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**STANDING COMMITTEE
ON AGRICULTURE
(1998-99)**

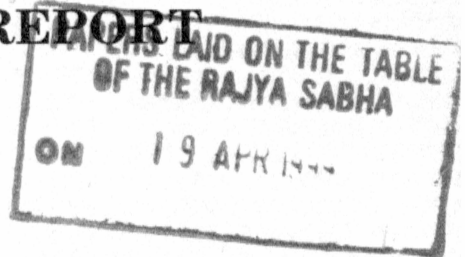
TWELFTH LOK SABHA

MINISTRY OF WATER RESOURCES

**DEMANDS FOR GRANTS
(1998-99)**

*[Action taken by the Government on the Recommendations/Observations
contained in the Tenth Report (1998-99) of Standing Committee on
Agriculture (1998-99) (Twelfth Lok Sabha)]*

SIXTEENTH REPORT



AUTHENTICATED
K. Yerrannaidu
K. YERRANNAIDU
Chairman
Standing Committee on Agriculture

**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1999/Chaitra, 1921 (Saka)

SIXTEENTH REPORT
STANDING COMMITTEE ON
AGRICULTURE
(1998-99)

(TWELFTH LOK SABHA)

MINISTRY OF WATER RESOURCES

DEMANDS FOR GRANTS (1998-99)

*[Action taken by the Government on the Recommendations/
Observations contained in the Tenth Report (1998-99)
of Standing Committee on Agriculture]*

*Presented to Lok Sabha on 15.4.1999
Laid in Rajya Sabha on 15.4.1999*



LOK SABHA SECRETARIAT
NEW DELHI

March, 1999/Chaitra, 1921 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE
ON AGRICULTURE (1998-99)

Shri Kinjarapu Yerrannaidu — *Chairman*

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Lok Sabha

2. Shri Ramchandra Binda
3. Shri D.C. Sreekantappa
4. Shri Nandkumar Singh Chauhan
5. Dr. Ramkrishna Kusmaria
6. Shri Baliram Kashyap
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28. Shri Ram Shanker
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- *30. Shri C. Suresh Reddy

Rajya Sabha

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34. Shri Devi Prasad Singh
35. Shri Ramnarayan Goswami
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37. Shri H.K. Javare Gowda
38. Shri T.M. Venkatachalam
39. Shri Sharief-Ud-Din Shariq
40. Shri Sukh Dev Singh Dhindsa
41. Shri Aimaduddin Ahmad Khan (Durru)
42. Dr. Ramendra Kumar Yadav "Ravi"
43. Shri Sangh Priya Gautam
44. Shri Devi Lal
45. Prof. M. Sankaralingam

SECRETARIAT

1. Shri G.C. Malhotra — *Additional Secretary*
2. Shri Joginder Singh — *Joint Secretary*
3. Shri S. Balshekar — *Deputy Secretary*
4. Smt. Anita Jain — *Under Secretary*
5. Shri Ramesh Lal — *Reporting Officer*

*Nominated to the Committee w.e.f. 18th March, 1999 in place of Lt. Gen. (Retd.) N. Foley, who ceased to be a member of the Committee consequent upon his nomination to DRSC on Defence w.e.f. 18th March, 1999.

INTRODUCTION

1, the Chairman of the Standing Committee on Agriculture (1998-99) having been authorised by the Committee to submit Report on their behalf, present this 16th Report on Action Taken by Government on the Recommendations/Observations contained in the 10th Report of the Standing Committee on Agriculture (1998-99) (Twelfth Lok Sabha) on the Demands for Grants (1998-99) of the Ministry of Water Resources.

2. The Tenth Report of the Standing Committee on Agriculture (1998-99) on Demands for Grants (1998-99) of the Ministry of Water Resources was presented to Lok Sabha on 9th July, 1998. The Ministry of Water Resources was requested to furnish action taken replies of the Government to recommendations contained in the Tenth Report. The replies of the Government to all the recommendations contained in the Report were received.

3. The Committee considered the Action Taken Replies furnished by the Government in its sitting held on 22nd March, 1999, approved the draft comments and adopted the 16th Report.

4. An analysis of the Action Taken by the Government on the recommendations/observations contained in the 16th Report (Twelfth Lok Sabha) of the Committee is given in Appendix-II.

NEW DELHI;
22nd March, 1999
1st Chaitra, 1920 (Saka)

KINJARAPU YERRANNAIDU,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

REPORT

This Report of the Committee on Agriculture deals with the Action Taken by the Government on the recommendations contained in the Tenth Report (Twelfth Lok Sabha) of the Standing Committee on Agriculture (1998-99) on Demands for Grants (1998-99) of the Ministry of Water Resources which was presented to the Lok Sabha and laid in Rajya Sabha on 9th July, 1998.

1.2 Action Taken Replies have been received from the Government in respect of all the 27 recommendations contained in the Report. These have been categorised as follows :

- | | |
|--|----|
| (i) Recommendations/Observations that have been accepted by the Government : (Chapter - II of the Report)
Recommendation Nos. 3, 12, 14, 15, 17, 18 & 22. | |
| Total | 7 |
| (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies : (Chapter - III of the Report)
Recommendation Nos. 20 & 27 | |
| Total | 2 |
| (iii) Recommendations/Observations in respect of which reply of the Government have not been accepted by the Committee : (Chapter - IV of the Report has been commented upon in Chapter I of the Report)
Recommendation Nos. 4, 5, 7, 10, 11, 13, 19, 21, 23, 25 & 26 | |
| Total | 11 |
| (iv) Recommendations/Observations in respect of which final replies of the Government are still awaited : (Chapter - V of the Report)
Recommendation Nos. 1, 2, 6, 8, 9, 16 & 24 | |
| Total | 7 |

1.3 The Committee will now deal with the recommendations which have not been accepted and have been included in Chapter - IV of the Report.

Recommendation No. 4

Poor Sectoral Performance during the Eighth Plan

1.4 The Committee are unhappy to note that during the Eighth Plan period, the percentage of utilisation of funds was very low in the Major and Medium Sector and also in the Minor Irrigation Sector. Only 60.75 per cent of the total plan funds allocated was spent in the Major/Medium Irrigation Sector, while only 66.02 per cent of the total allocation was spent on Minor Irrigation Sector. Under the Flood Control Programme the utilisation of funds was only 69.63 per cent of the total. The main bottleneck in non-utilisation of plan fund as stated by the Ministry is late finalisation of the plan funds and subsequent procedural formalities required for clearance of expenditure proposals. The Committee are of the strong view that entire system of according sanction to schemes should be reviewed. Once the Plan budget allocations have already been made by the Planning Commission in concurrence with the Ministry of Finance, the administrative Ministry should be given complete autonomy to clear schemes/expenditure proposed so that the schemes' can be taken up in the same year, as the same has been included in the budget. The Committee, therefore, recommend that their suggestion on this procedural reform should be brought to the notice of the highest political executive for appropriate decision in the matter, as several projects could not materialise due to time and cost over-runs that crept in only because of cumbersome and unreasonable procedures that are to be followed even after the sanction of Plan budgetary funds by the Planning Commission and the Ministry of Finance.

Reply of the Government

1.5 The Committee has observed that the utilisation of funds was only 69.63% in the flood control sector during 8th Plan. This is due to late finalisation of plan fund allocation and procedural delays such as approval of EFC/SFC memos. In this connection, the Committee has recommended that the system of according sanction to schemes should be reviewed and the administrative Ministry should be given complete autonomy to clear schemes/expenditure proposals once the budget

allocation is made by the Planning Commission with concurrence of Ministry of Finance.

This is a good suggestion which would cut down delays in processing EFC/SFC memos for which Planning Commission and Ministry of Finance are to be consulted as per the existing procedure. Also, Plan allocation need to be finalised within the first quarter of the financial year for which Planning Commission would be requested to expedite matters.

Comments of the Committee

1.6 The Committee are not satisfied with the reply of the Government. The Committee are disappointed to note that the Ministry of Water Resources has failed to bring to the pointed notice of the highest executive the recommendation of the Committee that the entire system of according sanction to schemes should be reviewed, as the main bottleneck in the timely utilisation of plan funds is the late finalisation of plan budgetary allocations and subsequent procedural formalities required for clearance of proposals after the budget has been passed by the Parliament. The Committee strongly feel that the administrative Ministry concerned should be given complete autonomy to go ahead with the plan schemes, once the plan budget allocations for the schemes have already been made by the Planning Commission in concurrence with the Department of Expenditure of the Ministry of Finance. The Committee feel that the delay in implementation of the plan schemes caused due to the adherence to the procedural formalities of approval of EFC/SFC Memos should be taken due note by the Government and they should urgently review the entire procedural arrangements in this regard so that plan schemes could be taken up in right earnest from the very beginning of a financial year without any delay.

Recommendation No. 5

Allocation of 10 per cent of funds for North East

1.7 The Committee note that during 1998-99, the percentage of release to the North East out of the total expenditure is 9.18. The Committee wish to draw the attention of the Ministry of Water Resources to the assurance given by the Hon'ble Prime Minister in November, 1996 to the effect that 10% of the Central Budget will be

provided to implement specific schemes in the North Eastern States and all the Central Ministries and Departments will ensure strict implementation of the programmes. In the Budget speech in June, 1998 the Hon'ble Finance Minister also has mentioned about the creation of a non-lapsable Central Resource Pool for deposit of funds from all Ministries where the Plan expenditure on the North Eastern Region is less than 10 per cent of the total plan allocation of the Ministry. The difference between 10 per cent of the Plan allocation and the actual expenditure incurred on the North Eastern Region will be transferred to the Central Resource Pool which will be used for funding specific programmes for economic upliftment of the North Eastern States.

The Committee recommend that the Ministry of Water Resources should draw up more programmes/schemes exclusively for the North East even beyond the value of 10 per cent of their total plan allocation. The Committee wish to point out that there is need for having schemes even beyond this 10 per cent minimum limit for the North East in the field of water resources, as this resource is available in abundance in the North East. For this purpose, the Committee recommend that funds from Central Resource Pool should be utilised by the Ministry to develop these under-developed areas of the country with a specific focus.

The Committee further recommend that all the schemes for the N.E. States should be 100% Centrally funded and no stipulation for any contribution from the State Government should be there.

Reply of the Government

1.8 It will be seen that while proposing an allocation of Rs. 490.93 crores for Annual Plan 1998-99, Ministry of Water Resources has earmarked Rs. 60.00 crores for scheme operating in NE States which was 12.2% of the allocation. As per the interim allocation made by Planning Commission of Rs. 341.00 (at the same level of Annual Plan 1997-98), the allocation for NE States was Rs. 35.35 crores (10.37%). But in view of the enhanced allocation of Rs. 396.00 crores (Net), the allocation for NE States has been revised to Rs. 44.35 crore for 1998-99 which works out to 11.2% of the allocation.

Comments of the Committee

1.9 The Committee note that about 11.2% of the total revised plan budgetary allocation has been earmarked for plan schemes in the North Eastern States for the year 1998-99 and this is in accordance with the policy announcement made in this regard by the then Prime Minister in November, 1996. However, the Committee are disappointed to note that no mention has been made in the reply about the action taken by the Government to have all the water resources plan schemes to be 100% Centrally funded as a special case in the North Eastern States in view of the poor resource base of these States and their consequent inability to make matching contributions. The Committee desire that a definite reply on this aspect should be furnished to the Committee within three months of presentation of this Report.

Recommendation No. 7

Assessment of Irrigation Potential added through AIBP

1.10 The Committee are concerned to note that there are 147 major irrigation projects which were started more than 15 years back and are not yet complete. A staggering amount of Rs. 42,000 crores is required to complete these projects. In order to partially remedy the situation the AIBP scheme was launched in 1996-97 for such of those old projects where more than 90% of the cost has been incurred already and only some more funds are required for their completion. However, even after spending Rs. 1452.19 crores on these near-complete projects in the years 1996-97 and 1997-98, not a single project has been completed. Out of the total 138 projects sanctioned so far, only in the case of 14 projects the irrigation potential added is beyond two thousand hectares.

The Committee are not satisfied at the rate at which irrigation potential is created under the AIBP. Therefore, they recommend that the suitable steps should be taken to implement the programme more vigorously as if it were on a mission-mode, so that there is quick realisation of the objective of the programme.

Reply of the Government

Assessment of Irrigation Potential added through AIBP

1. Accelerated Irrigation Benefit Programme was launched by Central Government to provide Central Loan Assistance to State Government on matching basis for accelerating implementation of on-going major and medium irrigation projects which are in advance stage of construction.

2. The scheme could take-off in November, 1996 only during 1996-97 Rs. 500 crores was released to 58 projects proposed by the State Governments. During the second year, *i.e.*, 1997-98 Rs. 952.19 crores was released to 80 projects—48 continuing projects of 1996-97 and 32 new projects. Thus, during two years, *i.e.*, 1996-98 only Rs. 1452.19 crores was released under the programme which constituted only 4.1% of the spill over cost of Rs. 35070 crores of 80 projects included under AIBP and only 2% of spill over cost of 147 on-going major and medium irrigation projects in the country.

3. Before this programme was launched most of these projects were either lying dormant for years together or no work was being done on them for want of resource crunch with the State Governments. The launch of this programme has helped in mobilising these dormant projects and speed up the construction works on others.

4. AIBP has resulted in creation of additional potential of 50000 ha. in first year and another 65000 ha. in second year. All the projects included under AIBP will help in creation of total potential of 126.3 Lakh ha. on completion.

5. One-and-half year period for which the performance of AIBP is being reviewed is too small, in view of the fact that the normal gestation period for completion of a major project is 10-15 years and for a medium project 5 years. Also, the cost of creation of irrigation potential through major and medium projects ranges between Rs. 45000 to 70000 per ha. depending upon the location, size and type of the scheme. The real impact of the scheme will, therefore, be known only after 3-4 years after the commencement of the programme which certainly will also depend on providing of more funds for the programme. Equally important will be the

utilisation of funds by the States who will have to mobilise their own resources, since AIBP involves matching State Governments contribution also in most cases.

6. In addition to paucity of funds other factors causing delay in implementation of the programme identified are : (i) Land acquisition problem particularly for canals and distributories net-works; (ii) resettlement and rehabilitation of projects affected persons; (iii) clearance from environmental and forest angles; (iv) frequent changes in the scope of the projects; (v) revision in hydrology and design due to inadequate investigations, (vi) contractual problems and inter-departmental bottlenecks within the State Governments.

7. The physical and financial progress of the project components covered under the AIBP are monitored by Central Water Commission which has a field set-up all over the country. The general monitoring of AIBP is done by the Department of Programme Implementation. These projects are also monitored at the State and project levels.

Comments of the Committee

1.11 The Committee are not convinced by the reply of the Government. The AIBP was launched in 1996-97 with the main objective to expedite completion of projects which are in an advanced stage of completion and with just a little additional funding, the irrigation potential could be created during the next four agricultural seasons. The AIBP has not been able to meet the above objectives and the very purpose for which it was launched has not been met. From the material supplied by the Ministry the Committee have observed that though there are many factors causing delay in implementation of projects, there are several projects (about 40%) pending purely due to paucity of funds.

The Committee, therefore, reiterate that suitable steps should be taken to implement the programme more vigorously and there should be a time bound programme for completion of projects which are being funded by AIBP.

The Committee also recommend that more funds be allotted to AIBP and instead of covering large number of projects under AIBP, less number of projects with more funds be provided to avoid thinning of resources so that they are completed expeditiously and

their benefit realised. The Committee also recommend that appropriate solutions should be found out to sort out the problems of land acquisition for canal network and the problems of rehabilitation of persons displaced by the projects. There should be time-bound clearance from environment and forest angles through a single-window.

