

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 2435
TO BE ANSWERED ON 06/08/2024**

Monitoring Mechanism for PACS

**2435. SHRI MANISH JAISWAL:
SHRI JANARDAN MISHRA:**

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

- (a) the amount of funds allocated by the Government and various stakeholders under the Project of Computerization of Primary Agricultural Credit Cooperative Societies (PACS);
- (b) the system prepared for the implementation of the said project by the Government;
- (c) the kind of monitoring mechanism put in place by the Government for the PACS computerization project;
- (d) the details of the roles and responsibilities of the centre and States in the same;
- (e) the details of the role of NABARD in this regard; and
- (f) the details of benefits likely to be availed by the farmers from the same?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a): In order to strengthen Primary Agricultural Credit Societies (PACS), the project for Computerization of 63,000 functional PACS with a total financial outlay of ₹2,516 Crore has been approved by the Government of India, which entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based common national software, linking them with NABARD through State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs). Out of the total budget of Rs. 2,516 crore for the project, the shares of Government of India (GoI), State Governments and NABARD are Rs. 1528 crore, Rs. 736 crore and Rs. 252 crore, respectively.

(b) to (e): NABARD is implementing the project and act as project manager for the PACS Computerisation Project at Central level under the guidance and directions of National Level Monitoring and Implementation Committee and Ministry of Cooperation. National and State level Implementation and Monitoring Committees have been constituted for real-time monitoring and effective feed-back about the implementation of the scheme.

Further, for implementation and monitoring of the project, a core team at NABARD, Head Office with the team members constituted from its officers has been established. This core team is assisted by Project Monitoring Unit (PMU) hired by NABARD for the project. NABARD has hired staff/professional/ technical experts for the PMU on contractual basis. Similarly, NABARD has also 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 centers. These State PMUs are also manned by NABARD officials and contractual staff/ experts. Further, NABARD is also acting as a custodian on behalf of Government of India 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. The National Level Common Software for the project has been developed by NABARD. The roles and responsibilities of the various stakeholders of the project are given below:

- i. Ministry of Cooperation- Oversees the project's implementation and monitoring through the National Level Monitoring and Implementation Committee (NLMIC).
- ii. State Governments - Manages State-level implementation through State and District Level Implementation and Monitoring Committees (SLIMC and DLIMC), ensuring data readiness, hardware procurement, and coordination with the NLMIC.
- iii. NABARD -Acts as the project manager at the central level, supported by a core team and a Project Monitoring Unit.
- iv. State Cooperative Banks - establish dedicated computerization cells and coordinate between DLIMC and SLIMC.
- v. District Central Cooperative Banks – formation of computerisation cells, facilitate Primary Agricultural Credit Societies (PACS) readiness, and ensure data transfer to the National Data Repository.
- vi. Primary Agricultural Credit Societies (PACS) – to verify eligibility, ensure infrastructure readiness, and maintain data integrity.
- vii. The National Level PACS Software Vendor (NLPSV) – provides for and customise the software,
- viii. System Integrators (SI) - handles State-wise software installation, data digitisation, migration, integration, and training.

(f): Implementation of Common Accounting System (CAS) and Management Information System (MIS) at PACS level under this project would improve governance and transparency in PACS, thus leading to speedy disbursement of loans, lowering of transaction cost, reduction in imbalances in payments, seamless accounting with DCCBs and StCBs and will also increase efficiency. It will enhance trustworthiness in the working of PACS among farmers, thus contributing towards realizing the vision of “Sahakar se Samridhi”.

Computerization of PACS project provides a comprehensive ERP solution for all the economic activities prescribed under the Model Byelaws for PACS covering various modules such as financial services for short-, medium- & long-term loans, procurement operations, Public Distribution Shops (PDS) operations, business planning, warehousing, merchandising, borrowings, asset management, human resource management, etc.

The project aims at improving farmers access to short-term, medium-term and long-term credit. In addition, through inclusion of different modules for various economic activities, as mentioned under Model Byelaws for PACS, computerization will also enable farmers to obtain these services at PACS level itself. It will also help in diversification of PACS economic activities, thus enabling the farmer members to get additional & sustainable sources of income.
