



Release of Funds and other concerns under Odisha Millets Mission¹

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Abstract: Delay in release of funds to FAs and CBOs under OMM needs an immediate and urgent attention. The financial manual also needs to be approved and shared with all concerned at an early date. FAs and CBOs should also take necessary steps to maintain records and submit proper bills/vouchers.

Introduction: The “Special Programme for Promotion of Millets in Tribal Areas of Odisha” (hereafter, Odisha Millets Mission, OMM) was grounded in Kharif 2017. In the first season, compared with the baseline data, the yield shows an increase by more than twice in the operational programme areas. These initial successes has led to an expansion of operational area in Kharif 2018 under OMM.

An important aspect of OMM has been its institutional architecture where Government of Odisha (through the Department of Agriculture and Farmers' Empowerment, DAFE, and implemented through Directorate of Agriculture and Food Production, DAFP) Civil Society (with Watershed Support Services and Activities Network, WASSAN as the Programme Secretariat) and Academia (at NCDS, Bhubaneswar) have come together to complement and supplement each other. The Civil Society involvement is further strengthened because of the involvement of selected Non-Governmental Organisations (NGOs) as Facilitating Agencies (FAs) at the Block level and these FAs in turn work with Community Based Organisations (CBOs). This note raises some important concerns in the implementation of the programme in Kharif 2018.

Delay in release of funds to FAs and CBOs: The FAs and CBOs play an important lifeline role in taking the Programme to the farmers. This lifeline is on the verge of breakdown because almost all of them (except for those in Gajapati district) have not received any funds in Kharif 2018. In Kandhamal, Koraput and Nuapada the funds for CRPs for the previous year (2017-18) has also not been entirely released (see status of fund release across districts in phase 1 blocks in Annex 1). As a result of this delay, the overall implementation of the programme (including farmer-level training) is getting affected. An immediate and urgent attention is needed to address the delay in release of funds.

Block coordinators and CRPs are leaving for not getting their salaries: The FAs appoint Block coordinators who oversee the programme at the block level and the CBOs appoint Community Resource Persons (CRPs) who are directly in contact with the farmers. Most of them have not received any salaries since April 2018 or have received a lower amount than that is budgeted. This has led to many of them (particularly, among CRPs) quitting their respective jobs. This is having an adverse effect on the programme.

Non-submission of bills/vouchers in prescribed format: In the phase 1 blocks (those that have been in the programme since 2017-18) one major concern for non-release of funds, as conveyed by the district Agricultural Technology Management Agency (ATMA) officials, is that the bills and vouchers submitted by FAs and CBOs are not in the prescribed format. The Regional Coordinators from the Programme Secretariat do corroborate from their multiple visits that there are clear gaps in submission of proper and well-furnished bills by

¹ This policy brief is an outcome of a one-day review meeting with district coordinators and other staff of the Programme Secretariat held on 12 October 2018 at Nabakrushna Choudhury Centre for Development Studies (NCDS), Bhubaneswar and subsequent discussions with Dinesh Balam and Shubham Sharma of the Programme Secretariat.

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the FAs and CBOs (for instance, the submitted bills may not have correct totals and may have bills for which expenses are not permitted). This was also discussed in Kharif planning workshop held during 4-5 April 2018 and following that a financial manual is to be prepared (letter no 2M (08)/18/16060 dated 16 May 2018 by DAFP, decision no 5), which is still being processed at DAFP. The manual may be approved and released at an early date. However, this should not come in the way of ATMA releasing to FAs and CBOs the salary related funds for staff employed by them.

