

FIFTH REPORT  
STANDING COMMITTEE  
ON AGRICULTURE  
(1999-2000)  
(THIRTEENTH LOK SABHA)  
MINISTRY OF WATER RESOURCES  
DEMANDS FOR GRANTS (1999-2000)

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

*Presented to Lok Sabha on 14.3.2000*

*Laid in Rajya Sabha on 14.3.2000*



LOK SABHA SECRETARIAT  
NEW DELHI

*March 2000/Phalguna, 1921 (Saka)*

COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE  
(1999-2000)

Shri S.S. Palanimanickam — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Ram Tahal Chaudhari
3. Shri Shivraj Singh Chouhan
4. Shri Shamsher Singh Dullo
5. Shri Ramdas Rupala Gavit
6. Shri Thawar Chand Gehlot
7. Shri G. Putta Swamy Gowda
8. Shri Raghunath Jha
9. Shri Shivaji Vithalrao Kamble
10. Shri Abul Hasnat Khan
11. Shri Y.G. Mahajan
12. Shri Haribhau Shankar Mahale
13. Shri Savshibhai Makwana
14. Shri Jagannath Mallick
15. Shri M. Master Mathan
16. Shri Tarachand Shivaji Patel
17. Shri Prakash V. Patil
18. Shri Sharad Pawar
19. Shri G. Sukender Reddy
20. Shri N.R.K. Reddy
21. Shri Pyare Lal Sankhwar
22. Shri Adi Shankar

(iv)

23. Shri Chhatrapal Singh
24. Shri Lakshman Singh
25. Shri Rampal Singh
26. Shri Tejveer Singh
27. Shri Zora Singh
28. Shri Bhal Chandra Yadav
29. Shri Mahboob Zahedi
30. Vacant

*Rajya Sabha*

31. Shri Oscar Fernandes
32. Shri Gufran Azam
33. Shri Ramji Lal
34. Shri Devi Prasad Singh
35. Dr. Ranbir Singh
36. Shri Khagen Das
37. Shri Yadlapati Venkata Rao
38. Shri H.K. Javare Gowda
39. Shri Naresh Yadav
40. Shri R. Margabandhu
41. Shri Korambayil Ahammed Haji
42. Shri Sharief-Ud-Din Shariq
43. Shri Devi Lal
44. Shri Kanshi Ram
45. Vacant

SECRETARIAT

1. Shri Harnam Singh — *Joint Secretary*
2. Dr. (Smt.) Paramjit Kaur Sandhu — *Director*
3. Shri Rajshekhar Sharma — *Deputy Secretary*
4. Smt. Anita Jain — *Under Secretary*
5. Shri Ramesh Lal — *Reporting Officer*

## INTRODUCTION

I, the Chairman of the Standing Committee on Agriculture (1999-2000) having been authorised by the Committee to submit the Report on their behalf, present this Fifth report on Action Taken by Government on the recommendations/ observations contained in the 21st Report of the Standing Committee on Agriculture (1998-99) (Twelfth Lok Sabha), Demands for Grants (1999-2000) of the Ministry of Water Resources.

2. The Twenty First Report of the Standing Committee on Agriculture (1998-99) on Demands for Grants (1999-2000) of the Ministry of Water Resources was presented to Lok Sabha on 22.4.99 and laid in Rajya Sabha on 23.4.99. The Ministry of Water Resources was requested to furnish action taken replies of the Government to recommendations contained in the Twenty First Report. The replies of the Government to all the recommendations contained in the Report was received.

3. The Committee considered these action taken replies furnished by the Government and approved the draft comments and adopted the Fifth Report.

4. An analysis of the Action Taken by the Government on the recommendations/observations contained in the Twenty First Report (12th Lok Sabha) of the Committee is given in Appendix-II.

NEW DELHI;  
March, 2000  
Phalgun, 1921 (Saka)

S.S. PALANIMANICKAM,  
Chairman,  
Standing Committee on Agriculture.

## CHAPTER I

### REPORT

This Report of the Committee on Agriculture deals with the action taken by the Government on the recommendations contained in the Twenty First Report (Twelfth Lok Sabha) of the Standing Committee on Agriculture (1998-99) on Demands for Grants (1999-2000) of the Ministry of Water Resources which was presented to the Lok Sabha on 22.4.1999 and laid in Rajya Sabha on 23.4.99

1.2 Action taken replies have been received from the Government in respect of all the 24 recommendations contained in the Report. These have been categorised as follows :

- (i) Recommendations/Observations that have been accepted by the Government (Chapter II of the Report)

Recommendations Sl. Nos. 2, 3, 5, 6, 7, 8, 15, 21, 22 & 23.

( Total 10)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies (Chapter III of the Report)

Recommendation Nil.

(Total Nil)

- (iii) Recommendations/Observations in respect of which reply of the Government have not been accepted by the Committee (Chapter IV of the Report to be commented upon in Chapter I of the Report)

Recommendations Sl. Nos. 10 & 16.

(Total 2)

- (iv) Recommendations/Observations in respect of which final replies of the Government are still awaited (Chapter V of the Report)

Recommendations Sl. Nos. 1, 4, 9, 11, 12, 13, 14, 17, 18, 19, 20, 24.

(Total 12)

1.3 The Committee will now deal with the action taken by Government on some other recommendations.

### **Revision of National Water Policy 1987**

#### **Recommendation (Sl. No. 4, Para No. 3.5)**

1.4 The Committee had noted that the National Agenda for Governance provides for the adoption of a New National Water Policy for effective and prompt settlement of disputes and their time-bound implementation. The Prime Minister in his Address to the Nation on 22, March, 1998 had stated that the Government would unveil a National Water Policy so that no water went waste and all water resources could be cleaned up. After the adoption of the existing National Water Policy in 1987, a number of new problems and challenges had emerged in the development and management of Water resources in the country. Some of the important issues involved in the matter were multi-sectoral perspective and participatory approach towards resource, planning and management, private sector participation, integration of quantity, quality and environmental aspects in water resources management, mandatory, maintenance, policies for revenue generation, legislative reforms etc. The Committee were informed that the National Water Board met on 29th October, 1998 to finalise the updated National Water Policy and the Policy was yet to be approved by them. The Committee had desired that emergent action was needed for quickly finalising the updated National Water Policy so that it leads to efficient utilisation and conservation of Water Resources.

#### **Action Taken by MOWR**

1.5 In their action taken reply, the Ministry of Water Resources have stated that Draft National Water Policy (1998) and Draft National Policy Guidelines for Water Allocation amongst States as finalised by the National Water Board have been included in the Agenda for the 4th meeting of the National Water Resources Council scheduled for February, 1999 and later may, 1999 but the meetings were postponed. Both the policy documents are now expected to be placed before the National Water Resources Council in its 4th meeting likely to be convened by the new Government to be formed after the General Election for the Lok Sabha.

#### **Comments of the Committee**

1.6 The Committee desire that both the draft National Water Policy and draft National Policy Guidelines for Water Allocation amongst States may now be placed before the National Water Resources Council at the earliest and the Committee be apprised of the outcome.

## **Implementation of World Bank Aided Hydrology Project**

### **Recommendation (Sl. No. 8, Para No. 3.11)**

1.7 The Committee had noted that a Hydrology Project was being implemented since 2 September, 1995 for a period of 7 years with an aid of US \$ 142 millions under a Credit Agreement with the Government of India. The Government of India component in the Project was US \$ 21.5 millions. The project aimed at developing comprehensive, easily accessible and user friendly data basis covering all aspects of hydrological cycle, including surface water and ground water in terms of quantity and quality and climatic measurements, particularly of rainfall. This would assist in the development of more reliable data on water resources. For this, the Project aimed at improvement of institutional and organisational arrangements, technical capabilities and physical facilities for creation, processing and dissemination of hydrological and hydro meteorological data from a fully functional Hydrological Information System. The Project implementation could commence only in April, 1996 due to delays in obtaining necessary administrative approvals. Under the scheme, so far a credit of US \$ 23.28 millions only had been utilised in the last four years. The percentage of utilisation out of the total credit available was only 16.4% and the rest of the credit has to be availed of by 31 March, 2002, the date of completion of the Project. The Committee were informed that some of the factors contributing to the delay were administrative in nature such as inadequate delegation of powers to the Project Officers in the States and delayed sanctions for creation and filling up of posts, apart from not releasing the funds in time to take up work in construction seasons. The Committee were of the opinion that these administrative delays were definitely avoidable and with very close monitoring from the Union Government, the compliance of the State Governments could be secured in these matters. The Committee had therefore, recommended that these matters should be immediately sorted out so that the Government was in a position to utilise the available credit fully in the coming three years and build a competent infrastructure. The Committee had also recommended that the posts in the Project Coordination Secretariat which remained vacant for a long time should be got filled on priority basis, as there was a danger of stopping of aid by the International Agency, if they found that the Project Coordination Secretariat was not adequately staffed to ensure the implementation of the Project.

### **Action taken by MOWR**

1.8 The Government in their reply have stated that the Ministry of Water Resources has constituted two High Level Committees at Central level viz.: National Level Steering Committee (NLSC) under the Chairmanship of Secretary (WR) with representation at Secretary level of all the participating States and National Coordination Committee (NCC) under the Chairmanship of Member (RM), CWC with representation of nodal officer level of all implementing agencies

to resolve policy, technical and coordination issues related to Hydrology Project implementation. A Project Coordination Secretariat (PCS) exists in this Ministry to monitor and coordinate project implementation and also to provide Secretariat services to NLSC and NCC. Besides, a State Level Coordination Committee (SLCC) has been set up in each participating State under the Chairmanship of the Irrigation Secretary of the State to foster better coordination between State and the Central department operating in the State. The issues that are considered to be hampering the project implementation are taken up by these Committees and action taken for resolution of these issues. The PCS, thereafter, closely monitors the implementation of the agreed upon Action Points. Besides, the World Bank also monitors the project progress by the launching Supervision Mission semi-annually. The State Governments have also been advised to hold meetings of SLCCs regularly. All these measures have positive impact on project progress which has now started looking up. The Mid Term Review Mission launched by the World Bank in January, 1999 has expressed happiness over the improvement in the pace of implementation of the project.

