

THIRTY-FIRST REPORT

PUBLIC ACCOUNTS COMMITTEE  
(2010-2011)

FIFTEENTH LOK SABHA

ACCELERATED IRRIGATION BENEFITS PROGRAMME (AIBP)

MINISTRY OF WATER RESOURCES



*Presented to Lok Sabha on: 24.02.2011*

*Laid in Rajya Sabha on: 24.02.2011*

LOK SABHA SECRETARIAT  
NEW DELHI

*February 2011/Phalguna 1932 (Saka)*

**PAC NO. 1938**

*Price: Rs. 70.00*

© 2011 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fourteenth Edition) and Printed by the General Manager, Government of India Press, Minto Road, New Delhi.

## CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2010-11).....	(iii)
INTRODUCTION .....	(v)
ACRONYMS .....	(vii)
<b>REPORT</b>	
<b>PART I</b>	
I. Introductory .....	1
II. Inclusion of new project under AIBP .....	3
III. Surface Water Minor Irrigation Schemes .....	4
IV. Audit Review .....	4
(A) Poor Progress in completion of projects .....	5
(B) Short creation of Irrigation Potential/Non-utilisation of created Irrigation Potential .....	5
(C) Deficiencies in Planning and Approval of AIBP Projects .....	5
(D) Poor Project Execution .....	5
(E) Poor Financial Management .....	5
V. Funding pattern under AIBP .....	6
(A) Poor Contractual Management .....	6
(B) Monitoring and Evaluation .....	7
VI. Deficiencies in Planning and Approval .....	7
VII. Poor Progress in completion of projects .....	9
VIII. Shortfalls in creation and utilization of Irrigation Potential .....	10
IX. Poor Financial Management .....	13
X. Poor Project Execution .....	15
XI. Monitoring and Evaluation .....	16
XII. Western Kosi Canal Project and Sone Canal Project (Bihar) .....	17
XIII. Agra Canal Project .....	18
XIV. Tapkara Reservoir Project (Jharkhand) .....	19
XV. Mahi Bajaj Sagar Project (Rajasthan) .....	20
XVI. Velligallu Reservoir Project (Andhra Pradesh) .....	20
XVII. Champamati Irrigation Project and Modernization of Jamuna Project (Assam) .....	21

	PAGE
XVIII. Upper Krishna Stage-II (Karnataka) .....	21
XIX. Patgaon Project (Maharashtra) .....	21
XX. Rongai Valley (Meghalaya).....	22
XXI. Indira Gandhi Nahar Project Stage-II .....	22
XXII. Bansagar Canal (U.P.) .....	23
XXIII. Rajghat Canal (U.P.) .....	24
XXIV. Miscellaneous .....	24
XXV. Actual site photographs of the incomplete projects .....	25

## PART II

Observations and Recommendations .....	49
--	----

## APPENDICES

I. Minutes of the Eleventh sitting of the Public Accounts Committee (2010-11) held on 21st September, 2010. ....	60
II. Minutes of the Twelfth sitting of the Public Accounts Committee (2010-11) held on 29th September, 2010. ....	62
III. Minutes of the Twenty-third sitting of the Public Accounts Committee (2010-11) held on 15th February, 2011. ....	64

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2010-11)

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Ramen Deka
5. Shri Naveen Jindal
6. Shri Satpal Maharaj
7. Shri Bhartruhari Mahtab
8. Dr. K. Sambasiva Rao
9. Shri Yashwant Sinha
10. Shri Jitendra Singh (Alwar)
11. Kunwar Rewati Raman Singh
12. Shri K. Sudhakaran
13. Dr. M. Thambidurai
14. Shri D. Venugopal
15. Shri Aruna Kumar Vundavalli

*Rajya Sabha*

- \*16. Vacant
17. Shri N. Balaganga
18. Shri Prasanta Chatterjee
19. Shri Kalraj Mishra
20. Shri N.K. Singh
21. Shri Tiruchi Siva
22. Prof. Saif-ud-Din Soz

SECRETARIAT

- |                        |   |                         |
|------------------------|---|-------------------------|
| 1. Shri Devender Singh | — | <i>Joint Secretary</i>  |
| 2. Shri Sanjeev Sharma | — | <i>Deputy Secretary</i> |

---

\*Vacancy occurred *vice* Shri Ashwani Kumar has been appointed as Minister of State *w.e.f* 19th January, 2011.

## INTRODUCTION

I, the Chairman, Public Accounts Committee (2010-11), having been authorised by the Committee, do present this Thirty-first Report (Fifteenth Lok Sabha) on '**Accelerated Irrigation Benefits Programme (AIBP)**' based on the C&AG Report No. 4 of 2010-11 (Performance Audit), Union Government (Civil) relating to the Ministry of Water Resources.

2. The Report of the Comptroller and Auditor General of India was laid on the Table of the House on 7th May, 2010.

3. The Committee took evidence of the representatives of the Ministry of Water Resources on the subject at their sittings held on 21st and 29th September, 2010. The Committee considered and finalized the Thirty-first Report at their sitting held on 15th February, 2011. The Minutes of the sittings form Appendices to the Report.

4. For facility of reference, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

5. While taking the evidence of the representatives of the Ministry on 21st September, 2010 the Committee expressed their unhappiness over lack of adequate preparedness on the part of the officers of the Ministry in properly responding to the queries of the Members on such an important subject. The Committee advised the officers of the Ministry to acquaint themselves thoroughly with the subject and come better prepared for the next sitting. Accordingly, the Committee met again on 29th September, 2010 and completed the evidence of the representatives of Ministry of Water Resources.

6. The Committee would like to express their thanks to the representatives of the Ministry of Water Resources for tendering evidence before the Committee and furnishing information that the Committee desired in connection with the examination of the Subject.

7. The Committee place on record their appreciation of the assistance rendered to them in the matter by the office of the Comptroller and Auditor General of India.

NEW DELHI;  
21 February, 2011  
2 Phalgun, 1932 (Saka)

DR. MURLI MANOHAR JOSHI,  
*Chairman,*  
*Public Accounts Committee.*



## **List of Abbreviations containing in Report on ‘Accelerated Irrigation Benefits Programme (AIBP)’**

ACA	Additional Central Assistance
AIBP	Accelerated Irrigation Benefits Programme
BCR	Benefit Cost Ratio
CAD	Command Area Development
CBWR	Compulsory Basic Water Rates
CCA	Culturable Command Area
CD	Cross Drainage
CLA	Central Loan Assistance
DPA	Drought Prone Area
DPR	Detail Project Reports
DTW	Deep Tube Well
EE	Executive Engineer
E-in-C	Engineer-in-Chief
ERM	Extension, Renovation & Modernisation
FIP	Flow Irrigation Project
FTP	Fast Track Project
GCS	General Category States
GoI	Government of India
ha	Hectare
IP	Irrigation Potential
K.T. Weirs	Kolhapur Type Weirs
KBK	Areas falling within erstwhile Koraput, Bolangir and Kalahandi Districts of Orissa
LIS	Lift Irrigation Scheme
MIPs	Minor Irrigation Projects
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MoWR	Ministry of Water Resources
NHAI	National Highways Authority of India
NPCC	National Project Construction Corporation
RST	Remote Sensing Technology



SCS	Special Category States
SoE	Statements of Expenditure
SRSWOR	Simple Random Sampling Without Replacement
UCs	Utilisation Certificates
UIP	Ultimate Irrigation Potential
WUAs	Water User Associations
SWMI	Surface Water Minor Irrigation
DDP	Desert Development Programme
DPAP	Drought Prone Area Programme
CWC	Central Water Commission
NCS	Non Special Category States
MoSPI	Ministry of Statistics and Programme Implementation
TAC	Technical Advisory Committee
NRSC	National Remote Sensing Centre
CADWM	Command Area Development and Water Management
SSNNL	Sardar Sarovar Narmada Nigam Limited
O&M	Organisation & Management
WPLC	Western Parallel Link Canal
SCMP	Sone Canal Modernization Project
SWLLC	Sone Western Low Level Canal
ALBC	Almatti Left Bank Canal
KBJNL	Krishna Bhagya Jala Nigam Limited
MJLK	Maja-Jergo Link Canal
IBWL	Indian Board of Wild Life

# REPORT

## PART I

### BACKGROUND ANALYSIS

#### I. Introductory

Irrigational infrastructure forms the lifeline of Indian agricultural productivity and food security. The creation of irrigational potential both conventional as well as modern infrastructure have so far played a crucial role in increasing the agricultural production in the country. The AIBP was conceived in the year 1996 in order to provide financial assistance to States to complete various ongoing projects in the country so that envisaged irrigation potential of the project could be created and irrigation could be started within 4 years. The Central assistance of 50% of the cost was provided to States as loan. Projects with estimated cost of Rs.1000 crore (or more) only were eligible under AIBP. Since its formulation, the terms of the programme have been widened and liberalized over time as under:

- 1997—Multipurpose projects costing over Rs.500 crore were covered.
- 1999- Projects in Area falling within erstwhile Koraput, Bolangir and Kalahandi Districts of Orissa (KBK) districts in initial stages covered. MI schemes of special category States and KBK districts covered.
- 2002—Fast track projects to be completed in 1-2 working seasons were covered.
- 2004—FTP time limit extended to 3 working seasons. Time limit for major and medium projects of 3-4 years.
- 2005—Inclusion of MI schemes of non-special category States with potential of more than 100 hectares with preference for tribal and drought prone areas wholly benefiting dalit and adivasis.
- FTP to be completed in two years.
- One for one condition specified for major/medium projects (with exception).
- 2006—All major/medium/ERM projects with Planning Commission clearance, which were in advanced stage of construction and could be completed in 4 years.
- MI schemes of non special category States to be completed in two years.
- Development cost of MI schemes raised to Rs.1.5 lakh.
- FTP concept removed.
- For Surface Water Minor Irrigation (SWMI) Schemes, the development cost per hectare of the scheme prescribed in the guidelines effective from December 2006 was a maximum of Rs.1.00 lakh per hectare. Keeping in view the persistent demands of the various State Governments in view of increasing cost of

construction materials and land, the development cost was raised to Rs. 1.50 lakh per hectare with effect from 8th October 2007;

Cabinet Committee on Infrastructures in its meeting held on 13th May 2010 considered proposal of the Ministry of Water Resources for further relaxation in the AIBP guidelines and approved the following proposals;

- Allowing funding for three projects (one project of Karnataka and two projects of Punjab) benefiting areas under Desert Development Programme (DDP) under AIBP at par with projects benefiting Drought Prone Area Programme (DPAP) area and;
- Enhancing present cost norm for surface water minor irrigation schemes from Rs. 1.50 lakh per hectare to Rs. 2.00 lakh per hectare for the purpose of inclusion of projects under AIBP with the condition that wherever the estimated cost of the project is more than Rs. 1.50 lakh per hectare, the AIBP assistance would be limited to the cost norm of Rs. 1.50 lakh per hectare.

2. On the questions of food security and the need to increase the irrigation potential of the country the Committee were informed that according to the Working Group for Water Resources that rapid harnessing of water resources was the prime objective of the Government and the successive plans after Independence. The State Governments were encouraged to expeditiously formulate and develop water resources projects for irrigation, flood control, hydro-power generation, drinking water supply, industrial and other miscellaneous uses, and a large number of dams, barrages, hydro-power structures, canal network etc. were constructed all over the country in successive Five Year Plans. The storage backed projects provide assured irrigation, hydro-power generation, water for domestic and industrial use, and also enabled flood moderation. The net impact of all these measures are: despite a three fold increase in the population since independence, India is now self-sufficient in food production, has sufficient buffer stock of foodgrains to be able to bear the brunt of consecutive years of drought; and is also moderately exporting foodgrains. The target now is to grow enough food and fiber for a population of over 1000 millions now, and around 1600 millions in the year 2050. As per this report, the estimated requirement for irrigation in 2050 is 807 Billion Cubic Metres. Hence, there is need to construct more storage based irrigation projects in the country for food security of the country.

Asked about the loss of vegetation and cultivation, if any due to short creation of irrigation potential, the Ministry through a written note informed that:

“It was not possible to provide this information as each project had different intensity of irrigation and cropping pattern. Further, most of the projects provide supportive irrigation which mean that irrigation still depends on rainfall but in case of failure of rainfall, irrigation was provided from the irrigation projects”.

3. However, the rate of creation of additional irrigation potential which was 2.04 million ha. per annum from the beginning of the 6th plan in 1980 till the end of the rolling plan in 1992 came down sharply to 1.03 million ha. per annum during the 7th plan (1992-1997). In addition, a sudden decline was also noticed in the rate of creation of irrigation potential as well as allocation of funds to the irrigation sector in the States.

Responding to this sudden decline, the Government of India launched the 'Accelerated Irrigated Benefits Programme (AIBP)' in 1996-97 as an Additional Central Assistance (ACA) Programme for accelerating the implementation of large, major and multipurpose irrigation projects which were beyond the resource capability of the States, and to complete the ongoing major and medium irrigation projects which were in an advanced stage of completion. This programme was later extended to cover surface water Minor Irrigation (MI) projects in Special Category (SC) States and such projects satisfying special criteria in other States. Special category States are North Eastern Region (including Sikkim), J&K, Uttarakhand & Himachal Pradesh.

4. From 1996-97 to 2007-08, 253 major, medium and ERM (Extension, Renovation & Modernisation) projects and 6855 Minor Irrigation (MI) projects were approved under AIBP; the Ultimate Irrigation Potential (UIP) of these projects was 10.49 million hectare, which represented about 8 per cent of the country's total UIP. During this period, Government of India provided funding of Rs. 26,719 crore for such projects. Out of which Rs. 16,720 crore were in the form of Central Loan Assistance (CLA) and Rs. 9,999 crore as grant.

The Committee have been informed that AIBP is also meeting part of the requirement of the Bharat Nirman Programme under which a major thrust is laid on irrigation sector. AIBP has also been providing assistance to the major/medium projects under the Prime Ministers Package for agrarian distressed districts. A part of the funds are also earmarked for the scheme of National Projects for dedicated funding to the projects having international, interlinking and large irrigation potential aspects.

