



**COMMITTEE ON AGRICULTURE
(2010-2011)**

FIFTEENTH LOK SABHA

MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURAL RESEARCH AND EDUCATION)

DEMANDS FOR GRANTS (2009-10)

**{Action Taken by the Government on the Observations/
Recommendations contained in the Fourth Report
of the Committee on Agriculture (2009-2010)}**

FIFTEENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

March, 2011/Phalguna, 1932 (Saka)

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Presented to Lok Sabha on 08.03.2011

Laid on the Table of Rajya Sabha on 08.03.2011



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2011/Phalguna, 1932 (Saka)

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COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2010-11)

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri K.C. Singh 'Baba'
4. Shri Thangso Baite
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6. Smt. Shruti Choudhary
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10. Shri Anant Kumar Hegde
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SECRETARIAT

1. Shri S. Bal Shekar - Additional Secretary
2. Shri Raj Shekhar Sharma - Joint Secretary
3. Shri P.V.L.N. Murthy - Director
4. Shri P. C. Koul - Additional Director

INTRODUCTION

I, the Chairman, Committee on Agriculture (2010-2011) having been authorized by the Committee to submit the Report on their behalf, present this Fifteenth Report on Action Taken by the Government on the Observations/ Recommendations contained in the Fourth Report of the Committee on Demands for Grants (2009-10) pertaining to Ministry of Agriculture (Department of Agricultural Research and Education).

2. The Fourth Report of the Committee on Agriculture (2009-2010) on 'Demands for Grants' (2009-10) pertaining to Ministry of Agriculture (Department of Agricultural Research and Education) was first presented to Speaker, Lok Sabha on 18 February, 2010 and later to Lok Sabha on 03 March, 2010. The Report was laid on the Table of Rajya Sabha on 03 March, 2010. The Action Taken Replies on the Report were received on 18 May, 2010.

3. The Report was considered and adopted by the Committee at their Sitting held on 03 March, 2011.

4. An analysis of the Action Taken by the Government on the Observations/ Recommendations contained in the Fourth Report of the Committee is given in **Annexure.**

NEW DELHI;
7 March, 2011
16 Phalguna, 1932 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture.

CHAPTER-I

REPORT

This Report of the Committee on Agriculture deals with the action taken by the Government on the Recommendations contained in the Fourth Report (Fifteenth Lok Sabha) of the Committee on Agriculture (2009-2010) on "Demands for Grants (2009-10) pertaining to Ministry of Agriculture (Department of Agricultural Research and Education) which was first presented to Speaker, Lok Sabha on 18.02.2010 and later to Lok Sabha on 03.03.2010. The Report was laid on the Table of Rajya Sabha on 03.03.2010.

1.2 The Ministry of Agriculture (Department of Agricultural Research & Education) have furnished Action Taken Replies in respect of all the 22 Observations/Recommendations contained in the Report. These have been categorized as under:

- (i) Observations/Recommendations that have been accepted by the Government:

Recommendation Para Nos. 2.8, 3.49, 3.50, 3.51, 3.52, 3.53, 3.54, 3.55, 4.45, 4.46, 4.47, 4.48, 4.49, 4.50, 4.51, 4.55, 4.56 and 4.57

- (ii) Observations/Recommendations in respect of which the Committee do not desire to pursue in view of the Government's reply:

Recommendation Para Nos. NIL

- (iii) Observations/Recommendations in respect of which action taken replies of the Government have not been accepted by the Committee:

Recommendation Para Nos. – 3.48, 4.52, 4.53 and 4.54

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited :

Recommendation Para No . NIL

1.3 The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. In cases, where it is not possible for the Department to implement the Recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that further Action Taken Notes on the Observations / Recommendations contained in Chapter-I and final Action Taken Replies to the Recommendations contained in Chapter-V of this Report be furnished to them at an early date.

1.4 The Committee will now deal with the action taken by the Government on some of the Recommendations in the succeeding paragraphs.

BUDGETARY PLANNING AND ZERO BASED BUDGETING
(RECOMMENDATION PARA NO. 3.48)

1.5 Amongst various aspects, the Committee in their instant Recommendation had asked the Department that instead of the present practice of Zero Based Budgeting exercise being done by the Planning Commission, the Department ought to do this Exercise themselves as the ZBB is a handy tool for better rational, prudent and more focussed financial planning. This would have also in the opinion of the Committee enabled the Planning Commission to analysis and appreciate the performance and achievements of the Department in a more focussed and professional manner apart from providing a sound base to the ZBB Exercise conducted by the Planning Commission and considerably reducing the time taken presently in the finalisation of allocations. The Committee had also desired the Department to consider the feasibility of carrying out ZBB Exercise for Annual Plans as well since they are the fundamental units of the Planning System in the Country.

1.6 The Government in their Action Taken Note have stated that Schemes, specially in agriculture, by their very nature, require a period of five years or so, before an assessment can be made of success/failure or need for their continuation or otherwise. Therefore, once the Zero Based Budgeting exercise is done at the

beginning of the Plan period, annual Zero based Budgeting may be difficult to implement. However, a continuous watch is kept on all schemes/expenditure, to avoid infructuous expenditure.

1.7 The Committee are not at all satisfied with the reply of the Government about ZBB being difficult to implement in the context of Annual Plans as there is no rational link between Annual Plan budgeting and the reasons adduced by the Government viz. Schemes in agriculture requiring a period of five years or so before assessment of their success/failure or need for their continuation or otherwise. In their considered opinion, the ZBB concept if applied to the Annual Plans would only help in evaluating the performance of various Schemes during a particular financial year, both in terms of financial implications and physical achievements there against so that funds for the next fiscal are accordingly allocated. The Committee would, therefore, reiterate their earlier recommendation and desire the Government to give a relook to this rather than expressing their apprehension in doing so.

The Committee are further constrained to note that the Department have inexplicably not responded to the more important aspect of this Recommendation viz. conducting a ZBB Exercise for a Five Year Plan on their own and letting the Planning Commission create their edifice over it. While deprecating this oversight, the Committee desire that the Department should, at the time of furnishing their reply to the first aspect of this Recommendation also furnish their considered views in this matter as well and caution the Government to henceforth furnish full and complete replies to their recommendations.

BUDGETING OF A SCIENTIFIC DEPARTMENT
(RECOMMENDATION PARA NOS. 3.49 AND 3.50)

1.8 Appreciating the typical requirements of human resources, working and finances of a Scientific Department and noting with consternation that for decades together the Government had been neglecting this fact and clubbing the Scientific Departments like DARE with other general administrative Ministries/Departments in the assessment of their organizational, functional and financial requirements, the Committee had recommended that DARE ought not be kept on the same footing as the general administrative Ministries/Departments. The Committee had further desired the Department that rather than merely demanding things in thin air, should get down to the task of working out a well considered and cogent proposal delineating their typical requirements of manpower, functions and finances and the amendments / changes required to be made in the extant rules and regulations concerning these elements and project them to the authorities concerned with a view to fructify them.

1.9 The Ministry of Agriculture (Department of Agricultural Research and Education) in their Action Taken Note have stated that they have constituted a Committee to examine and submit specific recommendations on this issue.

1.10 The Committee note with satisfaction that pursuant to their Recommendation, the Department of Agricultural Research and Education have constituted a Committee to examine and submit specific recommendations on the issue of treating a Scientific Department separately from other general Ministries/Departments in assessment of their organizational, functional and financial requirements. The Committee, however, desire that the Committee constituted for the purpose should be asked to complete the task assigned to it with due promptitude and in a highly time bound manner so that at least now DARE/ICAR are treated by Ministry of Finance and Planning Commission in a more professional manner in so far as

their typical requirements are concerned. The Committee would like to be apprised of the endeavours of the Department in this regard at the earliest.

