

REFERENCE MANUAL

Financial Management System Manual: under NAIP

**National Agricultural Innovation Project
Funded by World Bank
[Credit No. 4161-IN & 4162-IN]**



**Project Implementation Unit (PIU)
NAIP, Krishi Anusandhan Bhavan II
Pusa Campus, New Delhi 110 012**

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Project Implementation Unit
National Agricultural Innovative Project
Krishi Anusandhan Bhawan II
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(This will be suitably modified after the formation of consortia and the development of the Financial Management Software)

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NATIONAL AGRICULTURAL INNOVATION PROJECT
Indian Council of Agricultural Research (ICAR)
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Dr Mruthyunjaya
National Director (NAIP)

Foreword

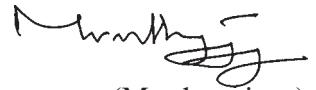
NAIP is a three-in-one project for pushing the frontiers of science, commerce and livelihood security in the National Agricultural Research System (NARS). It pursues system of innovation approach to meet the country's quest for food, nutrition, environmental security and enhances of income and employment. A national innovation system is made up of the institutions, enterprises and individuals that demand and supply knowledge and technologies and the rules and mechanisms by which these different agents are interacting. The special features of the project include end-to-end approach in problem solving, consortium of partners from diverse background, competitive funding, vigorous monitoring and impact assessment, small number of big projects, decentralized management, active stakeholder involvement throughout the project, strong emphasis on policy and gender analysis and social and environmental auditing, development of business skills for IPR Management and commercialization of technologies and clear post-project synthesis and uptake planning. The project is thus a unique opportunity with a big challenge to do business differently.

For the success of such a challenging project, sound financial management system (FMS) is critical. The FMS includes mobilization of resources, releases, accounting and financial reporting which will ensure accurate and timely information regarding project resources and expenditures. Similarly, there should be timely audit of the financial statement of the project for necessary action relating to proper utilization and appropriateness of expenditures for reimbursement by the World Bank. The other features of the FMS include maintaining separate bank account, preparation and timely submission of bank reconciliation statements and development of a web based on-line FMS having broader coverage of ICAR/SAUs/NGOs/Private Sector/other Government Departments/Foreign Aided Projects. The FMS is planned to be an integral part of an umbrella Management Information System (MIS) which integrates FMS with pay role package, inventory management, research project management, personnel information system, library information system, monitoring and evaluation system, knowledge management related modules etc. All these are envisioned to develop a sound and updated information which should serve as a base for effective managerial control and timely decision making with the ultimate goal of making ICAR as a learning organization. To achieve this goal, clear understanding the FMS/MIS is important.

This manual of user friendly clear guidelines on FMS is attempted for the first time to facilitate the process of understanding and use. It provides the detailed guidelines relating to budgeting and fund flow system, project accounting, audit and disbursement and financial management system in the overall context of MIS. Everyone involved in the project has to read and understand these guidelines seriously and use them appropriately for smooth

running of the project. No guidelines can be perfect and final and therefore, they will be amended as we move on with the learning through implementation. I seek your help and the fullest cooperation to understand and use these guidelines.

I am highly grateful to Shri Devendra Kumar, Deputy Director (Finance) of NAIP (now Chief Finance and Accounts Officer, IARI) and Smt Rashmi R Rao, Senior Finance and Accounts Officer of NAIP for ably drafting the guidelines in the spirit of NAIP/ICAR requirements. They have been immensely guided by Shri H C Pathak, Director (Finance), ICAR, Ms Papia Bhattacharya, the World Bank, New Delhi, and Shri D P Yadav, Director (Finance), NAIP. I am equally grateful to everyone who is involved in bringing out this User Manual. Comments/suggestions to further enrich this Manual are welcome.



(Mruthyunjaya)

National Director (NAIP)

KAB-II, New Delhi
January 23, 2007

Abbreviations

AAA	Aid Accounts and Audit	MIS	Management Information System
APEDA	Agricultural Processing and Export Development Authority	MoF	Ministry of Finance
AUC	Audit Utilization Certificate	MoU	Memorandum of Understanding
BSR	Basic Strategic Research in Frontier Areas	MTR	Mid-term Review
CA	Chartered Accountant	NAIP	National Agricultural Innovation Project
CAAG	Comptroller and Auditor-General	NARS	National Agricultural Research System
CAC	Consortium Advisory Committee	NATP	National Agricultural Technology Project
CC	Consortium Convenor	NC	National Co-ordinator
CIC	Consortium Implementation Committee	NGO	Non-Government Organization
CL	Consortium Leader (Institution)	NPA	National Policy on Agriculture
CLI	Consortium Lead Institution	NSC	National Steering Committee
CoPI	Consortium Principal Investigator	O&M	Organisation and Management
CP	Consortium Participant	O&MAG	Organisation and Management Advisory Group
DEA	Department of Economic Affairs	O&MPC	Organisation and Management Programme Committee
DFP	Delegation of Financial Powers	PCNs	Project Concept Notes
EAP	Externally Aided Project	PCS	Production to Consumption Systems
ERR	Economic Rate of Return	PFS	Project Financial Statement
FMR	Financial Management Report	PI	Principal Investigator
FMS	Financial Management System	PIP	Project Implementation Plan
FR	Fundamental Rules	PIU	Project Implementation Unit
FY	Financial Year	PMC	Project Management Committee
GFR	General Financial Rules of Government of India	PMTS	Project Monitoring and Tracking System
GoI	Government of India	R&D	Research and Development
HRD	Human Resource Development	RPC	Research Programme Committee
ICAR	Indian Council of Agricultural Research	RTGS	Real Time Gross Settlement
ICT	Information and Communication Technology	SAG	State Accountant General
IDA	International Development Association	SAP	System Application Products for Database
IP	Intellectual Property	SAUs	State Agricultural Universities
IPM	Integrated Pest Management	SFC	Standing Finance Committee
IPNM	Integrated Pest and Nutrient Management	SLS	Sustainable Livelihood Security
L&CB	Learning and Capacity Building	SoE	Statement of Expenditure
LFA	Local Fund Auditor	TA	Travelling Allowance
LI	Leader Institution	TAGs	Technical Advisory Groups
M&E	Monitoring and Evaluation	WB	World Bank

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1

General Introduction

National Agricultural Innovation Project An Overview

The proposed project responds to the objectives of Government of India, as expressed in India's National Policy on Agriculture, which accords high priority to generation and transfer of agricultural technologies, and reforms in the technology system. The National Policy on Agriculture seeks to actualize the vast untapped growth potential of Indian agriculture to generate income and employment opportunities for the rural communities. The policy recognizes the role of the private sector in agricultural research, human resource development, post-harvest management and value addition. The 10th Five-Year Plan envisages a growth rate of 4% per annum in the agriculture sector. To achieve such growth requires investments in research, extension, as well as interventions that improve the policy and institutional environment within which agricultural producers, traders and processors operate.

Policies and institutional framework

Strengthened research systems will increase the availability of new knowledge and new technologies, but not necessarily the number of innovations that will be disseminated and implemented by the producers.

First of all, agricultural development is increasingly market rather than production driven. With falling staple food prices and rising urban incomes, the pay-off has slowly improved strategies that enhance agricultural diversification and increase the value added of agricultural production. Secondly, it is

increasingly realized that the generation, diffusion and application of new knowledge often takes place efficiently through the private sector¹. Though the reach is not uniform significant part of the technology package that farmers use has been designed by and supplied through private businesses (e.g. fertilizers, machinery, pesticides, seeds). With increasing commercialization, the role of the private sector as technology supplier grows. Thirdly, through the Information and Communication Technology (ICT) Revolution (particularly the internet), the ability to take advantage of knowledge that has been developed in other places, or for other purposes, has grown. How to take advantage of new knowledge has become a question that is as important as how to generate and diffuse new knowledge?

This is where the concept of a national innovation system arises. A national innovation system is made up of the institutions, enterprises and individuals that demand and supply knowledge and technologies, and the rules and mechanisms by which these different agents are interacting. In this concept the focus is not on the science suppliers but on the totality of actors that are involved in innovation. The role of the private sector and as well as of the Intellectual Property Rights associated with the innovation are more explicitly recognized, end-market demands are more integrated and the conditions that need to be fulfilled for innovations to become successful are better spelled out. Following the lessons from the industrial applications, the effectiveness of the agricultural innovation system depends on three main elements,

¹Private sector encompasses all non-government agencies, viz. the corporate sector, voluntary organizations, self-help groups, partnership firms, individuals, and community-based organizations etc.

as discussed here.

- An institutional environment that is conducive to the flow of knowledge, to collaboration, experimentation and implementation of innovations.
- A well articulated demand for new knowledge, technology and institutional and policy innovations. Producers, traders and others must be able to express their demands, and must be in a capacity to adapt and adopt new knowledge and technology.
- The effective supply of new knowledge and technology, from the public research system, but also from other sources, viz. indigenous knowledge, private sector research and even transfers from abroad.

Objectives of NAIP

Agricultural innovations and diffusion of new technologies are important factors in the country's quest for food, nutrition, environmental security and enhancement of income and employment. Agricultural research in India has generated outstanding productivity increases in the past and shall continue to play an important role to support rural livelihoods and accelerating rural growth. However, rising population and per capita income are significantly pushing up the food demand, which needs to be met through enhanced productivity per unit area, input, time and energy. At the same time, issues of decreasing factor productivity and resource use efficiency have emerged. Further more, many promising research findings have not reached the producer, due either to the inadequacies of research design or research results or to the deficiencies of delivery systems. This is particularly evident in complex environments and in less favoured areas. To attack poverty and hunger, it is critical to redirect and augment resources devoted to agricultural research to the farming and livelihood systems of the poor rural communities.

To meet the new, diverse and complex challenges that lie ahead and to avail the technological

breakthroughs that are now available for commercial use, agricultural research priorities and strategies will have to be revisited and new system-wide approaches will have to be developed and adopted.

NAIP will assist in overcoming the shortcomings through a combined effort on changing content and process. Policy and technology options will be checked or tested by the end-user for applicability and for economic, social and environmental sustainability. In applied and adaptive research, the end-user of innovations will be involved from the start of programmes and projects. Both indigenous knowledge and new or frontier technologies will be used to generate satisfactory products.

The overall objective of the project is to facilitate the accelerated and sustainable transformation of Indian agriculture in support of poverty alleviation and income generation by collaborative development and application of agricultural innovations by the public organizations in partnership with farmer groups, private sector and other stakeholders. The specific objectives envisaged are:

- (a) To build the critical capacity of the ICAR as a catalyzing agent for management of change in the Indian NARS (Component 1).
- (b) To promote production to consumption systems research in priority areas / themes to enhance productivity, nutrition, profitability, income and employment (Component 2).
- (c) To improve livelihood security of rural people living in selected disadvantaged regions through technology-led innovation system, encompassing the wider process of social and economical change covering all stakeholders (Component 3).
- (d) To build capacity and undertake basic and strategic research in frontier areas to meet challenges in technology development in the immediate and predictable future (Component 4).

Project period

The total period of the project would be six years starting from 1st July, 2006.

Project implementation period : Six years
 Date of effectiveness : July 1st 2006
 Expected closing date : June 30th, 2012

Borrower

Government of India, Department of Economic Affairs, Ministry of Finance, New Delhi, India.

Responsible agency

Department of Agricultural Research and Education, Ministry of Agriculture and Cooperation, Krishi Bhawan, New Delhi, India.

The NAIP Components

The project pursues further evolution of the Indian agricultural research system as supported in the past by National Agricultural Research Projects I, II and by NATP. It will build on the results of the NATP in the following ways:

- The production systems approach of NATP will be extended to production to consumption systems, which also cover processing, marketing and consumption issues. The production to consumption approach allows for better integration of income and poverty alleviation objectives in a market context and recognizes that the competitive ability and income potential of commodity sectors does not only depend on production improvements.
- For the disadvantaged regions of the country, a rural livelihood improvement approach will be implemented. Constraints to sustainable improvement of the well-being of rural vulnerable groups will be identified. Natural resource management and nutrition issues will be identified apart of income improvements.
- While the collaborative, multi-disciplinary research projects of NATP were mainly based in the public sector, the new project will harness synergies through collaboration between the public and the private sector, farmers and farmer organizations, and the civil society.

- While the NATP covered research and extension activities largely under different project components, the new project will explicitly focus on achieving innovation on-farm or in the production to consumption system by combining technology generation and uptake pathways within the components.
- While the NATP financed some limited upstream research, the new project will have an explicit component on it.
- While institutional development in the NATP focused on the ICAR, in the NAIP institutional development focus will be more on the State Agricultural Universities (SAUs) to allow them to catch up in their institutional development.

The National Agricultural Innovation Project (NAIP) has been designed to strengthen ICAR’s role as a catalyst of change in the national agricultural innovation system, and to fund partnerships in production to consumption systems and rural livelihood security research consortia. This will strengthen the research and development networks in these areas, benefiting all stakeholders and contributing to the higher level objectives mentioned above.

Achieving these objectives is clearly an enormous collective undertaking, which exceeds the scope and the timeframe of NAIP, which is an important element in the continuous evolutionary process of the Indian agricultural innovation system and the Indian agricultural sector.

The NAIP comprises four components, viz. (i) ICAR as the Catalyzing Agent in the Management of Change in the Indian NARS; (ii) Research on Production to Consumption Systems; (iii) Research on Sustainable Rural Livelihood Security; and (iv) Basic and Strategic Research in Frontier Areas of Agricultural Science.

Component 1: ICAR as the Catalyzing Agent for Management of Change in the Indian NARS

With the fast evolving globalization of agriculture and importance of markets increasing on the one hand

and the need for sustainable productivity increases and livelihood support to many farmers on the other, the role of and expectations on the agricultural research system have become quite complex. The long-term future of Indian agriculture within these trends is open, as shown through the scenario analysis undertaken during project preparation. ICAR, therefore, has to provide leadership and empower the NARS and the expanding group of other research providers (including private sector, other public sector entities, and NGOs) to adapt to the emerging challenges.

The Indian agricultural innovation system needs to be flexible, motivated, creative and in close correspondence with a fast changing world. This will require a dynamic system with flexible modes of operation and decision making. Innovations to manage change in the research system have to be accelerated to attain the broad objective of higher and sustainable agricultural development. The system has to work in a partnership mode with the whole range of stakeholders. Its capacity for information and knowledge management, communication and visibility has to be robust, vast and innovative. The innovation system should bring together farmers, agricultural researchers, educators, and extension agents to harness knowledge and information from various sources. Key features of such a system include pluralism, partnerships, decentralization, accountability, alignment with market trends, ability to learn, and visionary skills. Component 1 will create an enabling policy and institutional environment and will build skills and a culture to maximize benefits from Research and Development activities as supportive information, communication and dissemination systems; competitive business development and technology commercialization models; advanced learning and state-of-the-art capacity building initiatives, policy and gender analysis capacity; impact assessment skills; and streamlined financial management and procurement systems. The emphasis in Component 1 will be on

State Agricultural Universities where most of the scientists work.

To put in place the key features of this system, Component 1 will support the following activities:

- strengthening information, communication and dissemination systems for greater dialogue and interaction within the system and among the stakeholders;
- enhancing public awareness capacity and improved knowledge sharing;
- establishing business development models for technology incubation and commercialization;
- assessing and adapting the current learning and capacity building and human resource development initiatives, introducing models, viz. e-learning, distance learning and developing training materials to prepare scientists and support staff with newly required skills and knowledge;
- developing agricultural and research policy capacity, including the gender aspects and visioning skills, and strengthening impact assessment capacity; and
- remodeling and advancing financial management and procurement for the ICAR.

Innovative approaches to reform and capacity building will initially be taken up in a relatively small number of organizations so that they can be thoroughly validated before further dissemination through the system.

Components 2, 3 and 4: These will be executed in research consortia mode to support agricultural transformation

Consortium: A Consortium is a formal group of like-minded partners that will carry on a given task by sharing the research agenda and research resources according to an agreed work plan. The success of the consortium depends on the active involvement of all the major players involved in its field of agri-business and a harmonious co-ordination among the members with a high degree of transparency. The consortium

should be need-based and accordingly the partners should be identified to manage the task. The identification of the partners for the consortium will be dependent on the target groups, socio-economic background of farmers and participants in the value chain, available infrastructure facilities and the current problems that they are working on. The potential core consortium activities are identified as but not limited to the followings:

- *Diagnosis*: Determining livelihood and value-addition activities among the target beneficiaries.
- *Development of production technologies*: The technologies, viz. dryland agricultural practices, IPM, IPNM, horticulture, livestock, fisheries etc. (Components 2 and 3), and the development of scientific methodologies and new knowledge at the frontiers of science (Component 4).
- *Technological empowerment*: The transfer of proven (appropriate) local agricultural technologies empower technology.
- *Research on Natural Resource Management*: It includes improving water, land and forest management systems, and generating participatory models of resource management.
- *R&D of agricultural processing, storage and marketing*: It is needed to generate rural employment.
- *Research on nutrition and health*: To improve welfare and human development possibilities.
- *Contributing to the build-up of social capital by organizing farmers*: It is necessary to obtain feedback on research programmes and in order to disseminate results.
- *Pilot-scale commercialization of innovations*: These are generated and tested by the consortium.
- *Participation*: To support the full-scale commercialization and dissemination of innovations.
- *Knowledge management activities*: A large array of knowledge management activities to share

results of the consortium with the target beneficiaries, the scientific community and the public at large.

- *Training programmes*: Implementing training programmes for consortium members and for selected target beneficiaries or their representatives.

Consortium partners: The list below is neither an exclusive nor a compulsory list of consortium partners, but indicates the range of partners that may be engaged in a consortium.