## **II. Inclusion of New Project under AIBP**

5. The Committee have been intimated that except for projects located on Intra-State rivers, Detail Project Report (DPR) of all the major/medium projects are required to be prepared by the State Governments after carrying out necessary field investigation and the DPR is required to be submitted to the Central Water Commission for appraisal. As per current procedure, all the requisite clearances such as environmental & forest clearance, wild life clearance, clearance from Ministry of Tribal Affairs for resettlement & rehabilitation plan etc. are required to be obtained by the State Government to the extent they are required for the project and the same are required to be submitted to the Central Water Commission (CWC). Clearance from State Finance Department is also required to be obtained for the finalized estimated cost of the project. After receipt of all these clearance and on finding that project is techno-economically viable as per norms set up, the project proposal is placed before Advisory Committee of Ministry of Water Resources on Irrigation, Flood Control & Multipurpose Projects for according techno-economic clearance. After techno-economic clearance, investment clearance of the Planning Commission is required on receipt of which, State Government if it so wishes, may submit proposal for inclusion of the project in the AIBP through field units of the CWC. The proposal is examined at field Units, CWC Headquarter and finally by the Ministry of Water Resources in Project Section and Finance Desk of the Ministry and if found in order, is recommended for inclusion in the AIBP. If the project benefits Drought Prone Area Programme (DPAP)/Tribal Area/DDP area/Flood Prone areas, the proposal is sent to the Planning Commission by the PR Section for confirmation of such areas and grant is recommended as per recommendations of the

Planning Commission. Normally, this exercise (consultation with the Planning Commission) is required to be carried out only at the time of inclusion of the project/project component in the AIBP.

### **III. Surface Water Minor Irrigation Schemes**

6. These schemes are techno-economically cleared by the State Governments themselves. The State Governments submit proposals directly to the Ministry of Water Resources. There are two classes of States under AIBP namely Special Category States (SCS) and Non-Special Category States (NSCS). The schemes of SCS are not required to be sent to the Planning Commission and on receipt of proposals, the Ministry itself examines proposal and recommend to Finance Desk of the Ministry. As far as, schemes in NSCS are concerned, only schemes benefiting DPAP/Tribal areas are considered for inclusion in AIBP and the proposal is required to be sent to the Planning Commission for confirmation of DPAP/Tribal areas. The recommendations of grant to be released by the MOWR are based on recommendations received from the Planning Commission.

### **IV. Audit Review**

7. The Committee have learnt that earlier Audit report on AIBP (No. 15 of 2004) revealed numerous instances of discrepancies and shortcomings in the implementation of the AIBP such as poor progress in completion of projects, short creation of Irrigation potential/non-utilization of created Irrigation potential, cost and time over-runs, injudicious selection of projects (despite elaborate guidelines), diversion and misuse of funds, poor contract management and also repeated modifications of the programme resulting in dilution of the original focus.

It is in this backdrop, a follow-up audit was conducted to assess whether the performance of AIBP had improved, and also whether the key issues highlighted in the earlier report have appropriately been addressed.

The performance audit of the implementation of AIBP was carried out for the period 2003-04 to 2007-08, covering 70 major and medium irrigation projects, and 346 Minor irrigation projects in 26 States.

The main objectives of the Performance Audit were to ascertain whether:—

- The programme was well-designed and the investment focus and priorities were well defined and managed;
- Projects taken up under AIBP were completed within the stipulated time and cost, and the Irrigation Potential targeted under AIBP was actually created and effectively utilized;
- The process for planning & approval of new projects was adequate and effective, and the AIBP guidelines were fully complied with;
- Adequate funds were released on time and were properly utilized;
- The desired Benefit Cost Ratio (BCR) was achieved, and the actual BCR was properly evaluated and assessed;
- Individual projects were executed in an economical, efficient and effective manner; and

- The mechanism for monitoring and evaluation of AIBP projects was adequate and effective.

The Committee have been intimated that Important findings of the Performance Audit Review were as under:—

**(A) Poor Progress in completion of Projects**

8. The status of completion of projects taken up under AIBP continued to be poor. Of the 253 major, medium and Extension, Renovation and Modernization (ERM) projects sanctioned under AIBP between October, 1996 and March, 2008, only 100 projects were reported as completed. Out of 70 major and medium projects, 12 “reportedly complete” projects were found to be actually incomplete or non-commissioned.

**(B) Short creation of Irrigation Potential/Non-utilisation of created Irrigation Potential**

9. Out of 41 major, 29 medium and 346 minor irrigation projects test-checked by the Audit, the targeted irrigation potential was not created in 25 major, 19 medium and 189 minor irrigation projects, even the Irrigation Potential reported as created was not being utilized fully.

The Committee desire to know the plan-wise targets and actual in regard to the AIBP Scheme. In response, the Ministry intimates that the targeted irrigation potential for Eleventh Plan for AIBP was only available with the Ministry which was 58.46 lakh hectares. Against this, actual achievement up to 2009-10 is 22.81 lakh ha.

**(C) Deficiencies in Planning and Approval of AIBP Projects**

10. Many of the AIBP projects were approved by the Ministry of Water Resources and investment clearances were granted based on incomplete reports and improper assessments. Many preliminary reports were prepared without field survey and investigation. Detailed Project Reports (DPRs) were either found to be deficient in several aspects or were not available. The Benefit Cost Ratio (BCR) which is critical for assessing the economic viability of an irrigation project was either not assessed at all or overstated in almost half of the test-checked projects.

**(D) Poor Project Execution**

11. Projects were taken up for execution without ensuring the fulfilment of the prerequisites such as land acquisition, forest & environmental clearance etc. Incorrect phasing of project components *i.e.* incomplete main/branch canals, distributaries and water courses were noticed. Consequently, despite the incurring of substantial expenditure the benefits of irrigation water were not fully available to the targeted beneficiaries.

**(E) Poor Financial Management**

12. As per the analysis of the State-wise grants released under AIBP for Major/ Medium Irrigation Projects, 75 to 95 per cent of the AIBP grants released during 2005-06 to 2007-08 were released to just six States (Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra and Orissa). These 6 States were obtaining the vast

majority of AIBP grants without corresponding performance in terms of project completion. Moreover, the Nodal Ministry *i.e.* Ministry of Water Resources had failed to enforce the provisions of the AIBP guidelines for converting the grant component into a loan in case of failure to complete the projects in time. There was a substantial 'rush of expenditure' on AIBP projects in the last quarter/month (March) of the financial year, which was also indicative of poor financial management.

#### V. Funding pattern under AIBP

13. The Committee have been given to understand that major/medium projects of normal areas are eligible for 25% grant. Minor Irrigation schemes of normal areas are not eligible for inclusion in the AIBP. Major/medium projects and minor irrigation schemes of special category States are eligible for 90% grant. The Undivided Koraput, Bolangir and Kalahandi districts of Orissa are considered at par with special category States for funding under AIBP. Major/medium projects benefiting Drought Prone Area Programme (DPAP)/Tribal areas and flood prone areas are eligible for 90% grant assistance. Surface Water Minor Irrigation (MI) schemes of (Non-Special Category States) NSCS benefiting DPAP/Tribal areas are also eligible for 90% grant assistance. Cabinet has accorded specific approval for 3 projects benefiting Desert Development Programme (DDP) areas for 90% grant assistance.

The Committee desired to know what were the actual against the targets in regard to short creation of potential in the six States mentioned above. The Ministry in this regard intimated as under:—

“The targeted potential of AIBP assisted projects (Major/medium) and potential created up to March 2009 is given in the following table:

(In lakh hectares)

Sl.No.	State	Target Potential	Potential created
1.	Andhra Pradesh	15.18	4.70
2.	Gujarat	18.29	5.17
3.	Karnataka	8.77	4.54
4.	Madhya Pradesh	7.56	2.73
5.	Maharashtra	9.71	4.41
6.	Orissa	5.10	1.46

#### (A) Poor Contractual Management

14. Grant of undue benefits to contractors amounting to Rs. 186.89 crore in 14 States *viz.* Andhra Pradesh, Assam, Chhattisgarh, Jharkhand, Karnataka, Maharashtra, Manipur, Nagaland, Orissa, Punjab, Rajasthan, Uttar Pradesh and West Bengal as well as cases of unauthorized/irregular expenditure of Rs. 403.83 crore in 17 States *viz.* Assam, Bihar, Chhattisgarh, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Orissa, Punjab, Rajasthan, Uttar Pradesh and West Bengal was noticed. In addition, other cases of irregular contractual management were also detected in 12 major/medium and 28 minor irrigation projects.

## **(B) Monitoring and Evaluation**

15. The Central Water Commission (CWC) is mandated to carry out the monitoring visits to major/medium projects at least twice a year. However, the actual percentage of monitoring visits was ranged from only 66 to 73 per cent during 2002-08.

As regards the monitoring of minor irrigation projects, CWC had made monitoring visits to only 57 minor irrigation projects in 10 States out of the 8699 minor irrigation projects sanctioned under AIBP. The monitoring of AIBP projects at the State and Project levels was deficient. Apart from this, the evaluation study of AIBP projects was conducted by the Ministry of Statistics and Programme Implementation (MOSPI) but the reports of the study were not circulated to the States/implementing agencies for necessary remedial action. Moreover, the Remote Sensing Technology (RST) has not been used in most of the States to monitor the progress of AIBP projects.

These issues along with the other related matters pertaining to the implementation of the programme have been discussed at length in the succeeding paragraphs.

## **VI. Deficiencies in Planning and Approval**

16. Preliminary reports, which form the first stage in the process for obtaining investment clearance for the irrigation projects from the Planning Commission, were deficiently prepared in 11 out of 28 major/medium projects approved during 2003-08; The Committee have been informed that many preliminary reports were prepared without field survey and investigation and anticipated benefits and expected outcomes.

Subsequently, the Committee through a post evidence reply was intimated by the Ministry that concept of the preliminary report was introduced from 2002 in order to have a quick assessment of feasibility of the project. It was not mandatory on the part of States to prepare preliminary report and get it approved. However, in each case, it was essential to prepare detailed project report after field investigation and get it appraised from CWC and then follow up with investment clearance of the planning commission to make the project eligible for inclusion in the AIBP.

17. In terms of the "Guidelines for submission, appraisal and clearance of Irrigation and Multipurpose Projects – 2002" issued by the CWC, the Detailed Project Reports (DPRs) should be prepared in accordance with the applicable Indian standards and guidelines issued by the Ministry of Water Resources and Central Water Commission incorporating broad aspects such as physical features, Inter-state/International aspects, surveys and investigations, hydrology, revenues, Benefit Cost Ratio and financial return, environmental and ecological aspects, financial resources and estimates, flood control and drainage, Irrigation planning, etc. However, the Committee noted that the Detailed Project Reports (DPRs) were either found to be deficient in several aspects or were not available. The Benefit Cost Ratio (BCR), which is critical for assessing the economic viability of an irrigation project was either not assessed at all or overstated in almost half of the test-checked projects. Moreover, in many projects, the proposed cropping pattern (which is critical to determination of incremental benefits and BCR) were not adapted in consultation with the State Agriculture Departments and were not



based on soil surveys of the command area, casting further doubts on the calculated BCR and the economic viability of the projects approved under AIBP.

18. As regards the measures/steps taken by the Ministry of Water Resources on the above mentioned aspects, the Ministry in a note stated as under :—

“On receipt of the Detailed Project Report (DPR) from the State Governments, various aspects of the project proposals are examined in Central Water Commission and Central agencies concerned. In order to assess the economic viability, the following parameters are also examined. (i) approval of cropping pattern by the State Agriculture Department based on the soil survey of the command area, (ii) Approval of agriculture production details *i.e.* yield per hectare, cost of inputs and rates of produce used for counting the irrigation benefits into monetary terms by the State Agriculture Department, (iii) Agricultural production in the command in pre and post project stage are based on the approved data as mentioned above. In addition, once the technical aspects of the project are firmed up and agricultural and other economic data as mentioned above are submitted by the project authorities duly approved/vetted by the State Agriculture Department concerned, Benefit Cost Ratio (BCR) of the project is worked out for the finalized cost estimate as per the approved guidelines. DPR of the project is also sent to the Ministry of Agriculture for examination. Ministry of Agriculture is also represented in the Advisory Committee which gives techno-economic clearances to the project. This mechanism will be strengthened to do a more detailed analysis of BC ratio and so far as major/medium projects are concerned, as per prevailing guidelines of the Ministry of Water Resources for preparation of Detailed Project Report (DPR), cropping pattern suggested by the State agriculture department has only been considered in the DPR. Soil survey is also an integral part of the DPR. DPR of minor irrigation projects is approved by the State Technical Advisory Committee (TAC) mentioning that the cropping pattern adopted in the project is vetted by the State agriculture department. It is being ensured that there should be a representative of the Ministry of Water Resources in the State TAC.”

The aforesaid statement suffers from several deficiencies as pointed out in part of Part-II of this Report.

In regard to the preliminary Report, field investigation and rehabilitation aspects, the Committee was intimated in a written note as under:

“Concept of the preliminary report was introduced from 2002 in order to have a quick assessment of feasibility of the project. It is not mandatory on the part of States to prepare preliminary report and get it approved. However, in each case, it is essential to prepare detailed project report after field investigation and get it appraised from CWC and then follow up with investment clearance of the planning commission to make the project eligible for inclusion in the AIBP. The issue of court cases generally arises in respect of land acquisition or resettlement and rehabilitation aspects of the project which cannot be fully avoided. However, efforts are made to avoid such situation by paying prevailing market rate of the land to the project affected persons”.

