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STANDING COMMITTEE
ON AGRICULTURE
(1998-99)

TWELFTH LOK SABHA

MINISTRY OF WATER RESOURCES

DEMANDS FOR GRANTS
(1999-2000)

TWENTY-FIRST REPORT

PAPERS LAID ON THE TABLE
OF THE RAJYA SABHA

73 APR 1999



AUTHENTICATED
K. VENKANNAIDU
Chairman
Standing Committee on Agriculture

LOK SABHA SECRETARIAT
NEW DELHI

April, 1999/Chaitra, 1921 (Saka)

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(1999-2000)

*Presented to Lok Sabha on 20.4.1999
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LOK SABHA SECRETARIAT
NEW DELHI

April, 1999/Chaitra, 1921 (Saka)

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ON AGRICULTURE (1998-99)**

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44. Shri Devi Lal
45. Prof. M. Sankaralingam

SECRETARIAT

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2. Shri Joginder Singh	—	<i>Joint Secretary</i>
3. Shri S. Bal Shekar	—	<i>Deputy Secretary</i>
4. Smt. Anita Jain	—	<i>Under Secretary</i>
5. Shri Ramesh Lal	—	<i>Reporting Officer</i>

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

PREFACE

I, the Chairman, Standing Committee on Agriculture having been authorised by the Committee to submit the report on their behalf, present this Twenty-First Report on Demands for Grants of the Ministry of Water Resources for the year 1999-2000.

2. The Standing Committee on Agriculture was constituted on 5th June, 1998. One of the functions of the Standing Committee as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider the Demands for Grants of the concerned Ministries/Departments and make a report on the same to the Houses. The report shall not suggest anything of the nature of cut motions.

3. The Committee took evidence of the representatives of the Ministry of Water Resources on 1st April, 1999. The Committee wish to express their thanks to the officers of the Ministry of Water Resources for placing before them, the material and information which they desired in connection with the examination of Demands for Grants of the Ministry for the year 1999-2000 and for giving evidence before the Committee.

4. The Committee considered and adopted the Report at their sitting held on 8th April, 1999.

NEW DELHI;
8 April, 1999
18 Chaitra, 1921 (Saka)

KINJARAPU YERRANNAIDU,
Chairman,
Standing Committee on Agriculture.

CHAPTER I

MINISTRY OF WATER RESOURCES—AN INTRODUCTION & OVERVIEW

Role & Functions

1.1 'Water' being a State subject, the role of the Central Ministry of Water Resources has been advisory to the State Governments for sustained development of water resources in the country. The overall role and responsibility of the Union Ministry of Water Resources is to lay down policy guidelines and programmes for the development and regulation of the nation's water resources, both surface and ground, in a holistic approach. The major role entrusted to this Ministry encompasses sectoral planning, co-ordination, policy guidelines, technical examination of major and medium projects, technical assistance, monitoring of selected projects, monitoring the changing behaviour of water resources facilitation of external assistance and resolution of water disputes. In major and medium irrigation, Central Government's participation has been indirect, such as running national level institutions, operating pilot schemes, offering consultancy and training etc. In minor Irrigation and Command Area Development, Central Government participates in a more direct and concrete manner by providing matching grant to sponsored schemes and extending assistance in form of Central assistance or block loans.

1.2 The Central Budget enables the Ministry of Water Resources and its `allied organisations to play an overall guiding and co-ordinating role in relation to schemes, projects and programmes which take place essentially in the States for the development of water resources in more scientific and holistic approach to make the optimum utilization of it for better and efficient use in agriculture and allied sectors. Since all the irrigation schemes, programmes and projects are planned, formulated and executed by the State Governments, the major share of funds required are

allocated in their State Plans itself. The role of the Central Government being essentially of a catalytic nature does not offer much in terms of finance to the irrigation schemes, programmes and projects but techno-appraisal of these schemes. Relative to overall planning, policy formulation in overall national perspective, coordination etc. the Budget of the Central Ministry of Water Resources is largely an establishment oriented Budget. In these areas, not much can be offered by way of explanation of the Budget provisions for salaries, office expenses etc. However, the activity control of the Budget can be explained in some details in respect of the programmes, schemes and activities of the various organisations directly associated with the Ministry under the different sectors.

CHAPTER II

DEMANDS FOR GRANTS (1999-2000) OF MINISTRY OF WATER RESOURCES— CRITICAL SCRUTINY SECTOR-WISE

2.1 The demand of Ministry of Water Resources is contained in Demand No.87 of Central Budget. Given below a Budgetary summary of Ministry of Water Resources:

Demand No. 87

(Rs. in crores)

Year	Plan	Non-Plan	Total
1997-98 (Actuals)	288.87	162.57	451.44
1998-99 (BE)	410.85	177.49	588.34
1998-99 (RE)	388.94	185.60	574.54
1999-2000 (BE)	382.00	194.85	576.85

2.2 The total Budgetary allocation to the Ministry for the year 1999-2000 has been reduced compared to budgetary allocation in 1998-99. The Budget Estimates (1999-2000) is Rs.576.85 crore comprising Plan allocation of Rs.382.00 crore and non-Plan allocation of Rs.194.85 crores, while the budgetary allocation in (1998-99) was Rs.588.34 crore comprising Plan allocation of Rs.410.85 and non-Plan allocation of Rs.177.49.

2.3 The sector-wise financial targets and achievement during 1997-98, 1998-99 & 1999-2000 is as follows:

Sector	Outlay/Expenditure during Ninth Plan						
	A.P. Target	1997-98		A.P. Target	1998-99		A.P. 1999-2000 Target
		Achvt.			Achvt.		
1	2	3	4	5	6	7	
1. Major & Medium	39.69	35.78	47.56	52.82	52.51	—	
2. Minor	70.56	42.84	67.40	56.05	55.81	—	

	1	2	3	4	5	6	7
3. CAD		140.70	129.96	188.00	176.76	178.00	—
4. Flood Control		72.15	48.47	71.65	59.00	61.79	—
Total I&CAD and FC		323.10	257.05	374.61	344.63	348.11	—
5. Sec. & Eco. Services		3.50	0.24	1.29	0.89	1.89	—
Total (1+2+3+4+5)		326.60	257.29	375.90	345.52	350.00	—
6. TPT. Sector (FBP)		14.40	18.70	20.10	20.92	20.00	—
Grand Total—MoWR		341.00	275.99	396.00	366.44	370.00	—

2.4 From the table it is seen that there had been more than 10% reduction in budgetary outlays for Minor Irrigation, Command Area Development (CAD) and Flood Control during 1999-2000 compared to B.E.(1998-1999). When asked, how it will affect the overall programmes under these sectors, the Ministry gave the following explanations:—

The outlays proposed by the Ministry and approved by the Planning Commission for 1999-2000 in respect of Minor Irrigation (MI), CAD and Flood Control Sectors are as under:—

(Rs. in crore)

Sector	Proposed outlay	Approved outlay	Percent Reduction
			4
1	2	3	4
Minor Irrigation	112.74	55.41	50.85
CAD & PIM	205.00	177.00	13.66
Flood Control	138.61	61.79	55.64

2.5 As regards MI sector, the above mentioned reduction will mainly affect the following activities/programmes of the Ministry:

- Ground Water Survey, Exploration and Investigation carried out by CGWB.
- Assistance to drought affected States for Ground Water development.
- Rationalisation of MI Statistics for ongoing MI Census.

2.6 The reduction in outlay of CAD Sector will result in lowering the targets for the on-farm development works like field channels, field drains, land levelling and warabandi which are taken up for improving utilisation of created potential. However, the allocation for CAD is proposed to be enhanced to Rs.230 crore at the RE 1999-2000 stage against the existing Rs.177 crores.

2.7 In Flood Control sector, the reduction would mainly affect the following:—

- Grand-in-aid to Brahmaputra Board for investigation work of multipurpose projects in NE States.
- Grant to Government of Assam for flood control works in Brahmaputra Valley.
- Critical anti-erosion works in Ganga basin and other than Ganga basin States.