#### **Comments of the Committee**

**1.9 The Committee wish to emphasis that the vacant posts in the Project Coordination Secretariat should be filled up urgently, if not already done.**

#### **Irrigation Potential Created through AIBP**

##### **Recommendation (Sl. No. 10, Para No. 3.13)**

1.10 The Committee had found that under the Accelerated Irrigation benefits Programme (AIBP), various States had utilised a sum of Rs. 1,452.19 crores in the year 1996-97 and 1997-98. The potential created in these two years added up to 208.336 thousand hectares. Although the scheme was launched in 1996-97 with a view to get certain projects completed within a period of two years, till date not a single project had been completed. In the year 1996-97 and 1997-98, no addition in the irrigation potential could be made in respect of the States of Andhra Pradesh, Bihar, Goa, Jammu & Kashmir, Madhya Pradesh and Haryana. In respect of the States of Punjab and Tamil Nadu, no details were available about the physical achievement made under AIBP. The Committee had found that against the original budget allocation of Rs. 1500 crores for the scheme in 1998-99 the likely expenditure at the revised estimates stage would be around Rs. 1200 crores. Out of this amount, releases had been already made to the tune of Rs. 885 crores and proposal worth Rs. 215 crores were under process and were likely to be released by the year end. The Committee were not satisfied with the pace of implementation of the AIB Programme and they were concerned at the reduction in the budget allocation at the revised estimates stage for 1998-99. The Committee were informed that the main reason for poor achievement was the non-availability of funds with the State



Governments and as such they were not in a position to contribute their matching share for availing the Central loan assistance under the Programme. Anticipating this predicament, the Committee were recommending in the past that the Union Government should make releases of the funds in the form of grants and there should not be any instance on getting matching grants from the already funds-starved States, if the programme were to be a real success. Therefore, the Committee had reiterated their earlier recommendation that the assistance from Central Government under AIBP should be in the form of grants without any stipulation for matching contribution from the States. The Committee had also noted that the Government proposes to include minor irrigation surface schemes of certain special category States under the programme and the Government hoped as to improve the utilisation of funds by relaxing the guidelines about the funding pattern in their favour. However, these guidelines were yet to be approved by the Government. The Committee had recommended that this matter should be accorded the highest priority and the scheme in favour of the special category States should be launched in this financial year itself.

#### **Action taken by MOWR**

1.11 In their reply, the Government have stated that the Accelerated Irrigation Benefits Programme has been approved as Central Loan Assistance Programme by Parliament. However, the matter regarding release of funds to the State Governments in the form of grants instead of loans and without required contribution by the States has been taken up with the Ministry of Finance. In this connection, a copy of the letter of even number, dated the 19<sup>th</sup> May, 1999, addressed to Ministry of Finance is at Annexure IV. The Comments of Ministry of Finance are still awaited.

1.12 As regards, the modifications in the Guidelines of AIBP, the same has since been approved by the Government and henceforth the surface minor irrigation schemes (both ongoing & new) of North-Eastern States, hilly States (of HP, J&K, & Sikkim) and KBK Districts of Orissa will be included under AIBP. CLA under AIBP will now be provided to the States for the project works in the ratio of 2:1 (Centre and State) instead of existing 1:1 and CLA to special category States will be provided in the ratio of 3:1 instead of existing 2:1 KBK Districts of Orissa will be treated at par with special category States as far as funding pattern is concerned.

#### **Comments of the Committee**

1.13 The Committee are pained to observe that their recommendation regarding making available assistance from Central Government to States under AIBP in the form of grants without any stipulation for matching contribution from States has not been taken by the Government with the seriousness it deserved. The recommendation has simply been forwarded to the

**Ministry of Finance for comments. No sincere efforts appear to have been made to implement this important recommendation of the Committee which would improve the AIBP performance significantly. The Committee, therefore, reiterate that to make the AIBP a real success, the release of funds should be made in the form of grants without any stipulation for matching contribution from the States.**

## **Incentives to Water Users Association**

### **Recommendation (Sl. No. 13, Para No. 3.16)**

1.14 The Committee had noted that the Finance Minister in his Budget Speech had stated that in order to promote participation in Water Management, subsidy and recurring assistance for an initial period of three years would be made available as an incentive to all registered Water Users Association and this proposal was linked to incremental water rate collection. For this purpose, an allocation of Rs. 6.00 crores had been provided and modalities were being worked out for the implementation of the scheme in consultation with the Planning Commission. The Committee had recommended that the proposal should be immediately cleared and launched for implementation in the first quarter of the current financial year.

### **Action taken by MOWR**

1.15 The Government have in their reply stated that the proposal for continuation of CAD Programme during IX Five-Year Plan has been modified in consultation with Planning Commission by including this provision. Presently to promote formulation and functioning of water users' associations, one time functional grant is provided to these associations through the State Government. The level of this assistance is Rs. 500/- per ha. Which is shared in the ratio of 9:9:2 between Centre, State and Water Users' Associations respectively. The amount is required to be deposited in the bank and the interest acquired thereon can be utilised for the upkeep of the system and various other management activities. An amount of Rs. 6.75 crore has been provided under this head. However, under Participatory Irrigation Management, as a whole, total Central provision is Rs. 31.05 crore which include activities concerning creation of awareness, providing legal back up, etc. Over and above these provisions, an amount of Rs. 6.00 crore has been proposed for the assistance to Water Users' Associations for such incentives. Necessary modalities are being finalised by the Planning Commission. The Ministry is constantly pursuing the matter with the Planning Commission.

## Comments of the Committee

1.16 The Committee are constrained to observe that the modalities for the scheme enunciated by the Finance Minister in his Budget Speech to promote participation in Water Management have still not been finalised. They desire that the scheme should be finalised and implemented without any further delay under intimation to the Committee.

### Renuka Dam and Kishau Dam Projects

#### Recommendation (Sl. No. 15, Para No. 3.18)

1.17 The Committee had found the MoU regarding allocation of surface flow of Yamuna between UP, Haryana, Rajasthan, Himachal Pradesh and National Capital Territory of Delhi was signed by their Chief Ministers on 12.5.94 and subsequently agreement between HP, UP, Haryana and Delhi on the construction of Renuka Dam Project and agreement between UP, Haryana and Delhi on construction of Kishau Dam Project was signed by their Chief Ministers on 6.11.94 and 2.9.94 respectively. The two projects had, however, not taken off due to the hesitation of the State of Rajasthan to sign these agreements since it wants a share in the Hydropower generated from these two projects. The Committee had noted that the Ministry of Power had been requested to sort out the problem and the Secretary (Power) had taken two meetings so far with the Secretaries of the concerned States. The Committee were unhappy to note that though major agreements on sharing of waters had been made in 1994, the projects had been allowed to linger on for more than 4 years because of non-agreement on sharing of hydro-power generated from the projects. The Committee had recommended that the Ministry of Water Resources should pursue the matter with the Ministry of Power to expedite the sorting out of the problem by having early meetings with State officials concerned so that the Projects which had already been delayed badly can be launched at early date.

#### Action Taken by MOWR

1.18 In their reply, the Government have stated that Secretary (WR) has requested Secretary (Power) on 5.5.99 to include these two projects in the meeting of Chief Ministers proposed to be convened by the Ministry of Power to discuss power sharing of 5 projects of Punjab. Ministry of Power has since decided to convene this meeting only after the impending mid-term elections and when the new Government takes over.

### Comments of the Committee

1.19 The Committee wish to emphasise that the matter should be sorted out with a sense of urgency so that the agreements for construction of Renuka Dam and Kishau Dam Projects are signed and the projects launched without further loss of time.

### Ghaggar Flood Control System

#### Recommendation (Sl. No. 16, Para No. 3.19)

1.20 The Committee were happy to note that Ghaggar Flood Control System had recently been cleared by Ghaggar Standing Committee from the inter-state angle. The Committee had desired that steps to arrive at an agreement on sharing of cost by participating States may also be taken at the earliest so that scheme was put into operation at an early date, as failure in controlling floods in Ghaggar river had led to the submergence of several hectares of agricultural land. The Committee were further of the view that besides experts, local MPs and MLAs may also be associated in the Committee so that they can also help in the expeditious launch of the Programme.

#### Action Taken by MOWR

1.21 The Government have in their reply stated that a meeting of the Ghaggar Standing Committee was held on 21.5.99 in which the representative from Rajasthan informed, that Rajasthan is not seeking any sharing of cost of this project and that the entire cost would be borne by Rajasthan alone. With regard to the recommendation of the Standing Committee on Agriculture to associate MPs/MLAs of the concerned State also as a member of the Ghaggar Standing Committee, it was decided in the meeting that it would be appropriate that Hon'ble MPs and MLAs may give their valuable opinion in the matter to the Standing Committee on Agriculture of Ministry of Water Resources.

### Comments of the Committee

1.22 The Committee are surprised at the reply of the Government that it would be appropriate that Hon'ble MPs and MLAs may give their valuable opinion on the Ghaggar flood control system to the Standing Committee on Agriculture. The Committee wish to emphasise that since local MPs and MLAs have greater insight of the issues involved they can have a positive contribution towards the expeditious launch of such programmes. It was in this context that the Committee had made the recommendation for associating local MPs and MLAs in the Ghaggar Standing Committee. They, therefore, reiterate that local MPs and MLAs should be associated with the Standing Committee to facilitate expeditious launch of the programme.

## **Assistance to Drought Affected Areas**

### **Recommendation (Sl. No. 18, Para No. 3.21)**

1.23 The Committee were concerned to note that the allocation of Rs. 12.00 crores for assistance to drought affected States during 1998-99 for procurement of rigs were not fully utilised by Central Ground Water Board due to non-receipt of Japanese Grant. Out of the budgetary outlay of Rs. 17 crores in 1998-99 for all component schemes, only Rs. 4.78 crores had been allocated in Revised Estimates stage. The Committee were of the view that assistance to drought affected States was a very important scheme and was to be implemented urgently and it should not be allowed to suffer for want of foreign assistance. They had, therefore, urged upon the Planning Commission to allocate sufficient funds for the scheme so that the rigs could be procured and sufferings of the people in drought affected States were mitigated to some extent.

### **Action taken by MOWR**

1.24 In their reply, the Government have stated that the Scheme on Assistance to Drought Affected States had two components drilling and construction of exploratory wells at an estimated cost of Rs. 5.00 crores and acquisition of Hard Rock DTH Rigs at an estimated cost of Rs. 12.00 crores. The provision of Rs. 12.00 crores was proposed under Japanese Grant-in-Aid Assistance. Since the grant was frozen, the funds meant for acquisition of DTH rigs could not be utilised. The Board have made a provision of Rs. 6.50 crores for procurement of 5 DTH rigs indigenously during the current Financial Year. An additional amount of Rs. 25.00 crores will be required at RE stage to acquire additional 5 heavy duty rigs for deployment in drought affected areas.

