

Schemes / Programmes

The Schemes / Programmes implemented / proposed to be implemented for irrigation development are:

- Accelerated Irrigation Benefit Programme (AIBP)
- Rural Infrastructure Development Fund (RIDF)
- Repair, Renovation and Restoration of Water bodies.
- Japan Bank for International Co-operation (JBIC)
- Orissa Integrated Irrigated Agriculture and Water Management Investment Programme(OIIAWMIP)
- Orissa Community Tank Management Project (OCTMP)
- Orissa Water Sector Improvement Programme (OWSIP)

Accelerated Irrigation Benefit Programme (AIBP)

Background:

Major & medium irrigation projects are capital-intensive in nature. The State Governments with limited resources find themselves unable to meet desired fund demands of all the projects. Therefore, the project completion gets delayed and a large number of projects in the country have spilled over from one plan to another. Further, funds spent on these projects are locked up and the country is not able to derive the desired benefits. This was a matter of grave concern for the Union Government. Against this background, the Accelerated Irrigation Benefits Programme (AIBP) was launched by Government of India during 1996-97 to provide financial assistance to State Governments for accelerating the pace of irrigation development in the country.

Objectives

The primary objectives of AIBP are:

- i. To accelerate implementation of large irrigation projects which are beyond the resource capability of the State Governments.
- ii. Expeditious completion of the projects which were in advanced stage of completion.
- iii. To realize bulk benefits from irrigation projects.

Eligibility Criteria for funding

This programme was originally designed for completion of ongoing Major and Medium Irrigation projects costing more than Rs.1000 cr. where substantial progress has been made and projects where 75 % or more expenditure has been incurred that can be completed within four working seasons. Thereafter, the guidelines of the programme have been modified in different years to enhance its scope. AIBP in present form has stipulated the following conditions for inclusion under the programme.

1. Projects accorded investment approval by the Planning Commission, which are in advanced stage of construction and can be completed in next four financial years and not receiving any other form of assistance (NABARD, External aid etc.). The following categories of projects will get priority for inclusion.

(i) Projects benefiting tribal / drought-prone area.

(ii) Inter-State Projects.

(iii) Projects with larger irrigated area per unit of additional investment.

2. Only on completion of one project under the programme, inclusion of another project is considered. However, Fast Track Pre-Fifth and Fifth Plan projects can be included under this programme without this stipulation.

3. For KBK districts of Orissa, projects even at initial stage of construction can be included.

4. ERM projects can be included subject to following conditions:

(a) States which have no major or medium projects to pose under AIBP.

(b) States which have agreed to reform in water sector i.e step up water rates to enable meeting full O&M cost over five years or States which have enacted Participatory Irrigation Management legislation or for ERM projects where new potential is also envisaged with water saved not merely restoration of lost potential.

Funding Pattern & Mode of Disbursement

AIBP was started as Central Loan Assistance (CLA). Initially 50% of the project outlay was provided as CLA and the balance 50% was to be met by State i.e. on 1:1 basis. During 1999-2000, to minimize regional imbalance, States have been classified as General and Special Category States. The Special Category States were provided CLA on 3:1 basis whereas non-Special Category States on 2:1 basis. During 2002-03, to adopt economic reform measure under irrigation sector, special provision has been made in the guidelines by further relaxing the funding pattern. The States agreed to undertake economic reforms measure under irrigation have been extended funding in the ratio of 4:1 (Centre: State) for General Category and 1:0 (Centre: State) for Special Category. During 2004-05, it was decided that 30% of the CLA to non-Special Category States and 90% for Special Category States be converted into grant. During 2005-06, only grant assistance was provided and states were requested to raise the rest of the finances through market borrowing.

During 2006-07, the disbursement pattern has been modified again and central assistance is provided in the form of central grant which is 90% of project cost in case of special category states, projects benefiting drought prone area, tribal area and flood prone area and 25% of the project cost in case of non-special category states. The balance cost of the project as the state's share is to be arranged by state government from its own resources. At present projects in KBK districts and tribal areas are availing 90% central assistance as grant.