2.8 The year-wise Budget Estimates and Actual Expenditure from 1992-93 to 1999-2000 are as given under:—

(Rs. in crores)

Year	BE	Actual Expenditure
1	2	3
1992-93	240.00	199.26
1993-94	289.00	274.94

1	2	3
1994-95	275.47	232.67
1995-96	311.80	251.67
1996-97	1278.23	796.93
1997-98	341.00	288.87
1998-99	410.85	388.94 RE
1999-2000	382.00	—

2.9 The Committee enquired about the demand placed by the Ministry of Water Resources to the Planning Commission and that approved by them for the year 1999-2000, the reply is given as under :—

(Rs. in crores)		
Sector	Proposed outlay	Approved outlay
Secretariat & Economic	2.23	1.89
Services Major & Medium Irrigation	82.43	49.11
Minor Irrigation	112.74	55.41
CAD Programme	205.00	177.00
Flood Control	138.61	61.79
R&D	4.00	4.00
Sub-Total	545.91	350.00
Transport Sector (FB Project)	31.28	20.00
Total	577.19	370.00

2.10 The Committee enquired from the Secretary the Ministry of Water Resources during the evidence session regarding the possibilities of Government's policy to increase the food-grains almost to double with this decreased in allocation, the Secretary in his reply stated :

"This is a matter of concern for all of us. Although we have proposed Rs. 577 crores, because of the financial constraints on the Government, we were told that it is possible to provide only Rs. 388 crores."

2.11 When the Committee asked the representatives of the Planning Commission the reason for reduced allocation for the year 1999-2000, he stated :—

"While determining the allocation of resources by the Planning Commission, the Planning Commission takes into account by availability of financial resources in totality as well as the level of utilisation in the preceding years. Taking this as a trend of expenditure over the last five or six years, the Planning Commission provided a sum of Rs. 370 crore and it is quite adequate taking into account the level of utilisation over the past five or six years. Further, during the Eighth Plan, the actual allocation of funds for the entire five year period was Rs. 2,384.20 crores and the actual expenditure as reported is Rs. 1747.46 crores."

2.12 When asked from the Secretary regarding under-utilisation of funds, the Secretary in his reply stated :—

"Actually, in the Budget estimates, we propose a certain funds. At the revised estimates stage, due to some problems, due to non-sanction of new schemes or due to some land acquisition etc., it may not be possible to utilise it hundred percent. So, we come to the revised estimates, we feel that the Budget estimates should be at a higher level so that even if due to some constraints 10, 15 percent is not utilised, even then we are able to spend more than what we have spent in the previous years. So, that is our objective."

Strategy for Ninth Five Year Plan

2.13 The Ministry of Water Resources in their 9th Five Year Plan proposals has identified the following thrust areas:

- (i) Early completion of ongoing irrigation projects for accelerated irrigation benefits by providing higher plan allocations to the irrigation sector under State and Central Plans.
- (ii) Proper operation and proper maintenance of existing irrigation schemes by providing adequate funds for the purpose.
- (iii) Encouraging community/farmers participation in irrigation management for taking over operation and maintenance of distribution system at distributary/minor levels.
- (iv) Reducing the gap between the irrigation potential created and its actual utilisation by strengthening the existing centrally sponsored Command Area Development Programme.
- (v) Rationalising pricing of water supplies for agriculture in a phased manner.
- (vi) Restoration of old Minor irrigation works particularly irrigation tanks through modernisation/community participation.
- (vii) Encouraging construction of new minor irrigation works consistent with water availability and prudent irrigation practices.
- (viii) Promoting conjunctive use of surface and ground water and optimum use of rainfall to supplement the same.
- (ix) Optimising water use efficiency through adoption of water efficient devices and modern scientific practices in irrigated agriculture.
- (x) Encouraging research & development and use of remote sensing techniques in the water resources sector.

- (xi) Strengthening and modernising hydrological observation and flood forecasting networks in all river basins in the country and discouraging encroachment in flood plain zones.
- (xii) Taking concrete steps towards implementation of a national perspective on water development through inter-river basin transfers of surplus water.
- (xiii) Reviewing the existing approach to assessment of utilisation of irrigation potential in terms of the irrigated area and introduce an assessment based on the number of waterings of uniform water depth per hectare in an irrigation system and, then, gradually moving towards assessment on volumetric measurement.

Ninth Five Year Plan Outlay

2.14 In the original proposal submitted by the Ministry to Planning Commission, the Ministry proposed an outlay of 12672.14 crore including Rs. 5000 crore for AIBP for the Ninth Plan. The Planning Commission then desired that the proposal of Ministry of Rs. 12672.14 crore may be reviewed and scaled down to arrive at realistic allocation for 9th Plan. The Ministry then revised the proposal and scaled it down to Rs. 5356.36 crore excluding provision for AIBP. However, the Planning Commission then placed the Ninth Plan outlay in Draft Ninth Five Year Plan for Ministry of Water Resources at Rs. 2545.80 crore

2.15 Subsequently in Draft Ninth Plan document (1999-2000) prepared by Planning Commission for NDC, allocation for this Ministry was further reduced to Rs. 2291.25 crore with break up as under:

Gross Budget Support	—	Rs. 2291.25
(i) Domestic Budget Support	—	Rs. 2145.42
(ii) External aid through Budget	—	Rs. 145.83

2.16 The sector-wise details of the allocation made is as follows:

Sectt. & Economic Services

Continuing Scheme	—	6.75
New Scheme	—	2.00
		<hr/> 8.75

Major & Medium Irrigation

Continuing Scheme	—	229.58
New Scheme	—	54.00
		<u>283.00</u>

Minor Irrigation

Continuing Scheme	—	361.00
New Scheme	—	24.00
		<u>385.00</u>

CAD

Continuing Scheme	—	840.00
New Scheme	—	20.00
		<u>860.00</u>

Flood Control

Continuing Scheme	—	516.48
New Scheme	—	81.65
		<u>598.13</u>

R&D

Continuing Scheme	—	37.79
New Scheme	—	—
		<u>37.79</u>

Transport Sector

Continuing Scheme	—	100.00
New Scheme	—	18.00

Grand Total		118.00
Continuing Scheme	—	2091.60
New Scheme	—	199.65
		<u>2291.25</u>

2.17 The Committee enquired as to how the Ministry propose to achieve the objective of National Agenda of doubling foodgrain production in 10 years with reduced allocations, the Ministry in their reply stated:

"The Ministry submitted an Action Plan to the Planning Commission in the context of National Agenda of the Government for the remaining period of Ninth Plan (1999-2002). The requirement of additional allocations for the different components of the Action Plan is as under:—

Scheme	Amount (Rs. crore)
(a) Promotion of Micro-Irrigation System	692.00
(b) Renovation of Irrigation Tanks	244.87
(c) Expansion of Irrigation facilities in Eastern Region and Strategy for Ground Water Utilisation	27.96
(d) Public Awareness	15.00
Total	979.83

2.18 It would, however, not be possible to take up the following schemes proposed to meet above objective since only a token provision has now been made due to reduction in the overall plan size as indicated in the table below:

Name of Scheme	Approved Ninth Plan Outlay (Rs. crore)
(i) Restoration of old tanks and other water harvesting structures	20.00
(ii) Mass awareness in conservation, protection & regulation of Ground Water	2.00
(iii) Investigation & development of Ground water resources	10.00

2.19 The public sector outlay Major Heads of Development in the Ninth Plan (1997-2000) are as under:—

Sectors	Centre	%	States/ UTs	% Total	% to total		
					Ninth Plan	Eighth Plan	
1	2	3	4	5	6	7	8
Agriculture & Allied	14876.41	2.0	27586	7.5	37546	4.4	5.2
Irrigation & Flood Control	2291.25	0.5	53129	14.4	55598	6.5	7.5
Rural Development	42277.86	8.4	32408	8.8	73439	8.5	7.9
Special Programmes	0	0	3649	1.0	3649	0.4	1.5
Energy	153807.38	30.0	68568	18.5	215545	25.1	26.6
Industry & Minerals	51633.99	11.5	13484	3.6	69972	8.1	10.8
Transport	81790.52	17.1	37582	10.2	121324	14.1	12.9

	1	2	3	4	5	6	7	8
Communication		47249.29	9.7	31	0.0	47616	5.5	5.8
Science & Tech. and Environment	15448.62	4.6	3009	0.8	25529	3.0	2.1	
General Economic Services	6277.87	1.4	8301	2.2	15038	1.8	1.5	
General Services	1425.88	0.2	11103	3.0	11940	1.4	1.5	
Social Services	72252.57	14.5	110989	30.0	182005	21.2	18.2	
TOTAL	489361.58	100.0	369839	100.0	859200	100.0	100.0	

2.20 From the table it is seen that percentage public sector outlay for Irrigation and Flood Control has reduced from 7.5% in Eighth Plan to 6.5% in the Ninth Plan.