### **Comments of the Committee**

**1.25 The Committee would like to be apprised by when the 5 DTH rigs are expected to be procured. They would also like to know whether the Planning Commission has been approached for allocation of additional amount of Rs. 25.00 crores for acquisition of 5 heavy duty rigs, and if so, the outcome thereof.**

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS, WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Need to Restore the Supremacy of Parliament in Financial Matters**

##### **Recommendation (Sl. No. 2, Para No. 3.2)**

2.1 The Committee note that there is a growing tendency on the part of the Executive to cut down altogether all the allocations for the Plan Schemes and also to reduce allocations drastically to the Plan schemes at the revised estimates stage, although the Parliament. Has made available these funds to all those schemes in exercise of the constitutional powers granted to them in the Constitution of India for sanctioning expenditure and its appropriation. The Committee have come across several instances where the entire allocations for various new plan schemes of the Ninth Plan have been reduced to zero at the revised estimates stage by the Planning Commission and the Ministry of Finance and these schemes have become chronic non-starters, although we are in the third year of the Ninth Five Year Plan. The fact of these reductions come to the notice of the Parliament only through the Detailed Demands for Grants laid before the Parliament at the fag end of a financial year, a stage at which the Parliament has to helplessly acquiesce itself into a state of acceptance of this matter, as no restoration of the originally sanctioned amounts at this can help due to the sheer lapse of time of almost eleven months of a financial year already during which these should have been utilised. The Committee feel that such reductions by the Planning Commission, which is only an adjunct of the main Executive without any constitutional sanction for its existence, amounts to exercise of powers, that can only be exercised by the passing of several Cut Motions for which the Parliament alone is empowered under the existing constitutional scheme of things. The Committee are aware that the expenditure budget is only an 'Estimate' and as such it has an inherent flexibility in it for 'reasonable' reductions or increases due to various factors. But such variations can be done only by the Parliament and by no other body under the existing provisions of the Constitution. The Committee feel that, ideally, once the Parliament passes a budget estimate for a purpose, sincere attempts should be made by the Executive to spend the funds for that purpose and procedural formalities to be adopted for issuing administrative sanctions for those scheme should not be abused to stall the very implementation of the schemes. But the Committee find that the present system of accord of approval consisting of the various stages of sanctions by Expenditure Finance Committee, Standing Finance Committee,

Cabinet Committee on Economic Affairs etc. has only led to strangulating delays in the process of implementation of schemes which have the seal of approval of popular will for them from the Parliament. The Committee can not accept a position whereby the unending rigmaroles of procedural drills prescribed by the bureaucracy for accord of mere administrative approvals are sought to be used to put a spoke on the wheels of progress that should turn on the path delineated by the Parliament. The Committee are of the strong view that such practices are a negation of the basic principles of Parliamentary democracy whereby extra-constitutional bodies, procedural devices and practices seek to undermine the supremacy of the Parliament over the Executive. They, therefore, recommend that the whole procedure prescribed for according post-budget approval for plan schemes should be thoroughly overhauled in the light of the observations of the Committee made above so that the supremacy of the Parliament is re-established and the will of the people prevails. It must be remembered that every estimate in a budget raises a hope in the minds of the people for their legitimate development and, therefore, any disadvantageous variation in it would only lead to misleading the public, particularly the poorer sections of the society and as such would amount of committing a fraud on those innocent people.

#### **Action Taken by MOWR**

2.2 The revised estimate stage is a mid-term corrective measure to estimate expenditure during the year based on trend of expenditure and other bottlenecks etc. so that the amount likely to be available (and unlikely to be spent on the particular head of expenditure for which initially voted) can be gainfully utilised for other important programmes of the Government where there is need for additional funds. Normally if the progress of expenditure is commensurate with the allocation and there is likelihood of the balance available being spent by the end of the year, no cut is imposed at the revised estimate stage. Further the existing system of approvals by SFC, EFC and the CCEA are intended to ensure overall co-ordinated expenditure in accordance with the financial rules of the Government and are common to all Ministries/Departments of the Govt. of India. However, the recommendations of the Hon'ble Committee have been brought to the notice of the Ministry of Finance (Annexure II – Page 37) and the Planning Commission (Annexure III – Page 38). Efforts are also being made to see that related actions are taken to ensure full utilisation of the amounts voted by Parliament.

## Poor Utilisation of Plan Funds

### Recommendation (Sl. No. 3, Para No. 3.3)

2.3 The Committee note that the Ministry of Water Resources does not have a track record of full utilisation of the funds allocated to it for the implementation of various Plan Schemes in the past, as may be evident from the following data :-

(Rupees in crores)

Year	BE	Actuals
1992-93	240.00	199.26
1993-94	289.00	274.94
1994-95	275.47	232.67
1995-96	311.80	251.67
1996-97	1,278.23	796.93
1997-98	341.00	288.87
1998-99	410.85	388.94 (RE)
1999-2000	382.00	

2.4 The Committee feel that unless the Ministry improves the utilisation of funds to the fullest extent possible, they can not demonstrate their ability to absorb funds, while seeking higher allocations from the Planning Commission. As the trend of expenditure is one of the determining factors for fund allocation and is also a performance indicator, every effort should be made to impress upon the State Governments also to improve the utilisation of funds by according the due priority to the irrigation sector. Since large investments are made by the Union Government in various States, the monitoring mechanism should be strengthened and the number of periodical reviews in a year should also increase. The Committee desire that the details of such reviews taken by the Ministry, the level at which they were taken, the outcome of the reviews should be indicated briefly in a tabular form and this information should be included in the Annual Report and in the Performance Budget Document to enable proper parliamentary scrutiny.

### Action Taken by MOWR

2.5 Consequent upon the steps taken by the Ministry for expeditious approval of the schemes and procedural simplification as well as the measures taken, by instructing all the organisations and wings of the Ministry, the percentage of utilisation of funds has shown drastic improvement in 1998-99 where the expenditure has been of the order of 92% amounting to Rs. 355.15 crore. Efforts are being made to ensure that utilisation in the current financial year (1999-2000) is still further improved compared to that in 1998-99.

So far as utilisation of Central funds by the States are concerned, the States have been requested to accord due priority to the Irrigation Sector so as to improve



the utilisation of funds. The utilisation of the funds by the States is being monitored by the Ministry. The funds in respect of two major programmes viz. Command Area Development (CAD) and Accelerated Irrigation Benefit Programme (AIBP) during 1998-99 have been substantially utilised. Concerted efforts are being made to ensure full utilisation of funds for 1999-2000. Tabular statement on reviews of expenditure and outcome of the review would be presented in the Annual Report and Performance Budget in future.

### Allocation in favour of North-Eastern States

#### Recommendation (Sl. No. 5, Para No. 3.6)

2.6 The Committee note that Rs. 36.36 crore have been earmarked in 1999-2000 for the Plan Schemes to be implemented in the North-Eastern States and this allocation works out to 9.52 per cent of that the total plan budget of Rs. 382 crore for this year. The Committee have been informed that the Planning Commission is likely to enhance the Plan Budget allocation for 1999-2000 to Rs. 396 crore soon and with this enhancement the proportion of funds in favour of the North-Eastern States will be brought down to 9.17 per cent of the total. In the proposed addition of Rs. 14 crore, Rs. 1.36 crore may flow to the North-Eastern States, if these States can make matching releases, which is a very remote possibility in view of the resource crunch they face due to their special problems. The Committee, therefore, recommend that the Government should make all the schemes hundred per cent Centrally funded in respect of the North-Eastern States, as a special case, so that it is ensured that atleast 10 per cent of the total funds earmarked for the Plan Schemes flow to these disadvantaged States and this step would be in conformity with the assurance given by the Honourable Prime Minister in November, 1996 to earmark 10 per cent of the funds in their favour.

#### Action Taken by MOWR

2.7 A bulk of the activities of for this Ministry specially under the flood control sector lies in the North-East. During the financial year 1998-99 against a revised estimate of Rs. 366.44 crore, the expenditure towards activities in the North-East under the Central Sector was Rs. 37.86 crore which is 10.33% of the total planned budget of this Ministry. For the financial year 1999-2000 against a plan budget allocation of Rs. 382 crore, the amount earmarked for the North-East is Rs. 38.60 crore. The details are as below :-

(Rs. in Crores)

Sl. No.		1998-99 (Actuals)	1999-2000 (Budget Estimates)
1.	Investigation of Hydro-electric Projects & Flood Forecasting by CWC	5.54	4.60
2.	Brahmaputra Board	12.75	12.00
3.	Flood Control in Brahmaputra Valley	18.00	15.00
4.	Pagladiya Project	-	1.00

(Rs. in Crores)

Sl. No.		1998-99 (Actuals)	1999-2000 (Budget Estimates)
5.	Harrang Drainage Scheme	0.24	1.00
6.	Command Area Development Programme	1.33	5.00
	<b>Total</b>	<b>37.86</b>	<b>38.60</b>
7.	Percentage with reference to total Plan Expenditure Outlay	10.33%	10.64%

2.8 As regards, the Standing Committee recommendation that the Govt. should make all the schemes 100 percent Centrally funded in respect of N.E. States as a special case, it may be mentioned that all the schemes shown above except the one concerning Command Area Development is hundred percent funded by the Centre. For schemes under Command Area Development, the States have to provide matching contribution.

### Poor Utilisation of funds in projects undertaken with overseas assistance

#### Recommendation (Sl. No. 6, Para No. 3.7)

2.9 The Committee note that in respect of a large number of projects undertaken with overseas assistance, the extent of utilisation of funds is very very low and unsatisfactory. The following few examples will illustrate the fact as to how the previous foreign assistance that is made available on a platter is kicked away due to our own inefficiency :

Sl. No.	Donor Agency	Name of Project & States	Percentage of utilisation of funds	Years taken so far	Years left for completion
1.	World Bank	Tamil Nadu Water Resources Consolidation Project	9.0	4 years	3 years
2.	-do-	Andhra Pradesh Irrigation Project-III	20.23	2 years	2½ years
3.	-do-	Multi-State Dam Safety Assurance	60	7½ years	½ year
4.	EEC	Kerala-Minor Irrigation Project	23.47	7 years	1 year
5.	-do-	Orissa-Minor Irrigation Project	4.34	4 years	5½ years
6.	-do-	Maharashtra Saline Land Reclamation	0	4 years	6 years
7.	-do-	Pondicherry Tank Irrigation Modernisation	0	2 years	4 years
8.	OECD, Japan	Orissa-Rengali Project	8.37	2 years	4 years
9.	Canada	Rajasthan	11.7	9 years	¾ year

2.10 The Committee find out that no expenditure could be made in respect of Maharashtra even after 4 years of launch of the scheme, while in Pondicherry the progress was nothing in the last two years. In Rajasthan, even after 9 years of commencement of the Project only 11.7 per cent of the assistance has been availed and only a fraction of a year is left for the termination of the project. The Committee are very much disappointed with this dismal performance by various States and they desire that the Union Government should take special interest in the implementation of the overseas assisted project by persuading the State Government at the highest level to sort out the problems that come in the way of implementation of these projects. Such steps have great significance as our country has very limited resources and already only a very low proportion of the resources available with the Government has been apportioned for the fund starved irrigation Sector.

#### **Action Taken by MOWR**

2.11 Committee's recommendations are noted. Externally aided projects would be closely monitored so as to improve their performance in utilisation of funds for these projects.