Recommendation No. 10

National Water Academy

1.12 The Committee have been informed that during 1992 it was decided to upgrade the Central Training Unit (CTU), Pune into National Water Academy. The Committee find that even six years after this decision, the scheme of upgradation remain a chronic non-starter. At last, when the Government decided to act, they had chalked out a programme of 7 years for the execution of the project.

The Committee are unhappy to find a long 7 year programme from 1998 to 2005 framed by Ministry of Water Resources for the upgradation of Central Training Unit into National Water Academy (NWA). The expenditure of the project is proposed to be met partly out of World Bank aided Hydrology Project fund which itself is available only upto 2001. The Committee desire that the programme should be got completed by 2001.

The Committee further find that no specific allocations has been made in the 8th Plan and 9th Plan for NWA. A combined outlay of Rs. 1.70 & Rs. 9.70 crores have been made in the 8th & 9th Plan for CTU/NWA. The Committee desire that separate allocation be made specifically for NWA in the 9th Plan so that there can be proper tied flow of funds to the Project. The Committee also recommend that the Central Water & Power Research Station should immediately hand over the land earmarked to CTU so that the work might start in right earnest from now on.

Reply of the Government

1.13 The continuing scheme of the 8th Plan for CTU/NWA is being modified under a changed name of "Upgrading the Central Training Unit (CTU) in the Central Water Commission (CWC) to National Water Academy (NWA)". A Memorandum for the Expenditure

Finance Committee in this regard has been framed with an outlay of Rs. 29.10 crores out of which Rs. 4.45 crores will be provided by the World Bank under World Bank aided Hydrology Project as a loan already approved under a separate EFC Memo, and the balance Rs. 24.65 crores will be met from the Central Sector Plan outlay of the Ministry corresponding to the proposed scheme during the 9th Plan and 10th Plan. The EFC Memo for setting up of NWA is under examination in the Ministry. CWPRS, Pune has physically handed over the land earmarked to CTU for setting up of NWA.

Comments of the Committee

1.14 The Committee note that a new modified programme has been framed under the changed name of upgrading the Central Training Unit in the Central Water Commission to National Water Academy and the programme will be implemented during the Ninth and Tenth Plan period, although the Committee had recommended that this work should be got completed by 2001 AD in view of the availability of World Bank aided Hydrology Projects fund only upto 2001 AD. The Committee wish to point out this programme was initiated in 1992 and even after 6 years after its initiation no time limit has been fixed for the completion of the project and the reply of the Government vaguely indicates that this project will spill over into the Tenth Five Year Plan. The Committee are disappointed to note that lack of will on the part of the Government in implementing this project and desire that the Government should wake up from its lethargic slumber and complete the scheme by 2001 AD by taking vigorous action in the matter.

Recommendation No. 11

Dam Safety Assurance & Rehabilitation Project

1.15 The Committee are unhappy to note that due to insignificant progress in the execution of remedial works the World Bank restructured the project with effect from 1.10.97 and reduced the number of dams identified for remedial works from 55 to 40 excluding 15 dams from the restructured project. The Committee find that due to the inefficiency on the part of the implementing authorities, precious foreign assistance that was forthcoming could not be availed of. The Government should already note that this is a fund-starved sector and it would be an act of grave indiscretion not to make use of foreign

assistance made available on a platter. The Committee hope that atleast hereafter the programme is implemented more sincerely and completed successfully.

Reply of the Government

1.16 The Project envisages (i) institutional strengthening for Central Water Commission (which also included modernisation of Flood Forecasting in Mahanadi and Chambal basins) and four participating States of Madhya Pradesh, Orissa, Rajasthan and Tamil Nadu, (ii) Basic Dam Facilities at selected Dams and (iii) carrying out remedial works on hydrological/structurally distressed dams.

The total period of completion of the project was six years ending September, 1997. However, due to non-completion of works, the World Bank has initially granted an extension of one year upto September, 1998 and restructured the project reducing the number of dams for remedial works for 55 to 40. The project is likely to be extended by another one year upto September, 1999 subject to fulfilment of certain stipulations of the World Bank. The expenditure under the project upto September, 1997, original date of completion of the project and from October, 1997 to June, 1998 is as under :—

Sl.No.	Components	SAR Cost	Restructured Project cost	Exp. upto September 1997	Exp. from 10/97 to 6/98
1.	Institutional Strengthening	524.20	650.44	199.98	108.69
2.	Basic Dam Safety	604.50	821.85	391.34	118.35
3.	Remedial Works	3431.10	2926.01	1273.65	668.31
	Total	4559.80	4398.30	1864.97	895.35

It is evident from the above that the expenditure upto 30.9.97 in a span of 75 months was about 186.50 crores which is 42% of the restructured project cost. The expenditure incurred from October, 1997 to June, 1998 *i.e.* in a period of nine months is about Rs. 90 crores which is 20% of the restructured project cost. This indicates that the

implementation of the project has gained momentum. Secondly, the stipulations of the World Bank for second year extension upto 30.9.99 viz. achievement of 75% of the expenditure upto to June, 1998 against the outlay for the year from October 1997 to September, 1998 under the component of remedial works, has already been achieved. However, the extension to the project for another one year upto September, 1999 is awaited from the World Bank.

Comments of the Committee

1.17 The Committee note that out of the total restructured project cost of Rs. 2926.01 lakhs, a total expenditure of Rs. 1941.96 lakhs has been so far incurred on the project for carrying out remedial works on hydrologically/structurally distressed dams, leaving a balance of Rs. 984.05 lakhs available to be spent during the period from July 1998 to September, 1999 subject to extension to be granted by World Bank. The Committee wish to impress upon the Government that there is an urgent need for increasing the pace of expenditure in order to convince the World Bank for grant of further extension of the project upto September, 1999. The Committee also recommend that the matter on revival of World Bank assistance for the 15 dams excluded earlier from the Project should be taken up immediately with the World Bank citing the recent improved track-record of achievement in undertaking remedial work in structurally distressed dams.

Recommendation No. 13

Minor Irrigation

1.18 The Committee are happy to find that Ministry of Water Resources has rightly identified development of minor irrigation as a thrust area in the 9th Five Year Plan. The Ministry has, therefore, projected a much increased outlay of Rs. 2137.20 cr. for this sector in IX Five Year Plan. The Committee are however constrained to find that the Planning Commission has failed to appreciate the need for development of Minor Irrigation and has approved an outlay of only Rs. 371.75 cr. for the Ninth Plan *i.e.* only 21.3% of the outlay proposed by the Ministry of Water Resources. The result of the reduced outlay has been downsizing of a major new scheme on Minor Irrigation viz. "Rehabilitation of old tanks and other water harvesting structures", which the Ministry proposed to start in the current year. Against an

outlay of Rs. 980 cr. proposed in the 9th Plan by Ministry of Water Resources, only an outlay of Rs. 10 cr. has been approved for the scheme.

The Committee are of the view that with only 37% of the total sown area being irrigated and the rest being the rainfed area, harnessing of rain water is very essential which was being hitherto neglected.

The Committee therefore strongly recommend to the Planning Commission to review the allocation for the scheme taking into consideration the benefits that will accrue to agriculture through the scheme and enhance the allocation suitably in the Revised Estimated stage this year itself. Under Minor Irrigation Projects, a definite target should be fixed to provide assured irrigation so that at least 50 per cent of the rainfed area gets adequate irrigation facilities in the next two years.

Reply of the Government

1.19 The Standing Committee on Agriculture has desired that a definite target should be fixed to provide assured irrigation so that at least 50% of the rain-fed area gets adequate irrigation facilities in the next two years. It may be mentioned that planned outlay for Ministry of Water Resources has no connection with the target of irrigation potential through minor irrigation schemes as these are implemented by the State Governments from their own budgetary resources.

Minor Irrigation Wing had earlier kept an outlay of Rs. 1663 crores out of the total outlay of Ministry of Water Resources of Rs. 7672.14 crores. Subsequently, the fund required was revised to Rs. 1005 crores (Rs. 25 crores for continuing schemes and Rs. 980 crores for new schemes). The details of the new schemes are as below:—

1. Rehabilitation and Maintenance of Minor Irrigation Scheme	Rs. 753 crores
2. Performance Evaluation Study	Rs. 2 crores
3. Sprinkler/Drip System	Rs. 25 crores

-
- | | |
|---|----------------|
| 4. Central Sector Scheme for completion/
construction of irrigation schemes in
drought affected districts (KBK) of Orissa | Rs. 100 crores |
| 5. Centrally sponsored scheme for installation
of pumpsets for poor and marginal farmers
in North-Eastern States | Rs. 100 crores |
-

Keeping in view the minimum requirement projected by the Ministry of Water Resources to the Planning Commission, the demand of MI Division has been modified to Rs. 798 crores (Rs. 20 crores for RMIS for continuing scheme and Rs. 778 crores for new schemes). The new schemes include rehabilitation of minor irrigation schemes amounting to Rs. 753 crores and Centrally Sponsored Scheme for providing pumpsets to the North-Eastern States amounting to Rs. 25 crores. The proposed outlay for this scheme for the year 1998-99 is Rs. 10 crores.

As the Parliamentary Standing Committee has strongly recommended for this scheme, the Planning Commission is being approached once again for providing Rs. 753 crores for implementation of this scheme over a period of six years.

Comments of the Committee

1.20 The Committee note that the initial Ninth Plan outlay of Rs. 1663 crores proposed by the Ministry of Water Resources for Minor Irrigation was revised by themselves downward to Rs. 1005 crores which included Rs. 25 crores for continuing schemes and Rs. 980 crores for new schemes. The allocation of Rs. 980 crores for schemes was far reduced to Rs. 798 crores by excluding totally the Central Sector Scheme for completion of irrigation schemes in drought affected KBK districts of Orissa and by cutting down drastically the centrally sponsored scheme for installation of pumpsets for poor and marginal farmers in North Eastern States from Rs. 100 crores to Rs. 25 crores. The Committee strongly disapproves the total exclusion of the Central Sector Scheme for KBK Districts of Orissa which is in utter disregard of the continued recommendations of this Standing Committee made time and again in the past few years on this subject. The Committee need hardly stress that the Union Government should specifically focus its

attention to the irrigation needs of the KBK Districts of Orissa which have been repeatedly ravaged by drought and scarcity for years together. The Committee also disapprove the drastic slashing down of the allocation for providing pump-sets in the North Eastern States where it is absolutely necessary to wean away the farmers from the practice of shifting cultivation and to protect the environment from soil erosion and denuding of forests. The Committee, therefore, recommend that these two schemes should be allotted funds as originally planned in view of the special problems of backwardness of these areas and in view of the urgency involved in taking ameliorative measures in respect of these areas.

Recommendation No. 19

Provision to make available Water Resources for Kalahandi and its adjoining districts

1.21 The Committee are distressed to note that despite the repeated recommendations to formulate fully a Centrally funded scheme to overcome drought problem specifically in the Kalahandi, Bolangir, Nuapada, Koraput and Baragada districts of Orissa, no special programme has been drawn up and no budgetary provision was made for 1998-99 for the special programme for drought proofing Kalahandi and adjoining districts. This is despite the Government of Orissa having submitted a comprehensive plan covering Kalahandi & adjoining area which was asked for by Ministry of Water Resources in pursuance of recommendation of inter-Ministerial team which toured Orissa. The Committee are further surprised that Government of Orissa has now been advised to priorities the on-going projects through diversion of funds from its annual allocated funds for other long term projects like Rengali Dam and AIBP.

The Committee severely deplore this dilution of their recommendation and strongly recommend that a special programme be drawn up for drought prone area immediately and funds be made available for the programme at the revised estimate stage.

Reply of the Government

1.22 A Central Team constituted by the Ministry of Water Resources in pursuance of the recommendations of the Parliamentary Standing Committee on Agriculture had visited the drought prone areas of

Kalahandi and adjoining 4 districts of Orissa in July, 1997 for assessing the drought situation and suggest schemes for solving water problems of these districts. The Central Team had submitted its report in January, 1998 containing *inter-alia* recommendations of fully Centrally funded scheme costing Rs. 745 crores for new and on-going minor, medium and major schemes of Kalahandi and adjoining 4 districts. As a follow-up action on the recommendations of the Central Team, Secretary, MOWR had taken 2 meetings with the officers of the concerned Central Government Ministries/Departments of State Government of Orissa. Ministry of Water Resources does not have any fund for providing financial assistance to new minor, medium and major irrigation projects. However, Ministry of Water Resources is providing Central Loan Assistance to ongoing irrigation projects under the Accelerated Irrigation Benefit Programme (AIBP). The assistance is provided to only those projects on which the State Governments have incurred substantial expenditure and are languishing now for want of funds. Two ongoing major projects namely Upper Indrawati and Upper Kolab considered by the Central Team for Special assistance by the Centre are already being funded under AIBP.

Big Water Resources projects may not be able to benefit the small and marginal farmers of the drought prone districts of Orissa. Million Wells Scheme and Ganga Kalyan Yojna operated by the Ministry of Rural Areas and Employment specially help the small and marginal farmers and as such need to be encouraged for extensive coverage. Therefore, the State Government has been advised to submit its proposal for additional funds under Million Wells Scheme, Ganga Kalyan Yojna etc. and other schemes to M/o Rural Areas & Employment.

The Parliamentary Standing Committee on Agriculture has recommended that a fully Centrally funded scheme should be formulated by Ministry of Water Resources for ensuring permanent availability of water resources in the 5 drought affected districts of Orissa namely Kalahandi, Nuapada, Bolangir, Koraput and Bargarh. As the Ministry of Water Resources does not have any fund for above scheme which was recommended by the Central Team for drought proofing the Kalahandi and adjoining four districts, Planning Commission is being approached to provide funds for the implementation of the scheme recommended by the Central Team as a fully Centrally funded scheme.

Comments of the Committee

1.23 The Committee are disappointed at the manner in which the Ministry of Water Resources has tried to wash their hands off from the responsibility of formulating a special water resources scheme for the drought prone KBK districts of Orissa. The Committee are further distressed to find that on one hand the Ministry of Water Resources has stated that the Planning Commission is being approached to provide funds for implementation of the schemes while on the other hand the Ministry has modified their projection for 9th Plan by excluding this scheme for KBK districts as has been explained in their reply to Recommendation No. 13.

The Committee take a strong exception to this kind of contradictory position taken by them and recommend that sincere efforts should be made by Ministry of Water Resources to get the plan approved by Planning Commission.

The Committee further note that the Ministry of Water Resources has advised the State Government to submit proposal for funds to Ministry of Rural Areas and Employment under Million Wells Scheme and Ganga Kalyan Yojna which they feel will specially help small and marginal farmers. The Committee would like to know the success of these schemes in Orissa and if they address fully to the problems of Orissa farmers. The Committee further desire the Ministry of Water Resources to coordinate with Ministry of Rural Areas and Employment in formulating these schemes.