Research Institutes from in and outside the ICAR System: The role of the R&D institutes will be to identify technologies for value addition in production or post-harvest activities, conservation and efficient use of natural resources, reduction of the cost of production and enhancement of yields, sustainability, household food security and profit. International research institutes and research organizations from other countries may also participate in the consortia. They may also become CL, PI or Co-PI, if they have signed an MoU and follow all codal procedures.

Farmers and Farmers' Organizations: Farmers will be strongly involved in the governance and orientation of the consortia. Most production-related and primary agro-processing related research would be done on-farm. Farmers' organizations will also be involved in training and knowledge sharing activities. Some of the consortium partners representing important farmers' organizations, viz. Panchayat Raj Institutions, National Farmers' Forum, IFFCO etc. would be expected to participate.

- *Private enterprises and associations and federations of private enterprises*: These will be strongly involved in the governance and orientation of the consortia and will participate in the development and commercialization of innovations in the fields of input supply and distribution, processing of agricultural commodities and marketing, and possibly contract farming. Private research organizations will be involved in technology generation.

- *State development and extension departments:* Many line departments are engaged in supporting agriculture directly or indirectly. They will be members of a consortium on a needs basis, principally to develop and support the transfer of technologies and promotion of innovative agriculture development, but also to facilitate and participate in on-farm research or in processing and marketing experiments. Their participation also contributes to ownership and sustainability after the sub-project period.
- *Financial institutes:* The role of the financial institutions is to assess the financial needs and develop efficient lending products for supporting the investments required to implement innovations. Apart from developing financial strategies, these institutes can also develop suitable instruments for providing insurance against crop failures, calamities and personal accidents and health.
- *Voluntary Organizations and NGOs:* Many voluntary organizations, and NGOs are engaged in natural resource management at the grass-root level, principally by motivating farmers, creating awareness, establishing linkages with information centers and marketing outlets, supplying micro-finance, promoting micro-enterprises and establishing linkages with the various government schemes. They may be facilitators for transfer of technology and linkages with various members of the consortia as well as the development departments. Simultaneously, voluntary organizations can also be entrusted with the responsibility of organizing the weaker sections of the society to form self-help groups, their federations and various other user groups to make best use of the technologies and resources, made available by the consortium. However, there are a number of NGOs whose credentials are yet to be established. The NAIP will follow the approved criteria for providing funds to NGOs.

The overarching principle of consortia formation and management is to bring together research institutions and research users through collaborative agreements with the objective of optimizing the usage and benefits of research resources through an enhanced process of innovation, value addition, commercialization and technology transfer. The programme also emphasizes education and capacity building with a focus on producing new skills that will help carry Indian agriculture into the future. While most consortia partners will be coming together because of shared interest in the topic, they may also include specific management or communication expertise.

The partnerships established in the production to consumption systems, livelihoods security, and basic and strategic research consortia will strengthen the research and development activities in these areas, benefiting all stakeholders involved through knowledge generation, information sharing and expert collaboration. These partnerships will also help in bringing new knowledge to the next level of application, thus generating more value from agriculture, creating new employment opportunities, raising incomes, strengthening the competitive position of India in the knowledge economy and contributing to the reduction of rural poverty.

Component 2: Research on Production to Consumption Systems

The specific objective of this component is to establish market-oriented collaborative research alliances for sustainable improvement of selected agricultural production to consumption systems. This will be achieved by encouraging different organizations, viz. public, private, NGOs, farmers' group, international organizations established in India, etc., which are involved in producing, harvesting, processing and marketing of a particular product, to join forces in a consortium framework and compete for funding aimed at improving the profitability and the sustainability of the product's Production to Consumption Systems. The system also includes the

technologies used to grow and process the material, as well as the social, institutional and economic environment in which these processes operate. Partner organizations will be jointly responsible for the governance, design and implementation of research programmes, and the application of resulting innovations on-farm and through out the production to consumption systems.

About 15 consortia will be selected from across the sub-sectors of Indian agriculture. The concept is that a few but well financed consortia will be able to galvanize greater interest from different PCS partners, and enhance collaboration and openness which is key to capturing integration and economies of scale benefits. This is also one of the lessons learnt from the earlier NATP project, where a very large number of sub-projects were financed, resulting in resources being spread thin, sometimes with limited impact.

Production to consumption systems around which research consortia will be formed and will be selected from those sub-sectors that show good productivity levels with potential for growth, value addition, competitive advantage, export potential, and opportunities for backward and forward linkages. Further these chains should help in sustaining food security, augmenting incomes and generating new employment prospects. Some of the chains identified as a suggestive list include medicinal and aromatic plants, bio-fuel crops, poultry, fruits and vegetables, fisheries and livestock products (Annexure IV).

Some of the issues that should be addressed when developing a consortium on agricultural PCS are: objectives of the consortium; governance structure; research programme guidelines (programme components and activities); intellectual property rights management; knowledge management and information sharing; capacity building and human resources development; strategy for commercialization and utilization of research outputs; benefits and costs sharing arrangements; financial management and procurement arrangements; and sustainability and withdrawal measures following project's completion.

Information requirements in these areas will be clearly spelt out in the call for proposals; the operational manuals and guidelines for establishing, financing and operating the consortia will be developed.

There will be a two-stage competitive application process:

- (i) in response to a widely published "Call for proposals", "Concept Notes" will be prepared by several potential consortia; and
- (ii) after the Concept Note has been approved by the Research Programme Committee as qualifying for competition, a "Full proposal" including detailed cost estimates will be submitted by a more limited number of consortia. There will be 2 roles for consortium partners, either that of a "Consortium Convenor" (CC), with the Principal Investigator belonging to it, or of a "Consortium Participant" (CP). The Consortium Convenor would accept full responsibility for the operation and performance of the entire consortium. The commitment would include executing a "base-line survey" to later measure the impact. To be eligible for consideration, apart of Consortium Convenor, adequate number of Consortium Participants would be required for each consortium; the partners could be either from the public or the private sector and preferably from both.

The project will finance research and some development activities. This will include investment and operational costs including contractual staff, as well as some of the personnel costs of the consortia with the remainder of the personnel cost covered by the consortia members. Funding will typically cover research activities undertaken by research and academic institutions which are in partnership with agricultural producers agro-industry. The research opportunities will be identified to improve the profitability and sustainability of the production to consumption or to accelerate the development of integrated PCS with benefits accruing to different economic players involved. For development activities

that follow from earlier consortium research, support will be provided for conducting feasibility studies and designing and implementing pilot projects (up to a maximum of 20% of consortium funding).

Component 3: Research on Sustainable Rural Livelihood Security

The core objective of this component is the sustained improvement in the incomes and well-being of farm families in mainly rainfed, hill and mountain, dryland, tribal dominated and coastal areas which have so far been left behind in development. This will be achieved by encouraging different organizations, both in the public and private sectors with capacity to address specific issues in the concerned agricultural production systems to collaborate through forming consortia, and make these compete for funding aimed at enhancing productivity, profitability and sustainability. These consortia will bring together farmers and other client groups, agricultural service providers in research and extension, private sector companies involved in input provision, processing and marketing, NGOs, ongoing agricultural development projects, etc. Through NAIP they will be provided with the incremental capacity to address urgent Research and Development issues in a holistic and integrated fashion.

There is a large number of potentially rewarding Research and Development opportunities for consortia on livelihood improvement. For the NAIP support under this component to be well-focused, objective criteria will be developed to define a subset for the NAIP-funded consortia within the 150 districts identified by the Planning Commission as backward. A set of eligibility and screening criteria was generated to assess the viability of the competing consortia and their proposals. A major consideration, however, will be whether the NAIP-financed consortia could serve as models for livelihood improvement from which Research and Development service providers and the private sector in other areas could learn. The two stage competitive application process will be similar to the selection process for Component 2.

Under NAIP, the preference would be for competitive consortium selection. There are, however, conditions especially in disadvantaged areas where considerations of urgency or institutional weaknesses favour putting in place sponsored (or invited) consortia. In such exceptional situations a specific (public or private sector) institution will be invited to submit a proposal for a consortium without competition or several institutes will be invited to submit proposals for selection in a limited competition. If approved, a binding contract for implementation will be signed with the Lead Institution and afterwards such sponsored consortia will operate under the same terms as the competitive ones. Sponsored consortium development will be initially assigned, where possible and feasible to the State Agricultural Universities.

NAIP will finance both research and some development activities necessary for the uptake of research results. These activities will likely focus on improvement of production systems, enhancing natural resource management (with special emphasis on water), empowerment of local communities, institutional development, creation of rural employment opportunities, enhanced household nutrition and food security and alleviating rural poverty. Funding will typically cover activities undertaken by research, academic and private institutions which are working in partnership with farmers and/or input and output agencies. The project will fund investment and operational costs as in Component 2.

Up to a maximum of 20% of consortium funding will be provided for conducting

- (i) feasibility studies,
- (ii) designing pilot projects that would lead to the adoption and upscaling of improved technologies, and
- (iii) implementing pilot projects. Financing can also be provided to activities to create awareness or mobilizing local communities and where technology adoption would entail significant risk, for improving sustainability.

About 20 livelihood-oriented Research and Development consortia will be financed and no more than half of the available funding will be assigned in a sponsored manner.

Component 4: Basic and Strategic Research in the Frontier Areas of Agricultural Science

The Indian NARS not only has to find solutions to the immediate problems of farming but also has to keep its scientific competence in the forefront to meet all continuously emerging anticipated and unanticipated problems. With globalization and the ever expanding frontiers of science, the NARS not only has to remain globally competitive in its agricultural science base but also will have to take the lead in the world in areas of its demonstrated advantage. This apart, the best of scientific capabilities will be required to solve a number of specific but critical bottleneck technological problems of agriculture, which have been preventing or are likely to prevent Indian agriculture from competing globally. Solutions to these problems will require focused and highly innovative basic and strategic research and its application.

Component 4 will support focused research in well-defined areas of frontier science, with strong bearings on Indian agriculture. Possible areas of research have

been identified by an intensive process of consultations among scientists from India and abroad. Collaboration of foreign scientific institutions or individual scientists with global leadership in the relevant areas of science will also be encouraged, provided they spend the funds in India. Management of Component 4 will be along the same lines as the management of Components 2 and 3 (Annexure VI). Selection of research consortia will follow the same two-stage process with final approval by the Research Programme Committee (RPC). As a matter of exception the RPC may decide to select single institutes or consortia limited to 2 or 3 partners.

NAIP will finance principally research and capacity building activities. Funding will typically cover activities undertaken by research, academic and private institutions which are working in partnership. This will include investment and operational costs and a limited portion of the personnel costs as in Components 2 and 3.

While Component 4 will have a less explicit development dimension, a major emphasis will be on obtaining intellectual property (IP, one of the central indicators for this component). In this component a higher share of resources will be spent on training in advanced laboratories and on procurement of the equipment for frontier research. About 15 consortia will be funded.

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Governance, Management, Implementation Co-ordination System and Delegation of Powers

National Agricultural Innovation Project will be implemented in a decentralized manner and the effective implementation of competitively financed activities by consortia of service providers from both the public and private sectors will require well developed accountability systems—once the implementation agreement has been signed, the parties involved assume faithful implementation according to the letter of the contract unless proven otherwise through retro-active accountability; under NAIP, “control is traded for accountability”.

Successful implementation of NAIP will require frequent and intensive interaction with a broad array of NARS clients and stakeholders, including those from the farm and private sectors. The structure and bodies that will be set up to facilitate this and to ensure smooth and effective project implementation are discussed in brief below. Because openness, transparency, rapid communications and feedback are of crucial importance to achieving the project’s multi-faceted objectives, internet-based linkages between all project entities and stakeholders will be put in place from NAIP start-up.

NAIP Governance and Selection Bodies

A. National Steering Committee

The National Steering Committee (NSC) of key stakeholders in the NARS will be established by the ICAR to serve as the national apex body responsible for overseeing all aspects of NAIP. The NSC will set policies and provide guidance to ensure the timely achievement of the main goals of the project. The NSC will principally provide guidance to the Project Management Committee. (Appendix V C).

B. O&M Programme Committee

The Organisation and Management Programme Committee (O&MPC) will be a multi-disciplinary panel responsible for selecting and awarding of activities, and oversight of implementation of Component 1. O&MPC will also guide the effective and efficient implementation of activities in component 1 through inputs at critical stages, viz. the Annual NAIP Workshops and “Mid-term Reviews”.

C. Research Programme Committee

The Research and Programme Committee (RPC) will have the responsibility for objective and transparent assessment and selection of activities proposed for grant funding by consortia under Components 2, 3 and 4. The RPC will also be involved at the NAIP Annual Workshops and Mid-term Reviews and in case the need for substantial modifications and or cancellation of ongoing activities has been confirmed (Appendix V B).

D. Consortium Advisory Committees

The Consortium Advisory Committees (CACs) will be responsible for setting priorities and local level oversight, monitoring implementation of the approved consortia, and for approving any required modifications in the programme of each consortium during implementation under Components 2, 3 and 4. There will be a CAC for each consortium. The CACs will principally provide guidance to the Consortium Implementation Committees.

NAIP Implementation Entities and Advisory Bodies

A. Project Management Committee

The Project Management Committee (PMC) will

have direct executive responsibilities for sanctioning the proposed NAIP-financed activities and for the overall management of NAIP, including the effective and efficient implementation of the entire project, resource management and use, and monitoring and evaluation (M&E) of all NAIP-supported activities. The PMC will also serve as the link with the Subject Matter-related Divisions of ICAR—for technical liaison, and for resolving any management issues. The PMC (Appendix V A) will be supported by the Project Implementation Unit.

B. Project Implementation Unit

The Project Implementation Unit (PIU), is fully integrated within ICAR. It is headed by the National Director who will be responsible for the co-ordination and facilitation of implementation of the entire NAIP. The PIU will report to the PMC. The PIU includes 4 National Coordinators (NCs), respectively for Component 1 activities, production to consumption R&D chains (Component 2), livelihood systems R&D (Component 3), and frontier agricultural science research projects (Component 4). The PIU will also comprise expertise in Administration, Finance, Procurement, M&E, MIS and Social/Environmental aspects.

C. O&M Advisory Group

The O&M Advisory Group (O&MAG) will be a multi-disciplinary advisory panel responsible for the screening and evaluation of activities proposed under Component 1 before final consideration by O&MPC. O&MAG may appoint consultants for in-depth review and assessment of proposed Component 1 activities.

D. Technical Advisory Groups

The Technical Advisory Groups 2, 3 and 4 (TAG 2 TAG 3, and TAG 4 groups) will be responsible for facilitating and synthesizing “peer reviews” involving scientific and technical assessment for final consideration by RPC of consortium proposals under Components 2, 3 and 4, respectively. The TAG

members will participate in the Annual NAIP Workshops; they will also assist in monitoring progress and quality of implementation especially during MTRs and if substantial modifications (or cancellation) are required the TAGs will frequently call on referees to examine and assess proposals to be supported under Components 2, 3 and 4.

E. Consortium Implementation Committees

Most, if not all consortia will have an implementation committee which will be responsible for day-to-day coordination and management of the preparation and implementation of each consortium under NAIP Components 2, 3 and 4, including for Monitoring and Evaluation.

Structures for NAIP Governance and Implementation, and Key Functions

A. National Steering Committee

The National and Steering Committee (NSC) will be responsible for policy guidance and oversight of NAIP and will advise on conflict resolution; it will also approve the NAIP Annual Work Programme and Budget. The NSC will have 15 members, viz. Director-General (DG), ICAR as Chairperson and Secretary (ICAR), Financial Adviser (DARE), a Deputy-Director General (DDG) of the ICAR (on a rotating basis), one of the four (rotating) Commissioners for Agriculture, Horticulture, Animal Husbandry and Fisheries of the Government of India (GoI), the Chairperson of the Agricultural Processing and Export Development Authority (APEDA), one Vice-Chancellor (VC) of a State Agricultural University (SAU), one State Agricultural Production Commissioner, two representatives each of the private sector and of farmers and two of the CAC chairpersons. The National Director (ND), NAIP, will be the *ex-officio* Member-Secretary of the NSC. The NSC will meet twice a year to monitor NAIP progress and resolve any outstanding issues (Appendix V C).

Project Management Committee

This committee, of which the DG, ICAR is the chairperson, will have the main executive responsibility for the overall management of NAIP and for monitoring implementation by the consortia that have received grants according to the agreed contracts. The PMC will have 14 members comprising Secretary, Department of Agricultural Research and Education (DARE) and Secretary ICAR, Additional Secretary & Financial Advisor, ICAR, one of the four Commissioners for Agriculture, Horticulture, Animal Husbandry and Fisheries (on a rotating basis), four of the DDGs, ICAR (on a rotating basis), two VCs of the SAUs, a Chairperson of one of the Consortium Advisory Committees (selected from Components 2, 3 and 4), one representative of private sector and one progressive farmer. The ND, NAIP will be *ex-officio* member. The PMC will meet regularly to review project progress, approve NAIP's annual work programme and budget, and provide the necessary information and guidance to the ND, PIU and the RPC for the execution of the project. The PMC will also (through the PIU), organize Annual National Workshops on NAIP progress, impact and constraints to which all stakeholders and participants in project implementation will be invited. With some of the key senior staff of the ICAR as its members, it is expected that the PMC will help to internalize and, in time, expand coverage of new approaches being introduced under the project to other entities and activities of the ICAR and to some extent the entire NARS (Appendix V A).