Non-submission of action plan and other factors: The action plan has not been received at DAFP from Malkangiri district till 12 October 2018. Three districts (Koraput, Nuapada and Rayagada) that had submitted their action plans earlier could not receive their funds till first week of October on account of 50-day go-slow/strike by certain sections of staff in the Directorates of all departments - now they have received the funds. However, this delay should not have come in the way of processing the bills/vouchers on expenses already incurred by FAs and CBOs. From the three districts that had received funds prior to the 50-day go-slow/strike in August 2018, Gajapati has released funds to FAs and CBOs but Kalahandi and Kandhamal have not. In fact, Kalahandi has also not signed the Memorandum of Agreement (MoA) with FAs for 2018-19 for continuation in the second year. Concerns, if any, ought to have been addressed at the Kharif planning workshop (April 2018) before submission of action plan with area targets. Based on the submitted action plan, DAFP has also released funds. Given this, the delay in signing of MoA is unwarranted.

FAs and CBOs explanation on bills/vouchers without prescribed format: The staff of FAs and CBOs have been involved intensively in facilitation of the programme with the farmers. Given this, it is a strain on their part to make multiple visits because corrections are suggested again and again. They are of the view that the concerned clerk/accountant are not able to give much time for processing their bills/vouchers. In some cases, the Assistant Agriculture Officers (AAOs) are unwilling to countersign bills because they are not convinced with the format (a change in official may also lead to a change in requirement). There is also an insistence on bills with appropriate Goods and Service Tax (GST), which is not always possible in these remote areas because the provider may not even have a turnover of Rs.20,00,000/-, a minimum requirement to apply for a GST number. In some districts, original copies of bills and vouchers are being asked, which is not appropriate because the FAs and CBOs are mandated to maintain them for their own audit purposes. While there may be some genuine reasons that are raised on bills/vouchers not being put up in prescribed format, but it is also a fact that FAs and CBOs are feeling aggrieved.

70 per cent expenditure on prior fund release before releasing additional funds: There is a norm that 70 per cent expenditure has to be incurred by FAs and CBOs before release of additional funds. In some blocks, the FAs and CBOs have not been able to achieve this because funds released in 2017-18 on account of setting up of enterprises could not be spent as the State Level Technical Committee (SLTC) has not empanelled appropriate processing machinery and other requirement. This problem may be addressed by restricting the expenditure norm to the budget heads. In particular, as conveyed earlier, salaries for staff of FAs and CBOs and other programme related expenses should not be held up.

Delay in setting-up of enterprises: There is a provision to set-up enterprises. Block-wise entrepreneurs were identified by December 2017, but there training could not be taken up in the absence of necessary guidelines and without approved specifications required for procuring necessary machines. SLTC empanelled specifications and the necessary guidelines are being processed by DAFP/DAFE since October 2017. These need to be expedited.



No patta no incentive: This is specific to Daringbadi, Kandhamal. It is to be noted that millets are traditionally cultivated in uplands. While some farmers may have obtained necessary permission under Forest Rights Act (FRA), others are in the process of obtaining such permission or have not yet applied for the same. The guidelines did allow for inclusion of such farmers (traditional forest dwellers and tenant farmers) under OMM. However, the AAO of Daringbadi insisted on patta and limited incentives to area with appropriate patta and in its absence did not process their document for any incentive even when they had the DBT ID (Direct Benefit Transfer Identification) number. This led to exclusion of around 60 farmers (mostly traditional forest dwellers) from receiving incentive even though they had participated under OMM in 2017-18. Steps may be taken to pay the incentives to these farmers for 2017-18 and address the exclusion of these traditional forest dwellers.

Delay in incentives to Rabi farmers for 2017-18: Incentive for about 36 farmers has not yet been released for Rabi 2017-18 in Kalahandi. The reason reported for this is a delay in submitting result sheets by FAs. This delay also has had an adverse effect in motivating farmers to take up cultivation under OMM in Kharif 2018.

Release of three-fourths of funds in Nuapada in 2017-18: The Deputy Director Agriculture (DDA) of Nuapada has released only three-fourths of the funds for the previous year (2017-18) by stating that the programme was only for nine months (July 2017 onwards). The start of the programme in July 2017 has already been taken into account by DAFP while provisioning/sanctioning/releasing funds. Its deduction again by DDA Nuapada needs to be addressed.

