

**GOVERNMENT OF INDIA
WATER RESOURCES
LOK SABHA**

UNSTARRED QUESTION NO:93
ANSWERED ON:15.07.2002
DECLINE IN INVESTMENT IN IRRIGATION PROJECTS
VILAS BABURAO MUTTEMWAR

Will the Minister of WATER RESOURCES be pleased to state:

- (a) whether public investment in major and medium irrigation projects has declined;
- (b) if so, whether most of the projects are surviving on subsidy from the States as revenue recovered hardly commensurate with the water supplied for irrigation;
- (c) if so, whether the low user charges have led to the severe financial pressure on the States;
- (d) if so, the extent to which the irrigation has been subsidised by the State Governments during the last three years, State-wise;
- (e) whether the Government propose to bring about changes in the existing system through corporatisation and tapping the potential of the private sector to mobilise funds for irrigation projects; and
- (f) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SMT. BIJOYA CHAKRAVARTY)

(a) to (f) There has been a consistent increase in the Plan-wise outlays (in absolute terms) for the irrigation sector over the successive plan periods. However, percentage share of public investment in the irrigation sector in relation to the total investment has consistently declined from 23% in the First Plan to about 6% in the Ninth Plan.

As per the Approach Paper to the Tenth Five Year Plan (2002- 2007) adopted by the Government of India, fall in Public investment in irrigation sector over successive plan periods is largely due to the resource constraints with the governments, which in turn meant that subsidies have "crowded out" public investment. The policy approach to agriculture, particularly in the 1990s, has been to secure increased production through subsidies in inputs such as power, water and fertilizer.

Irrigation subsidy is an indirect subsidy that depends on recovery of working expenses of irrigation projects through water charges from the users. As data on working expenses and recovered water charges take time to arrive from the States, the State-wise details of indirect irrigation subsidy figures estimated in respect of river valley projects for the years 1993-94 to 1995-96 are given at Annexure-I.

The National Water Policy, 2002 provides for private sector participation in planning, development and management of water resources. The para 13 of the Policy reads: "Private sector participation should be encouraged in planning, development and management of water resources projects for diverse uses, wherever feasible. Private sector participation may help in introducing innovative ideas, generating financial resources and introducing corporate management and improving service efficiency and accountability to users. Depending upon the specific situations, various combinations of private sector participation, in building, owning, operating, leasing and transferring of water resources facilities, may be considered."

ANNEXURE-I

STATEMENT REFERRED TO IN REPLY TO UNSTARRED QUESTION NO.93 TO BE ANSWERED IN THE LOK SABHA
15.7.2002

STATE-WISE DETAILS OF ESTIMATED INDIRECT SUBSIDY IN RIVER VALLEY PROJECTS FOR IRRIGATION

Sl.No.	Name of State	Estimated indirect irrigation subsidy in Rs.crore		
		1993-94	1994-95	1995-96

1	Andhra Pradesh	428.1	510.0	617.2
2	Bihar	50.9	58.0	52.7
3	Gujarat	484.8	534.7	694.5
4	Haryana	156.6	421.2	206.4
5	Jammu & Kashmir	7.6	6.8	6.2
6	Karnataka	243.6	285.3	327.0
7	Kerala	25.9	31.2	32.0
8	Madhya Pradesh	109.3	97.0	134.6
9	Maharashtra	674.4	812.3	984.9
10	Orissa	20.5	37.7	34.0
11	Punjab	95.3	74.4	81.7
12	Rajasthan	262.3	276.1	314.2
13	Tamil Nadu	117.9	122.6	145.3
14	Uttar Pradesh	366.9	491.4	507.6
15	West Bengal	66.3	73.5	83.3