

**STANDING COMMITTEE ON AGRICULTURE
(2002)**

THIRTEENTH LOK SABHA

**MINISTRY OF AGRICULTURE
(Department of Agricultural Research and Education)**

DEMANDS FOR GRANTS (2002-2003)

THIRTY FIRST REPORT

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 2002/Chaitra, 1924 (Saka)

<CONTENTS>

COMPOSITION OF THE COMMITTEE

PREFACE

PART I

- CHAPTER I** Demands for Grants (2002-2003) of Ministry of
Agriculture (Department of Agricultural Research and
Education)

PART II

- CHAPTER II** Recommendations/Observations

APPENDICES

- I Minutes of the Fifth Sitting of the Committee
held on 27th March, 2002
- II Minutes of the Sitting of the Committee
held on 9th April, 2002

ANNEXURE

Additional Plan Funds Needed During 2002-03
in respect of Core Areas of Agricultural
Research and Education.

PREFACE

I, the Chairman, Standing Committee on Agriculture having been authorised by the Committee to submit the report on their behalf, present this Thirty First Report on Demands for Grants of the Ministry of Agriculture (Department of Agricultural Research and Education) for the year 2002-2003.

2. The Standing Committee on Agriculture was constituted on 1st January, 2002. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The report shall not suggest anything of the nature of cut motions.

3. The Committee took evidence of the representatives of the Ministry of Agriculture, Department of Agricultural Research & Education on 27th March, 2002. The Committee wish to express their thanks to officers of the Ministry of Agriculture, Department of Agricultural Research and Education for placing before them, the material and information which they desired in connection with the examination of Demands for Grants of the Ministry for the year 2002-2003 and for giving evidence before the Committee.

4. The Committee considered and adopted the Report at their sitting held on 9th April, 2002.

NEW DELHI;
April, 2002
Chaitra, 1924 (Saka)

S.S.PALANIMANICKAM
Chairman,
Standing Committee on Agriculture

PART I
CHAPTER I

DEMANDS FOR GRANTS 2002-2003(DARE)

1.1 The Demands for Grants for Department of Agricultural Research & Education (DARE) of Ministry of Agriculture is incorporated as Demand No.2 in the Expenditure Budget. The Demand includes besides Secretariat expenditure of the Department, contribution to international bodies, payments of grants-in-aid to the Indian Council of Agricultural Research to enable it to meet the expenditure on the various research institutes controlled by it and for its several research projects, schemes and activities. Payment of net proceeds of cess under the Agricultural Produce Cess Act, 1940 is also provided for in the Demand.

1.2 The entire demand of DARE comes under Revenue Section amounts to Rs.1498.80 crore for the year 2002-2003. This Demand is divided into three major heads as follows:

| | |
|-------------------|---|
| Major Head “3451” | includes outlay of Plan & Non-Plan expenditure on Secretariat of DARE under Sub-Head—Salaries, Overtime Allowance, Domestic Travel Expenses, Foreign Travel Expenses and Office Expenses. |
|-------------------|---|

| | |
|-------------------|---|
| Major Head “2415” | includes outlay of Plan and Non-Plan payments to ICAR towards Agricultural Research and Education on Crop Husbandry, Soil and Water Conservation, Animal Husbandry, Dairy |
|-------------------|---|

Development, Fisheries, Forestry and contributions to Commonwealth Agricultural Bureau (CAB), Consultative Group on International Agricultural Research (CGIAR), Asia- Pacific Association of Agricultural Research Institution (APAARI) and Network of Agricultural Centres for Asia and the Pacific (NACA), Regional Co-ordination Centre for Research & Development of CGPRT, International Seed Testing Association etc.

Major Head “2552”*

includes outlay of plan expenditure towards lump sum provision for projects/schemes for the benefit of North-Eastern Region and Sikkim.

Growth of Financial Outlay of DARE/ICAR

- 1.3 The Department of Agricultural Research and Education (DARE) was established in the Ministry of Agriculture in December, 1973 and started functioning from IV Five Year Plan. Budgetary allocations (Plan Outlays) made in respect of the Department, the total Plan Outlay of the Central Government and the total Plan Outlay of the DARE compared with the total Central Plan Outlay of the Government and percentage of DARE/ICAR total covering the period from IV Plan to IX Five Year Plan and Ist year of X Plan are given in the table below:

Growth of Financial Outlay of DARE from IV Plan to Ist Year of X Five Year Plan

| Sl. No. | | IV Plan (1969-74) | V Plan (1974-78) | VI Plan (1980-85) | VII Plan (1985-90) | VIII Plan (1992-97) | IX Plan (1997-2002) | X Plan (2002-03) (1st year) |
|---------|--|----------------------|---------------------|----------------------|-----------------------|------------------------|------------------------|-----------------------------------|
| (1) | Plan Outlay for DARE/ ICAR (Rs. in crore) | 85.00 | 153.56 | 340.00 | 425.00 | 1300.00 | 2749.39 | 775.00 |
| (2) | Total Plan Outlay of Govt. (Rs. in crore) | 15902.00 | 39322.00 | 97500.00 | 180000.00 | 434100.00 | 548061.90 | 144037.77 |
| (3) | Per Cent DARE/ ICAR of Total Plan Outlay | 0.535 | 0.391 | 0.349 | 0.236 | 0.299 | 0.50 | 0.53 |

* The Major Head 2552 has been incorporated in Demand No.2 of the Expenditure Budget Vol. M/o.Finance from BE(2000-2001).

1.4. The percentage growth of Plan Outlay of DARE/ICAR to the Central Plan Outlay during each year of the IXth Plan and Ist year of Xth Plan (2002-2003) are as under:

| (Rs. in Crore) | | | | | | | |
|----------------|---|---|------|------------------|------|----------------|-------------------------|
| Year | Plan Budget of Govt. of India (Central Sector)* | Plan Budget of DARE/ICAR (Central Sector) | | | | | |
| | | Budget Estimate | %age | Revised Estimate | %age | Actual Expend. | %age of Expend w.r.t RE |
| 1997-1998* | 91838.71 | 331.17 | 0.36 | 331.17 | 0.36 | 325.17 | 98.19 |
| 1998-1999* | 105187.16 | 531.17 | 0.50 | 445.00 | 0.42 | 436.92 | 98.18 |
| 1999-2000** | 103520.93 | 573.50 | 0.55 | 504.00 | 0.49 | 498.46 | 98.90 |
| 2000-2001*** | 117333.80 | 629.55 | 0.54 | 550.00 | 0.47 | 549.48 | 99.91 |
| 2001-2002 # | 130181.34 | 684.00 | 0.53 | 684.00 | 0.53 | 684.00 | 100.00 (expect) |

| | | | | | | | |
|--|-------------------------|---------|------|---------|------|---------|-------|
| | | | | | | | ed) |
| Total of Five Years (Re-revised) | 548061.94 | 2749.39 | 0.50 | 2514.17 | 0.46 | 2405.18 | 99.20 |
| IX Five Year Plan(1997-2002) (Revised) | 489361.00 ^{\$} | 3376.95 | 0.69 | 2514.17 | 0.51 | 2405.18 | 99.20 |
| IX Plan Initially Approved Outlay | 492221.00 | 2635.22 | 0.53 | 2514.17 | 0.51 | 2405.18 | 99.20 |
| 2002-03 | 144037.77 ## | 775.00 | 0.53 | - | - | - | - |

*Source :1998-99 Exp.Budget Vol. I; . ** Source : 1999-2000 Exp.Budget Vol. I; *** Source : 2000-2001 Exp. Budget Vol. I;

\$: Source : Economic Survey 2000-01 # Source :Planning Commission,

Planning Commission

It has been observed from the above table that the outlay earmarked for the DARE/ICAR during the different years of IX Plan period was only very small fraction of outlay of the Plan Budget of Government of India, which ranged from 0.36 to 0.55 per cent at BE level. However, these figures have further reduced at RE stage and the range varied from 0.36 to 0.53 per cent whereas the percentage of the total five years' REs was only 0.46% . When the percentage of Plan outlay for the DARE/ICAR from the total Plan

Budget of Government of India was compared for the last year of IXth Plan, i.e. 2001-02 and Ist Year of Xth Plan, i.e. 2002-03, it remained stagnant at 0.53% .

Growth of Total Allocations of DARE/ICAR to Agricultural GDP

- 1.5 The total allocation to the Department of Agricultural Research and Education for the year 2002-2003 is Rs.1498.80 crore (Plan + Non Plan). The Department was asked to furnish details of total allocations proposed and actually

made/allocated since 1994-95 onwards vis-à-vis the percentage of these allocations with reference to the Agricultural GDP. In reply, the Department furnished the following table :-

| (Rs.in crore) | | | | | | | | | | | |
|---------------|--------------------|---------------------|----------------|--------------------|---------------------|----------------|------------------|---------|---|---|---|
| Year | Plan | | | Non –Plan | | | Total Allocation | | Agri- culture GDP (AGDP) | %age of DARE (BE) allocati on w.r.t. AGDP at Current Prices | % age of DA RE's Actu al RE w.r.t AG DP |
| | Amount Proposed | Amount Allocated | Actual (RE) | Amount Proposed | Amount Allocated | Actual (RE) | BE | RE | | | |
| 1994-95 | 336.67 | 275.00 | 274.99 | 202.00 | 202.00 | 220.64 | 477.00 | 495.63 | 255193* | 0.19 | 0.19 |
| 1995-96 | 383.50 | 310.00 | 290.00 | 238.86 | 238.86 | 245.73 | 548.86 | 535.73 | 277846* | 0.20 | 0.19 |
| 1996-97 | 440.34 | 289.30 | 310.80 | 244.08 | 244.08 | 255.00 | 533.38 | 565.80 | 334029* | 0.16 | 0.17 |
| 1997-98 | 1000.00 | 331.17 | 331.17 | 268.10 | 268.10 | 354.32 | 599.27 | 685.49 | 353490* | 0.17 | 0.19 |
| 1998-99 | 531.17 | 531.17 | 445.00 | 475.02 | 475.02 | 560.94 | 1006.19 | 1005.94 | 423247* | 0.24 | 0.24 |
| 1999- 2000 | 712.68 | 573.50 | 504.00 | 633.79 | 633.79 | 800.00 | 1207.29 | 1304.00 | 443923* | 0.27 | 0.29 |
| 2000-01 | 1082.59 | 629.55 | 550.00 | 864.36 | 775.00 | 775.00 | 1404.55 | 1325.00 | ** | | |
| 2001-02 | 1497.90 | 684.00 | 684.00 | 705.05 | 705.05 | 712.09 | 1389.05 | 1396.09 | ** | | |
| 2002-03 | 1500.00 | 775.00 | - | 810.44 | 723.80 | - | 1498.80 | - | ** | | |

* Source : Agriculture Statistics at a Glance, June 2001 - Directorate of Economics & Statistics, Ministry of Agriculture
 ** Agricultural GDP figures for these years are not available in documented form.

1.6 Examination of columns of “Plan” and “Non-Plan” allocation from 1994-95 onwards in the table under para 1.5 above revealed that there was increase in the allocations in subsequent years. However, the increase in allocation in real terms was only marginal. The percentage outlay on Agricultural Research to Total Agriculture GDP ranged from 0.16% in 1996-97 to 0.27% in the year 1999-2000.

1.7 To a point regarding the percentage of increase/decrease of Plan and Non-Plan allocations made for 2002-2003 over the year 2001-2002 in real monetary terms, in reply the Department forwarded the following statement :

“The percentage increase / decrease of Plan and Non Plan allocation is given as under:

(Rupees in crores)

| | B.E. 2001-2002 | R.E. 2001-2002 | B.E. 2002-2003 | Percentage increase/ decrease during 2002-2003 over RE 2001-02 |
|----------|----------------|----------------|----------------|--|
| Plan | 684.00 | 684.00 | 775.00 | 13.3 (Increase) |
| Non-Plan | 705.05* | 712.09* | 723.80* | 1.6 (Increase) |

* including Rs 40 crore BE and RE 2001-02 and BE 2002-03 for AP Cess Fund”

Plan

There is no change in Plan RE 2001-02, i.e., it has been retained at Rs. 684 crore, however, for 2002-03 the increase is 13.3 per cent over the 2001-02 BE/RE.

Non-Plan

The Non-Plan allocation is meant for meeting the ongoing committed expenditure particularly the salary component and maintenance of the establishment facilities etc. The increase in Non-Plan outlay for the 2002-03 over the 2001-02 is very small, i.e., 1.6 percent only and in case of enhanced need, the Department would pursue with the proposal at the RE stage.

1.8 In pursuance of the recommendation of the Committee for providing 1% of AGDP funds to DARE/ICAR, the Planning Commission has enhanced the Plan

outlay from Rs.684.00 crore in 2001-02 to Rs.775.00 crore in 2002-03. The Department was asked to express their opinion over this 13% increase in budgetary allocation for their plan activities. In reply to these points, the Department stated as under :

“2002-03 being the first year of X Plan, the Department would be carrying out its on-going activities and meeting some immediate requirements, since the approvals of X Plan EFCs and subsequent implementation of approved programmes may take some time, hence the Department would be in need of enhanced funds in second year and subsequent years of X Plan.

The major expenditure heads under plan budget are expenditures/contingencies (consumables like chemicals, fertilizers, pesticides, insecticides, animal feed, building maintenance, machinery operative expenses, telephone and electricity charges, statutory levies, workshops, seminars etc.), civil works, equipments, vehicles, library books and journals, livestock, "Pay and Allowances (for Plan posts), traveling charges etc. Directly or indirectly all these heads / items of expenditure are subjected to inflationary tendencies. The current rate of inflation is 1.64 per cent (as on 2nd March, 2002) in comparison to 6.79 per cent on 3rd March, 2001 (as per media reports / The Hindustan Times dated 18th March, 2002). From the past experience it is gathered that in addition to inflationary increases in cost of items and services, their costs get increased even more than what is due to inflationary reasons alone, i.e. it also depends upon the market trends and demands etc. Though the Department needed more funds than mere 13 per cent increase in 2002-03, but we will have to prioritize our programmes to

ensure that apart from taking care of inflationary tendencies at on-going rate of inflation, the research system including infrastructure development and strengthening of research activities of the Department could be augmented, particularly to start with the initial phase of implementation of X Plan programmes through its 1st year i.e. 2002-03. In subsequent years of X Plan enhanced funds would be needed and commensurate with that, proposals would be submitted accordingly through annual plans.”