LAUNCHING OF NEW SCHEMES
(RECOMMENDATION PARA NO. 3.53)

1.11 Concerned over the inordinate delay in implementation of two new Schemes viz National Institute of Agriculture Biotechnology and the National Institute of Biotic Stress Management, as they were still on paper, the Committee desired the Department to try their level best to ensure that all formalities pertaining to these Schemes of national importance were completed with utmost promptitude and their implementation commenced at the earliest.

1.12 The Government in their Action Taken Note have stated that they have already requested the Department of Expenditure to urgently indicate a date of EFC meeting to be chaired by Secretary, Department of Expenditure for the new schemes of National Institute of Agriculture Biotechnology and the National Institute of Biotic Stress Management.

1.13 The Committee strongly deprecate the casual approach of the Department of Agricultural Research and Education in responding to their recommendation. This is precisely what they had stated before the Committee during the course of examination of Demands for Grants 2009-10. It is indeed very surprising that even when faced with the looming threat of climate change and its adverse impact on Agriculture, the Department of Agricultural Research and Education are yet to complete formalities pertaining to the commencement of National Institute of Agriculture Biotechnology and the National Institute of Biotic Stress Management Schemes with even a trace of urgency. The Committee, therefore, would at the cost of sounding repetitive, exhort the Department to take all necessary actions with utmost promptitude.

EDUCATIONAL QUALITY AND REFORMS
(RECOMMENDATION PARA NO. 4.52)

1.14 Having noted with concern the contention of the Department that there had been no under performance so far as physical targets of a vital component of Agricultural Education *viz.* Educational Quality and Reforms are concerned inspite of the Department having been able to spend just 1 per cent of the total allocation of Rs. 3.10 crore in the first two years and measly a sum of Rs. 11 lakh has been earmarked for the Scheme in the year 2009-10, the Committee had sought a detailed explanation from the Department in the matter. Likewise noting that in another component of Agricultural Education 'Nitch Areas of Excellence' the Department had spent Rs. 12.03 crore out of a BE of Rs. 43.50 crore in the year 2007-08 and nothing during the year 2008-09 out of the BE of Rs. 25.15 crore and the gross under utilization in the first year being attributed by the Department to the delayed approval of the Scheme at the second year of the Plan, the Committee had been highly intrigued since the expenditure in the second year was nil. The Committee had, therefore, sought a detailed explanation from the Department within one month of presentation of their Fourth Report.

1.15 The Government in their reply, which incidently has been their constant refrain in the context of several other Recommendations of the Committee, have stated that the Department will like to reassure that they will be able to spend the allocated amount subject to availability of funds.

1.16 The Committee find the response of the Government to both these recommendations reflective of their casual attitude towards the Parliament and its entities and condemn it in unequivocal terms. They also desire that specific explanations in both the cases may be furnished to them within 15 days of presentation of this Report to the Parliament.

EXPERIMENTAL LEARNING COMPONENT
(RECOMMENDATION PARA NOS. 4.53 & 4.54)

1.17 Observing that no allocations had been made for Schemes like Experimental Learning Component, Modernisation of University Reforms, Library component,

Maharishi Phule Krishi Vidyapeeth, etc. in certain years and certain columns of the documents submitted by the Department for and in connection with the examination of the Demands for Grants, the Committee while taking strong exception to the way facts and figures had been furnished to them had sought detailed explanation from the Department in all such cases.

1.18 In response the Government in their Action Taken Notes have stated that the Plan ceiling in respect of Experiential Learning Component (which is inadvertently reflected as Experimental Learning Component in the document) was communicated to ICAR in the month of October, 2008 for the XIth Plan and the expenditure will be incurred as per allocation.

They have further stated that the Plan ceiling in respect of Library Component was communicated to ICAR in the month of October, 2008. The pace of expenditure picked up in year 2008-09 and the actual expenditure was Rs. 39.41 crores amounting to 31.61% of the outlay under the subhead.

The special grant of Rs. 100 crore included the total allocation of the Education division was approved through a separate EFC and the grant was received from Ministry of Finance in the month of January, 2009.

1.19 The Committee find it disappointing that the reply of the Department is totally silent in regard to the inconsistencies pointed out in the document of Modernisation of University Reforms component and Maharishi Phule Krishi Vidyapeeth (MPKV). The clarifications submitted by the Department in case of the remaining two components have also failed to pinpoint the exact reasons for the inconsistencies other than the delayed communication of Plan Ceilings. The Committee are not satisfied with the way in which the Department have dealt with these two Recommendations of the Committee and they desire detailed explanations from the Department in respect of all the

four components within fifteen days of the presentation of this Report to Parliament.

CENTRAL AGRICULTURAL UNIVERSITY, IMPHAL
(RECOMMENDATION PARA NO. 4.55)

1.20 Noting that the work on the Central Agricultural University, Imphal, which had remained slack during the first two fiscals of the Eleventh Plan, had picked up with the appointment of a new executing agency and the construction work was going on satisfactorily, the Committee had desired the Department to work out a rigid time schedule for the completion of this Project at the earliest.

1.21 In their Action Taken Note, the Government have stated that the newly appointed construction agency Engineering Projects India Ltd. (Govt. of India undertaking) started the work in full swing. However, on 11.06.09 some anti-social elements came into the labour camp and asked labourers to come out and four of them were shot dead in front of Boy's Hostel. One more later succumbed to his injuries in the Regional Institute of Medical Sciences. Most of the labourers left the work site and work came to standstill. It took almost four months to resume the work by contractors. The Professor of Engineering looking after the duties of the post of Executive Engineer was threatened by proscribed organization making demands for money. He was abducted one morning and kept in captivity for seven days. Following this incident, the supervisory staff posted by E.P.I.L. is not in a position to place suitable staff to supervise the work. However, after lot of persuasion, some local engineers are employed by the agency, and now the work is going on, although with slow speed, as a result of which time lines are difficult to lay down. However, all the efforts will be made to see that work is completed in the earliest possible times.

1.22 The Committee are deeply concerned with the developments on the law and order situation reported by the Department. They feel that in view of the immense importance of the Central Agricultural University, Imphal in creating an interface with the agriculture sector and allied activities in the North-East, the Department will have to walk an additional mile to tide over the situation.

The Committee would like them to take up this matter at sufficiently high level with the Ministry of Home Affairs and the State Government to ensure that a secure environment is provided to the people working on the Project and the implementation proceeds with utmost speed.

EXTERNALLY AIDED PROJECTS
(RECOMMENDATION PARA NO. 4.57)

1.23 Having found that the approval for the Externally Aided Project viz. National Fund for Basic and Strategic Research was received late from the Ministry of Finance due to which implementation of this Scheme was delayed during the first two years of the Plan period resulting in an expenditure of only Rs. 15.66 crore out of an Outlay of Rs. 100 crore, the Committee desired the Department to pursue this important Scheme earnestly so that the delay till now does not affect its targets in the remaining period of the current Plan as all the approvals/sanctions were already in place.

1.24 The Government in their Action Taken Note have stated that in so far as National Fund for Basic, Strategic and Frontier Application Research is concerned, it is to mention that the said project is a Plan project. An Empowered Committee has now been constituted to review the progress of the project. The Committee had its first meeting on 7 May, 2010 and further action on how to progress in this regard will be taken upon receipt of the Committee's report.

