

Krishi Bhawan, New Delhi-110001
Dated the 19th MAY, 2015

OFFICE MEMORANDUM

Subject:- Administrative Approval of Central Sector Scheme "National Dairy Plan Phase-I (NDP-I)" during 2015-16.

In continuation to this Department's OM of even no. dated 13.05.2014, the undersigned is directed to convey the administrative approval of Government of India for continuation of Central Sector Scheme "National Dairy Plan" phase I during the year 2014-15. The objectives of the scheme are as follows:-

- a) To help increase productivity of milch animals and thereby increase milk production to meet the rapidly growing demand for milk.
- b) To help provide rural milk producers with greater access to the organised milk-processing sector.

These objectives would be pursued through the adoption of focused scientific and systematic processes in provision of technical inputs supported by appropriate policy and regulatory measures.

2. NDP-I will be implemented with a total investment of about Rs.2,242 crore comprising Rs.1584 crore as International Development Association (IDA) credit, Rs.176 crore as Govt share, Rs.282 crore as share of End Implementing Agencies (EIAs) that will carry out the projects in participating States and Rs.200 crore by National Dairy Development Board (NDDDB) and its subsidiaries for providing technical and implementation support to the project.


3. Pattern of funding under the scheme will be 100% grant-in-aid for nutrition and breeding activities. In the case of new semen station, 25% of the project cost of the capital expenditure and in the case of village milk procurement systems, 50% of the cost of capital items will be shared by the End Implementing Agencies. Administrative expenses including training expenses under the scheme would be kept within the admissible 6% ceiling of total expenditure proposed under the scheme.

4. The key components of NDP-Phase I are:

[A]. Productivity Enhancement

- a). Production of high genetic merit (HGM) cattle and buffalo bulls and import of Jersey/ HF Bulls for semen production

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- i) Progeny testing
 - ii) Pedigree Selection
 - iii) Import of bulls (equivalent embryos)
- b). Strengthening existing semen stations / starting new stations for producing high quality disease free semen doses
- i) Strengthening existing semen stations -(A & B grade semen stations only)
 - ii) New Semen stations
- c). Setting up a pilot model for viable doorstep AI delivery services (based on Standard Operating Procedures [SOPs]) through a professional service provider including animal tagging and performance record
- d). Improving nutrition of milch animals to produce milk commensurate with their genetic potential and for reducing methane emission
- i) Ration Balancing Program
 - ii) Fodder Development

[B]. Village based milk procurement systems for weighing, testing quality of milk received and making payment to milk producers

- a) Milk weighing, testing and collection
- b) Milk cooling
- c) Support for creating institutional structure
- d) Training

[C] Project Management and Learning

- a) ICT Based MIS
- b) Learning & Evaluation

5. NDP-I would focus on 14 major milk producing States - Uttar Pradesh, Punjab, Haryana, Gujarat, Rajasthan, Madhya Pradesh, Bihar, West Bengal, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Orissa and Kerala which account for over 90% of the country's milk production. Coverage of NDP I will however be across the country in terms of benefits accruing from the scheme.

6. The scheme will be implemented by NDDDB through end implementing agencies (EIAs) comprising State Livestock Boards, State Cooperative Dairy Federations, District Cooperative Milk Producer Unions, cooperative forms of enterprises such as Producer Companies, Trusts (NGO's, Section 25 companies), subsidiaries of statutory bodies, ICAR institutes and Veterinary/Dairy Institutes/Universities and any other entity as may be decided by the National Steering Committee to be set up under the NDP-I. The EIAs will be eligible for funding of various components based on the eligibility criteria which will comprise geographical, technical, financial and governance parameters.