- 1.9 In this connection, during evidence on 27th March, 2002, the Secretary, DARE further stated :

“At the very outset, the Department would like to express its gratitude to the Committee for invaluable support extended to it for its efforts to get required allocation of Plan funds. The Department firmly believes that it is because of the unqualified support of this Committee that no cut was imposed in the last year’s budget and we have been able to have substantial increase in the first year of the Tenth Plan. I am very confident that with the support that we have been getting we hope that we would have some enhanced budget for which we are still making some efforts, with your guidance. We still feel that the allocation that has been made with respect to demand that we have put is much too short than what we feel

It is only 45.6 percent of the total demand that we had put forward. As a matter of fact, with the kind of challenges that we are facing, it will be very difficult to really go ahead with the new initiatives which we have planned, particularly in the area of precision farming, bio-technology, bio-diversity and trade-related issues,

marketing, harvesting and post-harvest technology. These have been put for the Tenth Plan. I would, therefore, submit to the Committee that with this kind of allocation it will be very difficult. We are finding it difficult even to sustain what we are carrying on in the Ninth Plan. Therefore, we have said that the amount is very small.

My humble request on behalf of all of us sitting on this side to the Committee and the Chairman is to approach the Finance Minister and the Planning Commission, because the Budget has not yet been passed, to enhance the allocation from Rs.775 crore to Rs.1100-1200 crore so that we are able to meet what has been said by the hon.Members here. Also, we are able to meet the emerging challenges that are ahead us. This would help the research and development more fast.”

1.10 During evidence, the Committee requested the Secretary, DARE to give them a written note stating the projects rejected by Planning Commission or the Ministry of Finance to enable the Committee to take up the matter at the appropriate level.

1.11 Subsequently, the Department have given the following four core areas of agricultural research and education which immediately need higher allocations during 2002-2003.

- | | | | |
|----|--|---|---------------|
| 1. | Agricultural Biotechnology | - | Rs.300 crore |
| 2. | Bio diversity | - | Rs. 70 crore |
| 3. | Biosystematics and Pest Disease and Weed Management | - | Rs. 50 crore |
| 4. | First Rate Human Resource Development | - | Rs. 100 crore |

(Kindly see details in

Annexure)

Allocation to Agricultural Research In India vis-à-vis other Nations

- 1.12 A comparison of the allocation to agricultural research in India and various parts of the world is given in the table below :

Agricultural Research Intensity Ratio (percentage) during 1991-1997

| | |
|----------------------------|-------|
| Developing Countries | 0.50 |
| Sub-Saharan Africa | 0.70 |
| China | 0.36 |
| Asia and Pacific | 0.55 |
| Latin America | 0.54 |
| West Asia and North Africa | 0.52* |
| Developed countries | 2.39 |
| Global Total | 0.81 |

* Extrapolated data

Agricultural spending related to Agricultural GDP estimated at 0.23% in India is much less than the average world (global) spending of 0.81%. In most of the regions spending in agricultural research is higher than India.

- 1.13 The Committee while examining the Demands for Grants in respect of DARE for the year 1996-97, 1997-98, 1998-99, 1999-2000, 2000-01 and 2001-02 had in their 2nd, 10th, 8th, 19th, 7th and 19th Reports respectively strongly recommended for enhanced allocations to DARE/ICAR for the IXth Plan to a level of 1% of Agricultural Gross Domestic Product (AGDP) with a tendency to increase it gradually to touch 2% of Agricultural GDP. Likewise, in their 19th Report on Demands for Grants 2001-2002, the Committee recommended :

“The Committee, therefore, once again, strongly recommend that present level of about 0.20% budgetary allocations made to DARE/ICAR of the Agricultural

Gross Domestic Product (AGDP) is hardly sufficient and should be increased to the level of at least 1% of AGDP with a tendency of gradual increase upto 2% of AGDP in Xth Plan onwards as has been happening in the economically and agriculturally developed nations of the world. This enhanced priority financial support to DARE/ICAR will not only help the nation to achieve the targeted 4% growth rate envisaged for agricultural and allied sector but also help the Indian farmers to compete”.

Sector –wise Demand Proposed Versus Demand Accepted (2002-2003)

1.14 The Comparative details of demand proposed (Plan & Non-Plan) by the Department to the Planning Commission and demand accepted by the Planning Commission for various sectors of the DARE/ICAR for the year 2002-2003 are as under :

| Name of the Sector | (Rs. in crore) | | (Rs. in crore) | |
|---|----------------|-----------|----------------|-----------|
| | Plan | | Non- Plan | |
| | Proposed | Allocated | Proposed | Allocated |
| 1. Crop Science (including Mini Mission on Cotton) | 269.00 | 129.00 | 217.20 | 171.98 |
| 2. Horticulture | 88.69 | 60.00 | 72.52 | 62.33 |
| 3. Natural Resource Management | 133.38 | 65.00 | 77.57 | 70.69 |
| 4. Agricultural Engineering | 55.00 | 22.00 | 21.84 | 21.91 |
| 5. Animal Science | 129.00 | 70.00 | 115.35 | 105.83 |
| 6. Fisheries | 66.00 | 27.00 | 63.08 | 51.50 |
| 7. Agricultural Eco. & Statistics | 8.77 | 3.00 | 14.55 | 12.95 |
| 8. Agricultural Extension | 210.41 | 100.00 | * | * |
| 9. Agricultural Education | 216.65 | 95.00 | 4.44 | 3.83 |
| 10. Management and Information Services including new Initi atives & Pipeline Projects and DARE | 63.10 | 50.00 | 179.00 | 177.98 |
| 11. World Bank/ Externally Aided Projects | 260.00 | 154.00 | - | - |
| 12. A.P. Cess Fund Act, 1940 | - | - | 40.00 | 40.00 |
| 13. DARE | - | - | 4.89 | 4.80 |
| GRAND TOTAL | 1500.00 | 775.00 | 810.44 | 723.80 |

* The Agril.Extension are booked under Plan only. Hence there is no Non-Plan allocations.

Objective Classification -Total Allocations for DARE/ICAR during 2001-2002 and 2002-03

Plan

1.15 The Sectoral details of ICAR and DARE, plan programme for BE and RE for 2001-2002 and BE for 2002-2003 are given below:

(Rs. in Crore)

| Name of Division | Budget Estimate 2001-2002 | Revised Estimate 2001-2002 | Budget Estimate 2002-2003 |
|---|------------------------------|-------------------------------|------------------------------------|
| 1 | 2 | 3 | 4 |
| RESEARCH | | | |
| Crop Science | 109.50 | 109.50 | 129.00* |
| Horticulture | 52.83 | 52.83 | 60.00 |
| Natural Resource Management | 60.00 | 60.00 | 65.00 |
| Agricultural Engineering | 23.20 | 23.20 | 22.00 |
| Animal Science | 62.40 | 62.40 | 70.00 |
| Fisheries | 27.38 | 27.38 | 27.00 |
| Agricultural Economics & Statistics | 3.66 | 3.66 | 3.00 |
| Agricultural Education | 86.90 | 86.90 | 95.00 |
| Agricultural Extension | 89.87 | 89.87 | 100.00 |
| Management and Information Services (including New Initiatives, Pipeline Projects and DARE) | 17.70 | 17.70 | 50.00 |
| World Bank Aided Projects/Externally Aided Projects | 146.04 | 146.04 | 154.00 |
| Mini Mission on Cotton-I | 4.50 | 4.50 | *included Rs.5 Cr. In Crop Science |
| Grand Total | 684.00 | 684.00 | 775.00 |

Non plan

1.16 The objective-wise break-up in respect of ICAR Non-Plan budget are given below:

(Rs. in Crore)

| Sub-Heads | Budget Estimate 2001-2002 | Revised Estimate 2001-2002 | Budget Estimate 2002-2003 |
|--|------------------------------|-------------------------------|------------------------------|
| Estt. Charges (including OTA and Wages*) | 585.26 | 547.53 | 595.23 |
| Travelling Allowances | 3.99 | 3.99 | 3.99 |
| Other Charges | 45.46 | 81.82 | 53.83 |
| Works | 7.70 | 16.25 | 9.19 |
| Other Items | 17.89 | 17.80 | 16.76 |
| Total | 660.30 | 667.39 | 679.00 |
| A.P. Cess Fund | 40.00 | 40.00 | 40.00 |
| Grand Total | 700.30 | 707.39 | 719.00 |

Note : The above break up is for Government grant only. In addition to it Rs.50.48 crore will be utilized from the internal resources.

Overall Review of Plan Allocation vis-à-vis Non-Plan Allocation during VIIIth Plan, IXth Plan and 1st Year of Xth Plan

1.17 Details of total Budgetary Allocations, Plan Allocations, Non-Plan Allocations and their percentage out of the total budget from 1992-2003:

(Rs.in crore)

| Sl. No. | Year | Total Budgetary Allocation | Plan Allocation | | Non-plan Allocation | |
|---------|----------------|----------------------------|-----------------|-------------------|---------------------|-------------------|
| | | | Amount | %age out of total | Amount | %age out of total |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. | 1992-93 (BE) | 375.65 | 200.00 | 53.24 | 175.65 | 46.76 |
| 2. | 1993-94 (BE) | 430.00 | 250.00 | 58.14 | 180.00 | 41.86 |
| 3. | 1994-95 (BE) | 477.00 | 275.00 | 57.65 | 202.00 | 42.35 |
| 4. | 1995-96 (BE) | 548.86 | 310.00 | 56.48 | 238.86 | 43.52 |
| 5. | 1996-97 (BE) | 533.38 | 289.30 | 54.24 | 244.08 | 45.76 |
| 6. | 1997-98 (BE) | 599.27 | 331.17 | 55.26 | 268.10 | 44.74 |
| 7. | 1997-98 (RE) | 683.70 | 329.38 | 48.18 | 354.32 | 51.82 |
| 8. | 1998-99 (BE) | 1006.19 | 531.17 | 52.79 | 475.02 | 47.21 |
| 9. | 1998-99 (RE) | 1095.95 | 445.00 | 44.24 | 560.94 | 55.76 |
| 10. | 1999-2000 (BE) | 1211.94 | 573.50 | 47.32 | 638.44 | 52.66 |
| 11. | 1999-2000 (RE) | 1304.00 | 504.00 | 38.66 | 800.00 | 61.34 |
| 12. | 2000-2001 (BE) | 1404.55 | 629.55 | 44.82 | 775.00 | 55.18 |
| 13. | 2000-2001 (RE) | 1325.00 | 550.00 | 41.50 | 775.00 | 58.49 |
| 14. | 2001-2002 (BE) | 1389.05 | 684.00 | 49.24 | 705.05 | 50.75 |
| 15. | 2001-2002 (RE) | 1396.09 | 684.00 | 48.99 | 712.09 | 51.01 |
| 16. | 2002-2003 (BE) | 1498.80 | 775.00 | 51.73 | 723.80 | 48.27 |

Overall Review of Plan Expenditure during VIII Plan and IX plan

1.18 Details of Budget Estimates (BE)-Plan and Actual Expenditure (Plan) from 1992-93 onwards are as under:

(Rs. in Crore)

| Sl. No. | Year | BE | Actual Expenditure |
|---------|-----------|---------|--------------------|
| 1. | 1992-93 | 200.00 | 176.04 |
| 2. | 1993-94 | 250.00 | 233.06 |
| 3. | 1994-95 | 275.00 | 276.24 |
| 4. | 1995-96 | 310.00 | 274.89 |
| 5. | 1996-97 | 289.30 | 312.13 |
| 6. | 1997-98 | *329.38 | *331.14\$ |
| 7. | 1998-99 | 531.17 | 427.73\$ |
| 8. | 1999-2000 | 573.50 | 498.47 |
| 9. | 2000-2001 | 629.55 | 549.49 |
| 10. | 2001-2002 | 684.00 | **684.00 |

* In Statement No.2 (Summary) in Scrutiny of DFG (2001-2002) Document of the Department the BE 1997-98 has been changed to Rs.331.17 crore and Actual Expenditure 1997-98 changed to 323.30 crore.

\$ In Statement No.1 in Scrutiny of DFG (2002-03) Document of the Department the Actual Expenditure 1997-98 has been further changed to Rs.325.16 crore. Further, Actual Expenditure 1998-99 has been changed to Rs.436.92 crore.

** Anticipated Expenditure.

1.19 It was observed that the Summary statement showing scheme-wise/financial targets/ plan allocation, expenditure, shortfall for the Ninth Plan (Statement-I) (Plan) attached in the Document Scrutiny of Demands for Grants (2002-03) (Part-

I) indicated a shortfall of Rs.6.01crore (98% utilisation) for 1997-98; Rs.94.25crore (82% utilisation) for 1998-99; Rs.75.03 crore (87% utilisation) for 1999-2000; Rs.80.06 crore (87% utilisation) for 2000-01 and Rs.0.00 crore (100% utilisation) for 2001-02. The average utilisation from first four years actual figures came to 88.5% . It was therefore, anticipated that the Department would utilise Rs.605.34 crores in having a shortfall of Rs.78.66 crores when the actual figures are compiled. The Committee enquired about the reasons for not providing anticipated expenditure figures of 2001-02 to the Committee in Department's financial statements. The Department in their reply stated as under :

“The figures referred to Statement I of DFG 2002-03 (Part I), pertains to the sectoral BE and actual expenditure for different years of IX Plan. In fact, the actual expenditure figures are based on RE figures which had been reduced by Ministry of Finance in 1998-99, 1999-00 and 2000-01. The shortfall figures should be compared with respect to RE only because the Ministry of Finance had imposed cuts as mentioned above. The actual percentages of utilisation are evident from the following table:

| (Rs. in Crore) | | | | |
|----------------|-----------------|------------------|---------|--|
| Years | Budget Estimate | Revised Estimate | Actuals | %age of utilisation with respect to RE |
| 1997-98 | 331.17 | 331.17 | 325.17 | 98.19 |
| 1998-99 | 531.17 | 445.00 | 436.92 | 98.18 |
| 1999-2000 | 573.50 | 504.00 | 498.46 | 98.90 |
| 2000-2001 | 629.55 | 550.00 | 549.48 | 99.91 |
| 2001-02 | 684.00 | 684.00 | 684.00 | 100.00 (expected) |
| Total | 2749.39 | 2514.17 | 2405.18 | 99.20 |

The Ministry of Finance did not impose any cut at RE 2001-02 stage i.e. the Department's RE has been retained at BE level i.e. Rs. 684 crore. The Department is not supposed to exceed this figure, that is the reason the anticipated sectoral figures are limited to the over all maximum limit of Rs. 684 crore only. The RE 2001-02 figures given in the SDFG 2002-03-Part-I are also the Anticipated Expenditure 2001-02.”