Consortium Advisory Committees

The Research Programme Committee will, based on a recommendation by the CIC, establish a Consortium Advisory Committee (CAC) for each consortium that was granted NAIP funds. The responsibilities of the CAC will be to contribute to the dialogue on setting priorities for the consortium to address, endorsing the Full Proposal, mobilizing the broad community of clients and beneficiaries to

contribute to implementation, monitoring effectiveness of implementation and adherence to the agreed objectives, evaluating outcomes and impact, approving re-allocations of funding between consortium activities, and if necessary, of consortium re-orientation, and facilitating the dissemination and up-scaling of replicable results. The CAC will have about 10 members which will include representatives of major stakeholders involved with and/or affected by the activities of the consortium including the private sector. The CAC will comprise at least two scientists and the National Co-ordinators of the concerned NAIP component will be an *ex-officio* member of CAC. However, the actual size and composition of each CAC will depend on the numbers of institutions and stakeholders that are substantially involved in the consortium and this may vary. The CAC will select its own chairperson and meet half-yearly or more frequently, if required. The Consortium Leader will function as the *ex-officio* Member-Secretary of the CAC. The CAC may at any time call on contributions and/or inputs by any staff member of any of the institutions and organizations collaborating in the concerned Consortium or on consultants. The CAC will meet at least twice a year.

NAIP Implementation

Project Implementation Unit

The Project Implementation Unit (PIU) is fully integrated within the ICAR structure and is staffed with ICAR personnel on open ended contracts. The PIU will coordinate and facilitate implementation of NAIP under the direction and supervision of the PMC. It will, with inputs from implementing units and consortia, O&MPC, RPC, O&MAG and the TAGs, consolidate NAIP annual budgets and work plans for the different components for approval by the PMC. However, to provide for a decentralized and efficient mechanism for implementation the principal interactions between participating agencies and institutions will be delegated to the CICs and/or Consortium Leaders. The

responsibilities of the PIU will include:

- Providing logistic support for the NSC, PMC, O&MPC, RPC, O&MAG and TAGs, and preparing the respective meeting schedules and agenda (developed in consultation with the chairs of the respective committees);
- Reviewing relevant reports and other materials, and developing recommendations, drafts, minutes of meetings, and contracting and administering special studies, reviews, etc. as advised by the NSC, O&MPC and RPC;
- Technical, financial, procurement and administrative management of NAIP, including issuing “Calls for Proposals” with the powers as may be delegated by PMC;
- Overseeing the implementation of NAIP activities as approved by the PMC, including on the basis of O&MPC and RPC inputs;
- Preparing, collating and tracking implementation of all training activities.
- Organizing the Annual NAIP Workshop;
- Requesting withdrawals from the NAIP Special Accounts and release funds for authorized expenditures under NAIP;
- Submitting to the World Bank, NSC and PMC, six monthly and annual progress reports within one month, and audit reports within six months of the close of fiscal year;
- Liaising with the World Bank concerning operation and management of the NAIP as and when required for the execution of the NAIP-supported activities, and organizing World Bank review missions; and
- Preparing all reports, documentation and information on NAIP including on consortium progress and impact evaluation for O&MPC, RPC and World Bank Missions, respectively, and any other reports required by various authorities.

The Project Implementation Unit with approval of the PMC, may arrange for expert advice from consultants in any subject matter area related to NAIP implementation.

National Director of NAIP

The Project Implementation Unit will be headed by a National Director of the status of a DDG, ICAR. The National Director, under the direction of the PMC will coordinate and facilitate implementation of the entire NAIP; he/she will be responsible for and empowered to direct all the activities of the PIU as summarized above. The National Director will be the *ex-officio* Member-Secretary for the NSC and PMC. The National Director will be supported by a suitable complement of staff, including the followings:

A. Director Finance of NAIP

He/she would be overall responsible for the financial management of NAIP including the estimation of fund requirements for different purposes, the timely disbursement of funds, proper accounting and audit, the establishment of separate bank accounts and the timely receipt of bank reconciliation statements by/from each implementing agency.

B. Procurement Officer of NAIP

He/she will be the nodal point for all procurement-related matters in NAIP and function as the main resource person to guide and advise implementing agencies on NAIP and World Bank procurement procedures and guidelines.

C. National Coordinators of NAIP

There will a National Co-ordinator for each NAIP component following responsibilities:

- to process and track all proposals and activities under the O&M and Consortium research grant components that are submitted for funding under NAIP. This will include arranging for consortium proposal evaluation and strengthening the quality of proposed consortia and their implementation with the help of Office and Management Advisory Group and Technical Advisory Group in accordance with the applicable NAIP guidelines, and monitoring output, outcome and impact indicators. They will

also facilitate any training required for preparation and implementation;

- to facilitate and participate in consortium identification, selection and review, and in Monitoring and Evaluation systems set up under NAIP to ensure efficient and high quality preparation of consortia and the effective implementation of activities to enhance the magnitude of results and overall NAIP impact. This will include serving as the *ex-officio* Member-Secretary of the Office and Management Advisory Groups and the Technical Advisory Groups and the organization of the NAIP Annual Workshop with wide participation of the stakeholders and beneficiaries;
- to facilitate fund releases to various Consortia;
- to facilitate and oversee hiring and execution of consultancies and special studies;
- to assist in execution and implementation of activities of the PIU as directed by the National Director; and
- to collate and synthesize reports pertaining to their respective areas of responsibility and execute such administrative and financial responsibilities and powers as delegated by the PMC and the National Director.

The National Co-ordinator (NC) Component 1 will in addition be responsible for (i) NAIP-related Monitoring and Evaluation and the Project Management Tracking System (PMTS); and (ii) NAIP's special effort in Learning and Capacity Building. In Monitoring and Evaluation, he/she will be assisted by a consultant (firm) who would provide support in information systems development, networking and software development services. The Monitoring and Evaluation consultant's first charge will be the design of a Project monitoring and tracking system for NAIP implementation, a sub-system within the overall MIS of NAIP. When these systems have become effective, the Monitoring and Evaluation (M&E) specialist will take on a wide range of Monitoring and Evaluation and information systems-

related responsibilities. The M&E consultant will also be responsible for assisting the NSC, PMC, the ND and the NCs in all their information needs. He/she will be the major source of timely and relevant information on NAIP for the ICAR and the broader stakeholders in the project and he/she will be a link person for all concerned. The Monitoring and Evaluation consultant will be responsible for coordinating Consortia-level Monitoring and Evaluation functions and report directly to the NC Component 1.

D. Environment and social assessment specialist

This responsibility is with the NC Component 3; he/she will be assisted by an expert in Environmental and Social assessment who will oversee environmental compliance and be responsible for environmental and social analysis, and if needed, the design of mitigating actions. This will be done in close interaction with Consortium Leaders and within the NAIP Environmental and Social Management Framework.

The screening and approval of NAIP-supported activities for funding

NAIP Component 1

O&M Programme Committee: The O&MPC members, which will be proposed by the PIU and endorsed by the PMC, will be a (part-time) advisory panel of about 6 senior specialists with main responsibility for endorsing major NAIP Component 1 activities, overseeing and monitoring the progress of these at the mid-term reviews and for recommending corrective actions on the basis of O&MAG reports. A distinguished Research and Development Manager of national stature will chair the Committee and the Secretary ICAR, the Financial Advisor of the Department of Agricultural Research and Extension, 1 Vice-Chancellor of an State Agricultural University, 1 Director of an ICAR National Institute, and 1 representative of the private sector will be members; the National Director of NAIP will be a member and the National Coordinator for NAIP Component 1 will be the *ex-officio* Member-

Secretary. The O&MPC will meet quarterly (initially more frequently).

O&M Advisory Group: The O&M Advisory Group (O&MAG) will be responsible for ensuring appropriate review and assessment of activities and sub-programmes proposed under NAIP Component 1. Staff development and training related to the needs of the entire NARS, selection of trainees and approval of related training activities will be an integral part of the O&MAG's review and decision process. The O&MAG will meet quarterly to approve activities, to monitor progress, decide on financial and management issues and activity completion reports. The O&MAG will have about 5 members; its chairperson and members will be selected by PMC on the basis of his/her eminence and national stature in agricultural research management and agricultural research and development issues. O&MAG membership will comprise expertise in organizational development, public/private partnerships, information management, human resource management, monitoring and evaluation, communication technology, intellectual property rights, quality assurance, technology dissemination, environment and gender. O&MAG membership (except *ex-officio*) will be for at least 3 years with some staggering of appointments starting at the end of the first 3 years to allow for continuity. The National Co-ordinator for NAIP Component 1 will be the *ex-officio* Member-Secretary of O&MAG and be responsible for organizing expert reviews and required inputs. The O&MAG reports to the O&MPC and Project Monitoring Committee through the PIU.

NAIP Components 2, 3 and 4

Research Programme Committee: The Research Programme Committee will be a broadly composed panel of very high stature which has responsibility for approving the research consortia proposed for financing through NAIP (Components 2, 3 and 4). Research Programme Committee will be composed of about 12 members apart of the senior-most National Co-ordinator for Component 2, 3 or 4 who will function as

the *ex-officio* Member-Secretary to Research Programme Committee. The National Director, 4 Deputy Directors-General, and Director Finance, PIU will be the *ex-officio* members. The stature of the Research Programme Committee will be such that its decisions will be widely and strongly respected. The Research Programme Committee will also be responsible for endorsing the broad Research and Development priorities to be financed under NAIP and for approving the identification of competent institutions for sponsored activities. The Research Programme Committee's mandate will include responsibility for approving any significant changes in consortium activities during the implementation period, especially at the Mid-term Reviews and advise the PIU and the PMC on the need for adaptation or cancellation, if necessary. The Research Programme Committee will meet quarterly to review and take decisions on the selection of consortia. Once all the consortia are in operation, the RPC will meet as frequently as necessary for monitoring the progress of consortia and other related activities, viz. granting additional funds or endorsing major modifications for on-going activities. The Research Programme Committee Chairperson would be selected on the basis of his/her pre-eminence in agriculture and allied sciences and would be consulted by the Director-General, ICAR on the further composition of the Research Programme Committee. Members of Research Programme Committee, other than those *ex-officio*, will be eminent scientists/agriculture development specialists and will serve for 3 years. To ensure continuity, memberships terms will be staggered.

Technical Advisory Groups: The Technical Advisory Groups (TAGs), viz. 1 each for NAIP Components 2, 3 and 4, respectively will have major responsibility for the transparency and fairness of the peer review of Concept Notes and Full Proposals submitted as part of the competition process. The TAGs, together with the CACs will be responsible for NAIP quality assurance through scientific and technical evaluation of proposals under NAIP

Components, 2, 3 and 4, on the basis of the agreed guidelines, and for monitoring implementation of sanctioned activities at key times, viz. MTRs and activity completion to assess progress and performance. Each TAG also will take account of the broad priorities to be financed under the particular NAIP Component and assist in the identification of competent institutions for “sponsored” projects in Component 3. They will also review mid-term status reports and assess the completion reports including recommending the mainstreaming of strategies and outcomes of successful activities.

Each of the TAGs will comprise an inter-institutional multi-disciplinary (part-time) group of about 5 scientists and development specialists with skills and experience in bio-physical, economic and social sciences (from both the public and private sector). The National Co-ordinators for NAIP Components 2, 3 and 4 will be the *ex-officio* Member-Secretary for the respective Technical Advisory Group. Technical Advisory Groups membership will be for 3 years with some staggering of new appointments to allow for continuity. If Technical Advisory Group does not have adequate capacity for the subject matter areas of a proposed consortium, the PIU (NC) may be requested to make arrangements for contracting additional peer reviewers. The Human Research Development and training related to the needs of individual consortia, the proposed trainees and the approval of training activities will be an integral part of the review and decision process for specific proposals submitted to TAGs for evaluation; this will include support for strengthening of international linkages to improve the quality of human resources. The Research Programme Committee will select the Technical Advisory Group Chairpersons and members on the basis of their eminence and national stature in agricultural research and Agricultural Research and Development issues. The TAGs will meet at least quarterly. The TAGs, through the respective National Co-ordinators, report to the Research Programme Committee and PIU.

Consortium Implementation Committee: For most

Consortia that have been funded under NAIP Components 2, 3 and 4, there will be a Consortium Implementation Committee. The size and composition of Consortium will be decided by Consortium Advisory Committee. The Consortium Implementation Committee will be chaired by the Head of the Consortium’s Lead Institution and its membership will include the Principal Investigators (PIs) at the Leader Institution and at all partner institutions, and senior administration and finance staff of the Leader Institution. The membership of the Consortium Implementation Committee and its responsibilities will be approved by Consortium Advisory Committee and endorsed by Project Management Committee. The responsibility of the Consortium Implementation Committee will be to ensure smooth and efficient implementation, to monitor and oversee execution of the concerned consortium activities and report to the Consortium Advisory Committee and Project Implementation Unit, according to the schedules set out in the NAIP Project Implementation Plan (PIP). The Consortium Implementation Committee will also make recommendations to the Consortium Advisory Committee copied to the Project Implementation Unit on implementation and policy issues, approve if necessary, the reallocation of funds within the approved limits, set strategies for implementation and communication, etc.

Responsibility for Monitoring and Evaluation will be assigned to a Unit at the Consortium’s Lead Institution (either existing or being established with NAIP support). On consortium activities the Unit would report directly to Consortium Advisory Committee. The Unit’s work programme would be cleared by the National Co-ordinator who is responsible for NAIP Monitoring and Evaluation at national level and approved by the Consortium Advisory Committee. The National Agricultural Innovation Project Governance and Implementation bodies (Fig. 1a), their functioning at local level (Fig. 1b), and NAIP Management at National level (Fig. 1c) are given from pp. 17 to 18.

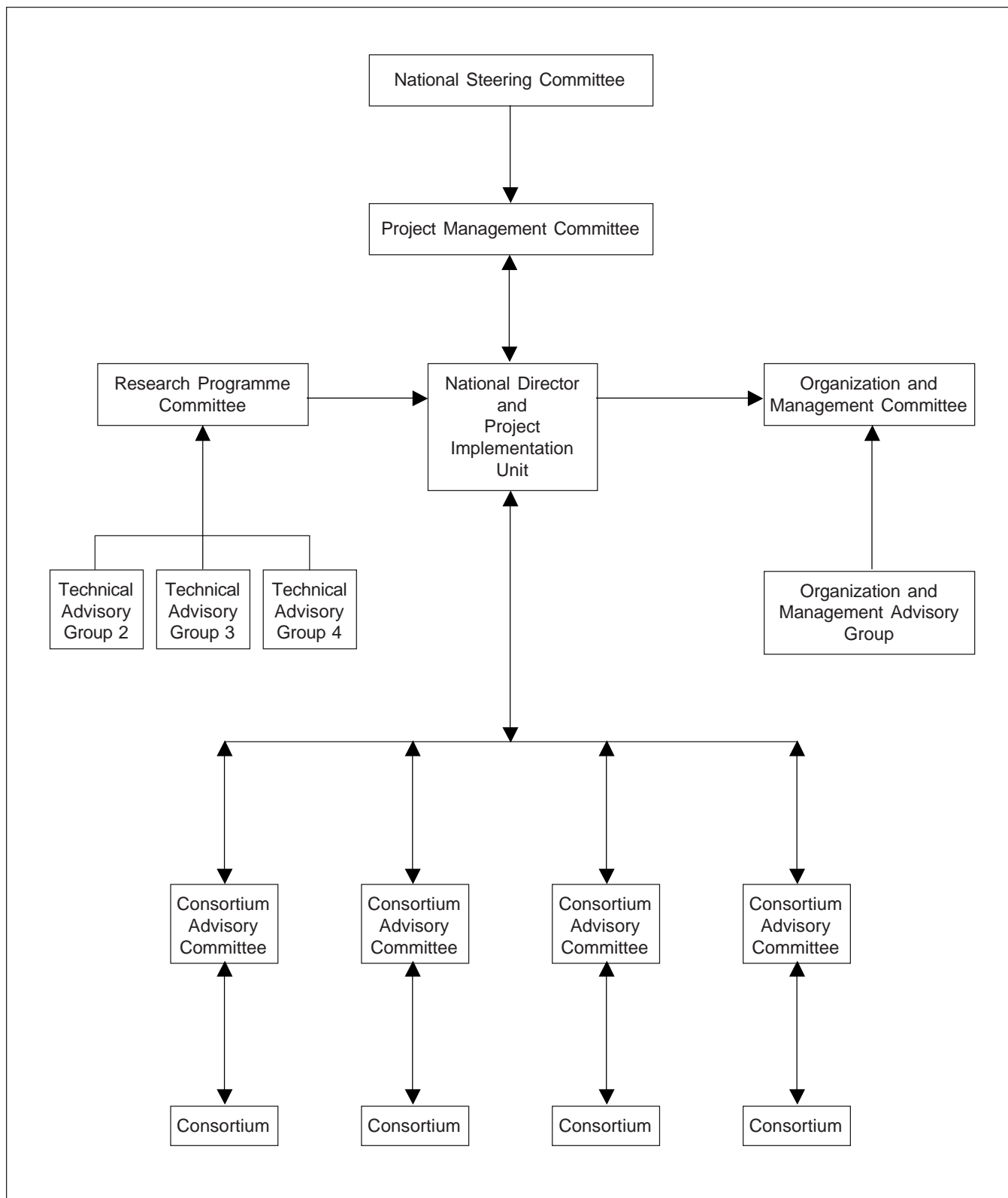


Fig. 1a. National Agricultural Innovation Project Governance and Implementation bodies.