## VII. Poor Progress in completion of projects

19. Audit scrutiny has revealed that the completion rate of projects under AIBP continued to be poor. Out of 253 major, medium and Extension Renovation Maintenance (ERM) projects sanctioned under AIBP between October 1996 and March 2008, only 100 projects were reported as completed. However, of the 70 major and medium projects based on audit sampling, 21 projects were reported as completed, 12 of these “reportedly complete” projects were found to be actually incomplete or non-commissioned. Apart from this, the project-wise data regarding actual utilization of Irrigation Potential reportedly created was not furnished by the Ministry. Consequently, Audit could not ascertain the contribution of AIBP in terms of created potential which was actually utilized (*i.e.* irrigation water actually reaching the targeted beneficiaries).

As regards minor irrigation projects, while about 37 percent of the projects sanctioned under AIBP were reportedly complete, the authenticity of completion of individual Minor Irrigation projects could not be verified due to the non-availability of the detailed project-wise data for creation/utilization of Irrigation Potential of Minor projects with the Ministry.

Actual site photographs of some of the incomplete projects at the time of finalization of the Audit Report have been appended to this Report.

When asked about the measures/steps initiated to investigate the cases of incomplete/non-commissioned projects, maintenance of project-wise details and the completion of projects within the budgeted time and cost and optimal utilization of central funds, the Ministry in a written note intimated as under:—

“Once the project is declared as completed by the State Government, monitoring team of the Central Water Commission visits the project to confirm completion of important components of the project. In order to confirm that there is no discontinuity in the canal system, remote sensing technique is being applied. In first instance, 53 major/medium projects were taken up for the study by National Remote Sensing Centre (NRSC) and reports in respect of all the projects have been received. Findings of the NRSC have been communicated to the respective State Governments and in cases where deficiencies have been found in the system, the State Governments have been asked to rectify deficiencies and CWC monitors the rectification works. Out of 53 projects, deficiencies were found in 17 projects out of which deficiencies in 9 projects have been rectified. The Ministry also reviews this aspect in the annual AIBP review meetings. Further, 50 more projects have been taken up for study by the National Remote Sensing Centre (NRSC). The Ministry will take up more projects in future for study by remote sensing as required from time to time. However, the mandate of the AIBP is for creation of infrastructure upto the level of outlets which cater to a group of farmers within a block of about 50 ha. The work below the outlet level for providing field channel and other activities is also required for the created potential to be fully utilized and these activities are carried out under command area development and water management programme. In order to ensure this, the Ministry will consider making command area development works as an integral part of the project.

The Ministry of Water Resources collect information regarding creation of irrigation potential annually through CWC headquarters and field units at the

end of working season in June/July. Information regarding utilization of irrigation potential is collected at the beginning of Five Year Plan. However, as suggested by the C&AG, guidelines of the AIBP will be amended to get information annually from the respective State Governments up to five years after completion of the project. With effect from December, 2006, the proforma of Memorandum of Understanding (MoU) to be provided by the State Government for availing Central Assistance under AIBP has been modified. The State Governments are required to provide year-wise irrigation potential target till completion of the project in the MoU. The AIBP guidelines further provide that in case the targeted irrigation potential is not achieved during the year, further Central Assistance will be provided only on achieving the cumulative irrigation potential targeted upto the previous year. However, sometimes there are constraints in achieving physical targets as stipulated in the MoU. These constraints relate to land acquisition problems, contractual problems, geological surprises while implementing the projects, litigations, resettlement and rehabilitation problems, works required to be executed by the agencies other than Irrigation Department such as railway crossings, highway crossings, shifting of utility lines etc. and in such cases it becomes inevitable to grant extension of time. The extension of time is granted in cases where the delay has occurred due to reasons beyond the control of the project authorities. For sanction of extension of time, the State Governments are required to provide full justification for delay in project implementation and details of remedial measures taken to tackle the bottlenecks. Further, the State Governments are also asked to give undertaking that in case of delay in project completion beyond the approved time limit, the cost overrun, if any, will be borne by the State Government. The Ministry will further strengthen monitoring mechanism and will also ask State Governments to set up State level and project level monitoring committees to address the inter-departmental issues.”

### **VIII. Shortfalls in creation and utilization of Irrigation Potential**

20. In order to ascertain the shortfalls in creation and utilization of irrigation potential the Committee desired to know from the Ministry that what was the total cultivable area of the country and also the details as to how much out of it was rain fed and how much was irrigated area. In this regard the Ministry, in a written note submitted as under:—

“As per statistics of 2007-08, total cultivable land in the country is 182 million hectares. The ultimate irrigation potential of the country is 140 million hectares. Of this, irrigation potential created in the country by Tenth Plan (2002-2007) was 102.77 million hectares. The ultimate irrigation potential of the projects under AIBP is about 1.25 million-hectares of which, irrigation potential of 0.69 million hectares has been created till 2009-10.”

21. The Committee noted that out of 70 major/medium and 346 minor irrigation projects test checked, the targeted irrigation potential was not created in 63 percent of the major/medium and 55 percent of the minor irrigation projects. Even the Irrigation Potential reported as created was not being utilized fully. In addition to the delayed work execution, one of the main reasons for short creation/non-utilisation of Irrigation Potential was lack of synchronization among various project components (*i.e.* dam and head-works, main branches and canals, distributaries and water courses).

The Committee wanted to know from the Ministry that how much potential was created through Major/Medium and Minor Irrigation Schemes and where had the potential gone in case the created potential was under utilized. In this regard, in a post evidence reply sent the Committee that an additional irrigation potential of 5.486 million hectare had been created through major/medium irrigation projects and an irrigation potential of 0.454 million hectares had been created through Surface MI Schemes upto March, 2009. Irrigation potential of 9.82 lakh hectares was estimated to have been created during 2009-10 up to March, 2010.

22. The Committee further noted that Remote Sensing Technology is an important tool in assessing and confirming the creation of Irrigation Potential of the selected projects. In this regard, National Remote Sensing Centre, (NRSC, Hyderabad) helps in assessing the actual irrigation potential created by the project authorities. NRSC through its study and survey has pointed out certain gaps in the irrigation canal network leading to non-continuity of the irrigation water delivery. As per the Audit survey, various bottlenecks/constraints/impediments have been noticed in the creation of irrigation potential in various States such as no supporting ayacut registers, non-completion of canal system, delay in land acquisition, land disputes, non-completion of branch canals and distributaries, non-construction of canal bridges under rail and State/National highways crossings, delays in forest and environmental clearances, slippage of embankments, high vegetation, breakage in canals and defective canal crossings etc. All these constraints are hindering an optimum utilization of the created irrigation potential of various projects.

23. On being asked about the gaps in the main/branch canals/distributaries, the findings of National Remote Sensing Centre (NRSC) and various overlapping structural bottlenecks in project implementation, the Secretary of Ministry of Water Resources stated as under:—

“Once the irrigation potential is created for full utilization of the potential, the Command Area Development Programme helps in creation of the infrastructure for field channels..... Now, we have started from this year in consultations with the Planning Commission that every irrigation project must have the Command Area Development component. In related context, the witness have also stated that .....there is gap between potential creation and utilization as the Command Area Development has a small budgetary provisions of Rs. 600 crore only whereas the budget of AIBP is Rs. 9000 crore. In this regard, the Planning Commission acceded to the Ministry’s request for inclusion of an equal matching budgetary provision in the Twelfth Five year Plan so that both the AIBP and CAD programmes should be taken up simultaneously.....”

In this regard the Ministry have clarified to the Committee through a post evidence reply that Planning Commission has constituted a Working Group for Water Resources for the Twelfth Five Year Plan (2012-2017) who will examine the issue and make suitable recommendations.

24. The Committee have also been informed during evidence that in 17 cases, NRSC reported that whatever has been reported by the State is not correct; there are gaps in between still the state has reported completion. When the Ministry had informed the State Governments, 9 States have reported that they have filled up the gap by removing

the discrepancies. The Ministry have further stated that, all the projects would gradually be given to NRSC for an accurate satellite monitoring. Accordingly, 50 projects have been awarded to NRSC.

25. The Committee wanted to know about the current cost of water potential creation per hectare at present and also at the time of inception of the programme including the average cost of water potential per hectare. In this regard, the representatives of the Ministry of Water Resources explained that in the year 1996-97, when this programme was introduced, the cost of irrigation potential creation per hectare was Rs. 89,000 and in the year 2009-10 it was Rs. 2.01 lakh per hectare. Further, giving the plan-wise status of the same, the representatives also informed that during the 8th Plan, the cost of irrigation potential creation for major and medium projects was Rs. 95,347 per hectare and for minor irrigation projects, it was Rs. 46,900. In the 9th Plan, it was Rs. 1.20 lakh per hectare and for minor irrigation, it was Rs. 38,328; during the 10th Plan, it was Rs. 1.55 lakh per hectare and for minor irrigation it was Rs. 76,000.

In this connection, the Committee enquired about the year-wise targets (lakh hectares) for the period *i.e.* 2004-05 to 2009-10. In reply, the Ministry in a written note have intimated that in 2006-07, the AIBP underwent a change and became a grant based programme. The MoU pattern was also changed and a system of defining the irrigation potential targets on a year to year basis in the MoU was introduced for the first time. The shortfalls in respect of those projects which executed the fresh MoU under this pattern have been worked out by using the yearly targets as provided in their respective MoUs. An overall view is presented in the following table:

Sl. No.	Year	Irrigation potential created under AIBP in lakh hectares	Targeted Irrigation Potential for the year including shortfall of previous years as per the guidelines (in lakh hectares) <i>starting from 1998-99</i>
1.	2004-05	4.96	54.00
2.	2005-06	6.00	50.49
3.	2006-07	9.32	46.25
4.	2007-08	6.44	41.69
5.	2008-09	6.55	43.46
6.	2009-10	9.82	76.81

(The Ministry subsequently have clarified that the column 3 shows irrigation potential created during the year and column 4 shows cumulative shortfall till the year in question. The column 4 in fact represent the sum total of targets of irrigation potential to be created in the following years and the shortfall or backlog of potential that could not be created in the previous year. The value in column 4 of irrigation potential in the table against the year 2009-10 (*i.e.* 76.81 lakh ha.) represents the total balance potential to be created in respect of all ongoing projects included under AIBP and likely to complete in future).

26. The Committee noted that Command Area Development Programme which plays a vital role in the utilization of irrigation potential was initiated in 1974-75 for providing financial assistance to State Governments for development of adequate delivery system of irrigation water up to farmers' fields and other support services for promoting irrigated agriculture. This involves construction of field channels, providing drainage where necessary, equitable distribution of water among farmers, land leveling and shaping etc. with an objective to enhance water use efficiency and production and productivity of crops thus improving socio-economic condition of farmers. The programme was restructured and renamed as Command Area Development and Water Management (CADWM) Programme with effect from 1st April, 2004.

### **IX. Poor Financial Management**

27. The Committee find that Financial Assistance under AIBP Scheme to the States was initially through loans but subsequently it was given as grants. When asked specifically to elaborate on this aspect the Ministry informed in a post evidence reply as under:

“The AIBP started in 1996-97 as a loan assistance programme and continued the same up to 2003-04. Grant component was introduced in AIBP during 2004-05. Total loan provided to States during 1996-97 to 2004-05 was Rs. 16757.6438 crore and grant provided was Rs. 10428.117 crore totalling to Rs. 27185.761 crore.”

28. The Committee have learnt that as per the analysis of the State-wise grants released under AIBP for Major/Medium Irrigation Projects, 75 to 85 percent of the AIBP grants released during 2005-06 to 2007-08 were released to just six States (Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, and Orissa). These States were obtaining the vast majority of AIBP grants without corresponding performance in terms of project completion, thus providing an incentive for inclusion of fresh AIBP projects driven by construction work. Moreover, the Nodal Ministry had failed to enforce the provisions of the AIBP guidelines for converting the grant component into loan in cases of failure to complete the projects in time. Further, Audit scrutiny has revealed that during the period 2003-04 to 2004-05 against the actual expenditure of Rs. 1702 crore incurred by the Sardar Sarovar Narmada Nigam Ltd. (SSNNL), the State Government of Gujarat reported an expenditure of Rs. 2987 crore to the Government of India. Thus, the State Government had overstated the expenditure incurred under AIBP.

Subsequently, the Committee was informed that The Sardar Sarovar Narmada Nigam had furnished necessary clarification on the issue which had been examined. The clarification was found to be satisfactory. However, further action in the matter would be taken as per final decision on the issue when ATN on the para would be submitted to the CAG and further comments on it are received from them.

On being asked about the steps/measures initiated on various issues such as ensuring equitable distribution of AIBP funds; applications of the MoU provision for conversion of grant component to loan; diversion of funds, unauthorized expenditure and other financial irregularities by the implementing agencies of State Government;

evaluating the actual expenditure in respect of Sardar Sarovar Narmada Nigam Ltd. (SSNNL), the Ministry in a written note stated:—

“The Ministry of Water Resources has amended AIBP guidelines with effect from December, 2006 making specific provisions for irrigation developments in those States where irrigation and development are below national average:

- The Planning Commission holds annual plan discussions with the State Governments and fixes AIBP ceiling for each State as per its fund absorption capacity. Central assistance to the States is released accordingly.
- There is no restriction in inclusion of new MI Schemes under AIBP provided they fulfil criteria prescribed in the AIBP guidelines.
- The Ministry of Water Resources has not denied central assistance under AIBP to any project which has been otherwise found eligible for funding under the AIBP as per guidelines in force.
- The projects of the States having irrigation development below national average may be included in AIBP in relaxation to one to one criteria of inclusion of new projects in AIBP.
- Projects benefiting drought prone/tribal areas may also be included in AIBP in relaxation to one to one criteria.
- The issue will be discussed and pursued with State Governments in respect of States where irrigation development is low and below national average.
- The Ministry of Water Resources holds annual review meetings with the State Governments to review performance of State Government under AIBP and their physical and financial programme for coming year. They are encouraged to submit AIBP proposals for ongoing as well as new projects as quickly as possible so that flow of funds starts as early as possible.

