Plans into district plan:	Not done largely. All projects are simply put in the district plan. Priorities are not decided at all and even if they are done in some cases they are

Approval of DPC	not as per the requirements Only in name; only signatures are obtained. There is hardly any involvement of DPC members.
Submission of DAPs to State Government and feedback to district/panchayats:	DAPs are submitted to state government (Agriculture department), but no feed back provided to district/panchayats
Monitoring:	No set monitoring procedures adopted. Proper procedures of process monitoring are required to be laid down.
Social Audit:	No social audit conducted or built in by the states. It is being desisted even in MGNREGA. Proper procedures of process monitoring are required to be laid down.

**4.1 District Planning Committee :** All States and Union Territories except Meghalaya, Mizoram, Nagaland, J&K and NCT of Delhi are required to set up District Planning Committees in accordance with the 74<sup>th</sup> Amendment (Article 243ZD) of the Constitution of India.

As per available information the DPCs are in place in all the States except Jharkhand and in exempted North Eastern States. In five states via Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, and Orissa a minister, incharge of the respective district is the chairperson. Lakshadweep district Collector cum Development commissioner is the Chairperson. This is not in line with the spirit of decentralization. Although DPCs have been formed in most of the states but these have not been made effectively functional in the states. As a result, the spirit of decentralization in planning has not been reflected in the planning. Until and unless these DPCs are functional intended spirit of decentralization will not operate.

**4.2 Agriculture Planning Units :** Agriculture Planning Units viz Village Level Agricultural Planning Unit (VAPU), Block Level Agricultural Planning Unit (BAPU)/ Taluk Level Agricultural Planning Unit (TAPU) and District Level Agricultural Planning Unit (DAPU) have not been constituted in most of the states, and in some states like Kerala, the planning has been attempted at three levels but the consolidation of the same with the municipal plans to form overall district development plan has not been attempted. In most of the states it was entrusted to the Technical Support Institutions (TSIs) limiting the time and ambit of programmes to be included in the plans. Most of the plans prepared by TSIs were not in tune with the guidelines and the format prescribed by Shri Ramachandran and the same was duly approved by the Planning Commission.

**4.3 State Level Sanctioning Committee :** SLSC was a high level body of implementing convergence and decentralization. But the SLSCs have not discharged their function particularly in context of implementation of spirit of decentralization. As C-DAP formulation, without following the process of participatory bottom up approach was a mere formality completed by states to get funding from the Govt. of India. Similarly SLSC meetings were also mere formalities to approve the C-DAPs and also submission of the same to the Ministry of Agriculture & Cooperation, Govt. of India for obtaining funding under RKVY.

**4.4 Use of Guidelines for formulation of C-DAPs :** During 11th Plan period States have invariably violated the guidelines while formulating C-DAPs provided by the Planning Commission. These violations pertain to: (a) non implementation of process of decentralization, (b) not operationalizing/internalizing the C-DAPs, (c) overlooking the need of establishing structural arrangement suggested for formulation of CDAP, (d) misusing the TSIs for formulating C-DAPs, which were provided for capacity building and handholding.

It was expected that the process of planning will start with development of a district vision; yet hardly any state formulated this vision. C-DAPs were not comprehensive but mostly RKVY focused. In C-DAP Manual SWOT analysis was suggested to capture strengths, weaknesses, opportunities and threats in the district broadly to improve planning accordingly but it was found that this exercise was either missing or not properly attempted. Many C-DAPs did not attempt to capture R&D, entrepreneurship initiatives, emerging new challenges and innovative projects. Credit needs and how these are to be managed not given. Market and storage information mostly was missing. Gaps in development usually not worked out. Many times even important allied activities are missing or not fully addressed. Monitoring and evaluation mechanism was not given in C-DAPs.

Plan plus software prepared by NIC to facilitate C-DAP formulation is not used by any district/state, in spite of the fact that training facility in the use of plan-plus was made available by NIC offices at district head quarters.

## 4.5 Bottlenecks

1. Mindset change of stakeholders and those who are to implement process of decentralization and strong political support
2. Lack of Capacity building & handholding
3. Understanding the spirit of process and accordingly providing required institutional arrangements well in time and write earnestly.
4. Lack of periodic monitoring of the progress
5. Lack of encouragements and censuring mechanism as per the performance
6. Lack of authority for enforcing guidelines over PRIs
7. Coordination mechanism at centre, state and district level
8. Planning and Implementation cell
9. Lack of awareness
10. Delays in preparation and implementation of projects
11. Horizontal and vertical linkage between *panchayat* and implementing agency
12. Inter and intra sectoral coordination to ensure convergence of program based resources
13. Lack of well defined criteria for allocation of funds for annual plan preparation to the districts.
14. Ineffective conduct of SLSC
15. Delay