FINANCIAL REAPPROPRIATION

- 1.20 The Committee noted that Demand No.2 in respect of Ministry of Agriculture (Department Agricultural Research and Education) in the Expenditure Budget 2002-03, Vol.2, Government of India revealed that although grand total for BE and RE (Plan) 2001-02 remained Rs.684.00 crores yet there were variations found in figures of BE and RE (Plan) under various Heads as under:-

| | | (Rs.in crore) | | |
|------|--|-------------------------------|-------------------------------|-----------------------------|
| Head | | BE (Plan) (2001- 02) | RE (Plan) (2001- 02) | Shortfall (-) Excess (+) |
| 2.02 | Other Programmes of Crop Husbandry | 513.00 | 526.17 | 13.17 (+) |
| 3.01 | Soil and Water Conservation Research Institute | 3.58 | 3.00 | 0.58 (-) |
| 4. | Animal Husbandry | 49.60 | 48.10 | 1.50 (-) |
| 5. | Dairy Development | 7.00 | 5.75 | 1.25 (-) |
| 6. | Fisheries | 30.00 | 27.00 | 3.00 (-) |
| 7. | Forestry | 11.82 | 4.98 | 6.84 (-) |

The shortfall in items 3.01, 4,5,6&7 of Rs.13.17 crore was accounted for in item No.2.02. However this re-appropriation was not been reflected in Statement No.1 of Scrutiny of Demands for Grants Part I, page 124. The Department was asked to give clarifications regarding difference in financial figures for BE and RE

(Plan) 2001-02 under the two Documents mentioned above and to state the actual procedure involved in financial reappropriation from one Sector to another Sector or one Scheme to another Scheme of the Department. The Department in their reply stated as under:

“***** The re-appropriation is done through the final approval of Secy-DARE & DG-ICAR depending upon the changed needs and priorities of different schemes against approved programmes. The AS(D) & FA/Secy-DARE & DG-ICAR are the final authorities in so far re-appropriation is concerned.”

ACCOUNTING ERRORS

- 1.21. The Committee referred to Financial Statement-III and IV (page no. 140, 141) in respect of Non-Plan Sector-wise and Scheme-wise respectively in the Scrutiny of Demands for Grants (SDFG) (2002-03) (Part-I). This Document indicated Rs.0.00 shortfall in all the sectors/schemes as RE and Anticipated Expenditure (2001-02) (Non-Plan) has been shown by the same figures, without any change. Further, Rs.542.34 crore was the grand total for RE as well as Anticipated Expenditure (Non-Plan) 2001-02 in SDFG Document.
- 1.22 Expenditure Budget (EB) 2002-03, Vol. 2, Government of India Document vide Demand No.2 in respect of Ministry of Agriculture (DARE) showed Rs.705.05 crore as BE (2001-02) Non-Plan and Rs.712.09 crore as RE (2001-02) Non-Plan. The Department was asked to give the reasons for Rs.0.00 shortfall in respect of all the sectors/schemes against Non-Plan (2001-02) mentioned in Scrutiny of Demands for Grants (Part I) Document and explanation for difference in Non-

Plan figures in SDFG and EB Documents. The Department in their reply stated as under:

“The following omissions have occurred in the Financial Statements –III and IV in respect of Non-Plan sector-wise and scheme-wise respectively in the Scrutiny of Demands for Grants(SFDG).

(a). In the total of NRM Division (page 134) an amount of Rs. 6808.00 lakh has been shown whereas it works out to Rs.7126.00 Lakhs.

(b). Similarly against Management Information System (Headquarter MIS & Gen) page 136 an amount of Rs. 3434.00 lakhs has been shown. This amount pertains to salary & other contingencies of ICAR Headquarters. This does not include provisions made for Pension and Gratuity, Loans and advances, Compassionate fund, International Co-operation, Local living cost, Audit fee, Publicity and Public Relations and other unforeseen expenditure etc. The total provision for all these items including the amount of Rs. 3434.00 lakhs works out to Rs. 20669.00 Lakhs. Thus, the Grand total works out to Rs.71787.00 Lakhs and not Rs.52434.00 Lakhs. After these corrections the total RE works out to Rs.71787.00 lakhs as under:-

| Sector | Amount (Rs. in lakhs.) |
|-------------------------|-------------------------------|
| Crop Science | 17,938.00 |
| Horticulture | 5,834.00 |
| NRM | 7,126.00 |
| Agri. Engineering | 2,060.00 |
| Animal Science | 10,561.00 |
| Fisheries | 5,373.00 |
| Agri. Economics & Stat. | 1,221.00 |
| Agri Education | 375.00 |
| MIS | |
| ASRB | 372.00 |
| H.qrs(MIS & GEN) | 20,669.00 |
| Publication Div. | 258.00 |
| TOTAL | 71,787.00 |

The Govt. grant provided as R.E 2001-2002 for DARE & ICAR is Rs. 712.09 crores against the B.E. of Rs. 705.05 crore. Out of this amount of Rs.712.09 Crore an amount of Rs. 707.39 crore pertains to ICAR and Rs.4.70 crore for DARE. Out of this 707.39 Crore an amount of Rs. 40.00 crore is for A.P. Cess fund schemes and rest of Rs.667.39 crores is for Non Plan activities. Against this amount of Rs.667.39 crore we have allocated the RE to the different sectors/schemes to the tune of Rs. 717.87 Crore based on requirements. The excess expenditure of Rs. 50.48 crore is to be met from the other resources of the Council i.e. revenue receipts(Rs. 19.84 crore), interest on short term deposits Rs.17.29 crore and recoveries of Loans and advances Rs. 13.35 crore . In view of this position our total RE and anticipated expenditure works out to Rs. 717.87 crore.”

- 1.23 When asked about the reasons for increase in Non-Plan expenditure at RE (2001-02) by Rs.7.04 crore over BE (2001-02), the Department stated as under:

“Against the BE of Rs. 705.05 lakhs MOF has provided Rs. 712.09 crore as RE for 2001-2002. Infact an amount of Rs.11.99 crore was requested by this Department over and above the BE on account of Matching grant as a policy of the Government. MOF after making some deductions on non salary expenditure and adjusting it against Matching Grant provided additional Rs. 7.04 crores over the BE 2001-2002.”

**HUGE UNSPENT BALANCES IN THE BANK ACCOUNTS OF ICAR
INSTITUTIONS**

1.24 During evidence on 22nd November 2001, the Secretary MOF (DOEA) informed the Committee that “the Department of Agricultural Research and Education had a number of autonomous institutions which means they operate their own bank accounts and they do not bank with the treasury. On 31st March, 2001 DARE had a balance of Rs.330.36 crores, on 31st March 2000 it had Rs.270.40 crores and 31st March 1999 it had Rs.223 crores in various bank accounts”. The Department was asked to explain the reasons for such heavy amounts lying unused and to give a detail account of the amounts released (date-wise) to it by the Ministry of Finance after December during each of the years mentioned above. The Department in their reply stated as under:

“ ICAR as an autonomous organisation will not be in a position to pay the salary for the month of March on 1st April every year in the absence of closing balance as the Govt. grant is generally drawn after 15th April. Hence the closing balances shown above include the amount meant for the salary for the month of March payable on 1st April. In addition to above the closing balances include the amount pertaining to Deposit schemes for which the funds are remitted by the sponsoring agencies for the entire project period. Similar is the case for ad-hoc schemes. The closing balances also include a very small amount of other miscellaneous resources of the Council which is required to be utilised in the following year. The amount deducted from the salaries of the employees but not remitted to the concerned offices / agency / department is also included in the closing balance

until it is finally remitted to the concerned department / agency / office. It also includes the amount drawn from the Government but not utilised during the year and is refunded to Government in the next financial year after finalisation of annual accounts. This amount of closing balance is not the surplus amount with the Council.

The details of the amount drawn by the Council and utilised during 1998-99, 1999-2000 and 2000-2001 is as under:-

(Rs. in crore)

| Year | Amount drawn from the Govt. | | Total amount utilised by the Council | | Remarks |
|-----------|-----------------------------|--------|--------------------------------------|--------|--|
| | Non-Plan | Plan | Non-Plan | Plan | |
| 1998-99 | 531.16 | 444.50 | 516.54 | 427.73 | Difference of Rs. 32.39 crore refunded to the Govt. on 25.7.2000 |
| 1999-2000 | 794.38 | 503.50 | 790.64 | 455.00 | Diff. Of Rs. 52.24 crore refunded to the Govt. on 31.3.2001. |
| 2000-2001 | 760.73 | 549.50 | 703.64 | 516.04 | Rs. 49.18 crore refunded to the Govt. on 7.6.2001. Rest of Rs. 41.37 crore to be refunded During this month alongwith Audit certificate. |

The detailed account of the amounts released (date-wise) to the Council by the Pay and Accounts Unit of the Ministry of Agriculture(DARE) after December during each of the years mentioned above are as under:-

| Amount | Year | Date of Release |
|----------------|-----------|-----------------|
| Rs. 84.30 Cr. | 1998-99 | 12.3.99 |
| Rs. 14.71 Cr. | | 24.3.99 |
| Rs. 81.39 Cr. | | 26.3.99 |
| Rs. 100.01 Cr. | 1999-2000 | 9.2.2000 |
| Rs. 94.21 Cr. | | 29.3.2000 |
| Rs. 123.91 Cr. | | 31.3.2000 |
| Rs 149.56 Cr. | 2000-01 | 23.2.2001 ” |

- 1.25 On a query by the Committee regarding reasons for refund of Rs.32.39 crore in 1998-99 Rs.52.24 crore in 1999-2000 and 90.55 crore in 2000-2001, the Secretary DARE clarified during evidence (held on 27.3.2002) stating :

“***** That refund is basically 95 per cent on the salary component which is given and which is not reappropriated for want of vacancies to be filled up. For so many reasons like ban on filling of vacancies, we have not been able to keep staff as required and more appropriately in the North-Eastern region where we have not been able to fill the vacancies. This is basically on the establishment side. And that obviously goes back. There may be small component on other things. ***** It comes to six percent and basically, it is a saving under the head ‘salaries’ ***** I would like to put before the hon.Members that there is a ban on recruitment for the last two or three years, especially in technical and administrative positions, and it is reflecting on some of our activities. There is a complete ban, and we cannot recruit anybody. Obviously, there has to be some saving, and we are taking it up on a case to case basis with the Ministry of Finance.”

ONE TIME CATCH UP GRANT

- 1.26 It has been stated that though the Planning Commission had not provided separate Catch up Grant during any financial year of Ninth Plan, keeping in view the recommendation of the Parliamentary Standing Committee on Agriculture, the Department had requested Rs.1,000 crore as ‘One Time Catch Up Grant’ during the Tenth Plan. Further, the Department has projected requirement of Rs.200 crore during 2002-03 but the Planning Commission has not provided any such

grant so far. The Committee enquired about the detailed scheme-wise/Institute-wise break up of requirement of funds with reasons involving the projected requirement of Rs.200 crore during 2002-03 and if these Rs.200.00 crore were not provided during the 2002-03, what would be its adverse impact on research and educational activities of the Department. The Department in their reply stated as follows:

“The Planning Commission did not provide separate funds for Catch Up Grant during IX Plan. Hence, the Department has again requested for the same in X Plan of which Rs. 200 crore is for Annual Plan(2002-03). The catch up grant is essential for decades old SAUs and ICAR Institutes of National Agriculture Research System (NARS) to accomplish the renovation work, replacement of obsolete equipments and other research facilities.

The State Agriculture Universities are the responsibility of respective States and are not ICAR's responsibility in that sense. ICAR is neither in a position nor intend to take full responsibility, their upkeep and maintenance. ICAR can only complement the efforts of State Government. Therefore our approach has not been specifically in terms of requirement of Universities. Our plan is to assist only to the extent of ICAR ability to do so within the given Plan allocation. Therefore we have kept a gross sum of Rs 200/- crore. The releases will be on the need projected by the Universities/ICAR institutes.

If Rs 200 crore is not provided, the age old infrastructure can not be put to best use and the obsolete equipments are not replaced which may ultimately have an adverse impact on research and educational activities of the NARS. The modern

scientific working environment may not be available for National Agricultural Research System which is very necessary to make our research facilities commensurate with International Standards. It is rather difficult to quantify this effect.”

- 1.27 During oral evidence held on 22.11.2001, the Committee pointed out, “... we feel that the Ministry of Finance and the Planning Commission have not been giving the due share and also not taking proper interest for the development of agriculture. I need a specific answer from the Ministry of Finance and also the Planning Commission”. In response to this, the Secretary, Planning Commission stated, “It is our endeavour to see that for no worthwhile projects, for the projects which cannot be completed, the funds availability is left out”.

When the Committee enquired from the Planning Commission as to whether they would provide more money for the viable projects to improve the agricultural production, the Secretary, Planning Commission stated that, “Most certainly we will do that.”