Recommendation No. 21

Instant Clearance for Irrigation Projects

1.24 The Committee find that several major and medium irrigation projects sent by the States for various kinds of mandatory clearances to the various Departments of the Union Government get delayed due to cumbersome procedures involved in the matter. Due to these complicated procedures and bureaucratic delays, there is time over-run and cost escalation in respect of these projects. The Committee, therefore, feel that a suitable resolution mechanism should be evolved by making the Ministry of Water Resources the nodal Ministry in the matter. The resolution mechanism should have the senior-most representatives from the Ministries concerned and across the table

clearances from all angles should be accorded in one sitting. The Committee recommend that a time-frame should be fixed for granting one time, all pervasive clearance to the irrigation projects. All the defects should be pointed out at one time only by the concerned clearing agencies and these should be rectified on the spot as far as possible and in no case it should not take more than two sittings for clearing any project through this resolution mechanism. The Committee feel that urgent action on the creation of this resolution mechanism should be immediately taken in view of the huge public finances that are involved in these projects and also in view of the cost escalation and consequent delay in accrual of benefits to the farmers and to the nation ultimately.

Reply of the Government

Instant Clearance for Irrigation Projects

1.25 Irrigation being a State subject, for implementing/starting an irrigation project, the project Authorities only require administrative approval and technical sanction both for which the competent authority is concerned State Government. The investment clearance of the Planning Commission is required only for inclusion of a project as a Plan scheme to form part of State Plan.

2. All the major/medium irrigation projects are normally very complex in nature and have multi-disciplinary aspects and are appraised by various Central agencies simultaneously. These schemes are then considered by the technical Advisory Committee of Ministry of Water Resources headed by Secretary (WR) which after examining the techno-economic viability recommends the projects for approval and investment clearance of the Planning Commission.

3. The Central Water Commission has issued in the year 1989, the "Guidelines for submission, appraisal and clearance of Irrigation and Multipurpose Projects". As per these guidelines for the projects where the issues have remained unsettled for 14 months, the project is returned to the State Government for carrying out the necessary modification after the issues are settled and for resubmission of the projects with updated cost estimates. Such projects are processed by CWC as new projects. In the case of medium projects the projects are returned to the States after 7 months if issues remain unresolved during this period.

4. The clearance of projects as such depends upon how soon the States comply with the observation of Central Appraising Agencies and obtains clearance from Ministry of Environment & Forests and Ministry of Welfare in respect of Environment/Forest and Rehabilitation/Resettlement plans.

5. To expedite appraisal of the projects, Planning Commission in June, 1992 have urged the States to constitute multi-disciplinary body on the lines of Advisory Committee of Ministry of Water Resources to examine and approve the projects proposals before submitting the same to the Centre. It would ensure that proposals are well formulated before these are received at the Centre and examination at Centre is limited to water availability aspect. Some of the reasons causing delay in techno-economic appraisal are:—

- (i) The detailed project reports formulated by the States are generally not in accordance with the guidelines issued by the CWC for this purpose;
- (ii) Project proposals are based on inadequate investigation;
- (iii) Hydrological studies are neither based on adequate data nor standard techniques are applied in carrying out such studies;
- (iv) The concurrence of State Revenue, Financial & Agricultural Departments are not obtained while sending the proposals to the Centre for techno-economic appraisal.
- (v) Clearance from Ministry of Environment & Forests from Environment and forest angle and from Ministry of Welfare from R&R angle are not obtained by the State Governments.
- (vi) The State Government takes unduly long time in compliance of the observations of various Central Appraising Agencies.
- (vii) Cost estimates of projects are not of required standard.

6. However, the Planning Commission has recently (in November, 97/January, 98) relaxed the existing procedure for investment approval for irrigation projects. As per revised procedure the State Governments have been empowered to accord investment approval for medium irrigation scheme which do not involve any inter-State aspect(s). For this purpose any medium irrigation scheme located on inter-State river

or its tributary is deemed to evolve inter-State aspects. The State Governments are only required to obtain a certificate from CWC that the proposed medium project is not located on an inter-State river or its tributary. The CWC shall certify or otherwise to this effect within 4 weeks from the date of receipt of such a reference from the State Government.

7. For major/multipurpose and medium irrigation projects involving inter-State aspects, the existing procedure in vogue will be followed for investment clearance. However, the scrutiny of medium projects shall henceforth be completed in 18 weeks time where inter-State aspects have been resolved and economic viability of the projects is found acceptable. In the case of major irrigation & multipurpose projects, the scrutiny will henceforth be completed in 38 weeks time from the date of submission of detailed project report.

8. Many States have taken up works on unapproved Irrigation Projects also. Therefore, the allegation that the cost of the project escalate only due to delay in investment clearance is not correct. The other factors for cost escalation could be:—

- (i) Land acquisition problem.
- (ii) R&R problem.
- (iii) Clearance from Forest & Environment Angle.
- (iv) Frequent changes in scope of the project.
- (v) Revision in hydrology dam to inadequate investigation.
- (vi) Contractual problem.
- (vii) Insurgent activities particularly in North-Eastern & J&K State.
- (viii) Inter-departmental bottlenecks within the State Government.

9. In view of above, making Ministry of Water Resources exclusively responsible for clearance of projects may not be administratively possible. However, this Ministry is seized of the problem and has already directed CWC to evolve simplified guidelines for preparation of project reports by the State

Governments. Central Water Commission has since decided to constitute a Working Group to update the guidelines for preparation of detailed project report for irrigation & multipurpose projects by the States keeping in view the requirements of the Ministry of Welfare and Ministry of Environment as well.

Comments of the Committee

1.26 The Committee are not satisfied with the reply of the Government that it is not administratively possible to evolve a system of single window clearance for examining various water resources project proposals of the State Governments from all angles and to accord clearance in a single sitting in which representatives from the Planning Commission, the Ministry of Water Resources, the Ministry of Environment and Forests would be present. The Committee wish to point out that it is the prime responsibility of the Union Ministry of Water Resources to ensure that the optimum utilisation of the water resources in the country is done in a planned manner within the shortest time possible and they should, therefore, enable this process take place in the most effective manner by functioning as a nodal agency. The Committee do not approve of the negative attitude of the Government in this regard and they find an attempt in their reply to wriggle out of the situation instead of coming forward to devise a way to solve the problem. The Committee, therefore, reiterate their recommendation that the Government should evolve a system of single window clearance for all the irrigation project proposals received from the States on the lines suggested by the Committee.

Recommendation No. 23

Critical Anti-erosion Works

1.27 The Committee have been informed that there is a progressive erosion on the left bank of river Ganga downstream of Farakka in Malda and Murshidabad District of West Bengal. The National Highway No. 34, the railway lines and the feeder canal are under threat of being washed away. If this erosion goes unchecked in this sensitive

international border area, the very objective of the Farakka Project would be completely defeated. Therefore, the Committee recommend that a Central Sector Scheme of hundred per cent assistance should be launched to tackle this serious situation without any further delay. For this purpose, more funds should be allocated in the revised estimates stage for the year 1998-99.

Reply of the Government

1.28 Noting the serious erosion problem of Ganga in Malda and Murshidabad districts of West Bengal, the Committee has recommended that a Central Sector Scheme of 100% Central Assistance should be launched to tackle the problem and more funds should be allocated in the revised estimate of 1998-99.

A tentative outlay of Rs. 50 crore has been proposed for a Central Sector Scheme "Critical anti erosion in Ganga Basin States" during IX Plan. An allocation of Rs. 1.3 crore has been made for 1998-99. The allocation is inadequate and would be reviewed in the revised estimate after the scheme-wise allocation for IX Plan is finalised by Planning Commission.

As regards erosion in Ganga/Padma in the districts of Malda and Murshidabad in West Bengal, it may be stated that an Expert Committee constituted by this Ministry has recommended undertaking short term measures costing Rs. 315 crore and long term measures costing Rs. 612 crore. Ministry of Water Resources have requested Planning Commission to allocate funds to both Centre and Govt. of West Bengal for undertaking top priority short term schemes costing Rs. 240 crore to be undertaken in a period of 2 years. Of this Centre's requirement would be Rs. 95 crore and that of the State Rs. 145 crore. Recently in late July, 1998 Planning Commission has intimated that they have decided to release Rs. 30 crore to the State under the State Plan for the year 1998-99. However for the Central component of Rs. 95 crore Planning Commission has indicated its inability to enhance our allocation beyond what has been provided under BE of 1998-99.

It is essential to impress upon both the Planning Commission and Finance Ministry to arrange for an additional Central allocation of

Rs. 95 crore for this Ministry and a grant of Rs. 145 crore for Govt. of West Bengal during two financial years of 1998-99 and 1999-2000 to enable completion of top priority short term measures to tackle the erosion problem caused by Ganga-Padma in the districts of Malda and Murshidabad.

Comments of the Committee

1.29 The Committee are disappointed to note that the Planning Commission has decided to release only Rs. 30 crores to the State of West Bengal under the State Plan for the year 1998-99 against a requirement of Rs. 145 crores in two years for undertaking top priority short term schemes in respect of erosion control in Ganga/Padma in the districts of Malda and Murshidabad. However, against requirement of Rs. 95 crores under the Central Component, the Planning Commission has indicated its inability to enhance the present allocation for 1998-99. The Committee do not approve of this stand of the Planning Commission and wish to impress upon it and upon the Finance Ministry that the gravity of the situation required emergent and adequate funding in both the Central and State Sectors for this work to tackle the erosion problems in Malda and Murshidabad districts of West Bengal during the two financial years 1998-99 and 1999-2000. The Committee, therefore, recommend that in the Supplementary Demands for 1998-99 and in the Budget Estimates for 1999-2000, complete provision of Rs. 95 crores in the Central sector and Rs. 145 crores for State sector should be made to protect these sensitive areas in the international border of the country.

Recommendation No. 25

Kisau Dam and Renuka Dam Projects

1.30 The Committee are concerned to note that the Kisau Dam and the Renuka Dam Projects on the Yamuna in Himachal Pradesh had not been taken up for completion although several decades have passed after the launch of the scheme. The Committee recommend that the causes for delay in the execution of this project should be identified and remedial action initiated so that the projects are completed within a definite time-frame of two years from now on.

Reply of the Government

1.31 Reasons for delay in taking up for completion of the projects:—

- (1) Surveys & Investigations had to be carried out at alternative sites keeping in view different project proposals and project features.
- (2) The agreement for sharing of waters among the basin States was signed only on 12-5-94.
- (3) The agreement for Power sharing among the basin States is yet to be signed.
- (4) The comments of the State Government on the observations of Central Water Commission regarding the modified DPR are still awaited.

The time frame for the completion of the Kishau & Renuka Dam Projects is 9 years and 6 years respectively, and it may not be feasible to complete the project within a time-frame of two years as suggested by the Standing Committee.

Comments of the Committee

1.32 The Committee note that the Kisau Dam Project and the Renuka Dam Project have been badly delayed and a lot of procedural formalities are yet to be completed by the State Governments. The Committee feel that the project proposals required to be expedited and the Union Government has a great role to play in getting the matter resolved. They, therefore, recommend that the Union Government should take the initiative in the matter as a special case and persuade the State Governments to come to the negotiating table to complete all the procedural formalities at the earliest.

Recommendation No. 26

Sutlej-Yamuna Link Canal Project

1.33 The Committee feel highly disappointed to note that the funds allocated for the Sutlej-Yamuna Link Canal Project (SYL) remained unutilised year after year and there appears to be no hope for the

completion of this project in the near future, although more than 95% of the physical work has already been completed. Despite repeated recommendations of the Committee suggesting the resolution of the matter at the highest political level with the intervention of the Hon'ble Prime Minister, no steps have been taken towards the early solution of the problem. The Committee urge upon the Government to prevail upon the Chief Ministers of both the States to come to the negotiating table in the presence of the Hon'ble Prime Minister immediately so that the interests of the farming community is protected by resuming the work in the remaining portion of the project.

Reply of the Government

1.34 The Ministry of Water Resources is making sincere and concerted endeavour to evolve an amicable solution as early as possible for this long pending issue in co-operation with the Chief Minister of the concerned States.

Comments of the Committee

1.35 The Committee are not satisfied with the reply of the Government. The Committee have been suggesting time and again that the matter has to be resolved at the highest political level with the direct intervention of the Hon'ble Prime Minister. But the reply of the Government continues to be vague and the Committee have not been informed whether their recommendation was brought to the pointed notice of the Prime Minister at all, as he is the Chairman of the National Water Resources Council. The Committee desire a proper reply in this regard and they strongly reiterate their recommendation that the Government should immediately resolve the matter with the help of Chief Ministers of both the States and the Hon'ble Prime Minister.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation No. 3

Under-Utilization of Plan Funds

2.1 The Committee observe that in the last six years, the percentage of utilisation of Plan funds allocated in favour of the Ministry of Water Resources ranged from 62.35 to 92.39 out of the total. The details are as follows :—

(Rs. in crores)

Year	Budget Estimate	Actuals	Percentage of Utilisation
1992-93	240.00	199.26	81.78
1993-94	289.00	267.00	92.39
1994-95	275.47	232.67	84.46
1995-96	301.50	251.62	83.46
1996-97	1278.23	769.93	62.35
1997-98	341.00	289.49 (anticipated)	84.89

After a perusal of the statistics shown above, the Committee are disappointed to note that the Ministry of Water Resources could

not properly demonstrate its ability to absorb fully even the meager budgetary allocations made available to them. The Committee are at a loss to know as to how this kind of track record of utilisation of funds would help them when they approach the Planning Commission and the Ministry of Finance for higher allocations this year at the revised estimates stage and also in the years to come. The Committee, therefore, recommend that the Ministry of Water Resources should tone up their implementation machinery by taking suitable steps so that they are in a position to shoulder the onerous responsibility of achieving the goal of doubling the foodgrains production in the next ten years through their crucial irrigation support system. The Committee expect hundred per cent utilisation of the funds allocated to them in the coming years and they send in their best wishes to the devoted team of officers of the Ministry of Water Resources in their noble endeavour to support this nation at a critical juncture.

Reply of the Government

2.2 As per final allocation made in each of the six years from 1992-93 to 1997-98, the position of actual expenditure incurred by the Ministry from the Central Sector Plan budget is as under :—

Year	BE 1997-98	RE 1997-98	Actual Expenditure	Percentage of Utilisation
1992-93	240.00	216.44	199.26	92.06
1993-94	289.00	294.36	267.00	90.70
1994-95	275.47	245.82	232.67	94.65
1995-96	301.50	264.00	251.62	95.31
1996-97	1278.23	830.80	796.93	95.92
1997-98	341.00	304.04	289.49	95.21

It may be observed from the above that the percentage of utilisation of Plan funds ranged between 90-96% as compared to RE 1997-98. In this connection it is pertinent to note that quite often reduction in the BE figure at the RE stage is due to measures such as economy cuts imposed by the Ministry of Finance etc. and not always due to poor utilisation. It may also be observed from the expenditure pattern that expenditure during the last four years, *i.e.*, 1994-95 to 1997-98 has improved considerably as compared to the previous two years. Necessary steps for implementation of the schemes without loss of time due to procedural delays have been initiated for further improvement in utilisation of funds. Regular review meetings are also being held by the Ministry for monitoring expenditure performance of various Organisations operating the schemes so that constant standing in the way of utilisation of funds can be effectively eliminated.

Recommendation No. 12

Hydrology Project

2.3 The Committee are unhappy to note that under the 142 million\$ World Bank assisted Hydrology Project, the financial & Physical progress has been very low. Though the project is in its third year, an expenditure of only Rs. 193.18 million has been incurred. At this pace of progress, the Committee fail to understand as to how the Government will be in a position to utilise the full assistance. As the project is very important in strengthening the data base on hydrology, the Committee recommend that the progress of works under Programme be speeded up.