#### **Remedial Works for Dam Safety Assurance**

##### **Recommendation (Sl. No. 7, Para No. 3.9)**

2.12 The Committee note with serious concern that under the Dam Safety Assurance and Rehabilitation Project taken up with World Bank assistance, the Government could spend so far only Rs. 310 crore out of the total restructured project cost of Rs. 423.10 crores in the last 8 years, ever since the programme has been launched on 10 June, 1991. The completion date fixed for the project is 30 September, 1999 and thus only 5 more months are available for completing all the works and for utilising the rest of Rs. 113 crores of the project. The Committee have been informed by the government that the remedial works in various dams have been accelerated and all efforts are being made to meet the targets and complete the works by September, 1999. Out of the promised overseas assistance of US \$ 102.97 millions, the cumulative utilisation upto February, 1999 was US \$ 60 millions, which comes to 60 per cent of the total promised assistance. The Committee note that this project had to be restructured with effect from 1.10.97 due to the insignificant progress in the execution of remedial works and the number of dams to be assisted was reduced and the extent of assistance was brought down from US \$ 148.88 million to US \$ 102.97 millions. Since the outlay for the scheme during 1999-2000 is Rs. 8.10 crores consisting of Rs. 6.05 crores of external support and the Domestic Budget Support of Rs. 2.05 crores, it is quite obvious that a large chunk of the overseas assistance can not be utilised at all.

2.13 The Committee are very much dissatisfied with the manner in which the whole project has been handled and they strongly recommend that special efforts should be taken to ensure the full utilisation of the budgetary outlay for this programme by September, 1999 and the question of extending the project period beyond September, 1999 may also be negotiated. The Committee further desire that the project be closely monitored by the Ministry at the highest level till its completion so that no laxity occurs in its implementation.

#### **Action Taken by MOWR**

2.14 The restructured cost of World bank aided Dam Safety Project now stands at Rs. 432.10 crores as per second extension given by World Bank upto 30.09.99, out of which Rs. 348.85 crores have been spent upto March, 1999. The reimbursement of overseas assistance upto March, 1999 is US \$ 68.848 million against the revised cost of US \$ 92 million. The main reasons for the delay of present implementation and consequently less expenditure and reimbursement were :-

- \* compliance of mandatory dam safety procedure like bi-annual & phase I inspections, phase-II investigations, review by Dam Safety Committees and Dam Safety Review Panels, etc.
- \* collection of data for hydrologic analysis and review thereof.
- \* lack of financial provision in the budget of the State Governments.

2.15 The expenditure upto March, 1997 was 41% and disbursement was 35% of the Project cost, but due to the effective steps taken by the Ministry of Water Resources in monitoring the project with CWC and participating States, the disbursement position and expenditure position as on 31.03.1999 is 75% and 82.5% respectively.

2.16 All out efforts are being made to utilise the remaining external assistance by September, 1999. As regards the recommendation of the Committee concerning closely monitoring of the project, it is to be submitted that the Senior Management Group under Secretary (WR), in which Chairman, CWC and Secretary (WR) of all the participating State Governments are members, is monitoring the project in its quarterly meetings. The World Bank has not agreed to extend the project, however, the proposal for Dam Safety Assurance and Rehabilitation Project Phase II to cover the remaining works if any of Phase I and 5 new States has been forwarded to the Department of Economic Affairs for submission to the World Bank on 22nd June, 1999.

## **Implementation of World Bank Aided Hydrology Project**

### **Recommendation (Sl. No. 8, Para No. 3.11)**

2.17 The Committee note that a Hydrology Project has been in implementation since 2 September, 1995 for a period of 7 years with an aid of US \$ 142 millions under a Credit Agreement with the Government of India. The Government of India component in the Project in US \$ 21.5 millions. The project aims at developing comprehensive, easily accessible and user friendly data basis covering all aspects of hydrological cycle, including surface water and ground water in terms of quantity and quality and climatic measurements, particularly of rainfall. This will assist in the development of more reliable data on water resources. For this, the Project aims at improvement of institutional and organisational arrangements, technical capabilities and physical facilities for creation, processing and dissemination of hydrological and hydro meteorological data from a fully functional Hydrological Information System. The project implementation could commence only in April, 1996 due to delays in obtaining necessary administrative approvals. Under the scheme, so far a credit of US\$ 23.28 millions only has been utilised in the last four years. The percentage of utilisation out of the total credit available is only 16.4% and the rest of the credit has to be availed of by 31 March, 2002, the date of completion of the Project. The Committee have been informed that some of the factors contributing to the delay are administrative in nature such as inadequate delegation of powers to the Project Officers in the States and delayed sanctions for creation and filling up of posts, apart from not releasing the funds in time to take up work in construction seasons. The Committee are of the opinion that these administrative delays are definitely avoidable and with very close monitoring from the Union Government, the compliance of the State Governments could be secured in these matters. The Committee, therefore, recommend that these matters should be immediately sorted out so that the Government is in a position to utilise the available credit fully in the coming three years and build a competent infrastructure. The Committee also recommend that the posts in the Project Coordination Secretariat which remained vacant for a long time should be got filled on priority basis, as there is a danger of stopping of aid by the International Agency, if they find that the Project Coordination Secretariate is not adequately staffed to ensure the implementation of the Project.

### **Action Taken by MOWR**

2.18 The Ministry of Water Resources has constituted two High Level Committees at Central level viz, National Level Steering Committee (NLSC) under the Chairmanship of Secretary (WR) with representation at Secretary level of all the participating States and National Coordination Committee (NCC) under the Chairmanship of Member (RM), CWC with representation of nodal officer level of all implementing agencies to resolve policy, technical and coordination issues

related to Hydrology Project implementation. A Project Coordination Secretariat (PCS) exists in this Ministry to monitor and coordinate project implementation and also to provide Secretariate services to NLSC and NCC. Besides, a States Level Coordination Committee (SLCC) has been set up in each participating State under the Chairmanship of the Irrigation Secretary of the State to foster better coordination between State and the Central department operating in the State.

2.19 The issues that are considered to be hampering the project implementation are taken up by these Committees and action taken for resolution of these issues. The PCS, thereafter, closely monitors the implementation of the agreed upon Action Points. Besides, the World Bank also monitors the project progress by launching Supervision Mission semi-annually. The State Governments have also been advised to hold meetings of SLCCs regularly. All these measures have positive impact on project progress which has now started looking up. The Mid-Term Review Mission launched by the World Bank in January, 1999 has expressed happiness over the improvement in the pace of implementation of the project.

#### **Comments of the Committee**

2.20 For Comments of the Committee please refer to Para No. 1.7 of Chapter I of this Report.

#### **Renuka Dam and Kishau Dam Projects**

##### **Recommendation (Sl. No. 15, Para No. 3.18)**

2.21 The Committee find and MoU regarding allocation of surface flow of Yamuna between UP, Haryana, Rajasthan, Himachal Pradesh and National Capital Territory of Delhi was signed by their Chief Ministers on 12.5.94 and subsequently agreement between HP, UP, Haryana and Delhi on the construction of Renuka Dam Project and agreement between UP, Haryana and Delhi on construction of Kishau Dam Project was signed by their Chief Ministers on 6.11.94 and respectively. The two projects have, however, not taken off due to the hesitation of the State of Rajasthan to sign these agreements since it wants a share in the Hydro-power generated from these two projects. The Committee note that the Ministry of Power has been requested to sort out the problem and the Secretary (Power) has taken two meetings so far with the Secretaries of the concerned States. The Committee are unhappy to note that though major agreements on sharing of waters have been made in 1994, the projects have been allowed to linger on for more than 4 years because of non-agreement on sharing of hydro-power generated from the projects. The Committee recommend that the Ministry of Water Resources should pursue the matter with the Ministry of Power to expedite the sorting out of the problem by having early meetings with State official concerned so that the Projects which have already been delayed badly can be launched at early date.

### **Action Taken by MOWR**

2.22 Secretary (WR) has requested Secretary (Power) on 5.5.99 to include these two projects in the meeting of Chief Ministers proposed to be convened by the Ministry of Power to discuss power sharing of 5 projects of Punjab. Ministry of Power has since decided to convene this meeting only after the impending mid-term elections and when the new Government takes over.

### **Comments of the Committee**

2.23 For Comments of the Committee please refer to para no. 1.17 of Chapter I of this Report.

### **Central Scheme to overcome Drought Problems in Orissa**

#### **Recommendation (Sl. No. 21, Para No. 3.24)**

2.24 The Committee are disappointed to note that the Government has finally decided not to implement any fully funded Central sector scheme for financing the major, medium and minor irrigation schemes in the drought affected areas of Orissa, since the Planning Commission is now proposing to transfer a large number of existing Centrally sponsored schemes to the State. The Committee wish to point out that some areas of Orissa are frequently ravaged by droughts and starvation death are reported from these areas and, therefore, it should be the duty of the Central Government to make an appropriate Central Plan scheme for these areas so that the people living in those areas are able to lead at least a hunger free life. The Committee, therefore, desire that the Planning Commission should review their stand in the matter and make suitable provisions for the scheme by exempting it from the proposed transfer. The Committee note that the proposal to relax the norms under AIBP in favour of the drought prone KBK districts of Orissa is under the consideration of the Government and they desire that a favourable decision should be taken early in the matter.

### **Action Taken by MOWR**

2.25 The Committee submitted its report in January, 1998 and based on the recommendations of the Committee, a proposal for fully Centrally funded Schemes amounting to Rs.745 crores has been submitted to the Planning Commission for consideration and for allocation of separate funds for this purpose. The response from the Planning Commission is awaited.

2.26 Ministry of Water Resources is providing Central Loan Assistance (CLA) to the States since 1996-97 under Accelerated Irrigation Benefits Programme (AIBP) for accelerating implementation of large irrigation and multi purpose projects where substantial progress has been made and which are beyond the resource capability of the States. The Government of India has been made some relaxations recently in this programme as under:

2.27 The Central Assistance (CLA) will be provided for project works in the ratio of 3:1 instead of existing 2:1 (Centre:State) in the case of North-Eastern States and other hilly States namely Himachal Pradesh, Sikkim and Jammu and Kashmir, and in the ratio of 2:1 instead of existing matching basis in the case of other States. Henceforth, the surface minor irrigation schemes of North-Eastern and above hilly States and KBK districts of Orissa will also be included under this programme. The new projects of KBK districts will also be included under this programme and these districts will not be treated at par with the special category States so far as funding pattern is concerned.

2.28 All the major/medium Irrigation Schemes mentioned in Central Team's report of KBK districts including the new schemes cleared by TAC are being given funds under AIBP. The State Government has also recently submitted 16 Nos. new MI Schemes of KBK districts for consideration of Central Loan Assistance under AIBP. An amount of about Rs.86 crore has been recommended for release as CLA under AIBP for the year 1999-2000 for these major/medium/minor irrigation schemes of KBK districts.

