No. L-12013/2/2021-I&P
Government of India
Ministry of Cooperation

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Krishi Bhawan, New Delhi
Dated: 30th June, 2022

To

The Chief Secretaries of All the States/UTs.

Sub: Constitution of State Level Monitoring and Implementation Committee (SLMIC) and District Level Monitoring and Implementation Committee (DLMIC) for the Centrally Sponsored Project for Computerization of Primary Agricultural Credit Societies (PACS)-reg.

Sir,

This is to inform you that the Cabinet Committee on Economic Affairs (CCEA), in its meeting held on 29th June, 2022, has approved the Centrally Sponsored Project for Computerization of Primary Agricultural Credit Societies (PACS). The project requires constitution of the following Committees:

(1) State level Implementation & Monitoring Committee (SLIMC) comprising of

1) Addl. Chief Secretary/Principal Secretary/Secretary Co-operation - Chairperson
2) Principal Secretary/Secretary (Finance) -Member
3) Registrar of Cooperative Societies (RCS) -Member
4) Chief General Manager (CGM), NABARD-Member
5) Three DCCBs by rotation - Members
6) MD/CEO-State Cooperative Bank - Member Secretary

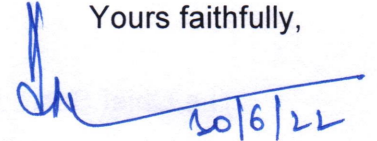**(2) District Level Implementation & Monitoring Committee (DLIMC)** comprising of

1) District Collector/District Magistrate - Chairperson
2) District Development Manager (DDM), NABARD - Member
3) Officials notified by the respective State/UT Governments - Members
4) MD, District Cooperative Bank - member convener.
5) Representation of selected PACS – Members.

2.   Accordingly, all the States/UTs are requested to constitute the State level Monitoring and Implementation Committee (SLMIC) and District Level Monitoring and Implementation Committee (DLMIC) details of which are mentioned in attached project details document.

3.   State Governments are requested to make provision for this project suitably in their State budget.

4.   State Governments are also requested to take up time bound auditing of all functional PACS for year 2021-22 on priority basis.

5.   The project details document is attached herewith for your ready reference.

Yours faithfully,

Encl. As above.

10/6/22

(Abhay Kumar Singh)
Joint Secretary
Tel.23782641

Copy to:-

1. The Addtional Chief Secretary/Principal Secretary/Secretary, Cooperation Department of All the States/UTs.
2. Registrar of Cooperative Societies of all States/UTs
3. Reserve Bank of India
4. Chairman, NABARD
5. All State Cooperative Banks
6. PSO to JS (CTP/IP)
7. Guard File.

New Delhi, 30thJune, 2022

Project Details
Computerisation of PACS

1.   INTRODUCTION

1.1   The agri-rural landscape of the country is predominantly serviced by the three tier Short Term Cooperative Credit Structure (STCCS) for the financial and non-financial needs of the farmers, especially the Small and Marginal Farmers (SMFs). The Primary Agriculture Credit Societies (PACS) are playing vital role in developing socio-economic conditions of the cooperatives and are the first stage which is formed by individual farmers. The 2nd tier is known as District Central Cooperative Bank which provides direct linkages to the PACS through the direct financing of primary societies. The 3rd tier at the apex level is the State Cooperative Bank which control and coordinate the finances of District Central Cooperative Banks.

1.2   This structure consist of a network of about 95,000 Primary Agricultural Credit Societies (PACS), 351 District Central Cooperative Banks (DCCBs) and 33 State Cooperative Banks (StCBs). As per the preliminary information given by NABARD, out of these 95,000 PACS, about 63,000 are functional. The important criteria for considering a PACS to be functional is updating & auditing of annual accounts annually and providing credit or non-credit services to its members.

