

DISBURSEMENT AND FUND FLOW

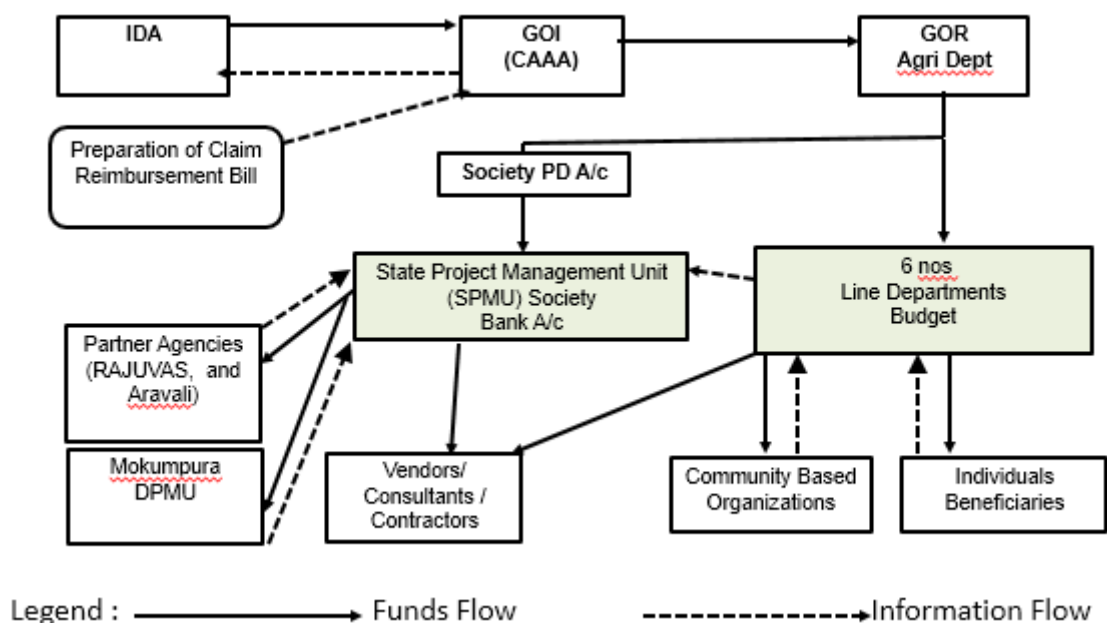
A. Project funds will flow to the PMU six line departments, ARAVALI, RAJUVAS and Jaipur (Mokhumpura) DPMU.

B. SCHEME OF PROJECT FUNDS FLOWS

FUND FLOW LEVEL	METHODOLOGY
World Bank to GoI	<ul style="list-style-type: none"> Disbursements from World Bank (IDA credit) for actual expenditure incurred during a quarter, on the basis of Interim Unaudited Financial Reports (IFR) submitted on a quarterly basis.
GoI to GOR	<ul style="list-style-type: none"> Standard back to back mechanism.
GoR to PMU	<ul style="list-style-type: none"> Based on project's Annual Budgets and Work Plans, Government of Rajasthan will include provision in its budget estimate under the demand for grants of the DoA, and obtain sanctions from the State Legislative Assembly. Government of Rajasthan will provide grants-in-aid as per the demand from the PMU to their PD Account maintained with the Treasury. The Drawing and Disbursing Officer is the Project Director, RACPMIS. RACPMIS will draw need based funds from the PD to project bank account. The signatories to the Bank account are Project Director and Chief Finance Controller jointly.
PMU to Line Department	<ul style="list-style-type: none"> PMU will transfer funds to participating line Govt. departments on the basis of demand received from Department, which will be based on projection of expenditure on quarterly basis and within overall approved annual plan. Budget will be transferred to the line department through IFMS and the payments will be released by treasury. Department will submit monthly expenditure statements along with demand for following month to PMU in prescribed formats. PMU will facilitate to allotment of funds (inter unit transfer) to participating line department on the basis of demand received from DPMU/line department, which will be based on projection of expenditure on quarterly basis and within overall approved annual plan. Funds will be transferred to respective budget head of line department. The budget control officer (BCO) of the line department will transfer the budget to the respective Drawing and Disbursing officer (DDO) whomsoever implementing the RACP activities.
PMU/DPMU/Line Department to NGO/Suppliers/beneficiary	<ul style="list-style-type: none"> Advances will be provided as per contractual terms Based on the expenditure statement/bills/invoices (as per terms of the contract) submitted, funds will be transmitted in designated bank account by electronic transfer.

FUND FLOW LEVEL	METHODOLOGY
SPMU/PIUs to DPMUs (other than Jaipur DPMU)	<ul style="list-style-type: none"> For operating expenses agreed by PMUs, DPMUs will submit bills with original supporting and verified and certified as per their internal procedures to the SPMU/PIUs. After due diligence, the SPMU/PIUs will make payment to the concerned party.
PMU to Autonomous Bodies (RAJUVAS and ARAVALI)	<ul style="list-style-type: none"> PMU will enter into a Memorandum of Understanding with each of these agencies. Each agency will open a project bank account. The dual signatories to the bank account will be xxxxx. An initial advance equivalent to two months requirements will be provided to the agencies based on the approved annual plan. Subsequent payments will be based on submission of IUFR by each agency and making a request for release of funds. (Also refer chapter xxx) Separate books / accounts will be maintained by the agency and provided to the project auditors for audit.
DPMU/PIU to CBOs (Micro Clusters) and Producer Groups/ Organizations	<ul style="list-style-type: none"> CBOs will enter into a Grant Agreement with the project. Funds will be released to the CBOs as per the framework detailed in the Operational Guidelines specific to each water theme and for the value chain component (also refer chapter xxx). CBOs will maintain separate project accounts as prescribed in the Operational Guidelines and these will be subject to audit by project auditors.

C. SCHEMATIC FUNDS FLOW ARRANGEMENTS OF THE PROJECT



D. REIMBURSEMENT

The project funds will be budgeted in GoR's budget, as an identifiable budget head, under Major Head "2401 Capital Outlay on Agricultural Programmes (under Agriculture Department) and, under subhead "Rajasthan Agricultural Competitiveness Project.". GoR will pre-finance the project and then claim reimbursement from the Bank. The Finance Department of the GoR will provide the funds to Dept. of Agriculture based on approved annual budget. Funds will be provided to the RACP as Grant in Aid.

Reimbursement: The World Bank will make quarterly reimbursement based on IUFRs which have to be submitted within 45 days from the close of each quarter. Reimbursement is based on expenditure of the past quarter. The expenditure reported in IUFR will be subject to audit by the project's internal/external auditors. PMU is responsible for consolidation and submission of IUFR to the Bank/ CAAA.

E. MODE OF TRANSFER OF FUNDS AND PAYMENTS

Transfer of funds/payments will be made using RTGS where the amount involved is Rupees One lac and above. For transfer of funds/payments below Rupees One Lac NEFT facilities will be used. RTGS/NEFT facilities will be used for all transfer of funds, as far as practicable.

F. REPORTING /ACCOUNTING CENTRES

The accounting centers for the purpose of project are as follows.

Account Centre	Reports to be submitted to	Format of Reporting	Frequency
PMU	World Bank	IUFR	Quarterly
DPMU	PMU	IUFR/ Trial Balance	Quarterly/ Monthly
Line Department (PIU)	PMU	Formats prescribed as para 7.1 of the FMM	Monthly