### **Flood Proofing Programme in Bihar**

#### **Recommendation (Sl. No. 22, Para No. 3.25)**

2.29 The Committee are distressed to note the continued non-utilisation of Central grants in favour of the State Government of Bihar for undertaking flood proofing in the State. The Committee in their earlier Report on Demands for Grants, 1998-99 had expressed their concern over the tardy progress of work under the flood proofing scheme in North Bihar and had recommended that the officers of the State Government should be persuaded to take up the implementation of the programme vigorously so as to give relief to the people of Bihar from the recurrent floods. The Committee, however, find that there is no improvement at all in the implementation of the programme and the funds earmarked for it continued to be abegging. The Committee, therefore, again recommend that the matter be taken up with the State Government at appropriately very high levels so that necessary improvement is made in the implementation of the scheme.



### **Action Taken by MOWR**

2.30 This Ministry has been pursuing with the Government of Bihar for expediting the implementation of flood proofing programme. The concern expressed by the Committee in the Report on Demands for Grants of 1998-99 regarding poor implementation of the programme was conveyed to Govt. of Bihar and the State Government was requested to speed up the implementation. The matter was continuously pursued with the State Govt. during the financial year 1998-99. The matter was also discussed by Secretary, Water Resources, Govt. of India with Commissioner and Secretary, Water Resources Deptt., Govt. of Bihar during the Steering Committee meeting on Flood Proofing Programme held on 25.1.99 when the Secretary, Govt. of Bihar assured to expedite implementation of this programme.

### **Critical anti-erosion Works**

#### **Recommendation (Sl. No. 23, Para No. 3.26)**

2.31 The Committee are distressed to find that the Planning Commission has failed to appreciate the urgent need for allocation of sufficient funds for undertaking short-term and long-term measures to prevent erosion of the left bank of river Ganga downstream of Farakka in Malda and Murshidabad Districts of West Bengal. An Expert Committee constituted by the Planning Commission itself had recommended undertaking of short-term measures costing Rs.315 crores and long-term measures costing Rs. 612 crores for critical anti-erosion work. The Committee find that even against the requirement of Rs. 145 crores under the State outlay for two years, only Rs.30 crores have been allocated by the Planning Commission as assistance to the State, while under the Central requirement of Rs.95 crores, no fund has been allocated during 1998-99. The Committee, therefore, desire that the matter should be taken up with the Planning Commission more vigorously so that sufficient funds are allotted at the revised estimates stage in the current budget for taking up the top priority short-term measures to tackle the serious problem of erosion.

### **Action Taken by MOWR**

2.32 The Experts' Committee which examined the erosion problems by Ganga in the districts of Malda and Murshidabad has recommended undertaking short-term measures costing Rs.315 crore. Under the short measures, 11 schemes costing Rs.240 crore has been identified as top priority schemes. Of these, 4 schemes costing Rs.95 crore were to be undertaken by the Centre and 7 schemes costing Rs.145 crore by the Govt. of West Bengal. Planning Commission was requested to make allocation to both the Centre and the State for the financial years 1998-99 and 1999-2000, taking into account fund requirement for these schemes.

2.33 During 1998-99, Planning Commission has provided an additional Central Assistance of Rs.30 crore for West Bengal. No additional funds have been allocated for the Centre. For the current financial year, West Bengal would need an additional Central Assistance of Rs.115 crore to enable the State to take up the balance short-term measures. Similarly, this Ministry would need additional funds of Rs.95 crore to enable Farakka Barrage Project Authority to take up top priority short-term measures for the current financial year. This Ministry had advised Govt. of West Bengal to vigorously pursue with Planning Commission for obtaining additional Central Assistance. Similar action would be taken by this Ministry with Planning Commission during the current financial year to obtain additional allocation for Farakka Barrage Project.

### CHAPTER III

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

-NIL-

## CHAPTER IV

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

#### **Irrigation Potential Created through AIBP**

##### **Recommendation (Sl. No. 10, Para No. 3.13)**

4.1 The Committee find that under the Accelerated Irrigation Benefits Programme (AIBP), various States have utilised a sum of Rs. 1,452.19 crores in the year 1996-97 and 1997-98. The potential created in these two years added up to 208.336 thousand hectares. Although the scheme was launched in 1996-97 with a view to get certain projects completed within a period of two years, till date not a single project has been completed. In the year 1996-97 and 1997-98, no addition in the irrigation potential could be made in respect of the States of Andhra Pradesh, Bihar, Goa, Jammu & Kashmir, Madhya Pradesh and Haryana. In respect of the States of Punjab and Tamil Nadu, no details are available about the physical achievement made under AIBP. The Committee find that against the original budget allocation of Rs.1500 crores for the scheme in 1998-99 the likely expenditure at the revised estimates stage will be around Rs.1200 crores. Out of this amount, releases have been already made to the tune of Rs.885 crores and proposal worth Rs. 215 crores are under process and are likely to be released by the year end. The Committee are not satisfied with the pace of implementation of the AIB Programme and they are concerned at the reduction in the budget allocation at the revised estimates stage for 1998-99. The Committee have been informed that the main reason for poor achievement is the non-availability of funds with the State Governments and as such they are not in a position to contribute their matching share for availing the Central loan assistance under the Programme. Anticipating this predicament, the Committee have been recommending in the past that the Union Government should make releases of the funds in the form of grants and there should not be any instance on getting matching grants from the already funds-starved States, if the programme were to be a real success. Therefore, the Committee reiterate their earlier recommendation that the assistance from Central Government under AIBP should be in the form of grants without any stipulation for matching contribution from the States. The Committee also note that the Government proposes to include minor irrigation surface schemes of certain special category States under the programme and the Government hopes to

improve the utilisation of funds by relaxing the guidelines about the funding pattern in their favour. However, these guidelines are yet to be approved by the Government. The Committee recommend that this matter should be accorded the highest priority and the scheme in favour of the special category States should be launched in this financial year itself.

#### **Action Taken by MOWR**

4.2 The accelerated Irrigation Benefits Programmes has been approved as Central Loan Assistance Programme by Parliament. However, the matter regarding release of funds to the State Governments in the form of grants instead of loans and without required contribution by the States has been taken up with the Ministry of Finance. In this connection, a copy of the letter of even number, dated the 19th May, 1999, addressed to Ministry of Finance is at Annexure IV-(Page 39). The comments of Ministry of Finance are still awaited.

4.3 As regards, the modifications in the Guidelines of AIBP, the same has since been approved by the Government and henceforth the surface minor irrigation schemes (both ongoing & new) of North-Eastern States, hilly States (of HP, J&K & Sikkim) and KBK Districts of Orissa will be included under AIBP, CLA under AIBP will now be provided to the States for the project works in the ratio of 2:1 (Centre and State) instead of existing 1:1 and CLA to special category States will be provided in the ratio of 3:1 instead of existing 2:1 KBK Districts of Orissa will be treated at par with special category States as far as funding pattern is concerned.

#### **Comments of the Committee**

4.4 For Comments of the Committee *please refer* to Para No.1.10 of Chapter I of this Report.

#### **Ghaggar Flood Control System      †**

##### **Recommendation (Sl. No. 16, Para No. 3.19)**

4.5 The Committee are happy to note that Ghaggar Flood Control System has recently been cleared by Ghaggar Standing Committee from the inter-State angle. The Committee desire that steps to arrive at an agreement on sharing of cost by participating States may also be taken at the earliest so that scheme is put into operation at an early date, as failure in controlling floods in Ghaggar river has led to the submergence of several hectares of agricultural land. The Committee are further of the view that besides experts, local MPs and MLAs may also be associated in the Committee so that they can also help in the expeditious launch of the Programme.

### **Action Taken by MOWR**

4.6 A meeting of the Ghaggar Standing Committee was held on 21.5.99 in which the representative from Rajasthan informed, that Rajasthan is not seeking any sharing of cost of this project and that the entire cost would be borne by Rajasthan alone. With regard to the recommendation of the Standing Committee on Agriculture to associate MPs/MLAs of the concerned State also as a member of the Ghaggar Standing Committee, it was decided in the meeting that it would be appropriate that Hon'ble MPs and MLAs may give their valuable opinion in the matter to the Standing Committee on Agriculture of Ministry of Water Resources.

### **Comments of the Committee**

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

## CHAPTER V

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

#### **Inadequate Ninth Plan Allocations for the Irrigation Sector**

##### **Recommendation (SI No. 1, Para No. 3.1)**

5.1 The Committee note that the net sown area in the country today is 142.22 million hectares and out of this the net irrigated area is only 53.51 million hectares. Thus, only 37.62% of the sown area has been given the facility of irrigation, leaving a large chunk of 62.38% today to be brought under assured irrigation. Bringing of more area under irrigation in a planned manner will be the key to increase foodgrains production; especially, this strategy is important in the context of doubling the foodgrains production in the next 10 years according to the National Agenda fixed by the Government. In view of this, the Ministry of Water Resources has prepared a Special Action Plan for achieving the target set in the National Agenda. Accordingly, the Planning Commission and the Ministry of Finance were approached for allocation of appropriate resources. The Committee find that the Ministry of Water Resources proposed an outlay of Rs.7,672 crores against which they were granted Rs. 2,545.83 crores in the draft stage of the Ninth Plan by the Planning Commission. The Committee have now been informed that the Final Ninth Plan allocation in favour of the Ministry of Water Resources has been further brought down to Rs. 2,291.25 crores when the Ninth Plan Document was finalised recently. In this connection, the Committee wish to point out that the Eighth Plan targeted the creation of irrigation facilities for 15.80 million hectares against which the final achievement was only 8.47 million hectares and on utilisation front, the achievement was 7.90 million hectares against a target of 13.61 million hectares during the period. Inadequate allocation of resources in the Eighth Plan was the main reason for this dismal performance. During the Ninth Plan, it is envisaged to create an irrigation potential for 17.05 million hectares and also to utilise a potential for 13.64 million hectares. The targets set are almost double the extent of achievement during the Eighth Plan, which means allocation of sufficiently larger resources than it was in the past. It is again pertinent to note that the country could increase the net irrigated area only marginally from 47.78 million hectares in 1991 to 53.51 million hectares at the end of 1998-99 due to inadequate allocations for this purpose. In view of the unbridled growth of the population, the requirement of foodgrains is bound to increase with the birth of

every child whose hunger has to be recurringly satiated day in and day out endlessly. If sufficient food is not produced, the country would starve and the consequences will be calamitous. It is in this context that Committee feels disturbed to find that the percentage of total Central and State outlay for irrigation and flood control out of the total Central and State outlay for all the sectors has come down to 6.5% in the Ninth Plan from the level of 7.5% in the Eighth Plan, while this allocation used to be in the First Five Year Plan in the order of 23% of the total. Therefore, the Committee warn the Planning Commission not to push this country to a grave situation which would undermine the sovereignty of this great nation, as it would easily enable the external powers to indulge in arm-twisting tactics against our country. It is high time to realise that food security constitutes the foundation of national security of a country especially when it has a large population. The Committee, therefore, recommend that the Planning Commission should allocate the resources as asked for by the Ministry of Water Resources as additional production of foodgrains is possible, only if more rainfed areas are brought under an Assured Irrigation System, as the potential of the irrigated area has already been exploited to the maximum. The Committee do not appreciate the arguments that the allocations have been made on the basis of the trend of expenditure in the past and they wish to point out that special consideration has to be shown for the implementation of the Special Action Plan which requires augmentation of resources for this sector. They, therefore, find no justification for allocating a sum of only Rs. 382 crores for 1999-2000 which is much lower than the original budget estimate for 1998-99 which was Rs. 410.85 crores and is also considerably less than the revised estimate of Rs. 388.94 crores for 1998-99, while the actual demand made by the Ministry for 1999-2000 was Rs. 577.19 crores. The Committee, therefore, recommend that both the Ninth Five Year Plan allocation and the annual plan allocations should be suitably hiked up immediately to meet the challenge of doubling the foodgrains production in the next ten years.

