

**Minutes of the Sixth Meeting of the "Group on Financial Aspects under Task Force for Interlinking of Rivers" held on 27.02.2018 in the Committee Room of NWDA, Palika Bhawan, New Delhi.**

The sixth meeting of the "Group on Financial Aspects under Task Force for Interlinking of Rivers" was held under the Chairmanship of Dr. Prodipto Ghosh, Former Secretary to Govt. of India and Chairman of the Group on 27.02.2018 (Tuesday) at 11:30 AM in the Committee Room of NWDA, Palika Bhawan, New Delhi. List of Members and other participants is enclosed as Annex-I.

At the outset, the Chairman welcomed all the Members, Invitees and other participants. He once again expressed concern over absence of Member from NITI Ayog. He reviewed the status of the work plan of the Group and emphasized to consider the Interlinking of Rivers Projects as Climate Change Adaptation and Mitigation Projects under India's Nationally Determined Contribution. He then requested Member Secretary of the Group to take up the agenda items one by one for discussion.

**Item 6.1 Confirmation of minutes of the Fifth Meeting of the Group on Financial Aspect held on 06.02.2018**

The Member Secretary informed that the minutes of the fifth meeting of the Group on financial aspects were circulated among the Members/Special Invitee vide letter dated 26<sup>th</sup> February 2018. Since no comments were received from any of the Members, minutes of the Fifth meeting were confirmed as circulated.

**Item 6.2.1 Presentation by NITI Ayog on projection of fiscal resources**

This item was once again deferred for the next meeting as the representative of NITI Aayog could not attend the meeting. Chairman emphasized that participation of NITI Ayog is very essential to know the extent of Government funding for such infrastructure projects, as well as policy decisions bearing on private sector and external funding. Accordingly the Chairman enquired about the DO letter from the Chairman, Task Force to the NITI Ayog requesting him to ensure participation of Niti Aayog. The Member Secretary informed that Draft DO letter has been sent to the Chairman, Task Force for his signature. Once it is received, the same would be sent to the NITI Aayog for further action.

**Item no.6.2.2 Presentation by Yes Bank on projections of possible flow of funds for the ILR programme from Indian Banks/ Financial Institutions,**

A team of Yes Bank including Shri Bhupesh Rathore, President, Strategic Govt. Advisory, Yes Bank, New Delhi (Representing Shri Rana Kapoor, MD & CEO, Yes Bank) presented a revised financial model projecting finance that may be available from IFIs for the ILR. (Annex-6.2.2). It was highlighted by YES BANK representatives that particular information about IFI financing of PPP projects may not be available on public domain. The

Chair suggested that Dr. Das Gupta may try to get access to the data from DEA. Further following modifications were suggested to the financial model presented by YES Bank representatives:

- Revising the GDP numbers to base year 2014-15 (Constant Prices)
- Adding two scenarios for GDP (6% and @8%)
- Forecasting credit deployment for Power Sector: basis TERI Study
- Forecasting credit deployment to Transport Sector: basis McKinsey Study (to be shared by Shri Satish Rao)
- Forecasting credit deployment which may be available for Large Irrigation and Water Projects
- Adding line for forecasting finance available through Indian Bond Market with help of Dr. Das Gupta

Further, the Chairperson concluded that the revised financial model should be presented in the next meeting.

**Item 6.2.3: Presentation by Shri. Satish Rao Member and Dr Deipak Dasgupta, Special Invitee.**

Shri Satish Rao and Dr Dipak Dasgupta made a presentation (Annex-6.2.3) to initiate discussion on Official Development Assistance (ODA) to India, past and future. Key points highlighted by the presentation are summarized as follows:

- (i) ODA: Annual ODA growth (CAGR- - Compound Annual Growth Rate) from 1991 (\$6.42bn) to 2017 (\$9.36bn) was 2.8% in nominal terms; in real terms, possibly much less.
- (ii) MDBs (WB&ADB) accounted for about 2/3rds , while bilaterals (mainly Japan and Germany ) shared the balance 1/3rd
- (iii) MDBs: MDB assistance declined this decade (CAGR: -2.4%) due to sharp fall in IDA (CAGR: -21.5% )
- (iv) During 1991-2017, CAGR was 1.2% for WB and 7.0% for ADB
- (v) In 2017, assistance of WB (\$2.93bn- 31% of ODA) and ADB (\$2.59bn- 28%) were roughly comparable.
- (vi) WB lending is likely to be flat in future with IDA phased out and IBRD Single Borrower Limit reached by India.
- (vii) On the other hand, ADB lending is likely to see some increase in the future
- (viii) New entrants AIIB and NDB will add to MDB lending in the future
- (ix) Overall, MDB could see a some increase over the next 10 years
- (x) Bilaterals: CAGR from 1991 (\$1.90bn) to 2017 (\$3.20bn) was 2.1% in nominal terms; however, CAGR was much higher at 19.0% more recently during 2011-2017.