Reply of the Government

2.4 The Hydrology Project has been launched with the World Bank credit assistance of 90.1 million SDRs (US\$ 142 million approx.) to improve the technical capabilities and physical facilities available for measurement, validation, collection, analysis, transfer and dissemination of hydrological, hydrometeorological, hydrogeological and water quality data for basic water resources evaluation within participating states and Central agencies. The project would develop interactive, easily accessed and user friendly data bases which would be of immense use in the planning and management of water resources. The project is being implemented by eight States (Andhra Pradesh, Madhya Pradesh, Orissa, Tamil Nadu, Kerala, Karnataka, Maharashtra and

Gujarat) and five Central agencies (CWC, CWPRS, CGWB, NIH & IMD). The project implementation has commenced from September, 1995 and will end on September, 2001. The total cost of the project has been estimated as Rs. 609.24 crores, which comprises of Rs. 457.87 crores as baseline costs and the remaining Rs. 151.37 crores as physical and price contingencies. In addition, a Dutch grant of US \$ 17.4 million has been received under a bilateral agreement between GOI and Government of the Netherlands.

To achieve the predicted impact of the project, co-ordination, and monitoring arrangements have been put in place at National, State and Agency level. At the national level, a Project Coordination Secretariat (PCS) has been established in MW Wing of MOWR to undertake day-to-day administration and management of project implementation. The PCS is directly responsible for : (i) Facilitating project procurement and disbursement; (ii) Coordination with IDA/ World Bank; (iii) Monitoring and evaluation of overall project performance and impact (*i.e.*, use of data banks); (iv) Project reporting; and (v) Dissemination of agreed standards for project criteria, processes and procedures and lessons as project proceeds. The MW Wing/PCS is also the secretariat of National Level Steering Committee, National coordination committee, R&D evaluation Committee and National Hydrology Training Committee of Hydrology Project. The Project Coordination arrangements at States mirror those put in place at national level.

The project progress realised so far is behind the targets. An expenditure of Rs. 64 crores was incurred upto March, 1998 (Rs. 75 crores upto June, 1998). The major reasons that had held the project in the initial years are; (a) Late commencement of Project Implementation—The actual project implementation commenced from April, 1996 instead of September, 1995, because of delay in administrative clearances; (b) Difficulty on the part of implementing agencies in getting accustomed to World Bank Procurement procedures; (c) Certain policies of State/ Central Government, *e.g.*, ban on creation of new posts and procurement of new vehicles; (d) Lack of experience over the usage of hitech equipments in the country, provided for procurement in the project; and (e) Problems in transfer of Government land for buildings.

However, with most of the above issues having been resolved and also the preparatory work needed for project implementation viz. Putting in place coordination and monitoring arrangements at Central, State and Agency level; Preparation and Finalisation of Work

Programmes; Engagement of Consultancy Services; Finalisation of specifications of equipments/instruments planned for procurement under the project; Familiarisation with World Bank procurement procedures; etc. been completed, it is hoped that the project progress would be substantial in the current financial year 1998-99.

Recommendation No. 14

Scheme for Ground Water Development

2.5 The Committee are distressed to find that two important Ground Water Schemes viz. "Investigation and Development of Ground Water Resources for Eastern States" and "Assistance to States for Ground Water Recharge" for which allocations were made in 8th Plan were not approved by Planning Commission. In B.E. (1998-99) an allocation of Rs. 13.34 crores was made for these schemes which remained unspent. The Committee feel, keeping in view the distressing depletion of ground water. These schemes are very important and will give a long term benefit. The Committee, therefore, strongly recommend to the Planning Commission to evaluate the benefits of the schemes in the right perspective and make sufficient allocation in the Ninth Plan so that the schemes are taken up without further delay. The Committee further recommend that a thorough investigation and survey should be conducted throughout the country about the depletion of ground water and suitable schemes should be implemented for various zones in the whole country on the lines of the strategy contained in the scheme for Eastern India. This survey would also help the proper identification of areas to be taken up for watershed development on a priority basis.

Reply of the Government

2.6 The Central Ground Water Board (CGWB) had formulated two Centrally Sponsored Schemes viz., (1) "Investigation and Development of Ground Water in Eastern States" at an estimated cost of Rs. 67.75 crores with Central Share amounting to Rs. 36 crores and (2) "Assistance to States for ground water recharge" at an estimated cost of Rs. 81 crores with Central Share amounting to Rs. 42 crores during VIII Five Year Plan. The schemes were, however, not approved by the Planning Commission during the previous plan. These schemes are now proposed to be taken up during the IX Five Year Plan. Accordingly, the schemes have again been referred to the Planning Commission.

The revised cost of the schemes are Rs. 136.50 crores and Rs. 101.50 crores respectively. The Planning Commission is being persuaded to approve the scheme at an early date. The recommendations of the Standing Committee on Agriculture about the schemes are being communicated to the Planning Commission to expedite their approval.

As regards the second recommendation regarding implementation of suitable schemes for various zones in the country on the lines of the strategy contained in the schemes for Eastern India, it is stated that the CGWB has already completed the first level hydrogeological survey of the entire country. The Board is monitoring the situation of ground water level through a network of about 15,000 National Hydrograph Stations in the country, four times a year. This network is being strengthened under Hydrology Project, on the completion of which better monitoring of ground water will be possible. However, it may be pointed out that the proposed scheme for Eastern India is for exploitation of abundant ground water in that area. It is not meant for areas where depletion of ground water is taking place.

Recommendation No. 15

Participatory Irrigation Management Scheme (PIM)

2.7 The Committee are happy to find that there has been good progress in Participatory Irrigation Management Scheme in some commands especially in Andhra Pradesh where 10292 Water Users Associations have been formed. The Committee feel that participation of people is very important for efficient management of water. The Committee desire the Ministry of Water Resources to assist the other States also where the progress has been low in the formation of Water Users Association and in bringing public awareness regarding Water Management by audio visual programmes and simply by talking to them. The Committee further recommend that copies of the legislation enacted by the Andhra Pradesh Government to promote participatory irrigation management should be circulated to all the State Governments and Union Territories as a model Bill for enacting such legislations in all the States/Union Territories on those lines.

Reply of the Government

2.8 To help other States for improving the implementation of Participatory Irrigation Management (PIM), Ministry of Water Resources have taken a number of measures, which are enumerated below:—

1. The copies of legislation enacted by Government of Andhra Pradesh to promote PIM has been circulated in April, 1997 to all States and UT Governments for information and taking similar action.
2. The copies of legislation enacted by Government of Goa, namely, The Goa Command Area Development Act, 1997 (Goa Act 27 of 1997) to promote PIM has been published in Command Area Development News (an In House Journal), Vol. III, No. 1 for the period April-June, 1997 and copies have been sent to all States and UT Governments for information.
3. To create awareness on PIM among the beneficiary farmers, a number of activities were carried out by Ministry of Water Resources, main activities are given below :
 - (i) A National Conference on PIM was held in New Delhi from 19-23rd June, 1995. It was sponsored by Ministry of Water Resources and cosponsored by the Economic Development Institute of the World Bank, Washington and National Bank for Agriculture and Rural Development (NABARD). This conference stressed the need for further action for farmers' participation in the management of irrigation. One of the decisions in the conference (Action 4) was that an awareness campaign would be launched in the country through a series of State and Project level conferences.
 - (ii) The second National Conference on PIM was held from 20-22nd January, 1997 in Vigyan Bhawan, New Delhi and was attended by representatives of State Governments, NGOs, farmers, academicians, EDI of the World Bank, the World Bank's office in New Delhi, NABARD, Ford Foundation, UNDP and European Union.

- (iii) During the financial year 1995-96, Ministry of Water Resources sponsored fourteen State Level Conferences on Participatory Irrigation Management.
- (iv) During 1996-97, Ministry of Water Resources sponsored 58 Project Level Conferences on PIM in 13 States. During 1997-98, 4 State Level Conferences were sponsored by Ministry of Water Resources besides 9 Project Level Conferences were also sponsored in 6 States.
- (v) To provide better understanding and guidance on PIM, manuals on PIM in Marathi, Tamil and Telugu have been prepared at the initiative of Minister of Water Resources. In addition to the above work on the preparation of manual in Hindi and Kanada are also under way.
- (vi) The Ministry have also engaged a Consultant, namely, SOPPECOM, Pune for suggesting amendments to laws governing irrigation, so that Water Users Associations (WUAs) would be given the legal status. The draft of the amendment to Irrigation Acts for PIM is almost at the final stage.
- (vii) During 1996-97 and 1997-98, a number of training programmes have been sponsored by Ministry of Water Resources for training field functionaries and farmers for creation of awareness and understanding on PIM.
- (viii) A seven day Training of Trainers' (ToT) Programme on PIM was held at WALAMTARI, Hyderabad during April, 1998 and was attended by participants from the States of Andhra Pradesh, Rajasthan and Tamil Nadu.
- (ix) Based on the recommendations of the first and second National Conference on PIM held in June, 1995 and January, 1997, Secretary, Water Resources in July, 1997 requested the Chief Secretaries of the States to initiate action on various issues of PIM.

- (x) The CAD Wing of Ministry of Water Resources started publishing a quarterly "In House Journal" namely "Command Area Development News" from April 1995 which has now entered fourth year. In this journal developments and actions on all important aspects of CAD Programme and PIM are published to disseminate the information to all field functionaries. Copies of this journal are widely circulated.

Recommendation No. 17

Poor Performance of Flood Control Programmes

2.9 The Committee are distressed to note the poor financial and physical performance of flood control programmes of the Ministry of Water Resources during the 8th Plan and in 1997-98. The financial & physical progress of all the flood control programme have been much below the target. The Committee strongly recommend that the Ministry of Water Resources to take adequate steps to improve their performance in this sector.

The Committee are further unhappy at the slow progress of flood proofing programme in N. Bihar. They were informed that reason for non-utilisation of full grant is the laxity on the part of Government of Bihar in implementing the programme. The Committee do not approve of the laxity on the part of Bihar Government and desire the officers of the State should be persuaded to successfully implement the programme so as to give relief to the people of Bihar from the recurrent floods. Flood proofing should be accorded high priority and the scheme should be extended to other chronic flood affected States like Uttar Pradesh, West Bengal, Assam, Haryana, North-Eastern States etc. Sufficient allocations should be made for this extended programme in the revised estimates of this year.

Reply of the Government

2.10 The Committee while expressing distress on the poor financial and physical progress of all flood control programme during 8th Plan and 1997-98, have particularly highlighted the slow progress of flood proofing programme in North Bihar. The laxity on the part of Government of Bihar who are the implementing agency for this Central Sector Programme, which was given as the reason for slow progress

by MOWR, has not been approved by the Committee which has desired that the officers of the Government of Bihar should be persuaded to successfully implement the programme. The suggestion has been noted and Chairman, Ganga Flood Control Commission (GFCC) stationed at Patna has been advised by the Ministry to hold meetings periodically with senior engineers of the Water Resources Department, Government of Bihar to persuade them to accelerate the implementation of this scheme. Although Central assistance is supposed to be given to the Government of Bihar on a reimbursement basis, at the request of the Government of Bihar, this Ministry had released funds during 1997-98 as an incentive to accelerate implementation of this scheme and the Government of Bihar presently holds an amount of Rs. 1.00 crore as advance money to be utilised before lodging further claims during the current financial year 1998-99.

The Committee has further recommended that the scheme should be extended to other chronically flood affected States like U.P., West Bengal, Assam, Haryana, North-Eastern States etc. and that sufficient funds be allocated to this extended programme in the revised estimates of this year. In this connection it is stated that a new scheme "Flood Proofing Programme in States other than North Bihar" has been proposed by the Ministry during the 9th Plan with a tentative outlay of Rs. 10.00 crore. The allocation available for the programme during 1998-99 is Rs. 1.00 crore. As soon as scheme-wise allocation for the 9th Plan is finalised, action would be taken to start implementation of the scheme in other chronically flood affected States and the budget allocation during 1998-99 would be revised as needed at the revised estimate stage. Under this Programme, only Uttar Pradesh and West Bengal have shown interest and they have been requested to send schemes for consideration by the Centre. Other States have also been requested to participate in this programme and the Central Water Commission, Ganga Flood Control Commission and the Brahmaputra Board have been advised by the Ministry to pursue with the States for early action of schemes.

Recommendation No. 18

National Project Construction Corporation (NPCC)

2.11 The Committee are disappointed to note that no progress could be made in the finalisation of the fate of National Project Construction Corporation Ltd. which is pending for several years. In the meantime

the financial position of NPCC is worsening with every passing day, the cumulative loss of the Company has risen to Rs. 26044 lakhs. The Committee have been time & again recommending in the earlier reports strongly that the issue of revival of NPCC should be decided at the earliest so as to end the period of uncertainty which has adversely affected the performance of the company. The Committee again strongly recommend that issue of revival of NPCC be decided and implemented in the current financial year itself.

The Committee further recommend the tenderers of the idle capacity of manpower of NPCC may simultaneously be utilised for other organisations of NTPC etc. The scheme of voluntary retirement should also be made more attractive so that the idle manpower is reduced to a great extent. The Committee recommend that the matter of redeploying the idle staff to other bodies should be got resolved at the highest political level (*i.e.* at the Prime Minister level) by calling a meeting of the Minister for Power, the Minister for Water Resources and the Minister for Industry. In order to tide over the present financial crisis due to which salaries of employees have not been given for the last 16 months, sufficient budgetary allocations to the extent of Rs. 18 crores should be made in this year at the revised estimates stage. The Committee note that the projects being formed through the Accelerated Irrigation Benefits Programme are executed by the tendering system and the manpower deployed thereunder are employees of the tenderers. The Committee recommend that the employees of NPCC may be utilised for such project being executed under the Accelerated Irrigation Benefits Programme instead of using the tendering system.

Reply of the Government

2.12 Due to change of Govt. at the Centre it had become mandatory to obtain comments from all concerned Ministries/Departments. The financial implications on account of closure of financial year and package of retrenchment of staff in public sector undertaking announced in the budget 1998-99 have also changed. Accordingly, an updated Cabinet note is being circulated to all the concerned Ministries/Departments.

The administrative control of NTPC rests with Department of Power. Therefore, matter is being taken up with the Ministry of Power and NPCC will also be directed to take up the matter with NTPC.

In the revised Cabinet Note being circulated, a provision to make VRS more attractive has already been made by increasing benefit from 45 days to 90 days for every completed year of service.

Presently the Hon'ble Prime Minister is holding the additional charge of Ministry of Water Resources. Therefore a Note will be submitted for taking decision regarding convening a meeting in due course.

During the last financial year (1997-98) there was a budget provision of Rs. 3 crores under Non-Plan for making payment of arrears of salaries and wages. Efforts were made to get this amount enhanced to Rs. 16.52 crores. Ministry of Finance, however, did not agree and finally advised Ministry of Water Resources to link this proposal with revival plan. In the updated Cabinet Note, this component has been included and a provision of Rs. 15 crores has been proposed for payment of salaries and wages arrears upto 30.6.98. The matter will however be taken up with Ministry of Finance for enhancing budgetary allocation to the extent of Rs. 18 crores under Non-Plan as recommended by the Committee without linking this issue with Revival Plan.

Irrigation being a State subject there is little likelihood of the States agreeing to the central loan assistance under Accelerated Irrigation Benefit Programme with deployment of the staff of NPCC as suggested by the Committee. NPCC will have to participate in the competition bidding for award of works as per rules.