#### **Action Taken by MOWR**

5.2 In furtherance to the recommendation of the Standing Committee, a DO letter was written from the level of Secretary(WR) to Member-Secretary, Planning Commission to enhance the allocation of Ninth Plan and annual Plan 1999-2000 to the level of Rs. 7672.14 crores and Rs. 577.19 crores respectively (Annexure-I-Page 36). In reply the Planning Commission have informed the total funds availability under Accelerated Irrigation Benefit Programme (AIBP) and Rural Infrastructural Development Fund (RIDF) has to be taken into account. It may, however, be pointed out that RIDF funds are not exclusively for irrigation projects. We are taking up with the Planning Commission the issue of earmarking a certain percentage of RIDF funds exclusively for Irrigation.



## **Revision of National Water Policy 1987**

### **Recommendation (Sl. No. 4, Para No. 3.5)**

5.3 The Committee note that the National Agenda for Governance provides for the adoption of a New National Water Policy for effective and prompt settlement of disputes and their time-bound implementation. The Prime Minister in his Address to the Nation on 22 March, 1998 stated that the Government would unveil a National Water Policy so that no water goes waste and all water resources could be cleaned up. After the adoption of the existing National Water Policy in 1987, a number of new problems and challenges have emerged in the development and management of water resources in the country. Some of the important issues involved in the matter are: multi-sectoral perspective and participatory approach towards resource, planning and management, private sector participation, integration of quantity, quality and environmental aspects in water resources management, mandatory maintenance, policies for revenue generation, legislative reforms etc. The Committee have been informed that the National Water Board met on 29th October, 1998 to finalise the updated National Water Policy and the Policy is yet to be approved by them. The Committee desire that emergent action is needed for quickly finalising the updated National Water Policy so that it leads to efficient utilisation and conservation of water resources.

### **Action Taken by MOWR**

5.4 Draft National Water Policy (1998) and Draft National Policy Guidelines for Water Allocation amongst States as finalised by the National Water Board have been included in the Agenda for the 4th meeting of the National Water Resources Council scheduled for February, 1999 and later May, 1999 but the meetings were postponed. Both the policy documents are now expected to be placed before the National Water Resources Council in its 4th meeting likely to be convened by the new government to be formed after the General Elections for the Lok Sabha.

### **Comments of the Committee**

5.5 For comments of the Committee please refer to para No.1.4 of Chapter I of this Report.

## **Maintenance of structures created in the Major Irrigation Projects**

### **Recommendation (Sl. No. 9, Para No. 3.12)**

5.6 The Committee have been time and again recommending that the Union Government should initiate a scheme of Central assistance to enable the States to maintain the costly and delicate structures created in the major irrigation projects.

The States are unable to maintain the structures due to paucity of funds. The Committee are disappointed to find that no such scheme has been evolved by the Union Government so far and there is no provision in the current budget for this purpose. The Committee have been informed that provision for maintenance of major and medium irrigation projects has to be made only by the State Governments under their non-plan head subject to the availability of funds out of their own resources. The Committee wish to point out that due to lack of requisite maintenance, quite a few of the irrigation networks have suffered marked deterioration over the years. All over the country, one can see weed infestation, siltation, broken canal linings, failing and damaged structures and inoperative drains which can hardly support reliable delivery of water to the fields. The cause of all this deterioration is the inadequate financing of maintenance through non-plan funds by the States. In their Action Taken Reply to the recommendation of the Committee last year, the Committee have been informed that the proposed reconstitution of the Command Area Development Programme may take care of the deferred maintenance and suitable provision would be provided on a matching basis between the Centre and the States for curing the system deficiencies and to undertake rehabilitation and modernisation of the irrigation system above the government outlet. The Committee are disappointed to find no further development in the matter, as the Planning Commission has not taken any decision on the proposal of the Ministry of Water Resources in this regard. The Committee therefore recommend that the Planning Commission should take an urgent decision on the proposed scheme for correction of deficiencies in the irrigation system above the government outlet in the first quarter of the financial year 1999-2000. They also recommend that the Planning Commission should always convey its approval for the State sector outlay for major and medium irrigation with a stipulation that a prescribed portion of the outlay should be spent for maintenance alone and a separate head of account should be provided for maintenance of the irrigation systems.

#### **Action Taken by MOWR**

5.7 Maintenance/rehabilitation of major and medium irrigation projects is the responsibility of the State Governments. However, attempts are being made on pilot basis to take up the work under the Centrally Sponsored CAD Programme. Presently, 227 projects with a CCA of 21.95 m.ha. spread over 23 States and 2 Union Territories are under operation in the country. A proposal for the IX Five Year Plan with expanded scope of some of the existing components under this have been submitted to the Planning Commission for seeking approval of the full Planning Commission.

5.8 For reliable supply of irrigation water at Government outlet and subsequently to farmers, correction of system deficiency/rehabilitation and modernisation of the irrigation system under CAD projects have been proposed in the proposal. An amount of Rs. 90 crores as Central Grant has been proposed in

addition to Rs. 90 crores to be spent by the States to cover 300,000 ha. during IX Plan on pilot project basis. This activity would include planning and designing of works, lining of vulnerable reaches, de-siltation and removal of weeds, renovation and providing control and measuring structures etc.

5.9 Besides this, the proposal includes the provision for linkage and upkeep of collector, intermediate and main drainage system for effectively letting out surplus water to avoid adverse effect of excess water. The proposal has already been submitted and is under active consideration of the Planning Commission for approval. The Ministry is, however, pursuing it vigorously for early finalisation so that the same could be sent to Cabinet for approval.

5.10 In the context of supporting operation and maintenance costs of the States for Major and Medium Irrigation, Union Finance Minister announced in his Budget (1999-2000) speech that larger financial assistance shall be given to the States that rationalise their water rates to cover O & M costs. As a follow up of the Budget announcement, Ministry of Water Resources has submitted a proposal to the Planning Commission to take up a new Centrally Sponsored Scheme for renovation and modernisation of Irrigation Assets/Structures linked with rationalisation of water rates to cover O & M costs.

### **Command Area Development Programme**

#### **Recommendation (Sl. No. 11, Para No. 3.14)**

5.11 The Committee note that the budget allocation for Command Area Development Programme for 1999-2000 is only Rs. 178 crores, whereas it was Rs. 188 crores in 1998-99. The Committee do not approve of this kind of down-sizing of the Plan scheme and they feel that such reduction in allocation will delay the utilization of the irrigation potential created. The Committee have been informed that at present there are 226 projects under the CAD Programme which covers a culturable command area of 21.95 million hectares spread over 23 States and two Union territories. The Committee have also been informed that during the Ninth Plan, the targets under Warabandi and construction of field drains have been proposed to be increased in order to derive maximum benefits of the programme in an integrated manner. The Committee fail to understand as to how the target for Warabandi can be increased from 26 lakhs hectares to 32 lakh hectares if the allocation of funds are progressively reduced year after year. The Committee feel that the proposal for increasing the targets for Warabandi, field drains and the land levelling should be immediately processed for final sanction. The Committee further note that the land levelling activity has not been picking up at all, due to non-availability of any grant for this activity and the Government has now proposed to increase the subsidy to be given to small and marginal farmers for land levelling and shaping. The proposal is at present under the consideration of the

Planning Commission. The Committee recommend that this proposal should be cleared positively in the very first half of this financial year so that this essential activity to help the utilisation of the irrigation potential created is undertaken by the farmers on a large scale.

#### **Action Taken by MOWR**

5.12 The proposal was prepared for continuation of the CAD Programme during the IX Five Year Plan with expanded components and revised financing pattern for an estimated cost of Rs. 1075.05 crores. The proposal has now been kept at Rs. 900 crore for on-going CAD Programme and Rs. 20 crores for implementation of Participatory Irrigation Management (new scheme) outside the projects not covered under the CAD Programme. The Ministry has been pursuing the matter with the Planning Commission for their concurrence.

#### **Reclamation of Waterlogged Area in Haryana and other States**

##### **Recommendation (Sl. No. 12, Para No. 3.15)**

5.13 The Committee note that the introduction of canal irrigation in the hitherto unirrigated arid and semi-arid areas causes a chain of hydrological, agricultural, social and environmental changes. The Committee during their recent visit to the State of Haryana have found that it has caused rise in water table and soil salinity due to brackish ground water, topographical depression and lack of natural drainage and outlet for its disposal. Nearly 50 per cent area of the State primarily lying in the Central and Western Region is faced with rising water table and salinity problems and a huge chunk of land has already become waterlogged resulting in reduced crop yields and abandonment of agricultural lands. The Committee feel that the problem is bound to attain serious proportions, adversely affecting the overall economy of the State in particular and the Nation in general, as this State forms a part of the granary of this country. Therefore, the need of the hour is the adoption of appropriate remedial measures to combat this serious problem by making special allocations from the Centre. In this connection, a Master Plan has been jointly prepared by the Experts from the CSS, Haryana University, Departments of Irrigation, Agriculture, PWD etc. of the Haryana Government. The Committee have been informed that the project proposals formulated are not only technically sound but also economically viable. The proposal has been received in the Ministry of Water Resources for seeking Central grants. The Committee have been informed that the proposal sent by the Government of Haryana on reclamation of waterlogged areas was examined in the Ministry of Water Resources and certain clarifications called for in the matter are awaited from the State Government of Haryana. The Committee recommend that the proposal sent by the State Government of Haryana should be considered favourably for hundred per cent funding by the Union Government for

implementation in Haryana and other waterlogged areas of the country at an early date, as any delay in the matter would threaten the very food security of this country.