- (xi) Looking ahead, gross annual ODA from 4 MDBs and Bilaterals could increase from the current \$10 billion level to reach a ball park figure of \$18 billion (optimistic) over the next five years: MDBs \$12bn (WB-4, ADB-4, AIIB-2, NDB-2) & Bilaterals: 6 (Japan, Germany, France....)

**Item 6.3.1&6.3.2: Review of progress of work of the Group and to draw up a work programme completion of its tasks.**

Chairman made a review of the work programme at the end of the discussion and expressed the need for more frequent meetings so that work can be completed within May, 2018. After discussion, the following presentations were agreed for the next meeting:

- (i) Presentation by NITI Aayog
- (ii) Presentation by Yes Bank

During discussion the following names were identified as additional Resource Persons for making presentation on other themes like PPP models, due diligence requirements of MDBs, principles of tariff setting for ILR services, etc. These names are (i) Sri Vinayak Chatterjee (ii) Dr. Vankina Tulsidhar.

**Item 6.6 Any other matter(s) with the permission of the Chair.**

- (i) Director (Tech), NWDA informed that the proposal for extension of the tenure of the Group by another four months, as agreed by the Chairman, Task Force along with extension of the time for submission of its Report has been processed and sent to the MoWR, RD &GR. The response of the Ministry is awaited.
- (ii) Shri M.K. Sinha, Special Invitee gave a note on National Projects copy of which is enclosed as Annexure-6.6. He stated that the work of identifying links as National Projects should be carried out simultaneously by NWDA giving full justification. Chairman appreciated the idea and told that the prioritisation of the links would also require to be done while reviewing the status of individual links.
- (iii) After discussion with Members and other participants it was decided to convene next meeting of the Group on 19th January, 2018.

The meeting ended with vote of thanks to the Chair.

**Annex-I****List of Members, Special Invitees and other participants of the Sixth meeting of the “Group on Financial Aspects under Task Force for Interlinking of Rivers” held on 27<sup>th</sup> February, 2018 at New Delhi.**

1.	Dr. Prodipto Ghosh, Former Secretary to Govt. of India & Member of Task Force for ILR and Distinguished Fellow, TERI, New Delhi	In Chair
2.	Shri H. Satish Rao, (Retd.) Director General, ADB, Bangaluru	Member
3.	Shri K. P. Gupta, Director Tech., NWDA, New Delhi	Member-Secretary
4.	Shri Bhupesh Rathore, President, Strategic Govt. Advisory, Yes Bank Ltd., New Delhi	Representing Shri Rana Kapoor, Managing Director and CEO, Yes Bank Ltd., Mumbai
5.	Shri M. K. Mittal, Director (Finance), NHPC, Faridabad	Member
6.	Shri Dipak Das Gupta, Former Principal Economic Advisor, Ministry of Finance, New Delhi	Special Invitee
7.	Shri M.K. Sinha, Assessor, Krishna Water Disputes Tribunal & (Retd.) Chief Engineer, CWC, New Delhi	Special Invitee
	<b>Other Officers</b>	
8.	Shri Anil Kumar Jain, Deputy Director(SCILR), NWDA New Delhi	
9.	Shri R. K. Agrawal, Consultant, NWDA, New Delhi	
10.	Shri Rajat Narang, Director, Corporate Finance, Yes Bank Ltd., New Delhi	
11.	Shri Vaibhav Jain, Sr. Manager-Strategic Govt. Advisory, Yes Bank Ltd., New Delhi	

**ASSUMPTIONS**

Annex-6.2.2

<b>Scenario 1:</b>	
Real GDP growth of <b>8%</b>	<b>8.0%</b>
Assuming projected inflation of 5.2%	
<b>Nominal GDP CAGR of 13.2%</b>	<b>13.2%</b>

GDS Rate	33.2%	28%
% GDS into Bank Deposits	26.6%	
% of Aggregate Deposits into bank credits	68.8%	
% Credit Deployment for Infrastructure	13.6%	Growth Rate
% Credit Deployment Power for Infrastructure	7.5%	TERI STUDY 5-6 YEARS
% Credit Deployment for Telecom Infrastructure	1.8%	
% Credit Deployment for Roads & Transport Infrastructure	2.5%	MCKINSEY
% Credit Deployment for Other Infrastructure	1.9%	
Large Scale Irrigation & Water		3.476 0
Other Infra		
% Credit Deployment for Priority Sector	33.4%	

(Rs. Billion)	2018	2019	2020	2021	2022
GDP at Constant Prices (2011-12)	163,984	177,103	191,271	206,573	223,098
Gross Domestic Savings (GDS)	54,370	58,719	63,417	68,490	73,970
Additional Deposits with Scheduled Commercial Banks for the year	14,449	15,605	16,853	18,202	19,658
Aggregate Deposits with Scheduled Commercial Banks	121,963	137,568	154,421	172,623	192,281
Gross Bank Credit	83,905	94,641	106,235	118,757	132,281
Bank Credit for Infrastructure Sector	<b>11,449</b>	<b>12,914</b>	<b>14,496</b>	<b>16,204</b>	<b>18,050</b>
Bank Credit for Power Infra Sector	6,315	7,123	7,996	8,938	9,956
Bank Credit for Telecom Infra Sector	1,481	1,671	1,876	2,097	2,336
Bank Credit for Roads Infrastructure Sector	2,100	2,369	2,659	2,972	3,311
Bank Credit for Other Infrastructure Sector	1,552	1,751	1,966	2,197	2,447
Bank Credit for Priority Sector	<b>28,055</b>	<b>31,644</b>	<b>35,521</b>	<b>39,708</b>	<b>44,230</b>

