

Proposal seeking financial assistance for promoting innovations in agriculture and allied Sectors

a. Context

While India's record of progress in agriculture over the past four decades has been quite impressive, Indian agriculture is beset with problems like stagnation in growth of agricultural productivity, rising input costs, fall in profits, emergence of climate risks, growing regional disparities, volatile prices and unfavourable trade, making the farming un-remunerative. This is further exacerbated by the marginalization of farm holdings. Small and marginal holdings constitute 87% of the total land holding. As per the 70th round of the National Sample Survey (NSS), in respect of farmers having less than one hectare of land, the net monthly income (farm and nonfarm) was negative and the net investment in productive assets was meagre, indicating that small-scale farming is inefficient in India. These factors cumulatively contribute to farmer's distress and are the reasons for a majority of farmers to discontinue farming.

The intensifying gaps in per capita income between the farm sector and other sectors are resulting in the youth opting out of the profession and hunting for other job opportunities. Though Indian research has contributed substantially to the food production, a large agrarian population is still deprived of the benefits of promising research findings for poverty alleviation and income generation due to several reasons. There is a growing realization that the business as usual approach will not solve the problems currently faced by the farmers and warrants a paradigm shift in approach/process to surmount the existing problems.

b. Innovations through Grant Funding

The National Bank for Agriculture and Rural Development (NABARD) has created the Farm Sector Promotion Fund to incubate innovations and diffusion of technologies in the realm of agriculture and allied sectors to benefit vulnerable geographies/sectors/ classes of farmers. NABARD seeks proposals from the eligible entities for supporting innovations to add value to farmers in the sphere of agriculture and allied sectors.

c. Contours of Innovations

In simple terms, Innovation could be a new idea, a more effective device or process, a new business model or any combination thereof. Innovations include development of strategic interventions, engagements that use local knowledge, affordable products and services, access to markets and finance and, most importantly, community ownership. The innovation must aim at increasing productivity of the rural poor, reducing drudgery, increasing income levels, creating sustainable employment opportunities and be environmentally benign besides, addressing gender and social equity issues. The dimensions of innovations include developing a new product, new process for an existing product, adapting/replicating an existing product/process in a new location, testing a new concept, developing a prototype for a tested concept, patenting for innovative technologies/ devices/products/processes or scaling up a concept, which has been prototyped.

d. Thematic Areas of Support

Proposals addressing the following thematic areas encompassing any of the above objectives will be given preference:

- Bringing solutions to the problems of farmers' distress
- Addressing issues connected to rainfed, hilly and mountainous, dry land, tribal and coastal areas.
- Use of Information and Communications Technology (ICT) for capacity building of farmers and connecting them to markets
- Improving productivity and profitability of farm incomes on a sustainable basis.
- Mainstreaming of gender & equity issues
- Strengthening inclusive value chain
- Forging public-private partnerships
- Upscaling of innovations already tested in preceding projects

e. What is not eligible?

- Routine and business as usual proposals
- Interventions already adopted by farmers in the project area
- Basic research projects
- Long-gestation projects
- Routine skill development/training programmes
- Proposals, which are not leading to enhanced incomes of farmers

f. Eligible Institutions

- Research institutions, State Agriculture Universities, Krishi Vigyan Kendras (KVKs), reputed management institutes
- Non-government organizations (NGOs), registered community-based organizations (CBOs)
- Reputed trusts/foundations established by corporates
- Private firms working in the field of agriculture and rural development
- Registered producers' organizations/people's organizations, including federation of Farmers' Clubs
- Individuals/groups of individuals sponsored by NGOs/Farmers' Clubs/other partner organizations of NABARD
- Commercial Banks/Regional Rural Banks (RRBs)/Cooperative Banks and their training establishments and Rural Self-employment Training Institutes (RSETIs)
- Corporate social responsibility (CSR) foundations/other entities established by the Corporates
- SHG Federations & Pashu Vigyan Kendras (PVKs)
- Agri startups providing technology- based solutions under the farm sector, Subsidiaries of NABARD.

g. Duration of the Project

Normally, the projects/programmes having a maximum duration of three years would be considered for support under the Fund. However, in exceptional cases, subject to the genuineness of the requirement, the period may be extended by one or two years on merit.

h. Eligible items of Expenditure

Items eligible for assistance broadly include, the cost of equipment, administrative and recurring costs connected with the project / programme, including core staff's salary and other miscellaneous expenditures, genuinely to be incurred under the project.