#### **Action Taken by MOWR**

5.14 Government of India is aware of the phenomenon of waterlogging and associated with problems coming under irrigated commands. The CAD Programme has been launched by the Government as Centrally Sponsored Scheme in 1974-75 for efficient utilisation of irrigation water and minimising wastage of water which checks the problem of waterlogging and salinisation etc. through various CAD activities. However, in some of the command areas, the problem has already been created in a course of time due to topographical and management reasons. This has been hindering in optimum utilisation of irrigation water. Considering the seriousness of the problem, a new component "reclamation of waterlogged areas in irrigated commands" has been included under the Centrally Sponsored CAD Programme since 1.4.96. To create awareness among people of the problem, the Ministry has taken up a number of workshops in the country and training programmes on the subject. These activities have induced States for initiatives to take up the remedial measures in the affected areas.

5.15 The Ministry have also circulated the recommendations of two National level workshops held in December, 1996 and August, 1998 and manual to States. The Ministry has also addressed to States to review the problem in different irrigation commands and to identify problem areas in each irrigation project, prioritise the areas for taking up reclamation measures under the present financing pattern. Half the cost of identification and reclamation of waterlogged areas is provided to State subject to the maximum of Rs. 6000/- per ha. whichever is less. During IX Plan, an amount of Rs. 57.50 crore has been proposed for management of such areas under the irrigation commands covered under the Centrally Sponsored CAD Programme only.

5.16 Many States have responded to the call of the Ministry and sent a number of projects for reclamation of waterlogged areas. So far 80 such projects have been issued administrative approval by the Ministry on the basis of their merit. The main considerations for issuing administrative approval are that the area must be cultivated area where the problem has been caused on account of topographical or faulty irrigated methods, it must have techno-economic feasible small patches and could be accommodated within permissible limit cost for reclamation.

5.17 The State of Haryana had sent a project, generalising the reclamation measures under a number of irrigation commands without specifying the problem and their reclamation measures. The Ministry had written and later reminded them to sent the specific techno-economic feasible projects with full details which is still awaited.

5.18 So far as the recommendations of the Committee for cent per cent Central assistance to States for reclamation of such areas is concerned, the Ministry has already taken up the matter with the Planning Commission.

### **Incentives to Water Users' Association**

#### **Recommendation (Sl. No. 13, Para No. 3.16)**

5.19 The Committee note that the Finance Minister in his Budget Speech has stated that in order to promote participation in Water management, subsidy and recurring assistance for an initial period of three years would be made available as an incentive to all registered Water Users' Association and this proposal is linked to incremental water rate collection. For this purpose, an allocation of Rs. 6.00 crores has been provided and modalities are being worked out for the implementation of the scheme in consultation with the Planning Commission. The Committee recommend that the proposal should be immediately cleared and launched for implementation in the first quarter of the current financial year.

#### **Action taken by MOWR**

5.20 The proposal for continuation of CAD Programme during IX Five Year Plan has been modified in consultation with the Planning Commission by including this provision. Presently, to promote formulation and functioning of Water Users' Associations, one time functional grant is provided to these associations through the State Government. The level of this assistance is Rs. 500/- per ha. which is shared in the ratio of 9:9:2 between Centre, State and Water Users' Associations, respectively. The amount is required to be deposited in the bank and the interest accrued thereon can be utilised for the upkeep of the system and various other management activities. An amount of Rs. 6.75 crore has been provided under this head. However, under Participatory Irrigation Management, as a whole, total Central provision is Rs. 31.05 crore which include activities concerning creation of awareness, providing legal back-up, etc. Over and above these provisions, an amount of Rs. 6.00 crore has been proposed for the assistance to Water Users' Associations for such incentives. Necessary, modalities are being finalised by the Planning Commission. The Ministry is constantly pursuing the matter with the Planning Commission.

#### **Comments of the Committee**

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

## **Sutlej-Yamuna Link (SYL) Canal Project**

### **Recommendation (Sl. No. 14, Para No. 3.17)**

5.22 The Committee have been recommending time and again that the question of completion of Sutlej-Yamuna Link Canal Project should be resolved by taking up the matter at the highest political level. The Committee find that the hundred-per-cent Centrally funded SYL Canal Project came to a standstill in 1990, when about 90 per cent of the work has been physically completed. Thereafter, it has been hanging fire without any resolution. Since the matter could not be resolved for several years, the Government of Haryana has even approached the supreme Court of India for the immediate resumption of the Canal Project work. The Committee have been informed that the Honourable Prime Minister has recently requested the present Deputy Chairman of the Planning Commission to convene a meeting of the Chief Ministers of Punjab, Haryana and Rajasthan on his behalf to discuss the issues involved and endeavour to arrive at a negotiable settlement among them. The Committee, therefore, recommend that the Ministry of Water Resources and the Planning Commission should make all our efforts to resolve this problem immediately without any further loss of time.

### **Action Taken by MOWR**

5.23 The Deputy Chairman, Planning Commission was requested by secretary (WR) in June, 1999 to convene a meeting of the Chief Ministers of Punjab, Haryana and Rajasthan to discuss and to resolve water related issues among the States including that of Sutlej-Yamuna Link Canal Project.

## **Minor Irrigation**

### **Recommendation (Sl. No. 17, Para No. 3.20)**

5.24 The Committee are distressed to find that against the proposed outlay of Rs. 112.74 crores for 1999-2000 by the Ministry of Water Resources for Minor Irrigation, the Planning Commission have made an outlay of only Rs. 55.81 crores which is less than 50 per cent of the proposed amount. This is even less than the allocation of Rs. 67.40 crores made for this sector in Budget Estimates (1998-99) and Rs. 56.05 crores in Revised Estimate (1998-99). The Committee fail to understand as to how increased thrust can be given to this sector with such low allocations by the Planning Commission which identified this area as thrust area in the Ninth Five Year Plan document. The Committee have been informed that reduced allocation for minor irrigation sector will adversely affect many schemes like Ground Water Survey, Assistance to drought affected States for ground water development and Rationalisation of Minor Irrigation Statistics for the ongoing

Minor Irrigation census. The Committee are of the strong view that there is an urgent need to develop ground water resources and, therefore, recommend that allocation for this sector be suitably enhanced in the Revised Estimates stage.

#### **Action Taken by MOWR**

5.25 An allocation of Rs. 3.00 crore has been made in BE 1999-2000 for Rationalisation of Minor Irrigation Statistics (RMIS) Scheme. This amount would be adequate only for providing Central assistance to the States/Uts for Statistical Cells as well as for grants to be issued to the States/Uts. For work relating to Second census of Minor Irrigation Projects, necessary provision will be asked for as and when 3rd Census is taken up.

5.26 Although, the Ministry has pressed for Plan allocation of Rs. 94.49 crore for ground water sub-sector in the Annual Plan 1999-2000, the Planning Commission has provided only Rs. 52.31 crore. This Plan allocation is much less than the outlay for the previous year. The reduced outlay for this important sector of the economy will not doubt affect the ongoing schemes of the Central Ground Water Board. The observations made by the Standing Committee have been brought to the notice of the Planning Commission. Efforts will also be made to obtain the additional outlay at the revised estimate stage.

#### **Assistance to Drought Affected States**

##### **Recommendation (Sl. No. 18, Para No. 3.21)**

5.27 The Committee are concerned to note that the allocation of Rs. 12.00 crores for assistance to drought affected States during 1998-99 for procurement of rigs were not fully utilised by Central Ground Water Board due to non-receipt of Japanese Grant. Out of the budgetary outlay of Rs. 17 crores in 1998-99 for all component schemes, only Rs. 4.78 crores has been allocated in Revised Estimates stage. The Committee are of the view that assistance to drought affected States is a very important scheme and is to be implemented urgently and it should not be allowed to suffer for want of foreign assistance. They, therefore, urge upon the Planning Commission to allocate sufficient funds for the scheme so that the rigs could be procured and sufferings of the people in drought affected States are mitigated to some extent.



### **Action Taken by MOWR**

5.28 That the Scheme on Assistance to Drought Affected States had two components drilling and construction of exploratory wells at an estimated cost of Rs. 5.00 crores and acquisition of Hard Rock DTH Rigs at an estimated cost of Rs. 12.00 crores. The provision of Rs. 12.00 crores was proposed under Japanese Grant-in-Aid Assistance. Since the grant was frozen, the funds meant for acquisition of DTH rigs could not be utilised. The Board have made a provision of Rs. 6.50 crore for procurement of 5 DTH rigs indigenously during the current Financial Year. An additional amount of Rs. 25.00 crores will be required at RE stage to acquire additional 5 heavy duty rigs for deployment in drought affected areas.

### **Comments of the Committee**

5.29 For Comments of the Committee please refer to Para No.1.23 of Chapter I of this Report.

### **National Project for Rehabilitation of Minor Irrigation Schemes**

#### **Recommendation (Sl. No. 19, Para No. 3.22)**

5.30 The Committee are constrained to find that the Planning Commission has not approved the Centrally Sponsored Scheme 'National Project for Rehabilitation of Minor Irrigation Schemes' which includes restoration of tanks under the plea that 'India is moving towards decentralisation and co-operative federalism and for that purpose it is proposing to transfer a large number of Centrally Sponsored Schemes to the States'. The Planning Commission has also stated that Central funds under various employment generation programmes are also available to be pooled for rehabilitation and modernisation of Minor Irrigation Scheme. The Committee do not agree with the reasoning of the Planning commission. They wish to point out that Minor Irrigation accounts for 63.29% of the total irrigation potential created and maintenance and upkeep of Minor Irrigation System which are in a bad shape is very essential. The Committee, therefore, recommend that the Planning Commission should review their stand on the scheme and make specific allocations for the scheme as demanded by the Ministry of Water Resources.

### **Action Taken by MOWR**

5.31 Planning Commission have been approached to review their stand on the scheme in view of the recommendations of the Parliamentary Standing Committee on Agriculture as per Annexure V (Page 40).

## **Development of Ground Water Resources in Eastern and North-Eastern States**

### **Recommendation (Sl. No. 20, Para No. 3.23)**

5.32 The Committee are unhappy to note that the scheme *viz.* 'Development of Ground Water Resources of Eastern and North-Eastern States' which was formulated at the behest of the Planning commission in 1992 for implementation during Eighth Plan is still awaiting clearance of the Planning Commission. The Committee have been informed that the scheme has been revised several times and in February, 1997, the estimated cost of scheme was again revised upwards to Rs. 178.60 crores. The Committee find that on the one hand the Planning Commission laid special emphasis on the implementation of schemes in North-Eastern States which are relatively under-developed, while on the other hand, it is taking unduly long time in approving a scheme which has been formulated at its behest as far back as in 1992. The Committee recommend that the scheme should be approved at the earliest so that it can be implemented during 1999-2000 itself.

### **Action Taken by MOWR**

5.33 The Centrally Sponsored Scheme on 'Investigation and Development of Ground Water Resources in Eastern States' is yet to be approved by the Planning Commission. Recently the Planning Commission has asked the Ministry of Water Resources to examine this scheme with reference to an identical scheme namely "On Farm Water Management for increasing Crop Production in Eastern States" prepared by the Department of Agriculture and Cooperation. Necessary information has been given to the Planning commission vide this Ministry's letter dated 07.05.99 with the request that the scheme of the Ministry of Water Resources be approved at the earliest. The response of the Planning Commission is awaited.