1.3 National Bank for Agriculture and Rural Development (NABARD),has taken the initiative to bring most of the State and District Central Cooperative Banks on Core Banking Solutions (CBS) platform which has enabled them to give modern-day technology-based banking facilities to their clients. However, the Primary Agricultural Credit Societies (PACS) have so far been out of the ambit of any such technology support.

1.4   The proposed project envisages computerization of the activities undertaken by the PACS mainly focusing on credit/non-credit business related to Agriculture and Allied activities. The key components of the project are Hardware, comprehensive Enterprise Resource Planning (ERP) solution, Project Monitoring Unit (PMU), Training, Handholding support and Maintenance etc. In North East and Tribal Areas of the country, due to thinly populated area, Large Sized Adivasi Multi-Purpose Co-operative

Societies (LAMPS) are prevalent which function more or less similar to PACS. Such LAMPS or any other farmers service society similar to PACS will also be covered in this project within the proposed budget outlay.

2. IMPLEMENTATION METHODOLOGY

2.1The project envisages use of one common software across the country to capture data on all functionalities of PACS, both credit and non-credit. The project software will run on online mode and internet connectivity is to be provided by the State Governments, who may utilise the services of BHARAT Net project of Ministry of Communications for this purpose.

2.2 Basic Architecture of the Project

2.2.1 At the National Level, NABARD will engage a vendor namely National Level PACS Software Vendor (NLPSV) to provide the common software including cyber security and data storage through open bidding as per the provisions of General Financial Rules (GFR) 2017. At the State level, NABARD will prepare and publish a central panel of System Integrators (SIs) through open bidding. States are to select the SIs from this central panel with a ceiling on number of PACS that one SI can take up. SIs will supply hardware, prepare legacy data, digitise and port this data into software, recommend state specific customization required in the common software and provide the support system.

2.2.2 In the project, there will also be a provision to run the software on offline mode and later upload the data in the system in case of network issue. Data would be either routed through the DCCBs or State Data Centres to the Central Core Data Centre/National Level Data Repository (NLDR). NLDR will be hosted on cloud storage.

2.2.3 PACS in some States are at different levels of computerization. It means some PACS have been computerised (mostly working on a stand-alone basis) and others not computerised at all. In respect of PACS which have been computerised, expenditure will be reimbursed to States @ ₹ 50,000/- per PACS subject to the condition that, (i) they integrate their software with the Central Common Software, (ii) their hardware

meets the required specifications, and (iii) the computerization of PACS was commissioned by the State on or after 1st February, 2017 i.e. the date of 2017-18 budget announcement. PACS which have not been computerised by such states will also be taken up under this project at full cost.

2.2.4 Functional PACS will be selected by the State Governments for Computerization as per priority mentioned in para 5.1. A re-survey is being done by NABARD and due prioritisation of PACS would be done for taking up in the project.

2.2.5 For sustainability of the project, maintenance and handholding of the software and hardware is considered critical. For this purpose, the Project envisages a support system by setting up one support centre on an average at cluster of every 200 PACS. These support centres will report to State PMUs which will also serve as State level support centre. This entire support system will be under the overall supervision and control of the State Govt. These support centres will be set up and operated by the concerned SI.

2.2.6 After migration to the software, employee (s) of the PACS will be given adequate training about functioning of the software and how to work on it. Hands on training will be given through National Council for Cooperative Training (NCCT) institutions and Scheme of Financial Assistance for Training of Cooperative Banks Personnel (SOFTCOB) assisted Institutions like Agricultural Cooperative Staff Training Institutes (ACSTIs) and other Cooperative Training Institutes under the administrative control of State Govt.

2.2.7 For implementation and monitoring of the project, creation of a core team at NABARD, Head Office with the team members constituted from its officers has been envisaged. This core team will be assisted by Project Monitoring Unit (PMU) hired by NABARD for the project. NABARD may hire people/professional/technical experts for the PMU on contractual basis. Similarly, NABARD will set up state PMUs to assist States in implementation and monitoring of the project at state level which will also function as the state level support centres. These State PMUs will also be manned by NABARD officials and contractual staff.