Recommendation No. 22

Optimum Utilisation of available Water Resources

2.13 The Committee note that many of our rivers are bountiful and can meet adequately the requirements of the people living in their basins if properly harnessed, leaving still something over for other less fortunately placed people in the nearby areas. There is a large scope for transferring water from one river basin to another with a view to meeting the requirements of water-short areas. However, due to differences of opinion about the quantum of water in a particular basin available for transfer to others, this country is facing a situation of poverty amidst plenty. Despite several public announcements about the linking of rivers across the country, no

systematic and substantial work has been done so far by even the most powerful Governments in power. It is a matter of great concern that no one really understands that creation of sufficient irrigation potential through optimum use of water resources is the golden key to solve all the problems of this country. Once the irrigation potential is created and utilised, the problems of want, poverty and unemployment will automatically vanish away from the soil of this country, turning it into a rich and powerful nation. Therefore, the Committee urges upon all the State Governments to sink all their differences and take a realistic view of the whole matter and come forward to agree for the linking of all the rivers so that a golden era dawns upon this country.

Reply of the Government

Note on Status of Interbasin Transfer of Water

2.14 The erstwhile Ministry of Irrigation and Central Water Commission had prepared a National Perspective Plan for optimum utilisation of Water Resources of the country.

It comprises of the following two components :

(a) Himalayan Rivers Development

(b) Peninsular Rivers Development

(a) Himalayan Rivers Development

Himalayan Rivers Development envisages construction of storage reservoirs on the main Ganga and Brahmaputra and their principal tributaries in India and Nepal, alongwith inter-linking canal systems to transfer surplus flows of the eastern tributaries of the Ganga to the west, apart from linking of the main Brahmaputra and its tributaries with the Ganga and Ganga with the Mahanadi. This component would provide additional irrigation of about 22 Million hectare and generation of about 30 Million KW of hydro power besides providing substantial flood control in the Ganga-Brahmaputra basins. It would also provide the necessary discharge for augmentation of flows at Farakka required *inter alia* to flush the Calcutta Port and provide the inland navigation facilities across the country.

(b) Peninsular Rivers Development

The scheme is divided into four major parts:—

- (i) Interlinking of Mahanadi-Godavari-Krishna-Cauvery rivers and building storages at potential sites in these basins.
- (ii) Interlinking of west flowing rivers, north of Bombay and South of Tapi.
- (iii) Interlinking of Ken-Chambal.
- (iv) Diversion of other west flowing rivers.

The Peninsular development is expected to provide additional irrigation to about 13 million hectare and is expected to generate about four million KW of hydro power.

The National Water Development Agency was established in July, 1982 as an autonomous Society to carry out the water balance studies on a scientific and realistic basis and other related studies for optimum utilisation of water resources of the Peninsular rivers system for preparation of feasibility reports. The objectives of the Agency were modified in April, 1990 to include the Himalayan component of National Perspective Plan for Water Resources Development. The NWDA is the first organisation of its kind in the country to take up such large scale studies for the scientific development and optimum utilisation of the water resources for various uses in the larger national interest.

The country faces flood havoc in some areas while there is severity of drought in other areas. The Brahmaputra and the Ganga in the north are having surplus flows whereas the rivers of Krishna, Cauvery, Pennar, Vaigai etc. in the South are having deficit flows, unable to meet even the existing irrigation requirements. The position is going to grow worse in the years to come with the increase in population and the need to have more food production. Keeping in view the above scenario, optimising the availability of utilisable water may involve transfer of water from surplus to water short basins as per the overall interest of the country.

Upto March, 1998, NWDA has completed the water balance studies of 137 sub-basins/basins, 52 water balance studies at diversion points,

58 reservoir studies, toposheet studies of 18 link alignments. Pre-feasibility Report of 17 links and Feasibility Reports of 5 links under the Peninsular component. The survey and investigations for preparation of Feasibility Reports for another 9 links are under progress. It is proposed to complete the Feasibility Reports of Peninsular component by about 2003 AD.

Also, Water Balance study of 19 links at diversion points, 16 toposheet and storage capacity studies of reservoirs, 19 toposheet studies of links and 14 Pre-feasibility Reports have been completed under the Himalayan Component. Survey & Investigations for preparation of Feasibility Reports for 5 links are in progress. It is proposed to complete the Feasibility Reports of all the links under the Himalayan component by about 2007 AD.

NWDA has completed the Feasibility Reports of 3 links viz. Pamba-Achankovil-Vaippar, Par-Tapi-Narmada & Ken-Betwa links which can be taken up for preparation of Detailed Project Report and subsequently for implementation after the requisite agreements between the concerned States are signed. The status of these links projects is as below :—

- (a) Pamba-Achankovil-Vaippar link concerns the States of Kerala and Tamil Nadu. The Government of Tamil Nadu has accepted the report whereas the Kerala Government is yet to accept the report.

Government of Kerala has apprehensions about the link itself. In their view, ecology of Vembanad Lake needs to be studied for the adverse effects and availability of surplus water in the total river systems of Kerala considering all the five and half rivers draining into Vembanad lake. The study has been entrusted to Centre Water Resources Development & Management (CURDM), Kozikhode. The report of CWRDM is still awaited.

- (b) The Par-Tapi-Narmada link involves the States of Gujarat and Maharashtra. The acceptance of the report has been linked with other link proposals, *i.e.*, Damanganga-Pinjal link and interstate aspects of Narmada and Tapi. NWDA has organised the Secretary level meetings to narrow down the differences between the two States.

- (c) Ken-Betwa link involves the States of UP & MP. The report has been circulated to the concerned States & Members of TAC in the year 1996. Their comments on the Feasibility Report are still awaited. Based on the Feasibility Reports, interstate agreements can take place and Detailed Project Reports prepared. The implementation of the link projects can be taken up in a phased manner depending upon the priority and availability of funds.

Comments of the Committee

2.15 The Committee desire that their original recommendation should be forwarded to all the State Governments and Union Territory Administration to persuade them to modify their stands on the matter of inter-linking of rivers.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT REPLIES

Recommendation No. 20

Assistance for Pending Irrigation Projects in Tamil Nadu

3.1 The Committee have been informed that the Avinasi Irrigation Project in Tamil Nadu meant for two drought prone districts of Coimbatore and Erode has been taken up for implementation. The cost of the project is Rs. 134 crores. The project requires central assistance for early completion. The project would help store the surplus water that goes waste unutilized during the seasons of floods in the Bhavani river. The project also has a component to store the surplus water in various irrigation tanks, ponds and lakes which in turn would help recharge the ground water which has already depleted to a very dangerous level. Due to depletion in ground water in these districts, all the tube-wells have gone dry and water table has gone down to 1000 feet below the surface, threatening to turn these unirrigated districts into deserts. The Committee, therefore, recommend that necessary central assistance should be released for this irrigation project urgently to save the lives of farmers in those drought prone districts. The Committee also recommend that the Mundan thurai Irrigation Project in Tamil Nadu pending since 1984 should also be funded for early completion.

Reply of the Government

3.2 The Committee has recommended for Central Assistance to Avinasi and Mundan thurai Irrigation projects in Tamil Nadu.

As per the information available, the project reports of the above projects have not been received in Central Water Commission. No such schemes appear in the 1997-98 Annual Plan Document of the State of Tamil Nadu.

The Scheme will be examined as and when received from State Government. State Government will be asked to submit their schemes if these do not involve any inter-State issues. Ministry of Water Resources has no programme under which new irrigation projects may be provided assistance. However, NABARD will be requested to provide assistance under RIDF after the schemes are given investment clearance by the Planning Commission.

Recommendation No. 27

Utilisation of sewage water in the villages for composting and for fertilising the soil

3.3 The Committee desire that the Union Government should prepare a scheme for assisting State Governments to construct large storage structures for the collection of sewage water available in every village so that this water can be sold to farmers for utilising them in their composting work and for adding nutrients to their soil. Such a scheme would add to the revenue of the local bodies which do not have sufficient resources for building such storage structures.

Reply of the Government

3.4 The Ministry of Water Resources is primarily concerned with the matters concerning Planning and Development of Water Resources for various uses like irrigation, drinking water supply, hydro power development etc. The recommendation in question relates to the utilisation of sewage water available in the villages for the purposes of preparation of manures.

The scheme as recommended by the Standing Committee on Agriculture could perhaps be taken up as a pilot project under

rehabilitation and maintenance of minor irrigation schemes. However, it may be mentioned that the implementation of the scheme has to be carried out keeping in mind that it may be a cause of pollution to drinking water supply being utilised from dug wells and shallow tubewells.

Comments of the Committee

3.5 The Committee desire that this recommendation of the Committee may be brought to the notice of the Ministry of Agriculture and the Ministry of Rural Development for taking appropriate action.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH THE REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation No. 4

Poor Sectoral Performance during the Eighth Plan

4.1 The Committee are unhappy to note that during the Eighth Plan period, the percentage of utilisation of funds was very low in the Major and Medium Sector and also in the Minor Irrigation Sector. Only 60.75 per cent of the total plan funds allocated was spent in the Major/Medium Irrigation Sector, while only 66.02 per cent of the total allocation was spent on Minor Irrigation Sector. Under the Flood Control Programme the utilisation of funds was only 69.63 per cent of the total. The main bottleneck in non-utilisation of plan fund as stated by the Ministry is late finalisation of the plan funds and subsequent procedural formalities required for clearance of expenditure proposals. The Committee are of the strong view that entire system of according sanction to schemes should be reviewed. Once the Plan budget allocations have already been made by the Planning Commission inconcurrence with the Ministry of Finance, the administrative Ministry should be given complete autonomy to clear schemes/expenditure proposed so that the schemes' can be taken up in the same year, as the same has been included in the budget. The Committee, therefore, recommend that their suggestion on this procedural reform should be brought to the notice of the highest political executive for appropriate decision in the matter, as several projects could not materialise due to time and cost over-runs that crept in only because of cumbersome and unreasonable procedures that are to be followed even after the sanction of Plan budgetary funds by the Planning Commission and the Ministry of Finance.

Reply of the Government

4.2 The Committee has observed that the utilisation of funds was only 69.63% in the flood control sector during 8th Plan. This is due to

late finalisation of plan fund allocation and procedural delays such as approval of EFC/SFC memos. In this connection, the Committee has recommended that the system of according sanction to schemes should be reviewed and the administrative Ministry should be given complete autonomy to clear schemes/expenditure proposals once the budget allocation is made by the Planning Commission with concurrence of Ministry of Finance.

This is a good suggestion which would cut down delays in processing EFC/SFC memos for which Planning Commission and Ministry of Finance are to be consulted as per the existing procedure. Also, Plan allocation need to be finalised within the first quarter of the financial year for which Planning Commission would be requested to expedite matters.

Comments of the Committee

4.3 For Comments of the Committee please refer to Para No. 1.6 of Chapter I of this Report.

Recommendation No. 5

Allocation of 10 per cent of funds for North East

4.4 The Committee note that during 1998-99 the percentage of release to the North East out of the total expenditure is 9.18. The Committee wish to draw the attention of the Ministry of Water Resources to the assurance given by the Hon'ble Prime Minister in November, 1996 to the effect that 10% of the Central Budget will be provided to implement specific schemes in the North Eastern States and all the Central Ministries and Departments will ensure strict implementation of the programmes. In the Budget speech in June, 1998 the Hon'ble Finance Minister also has mentioned about the creation of a non-lapsable Central Resource Pool for deposit of funds from all Ministries where the Plan expenditure on the North Eastern Region is less than 10 per cent of the total plan allocation of the Ministry. The difference between 10 per cent of the Plan allocation and the actual expenditure incurred on the North Eastern Region will be transferred to the Central Resource Pool which will be used for funding specific programmes for economic upliftment of the North Eastern States.

The Committee recommend that the Ministry of Water Resources should draw up more programmes/schemes exclusively for the North East even beyond the value of 10 per cent of their total plan allocation. The Committee wish to point out that there is need for having schemes even beyond this 10 per cent minimum limit for the North East in the field of water resources, as this resource is available in abundance in the North East. For this purpose, the Committee recommend that funds from Central Resource Pool should be utilised by the Ministry to develop these under-developed areas of the country with a specific focus.

The Committee further recommend that all the schemes for the N.E. States should be 100% Centrally funded and no stipulation for any contribution from the State Government should be there.

Reply of the Government

4.5 It will be seen that while proposing an allocation of Rs. 490.93 crores for Annual Plan 1998-99, Ministry of Water Resources has earmarked Rs. 60.00 crores for scheme operating in NE States which was 12.2% of the allocation. As per the interim allocation made by Planning Commission of Rs. 341.00 (at the same level of Annual Plan 1997-98), the allocation for NE States was Rs. 35.35 crores (10.37%). But in view of the enhanced allocation of Rs. 396.00 crores (Net), the allocation for NE States has been revised to Rs. 44.35 crores for 1998-99 which works out to 11.2% of the allocation.

Comments of the Committee

4.6 For Comments of the Committee please refer to Para No. 1.9 of Chapter I of this Report.

Recommendation No. 7

Assessment of Irrigation Potential added through AIBP

4.7 The Committee are concerned to note that there are 147 major irrigation projects which were started more than 15 years back and are not yet complete. A staggering amount of Rs. 42,000 crores is required to complete these projects. In order to partially remedy the situation the AIBP scheme was launched in 1996-97 for such of those old projects where more than 90% of the cost has been incurred already and only some more funds are required for their completion. However,

even after spending Rs. 1452.19 crores on these near-complete projects in the years 1996-97 and 1997-98, not a single project has been completed. Out of the total 138 projects sanctioned so far, only in the case of 14 projects the irrigation potential added is beyond two thousand hectares.

The Committee are not satisfied at the rate at which irrigation potential is created under the AIBP. Therefore, they recommend that the suitable steps should be taken to implement the programme more vigorously as if it were on a mission-mode, so that there is quick realisation of the objective of the programme.

Reply of the Government

Assessment of Irrigation Potential added through AIBP

4.8 1. Accelerated Irrigation Benefit Programme was launched by Central Government to provide Central Loan Assistance to State Government on matching basis for accelerating implementation of on-going major and medium irrigation projects which are in advance stage of construction.

2. The scheme could take-off in November, 1996 only during 1996-97 Rs. 500 crores was released to 58 projects proposed by the State Governments. During the second year, *i.e.*, 1997-98 Rs. 952.19 crores was released to 80 projects—48 continuing projects of 1996-97 and 32 new projects. Thus, during two years, *i.e.*, 1996-98 only Rs. 1452.19 crores was released under the programme which constituted only 4.1% of the spill over cost of Rs. 35070 crores of 80 projects included under AIBP and only 2% of spill over cost of 147 on-going major and medium irrigation projects in the country.

3. Before this programme was launched most of these projects were either lying dormant for years together or no work was being done on them for want of resource crunch with the State Governments. The launch of this programme has helped in mobilising these dormant projects and speed up the construction works on others.

4. AIBP has resulted in creation of additional potential of 50000 ha. in first year and another 65000 ha. in second year. All the projects included under AIBP will help in creation of total potential of 126.3 Lakh ha. on completion.

5. One-and-half year period for which the performance of AIBP is being reviewed is too small, in view of the fact that the normal gestation period for completion of a major project is 10-15 years and for a medium project 5 years. Also, the cost of creation of irrigation potential through major and medium projects ranges between Rs. 45000 to 70000 per ha. depending upon the location, size and type of the scheme. The real impact of the scheme will, therefore, be known only after 3-4 years after the commencement of the programme which certainly will also depend on providing of more funds for the programme. Equally important will be the utilisation of funds by the States who will have to mobilise their own resources, since AIBP involves matching State Governments contribution also in most cases.