1.25 The Committee find the reply of the Government highly perplexing. For the first two years of the Plan, the performance of the Scheme, according to DARE, suffered due to delay in approval from the Ministry of Finance as a result thereof only Rs. 15.66 crore could be spent out of Rs. 100.00 crore allocated during these two years. Now when all approvals/sanctions are in place, it was reasonably expected that the Department would go full steam ahead to implement the Scheme. Unfortunately, the Department have chosen to constitute an Empowered Committee to review the progress of the project

and the Department will proceed further only on receipt of the report of this Empowered Committee. The Committee have a strong feeling that such a step will only further delay the implementation of this important Scheme. Therefore, while seeking the compelling reasons necessitating the appointment of the Empowered Committee, they desire that the Department should expeditiously obtain the report of the Empowered Committee and take corrective actions urgently so as to ensure that there is no further delay in the implementation of this Scheme.

CHAPTER - II

OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Enhanced Allocation for Agricultural Research & Education **(Recommendation Para No. 2.8)**

The Committee note that agricultural research, education and extension, because of their significant contribution to growth of agriculture sector, economy, food and nutrition security of the Country, are of critical importance for an agrarian economy like ours. They, therefore, are of the considered opinion that keeping in view the national interest, DARE is provided with sufficient funds, so that these activities are carried out unhindered and without any constraints or impediments. With this concern uppermost in their mind, the Committee have been recommending in their successive Reports to the Government to enhance investment for these activities to at least 1 percent of the Agricultural GDP, the latest being their Thirty-eighth Report (Fourteenth Lok Sabha) on the Demands for Grants (2008-09) and the Forty-third Report (Fourteenth Lok Sabha) on the Action Taken by the Government on their Thirty-eighth Report. They are, however, highly disappointed with the response of the Government, as reflected in the Demands of DARE for the ongoing Fiscal. There is no increase in the allocation in the Plan side with the RE of Rs.1760.00 crore for 2008-09 being retained as BE for the current year. The Committee wonder as to how Government expects phenomenal, if not astounding results with such a pittance of an allocation. The meagre allocation for agricultural research and education becomes all the more galling when emerging threats like climate change and global warming, declining natural resources,

increasing natural calamities, growing soil infertility, declining water resources, technology fatigue, etc. are taken into consideration which all will require capital intensive solutions. The Committee, therefore, even at the cost of sounding repetitive exhort the Government to wake up to realities and enhance substantially, allocations for agricultural research and education to ensure that solutions to the above mentioned crippling problems are found before it is too late. They hope this recommendation gets adequately reflected in the Demands for Grants of DARE in the next fiscal, i.e. 2010-11.

REPLY OF THE GOVERNMENT

During the year 2010-11, originally a ceiling of Rs. 2100 crores was communicated. However, keeping in view the concerns about increased support for agricultural research, the allocation was enhanced to Rs. 2300 crores including an amount of Rs 200 crore for Climate Resilient Agriculture Initiative. Thus, from Rs 1760 crores in 2009-10, the Plan allocation for the year 2010-11 is Rs 2300 crore, which represents an increase of over 30% over the previous year.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 201]

Budgeting of a Scientific Department **(Recommendation Para Nos. 3.49 & 3.50)**

The Committee while noting with appreciation the contribution of ICAR in the past in enabling the Country acquire self-sufficiency in food production are, however, aghast to find that the Government never cared to nurture DARE / ICAR as an entity that has performed. This resulted in this Scientific Department getting continuously clubbed with other general administrative Ministries / Departments in the assessment of their organizational, functional and financial requirements. That this sorry situation is obtaining six decades after independence and with a well laid

down system of planning and decision making in place is incomprehensible to them. Having noted further that the Planning Commission have acknowledged this bitter truth in the Eleventh Plan document that the Government need to treat the Scientific Departments on a different footing vis-à-vis other Ministries / Departments for their functional, human resource and financial requirements, the Committee are certain that the Government is well aware of this plain speaking of the Plan body. It becomes highly untenable in view of the above fact that it is not the lack of awareness but the lack of will that is prohibiting the Government from bringing in the required reforms in the budgeting procedures and in subsequent allocations for the Scientific Departments. They strongly feel that the Government and the planners need to do what they, ought to have done decades ago. It is needless to emphasise that Scientific Departments have their own typical requirements of human resource, working and finances. And to keep them at the cutting edges of performance, they ought not be kept on the same footing as the general administrative Ministries / Departments. They, therefore, desire the Government to immediately extricate themselves from the inertia they are in and undo this wrong of decades together so that the Scientific Department are given their due, if not more, to enable, DARE / ICAR to perform in a conducive atmosphere and deliver to their optimum.

Further, the Committee are highly disappointed with the attitude of the Department and the response about the requirements as a Scientific Department. The replies were too vague and general in nature, for the Committee to come to right conclusions about the exact requirements of the Department. The Committee are of the firm opinion that the endeavors of the Government in this matter will fructify only if they are presented with some concrete proposals by the Department for consideration and approval. They would like to caution the Department that

merely saying that they feed the Nation inspite of severe handicaps or that major policy decisions are required to usher in changes in their working would not suffice. They, therefore, desire the Department immediately to get down to the task of working out a well considered and cogent proposal delineating their typical requirements of manpower, functioning and finances and the amendments / changes required to be made in the extant rules and regulations concerning these elements with a view to fructify them. The Committee would like such a proposal to be worked out by the Department and sent for the consideration of the Government before their next Demands for Grants are presented to the Parliament.

REPLY OF THE GOVERNMENT

As desired by the Committee, the Department has decided to constitute a Committee to examine and submit specific recommendations on this issue.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Comments of the Committee

For comments of the Committee please refer to Para No. 1.10 of Chapter I of this Report.

Delinking of Annual Plan (2007-08) from the Eleventh Plan **(Recommendation Para No. 3.51)**

During the course of the examination of the Demands for Grants of the Department of Agricultural Research & Education, the Committee note that the Planning Commission had informed the Department in December, 2006 / January, 2007 that only their Annual Plan (2007-08) proposals would be considered and not the Eleventh Plan as a whole. This, according to the Department was done

because the Planning Commission had to communicate the Annual Plan 2007-08 outlay of the Departments in February, 2007, while the Eleventh Plan related Report of the Steering Group on Agriculture and Allied Sectors, constituted by the Planning Commission itself was finalized only in April, 2007. Besides, it was also done to ensure that the reports of the Sub-Committee of National Development Council and the Eleventh Plan Working Group on Agricultural Research and Education are taken into account while taking up overall formulation of the Eleventh Five Year Plan Document. The Committee further note that on the consequences of this delinking, initially the Department merely stated that it was just an administrative technicality on the part of the Planning Commission and they followed procedures as desired by agencies like Planning Commission. However, after persistent queries by them, it was finally admitted that the delinking of Financial Year 2007-08 from the Eleventh Plan was a factor impacting some delay in the process of clearance of various schemes of Eleventh Plan for implementation. The Committee are greatly distressed to find that the communication of the Planning Commission after the endorsement of the Eleventh Plan by the National Development Council was received in the Department only in January, 2008 resulting in the loss of a precious year in this preliminary process. Although the Department through their efforts got all EFCs and SFCs cleared in about one year from the date of receipt of the communication from the Planning Commission, the sad fact remains that by then virtually the first two years of the Eleventh Plan were over resulting in timelines of all schemes going haywire. This according to them would very obviously entail an inflated financial cost also. While deprecating this sloppy planning process, the Committee find it inexplicable as to why the Government or the other agencies involved in the process did not consider to convert 2007-08 as an Annual Plan year, as has been done in the past, so that

the Eleventh Plan could have started from 2008-09. This would have cushioned the Plan from the cascading effects of the procedural delays, staggering of timelines and risking inflated costs during the ongoing Plan. The Department cannot be absolved of their inaction in this crucial matter as knowing fully well the negative connotations of the delinking of Annual Plan 2007-08 from the Eleventh Plan, they did not take any initiative of pointing out to the appropriate authorities instead claiming that compliance with the procedure of other agencies and general elections in the Country as alibis for their inaction before the Committee. They desire the Department to be more proactive in future in such matters of crucial importance.