**4.6 Convergence** : All resources viz human, financial, and physical and even that of ideas and concepts should tend to move towards one point and which is technically considered as convergence. In planning, convergence of services can be possible when an integrated approach is applied. This convergence is very important for achieving intended outcomes and impacts of the projects proposed in the action plan. But unfortunately more divergence than a convergence is seen at the grassroot level due to reluctance of sharing of powers, responsibilities and resources at the sectoral level. In the past convergence has emerged as a major bottle neck in implementing developmental programmes effectively. Convergence envisaged in C-DAP formulation and its implementation consisted of: a) convergence of programmes /schemes, b) convergence of financial resources c) convergence of departments/disciplines and convergence of efforts of other bodies or institutions like SAUs, MANAGE, NABARD etc .and this can be facilitated by the DPCs and SLSCs. But till date this aspect is weak and it needs to be addressed meticulously. Effective implementation of decentralization and convergence require a major mindset change, which can be done through education,

persuasion and force putting all these in a strategic mode.

**Experience of decentralized Planning under RKVY in Biha :** A two member team visited Bihar and had discussions with a range of state officials including the Agriculture Production Commissioner, and farmers, PRIs, Zilla Parishad, and sectoral departments. others. The team was informed that the department got the C-DAP prepared by the Technical Support institute/s. In fact the CDAP was supposed to be prepared in-house i.e. by the department and as per the guideline provided by Planning Commission. According to APC, the process as mentioned in the guidelines would have taken very long time. It was noticed that the entire planning was done with the top-down approach, exactly opposite to the methodology provided in the guidelines of C-DAP. However, in detailed discussions majority of the officers were in complete agreement that the Planning process initiated at village level will certainly produce a very good need based and comprehensive plan which can accommodate the programmes best suited to location specific potential and their requirements.

The team listed the main findings as below:

- C-DAP was not prepared in the State as per the guidelines issued by Planning Commission.
- District Agricultural Plan was prepared by some Technical Support Institute, where the methodology contained in the guidelines was not followed.
- Gram Sabhas were not held for the purpose of plan preparation at village level (VAPU).
- It could be seen that there was an apprehension among State level officials that the process as mentioned in the guidelines would have taken very long time and perhaps the State would not have any plan for implementation of various programmes.
- The apprehension was found to be totally hypothetical, since the planning process was not at all initiated even in one district as a pilot project.
- The farmers and stakeholders were totally deprived of their legitimate right to participate and contribute in the planning process which would have definitely proved much beneficial in improving their socio economic and livelihood status.

**5. Way forward :** Though the planning in RKVY during the 11<sup>th</sup> Plan did not achieve the envisaged goal of fully decentralized planning, however, it did a very remarkable job in terms of putting this idea on the table, which was manifestly appealing to many. The states though not able to fully implement it, could understand its relevance and value for the inclusive sustainable development and planning. However, it would require strong collaborative efforts at all levels including DAC, Planning Commission, State govt and local agencies to implement the spirit of decentralization in the right earnest. Few priorities in terms of achieving complete decentralized planning in agriculture could be laid down as follows:

**Making DPC fully functional:** The experience of 11<sup>th</sup> Plan showed that DPCs are not functioning in most of the states, and had almost no role in finalizing CDAPs. DPC if functional can be engine of planning at the district level involving all stakeholders, policymakers, LSGIs, and state machinery. The e

**Setting up VAPU/BAPU/DAPU:** the institutional mechanisms envisaged in the RKVY Guidelines cannot be implemented without establishing agricultural planning units at different levels and ensuring their interaction with DPCs and PRIs. This needs to be taken on a priority basis.

**Revision/operationalization of CDAPs:** The growth projected in the RKVY has been on deceleration after 2009-10. This can be reversed only by making CDAPs and SAPs more specific and meaningful by bringing in local characteristics needs, and priorities in the SAP, as well as to make it realistic.

**Harmonization in the Planning calendar of the state and agriculture Planning:** the state Planning Boards start their planning exercise generally by October and come up with Annual Plans by December. As against this agricultural planning generally starts in March-April, and hence there is little relation between overall development plan and agriculture plan. This needs to be harmonized by including agricultural planning in the overall development planning by the states.

**Identification of Realistic Resource Envelope:** In CDAP, it was envisaged to prepare the district Agriculture plan based on an initial resource envelope available from existing schemes – state or centre including resources at district level from central schemes such as these of Rural Development, Ministry of *Panchayati Raj*. Apart from Agriculture, livestock, fisheries are to be included and integrated with minor irrigation, rural development works etc. SAP should be based on these initial district plans aimed at achieving the state's agricultural growth strategy. For example, the proposed allocation for SAP for five years in Andhra Pradesh is Rs. 7110.00 crore. But there is nearly 90 percent mismatch between the proposed and approved funds, while in Tamil Nadu this mismatch is reported as 98 percent while in UP around 90 percent and in Maharashtra it is reported as 82 percent. These findings are reported in the evaluation reports. Unless a realistic budget envelope is communicated to the districts, it will not lead to meaningful plan document and the resultant outputs. It is suggested to prepare a realistic budget envelope by the State Planning Department and Nodal department for RKVY for arriving at a realistic plan.