2023	2024	2025	2026	2027	2028	2029	2030
240,946	260,222	281,040	303,523	327,805	354,029	382,352	412,940
79,887	86,278	93,180	100,635	108,686	117,380	126,771	136,912
21,230	22,929	24,763	26,744	28,884	31,194	33,690	36,385
213,511	236,439	261,202	287,946	316,830	348,024	381,714	418,099
146,886	162,660	179,696	198,095	217,965	239,425	262,602	287,634
<b>20,043</b>	<b>22,195</b>	<b>24,519</b>	<b>27,030</b>	<b>29,741</b>	<b>32,670</b>	<b>35,832</b>	<b>39,248</b>
11,055	12,242	13,525	14,909	16,405	18,020	19,765	21,648
2,593	2,872	3,173	3,498	3,848	4,227	4,637	5,079
3,676	4,071	4,498	4,958	5,455	5,992	6,573	7,199
2,718	3,009	3,325	3,665	4,033	4,430	4,859	5,322
<b>49,113</b>	<b>54,388</b>	<b>60,084</b>	<b>66,236</b>	<b>72,880</b>	<b>80,055</b>	<b>87,805</b>	<b>96,174</b>

2031	2032	2033	2034	2035	2036	2037
445,975	481,653	520,185	561,800	606,744	655,283	707,706
147,865	159,695	172,470	186,268	201,169	217,263	234,644
39,296	42,439	45,834	49,501	53,461	57,738	62,357
457,394	499,834	545,668	595,170	648,631	706,369	768,727
314,667	343,864	375,396	409,451	446,230	485,951	528,850
<b>42,936</b>	<b>46,920</b>	<b>51,223</b>	<b>55,869</b>	<b>60,888</b>	<b>66,308</b>	<b>72,162</b>
23,683	25,881	28,254	30,817	33,585	36,575	39,803
5,556	6,071	6,628	7,229	7,879	8,580	9,338
7,876	8,606	9,396	10,248	11,168	12,163	13,236
5,822	6,362	6,945	7,576	8,256	8,991	9,785
<b>105,213</b>	<b>114,975</b>	<b>125,519</b>	<b>136,905</b>	<b>149,203</b>	<b>162,484</b>	<b>176,828</b>

2038	2039	2040	2041	2042	2043	2044
764,323	825,468	891,506	962,826	1,039,853	1,123,041	1,212,884
253,415	273,689	295,584	319,230	344,769	372,350	402,138
67,346	72,734	78,552	84,836	91,623	98,953	106,870
836,072	908,806	987,358	1,072,195	1,163,818	1,262,771	1,369,641
575,181	625,219	679,259	737,623	800,656	868,732	942,253
<b>78,483</b>	<b>85,311</b>	<b>92,685</b>	<b>100,649</b>	<b>109,249</b>	<b>118,538</b>	<b>128,570</b>
43,290	47,056	51,124	55,516	60,261	65,384	70,918
10,156	11,039	11,993	13,024	14,137	15,339	16,637
14,396	15,648	17,001	18,462	20,039	21,743	23,583
10,642	11,568	12,567	13,647	14,813	16,073	17,433
<b>192,319</b>	<b>209,050</b>	<b>227,119</b>	<b>246,634</b>	<b>267,710</b>	<b>290,472</b>	<b>315,055</b>



2045	2046	2047	2048	2049	2050
1,309,915	1,414,708	1,527,885	1,650,115	1,782,125	1,924,694
434,310	469,054	506,579	547,105	590,873	638,143
115,419	124,653	134,625	145,395	157,026	169,588
1,485,060	1,609,713	1,744,337	1,889,732	2,046,758	2,216,347
1,021,656	1,107,412	1,200,028	1,300,053	1,408,080	1,524,750
<b>139,405</b>	<b>151,106</b>	<b>163,744</b>	<b>177,392</b>	<b>192,132</b>	<b>208,052</b>
76,894	83,348	90,319	97,847	105,978	114,759
18,039	19,553	21,188	22,954	24,862	26,922
25,571	27,717	30,035	32,538	35,242	38,162
18,902	20,489	22,203	24,053	26,052	28,210
<b>341,604</b>	<b>370,278</b>	<b>401,245</b>	<b>434,690</b>	<b>470,810</b>	<b>509,820</b>

Annex-6.2.3

## Official Development Assistance (ODA)

Sixth SCILR Meeting: 27 Feb 2018

### **This PPT.....**

- Purpose of this PPT is intended to “initiate” discussion on ODA resources, past and future: gross, for infrastructure and for ILR
- PPT reviews past ODA, mainly from MDBs and Bilaterals, over past 27 years (1990-2017)
- Some conclusions on drawn from the review as to how future ODA may look
- More analysis will follow in subsequent meetings to determine likely ODA for ILR

## What is meant by ODA (1)

The OECD definition of ODA is:

- Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount).
- By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries ("bilateral ODA") and to multilateral institutions. ODA receipts comprise disbursements by bilateral donors and multilateral institutions.

