

F. No. 7-1/2018-RKVY
Government of India
Ministry of Agriculture, Coopn. & Farmers Welfare
Department of Agriculture, Coopn. & Farmers Welfare
Rashtriya Krishi Vikas Yojana Cell

Krishi Bhawan, New Delhi
Dated ^{6th} November, 2018

To,
Principal Secretary(Agriculture)
(All States/UTs)

Sub: PPIAD Project under RKVY-RAFTAAR – reg.

Sir,

Para 4.2 B of Operational guidelines of Rashtriya Krishi Vikas Yojana - Remunerative Approaches for Agriculture and Allied sector Rejuvenation (RKVY-RAFTAAR), 2018 envisages that 30% of Normal RKVY funds are to be used by the States for Value Addition Linked production projects (agribusiness models). Under this component, private individual entrepreneurs can be roped in for marketing of value added products for which guidelines of PPIAD given at Appendix-C of RKVY-RAFTAAR guidelines may be followed. The States may create a PPIAD cell for facilitating the appraisal and implementation of projects in PPP mode.

Following points may be considered while approval and implementation of a project in PPP mode:

1. Detailed Project Report with break-up of all costs must be provided for appraisal.
2. Funding proposed for the project should be till the period ending 2019-20 as the funding available under RKVY-RAFTAAR is only till 2019-20 based on CCEA approval.
3. Financial assistance will be provided by State Governments directly to corporate through the RKVY window after the project has been approved by SLSC, subject to a ceiling of Rs.50,000/ per farmer or 50% of the proposed investment per farmer, whichever is lower. This guideline needs to be adhered to in the project proposed.
4. As far as elements of cost built-into the project are concerned, credit support to farmers, POL as proposed is not permissible. Administrative cost should be part of other O&E and not claimed separately as proposed. Overhead cost should be as per Appendix-C of the RKVY-RAFTAAR guidelines.
5. Convergence with the other schemes of the DAC&FW such as ATMA, NMOOP etc should not be proposed from the funds sought under RKVY.
6. An independent monitoring agency (like NABARD or other a suitably qualified consultancy firm with no conflict of interest with the particular project it is to monitor) should be appointed by the State Government.
7. Each DPR will also provide a Results Framework Document (RFD), giving clearly verifiable indicators for tracking the progress of the project during its life cycle.
8. A baseline survey to determine the entry level situation and end-of-project survey will also be conducted by the independent monitoring agency to assess the impact of the project intervention. It will further furnish monthly, quarterly and annual progress reports to DAC and the State and operationalize Information Communication Technology (ICT) enabled Management Information System (MIS) up to grass root level and if need be develop and host its own website.
9. The companies would have to submit Results Framework Document (RFD) for getting the project approved. If the company's performance is excellent, it can be entitled to maximum overheads of 8 per cent, similarly, if it is average, it would be entitled to overheads of 5 per cent. If the company's performance is poor, it would be only entitled to overheads of 2 per cent.

Yours faithfully,


(Chhavi Jha)

Joint Secretary to the Government of India