Central Assistance under AIBP is not released to projects if the project is delayed beyond the time limit specified in the MoU. The State Government is required to justify the delay and seek extension of time by providing detailed satisfactory reasons for delay in project completion and remedial measures taken by them to remove bottlenecks in project completion. Now, the State Governments are also being asked to provide undertaking that any further cost overrun occurring due to time overrun beyond the approved time will be borne by the State Government. Sometimes there are valid and justified reasons occurring in project completion such as land acquisition problems, resettlement and rehabilitation problems, contractual problems, geological surprises during project construction, delay in completion of works to be taken up by other than water resources/irrigation department such as railway crossings, highway crossings shifting of utility lines etc. The Ministry of Water Resources will review each delayed project in above context and if required, the provision of guidelines for conversion of grant into loan will also be considered for enforcement. During AIBP review meetings held in July/August, 2010 this year, the provision of guidelines has been reiterated to State Governments.

The Ministry of Water Resources have put in place a mechanism to check diversion of funds, unauthorized expenditure and other financial irregularities. The Utilisation Certificates in respect of Central Assistance related to the States is required to be

signed by the Principal Secretaries/Secretaries (Water Resources/Irrigation Departments) of the concerned State Departments and works executed under programme are also examined by the CWC with reference to programme furnished by the State Governments with the AIBP proposals. There is provision in the AIBP guidelines that the State Government will furnish Audited Statement of Expenditure incurred on AIBP to the Ministry of Water Resources within nine months of the completion of the financial year. The provision will be enforced to ensure financial discipline. In the AIBP review meetings held during July/August, 2010, the States were clearly advised that they will have to furnish the Audited Statement of Expenditure since the next financial year.

As regards the financial irregularities, the SSNNL has furnished detailed replies to the observations contained in the CAG report which is being examined. The facts stated in the report are being verified and remedial action will be taken accordingly.”

29. On the feasibility of conducting joint audit for the AIBP Projects, the Ministry in a post evidence reply intimated that the Audit of the accounts of the projects were carried out by the Auditor Generals of the State Governments and there was no mechanism to carry out joint audit of the project.

#### **X. Poor Project Execution**

30. The Committee have been informed that 11 Major, 10 Medium and 22 Minor Irrigation Projects were taken up for execution without ensuring the fulfilment of the prerequisites such as land acquisition, clearance from forest and environmental departments in 12 States. Apart from this, numerous instances of incorrect phasing of project components *i.e.* dam section was incomplete, but main/branch canals were completed/nearly completed; main/branch canals were completed, but work of distributories and water courses had not been taken up; main and branch canals had been constructed in patches, with gaps (particularly in the initial reaches). Consequently, despite the incurring of substantial expenditure, the benefits of irrigation water were not fully available to the targeted beneficiaries.

31. It has also been observed that three level arrangement *i.e.* Water User Associations, Distributary Level Associations and Minor Irrigation Project Level Councils play an important role in the execution and post-completion maintenance of the projects. However, such 3 level arrangement was either absent or practically non-functional in 18 Major, 12 Medium and 194 Minor Irrigation Projects test checked in 21 States. As such, assets created under AIBP were not being accorded due priority, and arrangements for handing over completed projects to farmers/water user associations had not been operationalised in many projects.

32. The Committee wanted to know from the Ministry about the steps taken to ensure the fulfilment of the essential prerequisites *i.e.* land acquisition, clearance from Forest and Environmental Departments; setting up of Water Regulatory Authorities by the State Governments for the post-completion maintenance of projects; three level arrangement *i.e.* Water user Associations, distributary level societies and Minor Irrigation Project Level Councils for the maintenance of project assets. Replying to various queries of the Committee, the Ministry in a written note intimated as under:



“Land acquisition is not a pre-requisite for according techno-economic clearance to the project. Now it is proposed that Central Assistance under AIBP will be released pari-passu with land acquisition required for carrying out work of the coming year. It is also to be stated here that no techno-economic clearance is now-a-days accorded without State Government furnishing all the required statutory clearances such as forest, environment, wild life and R&R plan.

So far, two States namely Maharashtra and Uttar Pradesh have set up Water Resources Regulatory Authority/Commission. The Government of Andhra Pradesh has enacted the Andhra Pradesh Water Resources Regulatory Commission Act and process of setting up of the Regulatory Commission has been initiated. The matter has been pursued with States.

The Ministry of Water Resources proposes to incorporate a clause on maintenance of assets created under AIBP in the MoU being signed by the State Government for availing central assistance under AIBP to the effect that they will make adequate provision in the State Budget for O&M of the project.

The aspect of participatory irrigation management and constitution of water users associations is not covered under AIBP but is covered under CADWM programme. The Ministry has circulated a model bill to all the States or enactment of a law on participatory irrigation management and constitution of water users association.<sup>15</sup> States have already enacted the law and 56,934 water users associations have so far been formed. The matter is being pursued with the other State Governments. The State legislations provide for 3-tier mechanism for major/medium projects except in Goa and Sikkim in which only single tier mechanism has been provided and in Bihar only 2-tier mechanism has been provided.”

## **XI. Monitoring and Evaluation**

33. Audit scrutiny has revealed that the Central Water Commission (CWC) is required to carry out monitoring/field visits to major/medium projects at least twice a year. However, it was found that the actual percentage of monitoring visits ranged from 66 to 73 percent during 2002-03 to 2007-08. As regards the Surface Water Minor Irrigation Projects, the monitoring needs to be carried out by the respective State Governments. However, a sample of such projects is to be checked by the Central Water Commission as well as the Ministry of Water Resources. Audit found that CWC had made monitoring visits to only 57 minor irrigation projects out of the total of 8699 minor irrigation projects sanctioned under AIBP. The monitoring of AIBP projects at the State and Project levels was very much inadequate. Apart from this, in the aftermath of Monitoring Visits, Monitoring Reports are issued which *inter alia* contain existing bottlenecks/constraints in the project implementation and suggestions for speedy implementation of the projects. Subsequently, the Monitoring Reports are sent to the authorities concerned *i.e.* Central Water Commission (Hq.), Ministry of Water Resources, Planning Commission and Project Officers of various State Governments concerned for necessary action. In this context, the audit has found that Remote Sensing Technology was not used to monitor the progress of the AIBP Projects in 22 States and the results of the study conducted by the National Remote Sensing Centre were not shared by the Ministry of Water Resources with the respective State Governments.

34. In the light of the deficiencies noticed, the Committee, enquired about the steps/ measures initiated by the Ministry to ensure the stipulated monitoring visits to all major and medium projects; mechanism to ensure the follow up action on the Monitoring reports and sharing the results of the monitoring study of NRSC for the effective implementation of the scheme. The Ministry in their response have stated as under:—

“The Ministry has already issued instructions to the CWC to carry out required monitoring visits to major/medium projects twice during the year. Instructions have also been issued that in case, the monitoring visit is not carried out due to any reasons including physical progress made after last visit, the same should be recorded and communicated to the CWC (HQ). CWC will also monitor 5% of minor irrigation projects. The Ministry will also consider engaging independent agencies such as engineering colleges to monitor all the schemes.

The suggestions contained in the monitoring reports are to be followed by the respective State Governments and for this, the copies of the reports are sent to all the important officers associated with project planning and execution. The implementation of suggestions is reviewed by the CWC from time to time and particularly during subsequent visits to the project. However, there is no institutional arrangement in place for coordination amongst the State Governments, Planning Commission, CWC etc. Compliance of the suggestions made in the monitoring reports will be pursued vigorously.

The reports of the NRSC are sent to the respective State Governments for action in cases where deficiencies have been found by the NRSC. The rectification of deficiencies is also monitored and pursued with States. Out of 53 projects monitored so far, deficiencies were found in 17 projects out of such rectification has been done in 9 projects.”

35. In this connection, during evidence the representatives of the Ministry have informed the Committee that as suggested by the Audit, there must be some State level Committees to monitor the implementation of the projects and the Ministry would not support any project in any State unless they set up a Committee and send quarterly monitoring reports. They have further stated that they are proposing project level monitoring Committees and without these Committees the Ministry would not extend any assistance to the States.

## **INDIVIDUAL PROJECTS/STATE SPECIFIC FINDINGS**

### **XII. Western Kosi Canal Project and Sone Canal Project (Bihar)**

36. It has come to the notice of the Committee that in respect of Western Kosi Canal Project and Sone Canal Project (Bihar), only 0.24 lakh hectares have been utilized out of created irrigation potential of 1.76 lakh ha due to non-completion of canal system. In respect of Sone canal project from the same State, irrigation potential of 1.69 lakh ha created under AIBP could not be utilized due to non-completion of Western Parallel Link Canal (WPLC). Further non-lining of canals/distributaries resulted in damage to canals and reduction in quantum of water flow.

The Committee wanted to know about the mechanism of measuring 0.24 lakh hectares. Elaborating on the same, the Ministry intimated through a written note that irrigated area was either directly measured or the area was taken from the revenue record of the land. The Ministry also intimated that the surplus water (1.52 lakh hectares) in the western Koshi canal was available for utilization in the following year.

37. The Committee in this connection, wanted to know whether the Ministry has initiated any investigation in this regard and sought any clarification from the State Government. The Ministry in a written note have stated that the clarification of the State Government of Bihar is as under.

The State Government of Bihar have submitted that:

- (i) Restoration of Western Kosi Main Canal is almost complete.
- (ii) The Kamala Siphon had also been completed.
- (iii) 4234.58 ha out of 4752.46 ha of land have already been acquired for distributaries and the balance land is also in advanced stage of acquisition. After completion of distribution system, full irrigation potential will be utilised.

The Project is likely to be completed in 2011-12.

The State Government of Bihar have further intimated that:

“(a) As the works of headworks/main canals/branch canals is almost complete and approximately 88% works of the distributaries is also complete, the Sone Canal Modernization Project (SCMP) has been treated as complete and closed for AIBP funding after March 2009. Consequently, the remaining 12% works of the distributaries and other remaining essential works are proposed to be completed under State Plan in the shortest possible time.

(b) The work of Western Parallel Link Canal (WPLC) could not be completed due to the problem of seepage from the Sone Western Low Level Canal (SWLLC) running very close to it, non-clearance of road cutting from RCD, and delay in shifting of electric lines and poles by the BSEB. The seepage problem was referred to a committee of chief engineers, which has submitted its report suggesting measures to be adopted for construction. Meanwhile as the SCMP has been closed under AIBP after March 09, the remaining works of WPLC are proposed to be completed under State Plan at the earliest.”

### **XIII. Agra Canal Project**

38. In respect of modernization of Agra Canal project, the Ministry have intimated that State Government has submitted completion certificate of this project. They have also informed that water quality aspects were not covered under AIBP. Further, the State Government has to ensure that only treated waste water is released in the canal. State Government has reported that the bridges are under construction by Uttar Pradesh Project Construction Corporation.

39. On being asked about various deficiencies notice in regard to Agra Canal Project such as ensuring the water quality aspect, reasons for the delay of construction of

bridges, number of bridges to be constructed under MoU, field visits undertaken by the Ministry under the MoU and the subsequent reports/findings of the visits. In response, the Ministry have submitted the following information:—

“The water quality aspect is a project specific issue in Agra Canal Project and hence not covered under general AIBP guidelines. However, the following aspects have been suggested by the monitoring team of CWC:—

- The growth of weeds etc. was noticed in the various reaches of the Agra Canal which needs to be cleared at the earliest to facilitate smooth flow of water for irrigation.
- The quality of water in Agra Canal needs to be checked for its fitness for irrigation and other usages. Necessary steps are required to be taken by Project Authorities by liaising with polluting organizations/units to stop disposal of waste material in the canal water.
- As per the MoU, there were 49 bridges contemplated to be constructed and all 49 bridges have been completed.
- Monitoring visits are not specified as part of MoU stipulations. However, as per directions of the Ministry of Water Resources, two monitoring visits per year are to be undertaken in respect of major/medium projects under AIBP. In the year 2003-04, two visits were undertaken on 05.06.2003 and 27.10.2003. In the year 2004-05, two visits were undertaken on 14.05.2004 and 15.01.2005. In the year 2005-06, two visits were undertaken on 15.09.2005 and 14.02.2006.”

#### **XIV. Tapkara Reservoir Project (Jharkhand)**

40. The Ministry have stated that Tapkara Reservoir Project (Jharkhand) was included in AIBP in the year 1997-98. The State has not sought any central assistance after 2000-01. The project had a potential creation target under AIBP for 1.819 thousand hectares of which, 1.53 thousand hectares have been reported as created. As the progress could not be continued due to various difficulties, the project was considered completed in 2003.

41. Asked about the difficulties faced in the progress of the project and the rationale behind the declaration of the incomplete project as completed project, the Ministry in their response have stated in a written reply as under:—

“The headworks of the project were completed before the AIBP assistance was provided for construction of distributaries and water courses in 1998-99. Except for Khelga Branch canal & Kindarkela distributary, all other works were completed. The matter for non-completion of the branch canal and distributary were taken up by CWC with the Project authorities and they intimated that these could not be completed due to public objection. The status is same as on today. Since it was not possible to complete Khelga Branch canal and Kindarkela distributary, these works were excluded from the scope of AIBP component of the project and the AIBP component of the project was declared complete by the State of Jharkhand.”

### **XV. Mahi Bajaj Sagar Project (Rajasthan)**

42. In respect of Mahi Bajaj Sagar Project (Rajasthan), the Ministry have stated that the maintenance of this project including ensuring the availability of water upto the tail end of the canal system alongwith its maintenance is required to be taken up by the State Government from their resources. Not ready to bear the responsibility of ensuring the supply of water till the tail end, the Ministry in this regard intimated the Committee as under:—

“As per the guidelines of AIBP and the scope of the scheme, only the works for construction of the irrigation facilities upto the outlet are funded and monitored. There is no existing mechanism under AIBP for ensuring water availability to tail end in post-completion of the project. Equitable distribution of water may be ensured by formation of Water Users Association (WUA).”

### **XVI. Velligallu Reservoir Project (Andhra Pradesh)**

43. In regard to Velligallu Reservoir Project (Andhra Pradesh), the Committee have been informed by the Ministry that this project was included in AIBP in 2006-07 with irrigation potential target of 9.7137 thousand hectares of which full potential creation has been achieved and resettlement and rehabilitation works were reported as incomplete.