## What is meant by ODA (2)

- In other words, ODA needs to contain the three elements:
  - (a) undertaken by the **official sector** (official agencies, including state and local governments, or their executive agencies)
  - (b) promotion of economic **development** and **welfare** is the main objective; and
  - (c) at **concessional** financial terms (if a loan, having a grant element of at least 25 per cent).

## Classification of ODA to India

ODA to India may be categorized by two main sources:

- **Multilateral Development Banks (MDBs)** & other International Financial Institutions (IFIs)

[ -World Bank (WB) & Asian Development Bank (ADB)]

[ -More recently, Asian Infrastructure Investment Bank (AIIB) & New Development Bank (NDB)]

[ - Lately, also IFIs: European Investment Bank (EIB) & IFAD]

&

- **Bilaterals**, viz developed country governments

[ -Mainly, Japan (JAICA) & Germany (KfW)]

[ -More recently, also France (AFD)]

## MDBs (1)

- **Bretton Woods MDB**: A UN conference in Bretton Woods, New Hampshire, United States, in July 1944 attended by 44 countries launched IBRD (which further evolved to become the World Bank Group)
- **Regional MDBs** followed: IADB (1959), AfDB (1963), ADB (1966) and EBRD (1991)
- These **5 MDBs** are referred to as "**legacy MDBs**"
- Then in 2015, two **new MDBs** came into existence: AIIB and NDB, both head quartered in China
- With this, there are now 7 MDBs
- Of these, **WB** and **ADB** have been assisting India; more recently, **NDB** (2016) and **AIIB** (2017) have started assistance to India.

## MDBs (2)

(MDBs assisting India are shown in "red")

1. **Bretton Woods Institutions**  
**1944 [189]-World Bank (WB) Group: Washington, DC, USA:** [End extreme poverty (3% by 2030) and boost shared prosperity]  
 -International Bank for Reconstruction and Development (IBRD)  
 -International Development Association (IDA)  
 -International Finance Corporation (IFC)  
 -Multilateral Investment Guarantee Agency (MIGA)
  
2. **Regional Development Banks**  
**1959 [48]-Inter-American Development Bank (IBRD): Washington, DC, USA:** [achieve development in a sustainable, climate-friendly way]  
**1963 [54]-African Development Bank (AfDB): Abidjan, Ivory Coast** [spur sustainable economic development and social progress for poverty reduction]  
**1966 [67]-Asian Development Bank (ADB): Manila, Philippines** [Vision: An Asia-Pacific Region free of Poverty]  
**1991 [65]-European Bank for Reconstruction and Development (EBRD): London, UK** [help build a new, post-Cold War era in Central and Eastern Europe; develop open and sustainable market economies in countries committed to, and applying, democratic principles]
  
3. **New MDBs**  
**2015 [80]-Asian Infrastructure & Investment Bank (AIIB): Beijing, China** [promote interconnectivity and economic integration in the region and cooperate with existing multilateral development banks]  
**2015 [5]-New Development Bank (NDB): Shanghai, China** [infrastructure and sustainable development]

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## Governance- Shareholding & President

AIIB		NDB		ADB		World Bank	
China	30.34%	China	20%	Japan	15.6%	USA	17.58%
India	8.52%	India	20%	USA	15.5%	Japan	7.58%
Russia	6.66%	Russia	20%	China	6.5%	China	4.88%
Germany	4.57%	Brazil	20%	India	6.3%	Germany	4.42%
Indonesia	3.42%	S. Africa	20%	Australia	5.8%	France	4.14%
PRESIDENT		PRESIDENT		PRESIDENT		PRESIDENT	
CHINA		INDIA (1 <sup>st</sup> 5yrs)		JAPAN		USA	

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## Types of Assistance: Loans, Grants and TA

### (a) Market-based [IBRD-WB; OCR-ADB]

### (b) Concessional [IDA-WB; ADF-ADB]

#### WB Group : []

IBRD (public sector): Market-based loans and guarantees  
 IDA (public sector): Concessional loans  
 IFC (private sector): Commercial loans/equity/guarantee  
 TA (public sector): Grants for project preparation/advisory

#### ADB : []

OCR (public sector): Market-based loans and guarantees  
 OCR (private sector): Commercial loans/equity/guarantee  
 TA (public sector): Grants for project preparation/advisory

#### AIIB : []

Loan (public sector): Market-based loans and guarantees  
 Loan (private sector): Commercial loans/equity/guarantee  
 TA (public sector): Grants for project preparation