KVK IN NORTH EAST REGION

- 1.28 The Committee noted that it was proposed to open 25 new KVKs in North East Region by DARE/ICAR. The Committee enquired about the places at which the new KVKs were proposed to be opened and under whose administrative control. The Department in their reply stated as under :

“List of districts identified for establishment of new KVKs in North Eastern Region including Sikkim

| State | Districts |
|-------------------|--|
| Assam | 1. Dibrugarh; 2. Barpeta; 3. Nalbari; 4. Sibsagar; 5. Bongaigaon; 6. North Cachar Hills; |
| Arunachal Pradesh | 1. Lower Subansiri; 2. West Kamang; 3. Lohit; 4. Tirap |
| Manipur | 1. Bishnupur; 2. Senapati |
| Meghalaya | 1. West Khasi Hills; 2. East Khasi Hills; 3. East Garo Hills; 4. Jaintia Hills' 5. Ri-Bhoi |
| Mizoram | 1. Chintuipui |
| Nagaland | 1. Phek; 2. Mokokchung |
| Sikkim | 1. North Sikkim; 2. South Sikkim; 3. West Sikkim |
| Tripura | 1. North Tripura; 2. Dhalai |

In view of the remoteness of the areas, it has been proposed to establish these KVKs under the State Governments, except the Krishi Vigyan Kendras in Phek district of Nagaland and Ri-Bhoi district of Meghalaya under ICAR Institutes.”

- 1.29 Keeping in view the difficult conditions in the North East, the Committee wanted to know about the soundness of the proposal as there may be lot of problems for these KVK's having the requisite scientific personnel, i.e., 1 Chief Scientist, 6 TAJs, 3 TAS and 6 others. The Department in their reply stated :

“Considering the difficult conditions of North East, it is difficult to categorically affirm the availability of scientific and other staff, the Department is making

effort through Chief Secretary of the States for selecting suitable places for the establishment of KVK where this problem will be minimised to the extent possible.”

- 1.30 The Committee had recommended in their Seventh Report (1999-2000) on Demands for Grants 2000-2001 that the non-lapsable Central Pool Funds could be utilised for this purpose. The matter had also been taken up by the Hon’ble Minister of State (Agriculture) with the Planning Commission. The Committee enquired about the final outcome of these efforts. The Department in their reply stated :

“The entire fund including Rs. 12.01 crore earlier proposed, has been provided by the Department of Agricultural Research and Education. The Planning Commission viewed that this proposed expenditure be met from the resources of the Department through its plan funds and not from the Central Non-lapsable Pool of Resources, as the Department is required to earmark 10% of its allocated funds for NEH Region. Similarly, the expenditure for these new KVKs will also be incurred out of the budget provided for the year 2002-2003 and meeting this expenditure out of its 10% commitment for North East”

AGRICULTURAL EXTENSION-KVK

- 1.31 The Committee in their 19th Report on DFG (1999-2000) in respect of MOA (DARE) in Recommendation No.12; Para 3.27 have recommended that ... “the Committee find that there is a lot of scope for generation of internal resources by the KVKs, Agricultural Research Institutes and Agricultural Universities, if they take over a few plots of land in some selected villages nearby wherein they can

grow location specific varieties of important crops for sale as Certified Seeds. This component can be a part of the extension activities of these institutions. In the backdrop of supply of spurious seeds by unscrupulous private seed dealers, this step will go a long way in helping the farmers in the vicinity of the institutions to get certified seeds with guaranteed germination ICAR should consider taking up this activity on a large scale as it helps generating resources for the institutions while helping farmers simultaneously to get quality seeds at cheaper rates and in the process technology dissemination takes place.”

While presenting Central Government’s Budget for 2002-03, Hon’ble MOF has expressed the similar sentiments in his speech, “Linkages between research and extension will be strengthened to improve quality and effectiveness of research and extension systems. The extension system will be revitalised and broad-based through Krishi Vigyan Kendras (KVKs), NGOs, farmers organisations...KVKs will be designated as nodal agencies for quality certification including organic products, bio fertilisers and bio pesticides...”.

- 1.32 The Committee enquired the action initiated by DARE/ICAR to implement the recommendation of the Committee regarding adoption of Seed Village concept by KVKs, Agricultural Research Institutions and Agricultural Universities. To this point, the Department in their reply stated as under:

“Based on the recommendations of the Committee each KVK prepared the Action Plan for production of seeds and planting material for easy availability to the farmers of the neighbouring area. During the last year 2241.0 tonnes of quality seeds of cereals, oilseeds, pulses, vegetables and other crops were produced by

the KVKs. During the same period 24.47 lakhs of planting materials including saplings/seedlings of various fruits, vegetables, spices, forest species, mulberry, ornamental and other plantation crops were produced by the KVKs out of the revolving fund provided for the purpose”.

- 1.33 The Committee pointed out that presently linkages between agricultural research and its extension system were the weakest one and need to be strengthened on priority basis and enquired about any immediate action plan of the Department to further strengthen the Extension system. In reply, the Department stated as under:

“To strengthen research linkages KVKs organised 396 interface meetings involving the scientists, development officials, representatives of farmers and farm women, financial institution and media.”

- 1.34 To a query, whether all existing KVKs would be designated as nodal agencies in one go, i.e. simultaneously or the Department had planned to undertake this work in a phased manner, the Department stated as follows :

“Since there is an inbuilt mechanism for holding interface meeting in the KVKs, the district in which the KVKs are located have been designated as the Nodal Agency for holding interface meeting at the district level.”

- 1.35 During evidence on 27.3.2002, the Committee enquired as to whether any communication was sent from the ICAR to the States requesting them to send proposals for KVKs. The Secretary, DARE stated as under:

“In our ICAR regional meetings that are held in each Zone where we meet with all the Secretaries and also the Ministers, those who are able to attend, and also

the hon.Members of Parliament and discuss about the development of the States and there the proposals come as to where the setting up of KVKs are very essential. We take the whole proposal and then we invite the States to send their proposal in the prescribed format. But all those depends on the financial resources. So far, out of the 575 districts that we have in the country, we have been able to do in 261 districts plus 53 re-mandated KVKs and we have 66 new proposals. What we would be able to do would entirely depend on the funds. But with the kind of allocation that we have seen in the first year, it would be really difficult to process more KVKs.”

- 1.36 The Committee enquired whether ICAR had taken initiative in writing to the State Agriculture Department saying that ICAR was proposing to set up KVKs in every district of the country and it expected that the States should send their proposals for the same. The Secretary DARE clarified as under:

“Sir, what is pending with us is much more than the demand. But in doing so we are making it a point to see that each State is appropriately covered. It is not that we flood only one State because there is a greater demand from that State. The demand for setting up of KVKs is much more than what you can really fulfil.”

MODIFICATIONS IN BUDGETARY HEADS

- 1.37 The Committee noted that on their repeated recommendations with regard to removing ambiguity in the Budgetary Heads of the Department presented in various Budgetary Documents of DARE/ICAR, the Department has revised Budgetary Heads with effect from 1.4.2002 in their Demand No.2 presented in Expenditure Budget, Vol.II (2002-03) Government of India. The Department was

asked whether they could now compare without any ambiguity the Nomenclature of the Budgetary Heads and their respective amounts among all their Budgetary Documents namely (a) Demand No.2, Expenditure Budget (EB); (b) Scrutiny of Demands for Grants (SDFG); (c) Annual Plan (AP); and (d) Performance Budget. The Department in their reply stated :

“Since the new heads as per the recommendations of the committee have been made effective from 1.4.2002 the Department can now compare without any ambiguity the nomenclature of the Budgetary heads and their respective amounts among all their Budgetary documents namely (a) Demand No. 2, Expenditure Budget, Scrutiny of Demands for grants(SDFG), Annual Plan and performance Budget etc. from the next year because this year division-wise ceiling was decided at the time of submitting SBE and Demand for Grants and Institute-wise allocation was decided later. Hence there is some variations in the division-wise ceiling in the Scrutiny for Demand for Grants and Annual Plan though the amount in SBE, Demand No.2 and performance budget is the same. From next year Institute-wise ceiling will be decided first before arriving at the division-wise ceiling and all the documents will show the same figures nomenclature-wise.”

1.38 When asked whether the Department followed in letter and spirit the Recommendation No.11 appearing in the PSCA Report No.19th on DFG 2001-02 in respect of MOA (DARE) before revising their Budgetary Heads to bring out the desired clarity as recommended by the Committee, the Department stated :

“The Department has followed the recommendations of the Committee in letter and spirit before revising the budgetary heads to bring out the desired clarity. and

from next year all the budgetary documents will show the same nomenclature and amount.”

A.P.CESS FUND

- 1.39 The Committee noted that the Payment of net proceeds of cess under Agricultural Produce Cess Act, 1940 is shown in Demand No.2 as under :

| (Rs.in crore) | | | | |
|---------------|---|--------------------------|--------------------------|--------------------------|
| | Item | BE 2001-02 (Non-Plan) | RE 2001-02 (Non-Plan) | BE 2002-03 (Non-Plan) |
| 2.01 | Payment of net proceeds of cess under APC Act, 1940 | 40.00 | 40.00 | 40.00 |

- 1.40 When asked about no change/increase in BE 2002-03 under AP Cess Fund given to the DARE over BE/RE 2001-02 and the criterion in fixing the amount (ratio-proportion) every year in favour of the Department under this head and who were the deciding authorities involved, the Department stated as under :

“From A.P.Cess Fund ad hoc schemes not lasting more than three years are sanctioned and the amount is provided by the MOF under Non-Plan. The amount under this head is demanded from the MOF based on the liabilities of the existing schemes and the expected amount for the new schemes which are supplied by the concerned subject matter divisions. After consolidation of the demand the amount is proposed in the SBE. Since the amount demanded for the new schemes and liabilities of the existing schemes was within Rs. 40 crore, no additional amount was demanded from the MOF for 2002-2003. However it is mentioned that the amount under this head was increased by MOF during 2001-2002 to Rs. 40 crore from Rs. 25 crore during 2000-2001.”

1.41 When asked about the total AP Cess Fund collected by GOI during the last 3 years, year-wise, and the amount and its percentage to total collection, given to the Department, the Department stated as under :

“The dock-wise details of Cess collected during the last three years is as under:-

| Dock name | 1999 | 2000 | 2001 |
|------------------|--------------|--------------|--------------|
| BombayCH | 84204345.00 | 75686938.00 | 4117296.00 |
| Madras CH | 118411118.00 | 125632801.00 | 113028576.00 |
| Calcutta CH | - | - | - |
| Cochin CH | 9066.00 | - | - |
| Ahmedabad CH | - | - | - |
| Cochin CE | 7552996.00 | 7301474.00 | 5787123.00 |
| Patna CE | 10340.00 | 10664.00 | 1588.00 |
| BangaloreCE | 61027.00 | 10051295.00 | 12814020.00 |
| Calcutta CE | 151602096.00 | 8475447.00 | - |
| ShillongCE | - | - | - |
| Tiruchirapalli | 89691321.00 | 82432176.00 | 72350813.00 |
| Bhubneshwar | 9.29 | - | - |
| DELHI CE | - | - | - |
| ----- | ----- | ----- | ----- |
| Total Amount | 612318.29 | 385890795.00 | 245155096.00 |

Note:- CH denotes Custom House CE denotes Custom excise

The amount given to the Department during the last three years is as under:-

| Year | Amount drawn from the Govt. as LOC | % to total Collection as per above table |
|-------------|---|---|
| 1998-99 | 25.00 Crore | 51.6 |
| 1999-2000 | 1.00 Crore | 2.59 |
| 2000-2001 | 5.00 Crore | 20.4 |

Up-till now the department has drawn the amount from the Cess collected by the Govt. up to December, 1998 after taking sanction of the MOF.”

WORK ANALYSIS OF ICAR

1.42 The Committee in their 19th Report (2001) in Recommendation No.4 have recommended that an independent body of agricultural and scientific experts should be constituted by DARE/ICAR to evaluate the worth of research conducted compared with the non-plan expenditure incurred on each scientist conducting the research. The Committee also hoped that such an evaluation would be available to the Committee by the next financial budget (2002-03).

1.43 In reply to the above recommendation the Department in their latest Action Taken notes (November, 2001) had assured the Committee that the action had already been initiated to entrust this assignment to an independent and competent body to get the work done within the stipulated time frame. The Committee enquired about the latest position in regard to implementation of the above recommendation as assured by the Department and asked to give details of the independent and competent body to whom this assignment had been entrusted alongwith modalities of evaluation to be carried out by them. To these points, the Department stated as under:

“As a consequences of the recommendation of the Committee in the 19th Report received by us on 8.5.2001, an overview of the available evaluation was taken. It was found that evaluations have been built into the ICAR at the institutional level, QRT, RAC which have been set up for each institute. There are some ad-hoc studies for specific projects. The PME's setup individual NATP may also prove to be a useful experience in this context. In addition, several macro level evaluations have been carried through special studies at the level of the Council. A review of the magnitude of the material available was taken. It was then clear

that the aspects prominently mentioned in the Standing Committees' 19th Report had not been adequately covered.

There upon a search for the appropriate organisation to take on the responsibility devising a methodology for evaluation, which could be quantifiable to the extent possible, or research impact which is to a large extent not easily quantifiable. We have decided to try out some options rather than a single agency for this work. Negotiations have been opened with National Productivity Council for evaluation of the worth of research conducted by DARE/ICAR with respect to the Non-Plan expenditure incurred on each scientist. As this task needs specific formulation of terms of reference and other modalities, the Department is engaged in these activities by even consulting other scientific organisations like CSIR. The Department is also considering the usefulness of the PMEs under NATP to see if that systemic solution proves itself to be useful. An

integrated approach will be evolved on the basis of this effort. However our estimate now is that it will take us longer than we had anticipated when we started on this exercise. As soon as the findings are available, they would be submitted to the Committee”.