Capital expenditures like purchase of buildings, transport vehicles, furniture, high cost machinery, etc., will not be considered for support. However, support for hiring premises, machinery, etc. wherever necessary, may be considered on a selective basis. Further, need based capital expenditure upto 40% for projects having component of artificial intelligence, machine learning and inter of things and 20% out of the total project cost for other projects is considered for sanction in respect of projects sanctioned under DPR.

i. Quantum of Assistance

NABARD assistance will be limited to a maximum of 95% of the project outlay. The contribution of Project Implementing Agencies (PIAs) will be 5% and it can be monetized towards infrastructure, manpower and other resource support extended by the PFAs.

j. Mode of Assistance

The assistance from the Fund will be in the form of grant as decided by NABARD on the merits of each case.

k. Submission of Proposals

The eligible entities will be required to submit the proposals to the concerned Regional Office of NABARD, as per the enclosed application format. The type of format would depend on the nature of applicant, as detailed below:

- An organization – Annexures-2 & 4
- An individual innovator – Annexures-3 & 4

- Common Annexures required to be submitted by all the proponents include;
 - a) Application Format for supporting innovations – Annexure-1
 - b) Activity Plan – Annexure-5
 - c) Log Frame (common to all participants) – Annexure-6

The proponent shall submit the prescribed application formats available on the website of NABARD. The signed copy of the application format and related documents duly filled in, may be submitted to the concerned Regional Office.

1. Criteria for Selection

The proponents should have proven competence in the field and commitment to the cause for which assistance is sought. The entities seeking assistance must be registered under the relevant Acts, have minimum of three years audited balance sheets and profit and loss accounts and ,have requisite staff, particularly technical staff, to implement and monitor the project. The research institutions/ universities/other academic institutions should be of repute and are duly recognized by the institutions such as the University Grants Commission (UGC), the All India Council for Technical Education (AICTE), the Indian Council of Agricultural Research (ICAR), the Council of Scientific and Industrial Research (CSIR), etc., as the case may be.

m. Appraisal of the project

The proposals will be appraised based on the evaluation matrix, as per Annexure-7 and the rating norms. The projects will be sanctioned by the RO/ HO as per extant delegation of sanctioning powers.

n. Documentation, Monitoring and Submission of Progress Reports

The institutions/individuals will undertake to closely monitor the projects/programmes with a view to achieving and realizing the objectives and goals and keep NABARD informed of the same through constitution of a Project.

Monitoring Committee (PMC), depending on the size and nature of project, by nominating NABARD representative on the same. The proponent shall submit the Implementation Schedule Review (as per Annexure-8) and self-filled. Monitoring and Review form (as per Annexure-9) to PMC for review. The PMC will be conducted between the first and the fifth day of a given month to review the

progress of the previous month. The agency is required to submit a project completion report within 30 days from the date of completion of the project.

o. Utilization of Assistance

Eligible institutions/individuals availing of financial assistance would be required to give an undertaking for proper utilization of assistance received from NABARD. Where the assistance received from NABARD has not been utilized for the purpose for which, it was released and no satisfactory explanation is forthcoming, NABARD will recall the entire amount of grant assistance at once, along with interest or any other penal charge, leviable on the same.

p. NABARD's Rights.

The recipient shall not publish the reports/research findings/results of the project supported by NABARD, without a written permission of NABARD. Further, NABARD shall have the right to use the same for its internal use for training, publicity, etc. Where the results of research for studies assisted by NABARD lead to obtaining of patent or to commercial exploitation in any form, NABARD shall have the right to demand a share in the gains made by the concerned institutions/individuals. In no case, the proponent shall have a right to sell the findings/products to a third party, without the prior approval of NABARD. CSR foundations /entities promoted by corporates for meeting CSR obligation shall not use the outcomes/gains/commercial interests generated from the project for furthering their commercial interests.

NABARD shall have right to access the books of accounts of the institutions/individuals to be provided with assistance under the Fund. Eligible institutions/individuals would be required to submit a certificate/ undertaking/ declaration as set out in Annexure-10. Formats of Terms and Conditions of sanction, Agreement to be executed and MIS reports are given Annexures-11, 12 & 13 (Part A, B & C), respectively