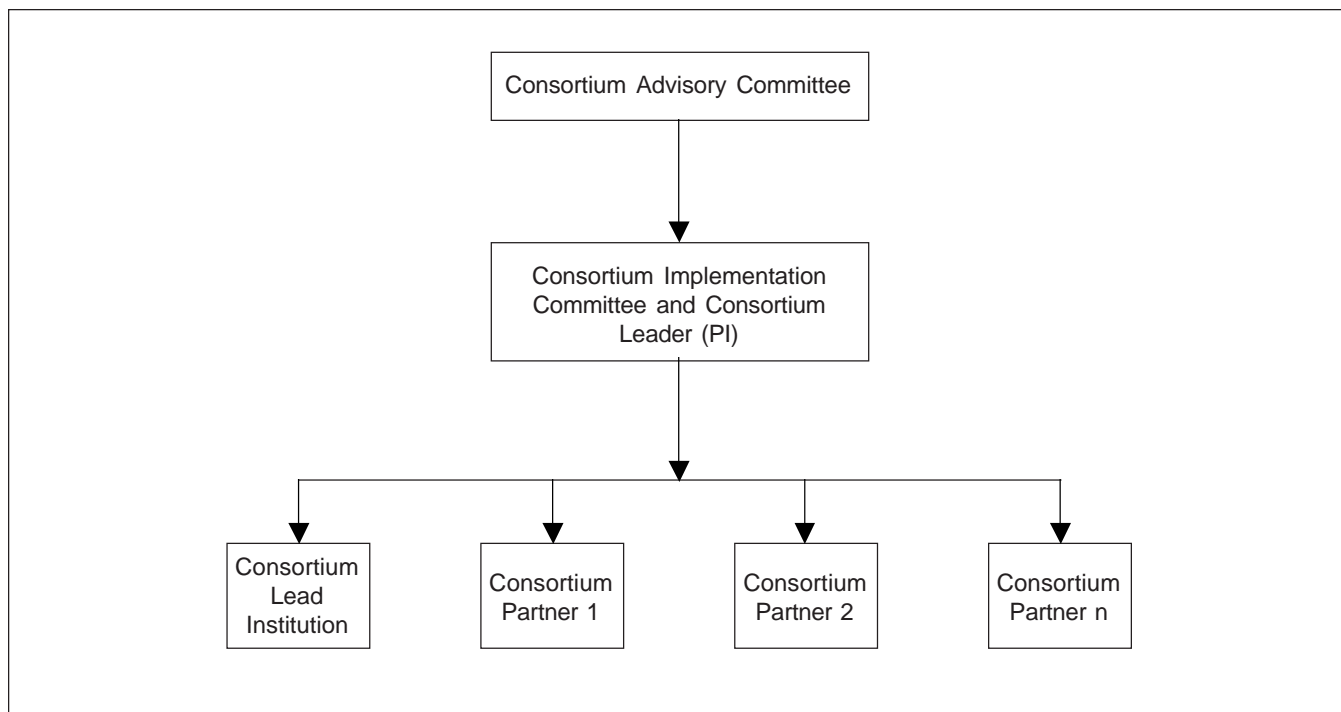


Fig. 1b. National Agricultural Innovation Project Governance and Implementation bodies at local level.

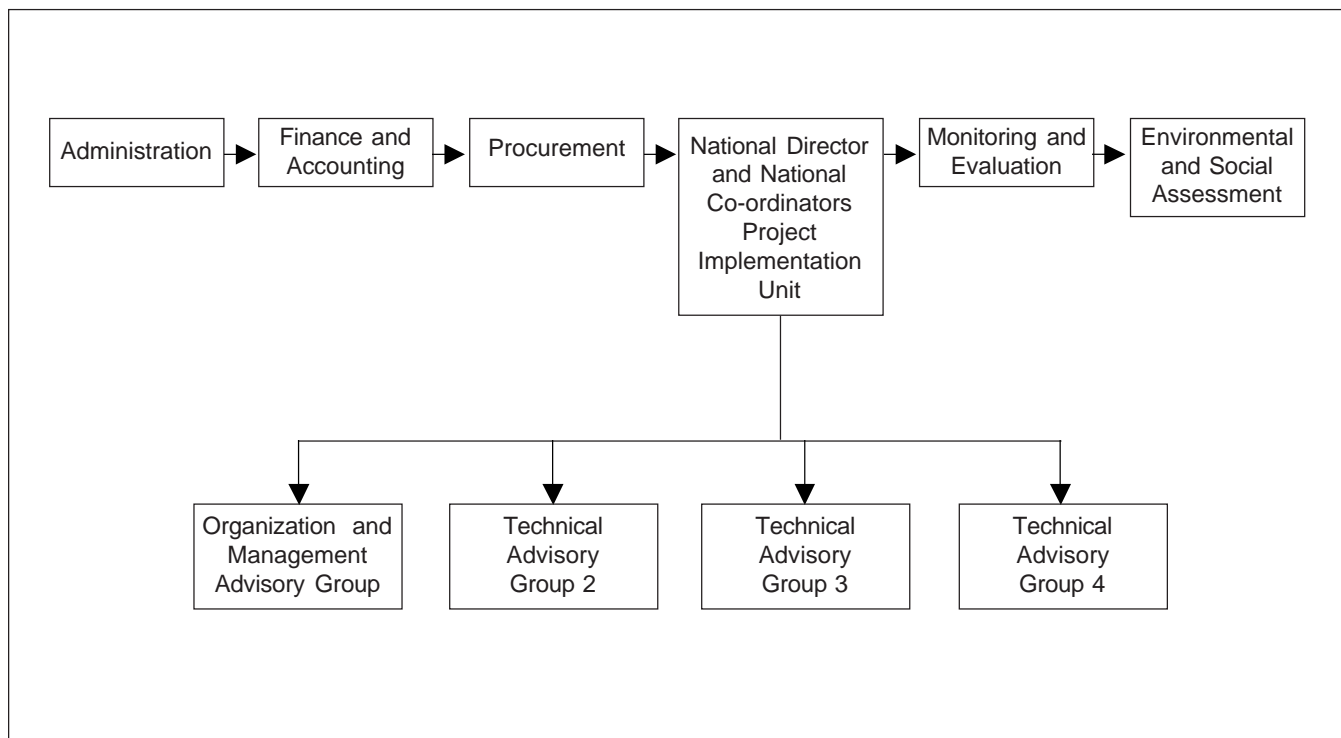


Fig. 1c. NAIP Management at National Level.

Delegation of Powers

The Director-General, ICAR has been pleased to delegate the following powers to National Director, National Agricultural Innovation Project, ICAR with immediate effect.

Sl. No.	Nature of power	Extent of power
1.	Grant of special pay to LDC/UDC/Assistant appointed to perform the duties of Cashier.	Full powers including allowing special pay for a period of 30 days and above subject to the provisions in FR and SR and other conditions laid down by the Government of India, Ministry of Finance and rates prescribed for the purpose from time to time.
2.	Power to sanction the undertaking of work for which an honorarium is offered and the grant or acceptance of an honorarium, FR 46 (b).	Full power up to a maximum of Rs 2,500 in each case. In recurring honorarium this limit applies to the total of the recurring payment made to an individual in 1 year <i>vide</i> Order dated 30.1.1987.
3.	Power to require a medical certificate of fitness before return from leave.	Full, if he is empowered to grant leave.
4.	Power to sanction Causal Leave.	Full, including for himself.
5.	Power to sanction Earned Leave (SR 206 and 208).	Full power to grant leave including special disability leave, expecting for himself provided no officiating arrangements are involved in respect of posts which the National Director is not competent to fill up. The exercise of this power will be subject to observance of all relevant rules of Government of India/ Council in this regard <i>vide</i> Order dated 4.2.1993.
6.	Power to extend leave (FR 73).	Full powers, provided the original leave was sanctioned by the National Director, and the employee on his return will be under his administrative control.
7.	Power to sanction the undertaking of work for which a fee is offered and the acceptance of fee (SR 11).	Up to maximum of Rs 2,500 in each case except in their own cases for which Council's approval is necessary. In recurring fees, the limit would apply to the total amount of recurring payment made to an individual in 1 year. Subject to the conditions laid down (SR 11 and 12).
8.	Power to decide the shortest of 2 or more routes (SR 30 (b)).	Full powers for journeys within their jurisdiction.
9.	Power to allow mileage allowance to be calculated by a route other than the shortest or cheapest (SR 31).	Full power for journeys within their jurisdiction, provided that the selection of such route is in the interest of the Council. TA by longer route is not admissible in cases where the journey cannot be performed by the shortest route due to non-availability of reserved accommodation of the entitled class by that route.
10.	Power to decide in cases of doubt or hardship, the class of steamer accommodation to which a Council's employee is entitled (SR 42).	Full power.
11.	Power to sanction travel by air [SR 48 (b) (ii)].	Full powers. This power may be exercised in respect of the officers of the grade for whom the general permission is given <i>vide</i> Office Order No. 6-2/90-Cdn (A&A) dated 4.2.1993.
12.	Power sanction of refund of cancellation charges on air/rail ticket (including himself).	Full, subject to the conditions mentioned in Government of India <i>vide</i> Ministry of Finance O.M. No. 19028/5/76 E IV (S) dated 21.1.1977, ICAR Order dated 30.1.1987.
13.	Power to prescribe Headquarters of the Council's employees (SR 59).	Full powers.

(Continued to p. 20)

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Sl. No.	Nature of power	Extent of power
14.	Power to define the Limits of Council's employees sphere of duty (SR 60).	Full powers.
15.	Power to decide whether a particular absence is absence of duty (SR 62).	Full powers.
16.	Power to restrict the frequency and duration of Journeys (SR 63).	Full powers.
17.	Power to grant exemptions from the rule limiting a halt on tour to 10 days (SR 73).	Full to the extent and subject to the conditions prescribed by Government of India/ICAR from time to time.
18.	Power to allow free passage to a person joining a post by sea (SR 108).	Full powers to those persons who are appointed by the Director.
19.	Power to extent the time limits of 6 months and 1 month within which the members of the family of Council's employee may be treated as accompanying him in individual cases attendant with special circumstances [SR 116 (b) (iii)].	Full powers.
20.	Power to sanction Travelling Allowance (TA) as for journey on tour to a Government servant who is required while on leave in India to perform any Council's/public duty at a place other than one where he is spending his leave (SR 135).	Full power, provided Travelling Allowance (TA) may not be granted for a journey while proceeding on leave or while returning.
21.	Power to sponsor candidate for short-term training course and count the period spent on training as duty.	Full, subject to conditions laid down in Government of India, <i>vide</i> Ministry of Finance Memo No. F. (71) Estt. III/ 60 dated 2.12.1960 as modified from time to time.
22.	Power to make rules for the guidance of controlling officer [SR 195 (e)].	Full powers.
23.	Power to accept a certificate signed by any registered medical practitioner as evidence of the fitness of end employee of non-gazetted status to return to duty (SR 213).	Full powers.
24.	Power to grant leave to a Council's employee in r/o whom Medical Committee has reported that there is no reasonable prospect that he will ever be fit to return to duty (SR 233).	Full powers where the National Director is empowered to grant leave. The enhanced powers will be exercised by the National Director with the concurrence of the Managing Committee.
25.	Power to grant maternity/paternity leave (SR 267).	Full powers.
26.	Power to grant hospital leave (SR 269).	Full powers.
27.	Power to permit the calculation of joining time by a route other than that which travelers ordinarily use (SR 296).	Full powers.
28.	Power to extend joining time on certain conditions within a maximum of 30 days (SR 302).	Full powers.
29.	Power to sanction tour programme (within India) and counter-signature of TA bills.	Full powers for all including self. Only the tour programme of the National Director should be sent to DG, ICAR by name. Normally tour should be arranged within their jurisdiction.
30.	Power to sanction reimbursement of cancellation charges on unused railway tickets.	Full powers.
31.	Authorization a Council employee to proceed on duty to any part of India.	Full powers.

(Continued to p. 21)

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Sl. No.	Nature of power	Extent of power
32.	Power to incur contingent expenditure in general.	Subject to the provision of sub-rule (5) of Rule 10 of the DFP Rules 1978 as modified from time to time (i) observance of procedures and other directions contained in Central Government Compilation GFR and other existing rules and orders or those issued from time to time.
	(i) Bicycle	Full powers. The supplies shall be obtained through DGS&D or against the rate contract where practicable and / or economical provided budget provision existed for the purchase.
	(ii) Conveyance hire	To the extent mentioned in column (4) against item 3 of Schedule V of DFP Rules 1978 (item 3 of annexure to Schedule V of DFP Rules 1978).
	(iii) Electricity gas and water charges	Full powers.
	(iv) Fixtures and furniture purchase and repairs	Full powers. Subject to observance of the required rules and procedures.
	(v) (a) Freight charges (b) Demurrage/wharfage charges	Full powers. Full powers (each case exceeding Rs 1,000 should be reported to the Council). Expenditure on air-lifting of stores should be resorted to only in rare cases of extreme urgency. To see that this condition is not violated reasons for air-lifting of stores should specially be recorded and a periodical return sent to the Council every 6 months in September and March.
	(vi) Hire of office furniture, electric-fans, heaters, table-fans, coolers, clocks and call-bell	Full powers.
	(vii) Legal charges for Law suits to which Council's is a party. (a) Fees to barristers, pleaders arbitrators and umpires.	Full powers subject to previous consent of the Council where fee is to be paid in excess of the Schedule of fee laid down in column 4 against item 11 of Annexure to Schedule V of DFP Rules 1978 as revised from time to time. Legal advice may be obtained in advance.
	(b) Other legal charges for lawsuit or prosecution cases as well as for arbitration cases.	Full powers subject to previous consent of the Council.
	(viii) Maintenance, upkeep and repairs of motor vehicle	Full powers.
	(ix) Municipal or / cantonment rates and taxes	Full powers. The expenditure shall be incurred keeping in view the principles laid down in the Rules for the payment of municipal rates and taxes given in Appendix to DFP Rules 1978.
	(x) Posts and telegraphs charges including commission on money orders, etc.	Full powers.
	(xi) Printing and binding	Full powers subject to the availability of funds in the sanctioned budget for printing of annual reports and other publications.
	(xii) Purchase of books, periodicals and official publications	Full powers, subject to budgetary provision and any limitations prescribed by the Council.

(Continued to p. 22)

(Continued from page 21)

Sl. No.	Nature of power	Extent of power
(xiii)	Repairs to plant and machinery equipments, tractors, pumping set, sea/ river craft etc.	Full powers.
(xiv)	Staff paid from contingencies	Full powers. Remuneration of such staff should be regulated in accordance with general or special orders issued on this behalf.
(xv)	(a) Local purchase of stationary stores (b) Local purchase of rubber stamps and office seals	Full powers. Full powers.
(xvi)	(a) Purchase of working stores, chemicals, tools, plants and equipments/computers insecticides, fertilizers etc. (b) Stores required for works	Full powers, subject to availability of budget provision and approval of equipments in the EFC etc. The administrative approval of a Competent Authority for execution of works carries with in the sanction of incurring expenditure on purchase of stores required for the work.
(xvii)	Supply of uniforms, cadges and other articles of clothing etc. and washing allowance.	Full powers. The issue of uniforms and payment of washing allowance should be regulated in accordance with the Rules and orders issued by Ministry of Home Affairs/Finance/ICAR from time to time.
(xviii)	Telephone charges	Full powers, subject to observance of restrictions in col. IV of Annexure to Schedule V of DFP Rules, 1978 as amended from time to time and those contained in M.O.F. O.M. No. 16(6)-E (Coord)/67 dated 9.8.1967 and 6.11.1968 and such other orders as are issued from time to time.
(xix)	Calculating machines	Full powers.
(xx)	Indents, contracts and purchase (Rules 13 of DFP Rules, 1978)	Full powers, subject to condition under GFR 2005.
(xxi)	Advertisement charges	Full powers, subject to observance of rules.
(xxii)	(a) Writing off losses (b) Declaration and disposal of obsolete surplus and unserviceable store.	Up to Rs 10,000 for losses of stores not due to theft, fraud or negligence, Rs 2,500 in other cases. Powers may be exercised subject to the conditions laid down by Government of India and other orders issued by Government of India/ ICAR on the subject from time to time. Full powers in respect of items originally sanctioned by the same authority
(xxiii)	Petty works repairs.	Full powers up to Rs 3 lakh in each case
33.	Power to declare any Group 'A' or Group 'B' Officer to be Head of an Officer for the purpose of relevant Rules or Drawing and Disbursing Officer vide Rule 10-A of DFP Rule dated 1978.	Full powers. It is not permissible to declare more than one officer as Head of Office in r/o same establishments unless the two establishments are distinctly separate from one another
34.	Expenditure on entertainment and light refreshment.	Upto Rs 15,000 per annum subject to Rs 5.00 per head subject to restriction laid down by the Ministry / Council from time to time. Total number should be restricted to 75.
35.	Investigation of arrear claims.	Up to 6 years of its becoming due. Powers may be exercised subject to provisions of the GFR and orders issued by the Government of India/Council from time to time.
36.	Grant of permanent advances/cash imprest.	Full powers, subject to the procedure for regulating cash imprest circulated vide Council's letter No. 1 (11)/68-A/cs.II dated 5.4.1968 as amended/ supplemented from time to time.