Budget Allocation for the North Eastern Region of the Country

2.21 On a query of the Committee if 19% of total funds are being allocated for North Eastern Region as has been committed by Government, the Ministry replied as under:

“The outlay for schemes of NE Region during 1998-99 as proposed and as approved is as under:—

Sl.No.	Schemes in NE States	(Rs. in crore)	
		Proposed	Approved
1	2	3	4
(A) Continuing Schemes			
(i)	Grants-in-aid to Brahmaputra Board	12.00	11.65
(ii)	Pagladiya/Tipaimukh Projects	2.00	1.00
(iii)	Flood Control in Brahmaputra Valley	30.00	18.00
(iv)	Investigation and Development of Ground Water Resources of East & North-Eastern States	2.00	1.70
Sub-Total (A)		46.00	32.35
(B) New Schemes			
(i)	Harrange Drainage Scheme	4.00	4.00

1	2	3	4
(ii) Central Assistance to North-Eastern States for flood control and reconstruction of infrastructure damaged by floods		10.00	—
Sub-Total (B)	14.00	4.00	
Grand Total [(A) + (B)]	60.00	36.35	
Total outlay of M/o Water Resources	490.93	341.00	
% allocation for NE States	12.2%	10.7%	

2.22 It may be seen that while proposing an allocation of Rs.490.93 crores for Annual Plan 1998-99, the Ministry had earmarked Rs.60.00 crores for schemes operated in NE States which was 12.2% of the allocation. As per the Interim allocation of Rs.341.00 crores made by the Planning Commission (at the same level of Annual Plan 1997-98), the allocation for NE States was Rs.36.35 crores (10.7%). Subsequently, in pursuance of the Action Plan proposal submitted by the Ministry in the context of National Agenda of the Government, Planning Commission enhanced the outlay from Rs.341.00 crores to Rs.396.00 crores. This brought down the provision for North-Eastern States to 9.2% of the enhanced budget provision.

The incremental amount of Rs.55.00 crore was earmarked for 'Optimisation of utilisation of existing irrigation facilities' and was therefore tagged with the on-going Centrally Sponsored Command Area Development Programme of the Ministry which, *inter-alia*, provides benefits to the NE States also through Central Assistance. Central Assistance released against matching expenditure incurred by the State Governments in the NE States under CAD Programme is likely to be of the order of Rs.1.36 crores in 1998-99 which will raise the percentage of 9.5% of the enhanced provision."

Overseas Assistance

2.23 There are currently 24 projects of Water Resources under implementation with overseas assistance.

2.24 The Committee wanted to know the details of dates of commencement and the likely date of completion of each project, the percentage of utilization of assistance and the physical achievement made *vis-a-vis* targets fixed for each project. The details are as under:—

**Statement Showing Details of Date of Commencement, etc. in
Respect of Overseas Assisted Projects**

Sl. No.	Donor Agency	Name of the Project	State	Date of Commencement	Completion Date	Amount of Assistance (Million DC)	Cumulative Utilisation Upto Feb. 99 (Million DC)	Percentage Utilisation
1	2	3	4	5	6	7	8	9
1.	World Bank	(i) Dam Safety Assurance & Rehabilitation Project	Multi- State	10.06.1991	30.9.1999	US\$ 102.973	US\$ 61.59	60.0
		(ii) Haryana Water Consoli- dation Project	Haryana	06.04.1994	31.12.2002	US\$ 258.00	US\$106.380	41.23
		(iii) T.N. Water Resources Consolidation Project	T. Nadu	19.04.1995	31.03.2002	US\$ 282.90	US\$ 25.370	9.0

1	2	3	4	5	6	7	8	9
(iv)	Orissa Water Resources Consolidation Project	Orissa	05.01.1996	30.09.2002	US\$ 290.90	US\$ 99.02	34.0	16.4
(v)	Hydrology Project	Multi-State	02.09.1995	31.03.2002	US\$ 142.00	US\$ 23.28	16.4	20.23
(vi)	Andhra Pradesh Irrigation Project III	A.P.	03.06.1997	31.01.2002	US\$ 325.00	US\$ 65.75	23.47	72.75
2.	EEC	(i) T.N. Tank Irrigation System Phase II	T. Nadu	24.07.1989	31.12.1999	ECU 24.5	ECU 20.009	81.67
		(ii) Kerala Minor Irrigation Project	Kerala	21.05.1992	31.12.2000	ECU 11.80	ECU 2.770	23.47
		(iii) Sidhmukh & Nohar Irrigation Project	Rajasthan	07.06.1993	31.12.2000	ECU 45.00	ECU 32.740	72.75

1	2	3	4	5	6	7	8	9
	(iv)	Orissa Minor Irrigation Project	Orissa	03.07.1995	31.12.2004	ECU 10.70	ECU 0.465	4.34
	(v)	Saline Land Reclamation Project Phase-II	Maha-rashtra	11.07.1995	31.12.2005	ECU 15.50	—	—
	(vi)	Modernisation of Tank Irrigation System	Pondi-cherry	21.02.1997	21.02.2003	ECU 6.65	—	—
3.	OECF-Japan	(i) Modernisation of Kurnool Cuddapah Canal	A.P.	11.01.1996	26.03.2003	Yen 16409.00	Yen 95.59	0.60
		(ii) Raigat Canal Project	M.P.	25.02.1997	31.03.2003	Yen 13222.00	Yen 500	3.78
	(iii)	Rengali Irrigation Project	Orissa	12.12.1997	05.02.2003	Yen 7760.00	Yen 649.722	8.37

1	2	3	4	5	6	7	8	9
4.	Nether-Lands	(i) Community Irrigation Project	Kerala	15.12.1993	30.06.2000	NLG 11.02	NLG 1.49	13.52
		(ii) APWEL	A.P.	14.11.1994	14.11.1999	NLG 1.06	NLG 1.06	2.86
		(iii) Bundelkund Water Resources Management Project	U.P.	12.06.1996	31.05.1999	NLG 13.39	NLG 1.352	10.09
5.	KFW	(i) Rajasthan Minor Irrigation Project	Rajasthan	29.04.1987	31.12.1998	DM 2.70	DM 1.934	71.60
		(ii) Lift Irrigation Project	Orissa	19.12.1993	31.12.2000	DM 55.00	DM 31.142	56.61
6.	Canada	Rajad	Rajasthan	13.03.1990	31.12.1999	C\$ 60.75	C\$ 7.101	11.7
7.	Australia	Exploration and Management of Ground Water Trench II	Orissa	31.07.92	31.07.98	US\$ 8.097	US\$ 7.939	98

1	2	3	4	5	6	7	8	9
8.	France	(i)	Hydropius Fusegate Systems of 8 Dams	Gujarat	10.12.98	10.12.2000	FF 34.74	—
		(ii)	Pilot Project on Delhi Ozone Treat- ment for Drinking Water	Delhi	31.12.92	31.12.98	FF 9.73	8.76
							90	10% of the amount of assistance withheld for residual works

2.25 It may be observed that percentage utilisation of external funds has not been very satisfactory.

2.26 Under the project APWELL under implementation in Andhra Pradesh with Netherlands assistance percentage utilisation of assistance is only 2.86 even though the date of completion of project is 14.11.99. Under the project Bundelkund Water Resources Management Project under implementation in Uttar Pradesh with Netherlands assistance, the utilisation of funds is 10.09% the date of completion is 31.5.99.

Hydrology Project

2.27 The Hydrology Project is being implemented with International Development Association (World Bank) assistance of SDR 90.1 million (US\$ 142 million equivalent) under a credit agreement with Government of India. The total cost of the Project is estimated at US\$180.9 million comprising IDA Component US\$142 million; Government of India component US\$ 21.5 million and Dutch Grant US\$ 17.4 million. The Credit Development Agreement and Project Agreement was signed with the World Bank on 22nd September, 1995 for six year project operation (1995-96 to 2000-2001) and credit effectiveness of the project began on 20-12-95. The Government of Netherlands is providing a grant-in-aid of DFI 29.9 million (US\$ 17.4 million) in the form of technical assistance under a bilateral Indo-Dutch Agreement.