#### NDB: []

Loan (public sector): Market-based loans and guarantees  
 Loan (private sector): Commercial loans/equity/guarantee  
 TA (public sector): Grants for project preparation

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### ODA Assistance to India FY 1991(1990-91) to FY 2017 (2016-17) (in Billion US \$ in Nominal/Current Terms)

Average Assistance/Yr				Compound Annual Growth (CAGR- % -nominal terms)				Percentage Share	
1991 to 2017	2001 To 2017	2011 to 2017	2017	1991 to 2017	2001 To 2017	2011 to 2017	2017	1991 to 2017	2001 To 2017
17-yr Avg.	17-yr Avg.	7-yr Avg.	1-yr	27-yr CAGR	17-yr CAGR	7-yr CAGR	1-yr	27-yr Share	17-yr Share
42	7.61	10.02	9.36	2.8%	5.5%	2.2%	-	100%	100%
99	4.90	6.18	6.14	3.3%	3.8%	<b>(-)2.4%</b>	-	62%	64%
2.68	3.18	3.86	2.93	1.2%	1.0%	<b>(-)10.0%</b>	-	42%	42%
1.43	1.78	1.87	2.09	1.2%	1.7%	2.3%	-	22%	23%
1.25	1.40	1.99	0.84	<b>(-)0.6%</b>	<b>(-)0.5%</b>	<b>(-)21.5%</b>	-	20%	19%
1.22	1.58	2.03	2.59	7.0%	5.2%	8.9%	-	19%	21%
43	2.71	3.84	3.22	2.1%	15.3%	19.0%	-	38%	36%

## Summary Conclusions on ODA to India Based on Past Data (1991-2017) from DEA

(amounts in US Dollars Billion in nominal/current terms)

- **A. ODA**
  - MDBs (WB&ADB) accounted for 2/3<sup>rd</sup>, while bilaterals (mainly Japan and Germany) equally shared the balance 1/3<sup>rd</sup>
  - Annual growth (CAGR) from 1991 (6.42bn) to 2017 (9.36bn) was 2.8% in nominal terms
  - In real terms, CAGR for ODA was most likely just marginal
- **B. MDB**
  - More recently, during 2011-2017, MDB assistance declined (CAGR: **-2.4%**) due to recent sharp fall in IDA (CAGR: **-21.5%**)
  - During 1991-2017, CAGR was 1.2% for WB and 7.0% for ADB
  - In 2017, share of ODA of WB (2.93bn) was 31%, while of ADB (2.59bn) was comparable at 28%
  - In near future, with IDA likely to be phased out and IBRD Single Borrower Limit being reached by India, WB lending is likely to be flat or even lower in future
  - On the other hand, ADB lending is likely to see a modest increase in the future
  - New entrants AIIB and NDB will likely add significantly to MDB lending in the near future
  - Overall, MDB could see a modest increase over the next 10 years
- **C. Bilaterals**
  - Annual growth (CAGR) from 1991 (1.90bn) to 2017 (3.20bn) was 2.1% in nominal terms
  - However, CAGR was much higher at 19.0% more recently during 2011-2017
  - Given this recent trend, bilaterals can be expected to keep pace with MDB assistance and maintain their share of future ODA at about 1/3<sup>rd</sup>

**OVERALL, ODA TO INDIA COULD SEE MODEST INCREASE IN THE FUTURE**

## Looking Ahead.....

- Gross annual ODA from 4 MDBs and Bilaterals could increase from the current \$10 billion level to reach a ball park figure of \$18 billion (optimistic) over the next five years:
  - MDBs : 12 (WB-4, ADB-4, AIIB-2, NDB-2)
  - Bilaterals: 6 (Japan, Germany, France....)
- Assuming a 10% availability for ILR, the annual ODA for ILR could be around \$1.8 bn OR a total of \$18 bn over the next 10 yrs.
- Much more analysis is needed to arrive at a better estimate of ILR ODA in the future. This will follow in next meetings.

# THANKS

## Will India continue to receive concessional assistance from IDA? UNLIKELY

*Unlikely, based on country income classifications for the World Bank's 2018 fiscal year (2017-2018) in terms of Threshold GNI/capita (current US\$) Atlas Method*

- **Low-income** < 1,005
- **Lower-middle income** 1,006 - 3,955  
[2016:India-1,670]
- **Upper-middle income** 3,956 - 12,235  
[2016:China-8,250]
- **High-income** > 12,235



# **GUIDELINES FOR IMPLEMENTATION OF NATIONAL PROJECTS**

Government of India has approved a scheme of National Projects to be implemented during XI Plan with a view to expedite completion of identified National Projects for the benefit of the people. Such projects will be provided financial assistance by the Government of India in the form of Central grant which will be 90% of the estimated cost of such projects for their completion in a time bound manner. Based on the criteria mentioned in Para-I below, the Government of India has already identified 14 projects as given in Annex-I as National Projects.