When enquired specifically about expediting the process of resettlement and rehabilitation works of the project. The Ministry in their response through a written reply have stated:—

“As could be ascertained from the latest CWC monitoring report, due to construction of this project, one village *i.e.* Velligallu with 5 hamlets namely (1) Krishnapuram Chinna Thanda (2) Pavalavandla Palli (3) Veligallu Harijanawada (4) Indukurivandla Palli and (5) Krishnapuram Pedda Thanda will be submerged.

The affected hamlets are proposed to be rehabilitated in two R&R centres. Estimate for R&R package was proposed as per latest State R&R policy and subsequent guidelines. Government have accorded administrative approval for Rs. 1478.00 lakhs *vide* G.O. Ms. No. 151 dated 14.12.2005. Since two Scheduled Tribe hamlets are affected, necessary clearance from Ministry of Tribal Affairs, Government of India has been obtained for the R&R plan *vide* letter R. No. 20011/17/2005 CP&P(NGO) dated 13.7.2006.

R&R Centre No.1 is located at the border of Anantapur District. An extent of 81.14 acres land is procured for R&R Centre-I.

R&R Centre No. 2 is located near the diversion road joining Veligallu-Thumu Kuntaroad. An extent of 9.28 acres land is procured for R&R Centre-II.

Total plots allotted in the two R&R centres for displaced families are 559 out of which 527 houses were constructed upto 8/2010 by the beneficiaries themselves. The balance houses to be constructed are 32 Nos. The R&R plan is being implemented and the expenditure on R&R upto 8/2010 is reported to be Rs. 11.2109 crore. In this expenditure, an amount of Rs. 3.65 crore before AIBP and

Rs.7.5609 crore under AIBP were spent. The project authorities have intimated that the R&R works would be completed by December, 2010.”

### **XVII. Champamati Irrigation Project and Modernization of Jamuna Project (Assam)**

44. As regards Champamati irrigation project and Modernization of Jamuna Project (Assam) the State Government have stated that the figures of irrigation potential created/ready for utilization given by irrigation department is reliable as the same are based on data collected from field information. There is discrepancy due to different methodologies adopted by Economics & Statistics Directorate.

On being asked about the removal of anomalies/discrepancies, the Ministry in their response have stated as under:—

“Generally we rely on the data furnished by the Irrigation Department of the State. However, in case of serious discrepancies, the project can be taken up for monitoring by NRSA for verification of irrigation potential using remote sensing technique.”

### **XVIII. Upper Krishna Stage-II (Karnataka)**

45. As far as Upper Krishna Stage-II (Karnataka) is concerned, it was reported that there was shortage in creation of irrigation potential due to delay in construction of distributaries and non-completion of approach canal works. In response, the State Government has replied that there was delay in creation of irrigation potential in Almatti Left Bank Canal (ALBC) due to dispute raised by the villagers for aligning the canal through the village.

On being asked about the initiative of State Governments in resolving the dispute by the villagers, the Ministry in their response have stated as under:—

“This problem has now been overcome by convincing the village leaders that Krishna Bhagya Jala Nigam Limited (KBJNL) is going to adopt the technology of excavation of the hard rock by chiselling method which will avoid fly rock and vibration. Different groups in the village have agreed to cooperate in this regard.”

### **XIX. Patgaon Project (Maharashtra)**

46. The Committee understand that in respect of Kolhapur Type (KT) weirs that water was being impounded in dam partially since 1989. Balance works were taken up under AIBP and full storage capacity was created for monsoon 2007. From October 2007 full capacity water was stored in the dam. The 17 KT weirs were constructed on the river through State Government funds, 8100 hectares irrigation was declared immediately after full storage was created. This project comprises dam and series of 17 no. KT weirs. The irrigation is by lifting of water by farmers through Lift Irrigation (LI) schemes at farmers cost. As these schemes are to be constructed by the farmers at their own cost, some period is required for completion of these LI schemes covering entire command area. This activity is in progress and the farmers are being motivated to complete the required LI schemes to bring the entire command area under irrigation.

Asked about the reasons for the farmers to develop lift irrigation at their own cost, the Ministry in their response have stated in a written note:—

“The prevailing practice in this area is that State Government constructs storage structures and KT weirs along the river and farmers lift water directly from the storage created in KT Weirs. The project was formulated keeping in view of the prevailing practice of the area. There are many such similar projects in the area”.

## **XX. Rongai Valley (Meghalaya)**

47. In regard to this project, the Committee have learnt that this project was suspended due to various technical and administrative reasons.

Asked specifically to dwell on technical and administrative reasons for the suspension of the project, the Ministry in their response have stated through a written note:—

### **“Technical Reasons:**

Considerable command area lies in the flood zone of river Rongai and Jinjiram close to the confluence of Rongai/Jingiram and Brahmaputra. The command area is prone to submergence every year without even any of the rivers experiencing high floods. Also, considerable portion of the command area is occupied by low lying areas/beels. This may further reduce the actual command area receiving the benefit of irrigation.

### **Administrative Reasons:**

The main bottlenecks in implementation of AIBP are :

- Abnormal delay in land acquisition
- Insufficient budget allotment by State Government
- Lack of timely sanction of revised cost estimate by the State Finance Department.”

## **XXI. Indira Gandhi Nahar Project Stage-II**

48. The Committee have been observed that the project has not been seeking AIBP assistance since 2006-07. The project is still going on with financial assistance under 12th Finance Commission.

49. Creation of Irrigation Potential was not declared due to the incomplete Pumping Station/HEM works. Construction of Water Courses is done under Command Area Development Programme but not under AIBP. State Government has taken up the works to establish sprinkler Irrigation system in IGNP stage-II lift command in place of water courses.

Asked about the steps initiated for the completion of various components of the project, the Ministry in their written reply intimated the Committee as under:

“The project was included for AIBP assistance in the year 1997-98. However, the project has been receiving assistance from Twelfth Finance Commission for last three years, *i.e.* from 2006-07 to 2008-09. The proposal for further central assistance under AIBP from State Government is yet to be received in Central Water Commission. However, State’s proposal for inclusion of sprinkler irrigation system under AIBP has been received. The State Governments have been informed that as per prevailing AIBP guidelines, it will not be possible to provide central assistance to this component of the project as AIBP funding is restricted up to Outlet level and sprinkler system is installed below Outlet level.”

## **XXII. Bansagar Canal (U.P.)**

50. Audit findings reveal that underground water sprouted up in chainage km.40.7-43.3 of the Maja-Jergo Link Canal (MJLK) stopping further excavation. Further, MJLK intersected the existing upper Khajuri Left Canal at km 43.050, blocking the latter and depriving farmers of existing irrigation facilities. The Ministry have stated in their reply that proposals are being collected from the State Government with regard to various problems of the project and action shall be taken after the receipt of the proposals.

51. On being asked about initiating any action in this regard, the Ministry in their written reply intimated that the CWC monitoring team had suggested to the State Government to take necessary corrective measures to address the problem of underground water sprouting up in MJLC during the visit to the project in February, 2009. The team also suggested to take the expert opinion in this field. Further, the construction of head regulator for the link channel has not yet been taken up due to seepage problem in this area. It was strongly suggested that this work be taken up immediately and any geo-technical issue related to seepage may be referred to some expert agencies like IITs.”

52. When enquired further about various issues such as sanctioning of Bansagar Canal Project, the amount spent on this project till date and also the latest position of the implementation of the project, the Ministry in a written note have replied that Bansagar project is joint venture of Madhya Pradesh, Uttar Pradesh and Bihar. Bansagar Canal project of Madhya Pradesh was accorded investment clearance by the Planning Commission on 29.11.2001 for estimated cost of Rs. 344.66 crore. The Ministry of Environment & Forest has accorded clearance to the project in May 2003. Against targeted potential of 123.634 th hectares included in the AIBP, irrigation potential of 65.934 th hectares has been created up to March 2009. Bansagar canal project of Uttar Pradesh was accorded investment clearance by the Planning Commission on 29.7.2004 for Rs. 570.35 crore. The latest estimated cost of the project is Rs. 3149.90 crore (cost of works is Rs. 2386.50 crore and Rs. 305.37 crore as direct and indirect charges and Rs. 158.03 crore to be given to Madhya Pradesh as share cost of the dam) and expenditure incurred on canal works up to March 2010 is Rs. 1822.91 crore. MoEF *vide* its letter dated 1.8.2007 have granted permission for diversion of 180.79 ha forest land in UP for the construction of Adwa Meja and Meja Jirgo Link Channel with some conditions imposed by the Indian Board of Wild Life (IBWL). In compliance of this Rs. 87.50 crore has been paid to DFO Mirzapur till 3/2009. But forest department of Uttar Pradesh has not permitted construction of Adwa Meja Link Channel from km 18.800 to 25.600 which lies under Wild Life Sanctuary due to non fulfilment of



one condition of IBWL of rehabilitation of 13 villages from Kaimpour Wild Life Sanctuary. The Environmental and forest clearance has been accorded by the MoEF *vide* its letter dated 19.5.2003.

### **XXIII. Rajghat Canal (U.P.)**

53. It has been brought to the notice of the Committee that although the project was declared complete in 2007-08, various works for which 22 MoUs were signed with UPPCL during 1997-2006 were still incomplete – 3 MoUs were rescinded, and 9 MoUs were still to be finalized. Further, only four out of eight crossings and none of the five bridges over National Highways could be constructed.

On being asked about furnishing the comprehensive details about the project, the Ministry in their response have stated as under:—

“The Rajghat canal project being constructed by Uttar Pradesh takes off from right flank of Rajghat dam project on river Betwa. The project envisages construction of six canal system in U.P.—4 new and 2 involving remodelling of existing canals to irrigate a CCA of 2,70,520 hectare at 72.7% intensity. The project was started during the year 1976-77. The components of the project funded under AIBP include (i) Lower Rajghat canal, (ii) Upper Rajghat canal, (iii) Jhansi canal, (iv) Jakhlaun Pump canal, and (v) increasing capacity of Betwa-Hamirpur canals.

The State Government of Uttar Pradesh has reported that project has been completed”.

### **XXIV. Miscellaneous**

54. The Committee enquired from the Ministry that whether they had ever identified/ analysed the areas or regions in the country which are in the dire necessity of creating irrigation potential, and where it was imminently needed to improve the productivity of various crops particularly the food crops. In response, the Ministry in their written reply have stated that the drought prone and desert areas of the country are considered the areas in the dire need of irrigation facilities. Specific programme have been developed for these areas and have been categorized as Drought Prone Area Programme (DPAP) and Desert Development Programme (DDP). The areas in above categories have been identified by the Ministry of Rural Development for the country. Specific provision has been made in the AIBP guidelines for providing irrigation facilities on priority for DPAP areas as under:—

“1. As per AIBP guidelines, a new major/medium project may be included in the AIBP on completion of an ongoing project under AIBP on one to one basis. However, project benefiting DPAP areas may be included in the AIBP in relaxation to above criteria.

2. Projects benefiting DPAP areas are eligible for 90% grant assistance under AIBP while for normal areas, the admissible grant is 25%.

Similar dispensation has been provided to three projects benefiting DDP areas by the Cabinet Committee on Infrastructures. However, to provide this benefit to all projects of the Country benefiting DDP area, the matter is under consideration of the Government.”

## Actual Site photographs of the Incomplete Projects



Western Kosi Main Canal - Bihar : Siltation in upstream (BIHAR)



Western Kosi- Bihar - Breakage in Saharghat Branch Canal (BIHAR)



Sone Canal Modernisation Project (SCMP) – Bihar- High vegetation (BIHAR)



Sone Canal Modernisation Project (SCMP) – Bihar : Incomplete Western Parallel Link Canal (BIHAR)



Sardar Sarovar Project – Gujarat : Vehalam D Minor – No Water (GUJARAT)



Sardar Sarovar Project – Gujarat : Jafarpur Minor – No Water (GUJARAT)





Bansar Project (Unit II Canal) – Madhya Pradesh : Sihawal Canal - Incomplete Structure at Rd. km. 42 (MADHYA PRADESH)



Thoubal Multipurpose Project – Manipur : Siltation, shrubs/weeds in Canal (MANIPUR)



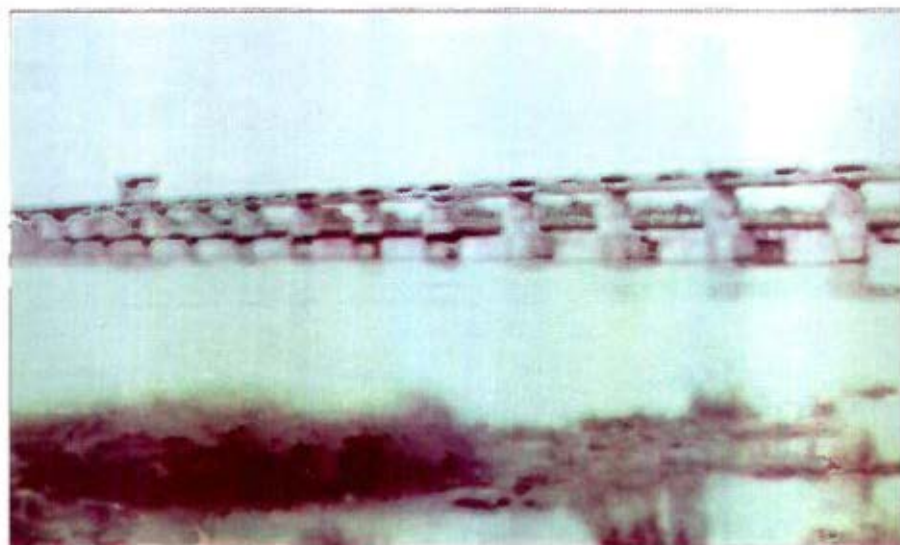
Thoubal Multipurpose Project – Manipur: Non-functional Canal Siphon (MANIPUR)



Agra Canal Project – Uttar Pradesh: incomplete bridge at Chhajunagar (despite the fact that the project was declared as completed) (UTTAR PRADESH)