(Continued to p. 23)

(Continued from page 22)

Sl. No.	Nature of power	Extent of power
37.	To execute contracts, deeds and other instruments for and on behalf of the ICAR.	Power as delegated <i>vide</i> Council's Office Order No. 4(7)/1968-Reorgn (F&A) dated 23.11.1968 and amended time to time.
38.	Form of surety bond to be executed by a Council servant handling cash, stores etc. acceptance thereof.	Powers as delegated <i>vide</i> Council's Office order No.4(7)/68-Reorgn (F&A) dated 23.11.1968
39.	Grants of advance of pay and TA on transfer.	Full powers, subject to the provision of GFR 2005.
40.	Grant of advance in connection with tours.	Full powers, subject to the provision of GFR 2005.
41.	Grant of advance in connection with leave travel concession.	Full powers, subject to the provision of GFR 2005.
42.	Grant of advance in connection with festivals.	Full powers, subject to the provision of GFR 2005.
43.	Grant of advances in connection with natural calamities.	Full powers, subject to the provisions of GFR 2005.
44.	Advance to employees for various department purposes.	To the extent the National Director is competent to sanction expenditure for the purpose subject to the provision of GFR 2005.
45.	Grant of temporary advances including special advances from Provident Fund.	Full powers except for self. In case of National Director, the Secretary, ICAR is the Competent Authority to sanction General Provident Fund advance/final withdrawal for special reasons as admissible under GPF Rules/ CPF Rules.
46.	Advance payment to (i) Firms with whom annual contracts for servicing of air conditioners, water coolers, computers and other costly equipments etc. are entered into (ii) To Firms including Central / State Government / Government run organization for supply of stores etc.	Full powers, subject to the provision of GFR 2005.
47.	Grant of advance in lieu of Leave salary.	Full powers, subject to the provisions of GFR 2005.
48.	Grant of advance to the family of an employee equivalent to non-gazetted status left in indigent circumstances upon the death of the employees.	Full powers including gazetted status employee also after following Government of India instructions issued from time to time. <i>vide</i> O.O. No. dated 4.2.1993 and as per immediate relief guidelines.
49.	Reimbursement of medical expenses as admissible under Central Service (Medical attendance) Rules, 1944 including counter signature of medical bills.	Full powers, National Director will exercise the powers of Controlling Officer/ Head of Department in respect of Officers/ staff under his administrative control for the purpose of Central Services (Medical attendance) Rules, 1944, as applicable to the Council's employees. National Director can countersign his own medical bills provided the claim is covered by rules and orders on the subject. As regard reimbursement of medical expenses in relaxation of Medical attendance rules, he may not exercise the power in his own case.
50.	Sale and transfer of motor vehicle purchased with the advance from the Council.	Full powers, subject to the provisions of GFR 2005.
51.	Control of staff cars and vehicle etc.	Full powers, subject to staff car rules, and rules and orders issue for control, maintenance and operation of motor vehicle etc. (For the purpose of staff car rules, National Director, NAIP will exercise the powers of a Head of Department)
52.	Grant of Leave Travel Concession.	Full powers as of Head of Department/ Controlling officer for the purpose of application of Leave Travel Concession Rules to Officers / Staff under his administrative control except himself.
53.	Permission to officers to attend conferences connected with agricultural matter.	Full powers.

(Continued to p. 24)

(Continued from page 23)

Sl. No.	Nature of power	Extent of power
54.	Grant of overtime allowance.	Full powers, subject to conditions laid by the Government of India/ ICAR from time to time and subject to budgetary limits.
55.	Power to sanction expenditure on insurance	
	(a) Power to get insured during rail transit such of the equipments as are costly and are of fragile and delicate nature and where the Railways do not accept any risk or responsibility for losses due to breakage in transit	Full powers, subject to instruction in Council letter No.5 (9)/ 68-Reorgn (F&A) dated 11.10.1968 modified from time to time.
	(b) Power to sanction expenditure on the insurance of motor vehicle under Motor Vehicle Act. 1939 and to pay Road Tax, wherever livable.	Full powers, subject to the provisions contained in Council's Letter no. 15(2)/69-Reorgn (F&A) dated 27.10.1969 modified from time to time.
56.	Maintenance of Electronic computer and the computer Laboratory.	Full powers.
57.	Approval for holding of workshop, symposia, conferences, meetings and sanction of expenditure to be incurred.	Full powers for expenditure up to 75 participants in each case. POL @ Rs 40 per delegate, and stationery @ Rs 40 per head including honorarium to the typist. This will be the maximum limit and also subject to availability of sanctioned budget provision and the economy instructions of the Government of India / Council issued from time to time. The other terms and conditions mentioned in O.O. No. 20-9/81-Cdn (A&A) dated 27.05.1982 will continue to be followed refreshment would be @ Rs 5.00 per head per session. (vide O.O. No. 6-2/90-Cdn (A&A) dated 29.03.1994.
58.	Sanction for serving of refreshment, working lunch, dinner at meetings, workshops, seminars, symposia etc.	Full Powers for expenditure upto 75 participants in each case provided Ministry of Finance instructions are followed.
59.	Contractual appointments/arrangements	Full powers subject to sanction of posts by Competent Authority.
60.	Engaging Research Associate/Research Fellows on contract basis	Full powers subject to sanction of posts by Competent Authority.
61.	Engaging Chartered Accountant/Firm of CA(s) as Auditor to audit project accounts and sanction for payment of remuneration.	Full powers subject to observance to all rules/orders/guidelines on the subject.
62.	Sanction for hiring of Indian Consultants/ Consultancy agencies for implementation of NAIP.	Full powers, however, concurrence of FA for amount exceeding Rs 5.00 lakh in each case will be taken.
63.	Nomination of employees for training in India.	Full powers.
64.	Installation of new telephone connection.	Full powers as per ICAR norms.
65.	Sanction of TA/DA to non-official members of the Research Programme Committee, Project Management Committee, Consortium Advisory Committee, Consortium Implementation Committee, Technical Advisory Groups and other non-official members invited to Workshops, Working Groups, Committees in connection with the work of the project.	Full powers subject to prescribed rules/ orders/ guidelines.
66.	Civil works including renovation and remodeling.	Rs 10 lakhs.
67.	The power to incur expenditure for serving of mineral water in workshops/seminars and important official meetings.	Full powers.
68.	Participation in exhibition and demonstrations of research activity.	Rs 1,00,000 in each case of participation subject to budget provision.
69.	Re-appropriation of funds.	Full powers subject to guidelines under DFP rules 1978 (Except salary and TA grant) within the approved budget of each project.

The above delegation of powers are subject to the condition that the exercise of such delegated powers would be subject to the Government of India/Council's instructions/orders issued from time to time and also the World Bank guidelines.



3 Project Cost

Retroactive Financing

To facilitate project preparation activities and to expedite commencement of implementation of the project, an amount of Rs 2.23 crore for retroactive funding to finance project preparation activities to be taken up from 1st November, 2005 to 30th June, 2006 i.e. date of start of the regular project, has been approved by the Standing Finance Committee.

Project financing data

Credit No. : 4161-IN and 4162-IN
 Total bank financing: US\$ millions 200.00
 Proposed terms : Regular IDA for SDR 41.1 millions credit and hard IDA terms for SDR 97.0 million credit. Maturity for both is 25 years, including a grace period of 10 years.

The total project cost is estimated to be US\$ 250 millions, as per the bifurcation given below:

Particulars	Project cost	
	US\$ in millions	Rs in crores
IDA Credit	200.00	951.99
Government of India	50.00	238.00
Total	250.00	1189.99

Financing plan

Source	(US\$ m)		
	Local	Foreign	Total
Borrower	50.00	0.00	50.00
International Development Association	181.75	18.25	200.00
Total:	231.75	18.25	250.00

Estimated disbursements (Bank FY/US\$m)

Financial years	2007	2008	2009	2010	2011	2012	2013
Annual	11.13	36.41	48.90	37.62	25.03	29.71	11.21
Cumulative	11.13	47.54	96.43	134.06	159.09	188.79	200.00

Project cost

Project costs by component and sub-component	Local US\$ million	Foreign US\$ million	Total US\$ million
A. Strengthening ICAR			
1. Information, Communication and Dissemination System	14.67	1.48	16.15
2. Business Planning and Development	7.41	1.46	8.87
3. Learning and Capacity Building	1.88	1.84	3.72
4. Strengthening NARS for Policy and Gender Analysis	2.92	0.16	3.08
5. Remodeling Financial and Procurement System	3.14	0.13	3.27
6. Project Implementation Unit	5.20	0.26	5.46
	35.22	5.33	40.55
B. Sustainable improvement in value chain	63.60	2.21	65.81
C. Collaborative research for livelihood improvement	62.86	0.70	63.56
D. Basic and strategic research	41.17	8.77	49.94
Total baseline costs	202.85	17.01	219.86
Physical contingencies	0.82	0.03	0.85
Price contingencies	28.08	1.21	29.29
Total Project Costs ¹	231.75	18.25	250.00
Total Financing Required (IDA Credit)	181.75	18.25	200.00
Total financing required (India)	050.00	–	050.00

¹Identifiable taxes and duties are US\$ 2.5 millions, and the total Project cost, net of taxes, is US\$ 247.5 millions.

Total Project Cost by Component/Plan

(Rs in lakh)

Components	X th Plan (2006-07)	XI th Plan (2007-08 to 2011-12)	Total of Plan (X th + XI th)
A. Strengthening of ICAR			
Investment cost	16.77	105.78	122.55
Recurrent cost	8.23	87.29	95.52
Sub-total strengthening of ICAR	25.00	193.07	218.07
B. Production to Consumption System			
Investment cost	21.32	176.13	197.45
Recurrent cost	3.68	156.20	159.88
Sub-total Production to Consumption System	25.00	332.33	357.33
C. Sustainable Rural Livelihood Security			
Investment cost	20.92	182.78	203.70
Recurrent cost	4.08	141.55	145.63
Sub-total Sustainable Rural Livelihood Security	25.00	324.33	349.33
D. Basic and Strategic Research			
Investment cost	22.10	140.06	162.16
Recurrent cost	2.90	100.20	103.10
Sub-total Basic and Strategic Research	25.00	240.26	265.26
Total Project Cost	100.00	1089.99	1189.99
Investment Cost	81.11	604.75	685.86
Recurrent Cost	18.89	485.24	504.13

Head-wise/Year-wise total of project cost

(Rs in lakh)

Components	X Plan	XI Plan					Total	Total
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	XI Plan	
I. Investment Costs								
A. Civil Works								
Renovation	383	2,015	1,061	–	–	–	3,076	3,459
New works	405	1,816	757	–	–	–	2,573	2,979
Sub-total Civil Works	789	3,831	1,818	–	–	–	5,649	6,438
B. Goods and Equipment								
Equipment, Plant and Machinery	5,030	14,999	9,310	22	10	–	24,341	29,371
Office equipment, furniture and fixtures	422	1,195	427	10	10	–	1,642	2,065
Books and journals	80	837	567	602	585	395	2,987	3,067
Computer hardware and software	473	2,579	119	10	12	–	2,720	3,193
Sub-total Goods and equipment	6,005	19,611	10,422	644	617	395	31,690	37,695

(Continued to p. 27)

PROJECT COST

(Continued from page 26)

Components							(Rs in lakh)	
	X Plan 2006/07	XI Plan		XI Plan			Total XI Plan	Total
		2007/08	2008/09	2009/10	2010/11	2011/12		
C. Research Trials								
Livestock	38	248	98	–	–	–	346	384
Subtotal of Research Trials	38	248	98	–	–	–	346	384
D. Human Capacity Building*								
National Level Training	141	866	455	284	255	237	2,097	2,238
International Level Training	397	2,490	1,438	726	369	81	5,104	5,502
Short visits	23	63	64	68	61	63	319	343
Study visit participation in international seminar	10	39	39	39	39	18	174	184
Review meeting and workshops	147	520	538	559	571	589	2,777	2,924
Consortia organized training	169	1,134	1,048	1,098	1,142	1,188	5,611	5,780
E. Attending workshops /seminars/exposure visits*								
At international level	–	158	166	173	181	188	865	865
At national level	–	12	11	12	15	15	65	65
Organizing subject specific workshops	–	–	178	–	–	201	378	378
Subtotal Attending workshops/ seminars/exposure visits	–	170	355	185	196	403	1,308	1,308
Subtotal Human Capacity Building	888	5,282	3,937	2,959	2,633	2,580	17,391	18,279
F. Consultancy*								
National Level Consultancies	200	648	483	418	212	155	1,916	2,116
International consultancies	41	320	218	23	48	25	634	675
Subtotal of Consultancy	241	968	701	442	260	181	2,550	2,791
G. Research and Studies *								
Bench marking studies	67	349	–	–	–	–	349	416
Mid-Term Review Studies	–	–	52	163	–	–	216	216
Impact Studies	–	–	–	–	–	924	924	924
Subtotal Research and Studies	67	349	52	163	–	924	1,489	1,556
H. Knowledge Management*	84	368	233	243	253	264	1,361	1,444
Total Investment Costs	8,111	30,656	17,261	4,452	3,763	4,343	60,475	68,586
II. Recurrent Costs								
A. Pay and allowances	67	95	99	105	117	123	539	606
B. Travel and Dearness Allowances	213	1,004	1,060	1,113	1,158	1,206	5,542	5,755
C. Contractual Staff Costs	501	2,725	2,861	2,990	3,107	3,222	14,905	15,406
D. Operational Costs	929	4,407	4,665	4,869	5,045	5,260	24,246	25,175
E. Institutional Overheads	96	494	512	531	553	566	2,656	2,752
F. PME Cells (in 38 SAUs)	84	127	127	127	127	127	636	720
Total Recurrent Costs	1,889	8,851	9,325	9,736	10,108	10,504	48,524	50,413
Total	10,000	39,507	26,586	14,188	13,871	14,847	108,999	118,999



4

Project Selection

Project selection will be a two-stage process. First, Project Concept Notes (PCN) will be called for through open wide calls. These Project Concept Notes will be screened by a Competent Committee and short-listed. The preparatory activities will include benchmarking, surveys and also cost of arranging meetings of partners, and preparation of detailed project proposals. The proposals those get sanctioned, shall get its project preparation costs reimbursed, as per the actual or Rs 5 lakh, whichever is less, provided the expenditure is incurred, as per the NAIP norms. The evaluation of the proposal will be done in a combined manner by applying weightage to different aspects, viz. scientific, sociological, economic and fund requirement as finally agreed upon by the selection committee. The financial part of the proposal will be submitted as given on page 29.

Identification and classification of expenditure

The identification and classification of heads sub-heads of expenditure will be as given below:

(A) Capital expenditure, cost of

1. All works including construction of building, laboratory, shed etc.
2. Plant and machinery, including technology cost which is the cost to procure a technology to undertake an activity.

3. Land development to bring it under cultivation, ponds/tanks etc.
4. Goods, equipment and loose tools, furniture and fittings, computer hardware and bulk software etc.

(B) Revenue expenditure, cost of

1. Consultancy, contractual services, human capacity building, workshops/seminars etc.
2. Salaries under the project.
3. Operating and maintenance including printing, stationery, stores, consumables, telephone, local charges, electricity bill, rent and rates, internet, honoraria to resource persons, travel and conveyance costs, farm costs, seeds, fertilizers, chemicals, glassware, seedlings, feeds, water, fuel, softwares etc.
4. Institutional charges towards meeting of expenses relating to carrying out monitoring work of the project, meeting office expenses involved in co-ordination work, electricity charges, water charges, telephone charges, audit fee for audit of the project and other institutional services being provided by the institutions for running the project.

Once the Competent Authority approves the research sub-projects, the process of flow of funds and reporting of expenditure will start.

PROJECT SELECTION

PROFORMA

FUND REQUIREMENT

Name of the consortium/institution:

Name of the project:

Proposed duration of the project: years and months

Proposed date of commencement:

Proposed date of completion of the project:

Head of the expenditure	Year					
	1 st	2 nd	3 rd	4 th	5 th	6 th
A. Capital Expenditure						
1. Works						
2. Cost on development of land to bring under cultivation, ponds/tanks etc.						
3. Plant and machinery, including technology costs						
4. Goods, Equipment etc.						
5. Furniture and fixtures						
6. Vehicle						
7. Library Books/Journals/databases						
8. Computer Hardware						
9. Livestock						
Sub Total (A)						
B. Revenue Expenditure						
10. Salaries (if any under O&M)						
11. Consultancy, contractual services (both research and financial/administrative)						
12. Workshop/seminar etc.						
13. Human capacity building (training, visits/participation in seminars, symposia including travel cost, registration and other incidental charges as agreed upon)						
(i) India						
(ii) Abroad						
14. Travel expenses						
(i) India						
(ii) Abroad						
15. Hiring of vehicles						
16. Repair and maintenance cost						
(i) Works						
(ii) Equipments						
17. Other operating and maintenance costs						
Sub Total (B)						
C. Institutional overheads 10% of the revenue expenditure for Lead Centre and 5% for other partners						
Total [A+B+C]						



5

Budgeting and Funds Flow System

Budgeting

Under the NAIP project, the ICAR acquire the funds through DARE under its annual plan budget. These fund flow directly to the Project Implementation Unit.

The Budget for the entire project is approved at the Central level before 31st of March every year. Budgeting involves planning for the operations and forecasting the activities and related expenditure thereto to be incurred at a later stage. The budgeting exercise starts with the issue of Sanction Letters. This Letter contains the physical and financial targets over the life of the project. Thus, the details mentioned on the Sanction Letter, form the basis for Budgeting and its Control. Further, to distinguish the NAIP budget from the budget of DARE/ICAR, separate budget head- 'Externally Aided Project' (EAP) under 'Plan' will be assigned for NAIP. This simplifies the identification of NAIP budget and helps in monitoring the budget utilization from time to time.

The budget requirement at each spending unit's level will be formulated for each year by keeping in view the annual action plan and communicated to the lead centre of the consortium and the concerned the National Co-ordinator of Project Implementation Unit. This will be consolidated at Project Implementation Unit level (Component-wise and Head-wise) for formulating total budget requirement under NAIP for one financial year. The supplementary demand for grants/revised estimates will be submitted as being done for the regular Government grants.

Budget allocation process

The budget compiled by the Finance wing of Project Implementation Unit will be submitted to DARE/ICAR. On receipt of sanctioned budget, Project Implementation Unit will re-allocate the annual budget to the agencies based on their budgetary requirements. While allocating these funds, Project Implementation Unit will consider the followings:

- Importance of work handled by unit
- Priority of work based on NAIP, ICAR/World Bank guidelines
- Funding required for completion of pending work
- Allocation of funds, as per EFC
- Inter-linkage of expenditure with other components which are taken up
- Other considerations

Re-allocation of funds

During the year, Finance and Accounts wing of Project Implementation Unit will monitor the fund utilization status initially on quarterly basis, based on expenditure statements received. On review, if felt that the funds allocated may not be utilized by the agency due to certain reasons, the same can be reallocated to agency in need. Such re-allocation of funds is possible after following normal government procedures and obtaining required sanctions from Competent Authority.