REPLY OF THE GOVERNMENT

As suggested by the committee, the Department will take up such matters with Planning Commission in time.

[Ministry of Agriculture (Department of Agricultural Research and Education O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Budgetary Allocation **(Recommendation Para No. 3.52)**

The Committee note that the Department were allocated a sum of Rs.12023 crore for the Eleventh Plan against Rs.12176.40 crore sought by them while the Department had sought a far greater amount of Rs.15000 crore for the Tenth Plan. Seen in real terms, the allocation of Rs.12176.40 crore sought for Eleventh Plan is substantially less than what was sought five years back for the Tenth Plan. The Department advanced a strange logic for downsizing their outlay for the Eleventh Plan stating that the Planning Commission had asked them to project the Eleventh Plan fund requirements using three scenarios viz. reflecting an increase of 5%,

10% and 15% respectively with respect to the terminal year of Tenth Plan. The Committee can in no way justify such restrictive mathematical formulae prescribed by the Planning Commission while asking a Scientific Department to workout their projections for as important a thing as the Five Year Plan outlay. This becomes inexplicable given the fact that the Eleventh Plan Working Group and the Expert Group, both constituted by the Planning Commission itself had recommended a whopping Rs.31672.00 crore and Rs.36000.00 crore respectively for the purpose. The Committee cannot but deprecate such casual attitude towards financial planning and management.

They observe a similar fate befalling the allocations made to the Department for the Annual Plans of the Eleventh Plan. For 2007-08, a sum of Rs.1620.00 crore was allocated as BE. This was reduced to Rs.1434.00 crore at RE stage. In 2008-09, a sum of Rs.1760.00 crore was allocated as BE. The same amount has been allocated as BE for the ongoing Fiscal as well when the Department had sought an allocation of Rs.4000.00 crore. The Department have also not acquitted themselves well by failing to utilize even these reduced allocations. In 2007-08 and 2008-09 they could spend only Rs.1284.25 crore and Rs.1653.80 crore respectively and in the ongoing Fiscal just 37% of the allocation viz. Rs.652.28 crore in the first six months was spent. The consequence of the low releases and still lower utilizations is that halfway through the Eleventh Plan, the Department has barely managed to spend 30% of the total allocations. The way things stand as of now, the Committee have every reason not to share the optimism of the Department that the balance funds would be spent in the remaining period of the Eleventh Plan. Rather, the Committee apprehend that schemes would get staggered resulting in cost and time overruns. Another serious dimension would be that in order to spend funds in this Plan itself, half baked schemes would be rushed

through with scant regard for either qualitative or quantitative norms. In both the cases, the prospects appear to be really very grim. They, therefore, are of the considered opinion that the ongoing midterm appraisal should chalk out specific implementation and execution strategies to ensure that balance funds to the maximum possible extent are utilized during the remainder of the Eleventh Plan without compromising on qualitative and quantitative parameters. They would like to be apprised of the efforts made by the Department in this regard at the earliest.

Further, it would not be out of context to comment upon the manner in which the Department have been furnishing information to them while the Demand for Grants (2009-10) were examined. The Department continued to invite their attention to the Document on DFG without ever realizing that the figures of allocations sought for Annual Plans are not mentioned in the said Document. Attention of the Committee was also invited to Annual Plans of previous years without appreciating the fact that these were not made available to them. The Committee are not at all impressed by this thoroughly condescending attitude of the Department in the matter of supply of papers and records sought by the Parliamentary Committee. They express serious displeasure and desire the Department to be extremely careful while furnishing information to the Parliament and its Committees in future.

REPLY OF THE GOVERNMENT

The Department will strictly adhere to the instruction of the Committee in the future.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Launching of New Schemes
(Recommendation Para No. 3.53)

The Committee find that the Department were implementing 71 Schemes in the Tenth Plan. With the addition of three new Schemes this figure has gone upto 74 in the Eleventh Plan. They are, however, concerned to note that out of these three new Schemes only one viz. National Institute of Abiotic Stress Management has been approved by the Government in 2008-09. The remaining two namely National Institute of Agriculture Biotechnology and the National Institute of Biotic Stress Management are still on paper. Though earmarked for implementation in the ongoing Financial year, the EFC proposals of these two Schemes were circulated to the appraisal agencies only on 25 September, 2009. While the comments of Planning Commission, Department of Biotechnology, Department of Animal Husbandry, Dairying and Fisheries have been received, the comments of Department of Agriculture and Co-operation, Department of Science and Technology and the Ministry of Environment and Forest are yet to be received. In the meantime, the Department have requested the Department of Expenditure to convene the EFC for the two Schemes. The Committee strongly feel that these two new Schemes have already been delayed inordinately. They, therefore, desire the Department to try their level best to ensure that all formalities pertaining to these Schemes of national importance are completed with utmost promptitude and their implementation commences at the earliest.

REPLY OF THE GOVERNMENT

The Department has already requested to the department of expenditure to urgently indicate a date of EFC meeting to be chaired by Secy. Expenditure for the new schemes of National Institute of Agriculture Biotechnology and the National Institute of Biotic Stress Management.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Comments of the Committee

For comments of the Committee please refer to Para No. 1.13 of Chapter I of this Report.

Quarter - 4 and March Spending Slippages **(Recommendation Para No. 3.54)**

The Committee note that Ministry of Finance modified the Budget and Cash Management guidelines issued in 2006-07 stipulate maximum spending ceiling of 33% in Quarter – 4 of a Fiscal and of 15% in the month of March and that any breach of these two ceiling limits require regularization by the Ministry of Finance. The Committee, however, note with concern that the Department have breached Q-4 norms in both the previous years with spending of 35.79% in Q-4 of 2007-08 and of 43.64% in Q-4 of 2008-09. They have also not adhered to the March spending ceiling of maximum 15% in March, 2009. What is more disturbing is that the Department have not even bothered to report these violations to the Ministry of Finance for regularization. They consider this a major failure on the part of the Department, and are of the strong opinion that unless financial prudence is practiced in letter and spirit, the entire purpose of this initiative for systemic improvement will be defeated. The Committee, therefore, desire that rather than seeking regularization of all such violations in future, as promised by the Department to them, the Department should endeavour to adhere to Q-4 and March expenditure norms without fail in future.

REPLY OF THE GOVERNMENT

The Department will strictly adhere to the instruction of the Committee in the future.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Mid-Term Appraisal
(Recommendation Para No. 3.55)

The Committee observe that mid-term appraisal of the Eleventh Plan schemes of the Department is presently underway and the first meeting was held on 5 November, 2009. The Department is awaiting the proceedings of the first meeting and the appraisal is yet to be completed. They further observe that ICAR has developed mechanisms for evaluation through independent agencies. Evaluation of 8 institutions have so far been completed by the outside agencies. The Committee desire the Department to get the mid-term appraisal by Planning Commission completed at the earliest and the findings and recommendations be gainfully utilized for drawing up the proposals for allocations to various schemes for the next year's Budgetary Outlay of the Department.