Programme Status

18 projects under major & medium irrigation sector and 82 projects under minor irrigation sector of the state have been included since inception of this programme. From the above, one minor irrigation project has been dropped. By the end of March 2009, seven projects under major & medium irrigation sector and 19 projects under minor irrigation sector have been completed. Sector-wise physical and financial progress is given in the table below:

Status of AIBP as on 31.03.2009

Category	Projects taken up (Nos.)	Financial (Rs. in crore)			Net Irrigation Potential (Th.ha.)		Projects completed (Nos.)
		Latest Cost	Expenditure incurred	CLA/CA released	Designed	Created	
A. Major & Medium							
KBK Projects	9	3313.22	1937.00	1429.55	151.59	47.88	3
Non-KBK Projects	9	6154.31	2205.99	1246.57	294.41	25.64	4
Sub-Total (A)	18	9467.53	4142.99	2676.12	446.00	73.52	7
B. Minor flow (KBK only)							
Phase-I	15	65.92	65.46	82.20	7.626	7.221	13
Phase-II	6	17.00	19.21		1.894	1.779	6
Phase-III	20	50.14	20.76		5.944	0.584	-
Phase-IV	40	85.64	3.02		8.495	-	
Sub-Total (B)	81	218.70	108.45	82.20	23.959	9.584	19
Total	99	9686.23	4251.44	2758.32	469.959	83.104	26

Achievement during 2008-09

Description	Major & Medium	Minor (flow)	Total
Net irrigation potential created (Th.ha.)	6.425	1.26	7.685
Expenditure incurred (Rs. in cr.)	967.84	26.66	994.50
Central assistance released (Rs. in cr.)	646.68	24.17	670.85
Projects completed. (Nos.)	-	3	3

Programme for 2009-10

An outlay of Rs.1153.00 crore has been provided under AIBP during 2009-10 to create additional irrigation potential of 32.90 th.ha. Sector-wise details are given in the table below.

Programme for 2009-10

Category	Outlay for 2009-10 (Rs. in crore)	Target Irrigation Potential (Th.ha.)
A. Major & Medium		
KBK Projects	411.735	14.50
Non-KBK Projects	691.265	15.00

Sub-Total (A)	1103.00	29.50
B. Minor flow (KBK only)	50.00	3.40
Total	1153.00	32.90

Project Monitoring

A comprehensive physical and financial periodical monitoring of major / medium projects is being carried out by Central Water Commission / Ministry of Water Resources with emphasis on quality control. The monitoring mechanism is being further strengthened to achieve better results. The release of subsequent installments of grant is based on physical and financial progress of the work. The latest technique such as Remote Sensing is also being used by the Government of India to monitor the progress of works. Monitoring of the minor irrigation (MI) projects is being done by the State Government. These projects would also be monitored periodically on sample basis by Central Water Commission. The State Government also monitors the physical and financial progress of the projects on monthly, quarterly, and annual basis.

Rural Infrastructure Development Fund (RIDF)

Background

Inadequacy of public investment has decelerated growth rate of agriculture and rural infrastructure sectors since the 8th Five-Year Plan. There are many infrastructure projects, which have been started but are lying incomplete for want of resources. Even though there is an urgent need of creating adequate employment opportunities in rural areas through development of infrastructure, there had been virtually no institutional arrangements for financing rural infrastructure. Against this background, the Government of India in the Budget of 1995-96 announced the scheme for setting up Rural Infrastructure Development fund (RIDF) to be operationalised by NABARD. This fund has emerged as a popular and effective scheme for financing rural infrastructure projects.

Objective

Assisting State Governments for the completion of ongoing rural infrastructure projects and also taking up new projects.