7. NDP-I is to be implemented in States where the respective state governments commit to undertake the necessary regulatory/ policy support to prepare an environment for successfully implementing the scheme. The regulatory / policy support to be provided by the state governments are:

- a) Having in place an appropriate breeding policy;
- b) AI delivery services not being notified as a Minor Veterinary Service (MVS);
- c) Charges for AI delivery being raised gradually to cover full cost;
- d) Semen for AI delivery in the state being sourced only from semen stations graded A or B;
- e) Adoption of common protocols and SOPs issued by DADF for all breeding activities; and
- f) Notification of State Rules under the Prevention and Control of the Infectious Diseases in Animals Act.

8. **Projects under the scheme will be approved and monitored by the Committees as indicated below.**

(a) National Steering Committee (NSC) chaired by Secretary, DADF, GoI would approve State Plans, Annual Action Plans, sanction release of funds to NDDB as well as re-appropriation of funds, and generally oversee and review implementation of NDP I. The NSC would have the authority to consider and approve changes in eligibility criteria with reference to implementing agency, project area, norms of unit cost of components/items, composition of National & Project Steering Committees, component structure and re-appropriation proposals. The composition of the NSC will be as below:

- i) Secretary, DADF, GoI – Chairman,
- ii) Chairman, NDDB,
- iii) Animal Husbandry Commissioner, GoI,
- iv) Additional Secretary & Financial Adviser, DADF,
- v) Joint Secretary (Dairy Development), DADF,
- vi) Principal Secretary/Secretary (AH & Dairying) (from two States on rotation basis)
- vii) Managing Director, NDDB as Mission Director, NDP I

(b) Project Steering Committee (PSC) to be headed by Mission Director (NDP I) will have representatives of DADF and NDDB. The Secretary (AH & Dairying) of the concerned State Government or his representative would be an invitee while discussing proposals pertaining to that particular state. The project proposals received from EIAs are to be examined and recommended by Project Management Unit (PMU), NDDB and will be placed before the PSC for approval and sanction of funds for disbursement. The PSC will sanction project proposals and have project oversight. PSC will meet as frequently as necessary to ensure that sub project proposals are considered/sanctioned within one month of submission by the PMU. The PSC will have powers to authorize the re-

appropriation of funds within a project component and between EIAs that are implementing the projects in the same State. The composition of the PSC will be as below:

- i) Managing Director, NDDB as Mission Director, NDP-I
- ii) Representatives of DADF,
- iii) Representatives of NDDB,
- iv) The Secretary (AH & Dairying) of the concerned State Government or his representative (would be an invitee while discussing proposals pertaining to that particular state).

(c) Implementation of the project will be managed by a Project Management Unit (PMU) located at NDDB and will be headed by the Mission Director. PMU will appraise the project proposals received from EIAs and recommend the proposals to PSC for sanction, provide technical assistance in project implementation and monitoring as may be required.

(d) The progress of approved projects would be reviewed in a regular interval by regional and State Level Committees constituted by NDDB during 2015-16. The Joint Secretary (Cattle & Dairy Development) or a nominated representative from DADF shall be part of these Committees. Besides, joint inspections by representatives of DADF and NDDB to the project areas are to be made to see ground realities and suggest remedial measures.

(e) NDDB shall submit following information on Quarterly basis to DADF for appraisal, release of fund, Parliament Question, preparing proposal for consideration of NSC, for use of Niti Aayog, D/O Expenditure etc (at the end of March, June, September & December):

- i) State-wise, project-wise and component-wise progress report indicating number of projects, total outlay, Grant assistance, EIA contribution, fund released to EIAs, fund utilized by EIAs etc.
- ii) Physical progress vis-à-vis key parameters as indicated in outcome budget.
- iii) Copy of sanction orders for release of fund to EIAs along with Statement of component/item-wise financial targets and key physical targets under the approved projects.
- iv) Consolidated certificate for utilization of fund by EIAs and NDDB vis-à-vis targets.
- v) Statement of training provided under NDP-I vis-à-vis targets (cumulative & financial year wise).
- vi) Information on number of beneficiaries belonging to **Scheduled castes, Scheduled Tribes and Women** benefited from the scheme in project report and also on quarterly basis. It may be ensured by NDDB and EIAs that 16.2% and 8% of the funds are targeted for SC and ST farmers/beneficiaries respectively under Scheduled Caste Special Plan(SCSP) and Tribal Sub Plan(TSP) as per directives of Planning Commission.

vii) Half- yearly performance appraisal report as on 30.09.2015 [w.r.t (i),(ii),(iv),(v) & (vi) above] should be submitted during the first week of October,2015 to finalize Revised Estimate(RE) of Budget. Action Plan(financial & physical) for next financial year(2016-17) should be submitted during December,2015.