2.28 The financial Outlay in respect of Hydrology projects are given below:

(Rs. in crore)				
	Actual 1997-98	BE 1998-99	RE 1998-99	BE 1999-2000
Hydrology Project	6.61	29.64	22.00	22.99

2.29 Outlay for the scheme for different implementing agencies of Ministry of Water Resources during the year 1999-2000 is given as under:

Implementing Agency		Outlay for 1999-2000		
		Domestic Support	External Support	Total
1.	Ministry (Proper)	0.07	0.66	0.73
2.	Central Water Commission	2.00	7.00	9.00
3.	Central Ground Water Board	1.50	10.50	12.00
4.	Central Water & Power Research Station	0.01	0.49	0.50
5.	National Institute of Hydrology	0.08	0.68	0.76
Total		3.66	19.33	22.90

2.30 When asked the financial and physical progress on World Bank assisted Hydrology Project has been observed very slow, the Ministry in their written reply stated that:

"The Ministry during the Financial Year 1998-99 convened two meetings each of the National Level Steering Committee and National Coordination Committee to help resolve coordination, technical and policy issues hampering project progress. The concerted efforts made by the Ministry helped in systematic site finalisation and rationalization through mutual interaction between the State/Central agencies and finalization of equipment specification. However, some of the other issues that have been contributing to the delay are (i) Inadequate delegation of Powers to the project officers in the states; (ii) Non-matching/timely release of funds to accommodate construction seasons; (iii) delayed sanctions for creation and filling of posts; (iv) land acquisition

difficulties for gauging sites and buildings. The Project Coordination Secretariat set up in this Ministry for Hydrology Project is actively pursuing with the concerned States/Central agencies with a view to resolve these issues. The Ministry's efforts have helped in improving project progress. An expenditure of Rs. 101.96 crore was incurred upto 15th December, 1998 which is likely to go upto Rs. 185.00 crores (as informed by the Project States/Agencies to World Bank Mid Term Review Mission) by March 31, 1999 (about 40% of base costs or 30% of the total project costs)."

2.31 The Financial & Physical targets and its achievements in respect of Hydrology Project are as given below:

(A) Financial Progress

S.No.	Organisation	F Y 1998-99		F Y 1999-2000
		Target	Achievement	
1.	Central Water Commission	9.00	5.48 (likely) upto 31.3.99	9.00
2.	Central Ground Water Board	19.31	6.06 (upto Feb. 99)	12.00
3.	National Institute of Hydrology	0.66	0.375	0.76
4.	Central Water & Power Research Station	0.58	0.2812	0.195

(B) Physical Progress (Major Activities under the Project)

S.No.	Item	Organisation			
		Central Water Commission		Central Ground Water Board	
1	2	3	4	5	6
1.	River Gauging Sites	284	41	-	-
2.	Operationalisation of Piezometer		-	2176	62

1	2	3	4	5	6
3.	Water Quality Laboratories	82	40	14	25
4.	Buildings	351	44	11	17
5.	Computer for Data Management	68 Packages	50	39 Packages	20

2.32 Physical Progress of only two organisation viz., CWC & CGWB has been provided. The other two Organisations viz; National Institute of Hydrology and Central Water and Power Research Station have been assigned only a supporting role under the Hydrology Project. They are assisting the Project States/ Central Agencies in carrying out training and R&D studies.

Dam Safety Assurance and Rehabilitation Project

2.33 The Dam Safety Assurance and Rehabilitation Project is funded by World Bank. It envisages institutional strengthening of CWC and State units for the activities concerning Dam Safety and Hydrological review of the projects in 4 States of Madhya Pradesh, Orissa, Rajasthan and Tamil Nadu, who are participating in the project. The project provides basic dam safety facility at selected dams and rehabilitation of 24 identified dams in the four states and Dam Safety Unit at Centre is monitoring the works. The total restructured cost of the project is Rs. 423.10 crores out of which the cost of Central Component is Rs. 32.40 crores and it has been planned to spend Rs. 19.60 crores by March, 1999. The project is going to be completed in September, 1999.

2.34 The financial Outlay in respect of Dam Safety Assurance and Rehabilitation Project is given below:—

(Rs. in crores)

Dam Safety Assurance and Rehabilitation Project	Actual 1997-98	B.E. 1998-99	R.E. 1998-99	B.E. 1999-2000
	2.50	6.78	12.60	8.10

2.35 Outlay for the scheme during 1999-2000 is Rs. 8.10 crores which comprises Rs. 6.05 crores External Support and Rs. 2.05 crores Domestic Support.

2.36 When asked about the slow pace of work and its expectation to get the project completed by September, 1999, the Ministry stated:

“There are three components under the project namely (i) Institutional Strengthening (ii) Basic Dam Safety Facilities and (iii) Remedial Works. Satisfactory progress was achieved under the Institutional Strengthening and Basic Dam Safety facilities components and targets are likely to be achieved by September, 1999. For Remedial works the progress has been accelerated and all efforts are being made to meet the targets and complete the works by September, 1999.”

2.37 The Committee further wanted to know the number of dams being rehabilitated under the project and number of dams in which the work has already been completed till date, the Ministry in their written reply stated:

“55 dams (33 initially identified and 22 additionally included) have been identified for rehabilitation. While restructuring the project, 17 dams were deleted and out of the remaining 38, dams works on 19 dams have been completed by December, 1998 and the works on balance 19 dams are likely to be completed by September, 1999.”

Irrigation Potential

2.38 Irrigation is the main input for achieving food security through increased productivity of Agriculture in the country.

2.39 The following are the Irrigation Potential created/Utilised:

(in m.ha.)

Sector	Eighth Plan			Target during Ninth Plan	
	Creation of Potential Targets	Achievement	Utilisation of potential Target	Achievement	Utilisation of potential
Major & medium Irrigation	5.09	2.22	4.25	2.12	9.81
Minor Irrigation	10.71	6.25	9.36	5.78	7.24
Total	15.80	8.47	13.61	7.90	17.05
					13.64

2.40 In the Eighth Plan against a target of 15.80 m.ha. of creation of irrigation potential only 8.47 m.ha. was created.

2.41 For Ninth Plan a target of 17.05 m.ha. comprising 9.981 million hectares through Major & Medium Irrigation and 7.24 m.ha. through Minor Irrigation has been fixed.

Major and Medium Irrigation

2.42 There are 158 major and 768 medium irrigation projects completed upto 1997. Of these 74 Major and 143 Medium projects were completed in the pre-plan period. Due to lack of requisite maintenance quite a few of the irrigation networks have deteriorated markedly over the years.

2.43 The Committee in their report on Demands for Grants 1998-99 of Ministry of Water Resources recommended that Union Government should consider initiating a scheme of Central Assistance whereby the actual cost of maintenance is made available every year towards maintenance of Major Irrigation Projects.

2.44 The Ministry in their Action Taken Reply has stated that a Working Group constituted by the Planning Commission on Major and Medium Irrigation Programme for Ninth Five Year Plan has provided a separate head 'Special repairs of existing irrigation System' in their proposals for Ninth Plan. A rate of Rs. 300 per ha. of a net irrigated area has been recommended for this purpose.

2.45 On being asked when the recommendation of Working Group are likely to be implemented, the Ministry in their reply stated:

"Working Group constituted by the Planning Commission on Major & Medium Irrigation Programme for the Ninth Five Year Plan recommended for total outlay in the State Sector Plan as Rs. 54313 crore including Rs. 880 crore for a separate head relating to "Special repairs of existing irrigation systems". Against this the Planning Commission has approved the State Sector outlay for Major & Medium Irrigation as Rs. 42644 crore without further break up according to types of activities/programmes, Accordingly, the States are free to utilize the allocated Plan resources under the Major & Medium sector according to their own priorities. So far as the rate of Rs. 300 per ha. of net irrigated area mentioned in the Working Group Report for repair works is concerned, the rate applies to non-Plan expenditure of the States on regular/routine repair and maintenance work subject to acceptance by the respective State Governments. The norm of Rs. 300 per ha. was suggested by the Tenth Finance Commission as against the Ninth Finance Commission norms of Rs. 180 per ha. for the utilized potential and Rs. 60 per ha. for the unutilized potential. However, the provision for maintenance of Major & medium Irrigation projects is made by the State Governments under Non-Plan Head subject to the availability of funds out of their own resources. The norms suggested by the Finance Commission are not meant to be applicable to Plan funding of any sort for implementation, operation and maintenance of irrigation projects."

2.46 As per Working Group Report on Major and Medium Irrigation for IX Five Year Plan, there were 119 Major, 176 Medium and 67 ERM on-going irrigation projects in the country at various stages of construction at the end of VIII Plan with spill over cost of Rs. 41,272 crores.

Accelerated Irrigation Benefits Programme (AIBP)

2.47 The scheme was introduced in the budget of 1996-97 and covers large and multipurpose irrigation projects costing more than Rs. 1000 crores which are beyond the resources capability of the States and for completion of other projects (costing less than Rs. 1000 crores) which are in an advanced stage of completion and with just a little

additional funding are required. As per revised provision of programme, projects costing Rs.500 crores or more are now eligible under first category as against earlier ceiling of Rs. 1000 crores or more.

2.48 The loan assistance is being provided on matching basis and as such states have to provide out of their own resources matching budget for the project. The Central Assistance is in the form of reimbursement on quarterly basis after the expenditure is actually incurred on the identified projects for construction in accordance with the agreed schedule of construction.