## **I CRITERIA FOR SELECTION OF NATIONAL PROJECTS**

The criteria for selection of National Project will be as under:

- (a) International projects where usage of water in India is required by a treaty or where planning and early completion of the project is necessary in the interest of the country.
- (b) Inter-State projects which are dragging on due to non-resolution of Inter-State issues relating to sharing of costs, rehabilitation, aspects of power production etc., including river interlinking projects.
- (c) Intra-State projects with additional potential of more than 2,00,000 hectare (ha) and with no dispute regarding sharing of water and where hydrology is established

## **II PROCEDURE FOR INCLUSION AS NATIONAL PROJECT**

- (a) New projects could be considered for inclusion as National Projects on receipt of proposals from the State Governments in the prescribed format (as per Annexure-II), clearance from Expenditure Finance Committee/Project Investment Board and on the recommendation thereupon of a high powered Steering Committee constituted for the purpose of overseeing the entire process of selection and implementation of National Projects and the approval by the Union Cabinet.
- (b) State Governments may submit proposals in Form-1 given in Annex-II for inclusion of project as a National Projects. The proposals should be submitted through the Regional Office of Central Water Commission (CWC) with a copy each of the proposal to the CWC (HQ) and the Ministry of Water Resources.
- (c) The projects proposed for inclusion as National Projects should fulfill all the eligibility criteria required for funding under Accelerated Irrigation Benefit Programme (AIBP), including the investment clearance of the Planning Commission.
- (d) Only major irrigation/multi-purpose projects shall be eligible for inclusion as National Projects.
- (e) On receipt of a proposal from the State Government for inclusion of a project as National Project, the Ministry of Water Resources may send a team of officers to the project site with a view to make assessment of the present status of the project and to firm up the plans for its completion in a specified time-frame.

### **III FUNDING OF THE NATIONAL PROJECTS**

- (a) The Project authority should conduct an internal audit and submit the actual expenditure incurred and the balance requirement of funds duly certified by the State Government. So far as the Central Government is concerned, the commitment to fund these National Projects would be from the date of its inclusion as National Project.
- (b) The National Projects will receive central assistance in accordance with the approved guidelines for AIBP except for specific provision as mentioned in para III (c) and III (d).
- (c) The National Projects shall be eligible for 90% grant of the balance project cost (cost of work) of irrigation and drinking water components of the project. For the purpose of Central funding, the cost for drinking water component shall not include the works related to transmission and distribution network required exclusively for drinking water component.
- (d) The central assistance under the programme will be provided in two installments of 90% and 10% respectively of the annual grant requirement. The 2<sup>nd</sup> installment during the year will be released on production of utilization certificate of 80% grant released in the first installment along with State share. For the subsequent years, the first installment of grant will be released on utilization of 80% grant released till previous year along with the State share and submission of a report of physical achievements and the benefits from the project as stipulated in the MOU in proforma given in Annex-III.

- (e) All establishment and administrative costs on a National Project shall be entirely borne by the State Government.
- (f) The revised estimates for the projects funded as National Projects should be got approved from the Planning Commission at an interval of three years else, Ministry of Water Resources could stop funding to the project.
- (g) The central grant released to the State Government will be transferred by the State Government to the project authorities within 15 days of its receipt from the Central Government.
- (h) The State Government will submit audited statement of expenditure incurred on National Project within 18 months of release of Central Grant.

#### **IV WORK PLAN AND TIME SCHEDULE FOR COMPLETION OF NATIONAL PROJECTS.**

- (a) The State Government will provide along with the proposal for inclusion of a project as National Project, detailed year wise physical and financial programme for completion of various activities along with PERT/CPM Chart for the timely completion of various activities. It will also indicate year wise target of the benefits from the project. A Memorandum of Understanding (MoU) in proforma given at Annex-IV will be signed by State Government with the Ministry of Water Resources.
- (b) While submitting a proposal for techno-economical appraisal of the project to the Central Water Commission (CWC), the State Government will also indicate the programme for completion of the project in a time bound manner. The CWC will examine techno-economic viability of the project keeping in view the

time period proposed by the State Government for completion of the project and the same time frame will be adhered to in completion of the project.

- (c) The State Government will ensure timely completion of the project and will adopt appropriate measures such as Turn-Key or fixed time and fixed price contracts for this purpose. The works should be awarded by the State Government in distinct packages so that works of any package are not affected by the progress of works of other packages.
- (d) The State Government should consider incorporating provision of strong incentives/disincentives for the contracts for execution of the National Project to facilitate timely completion of the project.
- (e) The Command Area Development Programme should get implemented *pari passu* with project implementation.
- (f) Land records in the command of the proposed national projects should be updated, livelihood survey should be conducted and advance planning should be done along with dovetailing the various RD Programmes so that the agricultural produce could be marketed through communication networks in mandis and nearby markets.
- (g) The job of soil testing and issue of soil health cards to the farmers of national projects command should be completed before the irrigation benefits starts.