REPLY OF THE GOVERNMENT

The draft mid-term review appraisal document was circulated by the Planning Commission on 26 February, 2010 and comments have been called for. Once final report is received from the Planning Commission, the Department will initiate further action accordingly.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Poor Utilization in Crop Science Scheme
(Recommendation Para No. 4.45)

The Committee find that the Department have been provided with Rs.1958.76 crore for this Scheme in the Eleventh Plan which almost matches their requirement (Rs. 1991.08 crore). What, however, is a matter of anxiety for the Committee is that the Department have been able to spend roughly 26.5% of the total Plan

allocation in the first two Fiscals. Even during the current year, and in spite of their assertions to the contrary, the spending in the first six months has been Rs.95.24 crore only out of Rs.304.00 crore. Thus, at halfway stage of the Plan, the Department have been able to spend a mere Rs.620.32 crore out of Rs.1958.76 crore which is less than 32% in percentage terms. Given this scenario of gross under allocations and still lesser utilization, year after year, the Committee are compelled to conclude that the Crop Science Scheme is bound to miss both its cost as well as time lines. While expressing their displeasure on the extant poor financial management of this important Scheme till date in the Eleventh Plan, they exhort the Department to atleast pull their socks up now and implement Scheme more professionally and judiciously during the remaining part of the Eleventh Plan. They also expect the Planning Commission to ensure that the Department will not remain cash strapped as in the previous years of the Eleventh Plan and all justified requirement of funds for the Crop Science Scheme will be met with alacrity.

REPLY OF THE GOVERNMENT

The Figures for Crop Science Division are Rs. 1991.08 crore (proposed outlay for XIth Plan) and Rs. 1958.76 crore (earmarked outlay for XIth Plan) and Rs. 1654.07 crore (approved by EFC/SFC). Up to year 2009-10 the actual allocations (REs) to Crop Science Division had been Rs. 848.00 crore of which Rs. 822.08 crore (two years actual + RE for year 2009-10) has been spent, which is 96.90 percent of the actual allocation.

The department reassures the Committee that the actual expenditure over the five year Plan period would be over 90 percent of the actual allocation; which is anticipated to increase further.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Horticulture
(Recommendation Para No. 4.46)

The Committee observe that the Horticulture Scheme suffers from a different malaise. While the Department sought an amount of Rs.702.52 crore for this Scheme, they have been allocated Rs.726.75 crore, which is slightly higher than what they had asked for. Hereagain, the Department have been able to spend hardly 23% of the total allocation in the first two years of the Plan. In the third year i.e. 2009-10 when according to the Department the spending could have picked up, they have been allocated a sum of Rs.90.00 crore against Rs.260.00 crore sought by them. Further, the Department have already spent a major chunk i.e. Rs.76.53 crore in the first six months of the ongoing Fiscal. At such a speed, the Department would face a funds crunch sooner than later or else they may have to go slow on the implementation side. The Committee are dismayed with this method of funds allocation. Keeping the extant scenario in view, they desire the Government to infuse the Department with funds immediately at RE stage for the Horticulture Scheme to ensure that the Scheme continues unhindered.

REPLY OF THE GOVERNMENT

The Figures for Horticulture Division are Rs. 702.52 crore (proposed outlay for XIth Plan) and Rs. 726.75 crore (earmarked outlay for XIth Plan) and Rs. 629.76 crore (approved by EFC/SFC). Upto year 2009-10 the actual allocations (REs) to Horticulture Division had been Rs. 263.60 crore of which Rs. 263.82 crore (two years actual + RE for year 2009-10) has been spent, which is approximately 100 percent of the actual allocation.

The department reassures the Committee that the actual expenditure over the five year Plan period would be over 90 percent of the actual allocation; which is anticipated to increase further.

It may further be added that plan allocation for the year 2009-10 has been enhanced from Rs. 90.00 crores to Rs. 98.00 crores, which will help in furthering the research activities in the Horticultural Sector.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Natural Resource Management
(Recommendation Para No. 4.47)

The Committee observe that an allocation of Rs. 630.12 crore was sought for this Scheme against which a substantially higher amount of Rs.745.09 crore was allocated for the purpose. The Committee, are, however, disappointed to observe further that the Department could spend less than one fourth of the sum allocated during first two years of the Plan. In the Third year also , upto September, 2009, they have been able to spend only 40% or so of Rs. 102.00 crore allocated to them. As usual, the Department attributed the delays in sanctions/approvals as the reason for not making much headway in the first two years of the Plan. However, the assurance that the Department would work with full vigour in the remaining three years of the Plan and funds utilization would be higher remains to be seen. With half of the Eleventh Plan over and barely 30% of the funds spent, the situation is not as rosy as the Department would let the Committee believe. The Committee strongly believe that enough time has been wasted in the ongoing Plan on matters of planning and conceptualizing and what is required at this juncture is the execution and implementation of the Scheme with single minded purpose so that its intended benefits start accruing without any delay. They expect the Department to keep its assurance given to them in this regard.

REPLY OF THE GOVERNMENT

The Figures for NRM Division are Rs. 630.12 crore (proposed outlay for XIth Plan) and Rs. 745.09 crore (earmarked outlay for XIth Plan) and Rs. 801.36 crore (approved by EFC/SFC). Upto year 2009-10 the actual allocations (REs) to NRM Division had been Rs. 291.10 crore of which Rs. 284.03 crore (two years actual + RE for year 2009-10) has been spent, which is 97.60 percent of the actual allocation.

The department may reassure the Committee that the actual expenditure over the five year Plan period would be over 90 percent of the actual allocation; which is anticipated to increase further.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Agricultural Engineering **(Recommendation Para No. 4.48)**

The Committee note that in this Scheme also the Department have been allocated substantially higher sum (Rs. 300 crore) than what was sought (Rs. 262.20 crore). They, however, find it disconcerting that the actual expenditure at Rs.73.15 crore in the first two fiscals is even less than one-fourth of the total Outlay. In the ongoing Fiscal also, the Department have been able to spend only Rs.15.20 crore out of the BE of Rs. 43.00 crore in the first six months. In percentage terms, it works out to roughly one-third of the allocation. As in the case of replies to the other such instances, the Department have expressed optimism about higher utilization during the current Fiscal and the remaining two years of the Eleventh Plan which the Committee can only take with a pinch of salt. The Committee strongly feel that if the Department have to ensure that the remaining two-thirds of the allocations are spent judiciously in the remaining two and a half years of the Eleventh Plan they have to really make a herculean effort. They, therefore, recommend the Department to rework their priorities in the Agricultural

Engineering Scheme in the light of the mid-term appraisal and implement them in a focused and time bound manner in the remainder of the Eleventh Plan so as to ensure that both the cost and timelines of these Schemes are not staggered.

REPLY OF THE GOVERNMENT

The Figures for Agricultural Engineering Division are Rs. 262.20 crore (proposed outlay for XIth Plan) and Rs. 300.00 crore (earmarked outlay for XIth Plan) and Rs. 274.03 crore (approved by EFC/SFC). Upto year 2009-10 the actual allocations (REs) to Agricultural Engineering Division had been Rs. 125.00 crore of which Rs. 116.15 crore (two years actual + RE for year 2009-10) has been spent, which is 92.90 percent of the actual allocation.

The department reassures the Committee that the actual expenditure over the five year Plan period would be over 90 percent of the actual allocation; which is anticipated to increase further.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Animal Science **(Recommendation Para No. 4.49)**

The Committee observe that out of the earmarked outlay of Rs. 1035.39 crore the Department have been able to spend just Rs. 158.89 crore which translates to about 15 per cent of the total outlay during the first two years of the Plan. This in their opinion is one of the worst performances of the Department in the Eleventh Plan. In the ongoing year also, the BE of Rs. 92.00 crore is not at all indicative of any extraordinary efforts by the Department. Assuming that the entire amount is spent, the total expenditure in the first three years of the Plan would still be approximately one-fourth of the earmarked outlay. The Committee are distressed to note that two of the major Schemes under Animal Science viz. NDRI and IVRI have been cleared as recently as in the months of March and August, 2009

respectively, which mirrors the sorry state of affairs on the planning and approvals front. Now that the approvals/sanctions in respect of the Schemes of the Division are in place, they hope the Department would move full steam ahead and be able to utilize the balance three-fourth funds in the last two years of the Eleventh Plan in a judicious and professional manner.