Activities/Sectors eligible for finance under RIDF

- (i) Irrigation projects. (Major, Medium & Minor)
- (ii) Flood Control & Drainage Projects.
- (iii) Agriculture and Allied Activities
- (iv) Rural Connectivity. (Road & Bridges)
- (v) Social Sectors (Rural water Supply, Infrastructure for PHC, Educational Institution & e-governance).

Procedure for sanction of Projects

The Department concerned formulates the project proposals and submits the same to High Power Committee (HPC) formed by Government for scrutiny. Later the proposals are submitted to Regional office of NABARD for consideration of funding. The project proposals are scrutinized and appraised by the Regional Office with the help of Consultants by conducting desk and field appraisal. Appraisal reports submitted by the ROs are then scrutinised by State Projects Department at HO before placing the same to Project Sanctioning Committee (PSC) for consideration of sanction. Normally seven or eight meetings of PSC are held in a year to sanction loans from the RIDF corpus. Sanction of projects is communicated to the State Governments by a sanction letter.

Period of Loan

The repayment period of 5 years including a 2 year grace period was provided under RIDF-I to RIDF-V. The repayment period has, however, been extended to 7 years including a grace period of 2 years since RIDF-VI and the same policy is continuing.

Normative Allocation

Corpus in Tranche is allocated among all States on the basis of norms prescribed by the PSC. Currently, the allocation norms provide weightage to rural population (25%), Geographical Area of the State (25%) and Infrastructural Development Index (25%) and avaiement of sanction(5%) and disbursements(20%) in the past tranches. Some of the State Governments are not able to fully utilise the allocation and the State-wise allocations are reviewed by PSC from time to time and accordingly reallocated.

Nodal Department for RIDF

The Finance Departments of the State Governments act as nodal departments for operationalising RIDF. The project proposals are routed through the Finance Department only and no proposals are accepted directly from any other Department of the State Government. All other related items of work like submission of drawals applications under sanctioned projects, Release of loan, execution of documents, repayment of loans, etc., are attended to by Finance Departments of the State Governments.

Release of Funds

Mobilisation advance / Start up advance @ 20% of the RIDF Loan sanctioned under the projects is released to the State Governments on conveying acceptance of the terms & conditions of sanction by the State Government, before incurring expenditure on the projects for procurement and supply of materials, etc. Loans are released on reimbursement basis against the actual expenditure incurred in execution of sanctioned projects. RIDF loans are released to the State Governments by Regional Offices of NABARD

Cost Escalation

It is expected that RIDF projects would be completed on time within the approved cost. Proposals for cost escalation are considered based on merits.

Physical & Financial Performance

The Department of Water Resources has availed loan under RIDF scheme since inception of the programme. Earlier the loan was extended for taking up new as well as completion of ongoing Major, Medium and Minor Irrigation projects. Later on, during 2004-05, NABARD agreed to provide loan to Flood control & Drainage Projects. So far, --- major & medium projects and --- minor projects have been sanctioned. Out of which, 25 minor irrigation projects were dropped 92 projects have not taken up due to various reasons. The status of irrigation projects taken up under different RIDF tranches is given in the table below. The status of Flood control & drainage projects has been described in separate chapter.