6. In addition to paucity of funds other factors causing delay in implementation of the programme identified are : (i) Land acquisition problem particularly for canals and distributories networks; (ii) resettlement and rehabilitation of projects affected persons; (iii) clearance from environmental and forest angles; (iv) frequent changes in the scope of the projects; (v) revision in hydrology and design due to inadequate investigations; (vi) contractual problems and inter-departmental bottlenecks within the State Governments.

7. The physical and financial progress of the project components covered under the AIBP are monitored by Central Water Commission which has a field set-up all over the country. The general monitoring of AIBP is done by the Department of Programme Implementation. These projects are also monitored at the State and project levels.

Comments of the Committee

4.9 For Comments of the Committee please refer to Para No. 1.11 of Chapter I of this Report.

Recommendation No. 10

National Water Academy

4.10 The Committee have been informed that during 1992 it was decided to upgrade the Central Training Unit (CTU), Pune

into National Water Academy. The Committee find that even six years after this decision, the scheme of upgradation remain a chronic non-starter. At last, when the Government decided to act, they had chalked out a programme of 7 years for the execution of the Project.

The Committee are unhappy to find a long 7 years programme from 1998 to 2005 framed by Ministry of Water Resources for the upgradation of Central Training Unit into National Water Academy (NWA). The expenditure of the project is proposed to be met partly out of World Bank aided Hydrology Project fund which itself is available only upto 2001. The Committee desire that the programme should be got completed by 2001.

The Committee further find that no specific allocations has been made in the 8th Plan and 9th Plan for NWA. A combined outlay of Rs. 1.70 & Rs. 9.70 crores have been made in the 8th & 9th Plan for CTU/NWA. The Committee desire that separate allocation be made specifically for NWA in the 9th Plan so that there can be proper tied flow of funds to the Project. The Committee also recommend that the Central Water & Power Research Station should immediately hand over the land earmarked to CTU so that the work might start in right earnest from now on.

Reply of the Government

4.11 The continuing scheme of the 8th Plan for CTU/NWA is being modified under a changed name of "Upgrading the Central Training Unit (CTU) in the Central Water Commission (CWC) to National Water Academy (NWA)". A Memorandum for the Expenditure Finance Committee in this regard has been framed with an outlay of Rs. 29.10 crores out of which Rs. 4.45 crores will be provided by the World Bank under World Bank aided Hydrology Project as a loan already approved under a separate EFC Memo., and the balance Rs. 24.65 crores will be met from the Central Sector Plan outlay of the Ministry corresponding to the proposed scheme during the 9th Plan and 10th Plan. The EFC Memo. for setting up of NWA is under examination in the Ministry. CWPRS, Pune has physically handed over the land earmarked to CTU for setting up of NWA.

Comments of the Committee

4.12 For Comments of the Committee please refer to Para No. 1.14 of Chapter I of this Report.

Recommendation No. 11

Dam Safety Assurance & Rehabilitation Project

4.13 The Committee are unhappy to note that due to insignificant progress in the execution of remedial works the World Bank restructured the project with effect from 1.10.97 and reduced the number of dams identified for remedial works from 55 to 40 excluding 15 dams from the restructured project. The Committee find that due to the inefficiency on the part of the implementing authorities, precious foreign assistance that was forthcoming could not be availed of. The Government should already note that this is a fund-starved sector and it would be an act of grave indiscretion not to make use of foreign assistance made available on a platter. The Committee hope that hereafter the programme is implemented more sincerely and completed successfully.

Reply of the Government

4.14 The Project envisages (i) Institutional strengthening for Central Water Commission (which also included modernisation of Flood Forecasting in Mahanadi and Chambal basins) and four participating States of Madhya Pradesh, Orissa, Rajasthan and Tamil Nadu (ii) Basic Dam Facilities at selected Dams; and (iii) carrying out remedial works on hydrological/structurally distressed dams.

The total period of completion of the project was six years ending September, 1997. However, due to non-completion of works, the World Bank has initially granted an extension of one year upto September, 1998 and restructured the project reducing the number of dams for remedial works from 55 to 40. The project is likely to be extended by another one year upto September, 1999 subject to fulfilment of certain stipulations of the World Bank. The expenditure under the project upto September, 1997, original date of completion

of the project and from October, 1997 to June, 1998 is as under :—

Sl.No.	Components	SAR Cost	Restructured Project cost	Exp. upto September 1997	Exp. from 10/97 to 6/98
1.	Institutional Strengthening	524.20	650.44	199.98	108.69
2.	Basic Dam Safety Facility	604.50	821.85	391.34	118.35
3.	Remedial Works	3431.10	2926.01	1273.65	668.31
Total		4559.80	4398.30	1864.97	895.35

It is evident from the above that the expenditure upto 30.9.97 in a span of 75 months was about 186.50 crores which is 42% of the restructured project cost. The expenditure incurred from October, 1997 to June, 1998 *i.e.* in a period of nine months is about Rs. 90 crores which is 20% of the restructured project cost. This indicates that the implementation of the project has gained momentum. Secondly, the stipulations of the World Bank for second year extension upto 30.9.99 *viz.* achievement of 75% of the expenditure upto to June, 1998 against the outlay for the year from October 1997 to September, 1998 under the component of remedial works, has already been achieved. However, the extension to the project for another one year upto September, 1999 is awaited from the World Bank.

Comments of the Committee

4.15 For Comments of the Committee please refer to Para No. 1.17 of Chapter I of this Report.

Recommendation No. 13

Minor Irrigation

4.16 The Committee are happy to find that Ministry of Water Resources has rightly identified development of minor irrigation as a

thrust area in the 9th Five Year Plan. The Ministry has, therefore, projected a much increased outlay of Rs. 2137.20 cr. for this sector in IX Five Year Plan. The Committee are however constrained to find that the Planning Commission has failed to appreciate the need for development of Minor Irrigation and has approved an outlay of only Rs. 371.75 cr. for the Ninth Plan *i.e.* only 21.3% of the outlay proposed by the Ministry of Water Resources. The result of the reduced outlay has been downsizing of a major new scheme on Minor Irrigation *viz.* "Rehabilitation of old tanks and other water harvesting structures", which the Ministry proposed to start in the current year. Against an outlay of Rs. 980 cr. proposed in the 9th Plan by Ministry of Water Resources, only an outlay of 10 cr. has been approved for the scheme.

The Committee are of the view that with only 37% of the total sown area being irrigated and the rest being the rainfed area, harnessing of rain water is very essential which was being hitherto neglected.

The Committee therefore strongly recommend to the Planning Commission to review the allocation for the scheme taking into consideration the benefits that will accrue to agriculture through the scheme and enhance the allocation suitably in the Revised Estimated stage this year itself. Under Minor Irrigation Projects, a definite target should be fixed to provide assured irrigation so that at least 50 per cent of the rainfed area gets adequate irrigation facilities in the next two years.

Reply of the Government

4.17 The Standing Committee on Agriculture has desired that a definite target should be fixed to provide assured irrigation so that at least 50% of the rain-fed area gets adequate irrigation facilities in the next two years. It may be mentioned that planned outlay for Ministry of Water Resources has no connection with the target of irrigation potential through minor irrigation schemes as these are implemented by the State Governments from their own budgetary resources.

Minor Irrigation Wing had earlier kept an outlay of Rs. 1663 crores out of the total outlay of Ministry of Water Resources of Rs. 7672.14 crores. Subsequently, the fund required was revised to

Rs. 1005 crore (Rs. 25 crores) for continuing schemes and Rs. 980 crores for new schemes). The details of the new schemes are as below :—

1. Rehabilitation and Maintenance of Minor Irrigation Scheme	Rs. 753 crores
2. Performance Evaluation Study	Rs. 2 crores
3. Sprinkler/Drip System	Rs. 25 crores
4. Central Sector Scheme for completion/ construction of irrigation schemes in drought affected districts (KBK) of Orissa	Rs. 100 crores
5. Centrally sponsored scheme for installation of pumpsets for poor and marginal farmers in North-Eastern States	Rs. 100 crores

Keeping in view the minimum requirement projected by the Ministry of Water Resources to the Planning Commission, the demand of MI Division has been modified to Rs. 798 crores (Rs. 20 crores for RMIS for continuing scheme and Rs. 778 crores for new schemes). The new schemes include rehabilitation of minor irrigation schemes amounting to Rs. 753 crores and Centrally Sponsored Scheme for providing pumpsets to the North-Eastern States amounting to Rs. 25 crores. The proposed outlay for this scheme for the year 1998-99 is Rs. 10 crores.

As the Parliamentary Standing Committee has strongly recommended for this scheme, the Planning Commission is being approached once again for providing Rs. 753 crores for implementation of this scheme over a period of six years.

Comments of the Committee

4.18 For Comments of the Committee please refer to Para No. 1.20 of Chapter I of this Report.

Recommendation No. 19

Provision to make available Water Resources for Kalahandi and its adjoining districts

4.19 The Committee are distressed to note that despite the repeated recommendations to formulate fully a Centrally funded scheme to overcome drought problem specifically in the Kalahandi, Bolangir, Nuapada, Koraput and Baragada districts of Orissa, no special programme has been drawn up and no budgetary provision was made for 1998-99 for the special programme for drought proofing Kalahandi and adjoining districts. This is despite the Government of Orissa having submitted a comprehensive plan covering Kalahandi and adjoining area which was asked for by Ministry of Water Resources in pursuance of recommendation of inter-Ministerial team which toured Orissa. The Committee are further surprised that Government of Orissa has now been advised to priorities the on-going projects through diversion of funds from its annual allocated funds for other long term projects like Rengali Dam and AIBP.

The Committee severely deplore this dilution of their recommendation and strongly recommend that a special programme be drawn up for drought prone area immediately and funds be made available for the programme at the revised estimate stage.

Reply of the Government

4.20 A Central Team constituted by the Ministry of Water Resources in pursuance of the recommendations of the Parliamentary Standing Committee on Agriculture had visited the drought prone areas of Kalahandi and adjoining 4 districts of Orissa in July, 1997 for assessing the drought situation and suggest schemes for solving water problems of these districts. The Central Team had submitted its report in January, 1998 containing *inter-alia* recommendations of fully Centrally funded scheme costing Rs. 745 crores for new and on-going minor, medium and major schemes of Kalahandi and adjoining 4 districts. As a follow-up action on the recommendations of the Central Team, Secretary, MOWR had taken 2 meetings with the officers of the concerned Central Government Ministries/Departments of State Government of Orissa. Ministry of Water Resources does not have any fund for providing financial assistance to new minor, medium and major irrigation projects. However, Ministry of Water Resources is providing Central Loan

Assistance to ongoing irrigation projects under the Accelerated Irrigation Benefit Programme (AIBP). The assistance is provided to only those projects on which the State Governments have incurred substantial expenditure and are languishing now for want of funds. Two ongoing major projects namely Upper Indrawati and Upper Kolab considered by the Central Team for special assistance by the Centre are already being funded under AIBP.

Big Water Resources projects may not be able to benefit the small and marginal farmers of the drought prone districts of Orissa. Million Wells Scheme and Ganga Kalyan Yojna operated by the Ministry of Rural Areas and Employment specially help the small and marginal farmers and as such need to be encouraged for extensive coverage. Therefore, the State Government has been advised to submit its proposal for additional funds under Million Wells Scheme, Ganga Kalyan Yojna etc. and other schemes to M/o Rural Areas & Employment.

The Parliamentary Standing Committee on Agriculture has recommended that a fully Centrally funded scheme should be formulated by Ministry of Water Resources for ensuring permanent availability of water resources in the 5 drought affected districts of Orissa namely Kalahandi, Nuapada, Bolangir, Koraput and Bargada. As the Ministry of Water Resources does not have any fund for above scheme which was recommended by the Central Team for drought proofing the Kalahandi and adjoining four districts, Planning Commission is being approached to provide funds for the implementation of the scheme recommended by the Central Team as a fully Centrally funded scheme.

Comments of the Committee

4.21 For comments of the Committee please refer to Para No. 1.23 of Chapter I of this Report.

Recommendation No. 21

Instant Clearance for Irrigation Projects

4.22 The Committee find that several major and medium irrigation projects sent by the States for various kinds of mandatory clearances

to the various Departments of the Union Government get delayed due to cumbersome procedures involved in the matter. Due to these complicated procedures and bureaucratic delays, there is time overrun and cost escalation in respect of these projects. The Committee, therefore, feel that a suitable resolution mechanism should be evolved by making the Ministry of Water Resources the nodal Ministry in the matter. The resolution mechanism should have the senior-most representatives from the Ministries concerned and across the table clearances from all angles should be accorded in one sitting. The Committee recommend that a time-frame should be fixed for granting one time, all pervasive clearance to the irrigation projects. All the defects should be pointed out at one time only by the concerned clearing agencies and these should be rectified on the spot as far as possible and in no case it should not take more than two sittings for clearing any project through this resolution mechanism. The Committee feel that urgent action on the creation of this resolution mechanism should be immediately taken in view of the huge public finances that are involved in these projects and also in view of the cost escalation and consequent delay in accrual of benefits to the farmers and to the nation ultimately.

Reply of the Government

Instant Clearance for Irrigation Projects

4.23 Irrigation being a State subject, for implementing/starting an irrigation project, the project Authorities only require administrative approval and technical sanction both for which the competent authority is concerned State Government. The investment clearance of the Planning Commission is required only for inclusion of a project as a Plan scheme to form part of State Plan.

2. All the major/medium irrigation projects are normally very complex in nature and have multi-disciplinary aspects and are appraised by various Central agencies simultaneously. These schemes are then considered by the technical Advisory Committee of Ministry of Water Resources headed by Secretary (WR) which after examining the techno-economic viability recommends the projects for approval and investment clearance of the Planning Commission.

3. The Central Water Commission has issued in the year 1989, the "Guidelines for submission, appraisal and clearance of Irrigation and

Multipurpose Projects". As per these guidelines for the projects where the issues have remained unsettled for 14 months, the project is returned to the State Government for carrying out the necessary modification after the issues are settled and for resubmission of the projects with updated cost estimates. Such projects are processed by CWC as new projects. In the case of medium projects the projects are returned to the States after 7 months if issues remain unresolved during this period.

4. The clearance of projects as such depends upon how soon the States comply with the observation of Central Appraising Agencies and obtains clearance from Ministry of Environment & Forests and Ministry of Welfare in respect of Environment/Forest and Rehabilitation/Resettlement plans.

5. To expedite appraisal of the projects, Planning Commission in June, 1992 have urged the States to constitute multi-disciplinary body on the lines of Advisory Committee of Ministry of Water Resources to examine and approve the project proposals before submitting the same to the Centre. It would ensure that proposals are well formulated before these are received at the Centre and examination at Centre is limited to water availability aspect. Some of the reasons causing delay in techno-economic appraisal are:—

- (i) The detailed project reports formulated by the States are generally not in accordance with the guidelines issued by the CWC for this purpose.**
- (ii) Project proposals are based on inadequate investigation.**
- (iii) Hydrological studies are neither based on adequate data nor standard techniques are applied in carrying out such studies.**
- (iv) The concurrence of State Revenue, Financial and Agricultural Departments are not obtained while sending the proposals to the Centre for techno-economic appraisal.**
- (v) Clearance from Ministry of Environment & Forests from environment and forest angle and from Ministry of Welfare from R&R angle are not obtained by the State Governments.**

- (vi) The State Government takes unduly long time in compliance of the observations of various Central Appraising Agencies.
- (vii) Cost estimates of projects are not of required standard.