Receipt and Utilization Process

Releases

Under the ICAR/DARE the funds are released by

ICAR out of their Plan Budget to the Project Implementation Unit (PIU). The PIU in turn further releases the funds to various project implementing agencies based on the sanction.

Expenditure

The releases are utilized by the implementing agencies including PIU as per the sanctions/ budget allocation.

Procurement of works, goods and services

The Financing Agreements signed with the Bank requires the borrower to ensure that the credit/loan proceeds are used only for the purposes set out in the financing agreements and that the goods and services required for the project are procured in accordance with the Bank's procurement procedures as laid out.

Claims

On a periodic basis the statement of expenditure (Utilization Certificate) will be submitted to World Bank through the Controller of Aid, Accounts and Audit.

Reimbursement

The World Bank reimburses the eligible expenditure on the basis of claims in accordance with the covenants of its Financing Agreements between the World Bank, and the Government of India.

A Special Account is operated at Reserve Bank of India for reimbursement/ replenishment. This account shall be maintained by the Aid Accounts and Audit Division, (CAAA), Department of Economics Affairs (DEA), Ministry of Finance.

The Project Implementation Unit releases/remits funds to various implementing agencies for project activities. The release of funds is based on the sanction letter and is made with the approval of the National Director and concurrence of finance wing of the Project Implementation Unit.

FLOW OF FUNDS

On approval of the research sub-projects, the process

of flow of funds and reporting of expenditure will start. Funds will be released against the prior sanctioned budget and the major Governing guidelines for the Financial Management as enumerated here.

- (i) After signing the MoU/agreement, the first installment of funds for the first financial year of the project will be disbursed as mobilization advance, which will comprise 50% of the budget provided for revenue expenditure and full budget of the capital expenditure of the first year.
- (ii) Subsequently, the release of funds to the implementing units will be linked both to the progress of technical programmes in terms of deliverables as reported by the Principal Investigators and Co-Principal Investigators and accepted by National Co-ordinators and, the progress of expenditure during the previous reporting period. The funds will be released on 6 monthly intervals against the sanctioned budget provision of the financial year. The fund for capital expenditures will be disbursed in a single installment at the beginning of each financial year.
- (iii) Funds will be disbursed directly to the implementing centres on the basis of the recommendation of the Lead Centre and the National Co-ordinators.
- (iv) As per as the flow of funds to the various consortium members is concerned, before any releases are made, a certificate will have to be furnished to Project Implementation Unit regarding sound Financial Management System being implemented in the concerned organization(s). This will be done by the authorized persons of Project Implementation Unit or by an agency so notified by Project Implementation Unit. The main parameters to establish this certification may include audited Balance Sheet, Audit Reports, Cash Book and other record maintenance, mandate of the institution etc.

- (v) Requisition for second installment of funds for each year will be submitted immediately after expiry of the first-half year along with the fund utilization statement in the prescribed proforma on-line through an electronically signed mail and as a hard copy too with the recommendation of the Lead Centre. Format for requisition of funds is given in Appendix I.
- (vi) The unspent part of the project grant for capital expenditure received in one financial year may be allowed to be carried over to the next financial year subject to obtaining of prior approval of the Ministry of Finance. If the approval of Ministry of Finance is not obtained, the balance will have to be refunded to Project Implementation Unit. If revenue expenditure such as those for TA, contractual support staff and operational expenditure the unspent fund at the end of the fiscal year will be adjusted against the grant of the next year and the balance amount released accordingly.
- (vii) In NAIP attempt is being made to approach a Nationalized Bank having a countrywide network to handle transfer of funds. It is proposed that Project Implementation Unit and all other spending units open account with the same Bank. Project Implementation Unit will send an advice to its Banker listing the various spending units and the amount to be transferred to the account of each unit. The Banker will provide a terminal at the Project Implementation Unit which will give the status of the account of each spending unit on a daily/weekly basis. The funds will be released directly to the implementing units from the Project Implementation Unit once approved by the Lead Centre/ Consortia Leader.
- (viii) Since, the releases under the project will be on the basis of the sanctioned budget and keeping in view the unspent amounts, no separate financial concurrence is required for release at each stage. However, before making any release, it will be ensured by the concerned National Coordinator that such release will not result in unnecessary parking of funds/heavy unspent balances with the implementing centres. Further, if any additional fund is to be released, proper approval of the Competent Authority with the concurrence of finance will be required at the Project Implementation Unit.
- (ix) In respect of Components 2, 3 and 4, funds will be released directly to each spending unit of the consortium by Project Implementation Unit. However, the lead agency of the consortium will have to approve the release before Project Implementation Unit releases the fund. Release of funds to each consortia member will be as per the Memorandum of Understanding between the lead agency and the other members of the consortium which will specify the schedule of payments (initial advance and the subsequent installments) and the milestones to be achieved to qualify for each next installment. Unutilized amount will be adjusted while making the next remittance within the same financial year.

□

6

Project Accounting

The Project Implementing Agency shall maintain a sound Financial Management System which includes mobilization of resources, releases, accounting and financial reporting adequate to ensure that they can provide to the Bank and the Government accurate and timely information regarding project resources and expenditures. Towards this objective the Project Implementing Agency should maintain their records of accounting of expenditures incurred under the project financed by the World Bank. The accounting record shall keep track of each contract awarded and expenditures incurred periodically under the contract and the claims submitted to Government of India against such expenditure. The project agency at periodical interval may review this accounting record to monitor that the total expenditure incurred does not go beyond the approved contract value. The Project Implementing Agency will take necessary timely action to revise the contract value for approval in advance whenever the total expenditure under the contract is likely to exceed in the near future. No claims should be sent to Government of India over and above the contract value approved. A financial statement of expenditure under in the format prescribed in this manual should be prepared annually for the year ending 31st March.

ACCOUNTING SYSTEM

The Accounting System to be followed by each of the project implementing agencies will be on the basis of **Accrual Accounting System** i.e. the double entry system of accounting.

Accounting centres

1. Project Implementation Unit (PIU)

2. Consortium Lead Centres

3. Implementing Centres

The Project Implementation Unit is responsible to release funds to the ICAR Institutes, State Agricultural Universities and Non-Government Organizations under the approved sub-projects, activities etc. These units in turn are required to furnish initially quarterly and then on-line Expenditure Statements in the required formats. They should also furnish Annual Audited Financial Statements, to the Project Implementation Unit. (This is not really an accounting issue ... therefore moved to the earlier Chapter). Further, the records should be kept sub-project-wise, so that various Financial Statements can be sent with respect to amount of funds received for the sub-projects from the respective source, i.e. consolidation shall be done sub-project-wise at various lead institutions/funding agencies. Each implementing centres has to maintain Cash Book, Cheque Book/DD Register, General Ledger, Journal Register, Contract Register, Bill Register, Grant Register, Project-wise Expenditure Control Register, Asset Register, Advance Register, Objection Book, as in case of institution funds.

Reporting of expenditure

The reporting system shall be strictly in prescribed forms and the Council is required to submit a consolidated Audited Annual Financial Statements of the NAIP to the World Bank within 6 months after the close of the financial year. The guidelines for the preparation of Statement of Expenditure are enumerated here.

- (i) Implementing agency should keep in mind that funds must be utilized strictly in accordance with the approved allocations for the sub-project as envisaged in the sanction following the World

Bank guidelines/procedures and the term and conditions of the projects. Any over-utilization or utilization not in accordance with the sanction is not reimbursable.

- (ii) An on-line Financial Management System shall be adopted for reporting and monitoring. The expenditures of all the participating units will be available on-line to PIU through this accounting software through a central server installed at PIU.
- (iii) It will be mandatory for all the partners to operate and report through the Financial Management System. The training will be imported at zonal level by PIU.
- (iv) Initially quarterly reports on fund utilization i.e. Statement of Expenditure (SoE) will be submitted by the implementing centres directly to the PIU/ICAR, with a copy of the same to the lead centre of the consortium for its endorsement/authentication. Once the on-line system is put in use effectively, this arrangement will be reviewed and modified for which Project Implementation Unit will inform separately.
- (v) For reporting purposes, usages of the standards formats prescribed by the World Bank/Project Implementation Unit will be mandatory for each implementing agency.
- (vi) The Statement of Expenditure (SoE) will be consolidated at Project Implementation Unit. The consolidated SoE for the project as a whole will be submitted to the World Bank for claiming reimbursement. The Annual Financial Statements in respect of the ICAR institutes will also be submitted to the Principal Director of Audit (Scientific Department) for arranging audit of NAIP.
- (vii) The budget utilization will be certified annually by the Competent Authority, i.e. the Head of the organization and the Head of the Finance of each member institution/organization of the consortium. This can be achieved through management assertion in the Annual Financial Statements.
- (viii) Financial reporting (expenditure statements and bank reconciliation statements) from Implementing units to the PIU will be on-line. The Financial Management Report formats are provided in the Finance Manual. PIU will furnish consolidated Financial Management Reports on a quarterly basis to the Bank.
- (ix) The formats for preparation of Statement of Expenditure are given in Appendix II. This will have to be followed by all the member institutions. The Statement of Expenditure has 6 annexures:
 - Annexure I : Details of release and expenditure under Component I
 - Annexure II : Details of release and expenditure under Component II
 - Annexure III : Details of release and expenditure under Component III
 - Annexure IV : Details of release and expenditure under Component IV
 - Annexure V : Details of cash book summary
 - Annexure VI : Details of refunds

Final accounts

Since the accounts (Balance Sheet) will be based on double entry system, the Annual Financial Statements will have to be prepared by every institution and submitted to Project Implementation Unit duly audited by the Statutory Auditors. The formats for preparation of accounts are same as prescribed by the ICAR. The main formats are given in Appendix III.

- Annexure I : Receipt and Payment Accounts
- Annexure II : Income and Expenditure Accounts
- Annexure III : Balancesheet as on 31 March.

FINANCIAL MANAGEMENT REPORT

A report on the total Financial Management of the project is required to be sent to the World Bank in the

PROJECT ACCOUNTING

formats prescribed by them on 6 monthly basis. All the member institutions will have to ensure submission of both the Financial Management Reports, as given in Appendix VI (Report 1 A, Report 1 B) to Project Implementation Unit.

1. Annexure I : Component/Sub-component-wise expenditure in Indian rupees ('000).
2. Annexure II : Consolidated claim statement for the quarter ended.



7

Audit and Disbursement

Objectives of Audit

The objective of the audit of the Project Financial Statement is to enable the auditor to express an opinion on the followings:

- (i) The financial statements of the implementation unit (either Project Implementation Unit, ICAR Institute, Central Agricultural University/State Agricultural Universities or Consortium Member) of NAIP as at the end of each fiscal year. The auditor should give an opinion on whether the financial statements give a true and fair view of the receipts and expenditures incurred for the year ended on March 31 . . . and the financial status of affairs as on that date.
 - (ii) Whether the project funds have been utilized for the intended purposes as laid down in the Loan and Project Agreements.
 - (iii) Whether project expenditures reimbursed by the Bank are eligible for reimbursements.
- (b) Whether goods, works and services financed have been procured in accordance with the relevant financing agreements, as mentioned above.
 - (c) Whether all necessary supporting documents, records and accounts have been kept in respect of all project expenditures; clear linkages exist between the books of account and the project financial statements prepared.
 - (d) Whether the project accounts have been prepared in accordance with consistently applied accounting policies laid down in the Financial Management Manual.
 - (e) Whether the management has conducted a physical verification of fixed assets during the financial year and major discrepancies, if any, have been adjusted in books. The auditor may undertake physical verification of fixed assets, as deemed necessary, as per the auditing standards.

Scope

The audit will be carried out in accordance with standards of audit of the Comptroller and Auditor-General of India and will include such tests and controls as the auditor considers necessary under the circumstances. In conducting the audit, special attention should be paid to the followings:

- (a) Whether all funds have been used for the purposes for which the financing was provided as laid down in the relevant financing agreements—the Loan Agreement, Project Agreement and other documents like Minutes of Negotiations, the Project Appraisal Document, and the Project Implementation Plan.

AUDIT

The consolidated Audit Utilization Certificates for the project expenditure as a whole for each financial year has to be submitted to the World Bank by 30th September of the next financial year. This certificate is to be issued by the concerned statutory auditors. There may be 3 categories of institutions to be considered for audit arrangements.

1. ICAR, CSIR, ICMR Institutions and Central Government Departments/Institutions etc.
2. State Agricultural Universities and State Departments.
3. General Universities, Private Sector Institutions, Non-Governmental Organizations etc.

In respect of Category 1, considering the statutory requirement of the Government of India, the audit will be done entirely by the Comptroller and Auditor-General. Periodic sensitization as well as training sessions to the auditors as well as to the financial and administrative staff will be done for smooth and quality audit.

In respect of Category 2, the audit is required to be done by the Statutory Auditors, viz. State Accountant General/Local Fund Auditor. However, to facilitate and speed-up, in case due to any reason it is not possible to get the audit completed by them, it may be got conducted by firm of Chartered Accountant. For this purpose, PIU will short list the 'A' category firms of Chartered Accountants empaneled with Comptroller and Auditor-General, zone-wise and permit the consortium to choose from the short-listed firms. The selection of 'A' category firms is to ensure the quality of audit. The chosen firm will audit the accounts of all the institutions located in the zone and provide the audit report. To ensure quality, the chosen Chartered Accountant firms will be given orientation on the requirements and reporting of the audit so that uniformity and quality are ensured.

Similarly in respect of Category 3, PIU will short list the 'A' category firms of Chartered Accountants empaneled with Comptroller and Auditor-General, zone-wise and permit the consortium to choose from the short-list. The selection of 'A' category firms is to ensure the quality of audit. The chosen firm will audit the accounts of all the institutions located in the zone and provide the audit report. To ensure quality the chosen Chartered Accountant firms will be given orientation on the requirements and reporting of the audit so that uniformity and quality are ensured. The Audited Annual Financial Statements so received would be consolidated in Project Implementation Unit by a firm of Chartered Accountant independently. Terms of Reference for the Comptroller and Auditor-General and the private firm of Chartered Accountants will be agreed. Project Implementation Unit with the help of a private firm of Chartered Accountant, from

the roster of North Zone (maintained by Project Implementation Unit) will compile the audit observations and send a single report to the Bank. The Consolidated Annual Project financial statement, duly audited, will be submitted to the Bank within 6 months of the end of each financial year.

- (i) The consolidated Audit Utilization Certificates for the project expenditure as a whole for each financial year has to be submitted to the World Bank by 30th September of the next financial year. This certificate is to be issued by the concerned statutory auditors.
- (ii) The responsibility of getting the accounts audited and submission of the Audit Utilization Certificates at the end of each financial year to the PIU by the due dates as per the dates so fixed by PIU keeping in view (i) above will lie with the individual implementing agencies under the overall responsibility of the Lead Centre of the consortium.
- (iii) To ensure the uniformity of the application of audit standards and quality of audit procedures by each category of auditors, the Audit Certificate to be furnished by other categories of auditors i.e. State Accountant General, Local Fund Auditor and Chartered Accountants will be in the same format as being applied by the office of Comptroller and Auditor-General for this purpose.
- (iv) Audit is conducted to see that the individual expenditures included in the Statement of Expenditure are fully supported by documentation retained by the implementing units, the expenditures are properly authorized and eligible under the loan/credit agreements and the expenditures are properly accounted.
- (v) The observance of the World Bank procedure will be mandatory so as to ensure that there are no audit disallowances.
- (vi) If an audit disallowance, the expenditure so disallowed shall have to be borne by the implementing unit from its own budget and the

- resultant balance will have to be refunded to the PIU-NAIP immediately after the conduct of audit.
- (vii) The formats for preparation of Audit Utilization Certificate (AUC) are given in Appendix IV. This will have to be followed by all the member institutions. The AUC has 8 annexures in Appendix IV, as per the following details:
- Annexure I : Details of Release and Expenditure under Component I.
 - Annexure II : Details of Release and Expenditure under Component II.
 - Annexure III : Details of Release and Expenditure under Component III.
 - Annexure IV : Details of Release & Expenditure under Component IV.
 - Annexure V : Details of Cash Book Summary.
 - Annexure VI : Details of Refunds.
 - Annexure VII : Excess Expenditure covered through Approval.
 - Annexure VIII: Excess Expenditure not covered through Approval.
- (viii) The expenditure on audit fee towards getting the audit of the project through external Auditors may be met from the provision under 'Institutional Charges' sanctioned under various sub-projects.

Internal Audit

The internal audit will also be an important element and each implementing agency will get the same carried out, as per the schedule and by the agency (reputed Audit firm of Chartered Accountants) notified by the Project Implementation Unit. The internal auditor will assess the operation of the Project's Financial Management System, including a review of internal control mechanism. This will assist the PIU to identify issues and take corrective actions in timely manner. The institutions where internal audit would be conducted, will be decided by the PIU based on magnitude of expenditure and risks perceived. Some of the checks expected to be carried out during internal

audit are:

- (a) whether separate Bank account has been opened;
- (b) all the records, viz. Cash Book, Expenditure Registers, Assets Register, Vouchers, Files etc. are being properly maintained;
- (c) bank re-conciliation is up-to-date and advances are being adjusted on regular basis;
- (d) expenditure is incurred in consonance with the sanction and is not in excess of funds released;
- (e) there is no diversion of funds and no re-appropriation done at their level;
- (f) the reporting mechanism is sound and the Financial Management Software to be developed by PIU is fully implemented; and
- (g) the expenditure is being incurred abide by World Bank norms/procedures.

Statement of Expenditure Review by the World Bank

The World Bank also conducts post-audit of the Statement of Expenditure based re-imburement on sample basis. For this purpose the records/accounts of the implementing agencies are audited by the professionals appointed by the Bank.