Transfer of AIBP to Ministry of Finance

2.49 This provision has since been transferred to the Ministry of Finance under Grant No. 28. The CLA is now to be released by the Finance Ministry on the recommendations of the Ministry of Water Resources. Also, this year the assistance under AIBP to State Governments will be part of central support to State Plans. The guidelines for selection of projects, disbursement of CLA and monitoring of projects were finalised in consultation with Ministry of Finance. The Planning Commission has made State-wise projections for allocation of funds under AIBP.

2.50 The Committee in their 10th Report pertaining Demands for Grants (1998-99) had recommended that the task of release of funds should again be entrusted to Ministry of Water Resources in the interest of expeditious flow of full funds to the States for implementation of schemes. The Ministry in their reply stated:—

“The Ministry agrees with the recommendations of Hon. Parliamentary Standing Committee on Agriculture and matter in this regard was also taken up with the Ministry of Finance. However, Ministry of Finance intimated that release would be made by them instead of MOWR as loan assistance forms part of Central support to the State Plans and Central release of funds allows Ministry of Finance to help the States in their ways and means and overdraft problems. However, it has been assured to MOWR that the releases of funds would be made on the

recommendation of the latter and that the new procedure would in no way dilute the control of MOWR on the utilisation of AIBP funds."

(Rs. in crores)				
	Actuals 1997-98	B.E. 1998-99	R.E. 1998-99	B.E. 1999-2000
AIBP	952.19	1500	1200	1600

2.51 As per the above mentioned Table the Ministry has slashed down the budget allocation from Rs.1500 crores (at the B.E. stage) to Rs.1200 crores (at the R.E. stage). Pertaining to the reasons for shortfall in expenditure in Revised Estimate stage, when asked, the Ministry gave the following reasons:

"The allocation was reduced keeping in view the expenditure under the Programme. An amount of about Rs.885 crores has since been released as CLA to the States under above programme during 1998-99. Proposals for about Rs.215 crores are under submission for release of CLA. Thus an amount of Rs.1100 crores is likely to be utilised during current year. The main reasons for reduction in budget at RE stage and non-utilisation of even the revised amount of Rs.1200 crores are as under:

- (i) Due to paucity of funds with the State Governments they are not in a position to contribute their share for availing CLA under this programme.
- (ii) No CLA could be released to the States of Haryana and Kerala as they have not utilised the funds released during 1996-98 and Ministry of Finance took a stand that unless these States cover shortfall in their expenditure, no CLA will be released during the current year.
- (iii) An amount of Rs.100 crores meant for Ranjit Sagar Project of Punjab was not released by Ministry of Finance since that Ministry took a stand that AIBP is meant for funding only the irrigation projects and irrigation components of above project has already been given matching share under AIBP guidelines.

(iv) Guidelines were framed to relax the funding pattern and also to include Minor Irrigation Surface Schemes of special category States under the Programme. These relaxations would have resulted in full utilisation of the original budgeted amount. However, these guidelines are yet to be approved by the Government."

Minor Irrigation

2.52 Minor Irrigation basically consists of (i) ground water (ii) Surface Water. Minor Irrigation Division is vested with the responsibility of policy formulation in the minor irrigation sector at the national level. The work of minor irrigation is taken up by several department of the State Government e.g. Rural Development, Irrigation, Agriculture, Minor Irrigation, Panchayati Raj, Welfare Institutional Finance, etc. Panchayats, Co-operatives and individual farmers are also involved in this work. The division also helps the State Government Plan formulation in this sector and also in posing projects for external funding.

2.53 Notably out of total irrigation potential of 89.49 m ha created by the end of 8th Plan, minor Irrigation accounts for 56.61 m ha i.e, 63.29% and the rest is from Major and Medium Irrigation Projects. As per the Annual Report of the Ministry, the cost per hectare of creation of irrigation potential is Rs. 12730 crores by small irrigation projects and Rs. 78363 crores by large/medium irrigation projects.

2.54 Improvement in minor irrigation is a thrust area in 9th Plan of Ministry of Water Resources.

2.55 The basic strategy for development and optimum utilisation of minor irrigation works during the Ninth Plan will be as under:

- (i) Restoration and improvement of minor irrigation tanks as well as the development of new works as a part of the integrated micro-development projects will be encouraged.
- (ii) Priority should be accorded to the completion of ongoing schemes and the taking up of new irrigation schemes would be within the availability of financial resources and with the priority for drought-prone areas.

- (iii) Formulation of ground water development strategies would be based on sound technical, environmental and economic considerations. Over-exploitation of ground water should be discouraged and necessary corrective measures in this regard should be implemented.
- (iv) Periodic evaluation of the socio-economic and environmental impacts of ground water development will be carried out to ascertain the changes between pre and post implementation stage of ground water scheme.
- (v) Census of ground water extraction structures once in five years and programme for rehabilitation of ground water structures will be taken up.
- (vi) Involvement of community organisations and NGOs in the management of ground water would be encouraged through legal, financial and policy backups.
- (vii) The overall efficiency of the pumping system will be improved so as to conserve energy and optimise water use.
- (viii) The installation of sprinkler/drip irrigation system would be emphasised particularly in water-scarce and drought-prone areas. Necessary changes in cropping patterns, as well as crop diversification, would also be encouraged in favour of low water consuming crops in lieu of water intensive crops particularly in water scarce areas.
- (ix) Conjunctive use of surface and ground water would be encouraged.
- (x) There is need to create public awareness on the quality and judicious use of ground water. Such awareness is also essential to take regulative measures for ground water.
- (xi) Encouragement would be given to privately or cooperatively owned/managed tubewells *vis-a-vis* public owned/managed tubewells.

2.56 The Ministry of Water Resources had projected an amount of Rs. 1163.00 cr. during 9th Five Year Plan for minor Irrigation comprising Rs.1003 cr. for new scheme *viz.* Restoration of old tanks and other

water harvesting structure and Rs. 335.00 cr. for other schemes. The Planning Commission approved an outlay of Rs.385 cr. comprising 24 cr. for new scheme and provision of Rs.361 cr. for other scheme.

2.57 When asked the fate of the scheme, "Restoration of old tanks and other harvesting system" in view of reducted allocation, the Ministry stated:

"A Centrally Sponsored Scheme "National Project for Rehabilitation of Minor Irrigation Schemes" which includes restoration of tanks was prepared and forwarded to Planning Commission for inclusion and implementation during the 9th Five Year Plan. The total cost of this scheme was Rs.1003 crore which was to be implemented over a period of 6 years starting with the year 1998-99. A Budget provision of Rs.50 crore in anticipation of the approval of the proposal for the year 1999-2000 was proposed. However, due to paucity of funds only Rs.10 crore was allotted for this scheme.

The EFC alongwith the proposal was sent to Planning Commission *vide* letter No.7-15/98-MI/1463-1465 dated 19th November, 1998. The Planning Commission has not agreed to support this proposal as the Planning Commission is of the view that Government of India is moving towards decentralisation and cooperative federalism and for that purpose it is proposing to transfer a large number of centrally sponsored schemes to States. The Government is also emphasising people's participation in irrigation management. Due to its character and size, Minor Irrigation is more suited for management at community/farmers' level. Further, the central funds under various employment generation programmes are also available to be pooled for rehabilitation and modernization of the Minor Schemes."

2.58 The planned allocations under Minor Irrigation during the year 1998-99 and 1999-2000 is as given under:

	1998-99	1999-2000	
	B.E.	R.E.	B.E.
Minor Irrigation	67.40	56.05	55.81

2.59 As per the above mentioned Table the Ministry has slashed down the plan allocation from Rs.67.40 crores during the year 1998-99 to Rs. 56.05 cr. in revised estimates and further Rs.55.81 crores for the year 1999-2000.

2.60 The areas where the allocation has been reduced in respect of MI in the revised estimates stage and for the year 1999-2000 as stated by the Ministry are:

Scheme	(Rs. in crore)		
	1998-99	1999-2000	
	BE	RE	BE
1. Hydrology Project	18.30	11.12	12.00
2. Assistance to drought affected States	17.00	4.78	9.11
3. Investigation & development of Ground Water Resources in Eastern States.	1.70	0.10	2.00

2.61 The main reasons for decrease are (i) delay in procurement of equipment under World Bank assisted Hydrology Project (Sl.No.1) due to cumbersome World Bank procurement procedures; (ii) non-likelihood of Japan Grant aid; and (iii) clearance of the scheme of Investigation and development of Ground Water Resources in Eastern States is still under consideration in the Planning Commission. This Ministry, however, would pursue these proposals during 1999-2000 and some provisions have been kept for this purpose during 1999-2000.