**MERGER/INTEGRATION OF NRCs/AICRPs TO AVOID
DUPLICATION OF RESEARCH WORK IN ICAR**

- 1.44 While scrutinizing the DFG (1999-2000) of the Department the Committee had enquired about the difference among AICRP/NRC/Institute/Central Institute/Network with regard to objectives/ financial requirement etc. and what mechanism/ guidelines exist in the Department to avoid duplication of research work by NRC/AICRP/PD/Network. In their reply the Department had justified the need for existence of all these Institutes and further stated that DARE had strong mechanism to avoid duplication of research work undertaken by NRC/AICRP/Network which might result in loss of precious money and time
- 1.45 Examining the DFG (2002-03), the Committee noted that in the Scrutiny of Demands for Grants 2002-03 (Part-II) Document, Statement ‘B’ (Plan) Scheme-wise, it has been mentioned that as a result of Zero Based Budgeting different Plan schemes were being discussed with Planning Commission for their phasing out/retention/merger/integration/convergence and (existing Schemes) were subject to this decision. The Committee enquired about the Zero Based Budgeting, its salient features; and how it is linked with the proposed merger/integration/convergence/phasing out of Plan schemes : The Department in their reply stated :

“The Secretary, Department of Expenditure, Ministry of Finance in his letter on Introduction of Zero Base Budgeting (ZBB) has stated that ZBB is essentially a management concept which links Planning, Budgeting, Review and Operational Decision Making into a single integrated process. In the most literal sense, ZBB implies constructing a budget without any reference to what has gone before, based on a fundamental reappraisal of purposes, methods and resources. Every programme or task should be subjected to ZBB Scrutiny to see if it could be done more cost-effectively or it could be eliminated altogether because of introduction of other schemes or because it has outlived its utility. In case of autonomous institutions their continuing need should be evaluated and ways found to make them self reliant.”

146 When asked about the reasons/circumstances which brought in this major change in the Department's outlook towards the merger of AICRPs with NRC/ other Institutes, the Department in their reply stated :

“As a follow-up directives to the Govt. of India to apply ZBB scrutiny to all schemes, the Planning Commission had a meeting on ZBB for the projects of the Department and communicated a summary of record of meeting recommending to converge and weed out several ongoing schemes. The Department has justified the need for continuance of its institutes and projects and therefore informed the Planning Commission that the institutional support in the form of ICAR system today is a matter of envy for some developed country and certainly of pride for the nation. The system is vibrant in agricultural scenario of the country which has to have greatest role in facing up the exigencies of globalization and international

trade.. The AICRP for instance are accredited as the most successful research network programme in the world which contribute in a unique way in developing location specific, production, protection, processing, product development and value addition technology corresponding to location specific requirements- a task which can not be performed by NRCs/PDs/Central Institutes.”

- 1.47 The Committee also enquired as to how these mergers/integration/convergence of various plan schemes were going to help the Department, funds saved on account of these mergers and the fate of the staff/scientists engaged in the institutes proposed to be merged. The Department in their reply stated :

“The Planning Commission has communicated recommendations of Core Committee to the Department for merger/integration/weeding out of several schemes. The Department had a meeting with the Member(Agriculture) of the Planning Commission on this issue and is interacting with Planning Commission to effect merger / integration of the projects so that it does not hamper the efficiency of the system becomes cost effective. The matter is under discussion with Planning Commission.

The information on how much funds would be saved on account of the merger by the Department and scheme-wise details could be worked out only when final decisions on retention, merger and integration is communicated by the Planning Commission to the Department.

With regard to fate of staff / scientists engaged in the Institutes proposed to be merged, it may be mentioned that several problems are expected to crop up when ten schemes which have been decided by the Planning Commission to be phased

out from Xth Five Year Plan. Similarly for merger/integration of schemes will also pose problems which will be resolved through redeployment to make the system more cost effective. The scheme-wise details could be worked out by the Department only when final decisions on retention, merger and integration is communicated by the Planning Commission to the Department.”

DISPOSAL OF PENDING / FRESH VIGILANCE AND DISCIPLINARY CASES

1.48 The Committee in their 19th Report (2001) on DFG (2001-02) in Recommendation No.7 have stated as under :

“The Committee have been recommending from July 1998 onwards in their Reports for quicker disposal of pending as well as fresh vigilance/ Disciplinary cases arising in the DARE/ICAR within a stipulated time frame of 2 years and since handling of such cases is a continuous process there should be a separate and full-fledged Vigilance Cell headed by the Director (Vigilance).”

1.49 The Committee noted that during oral evidence held last year in the month of March 2001, the Department had stated as under :

“***** Therefore, we are able to show more progress than what was possible in the earlier years. In the last one year, five cases of vigilance have been disposed of. So we are left with the balance of 20 cases on the vigilance side and 21 cases on the disciplinary side.”

1.50 The Committee while examining the DFG (2002-03) asked the Department to furnish the details of all the pending Vigilance/Disciplinary cases in the DARE/ICAR. In their reply the Department informed that there were 20

Vigilance and 27 pending Disciplinary cases pending with them. When these figures were compared from the March 2001 pending cases, it was found that virtually no variation was there in case of pending vigilance cases while 6 more cases have been added in the Disciplinary Cases list.

1.51 On a query regarding details of fresh Disciplinary/Vigilance cases initiated during 2001-02 and cases which had been disposed of during 2001-02 from the pending list, the Department furnished details of 2 fresh Vigilance cases and 11 fresh Disciplinary cases initiated during 2001-02 while 3 Vigilance cases and 15 Disciplinary cases were said to be disposed of during 2001-02.

1.52 When asked about the present status of the proposal for getting Government's approval for creation of the post of Joint Secretary (Vigilance) and whether a full fledged vigilance cell headed by Director/JS (Vigilance) had started functioning in the Department during 2001-02 as per the Recommendation No.7 of the Committee made in their 19th Report (2001). The Department in reply stated as under:

“While a proposal for creation of the post of Joint Secretary(Vig.) was under consideration, in view of the restrictions placed on creation of new posts, the possibility of taking a very senior Officer from the All India Services on deputation for a year was also considered. However, a decision has been taken to put the proposal on hold and watch the progress in the existing vigilance cases for some time more, since the backlog is clearing out and the incidence of new cases is not too high.

Existing Vigilance Division of ICAR/DARE is a full-fledged Division headed by Addl. Secretary/CVO.”

INTERNAL RESOURCE GENERATION

- 1.53 The Committee enquired about the targets fixed and targets achieved for the Internal Resources Generation during the last five years, year-wise and source-wise and details of targets fixed for 2002-03. The Department in their written reply stated as under :

“The targets fixed and targets achieved for the internal resource generation during the last five years are as under:-

(Rs.in crore)

| Year | Target | Achievement |
|-----------|--------|-------------|
| 1996-97 | 15.00 | 26.73 |
| 1997-98 | 29.00 | 22.91 |
| 1998-99 | 29.51 | 42.76 |
| 1999-2000 | 29.94 | 38.82 |
| 2000-2001 | 31.74 | 41.73 |

The item-wise revenue generated during the last five years is as under:-

(Rs.)

| Item | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 |
|--|----------|------------------|------------------|------------------|------------------|
| Sale proceeds of farm Produce | 77448197 | 91228234 | 82394830 | 88631415 | 81977762 |
| Sale proceeds of land Building, vehicle etc. | 5685151 | 3994986 | 12274452 | 3571447 | 5659171 |
| Sale proceeds of Livestock | 4142253 | 4250887 | 4637449 | 5130382 | 4541623 |
| Sale of publication & Adv. | 3062290 | 4769318 | 6250436 | 5885635 | 6146794 |
| License Fee from quarters | 14570362 | 16351540 | 16657927 | 18228083 | 20963939 |
| Interest on loans & adv. | 6117162 | 7005643 | 9058182 | 12914980 | 15449960 |
| Leave salary & Pen.cont. | 2291319 | 1379653 | 2853181 | 4345359 | 4016412 |
| Receipts from schemes | 24805 | 912958 | 1202047 | 3008960 | 3779914 |
| Interest earned on short term Deposits | 99724801 | 43195836 | 226502346 | 174690545 | 190393611 |
| Internal resource generation | 7515113 | 5386924 | 7951261 | 6089469 | 15213990 |
| Other Misc. receipts | 46731095 | 50597235 | 57827731 | 65749326 | 69167985 |
| Total | | 267312548 | 229073214 | 427609641 | 388245601 |
| | | | | | 417311161 |

The targets fixed for 2002-2003 are as under:-

| | |
|--------------------------------|-------------------------|
| Revenue Receipts | Rs. 21.21 crore |
| Interest on short term deposit | Rs. 18.00 crore |
| Loans & adv. Recovery | Rs. 14.00 crore |
| TOTAL | Rs. 53.21 crore" |

PULSES PRODUCTION

1.54 Pulses output is likely to be more over 2 million tonnes from 10.7 mt during 2000-01 and is estimated to be 13.2mt during 2001-02. Nevertheless, it is still 1.7mt below the 14.9mt production during 1998-99. The Committee enquired about the reasons attributed to this increase in pulses production in 2001-02,

reversing the regular decrease witnessed in pulses production since 1999-2000.

The Department in their reply stated as under:

“The decrease in pulses production from 14.9 mt in 1998-99 to 13.2 mt in 1999-2000 and 10.7 mt in 2000-2001 can be attributed mainly to drought in several parts of pulses growing areas in the last two years. This has resulted in decrease in area from 23.Mha in 1998-99 to 20 Mha in 2000-2001 and productivity from 6.34 q/ha in 1998-99 to 5.33 q/ha in 2000-2001. During 2001-2002 the weather conditions have been good and the crop stand and total area are also more than last two years. Fortunately there has been very little infestation of serious insect pest like pod borer. Therefore, the production of pulses in the current year is likely to reach 13.2 mt.”

- 1.55 In reply to a query as to how DARE/ICAR plans to maintain this growth trend in pulses production in future, the Department stated as follows:

“The ICAR has developed a number of new and improved varieties of pulses with better production potential in the last five years. Many of these varieties are resistant to important diseases like wilt in case of chickpea, sterility mosaic in pigeonpea, yellow mosaic virus in green gram and black gram. Adoption of these varieties is likely to increase production. Special crash seed production programme on chickpea has been initiated to meet the requirements of higher seed replacement rate. The frontline demonstration is being carried out to demonstrate the impact of new production technology of pulses. Production technology related to integrated pest management, cropping system and integrated nutrient management has also been recommended for increasing production. In our

pursuit to harness the benefits of hybrid technology a workable and stable male sterility system has been developed in pigeonpea. This is likely to facilitate cost effective seed production of hybrids likely to be developed with considerable yield advantages.”

COMMERCIAL CROP- SUGARCANE

- 1.56 The Committee noted that Sugarcane production is expected to drop to 295 million tonnes from 299.2 mt last year, due to some moisture stress experienced in Andhra Pradesh, Karnataka and Maharashtra during the monsoon period. The under-utilisation of funds for various schemes relating to sugarcane during Ninth Plan is as under :

| Sl.No. | Scheme | % age of Under-Utilisation of Ninth Plan |
|--------|--|--|
| 1. | Indian Institute of Sugarcane Research | 32.44% |
| 2. | Sugarcane Breeding Institute | 19.77% |
| 3. | AICRP – Sugar crops | 26.02% |

- 1.57 The Committee asked the Department to state the reasons for such a high percentage of under-utilisation of funds under all the three schemes relating to sugarcane crops separately. The Department clarified as under:

“In this connection it is stated that percentage of underutilization has been shown in the list of Points with reference to the IXth Plan revised outlay. However the revised outlay was actually reduced at the time of EFC clearance. The actually approved IXth Plan outlay after EFC sanction and utilization thereafter is clarified below:-

| (Rs. in crores) | | | | | | |
|-----------------|--------|--------------------|--------------------|--------------------|-------------------|---------------|
| Sl. No. | Scheme | Approved Ixth Plan | Expenditure during | Revised allocation | Total expenditure | % utilization |

| | | outlay | 1997-98 to 2000-01 | for 2001-02 (RE) | anticipated | |
|----|--------------------|--------|-----------------------|---------------------|-------------|-------------|
| 1. | IISR, Lucknow | 9.00 | 5.09 | 3.90 | 8.99 | Nearly 100% |
| 2. | SBI, Coimbatore | 7.45 | 5.15 | 1.90 | 7.05 | 94.63% |
| 3. | AICRP on Sugarcane | 8.70 | 5.27 | 1.90 | 7.17 | 82% |

In the case of SBI Coimbatore full utilization could not be possible as amount earmarked for pay & allowances for sanctioned posts could not be utilized due to ban on creation of posts.

In the case of AICRP Sugarcane the lesser utilization is primarily due to less annual allocations due to less actual overall availability of funds as under:-

| (Rs. in lakhs) | |
|----------------|-----------------|
| Year | Allocation (RE) |
| 1997-98 | 70.00 |
| 1998-99 | 135.00 |
| 1999-00 | 150.00 |
| 2000-01 | 189.00 |
| 2001-02 | 190.00 |
| Total | 734.00 |

The utilization against allocation of Rs. 734.00 lakhs including anticipated expenditure of current financial year is 97.68% which is slightly lower than the actual allocation due to non filling up of posts sanctioned in the IX Plan.”

1.58 The Committee pointed out that the phenomenon of moisture stress experienced during monsoon 2001-02 causing a loss of about 4 mt sugarcane crop was very well known, and ICAR has not been able to find long lasting remedy for the same. To this observation, the Department stated:

“ICAR is continuously developing varieties and technologies for the management of moisture stress (drought). Crop planning as far as possible is to be done taking into consideration the approximate quantity of water that will be available for

supplemental irrigation during different months of the year. This will facilitate in tiding over the drought situation without affecting the standing crop in the field.

When drought situation is anticipated in the formative phase of the crop, trash mulching can be done. The practice conserves the soil moisture and helps in better survival of tillers. Solution containing 2.5% urea and 2.5% potash can be sprayed on leaves at 30 days intervals during the drought period. Adequate potash availability contributes much towards growth and yield improvement. Favourable effects of potash application on leaf either individually or with urea has been largely due to stomatal adjustment for maintaining cell turgidity. Potash ions facilitate water uptake by roots even at high soil moisture tension and also reduce transpiration losses.

In drought prone areas, drip irrigation may be advantageous. Even when the water availability goes down, whatever little quantity of water is available could be applied directly into the root zone of the crop. This will ensure the survival of plants for a longer time, until favourable situation sets in.