Disbursement

The total project cost is US\$ 250 millions. Of this, the portion financed by the Bank is US\$ 200 millions. The Bank assistance received by Government of India will be passed on to ICAR.

The funds for the project will be budgeted for in ICAR's budget, including counterpart funds, as an identifiable single-head budget item each year.

The Government of India would open a Special Account with Reserve Bank of India to receive the initial deposit, and thereafter reimbursements from the Bank under the project and would make the funds available to ICAR through Ministry of Agriculture under the Plan Budget. ICAR will then pass on funds to the bank account of Project Management Unit of NAIP.

Disbursements from the loan would be made in the traditional system of reimbursement with full

documentation and against a statement of expenditure. Consolidated quarterly claims will be submitted by Project Implementation Unit to the Bank for reimbursement. A uniform 80% disbursement rate across all eligible expenditure as agreed with the World Bank will be reimbursed.

UPKEEP OF RECORDS

All the documents relating to NAIP expenditure will have to be kept in proper condition by the partners up to 5 years after the completion of the project.





Financial Management System

SEPARATE BANK ACCOUNT

As per the World Bank requirement, a separate bank account (Preferably RTGS enabled) is to be operated for monetary transactions under NAIP. Each implementing agency is to open only one bank account for all the NAIP projects.

Bank reconciliation statement

Bank statements will be provided by the Nationalized Bank to every spending unit for its withdrawals on a monthly basis. Each implementing agency will reconcile its Bank Account every month for NAIP transactions and will send Bank reconciliation statement to PIU-NAIP by the 15th of every following month.

Financial governance

- (i) Inspection at periodic intervals will be carried out by Project Implementation Unit to monitor the financial management of the implementing agencies.
- (ii) Funds will be utilized for the bonafide/intended purpose using the prescribed norms and procedures of Government of India/Bank and will not be diverted to any other schemes/heads etc.
- (iii) Expenditure will be kept within the approved budgetary allocation.
- (iv) All basic records, viz. cashbook, cheque register, counter foils of cheques, grant register, project-wise and sub-head-wise expenditure control register, assets register etc. will be maintained.
- (v) All advances irrespective of their nature will be adjusted within the prescribed time limit but before the close of the financial year to which they pertain.
- (vi) All procurements will be made following World Bank guidelines/procedures.
- (vii) Revenue/interest generated if any, during the project period will be refunded to PIU and will not be utilized for meeting any expenditure.
- (viii) Incurring of the expenditure within the sanctioned budget will be ensured. Any expenditure in excess will be liable to be disallowed.
- (ix) Any re-appropriation of funds from one head to other will not be normally permissible. However, in exceptional cases such re-appropriation may be allowed with the approval of the Competent Authority.
- (x) The mechanism for distribution and accounting of the royalty will be worked out separately.
- (xi) If an implementing agency defaults and withdraws from the consortium in between, all the funds so received by the member will be required to be refunded to the Council, along with the highest rate of penal interest of the bank prevailing at that time.
- (xii) The assets acquired out of the project fund will be the property of the Council.
- (xiii) All the vouchers/records/files relating to NAIP expenditure will have to be kept in proper condition by the partners up to 5 years after the completion of the project.
- (xiv) Adequate financial staff to be provided from the beginning so as to ensure that the project work

does not suffer. As far as possible, the staff deputed for the work relating to maintaining of project accounts should be well versed with accrual accounting system and preferably acquainted with externally-aided projects of the World Bank or some other agency.

- (xv) The staff should not be changed/transferred at frequent intervals unless and until required to be done on administrative grounds but with information to Project Implementation Unit, NAIP.
- (xvi) For assisting in the finance and accounts work of NAIP, provision shall be made in project proposal for hiring of the skilled-staff under contractual services, if required. The hiring of the manpower will be through service contractor who shall be selected by adopting the World Bank guidelines. It will be ensured by the implementing agencies that such hiring will not create any permanent liability on the part of ICAR. In no case, ICAR will be responsible for any such liability.

ON-LINE FINANCIAL MANAGEMENT SYSTEM

A Financial Management Software System will be selected, customized and rolled out across the ICAR system. Capacity building activities to prepare finance and administration staff for the new system will be designed and implemented.

A need is felt to have a financial and accounting system which could not only meet the present day accounting requirements but also to help the day-to-day monitoring both in terms of quantitative and qualitative aspects from operational as well as management point of view. Therefore, a web-based Financial Management System having broader coverage of ICAR/SAUs/NGOs/Private Bodies/Other Government Department/Foreign Aided Project will be developed. For an early implementation of this Financial Management System an off the self-software will be identified with the help of the project management consultant and will be customized

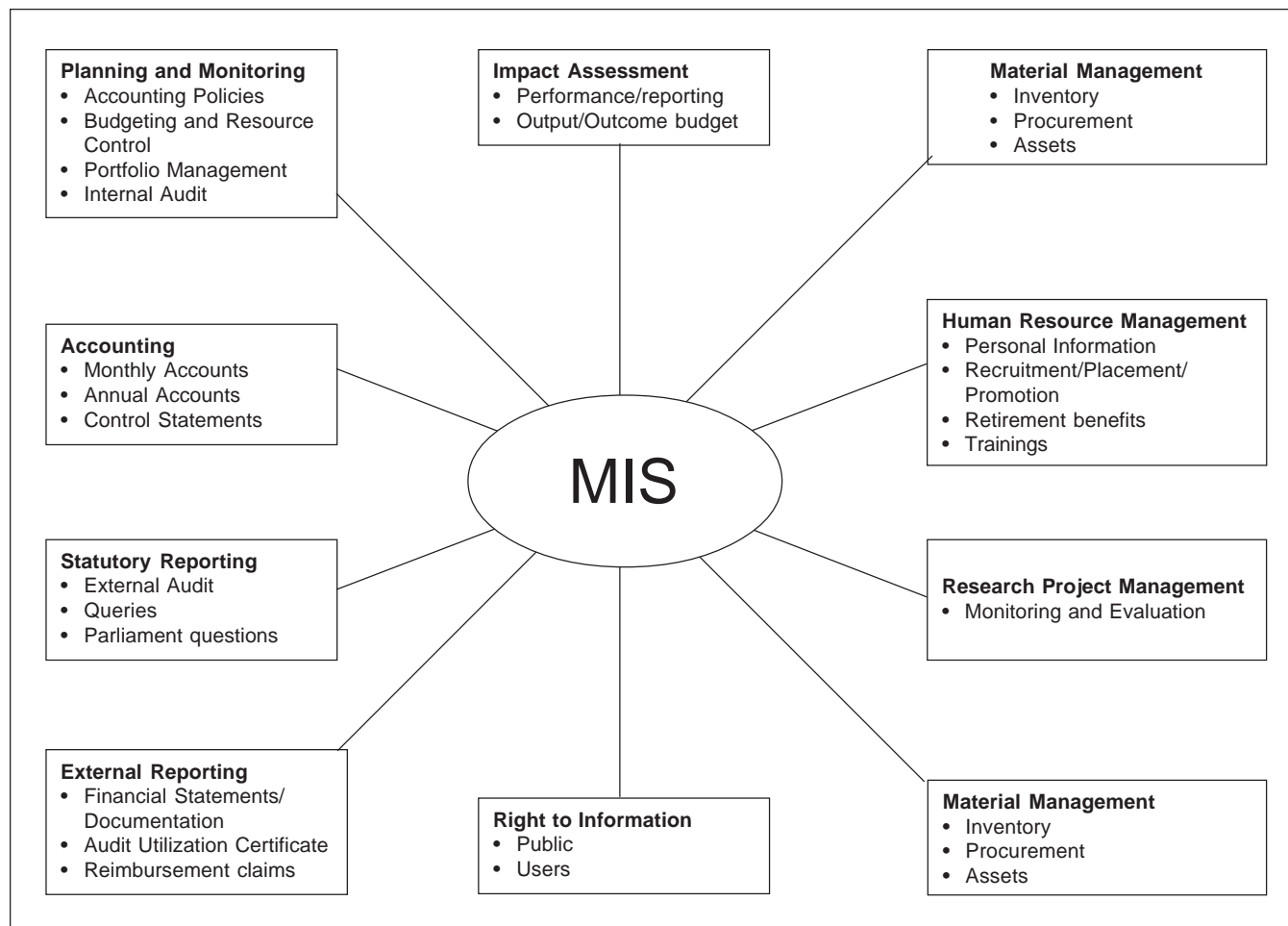
according to the needs of the project/ICAR. The Financial Management System/MIS will be developed on a universally tested software platform like System Application Products for Database. This system will be an integration of an accounting system with a procurement management system. The system will enable to retain a full set of accounting data in standard accounting format. The Financial Management System of NAIP will be at first stage implemented at PIU and consortia as a pilot project, after that it will be expanded to ICAR (Hq), and its institutes. The proposal in its second stage envisages the integration with the **Pay Role Package, Inventory management, Research project management, Personnel information system, Library information system, Monitoring and Evaluation system, Knowledge management related modules** so that package broadly can be termed as **Management Information System of ICAR**. Sound and updated information should serve as a base for **Effective managerial control and timely decision making**. The Financial Management System/Management Information System is expected to enable a meaningful extrapolation, forecasting and projections.

Objectives

There is a need for a secure, robust, flexible and scalable MIS solution that provides a platform for scaling up department's growth, diversification, expansion.

The primary objective of Financial Management System will be to assist in the processing and tracking of investments to projects, capacity building and institutional support. The MIS will be an important tool for management, monitoring and evaluation and reporting. Standard data management procedures and processes will be developed with the assistance of an MIS expert or consultant. The objectives of the FMS/MIS as a tool will be to:

- Capture the complete project cycle from the beginning, i.e. project/sub-project submission, approval process, sanction and funding.



- Track the expenditure progress of sub-projects as well as the overall progress of NAIP.
- Manage finances, budgets and procurement.
- To evaluate the project and NAIP sub-projects on an ongoing basis as well as at mid-term and after completion.
- Provide all necessary reports.

The FMS-MIS implementation plan finally will result in capacity building and to enhance managerial skill for finance and other officials. The ultimate aim of the entire effort is to achieve a complete robust solution through this Financial Management System to cater the overall needs of Accounting, Financial and Administration disciplines at least for the next 8–10 years. Finally it will help in strengthening and remodeling the complete system of ICAR, and will equip it as a learning organization to meet the

challenges of 21st century.

Implementation of a Web-enabled ERP System

First phase

- To implement Finance Management module covering Funds Management for NAIP only
- Multi-level Workflows

Second phase

- To extend above module to entire ICAR

Third phase

- Project Management (Project System)
- Material Management (Procurement, Inventory Management etc.)
- Knowledge Management and Data Warehouse
- E-procurement
- Asset Management
- Impact Assessment

- Integration with other modules
- University Integration

National Agricultural Innovation Project (NAIP) to be the pilot project.

Once the software is developed, it will be mandatory for all the implementing centres to adopt the system and report through it for which adequate training will be provided by PIU. The software will have multiple user system and will be user friendly. It will enable us to generate the following release and expenditure reports:

1. Subject Matter Division-wise
2. Component-wise
3. Expenditure item (Head of Accounts)
4. Sub-head-wise

5. Project-wise
6. Implementing Centre-wise
7. Expenditure (Recurring/Non-recurring)
8. Reimbursement claims
9. Monthly/Annual Accounts
10. Bank Reconciliation
11. Cash Book
12. Ledgers

The operational manual to be developed for Financial Management System, covering all the formats etc. will be a part of this manual.

Note: This manual will be modified after the development of the Financial Management Software by incorporating the necessary part.



Appendices

APPENDICES

APPENDIX I

PROFORMA OF FUNDS REQUISITION

Name of the consortium :
Name of the sub-project :
Financial Year :
Installment No. : I/II

1. Approved annual budget amount :
 - (a) Capital expenditures (Head-wise) : Rs.
 - (b) Revenue expenditures (Head-wise) : Rs.
2. First installment of the revenue expenditures received : Rs.
3. First annual installment amount utilized : Rs.
4. Amount of first annual installment unspent if any* : Rs.
5. Approved amount of 2nd annual installment : Rs.
6. **Less** first annual unspent amount if any (point 4) : Rs.
7. **Add** extra amount** (over and above budgeted amount), if any that is needed : Rs.
8. Amount to be paid under 2nd annual installment : Rs.
9. Amount to be paid under capital expenditure head : Rs.
10. Total expenditure (item 8) + capital expenditure (item 9) : Rs.

Date: _____ (Name and signature of requisitor)
Place: _____

* Proper reasons/justification for unspent amount will be given here below
** *Approval of the competent authority to be attached*

FOR THE USE OF LEADER OF CONSORTIUM

Recommended for release for
(a) Capital expenditures (Head-wise) : Rs.
(b) Revenue expenditures (Head-wise) : Rs.

(Signature of the leader of consortium)

FOR USE OF PIU/ICAR

Date of receipt of the requisition :
Amount requisitioned (Head-wise) : Rs.
Amount disbursed (Head-wise) : Rs.
Difference between amount requisitioned and disbursed if any : Rs.
Reasons for difference :
Date of amount disbursed :

(Signature of the concerned)

APPENDIX II

Annexure V: Details of Cashbook Summary

Summary of NAIP Cash Book from to

Name of the Institute/Organization

Sl. No.	Component	Opening balance as on	Funds received from PIU during	Total Col (3+4)	Expenditure incurred as Implementing Centre out of the amount shown in col. 5	Amount Refunded during	Closing Balance as on Col. (5) - (6+7)
1	2	3	4	5	6	7	8
A Project Funds							
1	Total of Component I						
2	Total of Component II						
3	Total of Component III						
4	Total of Component IV						
	Sub - Total [A]						
B Others Items							
5	Interest earned on Short Term Deposits						
6	Misc. receipts of the project, if any						
7	Others						
	Sub - Total [B]						
	Grand Total						

Closing balance as on as per NAIP Cash Book Rs (Rupees only)

Head of the Institution

Finance and Accounts Officer

APPENDIX III
Annexure I: Receipts and Payments Accounts

National Agricultural Technology Product

Receipts and Payments Account for the year ended 31st March

Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
I. Opening balances:			I. Expenses:		
(a) Cash in hand			(a) Establishment		
(b) Bank balances			(b) Administrative		
In Current Accounts			(c) Research		
In Deposit Accounts			II Payments against funds for various projects		
In Saving Accounts					
II. Grants Received			III Investments and Deposits		
III. Donations and contributions			(a) Out of earmarked funds		
IV. Income on Investments from			(b) Out of own funds		
(a) Earmarked funds			IV Expenditure on Fixed Assets and capital		
(b) Own funds			(a) Purchase of Fixed Assets		
V. Interest Received			(b) Expenditure on Capital Work-in-		
(a) on Bank Deposits			V Repayment of un- utilized grants/Loans/ Borrowings		
(b) S.T.D			VI Deposits and Advances		
VI. Deposits and Advances			VII Other Payments		
VII. Other Income			(a) Releases to SAUs & NGO's		
VIII. Loans and Borrowings			(b) Remittance to ICAR Institutes		
IX. Misc. Receipts (Interest & other income received from NATP units)			VIII Closing Balances		
			(a) Cash in hand		
			(b) Bank balances		
			In Current Accounts		
			In Deposit Accounts		
			In Saving Accounts		
			c) In Transit		
Total			Total		

APPENDICES

APPENDIX III

Annexure II: Income and Expenditure Accounts

Indian Council of Agricultural Research

Income and Expenditure Account for the year ended 31st March

A. Income	(Amount Rs.)		
	Schedule	Current year	Previous Year
Income from Sales/Services			
Grants in aid / subsidies			
Fees/subscriptions			
Income from Investments			
Income from Royalty, Publications			
Interest earned			
Other Income			
Prior Period Income			
Total (A)			
B. Expenditure			
Establishment expenses			
Research & Operational expenses			
Administrative expenses			
Grants and subsidies			
Miscellaneous expenses			
Prior Period expenditure			
Total (B)			
Balance being surplus / (Deficit) carried to corpus / Capital Fund			
Significant Accounting Policies			
Contingent liabilities & Notes as Accounts			

APPENDIX III

Annexure III: Balancesheet as on 31 March

National Agricultural Technology Project

Balance Sheet as on 31st March

Corpus/Capital Fund and Liabilities			
	Schedule	Current Year	(Amount Rs.) Previous Year
Capital Fund			
Reserve			
Earmarked / Endowment Funds			
Current Liabilities & Provisions			
Total			
Assets			
Fixed Assets			
Investments – Earmarked / Endowment Funds			
Current Assets, Loans & Advances			
Total			
Significant Accounting Policies			
Contingent liabilities & Notes to Accounts			

APPENDICES

APPENDIX IV

**Audit Utilization Certificate for ICAR grants under NAIP
for the year**

1. Certified that the expenditure has been authenticated on the basis of Annual Accounts and other relevant documents presented by for the purpose.
2. Certified that an amount of Rs.(Rupees) has been received under National Agricultural Innovation Project during the Year (*Annexure-V, col. 4*)
3. Certified that Rs.(Rupees) remaining unspent at the end of previous year was allowed to be brought forward for utilization during the year (*Annexure-V, col. 3*)
4. Certified that Rs.(Rupees) was earned on account of revenue of the NAIP sub-project(s) including interest on bank balance / FDRs. (*Annexure-V, Sl. 5, 6 & 7*)
5. Certified that out of the total available funds of Rs.(Rupees) as shown in *Col. No.5 of Annexure-V*, Rs.(Rupees) have been spent up to (*Annexure-V, col. 6*) under NAIP for the purpose for which it was sanctioned. It is also certified that the expenditure admitted has been incurred on approved items only after fulfilling the terms and conditions of sanction & other codal formalities and observance of procedure / guidelines prescribed by the World Bank / PIU-NAIP.
6. Certified that excess expenditure of Rs.(Rupees) incurred over and above the sanctioned budget has been met by re-appropriation of savings under the remaining heads with the approval of the competent authority. (*Annexure-VII*). Further, an excess expenditure of Rs. (Rupees) not covered by the re-appropriation as shown in *Annexure-VIII* may be disallowed.
7. Certified that we have conducted the audit in accordance with the standard set by the Institute of Chartered Accountants of India.
8. In our opinion, the financial statement gives a true and fair view of the sources and application of funds and financial position of the project for the period up to of the financial year in accordance with relevant national standards.
9. Certified that adequate supporting documents have been maintained to support claim to the World Bank for reimbursement of expenditure incurred and expenditure which are eligible for financing under the Credit / Loan Agreement.
10. Any other Unqualified / Qualified opinion which the auditor may like to disclose.
11. Certified that the opening balance of each sub-project as on agree with the closing balance on as per the AUC for the year
12. A copy of Audit Report on the accounts of NAIP for the year (up to) is also enclosed.