3.   ROLES & RESPONSIBILITIES of various stakeholders and implementation and monitoring framework of the project

3.1   Government of India:- Government of India i.e. Ministry of Cooperation will be responsible for the overall implementation and monitoring of the project through National level Monitoring and implementation Committee to ensure real-time monitoring and effective feed-back about the implementation of the proposed project to be set up as under:-

(i) **National level Monitoring and Implementation Committee(NLMIC) comprising of**

a) Secretary (M/o Cooperation, GoI) (Chairman)

b) Additional Secretary & Financial Advisor (M/o Cooperation, GoI)

c) Joint Secretary (M/o Cooperation, GoI)

d) Chairman, NABARD

e) Principal Secretary (Coop)-State Government (s)- Five States by rotation (will be rotated every year).

f) Representative of NITI Aayog

g) CEOs of five State Cooperative Banks (by rotation)

h) Deputy Managing Director (IDD), NABARD -Member Secretary

Role of NLMIC:-

❖ guide and steer the implementation of the project.

❖ approve the guidelines for implementation of the project.

❖ review the progress of implementation of the project periodically

❖ to consider and authorize the appropriation of the funds from one component of the project to another within the overall budget outlay of the project, if required.

❖ Monitor functioning of central PMU

3.2   State Governments/STCBS/DCCBS:-State Governments will be responsible for implementation and monitoring of the project in their respective states. Also, evaluation and recommendation of the proposals to be forwarded to NABARD for approval through State level Implementation and Monitoring Committee to be set up as follows:-

3.2.1 State level Implementation & Monitoring Committee (SLIMC)comprising of

a)   Addl. Chief Secretary/Principal Secretary, Co-operation- Chairperson

b)   Principal Secretary/Secretary (Finance)

c)   Registrar of Cooperative Societies (RCS)

d)   Chief General Manager (CGM), NABARD

e)   Three identified DCCBs (by rotation) in three tier Structure

f)   MD/CEO-State Cooperative Bank - Member Secretary

Role of State Level Implementation & Monitoring Committee

❖ to implement the approved guidelines at the state level and provide feedback to NLMIC.

❖ to guide and steer the implementation of the project in the state.

❖ To examine and recommend the proposals to be taken up in this project.

3.2.2 District Level Implementation & Monitoring Committee comprising District Development Manager (DDM), NABARD and officials notified by the respective State/UT Governments under the Chairmanship of District Collector/District Magistrate. MD, District Cooperative Bank will be the member convener. There will be representation of selected PACS at the level of District Level Committees.

Role of District Level Implementation & Monitoring Committee

❖ To be the first line of implementation and monitoring system within the overall framework.

❖ It will be responsible for the smooth implementation of the project as per approved guidelines and provide necessary support like power, connectivity, etc.

3.3   NABARD:-NABARD will be responsible for implementation of the project at Central level under the guidance and directions of National Level Monitoring and Implementation Committee and Ministry of Cooperation. It will establish a core team of its officers of this purpose which will be assisted by a Project Monitoring Unit (PMU) manned by professionals and experts. Further, NABARD will also act as a custodian on behalf of GoI of the common software and all the financial and personal data generated/captured on the software. After completion of the project, NABARD will manage the system in coordination with the State Governments and will be responsible for its sustainability.

3.3.1 Project Monitoring Unit (PMU) at Central level will: -

- ❖ Be set up by NABARD and manned by Management & Technical Experts.

- ❖ Finalize project design and implementation strategy.

- ❖ Stakeholder consultation with States, Central govt. RBI, Banks etc.

- ❖ Finalize the requirement of hardware and functionalities of software for the project.

- ❖ Bidding and short listing exercise as per the provisions of General Financial Rules (GFR) 2017.

- ❖ Provide technical support during and after the implementation of the proposed Project.