2.62 Explaining further reasons for reduced allocation under the scheme 'Assistance to drought affected states', the Ministry stated:

"The scheme of "Assistance to drought affected states" has two components viz. procurement of equipments and machinery including the acquisition of drilling rigs and survey equipment and construction of exploratory wells under drought affected states. Out of Rs.17.00 crores provided at B.E. stage of Rs.12.00

crore were meant for acquisition of rigs through Japan Grant Aid and Rs.5.00 crore were meant for drilling of exploratory wells in drought areas. The budget has been reduced to Rs.4.78 crores at R.E. stage, as there was no likelihood of the Japan Grant Aid of Rs.12.00 crore.

Under this scheme, the exploratory tubewells are constructed in drought affected states in consultation with the State Authorities. These wells are handed over to the States after completion. No financial assistance is however, provided under the scheme to states. During 1998-99, about 120 tubewells have been constructed in drought affected areas under exploratory well drilling. Therefore, question of demands from states and financial assistance from CGWB does not arise."

2.63 When asked if the Ministry has drawn up a special scheme to overcome drought problem in Kalahandi, Bolangeri and Nipada Kuraput and Barajada Distts. of Orissa as has been recommended by the Committee, the Ministry replied:

"As per the recommendations of the Standing Committee of Parliament on Agriculture, a Central Team was constituted by the Ministry to suggest schemes for solving water problems of Kalahandi, Bolangeri and Kuraput (KBK) districts of Orissa. The report was forwarded to all concerned organisations of the Government of India as well as to the State Government. As a follow up, the Ministry has prepared a fully funded Central Sector scheme for financing the major, medium and minor schemes of KBK districts as listed in the report amounting to about Rs.750 crores."

2.64 On a further query, if the Ministry has approached Planning Commission for funds for implementation of scheme, the Ministry stated:

"Planning Commission is not agreeing to any new fully centrally funded scheme as in their view Government of India is moving towards decentralisation and cooperative federalism and for the purpose it is proposing to transfer even a large number of existing centrally sponsored schemes to States.

This Ministry is operating a scheme i.e. Accelerated Irrigation Benefits Programme (AIBP) for assisting the State Governments

to expedite the water resources schemes languishing for want of funds. The three major/medium schemes in the KBK Districts namely, Upper Indravati, Upper Kolab and Titlagarh projects are already being provided central loan assistance under AIBP. Keeping in view the gravity of the situation in the KBK districts of Orissa, the Ministry has proposed to relax the norms of AIBP for drought prone KBK districts so that the State Government can implement various water resources schemes at the earliest. This proposal is under active consideration of the Government of India."

Command Area Development Programme

2.65 The Command Area Development Programme was initiated in 1974-75 as a Centrally sponsored programme with the objective of ensuring efficient utilisation of created Irrigation potential for optimising agricultural production from irrigated lands. Presently there are 226 projects covered under the programme with a Culturable Command Area of 21.95 m. ha. spread over 23 States and 2 Union Territories.

2.66 The approved plan outlays and financial releases under the Command Area Development Programme during 1997-98, 1998-99 and 1999-2000 are as given below :—

(Rs. in crores)		
Year	Approved outlay	Releases
1997-98	129.83	129.96
1998-99	188.00	176.76
1999-2000	178.00	(anticipated)

2.67 When asked the reasons for under utilisation of funds during 1998-99 the Ministry stated that Central assistance is released to State Governments based on the demand projected in their proposals. Their genuine demand has been fully met during 1998-99 with and there is no underutilisation of funds.

2.68 As regards reasons for lower-allocation of Rs. 178 crores BE (1999-2000) the Ministry stated that keeping in view the total allocation

of Rs. 370 crores made for the Ministry by Planning Commission, the allocation for 1999-2000 had to be kept at 178 crores.

2.69 The physical targets and achievements during VIII Plan and Ist three years of IX Plan in respect of the core components of on farm development works are given below :—

(Unit in '000 ha.)

Item of work	VIII Plan		IX Plan Target (Provisional)	1997-98 Achievement	1998-99		1999-2000 Target
	Target	Achievement			Target	Achievement	
Field Channels	1330	1760	1020	319	205	205	205
Warabandi	2600	2520	1700	422	340	340	340
Field Drains	300	188	75	28	14	14	14
Land Levelling and Shapping	400	110	100	11	19	19	22
Reclamation of waterlogged area	Nil	Nil	30	—	7	7	7

2.70 The Committee wanted to know the reasons for fixing a very low targets in respect of various components of CAD programme. The Ministry in their reply stated as under :—

In the past much emphasis was given for construction of field channels, with the result, the achievement of these item was very high while the achievements under other items are much lower than targeted. During 9th Plan targets under Warabandi, field drain have been proposed to be increase proportionately so as to receive maximum benefits of the programme in an integrated manner."

2.71 The Ministry informed that target for Warabandi has been proposed for increase from 26 lakh ha for VIII Plan to a target of 32 lakh ha for 9th Plan.

2.72 The details of water logged area in various States and area reclaimed State-wise during 1998-99 are as under :

Sl. No.	Name of the State	Estimated waterlogged area
1.	Andhra Pradesh	266.40
2.	Bihar	619.70
3.	Gujarat	172.59
4.	Haryana	249.00
5.	Himachal Pradesh	0.20
6.	Jammu and Kashmir	1.50
7.	Karnataka	24.54
8.	Kerala	11.61
9.	Madhya Pradesh	73.12
10.	Maharashtra	15.35
11.	Orissa	196.26
12.	Punjab	200.00
13.	Rajasthan	179.50
14.	Tamil Nadu	16.19
15.	Uttar Pradesh	430.00
Total		2455.96 or say 2.46 m. ha.

2.73 Administrative approval for execution of 24 projects has been issued and administrative approval of some more projects is under issue.

2.74 On a query as to why a meagre target of only 30,000 ha has been fixed for IX plan for reclamation of waterlogged the Ministry informed the target for reclamation of water logged area has been proposed to increase from 30,000 ha. to 60,000 ha. during IX Plan.

Participatory Irrigation Management Scheme (PIM)

2.75 To improve the efficiency of the irrigation system and to bring about equality and reliability in the distribution of water, farmers participation is essential in management of Irrigation.

2.76 The Committee wanted to know about the physical and financial achievements made during the last three years. The Ministry in its reply stated :—

"No amount has been earmarked for Participatory Irrigation Management so far as this scheme is under consideration by the Planning Commission. However, payment of one time functional grant @ Rs. 500 per ha. (to be shared @ Rs. 225/- per ha. by Centre, Rs. 225 per ha. by State and Rs.50/- per ha. by the farmers) to Farmers' Association which are registered and actually engaged in distribution of water at the outlet level is being made."

2.77 The details of some time functional grant released to States is given below :—

1. 1996-97	Rs. 17.50 lakh
2. 1997-98	Rs. 3139.78 lakh
3. 1998-99	Rs. 208.36 lakh
Total	Rs. 3365.64 lakh

2.78 Recovered later as Government of Haryana did not meet certain conditionalities.

2.79 The Committee during their Study Tour to some command areas observed that formation of water users association (WUAs) was very less at some places, when asked about the efforts being made to give adequate training to CADA officials information of WUAs and

incentives being given to them where there is a good progress in this area, the Ministry stated :—

"Government of India have made several efforts to create awareness among functionaries and farmers, main of them are as follows :—

- (a) A number of National, State and Project level conferences have been held to spread awareness on PIM. Recently one such National Conference has been held at Hyderabad from 19th to 23rd January, 1999, where experts officers from States and farmers participated.
- (b) A number of training programmes were held for training of functionaries and farmers to create awareness among them about PIM.
- (c) Three manuals in local language *i.e.* Marathi, Tamil and Telugu on PIM were prepared for taking up the programme in the States. Other States are also taking initiatives in this regard.
- (d) An amendment to Irrigation Act for implementing PIM in the irrigation projects has been prepared by the Ministry and circulated to States.
- (e) The States of Andhra Pradesh and Goa have brought out an Act for making provisions to implement the programme of Participatory Irrigation Management effectively.
- (f) The Ministry is also preparing documentary film on PIM for creation of awareness among the people."

Flood Control

2.80 Out of the Country's total geographical areas of 328 million hectares, 40 million hectares has been assessed by Rashtriya Barh Ayog as flood prone out of which 32 million hectares has been estimated as protectable. The Flood Management Programmes have been in existence since March, 1954.