Comptroller/Finance Officer

Director/Head of Institution

Signature with seal of the
Chartered Accountant/Statutory Auditors

APPENDIX IV

Annexure IV: Release and Expenditure under Component 4

Statement of Grants received from PIU-NAIP and Expenditure incurred as a Implementing Centre from to in respect of Component 4:
(Basic and Strategic Research in Frontier areas)

Name of the SAU/NGO/Others.....

Sl. No.	Project Code	Name of project	Name of the Lead Centre of Consortium	Opening balance as on	Funds received from PIU during the year	Total Col (5+6)	Capital Expenditure										Sub Total (Capital Exp.) (Col. 8 to 17)
							Works	Land development costs including nursery, ponds/tanks etc.	Plant and machinery, including technology costs	Goods, Equipments etc.	Loose Tools	Furniture & fixtures	Vehicles	Library Books/Journals / databases	Computer Hardware & bulk software	Livestock	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
		Sub - Total															

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Consultancy, contractual services (both research and financial/ad	Workshop/ seminar etc.	Revenue Expenditure										Sub Total (Revenue Exp.) (col. 19 to 29)	Total Expenditure (Col. 18 + 30)	Amount Refunded during	Closing Balance as on Col. (7)-(31+32)
		Human capacity		Travel expenses		Hiring of vehicles	Repair and		Other operating and maintenance costs	Institutional Charges					
		India	Abroad	India	Abroad		Works	Equipments							
19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	

Certified that expenditure of Rs (Rupees) as per the head-wise details above, has actually been incurred during the period from to under 'Basic and Strategic Research in Frontier areas' of National Agricultural Innovation Project after completing all codal formalities and observing the World Bank established procedure/guidelines for the purpose for which grant was released and is well within the overall sanctioned budget of each sub project.

Comptroller/Finance Officer

Director/Head of Institution

Signature with seal of
Chartered Accountant/Statutory Auditors

APPENDICES

APPENDIX IV

Annexure V: Details of Cashbook Summary

Summary of NAIP Cash Book from to

Name of the SAU/NGO/Others

Sl. No.	Component	Opening balance as on	Funds received from PIU during	Total Col (3+4)	Expenditure incurred as Implementing Centre out of the amount shown in col. 5	Amount Refunded during	Closing Balance as on Col. (5) - (6+7)
1	2	3	4	5	6	7	8
A Project Funds							
1	Total of Component I						
2	Total of Component II						
3	Total of Component III						
4	Total of Component IV						
	Sub - Total [A]						
B Others Items							
5	Interest earned on Short Term Deposits						
6	Misc. receipts of the project, if any						
7	Others						
	Sub - Total [B]						
	Grand Total						

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Comptroller/Finance Officer

Director/Head of Institution

Signature with seal of
Chartered Accountant/Statutory Auditors

APPENDICES

APPENDIX V A

**PROJECT MANAGEMENT COMMITTEE, OFFICE ORDER
INDIAN COUNCIL OF AGRICULTURAL RESEARCH**



National Agricultural Innovation Project
Project Implementation Unit
512, Krishi Anusandhan Bhawan-II
Pusa Campus, New Delhi-110012 India

Dr. Mruthyunjaya
National Director (NAIP)

F. No. 1(1)/ 2006-NAIP
Dated: July 3, 2006

OFFICE ORDER

The Competent Authority in the ICAR has constituted the following National Steering Committee (NSC) under the National Agricultural Innovation Project (NAIP):

1. Director-General, ICAR Krishi Bhawan New Delhi 110 001	Chairman	10. Chairman APEDA, NCUI Building 3, Siri Institutional Area, Hauzkhas New Delhi 110 016	Member
2. Secretary, ICAR Krishi Bhawan New Delhi 110 001	Member	11. Dr. Partha R. Dasgupta Consultant, Biotech Regulatory Policy & Business Development - Seeds Syngenta India Limited Orbit House, 2F, 1 Garstin Place Kolkata 700 001	Member
3. Financial Advisor, DARE/ ICAR Krishi Bhawan New Delhi 110 001	Member	12. Shri Vishvas Parshuram Chitale Chitale Diary Bhilawadi Station Distt. Sangali 416 303 (Maharashtra)	Member
4. DDG (Extn.) KAB-I, Pusa Campus New Delhi 110 012	Member	13. Shri G. Narasimharaju Yadav Organic Farmer Gudur, Krishna Distt. (Andhra Pradesh)	Member
5-6. Two of the Chairmen of Consortium Advisory Committees (CACs) (To be nominated by the DG, ICAR after formation of CACs)	Member	14. Mr. Sultan Singh Dairy Farmer Nilokheri, Karnal (Haryana)	Member
7. Agriculture Production Commissioner (Govt. of MP) Vindhyachal Bhawan, Bhopal (MP)	Member	15. National Director PIU-NAIP, KAB-II Pusa Campus New Delhi 110 012	Member-Secretary
8. Horticultural Commissioner Deptt. of Agriculture & Cooperation Ministry of Agriculture New Delhi 110 001	Member		
9. Dr. S.L. Mehta Vice Chancellor Maharana Pratap University of Agriculture & Technology Udaipur 313 001 (Rajasthan)	Member		

Tel. No. 91-11-25848772 (O) 91-11-25842622 (R) Fax No.: 91-11-25843403, E-mail: ndnaip@icar.org.in

FINANCIAL MANAGEMENT SYSTEM MANUAL: UNDER NAIP

Terms of Reference

- To provide overall policy guidance and oversee NAIP,
- To approve annual work plan and budget of NAIP, and to monitor NAIP progress, and
- To advise on conflict resolution and to resolve outstanding issues.

The PIU-NAIP will issue separate instructions for convening the meetings of the NSC by the concerned Member-Secretary.

Sd/-
(Mruthyunjaya)
National Director (NAIP)

Distribution:

1. Chairman & Members of the National Steering Committee
2. All Dy. Directors General, ICAR
3. All Vice Chancellors of State Agricultural Universities
4. All Directors of ICAR Institutes/ NRCs / Project Directorates/ National Bureaux
5. All Assistant Directors General, ICAR
6. All APCs of the State Governments
7. All Officers of PIU-NAIP
8. Dr. Willem Jenssen, Senior Agricultural Specialist, South Asia Agriculture & Rural Development Unit, The World Bank, Washington DC, 20433, USA
9. Dr. P.S. Sidhu, Senior Agricultural Specialist, SASAR, The World Bank, 70, Lodhi Estate, New Delhi 110 003

Copy to: Sr. PPSs/ PPSs of the following for their kind information

1. President, ICAR & Hon'ble AM
2. Secretary (DARE) & DG, ICAR
3. AS (DARE) & Secretary, ICAR
4. AS (DARE) & FA, ICAR

APPENDICES

APPENDIX V B

**RESEARCH PROGRAMME COMMITTEE, OFFICE ORDER
INDIAN COUNCIL OF AGRICULTURAL RESEARCH**



National Agricultural Innovation Project
Project Implementation Unit
512, Krishi Anusandhan Bhawan-II
Pusa Campus, New Delhi-110012 India

Dr. Mruthyunjaya
National Director (NAIP)

F. No. 1(3)/ 2006-NAIP
Dated: July 3, 2006

OFFICE ORDER

The Competent Authority in the ICAR has constituted the following Research Programme Committee (RPC) under the National Agricultural Innovation Project (NAIP):

1. Dr. K.V. Raman Former Member, ASRB & Director NAARM Apartment-3A "Shreyas" 36 Fourth Seaward Road Valmikinagar Chennai 600 041 (TN)	Chairman	7. DDG (Hort.) KAB-II, Pusa Campus New Delhi 110 012	Member
2. Dr. S.L. Vasal C2/ 2394, Vasant Kunj New Delhi 110 070	Member	8. DDG (AS) Krishi Bhawan New Delhi 110 001	Member
3. Dr. M. V. Gupta 302, Padmajalaya, Plot No. 20 Srinagar Colony Hyderabad 500 070 (AP)	Member	9. DDG (Engg.) KAB-II, Pusa Campus New Delhi 110 012	Member
4 Dr. Akhilesh K. Tyagi Professor, Deptt. of Plant Molecular Biology Delhi University South Campus New Delhi 110 021	Member	10. National Director (NAIP) PIU-NAIP, KAB-II Pusa Campus New Delhi 110 012	Member
5. Dr. R.K. Gupta Regional Facilitator CIMMYT-RWC NASC, DPSM New Delhi 110 012	Member	11. Agricultural Production Commissioner (GoI) Department of Agriculture and Cooperation Ministry of Agriculture Krishi Bhawan New Delhi 110 001	Member
6. DDG (Extn.) KAB-1, Pusa Campus New Delhi 110 012	Member	12. Director (F) PIU-NAIP, KAB-II Pusa Campus New Delhi 110 012	Member
		13. Dr. J.P. Mittal National Coordinator (NAIP) PIU-NAIP, KAB-II Pusa Campus New Delhi 110 012	Member-Secretary

(Contd . . .)

FINANCIAL MANAGEMENT SYSTEM MANUAL: UNDER NAIP

Terms of Reference

- To review and approve proposals as per powers delegated by PMC.
- To approve work plans, guide and overview the operation of all Research Programmes/Consortia.

The PIU-NAIP will issue separate instructions for convening the meetings of the RPC by the concerned Member-Secretary.

Sd/-
(Mruthyunjaya)
National Director (NAIP)

Distribution:

1. Chairman & Members of the Research Programme Committee
2. All Dy. Directors General, ICAR
3. All Vice Chancellors of State Agricultural Universities
4. All Directors of ICAR Institutes/ NRCs / Project Directorates/ National Bureaux
5. All Assistant Directors General, ICAR
6. All APCs of the State Governments
7. All Officers of PIU-NAIP
8. Dr. Willem Jansen, Senior Agricultural Specialist, South Asia Agriculture & Rural Development Unit, The World Bank, Washington DC, 20433, USA
9. Dr. P.S. Sidhu, Senior Agricultural Specialist, SASAR, The World Bank, 70, Lodhi Estate, New Delhi 110 003

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2. Secretary (DARE) & DG, ICAR
3. AS (DARE) & Secretary, ICAR
4. AS (DARE) & FA, ICAR

APPENDICES

APPENDIX V C

**NATIONAL STEERING COMMITTEE, OFFICE ORDER
INDIAN COUNCIL OF AGRICULTURAL RESEARCH**



National Agricultural Innovation Project
Project Implementation Unit
512, Krishi Anusandhan Bhawan-II
Pusa Campus, New Delhi-110012 India

Dr. Mruthyunjaya
National Director (NAIP)

F. No. 1(2)/ 2006-NAIP
Dated: July 3, 2006

OFFICE ORDER

The Competent Authority in the ICAR has constituted the following Project Management Committee (PMC) under the National Agricultural Innovation Project (NAIP):

1. Director-General, ICAR Krishi Bhawan New Delhi 110 001	Chairman	9. Dr. C. Ramasamy Vice Chancellor Tamil Nadu Agricultural University Coimbatore 641 003	Member
2. Secretary, ICAR Krishi, Bhawan New Delhi 110 001	Member	10. Dr. S.S. Baghel Vice Chancellor Assam Agricultural University Jorhat 785 013	Member
3. Financial Advisor DARE/ICAR Krishi Bhawan New Delhi 110 001	Member	11. One of the Chairmen of Consortium Advisory Committees (CACs) (To be nominated by the DG, ICAR on formation of CACs)	Member
4. DDG (CS) Krishi Bhawan New Delhi 110 001	Member	12. Mr. V.D. Kachare Progressive Farmer Telangwadi Village P.O. Shetphal: Taluk: Mohol Distt. Sholapur (Maharashtra State)	Member
5. DDG (NRM) KAB-II, Pusa Campus New Delhi 110 012	Member	13. Dr. O.P. Singh Dhanuka Group New Delhi	Member
6. DDG (Fy.) KAB-II, Pusa Campus New Delhi 110 012	Member	14. National Director PIU-NAIP KAB-II, Pusa Campus New Delhi 110 012	Member-Secretary
7. DDG (Edn.) KAB-II, Pusa Campus New Delhi 110 012	Member		
8. Animal Husbandary Commissioner (GoI) Department of Animal Husbandary Dairying & Fisheries Krishi Bhawan New Delhi 110 001	Member		

Tel. No. 91-11-25848772 (O) 91-11-25842622 (R) Fax No.: 91-11-25843403, E-mail: ndnaip@icar.org.in

FINANCIAL MANAGEMENT SYSTEM MANUAL: UNDER NAIP

Terms of Reference

- Will have the main executive responsibility for the overall management of NAIP and for monitoring sub-project implementation by the Consortia that have received grants for implementing NAIP sub-projects according to the agreed contracts.
- Review project progress, approve NAIP's annual work Programme and budget.
- Provide the necessary information and guidance to the ND, PIU and the RPC for the execution of the project.
- Will also (through the PIU) organize an Annual National Workshop on NAIP progress, impact and constraints to which all stakeholders and participants in project implementation will be invited.
- Will help to internalize and, in time, expand coverage of new approaches being introduced under the project to other entities and activities of the ICAR and to some extent the entire NARS.

The PIU-NAIP will issue separate instructions for convening the meetings of the PMC by the concerned Member-Secretary.

Sd/-
(Mruthyunjaya)
National Director (NAIP)

Distribution:

1. Chairman & Members of the Project Management Committee
2. All Dy. Directors General, ICAR
3. All Vice Chancellors of State Agricultural Universities
4. All Directors of ICAR Institutes/ NRCs / Project Directorates/ National Bureaux
5. All Assistant Directors General, ICAR
6. All APCs of the State Governments
7. All Officers of PIU-NAIP
8. Dr. Willem Jenssen, Senior Agricultural Specialist, South Asia Agriculture & Rural Development Unit, The World Bank, Washington DC, 20433, USA
9. Dr. P.S. Sidhu, Senior Agricultural Specialist, SASAR, The World Bank, 70, Lodhi Estate, New Delhi 110 003

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3. AS (DARE) & Secretary, ICAR
4. AS (DARE) & FA, ICAR

APPENDICES

APPENDIX VI

QUARTERLY FMR REPORT 1-A

Annexure I: Component/Sub-component-wise Expenditure in Indian Rupees '000

National Agricultural Technology Project

Component/Sub-component-wise Expenditure in Indian Rupees '000s

Project Components/Sub-components	Planned			Actual			Variance		
	Current half-yearly	Year-to-date	Cumulative to date	Current half-yearly	Year-to-date	Cumulative to date	Current half-yearly	Year-to-date	Funds available during the currency of the project as per PAD
<i>Strengthening ICAR</i>									
Information, Communication and Dissemination System									
Investment									
Recurrent									
Business Planning & Development									
Investment									
Recurrent									
Learning and Capacity Building									
Investment									
Recurrent									
Strengthening NARS for Policy and Gender Analysis									
Investment									
Recurrent									
Remodeling Financial and Procurement System									
Investment									
Recurrent									
Project Implementation Unit									
Investment									
Recurrent									

(Continued to p.72)

FINANCIAL MANAGEMENT SYSTEM MANUAL: UNDER NAIP

(Continued from page 71)

Project Components/Sub-components	Planned			Actual			Variance		
	Current half-yearly	Year-to-date	Cumulative to date	Current half-yearly	Year-to-date	Cumulative to date	Current half-yearly	Year-to-date	Funds available during the currency of the project as per PAD
<i>Sustainable Improvement in Value Chain</i>									
Civil Works									
Goods and Equipment									
Human Capacity Building									
Consultancies									
Research and Studies									
Knowledge Management									
Recurrent Costs									
<i>Collaborative Research for livelihood Improvement</i>									
Civil Works									
Goods and Equipment									
Research Trials									
Human Capacity Building									
Consultancies									
Research and Studies									
Knowledge Management									
Recurrent Costs									
Basic & Strategic Research									
Civil Works									
Goods and Equipment									
Consultancies									
Review Workshops and Meetings									
Recurrent Costs									

APPENDIX VI

QUARTERLY FMR REPORT 1-B

Annexure II: Consolidate Claim Statement for the quarter ended

National Agricultural Technology Project

Consolidated Claim Statement for the quarter ended in Rupees '000s

		Investment		Recurring								
		INR	USD	INR	USD							
Total expenditure made during the quarter												
Total eligible expenditure												
Standard disbursement percentages												
Total reimbursible expenses												
Op. bal: claims yet to be reimbursed												
Claims sent to CAAA	Schedule1											
Claims reimbursed by the Bank	Schedule2											
Claims disallowed	Schedule3											
Closing balance												

Note: 1. Schedules 1 & 2 should give claim no, date, type of claim i.e. SOE or documented, period of claim and amount.
 2. Schedule 3 should give details of claims disallowed and reasons therefore Schedule 3 should also separately state audit disallowance, if any, by way of a note.