Financial Status as on 31.03.2009

Tranche	Major & Medium Irrigation						
	Projects (Nos)			Expdr. incurred (Rs.in crore)	Design Potential (in th.ha)	Potential created (in th.ha)	Balance potential (in th.ha)
	Taken up	Comp	Ong oing				
RIDF-I	05	05	-	120.27	9.99	10.15	-
RIDF-II	08	08	-	143.48	12.39	15.82	-
RIDF-III	05	05	-	67.19	5.83	5.23	-
RIDF-IV	07	06	01*	73.36	16.98	11.52	-
RIDF-V	03	02	01*	18.94	1.95	1.95	-
RIDF-VII	01	01	-	4.23	0.74	0.74	-
RIDF-VIII	05	04	01	26.98	6.97	5.70	0.27
RIDF-IX	02	01	01	77.84	3.48	2.96	0.32
RIDF-X	09	03	06	120.69	19.47	9.96	9.51
RIDF-XI	03	-	03	36.57	6.38	-	6.38
RIDF-XII	04	-	04	20.48	8.29	3.70	4.59
RIDF-XIII	03	-	03	1.17	1.25	-	1.25
RIDF-XIV	08	-	08	1.80	9.24	-	9.24
Total	63	35	26	713.00	102.96	67.73	31.56
RIDF-I	38	38	-	163.27	23.85	24.43	-
RIDF-III	16	14	2	56.90	5.67	4.67	1.00
RIDF-IV	6	5	1	25.84	3.30	2.03	1.27
RIDF-V	12	12	-	44.07	5.92	4.69	1.23
RIDF-VI	5	4	1	20.99	3.87	2.56	1.31
RIDF-VII	7	4	3	15.30	2.71	2.53	0.18
RIDF-VII(PD & CD)	54	53	1	30.18	16.72	16.34	0.38
RIDF-VIII	17	11	6	32.70	6.50	4.34	2.16
RIDF-IX	9	3	6	8.41	3.29	1.45	1.84
RIDF-X	17	2	15	19.36	5.59	2.42	3.17

RIDF-XI	32	13	19	14.21	7.49	2.61	4.88
RIDF-XII	16	1	15	10.20	5.21	0.70	4.51
RIDF-XIII	29	-	29	10.44	10.08	0.54	9.54
RIDF-IV	73	-	73	9.37	22.86	0.73	22.13
Total	331	160	171	461.24	123.06	70.04	53.60
G.Total	394	195	197	1174.24	226.02	137.77	85.16

Achievement during 2008-09

Description	Major & Medium	Minor (flow)	Total
Net irrigation potential created (Th.ha.)	10.60	8.332	18.932
Expenditure incurred (Rs. in cr.)	126.18	51.83	178.01

Programme for 2009-10

An outlay of Rs.146.82 crore has been provided under RIDF during 2009-10 to create additional irrigation potential of 17.148 th.ha. Sector-wise details are given in the table below.

Programme for 2009-10

Category	Outlay for 2009-10 (Rs. in crore)	Target Irrigation Potential (Th.ha.)
Major & Medium	106.82	9.220
Minor flow	40.00	7.928
Total	146.82	17.148

Monitoring of Projects

1. NABARD lays considerable emphasis on systematic and sustained monitoring of the projects sanctioned under RIDF. With a view to ensuring smooth implementation of projects, designated officers from the Head Office and Regional Offices at the state level and the District Development Managers at the district level undertake regular field visits to monitor the progress of projects and discuss the problems with the field level functionaries. Further, Field monitoring is supplemented with desk reviews and periodic returns.

2. The Department as well as Government is reviewing the progress of projects in periodic intervals for smooth implementation.

3. Recently, NABARD has introduced a system of holding quarterly meetings with the Secretaries and Heads of the Department implementing the projects. This system will necessitate preparation of suitable agenda by the Regional Office and depending upon

local situations, zonal heads of the implementing departments should also be invited to these meetings. NABARD also organizes capacity building workshops for the Government staff working in various line departments connected with RIDF projects.

Externally Aided Projects

In order to mobilize resources for water resource development in the state, particularly for the irrigation sector, efforts have been made for obtaining external assistance. Presently, two projects namely, Rengali Left Bank Canal & Hydrology project (Ph-II) is under implementation with the assistance of JBIC and the World Bank respectively. Besides, three project proposals, namely Orissa Integrated Irrigated Agriculture & Water Management Project (OIIWMP), Orissa Community Tank Management Project (OCTMP) & Orissa Water sector Improvement Programme (OWSIP) have been formulated for obtaining external assistance. A brief account of ongoing externally aided projects & proposed projects are given under EAP Section.