2.81 The allocation made for flood control during 1997-98, 1998-99 and 1999 is as follows :—

	(Rs. in crores)		
	1998-99		1999-2000
	B.E.	R.E.	B.E.
Flood Control	71.65	59.00	61.79

2.82 Budget Estimates during the year 1998-99 for flood control was kept Rs. 71.65 crores but, at the Revised Estimates stage, the allocation has reduced to RS. 59.00 crores only. When asked the reasons for slashing down the allocation, the Ministry stated as under :—

“The budget provision has been slashed down by Rs. 12.65 crores in the revised estimate stage as per projections of anticipated expenditure during the remaining part of the year. Reasons for reduced projections are the lack of demand for reimbursement from Govt. of Bihar in the case of flood proofing programme and Lalbakeya embankment works in the State, Delay in land acquisition in the case of Harrange drainage scheme and delay in approval of some schemes by the Planning Commission. State Governments are being continuously pursued for expediting implementation of the schemes and the issue of approval of schemes is also being taken up with Planning Commission.”

2.83 The Ministry had proposed an outlay of Rs. 138.61 crores in 1999-2000 for flood control sector. The Planning Commission however approved an outlay for Rs. 61.79 crores showing percentage reduction of 55.64%.

2.84 When asked about how it will affect the overall performance for this sector, the Ministry stated :

“The flood control sector the reduction would mainly affect the following:

- (i) Grant-in-aid to Brahmaputra Board for investigation work of multipurpose projects in NE States.

- (ii) Grant to Govt. of Assam for flood control works in Brahmaputra Valley.
- (iii) Critical anti-erosion works in Ganga basin and other then Ganga basin States."

Flood Proofing Programmes and Anti-Erosion Works

2.85 Budget allocation for Flood Proofing Programmes and Critical Anti-Erosion Works during the year 1998-99 and 1999-2000 are given below:—

	(Rs. in crores)		
	BE 1998-99	RE 1998-99	BE 1999-2000
Grants for Flood Proofing Programmes	3.00	1.00	2.00
Critical Anti Erosion Work	1.30	0.10	1.50
Total	4.30	1.10	3.50

2.86 From the above mentioned Table it is seen that BE for Flood Proofing Programmes and Critical Anti Erosion Works during the year 1998-99 the Ministry has slashed down to Rs. 4.30 crores to Rs. 1.10 crores at the RE stage and for the year 1999-2000 again the Ministry has earmarked Rs. 3.50 crores for the same sectors when asked the reasons for under utilisation of fund for the year 1998-99 and also keeping the high allocation for 1999-2000. The Ministry in their written reply stated:—

"Budgetary provision of Rs. 4.3 crores was given for the following schemes during 1998-99:

(i) Flood Proofing Programme in North Bihar	Rs. 2 crore
(ii) Flood Proofing Programme in States other than North Bihar	Rs. 1 crore
(iii) Critical Anti-Erosion in Ganga Basin States	Rs. 1.3 crore

2.87 The provision was slashed down to Rs. 1 crore, Rs. Nil and Rs. 0.1 crore respectively for the above schemes in the RE stage. The Govt. of Bihar did not come up with any demand for reimbursement under the programme "Flood Proofing in North Bihar" which is under implementation in that State. The schemes at Sl. No. (ii) and (iii) above could not take off during the year since these are new centrally sponsored schemes of 9th Plan and full Planning Commission's approval is required. Further these schemes could not be taken up for processing during 1997-98 since the 9th plan was not approved in the that year. After approval of the 9th plan, the SFC memo for the above two schemes have been prepared and sent to Planning Commission for obtaining full Planning Commission approval. Some clarifications sought by Planning Commission on the scheme "Critical Anti Erosion in Ganga Basin States" have been replies and response from Planning Commission is awaited. In the case of Flood Proofing Programme in (Other than North Bihar) Planning Commission has recently informed that they are not able to support the proposal for reasons given below:—

- (1) The proposed scheme appears to be all open-ended.
- (2) The National Calamity Relief Fund provides a mechanism for both resources and programme for States to take up all such works as proposed in the instant proposal. Besides, other funding sources like Centrally Sponsored Rural Development Schemes and Employment Assurance Scheme are also available to take up various flood proofing works within the scope of each of these centrally sponsored schemes.
- (3) The proposed flood proofing works are not such "capital-intensive" which may require Central financial assistance as proposed. Since all these works are small and site-specific, they can be carried out by Panchayats also.

2.88 The Ministry is examining the observations of the Planning Commission.

2.89 For the year 1999-2000, the budgetary provisions have been kept for all the three schemes mentioned above anticipated approval of Planning Commission to the schemes (ii) & (iii) by that time. The provision for Flood Proofing Programme in North Bihar has been kept Rs. 1 crore keeping in view the expenditure incurred during 1997-98.

National Projects Construction Corporation (NPCC Ltd.)

2.90 National Projects Construction Corporation (NPCC) was incorporated in 1957 under the Companies Act, 1956 for taking up the construction of River Valley Projects and other activities. The authorised capital of the Company is Rs. 30.00 crores and its paid up capital is Rs. 29.84 crores. The Corporate Office of the Company is at Faridabad with headquarter at New Delhi. At present, it has 110 units out of which 84 are working Units and remaining 26 are not working Units. The total strength of the Company is 3757. Voluntary Retirement Scheme is in vogue since 1992 to reduce the surplus manpower. 1755 employees have availed this scheme and an amount of Rs. 24.95 crores has been utilised.

2.91 The company performed well during the first 10 years of its operation and declared dividend on paid up capital continuously till 1966-67 except in the year 1962-63. Thereafter it has undergone ups and downs.

2.92 Following the guidelines of Department of Public Enterprises, this Ministry has prepared a Cabinet Note on future course of action about the company.

2.93 Budget allocation for the years 1998-99, 1999-2000 actual expenditure 1997-98 and Revised Estimates, 1998-99 for National Project Construction Corporation are given below:—

Name of the Scheme	Actuals	BE	RE	BE
	1997-98	1998-99	1998-99	1999-2000
National Projects Loan/investment	2.00	2.00	2.00	2.00
Construction Corp. Ltd. VRS	2.07	2.85	10.50	0.00

2.94 When the Committee enquired from the Ministry regarding the latest position of revival of National Project Construction Corporation. The Ministry stated:

"An up-dated Cabinet Note regarding future course of action in respect of NPCC Limited containing *inter alia* the option of revival was circulated to all the concerned Ministries/Departments and after incorporating their views it was submitted to the Cabinet Secretary for placing the same before the Cabinet Committee on Economic Affairs. Cabinet Secretariat informed during October, 1998 that a presentation on the subject may be made by the Ministry to the Cabinet Secretary in the first instance. Accordingly, a presentation was made to the Cabinet Secretary on 9.11.98. During the presentation the issue of the exact legal position with regard to liabilities of the Company in case of immediate closure or phased closure came up. The views of Deptt. of Legal Affairs (Ministry of Law and Justice) have been obtained in the matter and a revised Cabinet Note (incorporating this aspect also) will be shortly submitted to the Cabinet Secretary for obtaining their approval."

Transport Sector

2.95 The Farakka Barrage Project was started in 1962 with an estimated cost of Rs. 68.59 crores. The Government approved the second estimate of Rs. 267.45 crores in 1987. On completion of major works of the projects some residual works remained after 1992. The expenditure was expected to be within 10% in excess over the 2nd revised cost estimate, i.e. Rs. 294.19 crores approved by the Ministry. The residual works have not been completed so far. To complete the residual works fresh EFC memo, amounting to Rs. 13.94 crores has been approved by the expenditure Finance Committee on 18.3.98.

2.96 The financial allocation and actual expenditure incurred during the years 1997-98, BE 1998-99 RE 1998-99 and BE for the year 1999-2000 are given as under:—

(Rs. in crores)

Name of Scheme	Actual 1997-98	BE 1998-99	RE 1998-99	BE 1999-2000
Farakka Barrage Project	18.70	20.10	20.92	20.00

2.97 At present the following Residual Works and Special Protection Works are under programme:—

Residual Works

- (i) Balance works of road bridge across the Feeder Canal at RD 29.50.
- (ii) Renovation of drainage/water supply/building of Farakka Township.
- (iii) Storage godown for new gates.
- (iv) Balance works related to Jangipur Lock Gate.
- (v) Erection of gates for Kalindri Lock
- (vi) Protection works down stream of Farakka Barrage on right bank of the river Ganga.
- (vii) Fixing of lifting arrangement in the control tower building at farakka Navigation Lock.

Special Protection Works

- (i) Repair/rectification of 11 Nos. Gates of Head Regulator of Farakka Barrage.
- (ii) Repair/rectification of main barrage gates and fish lock gates etc.
- (iii) Restoration of bank slopes and banks in feeder canal in scoured location (including bagmari Syphon, bridge etc.)
- (iv) Special repair of gates and hoists of Jangipur Barrage and Jangipur Lock, inlets, syphon etc. along feeder Canal.
- (v) Special repairs to the feeder canal embankment and road including drainage.
- (vi) Dredging in Lock Channel and Feeder Canal.

