

**GUIDELINES FOR**

**ACCELERATED**

**IRRIGATION**

**BENEFITS**

**PROGRAMME**

( EFFECTIVE FROM 1<sup>ST</sup> FEBRUARY 2002 )

**GUIDELINES FOR ACCELERATED IRRIGATION BENEFITS PROGRAMME**  
**(MODIFIED DURING 2000/01-2002)**

**A) GENERAL**

- i) Only major/medium irrigation projects which are in advanced stage of construction and Surface Minor Irrigation scheme in special category States will be considered for inclusion under the programme. However, Major/Medium Irrigation Projects benefiting KBK Districts of Orissa in initial stages of construction will be included.
- ii) Eligible projects covered under the programme during previous years will get preference over new projects proposed for inclusion during current year.
- iii) To avoid thin spreading of resources, these States have to concentrate only on few promising projects.
- iv) Only those major/medium projects will be considered which have the investment clearance of the Planning Commission.
- v) The projects which are already receiving assistance from external / domestic agencies such as NABARD will not be eligible for Central Loan Assistance (CLA) under the programme. However, the components of such projects which are not covered under such assistance may be considered for inclusion under the programme.
- vi) On large projects, assistance will be given for their phased completion so that benefits could start flowing early with comparatively smaller investments.
- vii) Projects benefiting tribal/drought prone areas would be given due preference provided they are otherwise eligible.
- viii) Priority will be given to inter-state projects. All party States will be eligible for assistance under the programme individually.
- ix) Projects with larger irrigated area per unit of additional investment will be preferred.

**B) CLASSIFICATION OF PROJECTS**

Following categories of projects will be eligible for assistance.

- i) Approved projects or components thereof costing Rs 500 crores or more on which substantial investment has been made. However, projects on which more than 50% of the estimated expenditure has already been incurred shall get higher priority. Other cases will be considered only if funds are available after meeting the demands of priority projects.
- ii) Approved projects which are in advanced stage of completion and could be completed in the next four agricultural seasons i.e. in a period of about two years irrespective of total estimated cost.

- iii) Minor Irrigation Projects in General Category States are not eligible for CLA under AIBP. However, Minor Surface Irrigation Schemes (both new as well as on-going) of States of North-East, Hilly States (H.P., Sikkim, J & K and Uttaranchal) and drought prone KBK districts of Orissa which are approved by State TAC will be eligible under the programme. However, the State Government should submit only those proposals where the individual schemes are benefiting irrigation potential of at least 20 ha. and group of schemes (within a radius of 5 kms.) benefiting total ultimate irrigation potential of at least 50 ha. The proposed MI schemes should have benefit cost ratio of more than 1 and the development cost of these schemes per ha. should not exceed Rs.1.00 lakh.

C) CRITERIA FOR CATEGORISING A STATE AS REFORMING

- i) At the end of one year calculation & communication of data by the State Government of existing projects category-wise relating to actual O&M as Rs. per ha. and net revenue collection.
- ii) At the end of three years - Increase water rates to enable allocation of Rs.225/ha. for MI schemes and Rs.450/ha. to Major & Medium from revenue earned without subsidy as per XI Finance Commission.
- iii) At the end of 5 years - Further increase water rates to meet full O&M costs for all category of projects.

D) MODE OF DISBURSEMENT

- i) CLA will be released on yearly basis in two instalments. The unutilized funds approved for the project will lapse on the expiry of financial year. CLA approved for States will be limited to the ceilings fixed by the Planning Commission for it under AIBP.
- ii) The State Governments should confirm the provision of required budget outlay (i.e. the Central share & the State share) in the State's annual budget plan.
- iii) Central Loan Assistance under the programme will be in the form of loan at the rate of interest prescribed by the Ministry of Finance from time to time.
- iv) The loan under the programme will be repayable in twenty equal instalments together with interest on the outstanding balance commencing from the following year. However, 50% of the loan will enjoy a five-year initial grace period after which repayment of these loans will be affected in fifteen equal instalments. The loans annually payable will be recovered in 10 equal monthly instalments commencing from 15<sup>th</sup> June every year.
- v) The States would be required to submit Audited Statements of Expenditure on the project within 9 months of the completion of the financial year.

- vi) CLA for the projects will be provided to the 'Reforming States' under General Category in the ratio of 4 : 1 (Centre : State) in case they rationalize their water rates in such a way as to recover full O & M cost of irrigation projects in 5 years. The "Reforming States" in special category (N.E. States, hilly States of Sikkim, J&K, Uttaranchal, Himachal Pradesh and KBK Districts of Orissa), i.e. special category States/regions will be provided central assistance in full without any State's share if they rationalize their water rates in such a way so as to recover full O&M cost of irrigation projects in 5 years.
- vii) Concerned State Government will give an undertaking as per the format enclosed for rationalization of water rates. (Annexure-II)
- viii) In case of defaulting States, additional central share as per relaxed norms given under AIBP will be treated as withdrawn and recovered fully from the States with interest as prescribed by the Ministry of Finance. Further CLA to defaulting States will be provided as per existing norms.
- ix) Funding pattern for States which do not rationalize their water rates to cover O&M cost in a time bound manner i.e. within 5 years will remain unchanged i.e. CLA to general category States will be continued to be provided in the ratio of 2 : 1 (Centre : State) and to Special Category States in the ratio of 3 : 1 (Centre : State).
- x) The 2<sup>nd</sup> instalment of CLA will be released when the expenditure reaches 70% of the first instalment of CLA together with the State share.
- xi) Upto 15% of C.L.A. will be provided for meeting establishment expenditure to be adjusted against the State's share.
- xii) The States which incur full expenditure on releases made in a year by March, may draw the first instalment or a part of it in April subject to availability of adequate funds. This release is adjustable in subsequent release.

#### D) MONITORING OF PROJECTS

Monitoring system as given below is proposed for the projects availing under the programme :-

- i) A comprehensive physical and financial periodical monitoring of major/medium projects by Central Water Commission with emphasis on quality control. The release of subsequent instalments will be based on the reports of Central Water Commission.
- ii) Monitoring of MI schemes has to be done by a State Government mechanism independent of construction agencies. These schemes would also be monitored.

Resources: The State Govts. Should provide sufficient O&M funds for these schemes and on completion preferably hand these over to local Panchayats/water users associations (WUAs).

iii) Monitoring by the Ministry of Programme Implementation.

E) FAST TRACK PROGRAMME

- i) Only the approved major & medium irrigation projects which can be completed in one year (two working seasons) will be included under this programme.
- ii) The projects will be fully funded by the Centre by providing 100% loan. State Governments should however, confirm full budget outlay in State Plan.
- iii) Establishment expenditure of the projects getting CLA under Fast Track Programme has to be entirely borne by the States.
- iv) The releases will be made in 2 instalments of 50% each.
- v) The progress of works will be closely monitored by the Central Water Commission with special reference to quality control and the release of second instalment will be based on the recommendations of the CWC.