6. However, the Planning Commission has recently (in November, 97/January, 98) relaxed the existing procedure for investment approval for irrigation projects. As per revised procedure the State Governments have been empowered to accord investment approval for medium irrigation scheme which do not involve any inter-State aspect(s). For this purpose any medium irrigation scheme located on inter-State river or its tributary is deemed to evolve inter-State aspects. The State Governments are only required to obtain a certificate from CWC that the proposed medium project is not located on an inter-State river or its tributary. The CWC shall certify or otherwise to this effect within 4 weeks from the date of receipt of such a reference from the State Government.

7. For major/multipurpose and medium irrigation projects involving inter-State aspects, the existing procedure in vogue will be followed for investment clearance. However, the scrutiny of medium projects shall henceforth be completed in 18 weeks time where inter-State aspects have been resolved and economic viability of the projects is found acceptable. In the case of major irrigation and multipurpose projects, the scrutiny will henceforth be completed in 38 weeks time from the date of submission of detailed project report.

8. Many States have taken up works on unapproved Irrigation Projects also. Therefore, the allegation that the cost of the project escalate only due to delay in investment clearance is not correct. The other factors for cost escalation could be:—

- (i) Land acquisition problem.
- (ii) R&R problem.
- (iii) Clearance from Forest & Environment Angle.
- (iv) Frequent changes in scope of the project.
- (v) Revision in hydrology dam to inadequate investigation.

- (vi) Contractual problem.
- (vii) Insurgent activities particularly in North-Eastern & J&K State.
- (viii) Inter-departmental bottlenecks within the State Government.

9. In view of above, making Ministry of Water Resources exclusively responsible for clearance of projects may not be administratively possible. However, this Ministry is seized of the problem and has already directed CWC to evolve simplified guidelines for preparation of project reports by the State Governments. Central Water Commission has since decided to constitute a Working Group to update the guidelines for preparation of detailed project report for irrigation and multipurpose projects by the States keeping in view the requirements of the Ministry of Welfare and Ministry of Environment as well.

Comments of the Committee

4.24 For comments of the Committee please refer to Para No. 1.26 of Chapter I of this Report.

Recommendation No. 23

Critical Anti-erosion Works

4.25 The Committee have been informed that there is a progressive erosion on the left bank of river Ganga downstream of Farakka in Malda and Murshidabad districts of West Bengal. The National Highway No. 34, the railway lines and the feeder canal are under threat of being washed away. If this erosion goes unchecked in this sensitive international border area, the very objective of the Farakka Project would be completely defeated. Therefore, the Committee recommend that a Central Sector Scheme of hundred per cent assistance should be launched to tackle this serious situation without any further delay. For this purpose, more funds should be allocated in the revised estimates stage for the year 1998-99.

Reply of the Government

4.26 Noting the serious erosion problem of Ganga in Malda and Murshidabad districts of West Bengal, the Committee has recommended

that a Central Sector Scheme of 100% Central Assistance should be launched to tackle the problem and more funds should be allocated in the revised estimate of 1998-99.

A tentative outlay of Rs. 50 crore has been proposed for a Central Sector Scheme "Critical anti erosion in Ganga Basin States" during IX Plan. An allocation of Rs. 1.3 crore has been made for 1998-99. The allocation is inadequate and would be reviewed in the revised estimate after the scheme-wise allocation for IX Plan is finalised by Planning Commission.

As regards erosion in Ganga/Padma in the districts of Malda and Murshidabad in West Bengal, it may be stated that an Expert Committee constituted by this Ministry has recommended undertaking short term measures costing Rs. 315 crore and long term measures costing Rs. 612 crore. Ministry of Water Resources have requested Planning Commission to allocate funds to both Centre and Govt. of West Bengal for undertaking top priority short term schemes costing Rs. 240 crore to be undertaken in a period of 2 years. Of this Centre's requirement would be Rs. 95 crore and that of the State Rs. 145 crore. Recently in late July, 1998 Planning Commission has intimated that they have decided to release Rs. 30 crore to the State under the State Plan for the year 1998-99. However for the Central component of Rs. 95 crore Planning Commission has indicated its inability to enhance our allocation beyond what has been provided under BE of 1998-99.

It is essential to impress upon both the Planning Commission and Finance Ministry to arrange for an additional Central allocation of Rs. 95 crore for this Ministry and a grant of Rs. 145 crore for Govt. of West Bengal during two financial years of 1998-99 and 1999-2000 to enable completion of top priority short term measures to tackle the erosion problem caused by Ganga-Padma in the districts of Malda and Murshidabad.

Comments of the Committee

4.27 For Comments of the Committee please refer to para No. 1.29 of Chapter I of this Report.

Recommendation No. 25**Kisau Dam and Renuka Dam Projects**

4.28 The Committee are concerned to note that the Kisau Dam and the Renuka Dam Projects on the Yamuna in Himachal Pradesh had not been taken up for completion although several decades have passed after the launch of the scheme. The Committee recommend that the causes for delay in the execution of this project should be identified and remedial action initiated so that the projects are completed within a definite time-frame of two years from now on.

Reply of the Government

4.29 Reasons for delay in taking up for completion of the projects:—

- (1) Surveys & Investigations had to be carried out at alternative sites keeping in view different project proposals and project features.
- (2) The agreement for sharing of waters among the basin States was signed only on 12-5-94.
- (3) The agreement for Power sharing among the basin States is yet to be signed.
- (4) The comments of the State Government on the observations of Central Water Commission regarding the modified DPR are still awaited.

The time-frame for the completion of the Kisau & Renuka Dam Projects is 9 years and 6 years respectively, and it may not be feasible to complete the project within a time-frame of two years as suggested by the Standing Committee.

Comments of the Committee

4.30 For Comments of the Committee please refer to Para No. 1.32 of Chapter I of this Report.

Recommendation No. 26**Sutlej-Yamuna Link Canal Project**

4.31 The Committee feel highly disappointed to note that the funds allocated for the Sutlej-Yamuna Link Canal Project (SYL) remained unutilised year after year and there appears to be no hope for the completion of this project in the near future, although more than 95% of the physical work has already been completed. Despite repeated recommendations of the Committee suggesting the resolution of the matter at the highest political level with the intervention of the Hon'ble Prime Minister, no steps have been taken towards the early solution of the problem. The Committee urge upon the Government to prevail upon the Chief Ministers of both the States to come to the negotiating table in the presence of the Hon'ble Prime Minister immediately so that the interests of the farming community is protected by resuming the work on the remaining portion of the project.

Reply of the Government

4.32 The Ministry of Water Resources is making sincere and concerted endeavour to evolve an amicable solution as early as possible for this long pending issue in co-operation with the Chief Ministers of the concerned States.

Comments of the Committee

4.33 For Comments of the Committee please refer to Para No. 1.35 of Chapter I of this Report.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation No. 1

Inadequate Ninth Plan Outlay

5.1 The Committee note that against the original Central Plan Outlay of Rs. 5886 crore proposed by the Ministry of Water Resources for the 8th Plan (1992-97) period, the Planning Commission approved an outlay of Rs. 1500 crores only for the Ministry and this amount excludes the allocation for transport sector. However, the Ministry was given higher budgetary allocations and the total Eighth Plan expenditure was Rs: 2111.93 crores. The results of this under allocation are reflected in reduced physical achievements as indicated below :—

(In '000 ha.)

Sl. No.	Sector		Potential Created	Utilised
I.	Major & Medium Irrigation	Target	5087.65	4252.31
		Achievement	1977.75	1710.47
II.	Minor Irrigation	Target	10711.00	9360.00
		Achievement	6470.00	5990.00

In the Major & Medium Irrigation sector, the physical achievement in increasing the irrigation potential is 38.88% of the target. In respect of the irrigation potential utilised, the physical achievement is only 40.23%. Similarly, the physical achievements in respect of potential created and potential utilised under the Minor Irrigation Sector are 60.4% and 64% of the physical targets respectively. In the successive Five Year Plans, the percentage of

allocation in favour of Irrigation out of the total Central Plan outlay has declined from 23% in the first Plan to 6% in the latest Annual Plan. With this kind of declining outlay for Water Resources the Committee wonder as to how the Planning Commission and the Ministry of Finance expect the Ministry of Water Resources to achieve very ambitious targets in the Ninth Plan period. It is envisaged in the Ninth Plan to create irrigation potential to cover 9538.71 thousand hectares and to utilise the created potential over 8238.54 thousand hectares through Major & Medium Irrigation Plan Schemes. In the Minor Irrigation, these targets are to cover an area of 7124.41 thousand hectares and 4726.53 thousand hectares respectively by creation of irrigation potential and by utilisation of potential created. The Committee regret to note that the Planning Commission and the Ministry of Finance have chosen to reduce the Ninth Plan outlay for Water Resources from Rs. 7672.14 crores to Rs. 2545.83 crores which is not at all adequate to achieve the huge task assigned to the Ministry.

The Committee wish to draw the attention of the Planning Commission and the Ministry of Finance to the National Agenda which has envisaged the doubling of the foodgrains in the next ten years and also to the fact that it is the availability of adequate, timely and assured irrigation which will be the critical determinant of such increase in agricultural production. The Committee, therefore, recommend to the Planning Commission and the Ministry of Finance that they should increase the Ninth Plan outlay for the Ministry of Water Resources to Rs. 7672.14 crores as originally proposed by them and then allocate this outlay in the right proportion in each Annual Plan successively so that the funds earmarked could be fully available for utilization by the Ministry of Water Resources in view of the stupendous task that the Ministry has to perform.

Reply of the Government

5.2 Ministry of Water Resources is of the view that giving due regard to the overall resource availability with the Central Government, the allocation for IX Plan be revised atleast to the level of Rs. 4252 crores (net) to implement the items indicated in the Action Plan of the Ministry prepared in the context of the National Agenda and already submitted to the Planning

Commission. Additional allocation for items contained in the said Action Plan are as under:—

(Rs. in crores)		
	1998-99	1999-2002
(a) Promotion of Micro Irrigation System	190.00	692.00
(b) Renovation of Irrigation Tanks	70.00	244.87
(c) Expansion of Irrigation facilities in Eastern Region and strategy for Ground Water Utilisation	6.94	21.96
(d) Public Awareness	5.00	15.00
Total	271.94	979.83

The above projection of the Ministry does not include allocation for AIBP. The minimum requirement for the year 1998-99 is of the order of Rs. 668 crores.

However, Secretary (WR) is taking up the matter with the Member-Secretary, Planning Commission to allocate the originally proposed amount of Rs. 7672.14 crores to this Ministry in Ninth Five Year Plan and accordingly provide proportionate outlay in the successive Annual Plans of the Ministry.

Recommendation No. 2

Inadequate allocations for 1998-99

5.3 The Committee, note that the Plan budget estimate of the Ministry of Water Resources for 1998-99 is Rs. 410.85 crores, whereas the actual minimum requirement for them is of the order of Rs. 668 crores in view of the action plan drawn by them in the context of the National agenda. The Committee wish to point out to Planning Commission in this connection that in the initial year of the Ninth Plan period, *i.e.*, 1997-98, no new schemes were funded and even on the money to be spent on the on-going schemes from the Eighth Plan period, a 5 per cent cut was imposed. Apart from this, the country is

already in the fourth month of the current financial year and a period of 1 year and 3 months have already lapsed without doing anything in respect of the new schemes of the Ninth Five Year Plan, since only 3 years and 9 months are now left in the Ninth Five Year Plan, the time available for implementation of the new schemes has shrunk to a great extent. Therefore, there is a strong case to make higher allocations in respect of the new schemes of the Ninth Plan period in this year itself at the Revised Estimate stage and also in the coming years so that all the funds earmarked for the schemes for the five years of the Ninth Plan could be spent in 3 years and 9 months from now on.

The Committee, therefore, recommend that the Planning Commission and the Ministry of Finance should allocate the funds as asked for by the Ministry of Water Resources in the current financial year at Revised Estimate stage and also in the successive Annual Plans to come.

Reply of the Government

5.4 The Plan Budget Estimate of the Ministry of Water Resources for 1998-99 is Rs. 396.00 crores (Net) whereas the actual minimum requirement of the Ministry is about Rs. 668.00 crores in view of the Action Plan drawn up by the Ministry in the context of the National Agenda. The projected requirement has already been submitted to the Planning Commission with the request to raise the Annual Plan size of the Ministry for the year 1998-99 at the RE stage. However, personal attention of Member-Secretary, Planning Commission, is being drawn attention to the recommendation of the Standing Committee regarding allocation for Annual Plan 1998-99 and allocate a higher outlay to the Ministry at the RE stage.

Recommendation No. 6

Accelerated Irrigation Benefits Programme

5.5 The Committee note that under the Accelerated Irrigation Benefits Programme (AIBP), the Ministry of Finance released only Rs. 952.19 crores during 1997-98, although the Ministry of Water Resources made recommendations for the release of about Rs. 1500 crores for various projects and a budgetary provision of Rs. 1300 crores were available at their disposal for 1997-98. Besides, at the Revised Estimate stage, the allocation has been reduced without any reference

to the Ministry of Water Resources. The Committee take a serious view of this reduced release of funds to AIBP schemes despite the availability of a larger corpus of budgetary allocation during 1997-98. The Committee do not approve of this tendency of the Ministry of Finance, as such a practice would only negate the very objective of the programme. The Committee are further shocked to note that the Ministry of Finance are not bound to release the entire recommended money and the release can be curtailed when there is default by a State in loan repayment by way of adjustment of recoveries against release of grants. The Committee strongly feel that in such a situation the flow of funds would shrink and the implementation of the Programme will be only decelerated by this practice, although it is an "Accelerated" Programme in nomenclature. The Committee are of the view that the transfer of the task of release of funds from Ministry of Water Resources to Ministry of Finance will only lead to further bureaucratic delays, as the files will have to move back and forth from the Ministry of Water Resources to the Ministry of Finance and *vice-versa* with endless queries, notings and counter-notings. In view of the foregoing observations of the Committee, it is recommended that the task of release of funds should again be entrusted to the Ministry of Water Resources in the interest of expeditious flow of full funds to the States for the implementation of the Scheme. The allocation for AIBP should be shown under the Demands of the Ministry of Water Resources, as in the case of other innumerable schemes where Central loan assistance is given. The Committee feel that only this arrangement alone would ensure speedy disbursal of money to the schemes which have been already badly affected due to paucity of funds.

Reply of the Government

5.6 Ministry of Water Resources will be requesting Ministry of Finance for assigning the task of release of funds under AIBP for 1998-99 to the Ministry of Water Resources and for reflecting the budget provision made for AIBP during 1998-99 in the budget of this Ministry.

Recommendation No. 8

Maintenance of Major Irrigation Projects

5.7 The Committee find that the maintenance of the structures created in the major irrigation projects is very poor. During evidence the Committee were informed that Rs. 1800 crores are required annually

for maintenance of irrigation projects. The Committee have been informed that the States are unable to maintain these projects due to paucity of funds. The Committee wish to impress upon the Union Government about the imperative need for maintaining these assets as there is a danger of losing them for ever, if no timely maintenance is undertaken. Maintenance of assets should be assigned top priority and maintenance of these delicate assets should be the first charge on the Governmental exchequer. The Committee, therefore, recommend that the Union Government should consider initiating a scheme of Central assistance whereby the actual cost of maintenance is made available every year towards the maintenance of these projects.

Reply of the Government

5.8 Adequate and timely maintenance of an irrigation system is imperative for proper irrigation management. Efficient water management can not be achieved unless the infrastructure for water conveyance and delivery system is in a reasonably good condition to retain its operational efficiency. Due to lack of requisite maintenance quite a few of the irrigation networks have deteriorated markedly over the years. Signs of this include weed infestation, siltation, broken canal linings, failing and damaged structures and inoperative drains. Such structures are unable to deliver the water reliably to support crop needs as per the approved operation system. A serious impediment to irrigation system reliability and performance is, therefore, infrastructural deterioration from inattentive and absent maintenance regimes. The worst affected areas are the secondary and tertiary systems.