9. **The guidelines for approval of project under the Scheme are as follows: -**

- i. The PMU in NDDDB will examine and appraise the project proposal submitted by the EIA. After the EIA has incorporated any changes, that may be required and resubmitted the proposal, the PMU, NDDDB will recommend the project proposal and circulate the same to the members of the Project Steering Committee for approval. PSC will consider the project proposals and on approval of the project the earmarked amount will be released to EIAs by NDDDB.
- ii. The NDDDB would convene PSC meeting and be responsible for all financial and accounting functions related to NDP-I.
- iii. The NDDDB shall maintain separate books of accounts and all transactions pertaining to NDP-I. It will be accounted under a new project code (and named as 'NDP-I Fund') which will be separate and distinct from all other accounts of NDDDB. A separate bank account will be maintained for the receipt of funds from DADF for onward disbursement to EIAs as Grant-in-aid. Authorized signatories of the NDDDB will operate the account.
- iv. Unspent balance of grant-in-aid in the previous financial year i.e. 2014-15 and interest earned will be counted towards grant-in-aid under the scheme for the current financial year. The revalidation amount of interest earned and unspent balance will be adjusted against the release of first/second installment. Balance sheet and audited statement of accounts of implementing agencies shall clearly reflect unspent balance and amount earned as interest at the beginning of the financial year so that these amounts are accounted for in a transparent and unambiguous manner.
- v. The NDDDB will draw funds from DADF, for passing on to EIAs for implementing approved projects, as an advance, usually on a half-yearly/ yearly basis. The NDDDB shall make necessary arrangements to obtain audited Fund Utilization Certificates (FUCs) from the EIAs for the funds received by them during the year (on a suitable periodicity – quarterly/ half-yearly) and forward the same to DADF on a yearly basis or as and when required by DADF, in the manner prescribed in Rule 212 of the GFRs.
- vi. For activities related to ICT based MIS under the head Project Management and Learning, support for project coordination/management

- units at Department of Animal Husbandry & Fisheries (DADF), NDDDB and State/district levels as needed will be provided for (i) project monitoring, evaluation and learning activities involving DADF, State Governments, NDDDB and EIAs; (ii) services of external agencies for carrying out baseline, mid-term and project completion surveys and other special surveys/studies as may be needed; (iii) technical assistance for MIS; and (iv) providing support for emerging needs and innovations during implementation.
- vii. The EIAs will maintain separate books of accounts and all transactions pertaining to NDP-I will be accounted under a new project code (and named as 'NDP-I Fund') which will be separate and distinct from all other accounts of EIAs. A separate bank account will be maintained for the receipt of funds from NDDDB. Authorized signatories of the concerned EIA will operate the account.
 - viii. Funding will be through a line of credit from the International Development Association (IDA), which along with the share of the Government of India, will flow from the DADF to NDDDB and in turn to EIAs.
 - ix. The expenditure incurred by the implementing agency / EIAs on the items of work 12 months prior to the approval of World Bank Board' after following World Bank procedures, are eligible for reimbursement under retroactive financing. Normally, it would not exceed limit of 20% of the budgetary amount of Loan/Credit received in a financial year.
 - x. The utilization of at least 60 percent of already released funds would be considered necessary for the release of estimated requirements for the subsequent year. However, before the release of the funds for the next year, the EIAs will satisfy full utilization of funds availed until then.
 - xi. Administrative expenses including training expenses on each component under the scheme should be kept within the admissible 6% ceiling of total expenditure proposed under each component under the scheme.
 - xii. The evaluation of scheme as a whole and projects under the scheme will be done by a third party external monitoring & evaluation agency. The evaluation would include baseline, annual, mid-term and end-term surveys. The details of procedure to be followed for survey/studies would be prepared and circulated by NDDDB after seeking the approval of National Steering Committee.
 - xiii. Where feasible, the services of ATMA may be utilized by EIAs for carrying out information and education campaigns to create awareness amongst milk producers about the new scientific approach and technologies that could be adopted to increase milk productivity and milk production. The services of KVVKs, village based community resource persons and other