## **V. MONITORING OF NATIONAL PROJECTS**

- (a) The progress of work in respect of National Projects shall be closely monitored by the Central Water Commission/Ministry of Water Resources. The monitoring of National Projects will be field based with GIS based project implementation units linked with management information systems.
- (b) The State Government will keep close coordination with agricultural departments for the advanced crop planning and extension inputs to farmers of the command.
- (c) Achievement of targets of the potential creation from the project may also be got assessed by the Ministry of Water Resources through independent agencies and other means such as remote sensing technique.
- (d) The State Government shall send quarterly physical and financial progress reports in the proforma given in the Annex-V to the CWC/Ministry of Water Resources.
- (e) The State Government shall establish independent quality control organization and adequate number of quality control laboratories in the project areas to maintain quality of works. The sampling and testing will be required to be carried out in accordance with relevant BIS Codes.

## **VI. REVIEW BY STEERING COMMITTEE**

The implementation of National Projects will be reviewed from time to time by the High Powered Steering Committee constituted under chairpersonship of the Secretary (Water Resources). The

composition of the Steering Committee and its terms of references may be seen at Annexure-VI.

## **VI. EVALUATION AND IMPACT ASSESSMENT**

A concurrent evaluation of the Project and impact assessment of the project on its completion will be conducted by the State Government through a reputed independent organization to find out whether the envisaged objectives, outcomes and targets of the project have been achieved. The Ministry of Water Resources may also get the evaluation and impact assessment done separately. Funding for the evaluation and impact assessment will be provided by the Ministry of Water Resources through its ongoing Plan scheme "Research & Development Programme for Water Sector".

## List of projects declared as National Projects:

Sl. No.	Name of the Project	1) Irrigation (ha.) 2) Power (MW) 3) Storage (MAF)	State
1	Teesta Barrage	1) 9.23 lakh 2) 1000 MW 3) Barrage	West Bengal
2	Shahpur Kandi	1) 3.80 lakh 2) 300 MW 3) 0.016 MAF	Punjab
3	Bursar	1) 1 lakh (indirect) 2) 1230 MW 3) 1 MAF	J&K
4	2 <sup>nd</sup> Ravi Vyas Link	Harness water flowing across border of about 3 MAF	Punjab
5.	Ujh multipurpose project	1) 0.32 lakh ha 2) 280 MW 3) 0.66 MAF	J&K
6.	Gyspa project	1) 0.50 lakh ha 2) 240 MW 3) 0.6 MAF	HP
7.	Lakhvar Vyasi	1) 0.49 lakh 2) 420 MW 3) 0.325 MAF	Uttranchal
8.	Kishau	1) 0.97 Lakh 2) 600 MW 3) 1.04 MAF	HP/Uttranchal
9.	Renuka	1) Drinking water 2) 40 MW 3) 0.44 MAF	HP
10.	Noa-Dehang Dam Project	1) 8000 ha. 2) 75 MW 3) 0.26 MAF	Arunanchal Pradesh
11.	Kulsi Dam Project	1) 23,900 ha. 2) 29 MW 3) 0.28 MAF	Assam
12.	Upper Siang	1) Indirect 2) 9500 MW 3) 17.50 MAF 4) Flood moderation	Arunanchal Pradesh
13	Gosikhurd	1) 2.50 lakh 2) 3 MW 3) 0.93 MAF	Maharashtra
14	Ken Betwa	1) 6.46 lakh 2) 72 MW 3) 2.25 MAF	Madhya Pradesh



**Proforma for submission of proposal by State Government for inclusion as National Project**

- 1. NAME OF THE STATE :**
- 2. NAME OF THE PROJECT :**
- 3. BRIEF DESCRIPTION OF THE PROJECT :**

The project situated in ..... district of ..... state envisages construction of Head Works (give details) and Canal System (give details) to cover CCA of ..... ha. The project will provide irrigation benefits to ..... Ha Irrigable Command Area, the taluka and district wise break up of which is given in Annex. The ultimate irrigation potential of the project is ..... ha. The project has installed power generation capacity of .....MW of hydropower. The project is to provide drinking water benefits to the villages and towns as per details annexed herewith. The project was given investment clearance by Planning Commission in the year ..... for Rs..... crore. The latest estimated cost of the project is Rs..... crore at ..... price level (give status of approval of latest estimated cost) and expenditure incurred till (ending previous March) is Rs..... crore. The project was started during the year ..... and is proposed to be completed by .....

The physical progress (in percentage) of main components of the project as on (ending previous March) is as below:

S. No.	Component	% Progress
i)	Dam (H/Works)	%
ii)	Main & Branch Canals	%
iii)	Distributary system upto chuk outlets	%
iv)	Water Courses	%

The direct benefits achieved from project so far are.....

(Whether the project is receiving any external /domestic assistance? Only those components of the project which are not receiving any financial assistance from any other internal or external sources are to be considered for assistance as National Project. However, the State Government may raise State share from other sources.)

**4. COMPONENTS PROPOSED FOR FUNDING OF A NATIONAL PROJECT**

(a) Brief description of the components of the project proposed for Central grant:

Name of the component	Its present status	Target date of completion
1.		
2.		
3.		

Likely addition in irrigation potential/likely installed power generation capacity/likely drinking water benefits on completion of above mentioned components is .....