- ❖ Guide the NLPSV regarding customization of the central software based on the state-wise feedback/needs.

- ❖ Provide guidance to the state level PMUs.

- ❖ Provide necessary inputs to the National level Monitoring and Implementing Committee (NLMIC).

- ❖ Prepare necessary reports and dashboards (MIS etc.) for facilitating review at National/State Level.

- ❖ Periodical reporting of the progress to the Government of India.

- ❖ Provide guidance on the business aspects to the PACS as well as monitor the implementation carried out by the selected vendors.

- ❖ Planning and execution of the training and capacity building at all levels.

- ❖ Ensure the preservation of the data and provide measures for data analysis & analytics.

- ❖ Undertake all other matters necessary for the successful implementation of the project duly consulting NABARD/GoI.

3.3.2 Project Monitoring Units (PMUs) at the State level will: -

- ❖ Be manned by NABARD's officials and Management & Technical Experts.

- ❖ Will function under the overall guidance of the Central PMU and report to State Secretary of Co-operation Department.

❖ Provide management/technical support during and after the implementation of the proposed Project.

❖ Identification of functional PACS for computerization in consultation of State Government within overall project guidelines.

❖ Responsible for identifying the customization needs at the state level and report to the central PMU/SI.

❖ Liaise with state level stakeholders.

❖ Arranging for stakeholder capacity building at the state level.

❖ Follow up for successful implementation at the state level.

❖ Provide guidance on the business aspects to the PACS as well as monitor the implementation carried out by the selected vendors.

❖ Prepare necessary reports (MIS etc.) for facilitating review at State Level.

❖ Facilitate planning and successful execution of the training and capacity building at all State/PACS level as advised by Central PMU.

❖ Undertake all other matters necessary for the successful implementation of the project duly consulting all the stakeholders.

4.   PROJECT COST & FUNDING PATTERN

4.1   The project of Computerization of PACS will be taken up at a total cost of ₹ 2516 crore and per PACS cost of ₹ 3.91 lakhs (approx.). The overall share of Government of India (GoI) would be ₹ 1528 crore, State Government would be ₹ 736 crore and NABARD is ₹ 252 crore.

4.2   Cost sharing pattern for General States and North Eastern/ Himalayan States will be in the ratio as indicated below:

4.2.1 Comprehensive Software (including Cyber Security & Data Storage) and Training:- Cost of this component will be shared by GoI and NABARD. NABARD will contribute Rs. 252 cr. and the rest will be borne by GoI.

.4.2.2 Other Components (Hardware, Digitization & Support system) :- Share of GoI:State will be in 60:40 ratio. For North Eastern and Hilly States, it will be 90:10. For UTs (without legislature) 100% cost will be borne by GoI. For UTs with legislature, it will be 80:20.

4.2.3 PMU and Administrative Cost:- Expenditure on both Centre and State PMUs and project administration will be borne by GoI up to ₹ 50 cr. Any cost in excess of this will be met by NABARD from its own resources. Salary of regular officers of NABARD would not be charged to the project cost.

4.3 For software, training cost and PMU cost, share of GoI will be transferred to NABARD as per the payment timelines of the contract with the National Level PACS Software Vendor (NLPSV), contractors providing manpower for PMUs and training schedules. As regards other components, GoI share will be transferred to States.

5. TIME LINES

5.1 PACS with no computerization will be prioritized, followed by PACS with computerization but may need up-gradation. PACS which have already been computerized through State Govt./StCBs/DCCBs intervention would be considered in the last. Year-wise phasing of the project is given in Table 1:

Table 1

Year		Total No of PACS to be computerized	Maintenance and hand-holding support
Year I	2022-23	13,000	Handholding support of total 5 years from 2022-23 to 2026-27.
Year II	2023-24	20,000	
Year III	2024-25	30,000	
Year IV	2025-26		
Year V	2026-27		
Total		63,000	

5.2 Sunset date of the project will be 31.03.2027.