

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2503
ANSWERED ON:18.03.2005
ASSISTANCE FOR WATER DEVELOPMENT SHED BY NABARD
Sippiparai Shri A. Ravichandran

Will the Minister of FINANCE be pleased to state:

- (a) the total financial assistance given to States for Water Development shed Schemes to each State/UT by NABARD during the last three years;
- (b) the target fixed for extending financial assistance to Water Development Schemes by NABARD during the current financial year, State-wise;
- (c) whether there is proposal to lower the rate of interest for re-financing of the schemes under the Watershed Development Programme;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) State-wise financial assistance provided by NABARD under Watershed Development Fund, Indo-German Watershed Development Programme and Rural Infrastructure Development Fund (RIDF) during the last three years are given in enclosed statement I and II respectively.

(b) No target is fixed for assistance under participatory Watershed Development Programmes such as Watershed Development Fund (WDF) and Indo-German Watershed Development Programme (IGWDP) as the progress is reviewed based on the ground level implementation. However, a tentative target of Rs. 7.65 crore has been fixed under IGWDP for the current year (Rs. 6.69 crore for Maharashtra and Rs. 0.96 crore for Andhra Pradesh) with a view to drawing funds from KfW Germany.

(c) to (e) Loan assistance to State Government under WDF for full implementation phase projects is provided at an interest rate of 4.5% per annum. At ground level (i.e. for the ultimate beneficiary), the support is in the form of grant. Under IGWDP, entire assistance is provided as grant. However, for Land Development Schemes, the interest rate for refinance is 6.0% per annum (up to Rs. 50,000/-) and 6.5% (above Rs. 50,000/-) with effect from 16 March, 2005. There is no proposal for further lowering of interest rate as the rate of interest on refinance for land development has been revised recently.