The drought tolerant varieties developed are given below:

| Andhra Pradesh | Karnataka | Tamil Nadu |
|-----------------------|------------------|-------------------|
| Co 997 (1953)* | Co 740 (1949) | Co 740 (1949) |
| Co 6907 (1969) | CoC 671 (1975) | Co 62175 (1962) |
| CoC 671 (1975) | Co 91010 (1991) | Co 6304 (1963) |
| Co 87025 (2000) | Co 87025 (2000) | CoC 671 (1975) |
| Co 86032 (2000) | Co 86032(2000) | CoC 85061 (1985) |
| | | Co 87025 (2000) |

Eastern U.P., Bihar, West Bengal

**Maharashtra, M.P. Gujarat &
Kerala**

Co 87263 (2000)

Co 91010(2000) ”

Co 8371(2000)

Co 89029 (2001)

CoSe 95422(2001)

CoSe 92423(2001)

*(Year of release given in parenthesis)

1.59 During evidence members expressed concern at the low productivity of sugarcane per hectare which should increase through research but, incidentally was decreasing. One reasons was that new varieities were not reaching the farmers on time. In this connection, the Secretary, DARE clarified that the average yield per hectare is 71 tonnes.

BIOTECHNOLOGY FOR CROP IMPROVEMENT

1.60. While examining the DFG 2001-02 in respect of DARE/ICAR, the Committee enquired about the competence of NRC-Biotechnology Centre for Crop Science providing biotechnology support to Indian Farmers. In reply, the Department stated, “this NRC is a small institute with few scientists and limited infrastructure facilities. Biotechnology is indeed an extremely powerful tool. This requires considerable investment with a long gestation period. Also, initial investments are far more desired. Similarly, first rate human resources in the frontier areas of

bio- technology would be essentially required to compete internationally rather effectively.”

- 1.61. The Committee noted that DARE/ICAR has already recognised that Biotechnology was indeed an extremely powerful tool and therefore enquired about the reasons for not coming up with some concrete proposal to equip itself in this regard so far. The Department in their reply stated :

“The ICAR has established NRC on Plant Biotechnology at Pusa Campus, New Delhi in 1985. Later on NRC on DNA Fingerprinting was established at NBPGR in 1995. To give more emphasis on development of transgenics, NATP supported project on Transgenics has also been started. Recently, with the help of Deptt. of Biotechnology, Ministry of Science & Technology, a Rice Genome Sequencing Project has also been taken up at NRC on Plant Biotechnology.”

- 1.62 The Committee asked the Department to give details of “Considerable investment with a long gestation period”, i.e, funds required to improve the Biotechnological power in India with an edge of desired competence over the world alongwith gaining such a stronghold in this field. The Department in their reply stated :

“To improve the human resources and infrastructure facilities in Crop Science Division institutes in the area of plant biotechnology, the estimated requirement will be around Rs. 500 crores during the X Plan.”

- 1.63 The Committee further asked the Department to explain in detail the term “first rate human resources” required for competing internationally in the frontier areas of biotechnology, and what was preventing the Department to engage/employ

these first rate human resources in improving the Biotechnology mission in India.

The Department in their reply stated as under:

“The biotechnology is a science where technologies are developed and modified quickly based on the major advancements being made in the world. The requirement of first rate human resources was mentioned to emphasise recruitment of well qualified and talented biotechnologists and training of available biotechnologists in the fast changing frontier areas of technology. Since private sector offers better remuneration for such scientists, it is difficult to recruit them in the ICAR institutes with the established norms.”

- 1.64 The Committee also enquired about the reasons for utilising only 73.52% of total IXth Plan Outlay under NRC-Biotechnology. The Department in their reply stated as under:

“The utilization of 73.52% of Ninth Plan outlay by NRC Plant Biotechnology Centre, New Delhi has been observed by the Committee and reasons sought for under utilization. In this context it is stated that the actual approved IXth Plan Outlay is Rs. 780.00 lakhs. The expenditure of last 4 years is Rs. 457.33 lakhs and the RE of current financial year is Rs.147.00 lakhs as against Rs. 172.00 lakhs earlier proposed. Total expenditure anticipated during IXth Plan is Rs. 604.33 lakhs which is 77.47% utilization. The underutilization is primarily due to less expenditure on pay & allowances as the sanctioned posts could not be created due to Govt. of India instructions on austerity including ban on creation of posts. Also, a few costly equipment are yet to be procured.”

UNDER-UTILISATION/OVER-UTILISATION OF FUNDS UNDER SOME SCHEMES

1.65 The Committee noted the financial figures pertaining to some of the Planned Schemes/Projects under some Sectors as under :

(Rs.in Lakhs)

| Sl. No | Sector/ Scheme | IXth Plan Revised outlay | <u>Annual Plan (2001-02)</u> | | <u>Shortfall / Excess</u> | Total IXth Plan Expenditure | Total %age of Expenditure (IX Plan) | BE (2002-03) |
|--------|--|--------------------------|------------------------------|--------|---------------------------|-----------------------------|-------------------------------------|-----------------------------------|
| | | | BE | RE | | | | |
| 1. | I. Crop Science Project Directorate- Rice Research | 3683.31 | 518.00 | 568.00 | 50.00 +) | 2944.73 | 79.95% | 522.00 (including AICRP- Rice) |
| 2. | AICRP-Cotton | 1493.00 | 218.00 | 268.00 | 50.00(+) | 1296.49 | 86.84% | (No figures available) |
| 3. | Project Directorate Oilseed Research | 2210.67 | 444.00 | 544.00 | 100.00(+) | 2828.01 | 127.93% | 560.00 |
| 4. | National Bureau of Agril.Imp.Microbes & Insects | 533.00 | 227.00 | 27.00 | (-) 200.00 | 227.00 | 42.59% | 100.00 |
| 5. | II. Horticulture Central Institute of Subtropical Horticulture | 908.00 | 160.00 | 200.00 | 40.00 (+) | 628.72 | 69.24% | 455.00 |
| 6. | NRC-Banana | 779.00 | 200.00 | 150.00 | (-) 50.00 | 740.96 | 95.12% | 170.00 |
| 7. | NRC-Mushroom | 656.00 | 100.00 | 115.00 | 15.00 (+) | 501.51 | 76.45% | 210.00 |
| 8. | NRC-Onion & Garlic | 694.00 | 214.08 | 256.08 | 42.00 (+) | 598.98 | 86.31% | 230.00 |
| 9. | Central Agricultural Research Institute | 929.00 | 248.00 | 213.00 | (-) 35.00 | 717.43 | 77.23% | 240.00 |
| 10. | Indian Institute of Spices Research | 808.00 | 170.00 | 200.00 | 30.00 (+) | 659.91 | 81.67% | 320.00 |
| 11. | NRC- Orchids | 828.00 | 150.00 | 175.00 | 25.00 (+) | 425.77 | 51.42% | 150.00 |
| 12. | NRC-Makhana | 150.00 | 50.00 | 25.00 | (-) 25.00 | 50.00 | 33.33% | 235.00 |
| 13. | NRC-Litchi | 150.00 | 125.00 | 116.00 | (-) 9.00 | 125.00 | 83.33% | |
| 14. | NRC-Pomegranate | 150.00 | 25.00 | 5.00 | (-) 20.00 | 25.00 | 16.67% | |
| 15. | Tech. Mission on Hort. for NEH Reg. (Not taken up) | 950.00 | 25.00 | 0.00 | (-) 25.00 | 25.00 | 2.63% | |
| 16. | <u>III.NRM</u> PD-Cropping System Res. | 3477.00 | 250.00 | 250.00 | 0.00 | 744.82 | 21.42% | 720.00 |
| 17. | AICRP-Cropping System Res. | - | 500.00 | 500.00 | 0.00 | 2421.52 | - | - |
| 18. | NRC-Weed Science | 550.91 | 138.00 | 138.00 | 0.00 | 612.36 | 111.15% | 345.00 |
| 19. | IV. Animal Science National Bureau of Animal Genetic Resource | 1353.35 | 210.00 | 80.00 | (-) 130.00 | 831.02 | 61.40% | 350.00 |
| 20. | Network –Animal Genetic Resources | 628.73 | 100.00 | 150.00 | 50.00 (+) | 431.12 | 68.57% | - |
| 21. | National Dairy Res. Institute | 4994.24 | 575.00 | 600.00 | 25.00 (+) | 2261.63 | 45.28% | 710.00 |
| 22. | NRC-Camel | 1291.97 | 150.00 | 120.00 | (-) 30.00 | 617.97 | 47.83% | 140.00 |
| 23. | NRC-Mithun | 760.71 | 420.00 | 420.00 | 0.00 | 976.05 | 128.31% | 180.00 |
| 24. | AICRP-Bufferalo | 397.90 | 300.00 | 520.00 | 220.00 (+) | 523.94 | 131.68% | -NA- |

| | | | | | | | | |
|-----|---|---------|---------|---------|------------|------------|---------|---------|
| 25. | AICRP-Pig | 734.00 | 200.00 | 100.00 | (-) 100.00 | 566.00 | 77.11% | -NA- |
| 26. | NRC-Meat & Meat Product Technology | 603.97 | 150.00 | 50.00 | (-) 100.00 | 175.36 | 29.03% | -NA- |
| 27. | R&D Support for process upgradation of Milk Prod. for Ind. Appli. | 294.37 | 150.00 | 10.00 | (-) 140.00 | 246.03 | 83.58% | -NA- |
| 28. | IVRI | 5950.03 | 550.00 | 600.00 | 50.00 (+) | 2901.17 | 48.76% | 1160.00 |
| 29. | NRC-Biotech. (Part of IVRI) | - | - | 250.00 | 250.00 (+) | - | - | -NA- |
| 30. | High Security Animal Disease Laboratory (It's part of IVRI) | - | - | 125.00 | - | (-) 125.00 | - | -NA- |
| 31. | V. Agril.Stat.& Eco. Sustainable Rainfed Agril. in R&D | 100.00 | 0.00 | 0.00 | 0.00 | 236.43 | 236.43% | -NA- |
| 32. | VI. Agril. Extension Instt. Village linkage Programme | 150.00 | 50.00 | 50.00 | 0.00 | 50.00 | 33.33% | -NA- |
| 33. | Estt. Of New KVKs/ TTCs | 0.00 | 1986.74 | 1986.74 | 0.00 | 1986.74 | = | -NA- |

1.66 The Committee asked the Department to give reasons for shortfall during 2001-02 as well as during Ninth Plan under each of the scheme separately mentioned at Sl.Nos. 4,6,9,12,13,14, 15, 19, 22,25,26 and 27. The Department in their reply stated as under:

“Scheme No. 4 - National Bureau of Agriculturally Important Microorganisms (NBAIM)”

There is shortfall in the utilization of funds allocated to National Bureau of Agriculturally Important Microorganisms (NBAIM) as it was a late starter in the IXth Plan. The sanction of the scheme could be issued only on 30.6.2000 and the Bureau started functioning from mid July’ 2001 with only one regular staff because posts could not be created. Further it could not operate in full swing because of problems encountered in land allotment for construction of building. The B.E. of (2001-02) of the Bureau has also since been revised to Rs. 27.00 lakhs from Rs. 227.00 lakhs.

Scheme No. 6 - NRC Banana

Mainly due to ban on recruitment and creation of posts and purchase of vehicles.

Scheme No. 9 -CARI

Same as above and revised estimates for boundary of wall could not be approved/finalised due to revision of SFC.

Scheme No. 12 -NRC Makhana

The scheme has only been sanctioned in the last year of the plan period.

Scheme No. 13 -NRC Litchi

The scheme has only been sanctioned in the last year of the plan period.

Scheme No. 14 -NRC Pomegranate

The scheme has only been sanctioned in the last year of the plan period.

Scheme No. 15 - Technology Mission

Funds are being met from Ministry of Agriculture. So the funds earmarked for the scheme have been diverted to another scheme in North East.

Scheme No.19 – NBAGR

The shortfall during 2001-02 was due to non creation of 9th Plan posts and non-utilization of the recurring and non-recurring contingencies due to procedural delay for finalization of work items and purchase of equipments etc. Similarly shortfall during 9th plan was basically due to delay in clearance of 9th plan proposal and also due to non creation of 9th Plan posts

Scheme No.22 NRC Camel

The shortfall during 2001-02 was due to non creation of 9th Plan posts and non-utilization of non-recurring contingencies due to procedural delay for finalization of work items and purchase of equipments. There is no shortfall during the 9th

plan as the actual sanctioned allocation was only Rs. 600.00 lakhs against the revised outlay of Rs. 1291.97, as shown in column 4 and 3 in the above cited table.

Scheme No. 25 – NRC Pig

A total of Rs. 200 lakhs was sanctioned both for AICRP on Pigs and NRC on Pig for the year 2001-02. The NRC on Pig has been sanctioned in the fag end of IX Plan on 22.08.2001. The amount allocated for NRC Pig could not be utilized.

Scheme No. 26 – NRC Meat/Meat Product

The shortfall during 2001-02 as well as 9th plan was due to a) shifting of NRC Meat with independent status to Hyderabad in August 2000 b) acquiring of 10 acres land from Andhra Pradesh government for the centre c) procedural delay in preparation and approval of master plan and estimates of work d) delay in approval of SFC and e) creation of 9th plan posts due to ban on recruitment.

Scheme No. 27 – Project on R&D Support

The shortfall during 2001-02 as well as 9th plan was due to a) delay in approval of SFC b) procedural delay in procurement of equipments and c) procedural delay in recruitment of RAs/SRFs.”

- 1.67 The Committee asked the Department to also give reasons for shortfall during Ninth Plan under each of the Scheme separately mentioned at Sl.Nos.5,11,16,20, 21, 28 and 32. The Department in their reply stated as under :
- “Schemes No. 5 and 11- CISH and NRC Orchids: Due to ban on recruitment and creation of posts and purchase of vehicles.

Scheme No. 16 -PDCSR, Modipuram : Reasons for shortfall during IX plan in respect of PDCSR, Modipuram is due to the fact that after clearance from Ministry of Finance, the sanction of IX Plan could be issued on 5.3.2001. Since the sanction was issued in the terminal year of IX Plan, the expenditure was low.

Scheme no. 20 – Network AGR The shortfall during IXth Plan under the Project was due to the delayed sanctioning of the Project in 2000-01 resulting in late start of new Centres approved by EFC/SFC.