Damaged headwork at MI Projection Kanabung Village, Itanagar Division  
(ARUNACHAL PRADESH)



Champamai Irrigation Project - Assam; Head Work (ASSAM)





Siltation in upstream of Western Kosi Main Canal (WKMC) at RD 55 Km (BIHAR)



Siltation and vegetation in WKMC at RD 135.45 Km (BIHAR)





Incomplete spillway of Nayaki Reservoir Scheme (BIHAR)



Damaged embankment of Gerua Reservoir Scheme (BIHAR)



Mukteshwar Project-Dry canal with Weeds and Siltation (GUJARAT)



Work held up due to railway land falling within canal alignment  
(HIMACHAL PRADESH)



No water and need for bush clearing at Chainage 319 km of Tapkara Project  
(JHARKHAND)



Bottleneck in tail end of Almutti Left Bank Canal of Upper Krishna Project Stage II  
(KARNATAKA)





Pulamon Distributory of Kallada Irrigation Project – Canal filled with grass and plantations on the banks (KERALA)



Non-initiation of work on Ezuthonipadam Aqueduct over Railway Line in Muvattupuzha Irrigation Project (KERALA)



Incomplete river closure of Bawanthadi Project (MADHYA PRADESH)



Incomplete tunnel work at road 33 to 35 km of Bargi Diversion Project - Ph-I  
(MADHYA PRADESH)



Incomplete Minors in Krishna Project (MAHARASHTRA)



Canal work in progress in Kadakpurna River Project (MAHARASHTRA)





Slow progress of canal works in Arunawati River Project (MAHARASHTRA)



Repairs to the existing KT weirs in Patgaon Medium Project yet to be carried out (MAHARASHTRA)



Thoubal Multipurpose Project—Siltation & shrubsweeds in canal (MANIPUR)



Thoubal Multipurpose Project—Non-functional canal syphon at RD 25.518 km. (MANIPUR)





Gandual MI Project—Cross Regulator in the earthen canal with no water (MEGHALAYA)



Ringdee MI Project—Headwork in progress (MEGHALAYA)



Lyngkhoi MI Project – Less water at the tail end (MEGHALAYA)



Reservoir under construction in Saihapui MI Project under Kolasib division (MIZORAM)



Narmada Canal Project – Incomplete work in the Inlet of Diggi No. 5 Basan Minor at tail 3.701 km – Vank Distributory (RAJASTHAN)



Narmada Canal Project – Incomplete work in the Inlet of Diggi No. 5 Basan Minor at tail 3.701 km – Vank Distributory (RAJASTHAN)

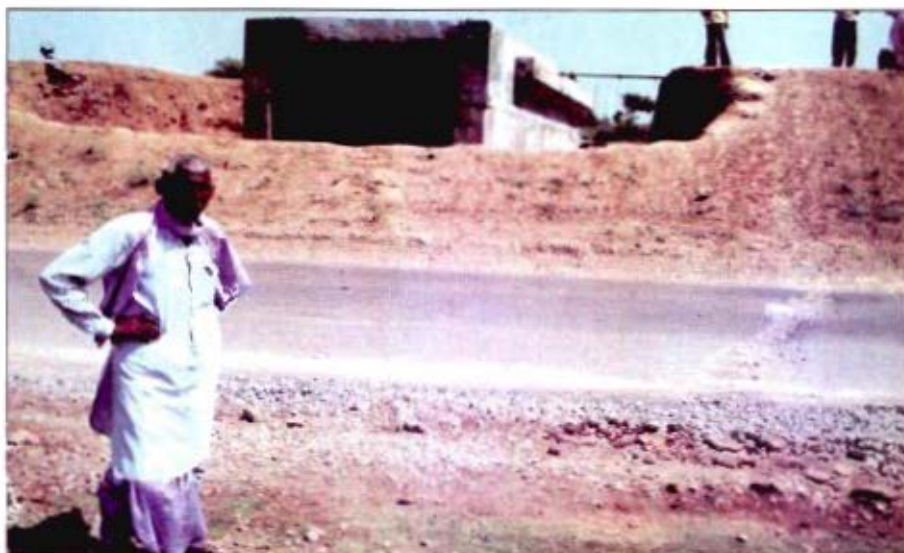




Narmada Canal Project – Incomplete work in the Inlet of Diggi No. 5 Basan Minor at tail 3.701 km – Vank Distributory (RAJASTHAN)



Agra Canal Project (UTTAR PRADESH)



Rajghat Canal Project – Incomplete canal crossing bridges of NH-26 at Asapur Minor (UTTAR PRADESH)



Bansagar Canal Project (UTTAR PRADESH)



Improvement of Irrigation Intensity of Hardoi Branch System (UTTAR PRADESH)



Bheeda gul (Gawani MI Project) UTTARAKHAND





Dauk Nagar Main Canal of TBP at Ch. 63.585 where no trace of canal water was observed due to land dispute in Uttar Dinajpur District, (WEST BENGAL)



Left Bank Main Canal of Patloi Irrigation Scheme near proposed RCC Tunnel at chainage 551.20 in Purulia District – The work was held up due to land dispute. (WEST BENGAL.)



Chainage 199.89m beyond which actual bed level was higher than the design bed level in Purulia District. Resultantly there was no flow of water.  
(The water in picture is rain water) (WEST BENGAL)





## PART II

### Observations and Recommendations

1. The Committee note that irrigation infrastructure forms the lifeline of Indian agricultural productivity and key to food security. The creation of irrigation potential both conventional as well as modern infrastructure plays a crucial role in increasing the agricultural productivity in the country. Nevertheless, the Committee are distressed to note that the rate of creation of additional irrigation potential, which was 2.04 million h.a. per annum from the beginning of the 6th plan in 1980 till the end of the rolling plan in 1992, came down sharply to 1.03 million h.a. per annum during the 8th plan. Further, there was a sudden decline in the rate of creation of irrigation potential as well as allocation of funds to the irrigation sector in the States. The Committee also note that the Government of India launched the Accelerated Irrigation Benefits Programme (AIBP) in 1996-97 as an Additional Central Assistance (ACA) Programme for accelerating the implementation of large, major and multipurpose irrigation projects which were beyond the resource capability of the States, and to complete the ongoing major and medium irrigation projects which were in an advanced stage of completion. This programme was later extended to cover surface water Minor Irrigation (MI) projects in Special Category (SC) States and also to projects in other States satisfying the special criteria. The special category States are North Eastern Region (including Sikkim), Jammu & Kashmir, Uttarakhand & Himachal Pradesh. On examination of the subject, the Committee have found that from 1996-97 to 2007-08, 253 major, medium and Extension, Renovation & Modernisation (ERM) projects and 6855 MI projects were approved under AIBP and the Ultimate Irrigation Potential (UIP) of these projects was 10.49 million hectare, which represented about 8 per cent of the country's total UIP. During the period stated above, the Government of India provided funding of Rs. 26,719 crore for such projects, out of which Rs. 16,720 crore were disbursed in the form of Central Loan Assistance (CLA) and Rs. 9,999 crore as grant. However, *w.e.f.* December, 2006, the AIBP was made a fully grant based programme.

The Committee are constrained to note that several deficiencies have been found in the implementation of the Accelerated Irrigation Benefits Programme (AIBP) and as such the implementation is fraught with several deficiencies and inadequacies. Succinctly, these deficiencies are the poor status of completion of projects, reporting of incomplete or non-commissioned projects as complete, non-accomplishment of the targeted irrigation potential, non-utilization of the created potential and commencement of project execution without ensuring fulfilment of essential pre-requisites such as land acquisition and obtaining statutory clearances and non-availability of irrigation benefits to the targeted beneficiaries even after incurring substantial expenditure. Other important deficiencies pertain to obtaining of vast majority of AIBP grants by six States without corresponding performance in terms of project completion, failure of the Ministry to enforce the provision of converting the grant component into loan in case of delay in timely completion of projects and 'rush of expenditure' on

AIBP projects in the last quarter of the financial year. Lacunae have also been noticed in carrying out monitoring visits by the Ministry, non-circulation of material of the evaluation study of AIBP projects conducted by Ministry of Statistics and Programme Implementation (MOSPI) to States/implementing Agencies for necessary remedial action and an inadequate use of the Remote Sensing Technology (RST) in most of the States to monitor the progress of AIBP projects. These deficiencies, accepted by the representative of the Ministry as correct during evidence, have been discussed in detail in the succeeding paragraphs.

2. The Committee's examination of the subject have revealed substantial deficiencies in planning, approval and implementation of AIBP. They found that many projects were approved and investment clearances granted based on incomplete reports and improper assessments. The Committee note that preliminary reports were prepared even without conducting field surveys, investigations, working out anticipated benefits and expected outcomes. The Committee also found that in terms of the "Guidelines for submission, appraisal and clearance of Irrigation and Multipurpose Projects – 2002" issued by the CWC, the Detailed Project Reports (DPRs) should have been prepared in accordance with the applicable Indian standards and guidelines issued by the Ministry of Water Resources and Central Water Commission incorporating essential aspects such as physical features, interstate/international aspects, surveys and investigations, hydrology, revenues, Benefit-Cost Ratio and financial returns, environmental and ecological aspects, financial resources and estimates, flood control and drainage, irrigation planning, etc. However, the Detailed Project Reports (DPRs) were not only found to be deficient on several counts but also were not available on record. According to the Committee, the Benefit Cost Ratio (BCR) analysis of projects, so critical for the assessment of economic viability of the various projects approved under AIBP, was conspicuously not conducted for many projects.

The Committee take a serious view of the deficiencies in the areas of planning and approval of AIBP Projects as brought out in the above paragraph. The Committee, therefore, recommend that comprehensive survey and investigations should be initiated immediately in regard to all preliminary reports received for investment clearance. In the opinion of the Committee, the reports based on simple desk study and without sufficient ground work do not constitute adequate material on record for according due clearance to the projects. Apparently, the projects so cleared would be unviable in the long run and prove to be infructuous without any benefits to the end users. They also recommend that Detailed Project Reports (DPRs) forming the basis for techno-economic scrutiny and approval of major/medium projects must also be insisted upon for all the projects as concept papers or simple project proposals should not be treated as sufficient for such a scrutiny. Further, the AIBP guidelines and the investment clearance of Planning Commission lay great emphasis on Benefit Cost Ratio (BCR) as a critical tool to assess the economic viability of the project. In this regard, the Committee recommend that the Ministry of Water Resources must ensure that

BCRs for all projects are properly worked out, based on validated and verifiable data and assumptions relating to costs, revenues and cropping patterns etc. The Committee have taken a serious view of the deficiencies in the areas of planning and approval of AIBP Projects as brought above. The Committee recommend that survey and investigations should be ensured for all preliminary reports, since reports based on simple desk study without sufficient ground work are not adequate for decisions on clearance. Further, DPRs must be insisted on for all minor irrigation projects, as in the case of major and medium projects, and concept papers or simple project proposals should not be treated as sufficient for such scrutiny.

3. Tardy rate of completion of projects under AIBP is another area of concern for the Committee. Out of 253 major, medium and Extension Renovation Maintenance (ERM) projects sanctioned under AIBP between October 1996 and March 2008, only 100 projects were reported as completed. The Committee feel that the most disquieting fact about these projects is that 12 of these “reportedly complete” projects were found to be actually incomplete or non-commissioned. Apart from this, the project-wise data regarding actual utilization of irrigation potential reportedly created was not furnished by the Ministry. Consequently, the contribution of AIBP in terms of created potential which was actually utilized (i.e. irrigation water actually reaching the targeted beneficiaries), could not be ascertained. The Committee is strongly of the view that the Ministry’s responsibility does not end with mere creation of dams, canals and other irrigation structures and reported creation of irrigation potential. Since large amounts of GoI funds are involved, it is the Ministry’s solemn duty to monitor and verify actual utilization of such irrigation potential, without which the benefits of irrigation water will not reach the farmers. Consequently, the Committee recommend that the Ministry continue to treat projects, where the structures are completed but actual utilization of the targeted irrigation potential is not confirmed, as non-commissioned. The photographs of the incompleting projects alongwith brief description have been appended in the Part-I of this Report.

As regards minor irrigation projects, while about 37 per cent of the projects sanctioned under AIBP were reportedly complete, the authenticity of completion of individual Minor Irrigation projects could not be verified due to non availability of detailed project-wise data for creation/utilization of Irrigation Potential of Minor projects with the Ministry. The Ministry have informed the Committee that with effect from December, 2006, the proforma of Memorandum of Understanding (MoU) to be provided by the State Government for availing Central Assistance under AIBP has been modified. According to them, the State Governments are now required to provide year-wise irrigation potential target till the completion of the project in the MoU. The AIBP guidelines further provide that in case targeted irrigation potential is not achieved during the year, further Central Assistance will be provided only on achieving the cumulative irrigation potential targeted upto the previous year. The Committee have been apprised by the Ministry that on certain occasions there are constraints in achieving physical targets which are enumerated in the MoU signed with the

States. Such constraints are stated to be mainly related to land acquisition problems, contractual problems, geological surprises, litigations, resettlement and rehabilitation problems, works required to be executed by the agencies other than Irrigation Departments such as railway crossing, highway crossings, shifting of utility lines etc. In this connection, the Ministry have explained that in such cases it becomes inevitable to grant extension of time and such extension is granted in cases where the delay has occurred due to reasons beyond the control of the project authorities. However, the State Governments are required to provide full justification for delay in project implementation and details of remedial measures taken to tackle the bottlenecks. The Ministry have also brought to the notice of the Committee that the State Governments are required to give undertaking that in case of delay in project completion beyond the approved time limit, the cost overrun, if any, will be borne by the State Government. The Committee would take to be apprised of the tangible outcome of such initiatives/efforts.

4. Notwithstanding the fact that the Ministry have shifted the responsibility on the State Governments for the delays that occurred in the timely implementation and completion of the projects, the Committee feel that Ministry cannot absolve themselves of the responsibility of putting up a well devised mechanism in place so that the delays are brought to the minimum and projects are completed in time. The field visits undertaken by the Ministry should invariably take due cognizance of the delays in project implementation and suggest all out concerted measures to obviate the same.

