Rethinking KUSUM.

What is the issue?

- Earlier this year, the Cabinet approved the Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM).
- There is a budgetary allocation of ₹34,000 crore to KUSUM and a similar contribution is expected from the States.

What is KUSUM about?

- KUSUM aims to provide energy sufficiency and sustainable irrigation access to farmers.
- **Objective** - Providing financial and water security to farmers.
- The components of the proposed scheme are
    1. **Component-A:** 10,000 MW of Decentralized Ground Mounted Grid Connected Renewable Power Plants.
    2. **Component-B:** Installation of 17.50 lakh standalone Solar Powered Agriculture Pumps.
    3. **Component-C:** Solarisation of 10 Lakh Grid-connected Solar Powered Agriculture Pumps.

What is the current situation?

- Despite growing farm power subsidies, nearly 30 million farmers use expensive diesel for their irrigation needs.
- This is because they have no access to electricity. More than half of India's net sown area remains unirrigated.
- KUSUM could radically transform the irrigation economy if the government chooses an **approach of equity by design and prudence over populism.**

What does the approach of Equity by design mean?

- **To reduce the existing disparity among States** with regard to solar pumps deployment and irrigation access should be the first aim.
- This disparity highlights poor State budget allocation towards solar pumps and the lack of initiative by State nodal agencies.
- To encourage equitable deployment, the Centre could incentivise States through target linked financial assistance and create avenues for peer learning.

- **KUSUM must address inequity within a State** - This is addressed by a share of central financial assistance under KUSUM should be appropriated for farmers with small landholdings and belonging to socially disadvantaged groups.
- **By providing greater financial assistance to smaller farmers**, instead of a onesizefitsall approach.
- KUSUM proposes a 60% subsidy for the pumps, borne equally by the Centre and the States, and the other 40% will be the farmer's contribution.
- This will exacerbate the inter farmer disparity given the inequity in access to credit and repayment capacity between small and large farmers.
- A more economical and equitable alternative - A higher capital subsidy support to small and marginal farmers and long-term loans with interest subsidies for large and medium farmers.

What does the approach of prudence over populism mean?

- **Solarising existing grid connected pumps needs a complete rethink.** Existing grid connected farmers would receive the same financial support as that received by an off-grid farmer.
- In addition, the farmer would earn regular income from the DISCOM on feeding surplus electricity, furthering the inequitable distribution of taxpayers' resources.
- Instead of this, the scheme should **only provide Central government subsidy of up to 30%** for solarisation, and use the proposed State support to incentivise DISCOMs to procure energy from the farmers.
- Instead of feeding surplus energy to the grid, solar pump capacity could be used to power post harvesting processes, which **complement the seasonal irrigation load**.
- The entire feeder could be solarised through a **reverse bidding approach**, and provide water conservation linked incentives to farmers as direct benefit transfer.

Source: The Hindu, PIB

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