The financing of maintenance through non-plan funds has been posing a serious problem. Prior to independence the irrigation rates were generally sufficient to meet the working expenditure on operation and maintenance of irrigation systems. Since independence, however, there has been progressive deterioration in the return and efficiency of irrigation projects, imposing a growing burden on the revenue and agricultural production in the States. The provision made for the upkeep of irrigation projects is not adequate and even whatever provision is made is not utilised effectively.

The Tenth Finance Commission in their Report have for major and medium irrigation projects adopted a norm of Rs. 300/- per ha. for

the utilised potential and Rs. 100/- per ha. for the unutilised potential. During the period 1995-2000. This has been arrived at keeping in view the price rise and other changes which have taken place during the preceding five year period, namely 1990-95 for the minor irrigation, they have suggested a norm, which is half of what has been provided for major and medium irrigation schemes.

Based on the above norms, annual requirements of operation and maintenance expenditure on major, medium and minor (surface) irrigation projects have been worked out, considering the likely irrigation potential created/utilised upto the end of VIII Plan, as under:—

(i) Major and Medium Irrigation Projects

	(Rs. in crores)
(a) Utilised Potential of 29.22 million hectares @ Rs. 300/- per hectare.	Rs. 876.60
(b) Unutilised Potential of 4.60 million hectares @ Rs. 100/- per hectare	Rs. 46.00

(ii) Minor Irrigation Projects
(Surface Irrigation)

(a) Utilised potential of 10.81 million hectares @ Rs. 150/- per hectare	Rs. 162.15
(b) Unutilised Potential of 1.43 million hectares @ Rs. 50/- per hectares	Rs. 7.15

Total	Rs. 1091.90
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The Finance Commission have also accepted norms which provide for operation and maintenance expenditure at 30 per cent higher rate for hill States. However, since such States do not have appreciable

areas under irrigation it may not affect the overall requirements to a noticeable extent.

Considering five per cent rise in irrigation potential since the completion of the VIII Plan and after accounting for the additional O&M Expenditure in hill States, the requirements for the O&M of major, medium and minor (surface) irrigation projects during the year 1998-99 may be placed at Rs. 1200/- crores.

The Tenth Finance Commission have also recommended that suitable increase in the norms in each year of the forecast period may be provided to insulate them against inflation. Considering an average rate of inflation of about ten per cent per annum, the requirement of major, medium and minor (surface) irrigation projects during the year 1998-99 would work out to about 1600 crores. Taking into account the contingencies and other unforeseen items, during the evidence the Committee was informed that Rs. 1800 crores are required annually for maintenance of irrigation projects. The Committee while deliberating on the above issue have impressed upon the Union Government on the imperative need for maintaining these assets as there is a danger of losing them forever, if no timely maintenance is undertaken. They have, however, suggested that maintenance of assets should be assigned top priority and maintenance of these delicate assets should be first charge on the Government exchequer. In the light of the above, the Committee have recommended that Union Government should consider initiating a scheme of Central assistance whereby the actual cost of maintenance is made available every year towards the maintenance of these projects. This important recommendation of the Committee will be brought to the notice of the Planning Commission.

It may be added that the above requirement of Rs. 1800 crores will cater to the normal maintenance of structures only. Since there has been lack of maintenance due to paucity of funds and other reasons for the last several years, besides providing for the regular maintenance of such structures, a substantial amount will be required for bringing the works to their original design standards and thus compensating for the deferred maintenance all this while. The requirement of funds for such major interventions will, however, vary from project to project depending on the prevailing situation and firm estimates of the same can be provided by the concerned project authorities/State Governments.

The Working Group constituted by the Planning Commission on Major and Medium Irrigation Programme for the Ninth Five Year Plan have dealt with this aspect at length and have observed that while operation and routine maintenance will continue to be funded from non-plan works, such as special repairs, replacement of small structures etc. should be provided for under Plan. The Working Group in their report have provided a separate Head "Special repairs of existing irrigation systems" in their proposals for the Ninth Plan. A rate of Rs. 300 per ha. of net irrigated area has been recommended by them for the purpose. The total amount recommended under this head is Rs. 880 crores.

It is, however, to be pointed out that the Command Area Development Programme is now proposed to be reconstituted from 1998-99 to take care of the deferred maintenance and suitable provision will be provided, to be shared between Centre and the States on 50 : 50 basis, for correction of the system 'deficiencies/rehabilitation and modernisation of the irrigation system above the Government outlet.

Recommendation No. 9

Working of Water Disputes Tribunals

5.9 The Committee find that the Ravi and Beas Waters Tribunal has been working since 2nd April, 1986 whereas the Cauvery Waters Disputes Tribunal has been in existence since 2nd June, 1990. The Committee have been informed that there is no time limit prescribed to complete their work in the legislation under which these tribunals have been set up. It is not known as to when exactly, these tribunals would be handing out their final awards. Till such time, the Government will keep making budgetary provisions for the working of these tribunals. The allocation for 1998-99 on this count is Rs. 95.03 lakhs. The Committee have been informed that the Inter State Council in their meeting held on 28th November, 1997 have recommended that the Water Disputes Tribunals should give their awards within 3 years from the date of their constitution. Under unavoidable circumstances, an extension not exceeding 2 years may be given. The Award should be implemented within 2 years from the date of its notification. If the awards are not implemented within a period of 2 years, the State should be made to comply with the awards by the

Prime Minister in his capacity as the Chairman of the National Water Resources Council. Under unavoidable circumstances, suitable extension of time may be given for the implementation of the award. The Committee feel that the period of postponement of the hearing by the Tribunal on the request of aggrieved parties should be minimum in order to dispose of the matter expeditiously. The Committee, therefore, recommend that necessary legislative measures may be brought forward immediately to implement the recommendations of the Inter-State Council and of the Committee at the earliest in order to end the uncertainty about the whole matter.

Reply of the Government

5.10 The Inter-State Water Disputes Act, 1956 does not prescribe any time limit in which the Tribunals are required to give their award. However, in the case of Ravi and Beas Waters Tribunal, Government of India (GoI) while notifying the matters to be verified and adjudicated by the Tribunal specified a time limit of six months for submission of its report.

The Sarkaria Commission in its recommendations No. 17.6 - .04 on Inter-State river water disputes has recommended that ISWD Act, 1956 should be amended to ensure that the award of a Tribunal becomes effective within 5 years from the date of constitution of the Tribunal. This recommendation alongwith others were discussed in the 4th meeting of Inter-State Council (ISC) held on 28th November, 1997. The Inter-State Council recommended as under:—

“The tribunal should give its award within the period of 3 years from the date of its constitution. However, if for unavoidable reasons, the award could not be given within the period of 3 years, the Union Government may extend the period suitably not exceeding 2 years. The award should be implemented within 2 years from the date of notification of the award. If for unavoidable reasons, the award could not be implemented within a period of 2 years, the Union Government may extend the period suitably.”

Amendments in the ISWD Act, 1956 are under consideration of the Ministry of Water Resources.

Recommendation No. 16

Participatory Irrigation Management in Areas not covered by Command Area Development Programme (CAD)

5.11 The Committee note that the Ministry of Water Resources have proposed a scheme for Participatory Irrigation Management in irrigation projects not covered under CAD programme in the Ninth Plan. However, the Planning Commission has downsized the scheme and against an outlay of Rs. 105 crore proposed by Ministry of Water Resources, only Rs. 20 crore has been approved. The Committee recommend that keeping in view of the importance of scheme, the full allocation of Rs. 105 crore as proposed by Ministry of Water Resources be made. The Committee further recommend that the one-time functional grant of Rs. 500 per hectare given to Water Users Associations under CAD should also be given under this scheme in all the irrigation commands and there should be a constant monitoring and evaluation of the performance of the Water Users Associations.

Reply of the Government

5.12 Action is being initiated by Ministry of Water Resources for enhancing the outlay for PIM to Rs. 105 crore from Rs. 20 crore in consultation with the Planning Commission.

Recommendation No. 24

Ghaggar Flood Control Scheme

5.13 The Committee note that river Ghaggar originating in Shivalik Hills in the foot hills of Himalayas passes through the States of Punjab and Haryana and enters in Rajasthan in Sriganganagar district. Due to increase in flood magnitudes over the years, floods in Ghaggar travel now even upto Pakistan border which is about 150 kms. from Hanumangarh along the river belt. The Committee note that Ghaggar Flood Control Scheme was originally formulated in 1972 and it could not be taken up due to the changes made in its scope for the past 26 years necessitating every time detailed investigations and modifications. The Committee are disappointed to note that no substantial progress has taken place in the matter of implementing the

scheme, while several hectares of lands got submerged due to recurring floods. The Committee recommend that the Union Government should impress upon the State Governments concerned to formulate and execute the scheme to control floods in this area by according highest priority to this long pending project. The Committee expect a report to be submitted in this regard within three months of presentation of this report.

Reply of the Government

5.14 Ghaggar Flood Control Scheme originally estimated to cost Rs. 4.22 crores was prepared by State Government during 1964 to reduce the occurrence of floods in river Ghaggar and to save the affected areas in Rajasthan from consequent losses. The Project proposal was first revised in 1972 for an estimated cost of Rs. 6.50 crores. The Scheme was further revised in 1980 based on certain suggestions of Central Water Commission.

The Project was further revised in 1985 with an estimated cost of Rs. 30.31 crores incorporating suggestions made by Member (Floods), CWC during his visit in September, 1981 to the areas affected by water logging. A link channel and many minors were included in the proposal. The carrying capacity of Ghaggar Diversion channel was further increased to 29925 cusecs upto RD 24 and 12000 cusecs beyond that RD. Flood protection envisaged from the scheme was 1,20,000 acres. While the scheme was under examination in CWC, Govt. of Rajasthan submitted another estimate of Rs. 7.05 crores for clearance of priority schemes under Ghaggar Flood Control Scheme. Technical Advisory Committee on Irrigation, Flood Control and Multipurpose projects of MOWR approved these schemes in its 49th meeting held on 11.9.1990.

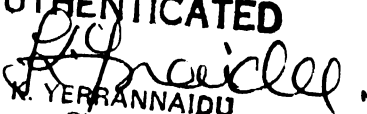
Government of Rajasthan submitted the modified and updated estimate called "Flood Control Project, Second Revised Estimate 1995" with an estimated cost of Rs. 105.97 crores in 1995. This Project, in addition to the earlier proposal, also included a syphon of capacity 24070 cusecs under IGNP at RD 629, an additional escape at RD 24 for 9340 cusecs capacity, another link channel of 310 cusecs capacity and three additional minors. In addition provision was also made to strengthen and improve Ghaggar Diversion channel. CWC offered its comments on this scheme also. The techno-economic appraisal is now

held up for want of compliance from the State Governments on the observations of CWC, MOWR and Ministry of Environment and Forests. This scheme estimate was again revised to Rs. 117.13 crores in October, 1997, without any change in scheme components.

The scheme was to be discussed in the 5th and 6th meetings of the Ghaggar Flood Committee, the same could not be discussed because the Member from Rajasthan did not participate in these meetings. The scheme is likely to be discussed in the 7th meeting of the Ghaggar Flood Committee posed to be held on 20th August, 1998. CWC has already requested Government of Rajasthan to ensure participation of Rajasthan in Ghaggar Standing Committee and also to report compliance on the observations on the project sent to them. Government of Haryana/Punjab have also been requested to send their observations/views on the project and also to attend the meeting of the Committee to be held on 20th August, 1998. Attempts are thus being made for early clearance of the Project.

NEW DELHI;
22nd March, 1999
1st Chaitra, 1921 (Saka)

KINJARAPU YERRANNAIDU,
Chairman,
Standing Committee on Agriculture

AUTHENTICATED

K. YERRANNAIDU
Chairman
Standing Committee on Agriculture

APPENDIX I

MINUTES OF THE TWENTY THIRD SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON MONDAY THE 22ND MARCH 1999 FROM 11.15 HRS. TO 13.15 HRS. IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 11.15 hrs. to 13.15 hrs.

PRESENT

Shri Kinjarapu Yerrannaidu — *Chairman*

MEMBERS

Lok Sabha

2. Shri D.C. Sreekantappa
3. Shri Baliram Kashyap
4. Shri Maganti Venkateswara Rao
5. Shri Uttamrao Deorao Patil
6. Kum. Vimla Verma
7. Shri Mahaboob Zahedi
8. Shri Mitrasen Yadav
9. Shri Anup Lal Yadav
10. Shri Bashist Narayan Singh
11. Dr. Sushil Kumar Indora

Rajya Sabha

12. Maulana Habibur Rahman Nomani
13. Shri Devi Prasad Singh
14. Shri Ramnarayan Goswami
15. Shri H.K. Javare Gowda
16. Dr. Ramnendra Kumar Yadav (Ravi)
17. Shri Sangh Priya Gautam

SECRETARY

- | | | |
|------------------------|---|-----------------------------|
| 1. Shri G.C. Malhotra | — | <i>Additional Secretary</i> |
| 2. Shri Joginder Singh | — | <i>Joint Secretary</i> |
| 3. Shri S. Bal Shekar | — | <i>Deputy Secretary</i> |
| 4. Smt. Anita Jain | — | <i>Under Secretary</i> |
| 5. Shri K.L. Arora | — | <i>Assistant Director</i> |

Chairman (AC) took the Chair and welcomed the Members. Thereafter, the Committee took up for consideration the draft Memoranda 1 to 5 on Action taken by the Government in respect of the recommendations/observations contained in the following reports:

1. 7th Report on Demands for Grants (1998-99) relating to Ministry of Agriculture (Department of Agriculture and Co-operation).
2. 8th Report on Demands for Grants (1998-99) relating to Ministry of Agriculture (Department of Agricultural Research and Education).
3. 9th Report on Demands for Grants (1998-99) relating to Ministry of Agriculture (Department of Animal Husbandry and Dairying)
4. 10th Report on Demands for Grants (1998-99) relating to Ministry of Water Resources.
5. 11th Report on Demands for Grants (1998-99) relating to Ministry of Food Processing Industries.

2. The Committee considered the memoranda 1 to 5 and adopted the chapterization. The Committee also adopted the draft comments for inclusion in Chapter I with minor additions.

3. The Committee, then, authorised the Chairman to present all the Five Action Taken Reports (1998-99) of the Committee to the House on a date and time convenient to him.

4. ***** ***** *****

The Committee then adjourned to meet again on 30th March, 1999.

APPENDIX II

(Vide introduction of the Report)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE 10TH REPORT OF STANDING COMMITTEE ON AGRICULTURE (12TH LOK SABHA)

(i)	Total Number of Recommendations	27
(ii)	Recommendations/Observations which have been accepted by the Government Serial Nos. 3, 12, 14, 15, 17, 18 & 22	
	Total	7
	Percentage	25.92%
(iii)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies Serial Nos. 20 & 27	
	Total	2
	Percentage	7.40%
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee Serial Nos. 4, 5, 7, 10, 11, 13, 19, 21, 23, 25 & 26	
	Total	11
	Percentage	40.74%
(v)	Recommendations/Observations in respect of which final replies of the Government are still awaited Serial Nos. 1, 2, 6, 8, 9, 16 & 24	
	Total	7
	Percentage	25.92%