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field staff will be used for capacity building of milk producers, wherever feasible.

- xiv. Project Implementation Plan would form the basis for NDDB to determine the components to be funded and the objective to be achieved under the scheme.

10. The following points may be noted for preparing the sub project proposals under the scheme:

- i. The project proposal under the scheme will be prepared by the End Implementing Agencies (EIAs) and be submitted to the PMU, NDDB.
- ii. Priority areas under NDP-I during 2013-14, based on which the proposals are to be prepared are given as under;
 - a) Genetic improvement of bulls produced through Progeny Testing Programme and Pedigree Selection Programme
 - b) Production of high quality semen doses
 - c) To cover villages and animals under Ration Balancing Programme
 - d) To increase proportion of area under green fodder with certified/truthfully labeled seeds
 - e) To cover additional number of village and milk producers for milk collection
- iii. The duration of the project period to be submitted by EIAs shall be 2015-16 to 2016-17.
- iv. It must be ensured that there is no duplication of activities under NDP I with the existing schemes of the **Central/State Government**. The activities under ongoing schemes should not overlap with the activities under NDP I in their specific areas. A certificate in this regard needs to be issued by the concerned EIA while submitting the project proposal.
- v. A background note and present status of dairy development in the covered area especially in respect of components proposed needs to be incorporated in the proposal.
- vi. The project proposal shall contain a fact sheet showing the salient features of the proposal as per the given format.
- vii. Component/Item-wise justification needs to be provided elaborately supported with facts and figures.
- viii. The project proposal shall provide the relevant information on existing Animal Husbandry and Dairy Development infrastructure available in the proposed area as per the given format

- ix. All the components proposed under the project should clearly indicate its unit costs as well as detailed cost break up based on prevailing market price and based on the unit costs of similar ongoing schemes of DADF.
- x. The project proposal would comprise of a number of Annexures which are to be filled up based on data available with Government sources, benchmark survey, international agencies of repute (eg United Nations website, International Dairy Federation, United States Department of Agriculture and other Government sources). Source of data needs to be mentioned suitably in the annexures. The list annexures would be available in the website of NDDB and DADF.
11. A sum of Rs.300.00 crore has been allocated under the scheme for implementation of NDP-I during 2015-16, with Rs 180.00 crore under EAP Component of the project.

12. This OM has been issued with the concurrence of Integrated Finance division vide Diary No. 157 AS & FA dated 18/05/2015.


(K.C.Patra)

Under Secretary to the Government of India

To,

1. Managing Director, National Dairy Development Board, P.B.No.40, Anand-388001, Gujarat.
2. Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi
3. Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi
4. Secretary, Department of Agriculture & Cooperation, Ministry of Agriculture, Krishi Bhawan, New Delhi
5. Secretary, Department of Rural Development, Ministry of Rural Development, Krishi Bhawan, New Delhi
6. Principal Accounts Officer, Ministry of Agriculture, Department of Animal Husbandry & Dairying, 16 Akbar Road Hutments .New Delhi.
7. Accountant General Commerce, Works & Misc., AGCR Building, Near I.T.O. New Delhi.
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11. All Secretaries In charge of Dairy Development in all States/U.Ts.
12. All Managing Directors of State Level Co-operative Dairy Federations.

Copy for information to: -

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