Scheme No. 21 – NDRI: - Total % of expenditure of 9th Plan of NDRI is 75.36 and not 45.28 as shown in the table because the actual sanction allocation of 9th plan of NDRI is Rs. 3001.00 lakhs against the revised proposed outlay of Rs. 4994.24 lakhs. However, the shortfall during IXth Plan under the Project was due to a) delayed in sanctioning of the IX Plan proposal by EFC b) non-creation of 9th plan posts due to ban on recruitment and c) delay in procurement of equipments and execution of work due to delayed in sanctioning of the IX Plan proposal.

Scheme No. 28 – IVRI: - Total % of expenditure of 9th Plan of IVRI is Rs. 89.35 and not Rs. 48.76 as shown in the table because the actual sanction allocation of 9th plan of IVRI is Rs. 3247.00 lakhs against the revised proposed outlay of Rs. 5950.03 lakhs. However, the shortfall during IXth Plan under the Project was due to a) delayed in sanctioning of the IX Plan proposal by EFC b) non-creation of 9th plan posts due to ban on recruitment and c) delay in procurement of equipments and execution of work due to delayed in sanctioning of the IX Plan proposal.

Scheme No. 32 - The budget related to the implementation of the Institution Village Linkage Programme (IVLP) at KVK level has been worked out out to be

Rs. 50.00 lakhs, keeping in view the time available for implementation of the project by the KVKs after its approval by the SFC.”

- 1.68 The Committee enquired about the reasons which necessitated excess expenditure during 2001-02 under each of the schemes mentioned at Sl.Nos. 1,2,3,5,7,8,10,11,20,24,28 and 29. The Department in their reply stated as under:
- “No excess expenditure was made under Directorate of Rice Research. It was only in the AICRP component that additional funds were made available to meet committed liabilities on non-recurring contingencies pertaining to 1999-2000 for purchase of approved items and also for releasing regular budget grants (approved as per EFC) to the project centres during current financial year. However under AICRP Cotton excess allocation is on account of committed liabilities on pay & allowances.

The position of actual approved IXth Plan outlay, Annual Plan (2001-02), expenditure, shortfall/excess etc is given below:-

(Rs. In lakhs)

| S.NO. | Name of the Scheme | IXth Plan approved outlay as against revised outlay | Exp. In last 4 years | BE 2001-02 | RE 2001-02 | Total Plan Expn. | % of expenditure (IXth Plan) |
|-------|--|---|----------------------|------------|------------|------------------|------------------------------|
| 1.a | Dte. of Rice Research, Hyderabad | 3233.31 | 2426.73 | 168.00 | 168.00 | 2994.73 | 92.63 |
| 1.b | AICRP Rice | | | | 350.00 | 400.00 | |
| 2 | AICRP Cotton | 1493.00 | 1078.49 | 218.00 | 350.75 | 1429.24 | 95.73 |
| 3.a | DOR, Hyderabad | 743.20 | 510.01 | 161.00 | 161.00 | 671.01 | 90 |
| 3.b | AICRP on Sunflower, Safflower and Castor | 1267.47 | 938.50 | 145.00 | 195.00 | 1133.50 | 89 |

The main reasons which necessitated excess expenditure during 2001-02 under scheme at Sr. No. 5, 7, 8 and 10 is due to approved items of construction of works during IX Plan and replacement / renovations of equipment / building.

Schemes No. 11 - NRC Orchids: Due to approved item of construction of works during IX plan and replacement/renovation of equipments/building as under one time catch up grant.

Scheme No. 20 – Network AGR: - The excess expenditure during 2001-02 was due to delayed sanctioning of the Project in 2000-01 resulting in late start of new Centres approved by the SFC for which the non-recurring contingencies had to be revalidated in 2001-02.

Scheme No. 24 – AICRP Buffalo: - The excess expenditure during 2001-02 was due to delayed sanctioning of the scheme by SFC in March 2001 with 13 new Centres sanctioned under the project for which non-recurring contingencies were revalidated in 2001-02.

Scheme No. 28 – IVRI: - The excess expenditure during 2001-02 was due to delayed sanctioning of the scheme by EFC resulting in late start of procurement of equipment and execution of works. However, additional funds were provided to procure the equipments and for execution of works being the last financial year of the 9th plan.

Scheme No. 29 – NRC Biotech : - This scheme is the part of IVRI and no separate funds were allotted for this scheme during the RE 2001-02 as shown in the table which is not correct.”

1.69 The Committee asked the Department to give justifications for excess expenditure incurred than approved outlay during IXth Plan period under each of the schemes mentioned at Sl.Nos. 3,18,23,24 and 31. The Department in their reply stated as under:

“Scheme No. 3 – Project Directorate Oilseed Research

No excess expenditure has been incurred under Project Directorate Oilseeds Research (PDOR) over the IXth Plan approved outlay. At present only two components viz. the Directorate and the AICRP Sunflower, Safflower and Castor are being operated from the PDOR. However expenditure in respect of other two AICRPs namely AICRP, Linseed and AICRP, Sesame and Niger was also incurred by the PDOR up to 2000-01.

The actual position of approved plan outlays and utilization under these AICRPs is given below:-

| (Rs. in lakhs) | | | | | | | |
|------------------------------------|---------------------------|-------------|--------|--------|---------|------------------------------|---------|
| Name of the Scheme | Sanctioned outlay IX Plan | Expenditure | | | | (Revised allocation) 2001-02 | Total |
| | | 97-98 | 98-99 | 99-00 | 2000-01 | | |
| PDOR | 743.20 | 117.27 | 104.89 | 119.63 | 168.22 | 161.00 | 671.01 |
| AICRP Sunflower, Safflower, Castor | 1267.47 | 242.73 | 245.62 | 228.40 | 221.75 | 195.00 | 1133.50 |
| AICRP Linseed | 552.60 | 96.65 | 108.55 | 102.75 | 110.00 | 84.00 | 501.95 |
| AICRP Sesame & Niger | 664.83 | 113.45 | 148.93 | 129.22 | 126.00 | 104.00 | 621.60 |

It is evident from the above that no excess expenditure was made over and above IXth Plan approved outlay.

Scheme No. 18 NRC Weed Science, Jabalpur

IX plan outlay in respect of NRCWS is Rs 615 lakh and not Rs 550.91 lakh. The IX plan total expenditure is Rs 613.35 lakh and the total percentage of expenditure comes to 99.73%. hence there is no excess expenditure in so far as NRCWS is concerned.

Scheme No. 23 – NRC Mithun : - The excess expenditure incurred during the 9th plan is basically because of expenditure under the head works. The increase is due to shifting of site of office-cum-lab building where security arrangements were already available and their office is functioning for the last 15 years. Due to shortage of land area in the vicinity of the ICAR Research Complex, the building was made double storey. Earlier site was not secure and the new site was in the ICAR Research Complex, Jharnapani, Nagaland. Under the earlier proposal building was single storey but later on it was changed to double storey due to shortage of space. The revised SFC proposal has already been processed on file for approval.

Scheme No.24 – AICRP Buffalo: - There is no excess expenditure during the 9th plan under this project because the sanctioned 9th plan allocation of this project was Rs. 801.00 lakhs whereas the total 9th plan expenditure is Rs. 523.94 lakhs.

Scheme No. 31 – Sustainable Rainfed Agriculture in R & D had already been terminated.”

- 1.70 In this connection, the Committee wanted to know as to when the scheme at Sl.No.14 has been shown to have a shortfall of Rs.20.00 lakh then how total IXth

Plan expenditure could be Rs.25.00 lakh. The Department in their reply stated as under :

“Scheme No. 14 - Amount of Rs 25 lakh is not an expenditure. This amount was kept as a provision. Now this has been diverted to another scheme.”

- 1.71 When enquired as to when scheme at Sl.No.15 has not been taken up at all then how Rs.25.00 lakh have been shown under total IXth Plan expenditure column and 2.63% is the percentage of expenditure. The Department in their reply stated as under :

“Scheme No. 15- The amount of Rs 25 lakh has been diverted to another scheme in north –east as the funds for this scheme are being provided by Ministry of Agriculture.”

- 1.72 The Committee asked the Department to clarify about scheme at Sl.No.12 that how Rs.50.00 lakh could be total expenditure during IXth Plan when Rs.25.00 lakh was the shortfall out of total BE 2001-02 of Rs.50.00 lakh. The Department in their reply stated as under:

“ Scheme No. 12 - Only provision of Rs 25 lakh was kept and that too has been diverted to another scheme.”

- :1.73 To another query about scheme at Sl.No.13 that how after Rs.9.00 lakh shortfall out of Rs.125.00 lakh BE (2001-02), total expenditure could be still Rs.125.00 lakh. The Department in their reply stated as under:

“Scheme No. 13 - Since this scheme has only been started recently, no expenditure could be incurred on works and also due to ban on posts and purchase of vehicle”.

- 1.74 When the Department was asked to state why there has been no appropriate figures shown as IXth Plan Outlay, BE (2001-02), total expenditure during IXth Plan and its total percentage expenditure for the schemes at Sl.Nos. 17, 29, 30 and 33. The Department in their reply stated as under :

“Scheme No.29 – NRC Biotech : - This scheme is the integral part of IVRI and neither a separate SFC was held for this project nor any separate funds were allotted for this project for Annual Plan 2001-02. Therefore, no figures were shown for the scheme.

Scheme No. 30 – HSADL: - This scheme was declared independent as national referral facility w.e.f. 1.4.2001. A separate SFC was held for the scheme and Rs. 553.00 lakhs were approved as 9th plan outlay for the scheme. For Annual Plan 2001-02, Rs. 125.00 lakhs were allocated which was revised to Rs.250.00 lakhs in RE. Total % of expenditure of 9th plan is 45.21 and shortfall in expenditure is due to the delayed sanctioning of the Project. Necessary figures have been incorporated in the above table.”

- 1.75 The Committee enquired about the new KVKs/TTCs that have been established during 2001-02 with an expenditure of Rs.1986.74 lakhs. The Department in their reply stated as under:

“As far as the establishment of new KVKs are concerned the approval of the Government was obtained by the end of November, 2001. During the last four

months 12 KVKs and 2 Trainer Training Centres have already been sanctioned as on 15.3.2002. The details are as under:

| Sl. No. | Name of the State | No. of KVK | Total(Rs in lakh) |
|---------|-------------------|------------|-------------------|
| KVKs | | | |
| 1. | Himachal Pradesh | 1 | 40.45 |
| 2 | Uttar Pradesh | 3 | 66.10 |
| 3 | Madhya Pradesh | 1 | 29.35 |
| 4 | Maharashtra | 3 | 18.90 |
| 5 | Haryana | 3 | 7.77 |
| 6 | Andhra Pradesh | 1 | 6.30 |
| TTCs | | | |
| 1 | Maharashtra | 1 | 10.80 |
| 2 | Uttar Pradesh | 1 | 11.70 |
| Total | | | 191.37 |

- 1.76 The Schemes at Sl.Nos. 2, 17, 20, 24,25,26,27, 28, 29, 30, 31, 32 and 33 are merged components of two or more schemes. The Committee enquired about the separate allocation for each of the merged components for the year 2002-03. The Department in their reply stated as under:

“The merger/integration of plan schemes are under discussion with Planning Commission and, therefore, the Department will be able to finalise the allocation after the decision of Planning Commission. Scheme listed at Sr. No. 31 had already been terminated.”

WORLD BANK /EXTERNALLY AIDED PROJECTS (EAPs)

- 1.77 The Committee noted the BE, Actual Expenditure, shortfall etc for EAPs during Ninth Plan as under:

| (Rs.in crore) | | | | |
|---------------|------------|------------|-----------|-----------------|
| Sector | Ninth Plan | Ninth Plan | Shortfall | % age shortfall |

| | | | | |
|------------------------|--------|-----------------------|--------|-------|
| | (BE) | Actual Expenditure | | |
| 1. World Bank/ EAPs | 638.97 | 460.47 | 178.50 | 27.94 |

1.78 The World Bank /EAPs are need specific, area specific, Project specific, time-bound programmes and require strict adherence to the financial and physical targets schedule. The Committee also noted that in each of the five years of Ninth Plan there have been a shortfall under WB/EAPs sector and enquired about the reasons and justifications for these shortfalls, year-wise, project wise. The Department in their reply stated as under :

“The Planning Commission has allocated less funds in comparison to projections / requirements submitted to them for different years of IX Plan. This is the real reason for shortfall with respect to the overall IX Plan outlay of World Bank / Externally Aided Projects. The major EAP is National Agricultural Technology Project(NATP). From the following table it is evident that its year-wise IX Plan allocations were drastically reduced due to cuts at RE stage.

Expenditure status during IX plan

(Rs. in crore)

| | | IX Plan | | IX Plan | Shortfall (Amount) | Shortfall (%age) |
|--|---------------|---------|--------|--------------------------|-----------------------|----------------------|
| Project | Year | BE | RE | Released/ Expenditure | W.r.t. RE | W.r.t RE |
| NATP | 2002- 2007 | 471.63 | 412.13 | 409.11 | 3.02 | 0.73 |
| Indo- Dutch Network on Drainage & Water Manage ment | 2002- 2007 | 9.00 | 11.94 | 11.06 | 0.88 | 7.37 |

”

1.79 When asked to give project-wise details of adverse impact on each of the affected projects due to under-utilisation of funds, the Department replied as under :

- “(a) The sub projects under NATP were sanctioned in a phased manner to minimize the impact of funds crunch.
- (b). (i) The shortfall is only 7.37 percent which was mainly due to delay in filling up of posts at initial stage.
(ii). There is no adverse impact on the projects activities.
- (c). AHRD Project has already been completed after accomplishing the mandate.”

PART II

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS

Recommendation No.1

IXth Plan and Xth Plan (Ist year) allocation to DARE - An analysis

The Committee note that the DARE was given 0.53% of Central Plan Outlay as Budgetary allocations for the IXth Plan. On the recommendations of the Committee this allocation was enhanced to 0.69% of the Central Plan outlay in the middle of the Plan period. After the completion of the IXth Plan, the Committee find that the allocation was 0.50% of the Central Plan outlay as BE and 0.46% of the Central Plan outlay as RE. The expenditure by the Department has, however, been approximately 99.00% of the RE.