REPLY OF THE GOVERNMENT

The Figures for Animal Science Division are Rs. 1074.99 crore (proposed outlay for XIth Plan) and Rs. 1035.39 crore (earmarked outlay for XIth Plan) and Rs. 881.23 crore (approved by EFC/SFC). Upto year 2009-10 the actual allocations (REs) to Animal Science Division had been Rs. 260.00 crore of which Rs. 248.89 crore (two years actual + RE for year 2009-10) has been spent, which is 95.70 percent of the actual allocation.

The department reassures the Committee that the actual expenditure over the five year Plan period would be over 90 percent of the actual allocation; which is anticipated to increase further.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Agricultural Extension **(Recommendation Para No. 4.50)**

The Committee note that Agricultural Extension consists mainly of the Krishi Vigyan Kendras (KVKs) component which is a flagship Scheme of the Department of Agricultural Research and Education. Out of the earmarked outlay of Rs. 2100.00 crore for Agricultural Extension in the Eleventh Plan, Rs. 2052.00 crore stands allocated to KVKs. The Committee are, however, disheartened to observe that even the flagship Scheme of the Department suffers from the malaise of gross underspending. In the first two years of the Plan, only 27 odd per cent have been

spent out of the total allocation. The Committee are one with the Department on the point that if CCEA approval for the allocation had not been delayed upto end December, 2008, the performance of the Department could have been different. They expect that with the approvals/sanctions stages now being over, the Department would make a sincere effort to utilize the outstanding balance during the remainder of the Eleventh Plan so that the KVKs are not affected by the self-inflicted resource crunch and hope for much better if not outstanding results on this front.

REPLY OF THE GOVERNMENT

The Figures for Agricultural Extension Division are Rs. 2300 crore (proposed outlay for XIth Plan) and Rs. 2100.00 crore (earmarked outlay for XIth Plan) and Rs. 2102.75 crore (approved by EFC/SFC). Upto year 2009-10 the actual allocations (REs) to Agricultural Extension Division had been Rs. 937.11 crore of which Rs. 864.90 crore (two years actual + RE for year 2009-10) has been spent, which is 92.30 percent of the actual allocation.

The department reassures the Committee that the actual expenditure over the five year Plan period would be over 90 percent of the actual allocation; which is anticipated to increase further.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Agricultural Education **(Recommendation Para No. 4.51)**

The Committee are not at all satisfied with the manner in which various schemes under Agricultural Education have been handled by the Department. Overall they have been able to spend Rs. 729.19 crore out of Rs. 2414.97 crore during first two years of the Plan which is less than one third of the Plan allocation. It is needless for them to point out that here too, the Department had furnished

information to them in a very casual manner as commented elsewhere in this Report. This is evident from the varying figures furnished in respect of Eleventh Plan Outlay of Rs.2585.00 crore which was subsequently changed to Rs.2414.97 crore as approved for this Division by the competent authority. They would like to have an explanation from the Department as to how, when and by whom the Outlay of Rs. 2855.00 crore was scaled down to Rs.2414.97 crore and why the same was not conveyed to them when the first set of figure was provided to them. They cannot but caution the Department to be very careful in such matters in future.

Further, the Committee observe that out of the total allocation of Rs. 2119.35 crore a sum of Rs. 233.83 crore only has been spent during the first two years of the Eleventh Plan in respect of the scheme under Agricultural Education viz. Development and Strengthening of Agricultural Universities. This is roughly 11 per cent of the total allocation. The Department chose to defend this under-utilisation by stating that the utilization of Rs.233.83 crore is 56.28 per cent of RE allocation of Rs.415.50 crore for the first two years of the Plan. But, the sad fact, that stares us in the face is that almost 90 per cent of the allocation is still unspent and needs to be absorbed in the remaining three years of the Plan which in the view of the Committee is virtually an insurmountable task.

REPLY OF THE GOVERNMENT

The factual position regarding outlay for Education Division is that the figure of Rs.2584.97 crores includes special grants to three universities (PAU, Ludhiana; Institution of Excellence, TNAU; and Institution of Excellence, GB Pant Univ.) and the figure of Rs.2414.97 crores excludes the special grant.

The proposed outlay for XIth Plan for Education Division is Rs. 2705.00 crores and Rs. 2585.00 crore is the earmarked outlay for this Plan. The approved outlay by EFC/SFC for Agricultural Education is Rs. 2495.87 crores (including

additional fund for NAARM, Hyderabad as per revised EFC). Upto year 2009-10 the actual allocations (REs) to Education Division had been Rs. 1111.00 crore of which Rs. 1099.20 crore (two years actual + RE for year 2009-10) has been spent, which is 98.94 percent of the actual allocation.

The department reassures the Committee that the actual expenditure over the five year Plan period would be over 90 percent of the actual allocation; which is anticipated to increase further.

In so far as MPKV, Rahuri is concerned, during 2008 – 09, an amount of Rs. 22.64 crore and during 2009 – 10 an amount of Rs. 61.32 crore was released by Ministry of Finance as special grant to MPKV, Rahuri from out of the Social and Infrastructure Development Fund as part of the Rs. 100 crore grant.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Central Agricultural University, Imphal
(Recommendation Para No. 4.55)

The Committee note that in case of the Central Agricultural University, Imphal also that the Department have not acquitted themselves well. In the last two Fiscals, less than 25 per cent of the total allocation of Rs. 552.27 crore has been spent. It is most unfortunate that approval of the Government for the implementation of the Scheme was received as late as on 16 December, 2008 and for an amount of Rs. 499.07 crore only. The delay in this case has been further aggravated by the fact that the agency entrusted with the implementation of the Project backed out because of law and order situation and the formalities to engage another agency took almost a year. The Committee are, however, happy to note that the new executing agency has already awarded works and construction is going on satisfactorily. In the considered opinion of the Committee, the Central Agricultural University, Imphal would be a much needed interface with the agriculture sector and allied activities in the North-east and therefore its

implementation needs to be accorded highest priority by the Department. They, therefore, desire the Department to work out a rigid time schedule for the implementation of this Project at the earliest. The Committee would like to be apprised of the same.

REPLY OF THE GOVERNMENT

The newly appointed construction agency Engineering Projects India Ltd. (Govt. of India undertaking) started the work in full swing. However, on 11.06.09 some anti-social elements came in to the labour camp and asked labourers to come out and 4 of them were shot dead in front of Boy's Hostel. One more later succumbed to his injuries in the Regional Institute of Medical Sciences. Most of the labourers left the work site and work came to standstill. It took almost 4 months to resume the work by contractors. The professor of Engineering looking after the duties of the post of Executive Engineer was threatened by proscribed organization making demands for money. He was abducted one morning and kept in the captivity for seven days. Following this incident, the supervisory staff posted by E.P.I.L. has left Imphal. E.P.I.L. is not in a position to place suitable staff to supervise the work. However, after lot of persuasion, some local engineers are employed by the agency, and now the work is going on, although with slow speed, as a result of which time lines are difficult to lay down.

However, all the efforts will be made to see that work is completed in the earliest possible time.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Comments of the Committee

For comments of the Committee please refer to Para No. 1.22 of Chapter I of this Report.