2.98 There is progressive erosion in the left bank of river ganga down stream of Farakka in Malda and Murshidabad Deptt. of West Bengal which is affecting Farakka Project. When asked the action taken by Govt. in this regard the Ministry stated:

"For the erosion problem in Ganga/Padma in the districts of Malda and Murshidabad in West Bengal, an Expert Committee constituted by the Planning Commission in September, 1996 had recommended undertaking short term measures costing Rs.315 crore and long term measures costing Rs. 612 crore. The Ministry have requested Planning Commission to allocate funds to both Centre and Government of West Bengal for undertaking top priority short term schemes, costing Rs. 240 crores to be undertaken in a period of 2 years. Of this, Centre's requirement would be Rs. 95 crores and that of State Rs. 145 crores. In July, 1998, Planning Commission has released Rs. 30 crores as additional Central assistance under the State Plan. However, for the Central component of Rs. 95 crores, Planning Commission has indicated its inability to enhance allocation beyond what has been provided in 1998-99. For the year 1999-2000, it is essential for the Planning Commission and Finance Ministry to arrange for an additional Central allocation of Rs. 95 crores for this Ministry and a grant of Rs. 145 crores for the Government of West Bengal during two years of 1999-2000 and 2000-01 to enable completion of top priority short term measures to tackle the erosion problem caused by Ganga/Padma in Malda and Murshidabad districts."

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS

Recommendation No. 1

Inadequate Ninth Plan Allocations for the Irrigation Sector

3.1 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, having 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 that 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 allocations 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 recurrently 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 of 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.

Recommendation No. 2*Need To Restore the Supremacy of Parliament in Financial Matters*

3.2 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 stage 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 schemes 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 cannot 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.

Recommendation No. 3

Poor Utilisation of Plan Funds

3.3 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	B.E.	Actuals
1	2	3
1992-93	240.00	199.26
1993-94	289.00	274.94

1	2	3
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	-

3.4 The Committee feel that unless the Ministry improves the utilisation of funds to the fullest extent possible, they cannot 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.

Recommendation No. 4

Revision of National Water Policy, 1987

3.5 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 29 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.

Recommendation No. 5

Allocation in Favour of North-Eastern States

3.6 The Committee note that Rs. 36.35 crores 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 the total plan budget of Rs. 382 crores 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 crores 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 crores, Rs. 1.36 crores 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 confirmity with the assurance given by the Honourable Prime Minister in November, 1996 to earmark 10 per cent of the funds in their favour.

Recommendation No. 6

Poor Utilisation of funds in Projects undertaken with overseas assistance

3.7 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 precious foreign assistance that is made available on a platter is kicked away due to our own inefficiency:

Sl. No.	Donor Agency	Name of Project & State	Percentage of utilisation of funds	Years taken so far	Years left for completion
1	2	3	4	5	6
1.	World Bank	Tamil Nadu-Water Resources Consolidation Project	90%	4 years	3 years
2.	-do-	Andhra Pradesh-Irrigation Project-III	20.23%	2 years	2-1/2 years
3.	-do-	Multi-State-Dam Safety Assurance	60%	7-1/2 years	1/2 year
4.	EEC	Kerala-Minor Irrigation Project	23.47%	7 years	1 year
5.	-do-	Orissa-Minor Irrigation Project	4.34%	4 years	5-1/2 years
6.	-do-	Maharashtra-Saline Land Reclamation	0%	4 years	6 years
7.	-do-	Pondicherry-Tank Irrigation Modernisation	0%	2 years	4 years
8.	OECF Japan	Orissa-Rengali Project	8.37%	2 years	4 years
9.	Canada	Rajasthan	11.7%	9 years	3/4 year

3.8 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 an 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.

Recommendation No. 7

Remedial Works for Dam Safety Assurance

3.9 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 crores 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 1.10.1997 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 cannot be utilised at all.

3.10 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.

Recommendation No. 8

Implementation of World Bank Aided Hydrology Project

3.11 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 is 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 Secretariat is not adequately staffed to ensure the implementation of the Project.

Recommendation No. 9

Maintenance of Structures Created in the Major Irrigation Projects

3.12 The Committee have been time and again recommending that the Union Government should initiate a scheme of central assistance to enable the State 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.

Recommendation No. 10

Irrigation Potential Created Through AIBP

3.13 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. 1,500 crores for the scheme in 1998-99, the likely expenditure at the revised estimates stage will be around Rs. 1,200 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 beary 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 insistence 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 these 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.

Recommendation No. 11

Command Area Development Programme

3.14 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 reductions in allocation will delay the utilisation 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 formed 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 lakh 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 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.

Recommendation No. 12

Reclamation of Waterlogged Area in Haryana and other States

3.15 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 measure 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 CCS, 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.

Recommendation No. 13

Incentives to Water Users Association

3.16 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 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.

Recommendation No. 14

Sutlej-Yamuna link (SYL) Canal Project

3.17 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.

Recommendation No. 15

Renuka Dam and Kishau Dam Projects

3.18 The Committee find that MoU regarding allocation of surface flow of Yamuna between U.P., Haryana, Rajasthan, Himachal Pradesh and National Capital Territory of Delhi was signed by their Chief Ministers on 12.5.1994 and subsequently agreement between H.P., U.P., Haryana and Delhi on the construction of Renuka Dam Project and agreement between U.P., Haryana and Delhi on construction of Kishau Dam Project was signed by their Cheif Ministers on 6.11.1994 and 2.9.1994 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 these 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 officials concerned so that the Projects which have already been delayed badly can be launched at early date.

Recommendation No. 16

Ghaggar Flood Control System

3.19 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.

Recommendation No. 17*Minor Irrigation*

3.20 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 Estimate (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.

Recommendation No. 18*Assistance to Drought Affected States*

3.21 The Committee are concerned to note that the allocation of Rs. 12 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.

Recommendation No. 19

National Project for Rehabilitation of Minor Irrigation Schemes

3.22 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 shcemes 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 Systems 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.

Recommendation No. 20

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

3.23 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.

Recommendation No. 21

Central Scheme to Overcome Drought Problems in Orissa

3.24 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 States. The Committee wish to point out that some areas of Orissa are frequently ravaged by droughts and starvation deaths 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.

Recommendation No. 22

Flood Proofing Programme in Bihar

3.25 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 go 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.

Recommendation No. 23

Critical anti-erosion Works

3.26 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.

Recommendation No. 24

National Projects Construction Corporation Ltd.

3.27 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 again 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.

NEW DELHI;
 8 April, 1999
 18 Chaitra, 1921 (Saka)

KINJARAPU YERRANNAIDU,
 Chairman,
 Standing Committee on Agriculture.

Autographed
 K. Yerrananda
 Standing Committee on Agriculture

APPENDIX

MINUTES OF THE THIRTEENTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON THURSDAY THE 8TH APRIL 1999 FROM 1100 HRS. TO 1310 HRS. IN COMMITTEE ROOM 'D' PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs. to 1310 hrs.

PRESENT

Shri Kinjarapu Yerrannaidu — *Chairman*

MEMBERS

Lok Sabha

2. Shri Baliram Kashyap
3. Shri Virendra Verma
4. Bhupinder Singh Hooda
5. Shri Maganti Venkateswara Rao
6. Shri Uttamrao Deorao Patil
7. Kum. Vimla Verma
8. Smt. Usha Meena
9. Shri Mahaboob Zahedi
10. Shri Mitrasen Yadav
11. Smt. Usha Verma
12. Shri K.P. Munusamy
13. Shri Anup Lal Yadav

Rajya Sabha

14. Maulana Habibur Rahman Nomani
15. Shri Ramji Lal
16. Shri Devi Prasad Singh
17. Shri Ramnarayan Goswami

18. Shri Yadlapati Venkat Rao
19. Shri Aimaddudin Ahmad Khan
20. Shri Sangh Priya Gautam

SECRETARIAT

1. Smt. Anita Jain	—	<i>Under Secretary</i>
2. Shri K.L. Arora	—	<i>Assistant Director</i>

At the Outset, Chairman (AC) welcomed the Members. Thereafter, the Committee took up for consideration the draft reports on Demands for Grants (1999-2000) of the following Ministries/Departments one by one for consideration :

- (i) Ministry of Agriculture,
(Department of Animal Husbandry and Dairying)
- (ii) Ministry of Water Resources

2. The Committee considered the draft reports and adopted the 20th and 21st Reports with minor additions and modifications.
3. The Committee, then authorised the Chairman to Present the above mentioned two reports on Demands for Grants (1999-2000) to the House on a date and time convenient to him.

The Committee then adjourned.