5. The Committee are concerned to note that there have been several instances where the incomplete/non-commissioned projects have been certified as completed projects by the State Government authorities. In this context, the Committee recommend that the Ministry of Water Resources should initiate thorough probe into all such cases and should also ensure that there is no diversion or misuse of funds in these projects. The Committee would like to be intimated about the project-wise details in this regard within six months of the presentation of this report.

6. The Committee are aware that the process involved in the land acquisition for a project is no doubt of a complex and socially sensitive nature. The Committee strongly feel that the State Governments should be persuaded by the Ministry to resolve such issues with due despatch with the avowed objective of achieving the full benefits of the Accelerated Irrigated Benefits Programme (AIBP). It goes without saying that funds should be released by the Ministry only after the State Governments certify that major portion of the land required for the project has already been acquired and future release of funds should invariably be linked with the satisfactory progress in land acquisition process. The Committee would also recommend that an effective institutional mechanism should be instituted to coordinate with various authorities concerned such as the Indian Railways and the National Highway Authority of India etc. for the speedy completion of rail and road crossings.

7. The Committee note that out of 70 major/medium and 346 minor irrigation projects test checked, the targeted irrigation potential was not created in 63 percent of the major/medium and 55 percent of the minor irrigation projects. Even the Irrigation Potential reported as created was not being utilized fully. The Committee also note that Ministry of Water Resources have provided the year-wise targets of irrigation potential created since 2004-05. In this connection, Irrigation Potential (including the shortfall of previous years in lakh hectares) created between 2004-05 and 2008-09, the Committee found that Irrigation Potential has been decreasing year after year. The Committee strongly recommend that the shortfall of irrigation potential, being a matter of serious concern, should be addressed to at the highest level so that optimum utilization of irrigation potential may be realized at the earliest under this programme.

8. In addition to the delayed work execution, one of the main reasons for short creation/non-utilisation of Irrigation Potential was lack of synchronization among various project components (*i.e.* dam & head-works, main branches & canals, distributaries and water courses). During the examination of the subject, the Committee also noted several instances where the representatives of the Ministry and CWC indicated that projects had been "deemed" to be completed on the basis of 90/95 per cent completion, and the balance work was left to the State Government for completion. It was also deposed by the CWC representatives that this was done to facilitate granting of approvals for fresh projects from the State. The Committee strongly disapprove of this practice. Once GoI funding under AIBP has been initiated, it is the Ministry's responsibility to pursue and monitor its final completion, and projects cannot be "deemed" to be completed, until the Ministry is satisfied that the full benefits of irrigation water are reaching the targeted farmers. While the Committee reiterate that new irrigation projects should be sanctioned to meet the needs and demands of farmers and funding constraints should not be allowed to come in its way, "deemed" completion of projects is not an appropriate solution.

Such unsynchronised project execution, despite clear guidelines of the Planning Commission, lead to the construction of irrigation structures without the benefit of irrigation water. The Committee recommend that the Ministry take immediate steps to ensure that the State Governments execute irrigation projects in phases in a synchronized manner, so that the benefits of irrigation water can flow to the farmer when one phase (including dam and headworks, main and branch canals, and distributaries) are fully completed.

9. The Committee also note that Remote Sensing Technology is an important tool in assessing and confirming the creation of Irrigation Potential of the selected projects. The National Remote Sensing Centre, (NRSC, Hyderabad) helps in assessing the actual irrigation potential created by the project authorities. NRSC through its study & survey has pointed out certain gaps in the irrigation canal network leading to non-continuity of the irrigation water delivery. So far, only 50 projects have been awarded to NRSC for assisting the ongoing projects. Various bottlenecks/ constraints have also been noticed in

the creation of irrigation potential in various States such as non-supporting ayacut registers, non-completion of canal system, delay in land acquisition, land disputes, non-completion of branch canals & distributaries, non construction of canal bridges under rail and State/National highways crossings, delays in forest & environmental clearances, slippage of embankments, high vegetation, breakage in canals and defective canal crossings etc. The Committee are pained to observe that all these constraints are hindering an optimum utilization of the created irrigation potential of various projects. Subsequent to the commencement of the examination of the subject, the Committee were informed by the Ministry that once the irrigation potential is created for full utilization of the potential, the Command Area Development Programme helps in creation of the infrastructure for field channels. According to the Ministry, consultations have been initiated with the Planning Commission on this issue that every irrigation project must have the Command Area Development component. There is a gap between potential created and utilization as the Command Area Development has a small budgetary provision of Rs. 600 crore only whereas the budget of AIBP is Rs. 9000 crore. The Committee therefore feel that the provision of an equal matching budgetary provision for the AIBP and CAD programmes would go a long way in making both the programmes successful.

10. The Committee note that the Command Area Development Programme (CADP) is absolutely essential for availing the true benefits by the farmers which also helps in the last phase/tail end connectivity i.e., field channel connectivity. They do not agree with the assertion of the Ministry that the responsibility of the last phase connectivity of water's supply lies with the State Governments. The Committee have now been informed by the Ministry that CADP has been restructured and renamed as Command Area Development and Water Management (CADWM) Programme with effect from 1st April, 2004 and matching budgetary provision has been ensured for the Twelfth Five Year Plan. They thus, recommend that Ministry should leave no stone unturned in ensuring that the potential created is gainfully utilized by the State Governments and the farmers.

11. The Committee are concerned to note that as per the analysis of the State-wise grants released under AIBP for Major/Medium Irrigation Projects, 75 to 85 percent of the AIBP grants released during 2005-06 to 2007-08 were released to just six States (Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, and Orissa). These States were obtaining the vast majority of AIBP grants without corresponding performance in terms of project completion, thus providing an incentive for inclusion of fresh AIBP projects driven by construction work. What dismayed the Committee is the fact that the Nodal Ministry had failed to enforce the provisions of the AIBP guidelines for converting the grant component into loan in cases of failure to complete the projects in time. In this context, during examination of the subject, the Ministry have informed the Committee that Central Assistance is not released for projects, if the project is delayed beyond the time limit specified in the MoU. The State Government is required to explain the delay and seek extension of time by providing detailed satisfactory reasons for the delay in project completion and remedial measures

taken by them to remove bottlenecks in project completion. The Ministry have now asked the State Governments to provide undertaking that any further cost overrun occurring due to time overrun beyond the approved time will have to be borne by the State Governments. This calls for close monitoring and follow up.

12. The Committee have learnt that Ministry of Water Resources have put in place a mechanism to check diversion of funds, unauthorized expenditure and other financial irregularities. The Utilisation Certificates in respect of Central Assistance related to the States are required to be signed by the Principal Secretaries/Secretaries (Water Resources/Irrigation Departments) of the concerned State Departments and works executed under programme are also examined by the CWC with reference to programme furnished by the State Governments with the AIBP proposals. There is a provision in the AIBP guidelines that the State Government will furnish Audit Statement of Expenditure incurred on AIBP to the Ministry of Water Resources within nine months of the completion of the financial year. The provision seeks to ensure financial discipline. The Ministry have informed that in the AIBP review meetings held during July/August, 2010, the States were clearly advised that they will have to furnish the Audited Statement of Expenditure from the next financial year.

13. Further, the Committee, recommend that the Ministry must ensure the equitable distribution of Central funds to the States based on the predefined criteria i.e. population dependent on agriculture Ultimate Irrigation Potential (UIP) yet to be fulfilled, the past performance of the States in completion/commissioning of projects and utilization of targeted irrigation potential under AIBP. Stringent enforcement of the conversion of the grant component into a loan must be given top priority as provided in the MoUs with the States. The institutional mechanism as set up by the Ministry must be strengthened to check diversion of funds, unauthorized expenditure and other financial irregularities. The Committee further recommend that to ensure the sanctity of the budgeting process, the Ministry of Water Resources and the Central Water Commission must release the AIBP funds well in time much before the closing month of the financial year i.e. March.

14. The Committee are concerned to note that 11 major, 10 medium & 22 Minor Irrigation projects were taken up for execution without ensuring the fulfilment of the prerequisites such as land acquisition, clearance from forest and environmental departments in 12 States. Apart from this, there have been numerous instances of incorrect phasing of project components i.e. dam section was incomplete, but main/branch canals were completed/nearly completed; main/branch canals were completed, but work of distributaries and water courses had not been taken up; main and branch canals had been constructed in patches, with gaps (particularly in the initial reaches). Consequently, despite incurring substantial expenditure, the benefits of irrigation water were not fully available to the targeted beneficiaries. All these aspects need to be thoroughly looked into and necessary correctives applied.

15. The Committee also note that three level arrangement *i.e.* Water User Associations, Distributory Level Associations and Minor Irrigation Project Level Councils play an important role in the execution and post-completion maintenance of the projects. However, they are appalled to note that such an arrangement was either absent or practically non-functional in 18 major, 12 medium and 194 minor irrigation projects test checked in 21 States. Astoundingly, assets created under AIBP were not being accorded due priority, and arrangements for handing over completed projects to farmers/water user associations had not been operationalised with respect to many projects. In this regard, the Ministry have informed that land acquisition is not a pre-requisite for according techno-economic clearance to the project. Now it is proposed that central assistance under AIBP will be released *pari-passu* with land acquisition required for carrying out work of the coming year. According to the Ministry, no techno-economic clearance is now-a-days accorded without State Government furnishing all the required statutory clearances such as forest, environment, wild life and R&R plan. The Committee would like to be apprised of corrective measures initiated to address their concerns over the forgoing deficiencies and the assurances given to them.

16. The Committee have also been informed that two States, namely Maharashtra and Uttar Pradesh have set up Water Resources Regulatory Authority/Commission. The Government of Andhra Pradesh has enacted the Andhra Pradesh Water Resources Regulatory Commission Act and the process of setting up of the Regulatory Commission has been initiated. The matter is being pursued with other States. Further, the Ministry propose to incorporate a clause on maintenance of assets created under AIBP in the MoU being signed by the State Government for availing central assistance under AIBP to the effect that they will make an adequate provision in the State Budget for O&M of the project. Moreover, the aspects of participatory irrigation management and constitution of water users association are not covered under AIBP but they are covered under CADWM programme. The Ministry has circulated a model bill to all the States for enactment of a law on participatory irrigation management and constitution of water users associations. 15 States have already enacted the law and 56,934 water users associations have so far been formed. The matter is being pursued with other State Governments. The State legislations provide for 3-tier mechanism for major/medium projects except in Goa and Sikkim in which only single tier mechanism has been provided and in Bihar only 2-tier mechanism has been provided. The Committee would like to be apprised of the outcome of these efforts with respect to each of the States.

17. The Committee note that the steps initiated by the Ministry in strengthening AIBP and for increasing the participation of State Governments as well as the end-users is in a very rudimentary stage. Since concerted efforts are required by the Ministry in concretizing the proposals as stated above, the Committee recommend that the Ministry of Water Resources should ensure that the State Governments expedite setting up Water Resources Regulatory Authorities/Commissions and make adequate provisions in their respective State budgets for the maintenance of infrastructural assets of the projects. The



Committee feel that it is obligatory on the part of the Ministry to oversee and ensure that all the State Governments enact laws on participatory irrigation management and constitution of water users associations for the effective implementation of the AIBP Projects.

18. The Committee observe that the Central Water Commission (CWC) is required to carry out monitoring/field visits to major/medium projects at least twice a year but the actual percentage of monitoring visits ranged from 66 to 73 percent during 2002-08. As regards the Surface Water Minor Irrigation Projects, the monitoring needs to be carried out by the respective State Governments. However, the samples of such projects are still required to be checked by the Central Water Commission as well as Ministry of Water Resources. Another instance where the Committee have found that Ministry have not exercised adequate monitoring is the case where CWC had made monitoring visits to only 57 minor irrigation projects out of the total of 8699 minor irrigation projects sanctioned under AIBP. The Committee find such symbolic monitoring grossly insufficient for mounting effective oversight. The Committee, therefore, recommend that the monitoring visits must be augmented suitably in consonance with the instant guidelines and the detailed inspection reports on such visits must be submitted to the Union as well as State Governments for immediate necessary action so that the bottlenecks and shortcomings are removed and the implementation of the projects speeded up. Further, the Remote Sensing Technology needs to be harnessed and effectively used to monitor the progress of the AIBP Projects in 22 States.

19. The Committee have also been informed by the Ministry that the suggestions contained in the monitoring reports are to be followed by the respective State Governments and for this, the copies of the reports are sent to all the important officers associated with the project planning and execution. The implementation of suggestions is reviewed by the CWC from time to time and particularly during subsequent visits to the project. However, the Committee note with concern that there is no institutional arrangement in place for coordination amongst the State Governments, Planning Commission, CWC etc. Nevertheless, the Ministry have assured that compliance of the suggestions made in the monitoring reports will be pursued vigorously. The reports of the NRSC are sent to the respective State Governments for action in cases where deficiencies have been found by the NRSC. The rectification of deficiencies is also monitored and pursued with States. Out of 53 projects monitored so far, deficiencies were found in 17 projects out of those, rectification has been done in 9 projects. Although, the Committee have taken note of all the existing mechanism and procedures that have been devised by the Ministry in regard to monitoring of the projects, the Committee feel that the task of bringing about the desired results of all these procedures.

20. The Ministry should bear in mind that this task of coordination is complex as several organizations such as Ministry, CWC, State Governments and Water Users Associations are involved to bring all these efforts to fruition. The

Committee, accordingly, recommend that the Ministry should also engage independent agencies such as engineering colleges for monitoring and an impartial assessment of the projects' implementation. The Ministry should also ensure that the suggestions made in the Inspection Reports of the C&AG, and other independent agencies are strictly complied with by the State Governments. The rectification of gaps and deficiencies found by the National Remote Sensing Centre must also be pursued vigorously with the State Governments. The Committee are of the view that monitoring should be enhanced not only in quantitative terms (i.e. by increasing number of visits/inspections) but in qualitative terms (i.e. outcome oriented) as well so that progress of projects is steady and continuous and bottlenecks are removed by timely interventions.