## **National Projects Construction Corporation Ltd.**

### **Recommendation (Sl. No. 24, Para No. 3.27)**

5.34 The Committee are concerned to note that no decision has yet been taken on the question of revival of the National Projects Construction Corporation Ltd. which has been on the red in the past several years, despite repeated recommendations of the Committee to this effect. The Ministry has been constantly putting up notes to the Cabinet Committee on Economic Affairs time and a gain to no avail and the matter has been hanging fire for a very long time. In the meantime, due to uncertainty about the future of the Corporation, the performance of the Corporation continues to deteriorate. The Committee, therefore, strongly recommend that the issue of revival of NPCC should be decided immediately by according top most priority to it within three months of presentation of this Report.

### **Action taken by MOWR**

5.35 The modified Cabinet Note containing specific proposal of revival of NPCC Ltd. was submitted for approval of the Hon'ble Prime Minister as Minister-in-charge of Ministry of Water Resources as directed by the Cabinet Secretariat. The Prime Minister's Office directed that the revival plan of M/s Batliboi & Company (on which the Cabinet Note for revival of M/s. NPCC is based) may be got evaluated by IDBI or ICICI. Accordingly further necessary action is being taken.

NEW DELHI;  
March, 2000  

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Phalgun, 1921 (Saka)

S.S. PALANIMANICKAM,  
Chairman,  
Standing Committee on Agriculture.



अफरूल हसन  
Z. HASAN

ANNEXURE I

सचिव  
भारत सरकार  
जल संसाधन मंत्रालय  
SECRETARY OF THE GOVERNMENT OF INDIA  
MINISTRY OF WATER RESOURCES  
SHRAM SHAKTI BHAWAN, RAFI MARG  
नई दिल्ली/NEW DELHI-110001

Fax : 3710305

D.O.No.19/30/97-Pp (Part-II)

May 12, 1999

Dear Dr. Saxena,

I would like to draw your kind attention to Recommendation No.1 of the Twenty-First Report of the Parliamentary Standing Committee on Agriculture in the context of the Demands for Grants 1999-2000 of this Ministry. The excerpt of the said recommendation is enclosed for your ready reference. The Standing Committee has recommended that both the Ninth Five Year Plan allocation and the Annual Plan 1999-2000 allocations should be suitably raised immediately to meet the challenge of doubling the foodgrain production in the next ten years.

In this context, I would like to invite your kind attention towards my letter No.35/3/98 dated 16.9.98 *vide*. which, consequent on the recommendations of the Parliamentary Standing Committee on Agriculture on Demands for Grants for 1998-99 of this Ministry, it was requested to increase the Ninth Plan allocation to the originally proposed outlay of Rs.7672.14 crore and also allocate this outlay proportionately in each Annual Plans of the Ninth Plan.

I, therefore, request that the allocation of Ninth Plan may please be enhanced to the level of Rs.7672.14 crore and that of Annual Plan 1999-2000 may be enhanced at RE stage to originally proposed level of Rs.577.19 crore as per the recommendations of Parliamentary Standing Committee on Agriculture.

With regards,

Yours sincerely.

Sd/-  
(Z. Hasan)

Shri N.C. Saxena  
Member Secretary,  
Planning Commission  
Yojna Bhawan, New Delhi.

**ANNEXURE II**

**No. 5/3/99-Bud.  
Government of India  
Ministry of Water Resources**

**New Delhi, dated 29.6.99**

**To**

**The Secretary,  
Department of Expenditure,  
Ministry of Finance,  
North Block,  
New Delhi.**

**SUBJECT : *Scrutiny of Demands for Grants, 1999-2000 of the Ministry of Water Resources.***

**Sir,**

**I have been directed to forward herewith, for further necessary action, a copy of the recommendations of the Standing Committee on Agriculture contained in its 21st report relating to the need to restore the Supremacy of Parliament in Financial Matters.**

**2. This issues with the approval of Secretary (WR).**

**Your faithfully,**

**Sd/-  
Controller of Accounts (WR)**

**ANNEXURE III**

**Nó. 5/3/99-Bud.  
Government of India  
Ministry of Water Resources**

New Delhi, dated 29.6.99

To

The Secretary,  
Planning Commission,  
Yojana Bhavan,  
New Delhi.

**SUBJECT : *Scrutiny of Demands for Grants, 1999-2000 of the Ministry of Water Resources.***

Sir,

I have been directed to forward herewith, for further necessary action, a copy of the recommendations of the Standing Committee on Agriculture contained in its 21st report relating to the need to restore the Supermacy of Parliament in Financial Matters.

2. This issues with the approval of Secretary (WR).

Your faithfully,

Sd/-  
Controller of Accounts (WR)

ANNEXURE IV

No. 27/3/97-P.I  
Government of India  
Ministry of Water Resources

New Delhi, the 19th May, 1999

To

The Joint Secretary (PF. II)  
Department of Expenditure,  
Ministry of Finance,  
Government of India,  
New Delhi.

SUBJECT: *Follow up action on the recommendations of Standing Committee on Agriculture on the Demands for Grants, 1999-2000 of the Ministry of Water Resources .....*

Sir,

The Standing Committee on Agriculture in its 21st Report (Relevant extracts enclosed) has *inter-alia* recommended that the Accelerated Irrigation Benefits Programme (AIBP) should be made more acceptable to the State Governments by making releases of the funds in the form of grants and there should not be any insistence on getting matching grants from the funds-starved States, if the programme were to be a real success.

2. At present Central Loan Assistance (CLA) under the programme is in the form of loan at the rate of interest prescribed by the Ministry of Finance from time to time. The period and mode of re-payment of loan including the grace period has also been fixed in consultation with the Ministry of Finance.

3. This year, guidelines for funding pattern under AIBP have been recently modified and CLA will now be released to the States in the ratio of 2:1 (Central : State) instead of matching basis and in the ratio of 3:1 (Central : State) in respect of North-Eastern, Hilly States (J&K, Himachal Pradesh and Sikkim) and KBK districts of Orissa.

4. It is, therefore, requested to furnish the comments of Ministry of Finance on the above recommendation of the Standing Committee on Agriculture to enable this Ministry to send Action Taken Note on the Report.

Yours faithfully,

(S.M. SOOD)

St. Joint Commissioner (PR)



जफरूल हसन  
**Z. HASAN**

Tel/Fax : 3710305  
D.O. No. 9/13/99-MI (Pt.)/655

**ANNEXURE V**

सचिव  
भारत सरकार  
जल संसाधन मंत्रालय  
Secretary to the Government of India  
Ministry of Water Resources  
Shram Shakti Bhawan, Rafi Marg  
नई दिल्ली/NEW DELHI-110001

May 24, 1999

Dear Shri Saxena,

Reference is invited to D.O. No. 7-15/98-1463 dated 19.11.1998 wherein a proposal for Centrally Sponsored Scheme, "National Project for Rehabilitation and Management of Minor Irrigation Schemes" (estimated cost of Rs. 1003 crores) was forwarded to the Planning Commission for consideration. Planning Commission *vide* their letter No. 23(1)/97-I&CAD dated 3.2.99 has informed their inability to support the scheme as in its view Government of India is moving towards decentralisation and cooperative federalism and for that purpose is proposing to transfer a large number of Centrally Sponsored Schemes to the States.

Parliamentary Standing Committee on Agriculture while discussing the Demands for Grants for 1999-2000 of the Ministry of Water Resources has pointed out that Minor Irrigation accounts for 63.29% of the total irrigation potential created but the maintenance and up-keep of Minor Irrigation Schemes is in bad shape and hence needs Central assistance. The Committee has recommended that Planning Commission should review their stand on the scheme and make specific allocation for the scheme as demanded by the Ministry of Water Resources. A copy of their recommendation is enclosed for your information.

It is therefore requested that the Planning Commission may kindly review their decision at the earliest and allocate necessary funds for the scheme.

With regards,

Yours sincerely,

Sd/-  
(Z. Hasan)

**Shri N.C. Saxena**  
Secretary,  
Planning Commission  
Yojna Bhawan, New Delhi.



## APPENDIX II

### ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE 21ST REPORT OF STANDING COMMITTEE ON AGRICULTURE (12TH LOK SABHA)

(i)	Total Number of Recommendations	24
(ii)	Recommendations/Observations which have been Accepted by the Government Serial nos. 2,3,5,6,7,8,15,21,22 & 23	
	Total	10
	Percentage	41.67%
(iii)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies NIL	
	Total	0
	Percentage	0
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee Serial Nos. 10 & 16	
	Total	2
	Percentage	8.33 %
(v)	Recommendations/Observations in respect of which Final replies of the Government are still awaited Serial Nos. 1,4,9,11,12,13,14,17,18,19, 20 & 24	
	Total	12
	Percentage	50%

SECRETARIAT

1. Dr. (Smt.) Paramjit Kaur Sandhu — *Director*
2. Shri Raj Shekhar Sharma — *Deputy Secretary*
3. Smt. Anita Jain — *Under Secretary*
4. Shri K.L. Arora — *Assistant Director*

At the outset, Chairman (AC) welcomed the Members to the sitting of the Committee and requested them to take up for consideration the Draft Action Taken Reports on Demands for Grants (1999-2000) of the following Ministries/Departments coming under the purview of the Standing Committee on Agriculture :-

**1. M/o Agriculture**

- (i) Department of Agriculture & Co-operation
- (ii) Department of Agricultural Research & Education
- (iii) Department of Animal Husbandry & Dairying
- (iv) Department of Food Processing Industries

**2. M/o Water Resources**

3. The Committee considered the Draft Action Taken Reports one-by-one and adopted the Reports with minor additions/modifications.

4. The Members of the Committee thereafter authorised the Chairman to present the modified and adopted Action Taken Reports on Demands for Grants (1999-2000) of all the above mentioned five Ministries/Departments to the House on a date and time convenient to him.

5. The Members also authorised the Chairman to include some more subjects of national importance for detailed examination and report by the Committee 1999-2000 in addition to those already selected by the Committee in its sitting held on 10th February, 2000

*The Committee then adjourned.*

## APPENDIX II

### ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE 21ST REPORT OF STANDING COMMITTEE ON AGRICULTURE (12TH LOK SABHA)

(i)	Total Number of Recommendations	24
(ii)	Recommendations/Observations which have been Accepted by the Government Serial nos. 2,3,5,6,7,8,15,21,22 & 23	
	Total	10
	Percentage	41.67%
(iii)	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies NIL	
	Total	0
	Percentage	0
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee Serial Nos. 10 & 16	
	Total	2
	Percentage	8.33 %
(v)	Recommendations/Observations in respect of which Final replies of the Government are still awaited Serial Nos. 1,4,9,11,12,13,14,17,18,19, 20 & 24	
	Total	12
	Percentage	50%