ICAR Headquarters – Proper Reflection Of Schemes (Recommendation Para No. 4.56)

The Committee note that the Department had to resort to a drastic downsizing of the BE 2007-08 from Rs.37.50 crore to Rs.21.00 crore at RE stage. The

Department could, however, spend only Rs.11.03 crore out of this reduced amount. According to the Department, the curtailing was necessitated because initially, a sum of Rs.20.00 crore under ICAR Headquarters was included for the Scheme 'Oversight Committee' which is otherwise operated by the Education Division of ICAR. At the RE stage, the allocation was made as per the budgetary heads approved in the Eleventh Plan sanction which did not include Oversight Committee since it was meant to be taken up by another Division separately. Apart from this, the Committee also observe that the Actuals, Shortfall / Excess figures in respect of support to Prof. Soc. Including NAAS, Support to CGIAR and Evaluation of Plan Schemes had not been indicated in the Document on DFG (2009-10). The Committee are not convinced with the Department's contention that ICAR Headquarter is a single scheme and budget / expenditure is shown for it as a single entity. They wish to point out that when the detailed figures for these components were subsequently furnished to them, substantial shortfall / excess was observed in both the years.

Again, the Committee find that no funds had been allocated for the component 3 New Institutes but a sum of Rs.3.85 crore had been shown as RE for 2007-08 and a sum of Rs.50.00 crore has been proposed as Outlay for the ongoing Fiscal, though no allocations have been made against it in the BE. The Department have explained these two amounts as token provisions for the Schemes which are yet to be approved. The Committee find it strange as to how such substantial amount can be treated as token provisions for Schemes which are yet to be approved. From all the instances cited above, the Committee feel that the system of budgeting under the ICAR Headquarters has a lot of scope for improvement so as to introduce more clarity and transparency in it. With the clubbing of all Schemes / Components under one entity, it becomes very difficult to come to right

conclusions on individual Schemes / Components having sizable investments of public money. The Committee would, therefore, like to have the well considered opinion of the Department to make the budgetary provisions reflective of the true performance of all Schemes / Components. They would like to be apprised of the action taken in the matter at the earliest.

REPLY OF THE GOVERNMENT

As suggested by the committee, the Annual Plan outlays for the ICAR (HQ) have been distributed component wise for the next financial year 2010-11. In so far as funds for Over Sight Committees are concerned, they have been included in the respective Institutes as per approval of the XIth Plan EFC i.e it is not reflected separately after the year 2007-08. In so far as allocations for the Institutes are concerned, there was no adverse impact, as the unutilized allocations were re-allocated at RE stage, and funds were than utilized.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Externally Aided Projects **(Recommendation Para No. 4.57)**

The Committee after going through the information relating to the Externally Aided Projects find that the situation is not any better. In case of Indo-US Knowledge Initiative which was launched with much fanfare there has been consistent low release of funds. The result being that even if the entire BE of Rs.5.00 crore is utilized this year, the total spending in three years of the Eleventh Plan would be less than one third of the total Outlay of Rs.50.00 crore. The Department's explanation attributing low expenditure to non-availability of matching grant from the US side does not cut ice with the Committee. Almost three years of the Plan have gone by and the Department have not been able to persuade the other side to release matching grants in suitable proportions is nothing but the failure of the Department to work towards a mutually beneficial arrangement. The

Committee would, therefore, urge the Department to take up the matter with the US side through appropriate channels to ensure that matching grants in requisite proportions are contributed by them from the current fiscal itself so that the Initiative is not frittered away.

The Committee have found more or less similar situation obtaining in the case of another Externally Aided Project viz. National Fund for Basic and Strategic Research. Out of an Outlay of Rs.100.00 crore, a sum of Rs.15.66 crore only has been spent during the first two years of the Plan purportedly due to the fact that the approval of this Scheme from the Ministry of Finance has been received very recently. Now that the approvals / sanctions are in place, the Committee expect the Department to pursue this important Scheme earnestly so as to ensure that delays till date do not affect its implementation proper in the remaining period of the current Plan. They would like to be apprised of the progress made in respect of both these Externally Aided Projects at regular intervals.

REPLY OF THE GOVERNMENT

Non-availability of funds from the US side was taken up with the USA, but there was the lack of an adequate response. The Indo-US Knowledge Initiative in Agriculture was closed on March, 2010.

In so far as National Fund for Basic, Strategic and Frontier Application Research is concerned, it is to mention that the said project is a plan project. An Empowered Committee has now been constituted to review the progress of the project. The committee had its first meeting on 7.5.2010 and further action on how to progress in this regard will be taken upon receipt of the Committee's report.

[Ministry of Agriculture (Department of Agricultural Research) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Comments of the Committee

For comments of the Committee please refer to Para No. 1.25 of Chapter I of this Report.

CHAPTER III

**OBSERVATION/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO
PURSUE IN VIEW OF THE GOVERNMENT'S ACTION TAKEN REPLY**

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CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Budgetary Planning and Zero Based Budgeting (Recommendation Para No. 3.48)

The Committee observe that as far as Budgetary Planning is concerned, the Annual Plan and Five Year Plan requirements of the Department are initially projected as individual schemes of national research centre / project directorate. These are further considered inhouse. New programmes are formulated at ICAR Headquarters based on expert consultations, workshops, conferences, etc. Thereafter, a consolidated proposal for the Department is submitted to Planning Commission after complying with prescribed procedures / guidelines and a Five Year Plan or the Annual Plan is thus finalized after a process of consultation between the Department and the Planning Commission. In the Tenth Plan, for instance, after extensive discussions the number of schemes was brought down to 71 by merging / subsuming various schemes and sub schemes to introduce a more focused and efficient approach in the implementation process. With the addition of three new / upgraded schemes, the number has gone up to 74 in the XI Plan.

The Committee find that Zero Based Budgeting is resorted to in the budgetary planning process but only at the time of finalization of a Five Year Plan by the Planning Commission. The Committee are of the considered opinion that ZBB concept need to be applied not only at the stage of finalization of the budgetary allocation but also as a tool for better, rational, prudent and more focused financial planning requiring *ab-initio* planning. They feel ideally it need to be applied at the initial planning stage within the Department, not only to give a much needed reorientation to the budgetary planning of the Department but also to

enable the Planning Commission to analyse and appreciate the performance and achievements in a more focused and professional manner. On the functional plane, such an initiative by the Department, as will be borne out by the subsequent narrative, will be of immense utility as it may provide a sound base to the ZBB exercise conducted by the Planning Commission and thereby reduce considerably the time taken in finalization of allocations at the extant ZBB exercise stage. The Committee also desire the Department to consider the feasibility of carrying out Zero Based Budgeting for Annual Plans also. Being the fundamental unit of planning system in the Country, the Annual Plans need to be worked out with all meticulousness and care unlike the present system in which goals are dependent on funds and not vice-versa. The Committee would like to be apprised of the considered views of the Department on this aspect well before they take up the examination of the Demands for Grants of the Department for the next fiscal in Feb-March, 2010.

REPLY OF THE GOVERNMENT

Schemes, specially in agriculture, by their very nature, require a period of five years or so, before an assessment can be made of success/failure or need for their continuation or otherwise. Therefore, once the Zero Based Budgeting exercise is done at the beginning of the Plan period, annual Zero Based Budgeting may be difficult to implement. However, a continuous watch is kept on all schemes/expenditure, to avoid infructuous expenditure.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Comments of the Committee

For comments of the Committee please refer to Para No. 1.7 of Chapter I of this Report.