The Committee further observe that in the Ist year of the Xth Plan the Department has got 0.53% of the Central Plan Outlay.

The figures reflect the very low priority given to Agricultural Research. Budgetary allocations are stagnant at 0.53% of the Central Plan Outlay whereas the actual allocations is below 0.50% of the Central Plan Outlay.

The Committee tried to assess the position with regard to Agricultural Gross Domestic Product (AGDP). They were surprised to note that DARE's BE allocations have been between 0.16% - 0.27% of AGDP at current prices from 1996-97 to 1997-2000.

The Committee have been constantly making an effort to secure budgetary provisions to the tune of at least 1% of AGDP for Agricultural Research. The Committee once again request the Planning Commission and Ministry of Finance to provide higher allocations to this Department.

Recommendation No.2

DARE/ICAR fails to come up with concrete proposals for higher allocations

The Committee observe that DARE/ICAR was given Rs.684.00 crore as BE and the same amount as RE for their Plan Outlay during 2001-02. The Plan Outlay (BE) for 2002-03 has been increased to Rs.775.00 crore and this increase is 13.3% over BE/RE 2001-02. According to the Department 2002-03 being the first year of Xth Plan approval of EFCs and subsequent implementation of approved programmes may take some time. The Department would be carrying out its ongoing activities and meeting some immediate requirements, till then. Hence, the Department would be in need of enhanced funds in second and subsequent years of Xth Plan. There is, therefore, no immediate requirement of funds to the Department in the year 2002-2003.

On the requirement of higher allocations for the 2nd to 5th years of the Xth Plan the Planning Commission has assured that, “..... it would always support DARE’s/ICAR’s good projects irrespective of ceilings, even if they

were beyond any stipulated limit. Good projects and schemes will never be allowed to suffer for want of funds.....”

The Committee during evidence on 27.3.2002, had requested the Secretary, DARE to furnish a written note giving those projects which were good but rejected by Planning Commission or the Ministry of Finance to enable the Committee to take up the matter at the appropriate level for additional funding. The Department has given the following four core areas of agricultural research and education which immensely need higher budget allocations during 2002-03 :

- | | | | |
|----|--|---|--------------|
| 1. | Agricultural Biotechnology | - | Rs.300 crore |
| 2. | Bio-diversity | - | Rs. 70 crore |
| 3. | Biosystematic and Pest Disease and Weed Management | - | Rs. 50 crore |
| 4. | First Rate Human Resource Development | - | Rs.100 crore |

According to the Department all these projects are new and none of them has been rejected for funding.

The Committee feel that the Department do not project the correct picture to the Committee. Year after year, the Department approaches the Planning Commission for rounds of discussions before the Annual Budget and finally come up with a meagre increase. The Department has never felt the need to express its difficulties before the Committee before the Budget is passed. Only at the examination of Demands for Grants stage the

Department puts forth its difficulties. By that time the damage is already done.

The Committee observe that the Department could not give details of a single such rejected project with reasons of rejection and instead has submitted a vague new proposal which is devoid of details, demanding for additional funds to the tune of about Rs.520 crore during 2002-03 for four core projects. The Committee deplore lack of genuine efforts on the part of the Department, which has failed miserably to come up with concrete/good proposals/projects for getting higher allocations from the Planning Commission and Ministry of Finance, who are more than ready to support all good projects of DARE/ICAR. The Committee urge upon the Department to prepare viable and concrete proposals which are essential for the Agricultural growth and bring forth such proposals before the Parliamentary Standing Committee on Agriculture, Planning Commission and Ministry of Finance. Similarly, the Committee desire that the Department should restructure and modify their ongoing projects to the present day need of the nation and present such viable modified plans before the Planning Commission for getting higher allocations, for the same and apprise the Committee about the outcome from time to time.

Recommendation No.3

Plan and Non Plan Expenditure of DARE

The Committee note that the Plan allocation of DARE constitutes expenditure heads pertaining to building maintenance, machinery operative expenses, telephone and electricity charges, stationery levies, pay and allowances (Plan Posts), travelling charges etc. The Non-Plan allocation constitutes of salary, maintenance of establishment facilities etc. All the above heads of expenditure are non-productive and do not account for research and education. As such the actual plan allocation is far less than which is placed under Plan (Rs.775.00 crore for the year 2002-2003).

The Committee feel that the 13.3 percent increase in Plan allocation for the year 2002-2003 over the year 2001-2002 is misleading and the 1.6% increase in allocation for Non-Plan is also misleading.

The Committee, therefore, recommend that there must be a clear distinction between such heads as mentioned above and actual research input within the Plan Budget itself.

Recommendation No.4

Plan Allocations to DARE for the year 2002-2003.

The Committee are informed that the DARE has been allocated Rs.775.00 crore under Plan Head for the year 2002-2003 which is a 13% rise over the Plan allocations for the year 2001-2002. This 13% in the view of the Department is a substantial increase in the first year of the Xth Plan although it works out to be only 45.6% of the demand placed by the Department before the Planning Commission.

The Committee are informed that the four core areas of agricultural research and education themselves require funding to the tune of Rs.520 crore for the year 2002-2003. This in addition to Rs.775 crore will make it possible to do effective research for else DARE will be finding it difficult even to sustain what research has been done in the Ninth Plan. The Department has requested for an allocation of Rs.1100-1200 crore for the year 2002-2003.

The Committee are of the opinion that the DARE is making tall claims towards research and the expenditure of allocations towards research. The DARE had found it difficult to explain the reasons of having funds parked in the bank accounts of its autonomous bodies. Although the DARE has no surpluses to surrender to the Government, it has good financial practices to account for expenditure. The DARE has always evaluated research through expenditure of funds and as expressed by the Department itself major expenditure heads in Plan Budget are consumables, operative expenses, telephone charges etc. but very little research. In this scenario,

the inflationary addition to Plan allocations of the previous year are sufficient.

The Committee, therefore, recommend that it is not too late for the Department to have an intensive look into its system in order to take corrective measures and come up with concrete proposals for more funds for research.

Recommendation No.5

Accounting Errors

Every year the Committee are faced with a situation wherein the figures in some of the schemes are either omitted or incorrectly mentioned.

The Committee request the Department to be careful and forward correct figures. Omissions or wrong figures lead to a lot of inconvenience in the scrutiny of Demands for Grants.

Recommendation No.6

Viability of Projects and Funding

The ICAR is a research institution. Research projects are open ended in nature and cannot be calculated like a mathematical problem. Therefore, the validity of a research project can be ascertained only after results are achieved. The Committee feel that sound proposals and valid projects that the Planning Commission look for in the ICAR are those which can apparently convince the Planning Commission members of results. Hence, the ability of the scientists in ICAR to convince also is of paramount importance.

The Committee suggest that the DARE should make greater efforts and devise methods of convincing the members of the Planning Commission about the obsolete equipments, age old infrastructure, high costs of maintenance etc to get the one time catch up grant for which they are trying for a very long time. The Committee suggest that the ICAR would do good in sending some of their scientists who are involved in the budgetary process for short term courses with financial institutions to help them to present their point of view correctly and effectively to the Planning Commission.

Recommendation No.7

Work Analysis of ICAR

The Committee find from the reply of ICAR that it is not prepared to appoint an independent body outside the Governments' domain to undertake an evaluation of the worth of the research of a scientist as compared to the expenditure that the Government is incurring on him. The QRTs, PME's and the RAC's are inbuilt systems of the ICAR. These bodies being manned by functionaries of the system itself are likely to be subjected to internal pressures in reviewing their independent findings to suit the management. Apart from this factor, these people are not specialised into the kind and quality of analysis the Committee expect.

The Committee are firm on their opinion that the ICAR should appoint an independent body, e.g. Private Consultancy Services or the like which are specialised in the field of manpower analysis, to make a detailed study on the quantum of research which has actually translated into enhancing the production and productivity, quality etc with the expenditure made by the Department on the Scientists taking into account all other parameters like level of satisfaction, working conditions, human relations, period taken to come out with the research etc.

One year has already elapsed since the Committee has recommended for such action and ICAR are still in the nascent stage of decision making.

The Committee, therefore, impress upon the ICAR to act fast, with speed and alacrity and put before the Committee a report before the next budget.

Recommendation No.8

Merger/Integration of NRCs/AICRPs

In 1999-2000 when the Committee enquired about the difference in the NRC/AICRP/PD etc, they had in view duplication of work performed by these institutes/schemes. The Department convinced the Committee of the importance of the existence of NRCs as well as AICRPs on the same crops at that time.

In 2002-2003, the Planning Commission has asked the ICAR to phase out/ merge/integrate/converge its existing schemes under Zero Based Budgeting. The Department is following the suggestion without any reservations.

The Committee feel, that this is still another case wherein the Department lacks the acumen to convince. AICRPs are accredited as the most successful research network programme in the world which contributes in a unique way in developing location specific, production, protection, processing, product development and value addition technology corresponding to location specific requirements but still ICAR is ready to merge them on the advise of the Planning Commission.

In the opinion of the Committee if AICRPs are such very good projects then the ICAR should approach the Planning Commission to allow the Department to continue these by convincing them about their utility. Simple surrender before the Planning Commission for merger and negation

before the Parliamentary Standing Committee on Agriculture to their similar suggestions made earlier will send wrong signals to the Committee.

Recommendation No.9

No Visible Progress seen in Disposal of Pending/Fresh Vigilance and Disciplinary Cases

The Committee observe that the Department has disposed of 5 Vigilance Cases during 2000-01 and was left with the balance of 20 pending Vigilance and 21 pending Disciplinary Cases by the end of March 2001. The position of pendency in March 2002 is at 20 Vigilance and 27 Disciplinary cases and during the entire one year, i.e., 2001-02, the Department could dispose of only 3 Vigilance Cases and 15 Disciplinary Cases. Two fresh Vigilance and 11 fresh Disciplinary Cases has been initiated during 2001-02.

The Committee tried to analyse these figures and found that if 3 Vigilance and 15 Disciplinary Cases disposed of during 2001-02 are subtracted from the balance carried forward in 2001-02 viz 20 pending Vigilance and 21 Disciplinary Cases, they arrive at 17 Vigilance and 6 Disciplinary Cases and if 2 fresh Vigilance and 11 fresh Disciplinary Cases initiated during 2001-02 are added to the balance figures, they arrive at 19 Vigilance and 17 Disciplinary cases. The Department has furnished pendency figures in March 2002 as 20 Vigilance and 27 Disciplinary Cases. So, there is a clear additional difference of 1 Vigilance Case and 10 Disciplinary Cases which could not be accounted for.

The Committee are perturbed to see the false high claims made by the Department for quicker disposal of pending vigilance and disciplinary cases as there has been practically an increase in the pendency of these cases.

The Committee, therefore, once again recommend in the interest of the Department that they should evolve a procedure for quicker disposal of pending as well as fresh Vigilance/Disciplinary cases arising in DARE/ICAR within a stipulated period of 2 years.

Recommendation No.10

World Bank/Externally Aided Projects

The Committee find that World Bank/Externally Aided Projects are time bound programmes and require strict adherence to financial and physical targets. The Committee note that the total allocation for the IXth Plan was Rs.638.97 crore out of which Rs.460.47 crore were utilised giving a 72.06% of utilisation. Since the projects are time bound the staff is also contractual for the specific project, releases by the Planning Commission are spread on a year to year basis.

The Committee have closely studied the reasons given by the Department for not being able to utilize the allocation 100%. One of the reasons is delay in filling up posts and the other relates to release of funds which was less in comparison to requirements.

The Committee are surprised to note that a time bound project is being run in absence of adequate manpower without any adverse impact on the programme. Once the time schedule has expired and the project is not complete, the World Bank or the particular agency will have to be approached for extension of time. Thus, the completion of the project will be

at the mercy of the assisting agency. The Committee are aware of such situations wherein the time schedule has expired and extension was not given. Thereafter, the incomplete project suffers because the Government does not come to its rescue and fund that project once the foreign agency withdraws.

The Committee, therefore, recommend that externally aided projects should strictly adhere to the time schedule so that the Planning Commission has no reason to withhold funds.

Recommendation No.11

Internal Resource Generation

The Committee find that the Department every year fixes targets for generation of funds from internal resources, such as (i). Sale proceeds of farm produce; (ii) Sale proceeds of land building, vehicle etc; (iii). Sale Proceeds of Livestock; (iv). Sale of publication & Advertisement; (v) Licence Fee from quarters; (vi) Interest on loans and advances; (vii) Interest earned on short term deposits etc.

The Committee feel that the DARE/ICAR being an apex council for doing pioneer agricultural research in the country, have the potential research findings with them. They also suggest that if these findings are timely passed on to the industry at the national and international level for its commercial uses for royalty/fees, then the DARE/ICAR will certainly be in a position to generate more funds than earned at the present.

The Committee, therefore, desire that the Department should switch over to this new area of untapped potential for generating more funds by way of sharing research findings with industrial and commercial users on royalty/fee basis.

Recommendation No.12

Pulses Production

The Committee note that pulses production is coming down during the last two years and even after spending crores of Rupees on the research of pulses year after year the Department has not been able to achieve any breakthrough in pulses production. The reasons attributed to decrease in pulses production from 14.9mt in 1998-99 to 13.2mt in 1999-2000 and 10.7mt in 2000-01 were mainly on account of drought in several parts of pulses growing areas and pest infestation.

The Committee feel that it is the prime mandate of the DARE/ICAR to tackle all these abiotic and biotic stresses caused every year to the agricultural crops. ICAR, has claimed to have released varieties resistant to abiotic and biotic stresses year after year.

The Committee demand a clarification from the Department for this ironical situation. Whereas on the one hand thousands of crore of Rupees worth crops every year goes waste owing to abiotic and biotic stresses, on the other hand ICAR claims to have been doing the needful by providing varieties resistant to abiotic and biotic stresses.

The Committee also urge upon the Department to make concerted efforts to actually come up with genuine research to counter these biotic and abiotic stresses affecting the agricultural crops on top priority basis.

New Delhi;
9th April, 2002

19, Chaitra, 1924 (Saka) *Standing Committee on Agriculture*

S.S.PALANIMANICKAM
Chairman,