21. The Committee have noticed many irregularities in the works of individual projects as well. In regard to the Agra Canal Project, the Ministry should take responsibility for ensuring water quality. They should also expand AIBP guidelines to incorporate in them the significant issues such as water quality, growth of weeds, completion of bridges etc. The Ministry should also devise a mechanism where multiple stake-holders could be brought to a common platform to resolve the issues such as the public objections as mentioned in the Tapkara Reservoir Project (Jharkhand). The Committee also take a strong exception to the assertions of the Ministry in regard to the Mahi Bajaj Sagar Project (Rajasthan) that they have no existing mechanism for ensuring water availability till the tail end in post-completion of the project. The Committee view such an assertion highly irresponsible and lopsided as it questions the very basis of the existence of this national level programme. They, therefore, recommend in unequivocal terms that in all kinds of projects i.e. major/medium/minor irrigation projects, the availability of water should invariably be ensured till the tail end. The Committee further feel that instead of shifting the responsibilities on the States, the Ministry should devise a mechanism whereby water is invariably available till the tail end in post-completion of the projects not only for this project but also for all the projects where any kind of Central assistance is provided to the States. The Committee also desire that the new mechanism should be such that ultimate users i.e. the farmers do not suffer on account of lack of water availability at the tail end of the projects. The Committee would also like to have project-wise details to be furnished to them after incorporating the new mechanism. *The actual site photographs at the time of finalization of the Audit Report have been appended to this Report along with brief description of the respective project.*

22. The Committee would also like to recommend that in regard to the Indira Gandhi Nahar Project Stage-II, the proposal received from the State Government for inclusion of sprinkler irrigation system should be cleared within a fixed time-frame under intimation to the Committee. The Bansagar Canal (U.P.) draws attention of the Committee as two years have elapsed and no progress has been registered to take necessary corrective measures to address the problems of underground water sprouting up in Maja-Jergo Link Canal (MJLK) during the visit to the project in February, 2009. The Committee, would recommend that

**this problem should be addressed immediately to remedy the situation. In regard to Velligallu Reservoir Project (Andhra Pradesh), the Committee recommend the Ministry to submit the final status of the project within 3 months of the presentation of this report to Parliament.**

**23. The Committee have been informed by the Ministry that drought-prone and desert areas of the country are in the dire need of augmentation of irrigation facilities. Specific programmes have been developed for these areas and categorized as Drought Prone Area Programme (DPAP) and Desert Development Programme (DDP) by the Ministry of Rural Development. The Committee also note that specific provisions have been made in the AIBP guidelines for providing irrigation facilities on priority basis for DPAP. In addition, creating irrigation potential for the drought-prone and desert areas need a special attention. The Committee, therefore, recommend that the matter should be taken with other related Ministries such as Ministry of Rural Development, Ministry of Environment and Forests by the Ministry of Water Resources and vigorous efforts should be made for creating irrigation potential for these areas in a time bound manner. This would in turn, bring food security not only for these areas but also for the entire country as well.**

**24. In view of the complex web of deficiencies, irregularities and inherent infirmities in the conception, design and implementation of the Scheme and considering the huge wastage of public funds, the Committee would like a basic restructuring of this programme. While restructuring the AIBP Scheme, mindful of the aggregate benefits expected to accrue and the limitations of monitoring/inspection mechanism available, the Union Government need to ensure that the funds released to the States under the AIBP are rigorously monitored in a sustained manner by the Planning Commission and the Ministry of Water Resources by evolving a sound institutional mechanism, within six months of the presentation of this report, in consultation with the C&AG and Ministry of Finance for fruition of the intended objectives without time and cost overrun.**

NEW DELHI;  
21st February, 2011  

---

2 Phalguna 1932 (Saka)

DR. MURLI MANOHAR JOSHI,  
Chairman,  
Public Accounts Committee.

## APPENDIX I

### MINUTES OF THE ELEVENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2010-11) HELD ON 21ST SEPTEMBER, 2010

The Committee sat on Tuesday, the 21st September, 2010 from 1400 hrs. to 1530 hrs.  
in Room No. '53', Parliament House, New Delhi.

#### PRESENT

Dr. Murli Manohar Joshi — *Chairman*

#### *Lok Sabha*

2. Shri Baliram
3. Shri Ramen Deka
4. Shri Bhartruhari Mahtab
5. Dr. K. Sambasiva Rao
6. Shri Yashwant Sinha
7. Shri K. Sudhakaran
8. Shri Aruna Kumar Vundavalli

#### *Rajya Sabha*

9. Shri Ashwani Kumar
10. Shri N. Balaganga
11. Shri Prasanta Chatterjee
12. Shri Kalraj Mishra
13. Shri N.K. Singh
14. Shri Tiruchi Siva

#### SECRETARIAT

1. Shri Ashok Sareen — *Joint Secretary*
2. Shri Raj Sekhar Sharma — *Director*
3. Shri Sanjeev Sharma — *Deputy Secretary*

#### **Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri Vinod Rai — *Comptroller & Auditor General*
2. Ms. Rekha Gupta — *Dy. CAG (Report Central)*
3. Shri K.R. Sriram — *Pr. Director of Audit (ESM)*
4. Ms. Shubha Kumar — *Pr. Director (RC)*
5. Shri Bhawani Shankar — *Director (ESM)*

#### **Representatives of the Ministry of Water Resources**

1. Shri U.N. Panjiar — *Secretary (WR)*
2. Shri G. Mohan Kumar — *Addl. Secretary (WR)*
3. Shri A.K. Bajaj — *Chairman CWC (Status of Secretary)*
4. Shri S.C. Dhiman — *Chairman (CGWB)*  
*(Status of Addl Secretary)*
5. Shri R.C. Jha — *Member, (CWC)*  
*(Status of Addle. Secretary)*
6. Shri Sudhir Garg — *Joint Secretary (Parl.)*

- |     |                      |   |                           |
|-----|----------------------|---|---------------------------|
| 7.  | Smt. Ananya Ray      | — | Joint Secretary & FA (WR) |
| 8.  | Shri M.E. Haque      | — | Commissioner              |
| 9.  | Shri A.B. Pandya     | — | Commissioner              |
| 10. | Shri G.S. Jha        | — | Commissioner              |
| 11. | Shri S.P. Kakran     | — | Commissioner              |
| 12. | Shri G. Aranganathan | — | Commissioner              |

2. At the outset, the Chairman welcomed the Members, the C&AG, and other Audit Officers to the sitting of the Committee. The Chairman, then, apprised the Members that the meeting has been convened to take oral evidence of the representatives of the Ministry of Water Resources based on the subject 'Accelerated Irrigation Benefits Programme' on CAG Report No. 4 of 2010-11 Union Government (Civil), Performance Audit.

3. The representatives of Ministry of Water Resources were then called in and the Chairman welcomed them to the sitting. The Chairman impressed upon the representatives of Ministry of Water Resources and reminded the Members and all others present in the meeting not to disclose the contents of the deliberations of the sitting to any outsider, especially the Press. The Committee, thereafter, commenced the examination of the subject 'Accelerated Irrigation Benefits Programme'. During the course of deliberations, the Committee expressed their dissatisfaction over the Ministry's inability to attend to some basic queries raised by the Members on the subject. The Committee, consequently, decided to resume oral evidence of the representatives of the Ministry on a future date and the Chairman advised the representatives of Ministry of Water Resources to come better prepared next time.

4. The Chairman thanked the representatives of the office of the C&AG of India for providing assistance to the Committee in the examination of the subject.

*The witnesses, then, withdrew.*

A copy of the verbatim proceedings of the sitting has been kept on record.

*The Committee, then, adjourned.*

## APPENDIX II

### MINUTES OF THE TWELFTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2010-11) HELD ON 29TH SEPTEMBER, 2010.

The Committee sat on Wednesday, the 29th September, 2010 from 1430 hrs. to 1625 hrs. in Room No. '53', Parliament House, New Delhi.

#### PRESENT

Dr. Murli Manohar Joshi — *Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri Anandrao Vithoba Adsul
3. Shri Naveen Jindal
4. Shri Bhartruhari Mahtab
5. Dr. M. Thambidurai
6. Shri Aruna Kumar Vundavalli

##### *Rajya Sabha*

7. Shri N. Balaganga
8. Shri Prasanta Chatterjee
9. Shri Kalraj Mishra
10. Shri N.K. Singh
11. Shri Tiruchi Siva
12. Prof. Saif-ud-Din Soz

#### SECRETARIAT

1. Shri Raj Sekhar Sharma — *Director*
2. Shri Sanjeev Sharma — *Deputy Secretary*

#### **Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri Vinod Rai — **Comptroller & Auditor General**
2. Ms. Rekha Gupta — **Dy. CAG (Report Central)**
3. Shri K.R. Sriram — **Pr. Director of Audit (ESM)**
4. Ms. Shubha Kumar — **Pr. Director (RC)**
5. Shri Bhawani Shankar — **Director (ESM)**

**Representatives of the Ministry of Water Resources**

- |     |                      |   |                           |
|-----|----------------------|---|---------------------------|
| 1.  | Shri U.N. Panjiar    | — | Secretary (WR)            |
| 2.  | Shri G. Mohan Kumar  | — | Addl. Secretary (WR)      |
| 3.  | Shri A.K. Bajaj      | — | Chairman, CWC             |
| 4.  | Shri S.C. Dhiman     | — | Chairman, CGWB            |
| 5.  | Shri R.C. Jha        | — | Member, CWC               |
| 6.  | Shri Sudhir Garg     | — | Joint Secretary (Parl.)   |
| 7.  | Smt. Ananya Ray      | — | Joint Secretary & FA (WR) |
| 8.  | Shri M.E. Haque      | — | Commissioner              |
| 9.  | Shri A.B. Pandya     | — | Commissioner              |
| 10. | Shri G.S. Jha        | — | Commissioner              |
| 11. | Shri S.P. Kakran     | — | Commissioner              |
| 12. | Shri G. Aranganathan | — | Commissioner              |

2. At the outset, the Chairman welcomed the Members, the C&AG, and other Audit Officers to the sitting of the Committee. The Chairman, then, apprised the Members that the meeting was convened to take further oral evidence of the representatives of the Ministry of Water Resources based on the subject 'Accelerated Irrigation Benefits Programme' based on CAG Report No. 4 of 2010-11 Union Government (Civil) Performance Audit.

3. The representatives of the Ministry of Water Resources were then called in and the Chairman welcomed them to the sitting. The Chairman impressed upon the representatives of the Ministry of Water Resources and reminded the Members and all others present in the meeting not to disclose the contents of the deliberations of the sitting to any outsider, especially the Press. The Committee, thereafter, commenced further examination of the subject 'Accelerated Irrigation Benefits Programme'. The representatives of the Ministry highlighted various important points and attended to related queries of the Members on the subject. The Chairman, then apprised the representatives of the Ministry that they might be summoned to tender further evidence before the Committee in future, if required.

4. The Chairman thanked the representatives of the Ministry for appearing before the Committee and furnishing the available information that the Committee desired in connection with the examination of the subject. The Chairman also thanked the office of the C&AG of India for providing assistance to the Committee in the examination of the subject.

*The witnesses, then, withdrew.*

A copy of the verbatim proceedings of the sitting has been kept on record.

*The Committee, then, adjourned.*



### APPENDIX III

#### MINUTES OF THE TWENTY THIRD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2010-11) HELD ON 15TH FEBRUARY, 2011

The Committee sat on Tuesday, the 15th February, 2011 from 1130 hrs. to 1230 hrs. in Room No. '62', First Floor, Parliament House, New Delhi.

#### PRESENT

Dr. Murli Manohar Joshi — *Chairman*

#### MEMBER

#### *Lok Sabha*

2. Shri Anandrao Vithoba Adsul
3. Shri Ramen Deka
4. Shri Naveen Jindal
5. Shri Bhartruhari Mahtab
6. Dr. K. Sambasiva Rao
7. Dr. M. Thambidurai
8. Shri Aruna Kumar Vundavalli

#### *Rajya Sabha*

9. Shri Prasanta Chatterjee
10. Shri N.K. Singh
11. Prof. Saif-ud-Din Soz

#### SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri Sanjeev Sharma — *Deputy Secretary*
3. Shri D.R. Mohanty — *Deputy Secretary*
4. Smt. A. Jyothirmayi — *Under Secretary*

#### **Representatives of the Office of the Comptroller and Auditor General of India**

1. Shri K.R. Sriram — Principal Director of Audit (ESM)
2. Shri Subir Mallick — Principal Director (Indirect Taxes)
3. Shri C.M. Sane — Principal Director of Audit (Air Force & Navy)

2. At the outset, the Chairman welcomed the Members and the representatives of the Office of the C&AG of India to the Committee. The Chairman then apprised the

Members that the meeting had been convened to consider and adopt three Draft Reports viz. two Original Reports and the one Action Taken Report which was deferred adoption in the last sitting held on 3rd February, 2011.

3. \*\*\*\* \*\*\*\* \*\*\*\*

4. The Committee, thereafter, took up the following Draft Reports for consideration:

(i) \*\*\*\* \*\*\*\* \*\*\*\*

(ii) \*\*\*\* \*\*\*\* \*\*\*\*

(iii) Draft Report on "**Accelerated Irrigation Benefits Programme (AIBP)**" (Ministry of Water Resources) based on C&AG Report No. PA 4 of 2010-11.

5. After going through the Drafts Reports one by one, the Committee adopted the Draft Reports with some modifications/amendments. The Committee, then, authorized the Chairman to finalise the abovementioned Reports adopted by them, in light of their suggestions and the factual verifications received from the Audit and present the same to the House on a date convenient to him.

6. The Chairman thanked the Members for their valuable suggestions on the consideration of the Draft Reports.

*The Committee, then, adjourned.*

---

\*\*\*\*The Matter does not pertain to this Report.