Educational Quality and Reforms
(Recommendation Para No. 4.52)

The Committee are concerned to note that in another vital Component of Agricultural Education viz. Educational Quality and Reforms, the Department have been able to spend just 1 per cent of the total allocation of Rs. 3.10 crore in the first two years and a measly sum of Rs. 11.00 lakh has been earmarked as BE for the ongoing Fiscal. The Committee are not at all convinced by the long winding reply about the several massive exercises being conducted under the Scheme and the unprecedented and exemplary quality of reform initiatives undertaken by the ICAR. What matters is that either the projection of Rs. 3.10 crore as Outlay for this Scheme for the Eleventh Plan was woefully off the mark or that the Department have miserably failed on the implementation side of this Scheme. The Department's contention that there has not been under performance in this Scheme so far as physical targets are concerned goes on to further confirm the Committee's apprehensions about the financial projections of the Scheme.

Similarly, the Committee are distressed to note that in another Component of Agricultural Education i.e. 'Nitch Area of Excellence', the Department have been able to spend just 5.84 per cent of the total outlay in the last two years. Out of the BE of Rs.43.50 crore for 2007-08, the spending was Rs.12.03 crore. In 2008-09 nothing was spent from the BE of Rs.25.15 crore. The gross under-utilisation was attributed by the Department in the first year to the delayed approval of the Scheme at the end of the second year of the Plan. The Committee are highly intrigued by this reply of the Department since in the second year the expenditure has been nil. They would, therefore, like a detailed explanation in the matter from the Department within one month of presentation of this Report in the Parliament.

REPLY OF THE GOVERNMENT

The Department will like to reassure that it will be able to spend the allocated amount subject to availability of funds.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Comments of the Committee

For comments of the Committee please refer to Para No. 1.16 of Chapter I of this Report.

Experimental Learning Component **(Recommendation Para No. 4.53)**

During the course of their scrutiny of the Demand for Grants and other documents furnished to them by the Department, the Committee found several inconsistencies in the figures. Under the 'Experimental Learning Component of the Agricultural Education Scheme', allocations have neither been indicated for the Eleventh Plan as such nor for the first two years of the Plan. However, an amount of Rs. 26.36 crore has been shown as RE for 2008-09 and a similar amount has been shown as BE for the current year. The Department in a clarification have informed them that the Experimental Learning Component has already been included in the Eleventh Plan and is one of the agreed activities in the EFC/CCEA note.

Similarly, in case of the Component 'Modernisation of University Farms' no allocations have been indicated for the Eleventh Plan as also in the first two years of the Plan. However, an amount of Rs. 85.53 crore has been shown as RE for 2008-09 and a similar amount has been shown as BE for 2009-10. In the context

of this Component too, the Department stated that it stands approved with an outlay of Rs. 421.95 crore for three years i.e. 2008-09 to 2010-11.

REPLY OF THE GOVERNMENT

The Plan ceiling in respect of Experiential Learning Component (which is inadvertently reflected as Experimental Learning Component in the document) was communicated to ICAR in the month of October 2008 for the XIth Plan and the expenditure will be incurred as per allocation.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Comments of the Committee

For comments of the Committee please refer to Para No. 1.19 of Chapter I of this Report.

Mis-match and Inconsistencies in Figures **(Recommendation Para No. 4.54)**

The Committee further observe mismatches in the figures under various columns of 'Library Component' of Agricultural Education Scheme. In like manner they also observe that the Department indicated Maharishi Phule Krishi Vidyapeeth (MPKV) as a Component of Agricultural Education Scheme while no allocations have been indicated for the same either in the Eleventh Plan nor in each of the three years of the Annual Plans. The Department clarified that MPKV is a University accredited to ICAR. The special grant of Rs. 100.00 crore to MPKV was announced during the current Plan and funds towards this are provided separately by the Government of India. Additionally, a sum of Rs. 6.50 crore during 2007-08, Rs. 7.67 crore during 2008-09 and Rs. 2.67 crore so far during 2009-10 have been provided to MPKV under the ongoing Scheme Strengthening and Development of AUs.

The Committee take strong exception to the way facts and figures pertaining several important Schemes of the Department have been furnished to them. They are also not convinced by the clarifications given by the Department in this regard. They, therefore, desire a detailed explanation from the Department on how and why figures pertaining to the Schemes mentioned above were reflected in a particular manner in the document pertaining to Demand for Grants as also the manner in which the Department propose to reflect the figures furnished by them as clarifications.

REPLY OF THE GOVERNMENT

The Plan ceiling in respect of Library Component was communicated to ICAR in the month of October 2008. The pace of expenditure picked up in year 2008-09 and the actual expenditure was Rs 39.41 crores amounting to 31.61% of the outlay under the subhead.

The special grant of Rs 100 crore included the total allocation of the Education division was approved through a separate EFC and the grant was received from Ministry of Finance in the month of January 2009.

[Ministry of Agriculture (Department of Agricultural Research and Education) O.M. No. 7(4)/2010-PIM, dated 18th May, 2010]

Comments of the Committee

For comments of the Committee please refer to Para No. 1.19 of Chapter I of this Report.

CHAPTER V

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF
THE GOVERNMENT ARE STILL AWAITED**

- N I L -

**NEW DELHI;
3 March, 2011
12 Phalguna, 1932 (Saka)**

**BASUDEB ACHARIA
Chairman,
*Committee on Agriculture.***

COMMITTEE ON AGRICULTURE

(2010-11)

MINUTES OF THE EIGHTEENTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 3rd March, 2011 from 1500 hours to 1515 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia - Chairman

LOK SABHA

2. Shri Narayansingh Amlabe
3. Shri Thangso Baite
4. Shri Jayant Chaudhary
5. Smt. Shruti Choudhary
6. Smt. Ashwamedh Devi
7. Smt. Paramjit Kaur Gulshan
8. Shri Naranbhai Kachhadia
9. Shri Prabodh Panda
10. Shri Premdas
11. Shri Uday Singh
12. Shri Hukmadeo Narayan Yadav

RAJYA SABHA

13. Shri Mohd. Ali Khan
14. Shri Rajpal Singh Saini
15. Shri S. Thangavelu

SECRETARIAT

1. Shri P.V.L.N. Murthy - Director
2. Shri P.C. Koul - Additional Director

2. At the outset the Chairman welcomed the members to the Sitting of the Committee. They Committee, thereafter, took up the following Draft Reports for consideration:

* (i) *** *** *** *** *** ***

* (ii) *** *** *** *** *** ***

(iii) Action Taken Report on Observations/Recommendations contained in the Fourth Report of the Committee (2009-10) on Demands for Grants (2009-2010) relating to the Ministry of Agriculture (Department of Agricultural Research and Education).

* (iv) *** *** *** *** *** ***

3. After some deliberations, the Committee adopted the draft Reports. They also authorized the Chairman to finalise the above Draft Reports in the light of the factual verifications made by the concerned Ministry/Department and present the same to the Houses.

*4. *** *** *** *** *** ***

The Committee then adjourned.

**Matter not related to this Report.*

ANNEXURE

(Vide Para 4 of Introduction of the Report)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE FOURTH REPORT OF COMMITTEE ON AGRICULTURE (15TH LOK SABHA)

(i)	Total number of Recommendations	22
(ii)	Recommendations/Observations which have been Accepted by the Government	
	Para Nos. 2.8, 3.49, 3.50, 3.51, 3.52, 3.53, 3.54, 3.55, 4.45, 4.46, 4.47, 4.48, 4.49, 4.50, 4.51, 4.55, 4.56 and 4.57	
	Total	18
	Percentage	81.82%
(iii)	Recommendations/Observations which the Committee Do not desire to pursue in view of the Government's replies	
	Total	NIL
	Percentage	0%
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	
	Para Nos. 3.48, 4.52, 4.53 and 4.54	
	Total	4
	Percentage	18.18%
(v)	Recommendations/Observations in respect of which Final replies of the Government are still awaited	
	Para Nos. NIL	
	Total	NIL
	Percentage	0%