No funds for monitoring by district officials: The DDAs, Scheme Officers and AAOs do not have funds earmarked under OMM for field visits. This limitation comes in the way of effective monitoring of the programme. Adequate steps may be taken to address this.

Non-approval of capacity building plans by ATMA: The capacity building plans made by FAs are often not approved by ATMA officials citing their unavailability on account of other commitments. Even after approving, they are also not able to participate as resource persons. These result in delay in training programmes, and hence, in fund utilisation. To ensure effective implementation, participation of ATMA officials and their ownership of the programme is essential.

Delay in release of funds to phase 2 Blocks: In 2018-19, the programme has been extended to 25 additional blocks and it is operational in 21 blocks. However, money has not been released as it is being processed at the level of Expenditure Finance Committee (EFC). Necessary steps may be taken to expedite this.

Concluding remarks: The delay in release of funds, including expenses incurred for salaries and other essential activities for part of the previous year and for more than six months in the current financial year when Kharif 2018 is almost coming to an end is a serious matter. The salaries of Block Coordinators and CRPs should be immediately released. A financial manual with common format also needs to be shared with all stakeholders at the earliest. The FAs and CBOs should also take necessary steps to maintain records and submit proper bills/vouchers.

Annex 1: Status of Fund Release across Districts for Phase 1 Blocks¹

Districts	2017-18		2018-19
	FAs ²	CBOs ³	FAs ² and CBOs ³
Gajapati	Released ⁴	Released ⁴	Released ^{4,8}
Kalahandi	Released ⁴	Partially Released ⁶	Not Released ^{8,9}
Kandhamal	Released ⁴	1st Tranche Partially Released ⁷	Not Released ⁸
Koraput	Released ⁴	1st Tranche Partially Released ⁷	Not Released ¹⁰
Malkangiri	Released ⁴	Released ⁴	Not Released ¹¹
Nuapada	Three-fourths Released ⁵	Three-fourths Released ⁵	Not Released ¹⁰
Rayagada	Released ⁴	Released ⁴	Not Released ¹⁰

Notes: ¹ Status as on 12 October 2018.

² FAs (Facilitating Agencies) funds are for admin costs and capacity building (includes training programmes, awareness campaigns and exposures among others).

³ CBOs (Community Based Organisations) funds are for admin costs, salary to Community Resource Persons (CRPs), Custom Hiring Centres (CHCs), Community Managed Seed Centres (CMSS) and facilitating Entrepreneurship.

⁴ In each year, the budget is released in two tranches. The release of funds in the second tranche as also for the second year is for the funds requested. This could be less than the budgeted amount because the expenses could not be incurred for certain sub-heads.

⁵ Deputy Director Agriculture (DDA), Nuapada insists on a letter from the Directorate of Agriculture and Food Production (DAFP) that the first year funds are for nine months only and in its absence they can only release three-fourths of the funds for the first year.

⁶ Expenses for CHCs was released for the first tranche (50 per cent of budgeted funds) and for Entrepreneurship (meant to be released in the second tranche in full) the fund was released to only one of the four FAs in the district.

⁷ The first tranche release in the first year was for part of budgeted funds (about 50 per cent) for CRPs and CHCs in Kandhamal and Koraput and also for admin costs in Kandhamal.

⁸ Funds to these districts for 2018-19 were released from DAFP in August 2018. From these, Gajapati has released funds to FAs and CBOs, but Kalahandi and Kandhamal have not.

⁹ Kalahandi has not signed Memorandum of Agreement with FAs for 2018-19 (the second year) even though action plan with area targets have been submitted to DAFP and based on that the funds have also been released to the district.

¹⁰ On account of 50-day go-slow/strike by some sections of staff in the Directorates of all departments, the funds for 2018-19 to these districts was released on 08 October 2018.

¹¹ The action plan for Malkangiri has still not been received by DAFP, and hence, funds have not been released to this district by DAFP.



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