(b) Year-wise requirement of funds for works and likely direct benefits:

Year	Grant proposed	State Govt. share	Total	Likely direct benefits (Irrigation potential, installed power generation capacity etc.)
<b>Total</b>				

Provision made in the State Budget for the project : Rs. .... crore.

Break-up : For Works Rs. .... crores

For Establishment Rs.....crores.

(c) Programme of works for items to be covered :

Sl. No	Description of components	Unit	Total estimated Quantity	Quantity executed upto (March)	Quantity proposed for next year
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>I</b>	<b>Unit-I/Head Works</b>				

<b>1</b>		Dam/Barrage				
	i)	Land acquisition	Ha.			
	ii)	Earth work				
		a) Excavation	Th.cum			
		b) Embankment	Th.cum			
	iii)	Masonry work	Th.cum			
	iv)	Concrete work	Th.cum			
	v)	Gates	Nos.			
	vi)	Misc (pl. specify)				
<b>II</b>		<b>Unit-II</b>				
<b>1</b>		Main Canal, Branch Canal	Km			
	i)	Land acquisition	Ha.			
	ii)	Earth work	Th.cum			
	iii)	Lining	Th.sqm			
	iv)	Structures	Nos.			
	v)	Misc.(pl.specify)				
<b>2</b>		Distributaries & Minors				
	i)	Land acquisition				
	ii)	Earth work				
	iii)	Lining				
	iv)	Structures				
	v)	Misc.(pl.specify)				
<b>3</b>		Water Courses				
	i)	Land acquisition				
	ii)	Earth work				
	iii)	Lining				
	iv)	Misc.(Pl specify)				

(Salient Features of the project and Index Map showing National Project components to be appended).

Prevailing constraints/bottlenecks, if any, and remedial measures being taken to implement the project may please be mentioned.

**ADDITIONAL INFORMATION TO BE PROVIDED:**

1. Year wise physical and financial programme till completion of project in the following proforma:

**PHYSICAL PROGRAMME & PROGRESS**

- Item of work (only important items of works to be given)
- Total estimated quantity
- Quantity executed so far
- Balance quantity
- Year wise break up for execution of balance quantity till completion of project
- Year wise break up of the direct benefits from project

### **FINANCIAL PROGRAMME & PROGRESS**

- Item of work (only important items of works to be given)
- Total estimated cost
- Expenditure incurred so far
- Balance cost
- Year wise break up for execution of balance cost till completion of project

2. District and Taluka wise break up of Irrigable Command area along with district and taluka wise area covered so far may be given.
3. Other direct benefits from the project stipulated and achieved so far.
4. Status of all mandatory clearances along with copies of the clearances may be given.
5. Total land required to be acquired for the project with break up of Revenue, forest and private land and land acquired so far. Land required for reservoir and canal system may be given separately.
6. Status of Resettlement & Rehabilitation of project affected persons may be given covering number of villages likely to be affected with village wise numbers of project affected families (PAF), village wise number of families rehabilitated so far.
7. Details of ongoing contracts stating works covered, year of contract, year of completion of contract as per agreement, present status may be given along with reasons for delay in completion of contracted works.
8. Number of packages proposed for balance work with details of works to be covered, likely contract cost and time period of each package.

**PHYSICAL ACHIEVEMENT CERTIFICATE**

Certified that as per MOU signed by the State Government of..... with the Government of India for funding of ..... project as a National Project, the following were physical target/achievements of quantity and indirect and direct benefits of the project for the period ending .....

Sl. No.	Name of the component of work	Total quantity of work of the component		Target period ending.....	Actual achievement for period ending.....
	1. Headworks 2. Main and Branch Canal 3. Distribution System 4. Irrigation Potential				

The physical achievements for the corresponding period are shown against targets which have actually been achieved.

Sd-  
Principal Secretary/Secretary  
Water Resources/Irrigation Department

Dated:

**ANNEXURE-IV**

**Memorandum of Understanding between the Ministry of Water Resources, Government of India and Government of .....  
..... on completion of National Project.**

1. This memorandum of understanding is signed between the Ministry of Water Resources, Government of India and the Government of ..... for the completion of the ..... project in.....years under the central assistance programme for National Projects of the Government of India.
2. The ..... project was approved by the Planning Commission in..... for Rs. .... crore to irrigate ..... ha., to generate hydropower of .....units and to provide .....MCM of drinking water annually. Other benefits proposed from the project are.....
3. According to the State Government, the latest estimated cost of the project is Rs..... crore (.....price level), and the expenditure incurred till ..... is Rs..... crore. The benefits realized from project so far are.....
4. The balance cost for completion of the project is thus Rs..... crore with balance benefits to be realized as..... The physical and financial details of the components to be covered under this programme are annexed along with annual physical and financial programme till completion of project with annual targets of the benefits to be realized from the project which will be part of this Memorandum of Understanding.

5. The Ministry of Water Resources, Government of India agrees to extend Central Assistance to cover the 90% balance cost of irrigation and drinking water components of the project of Rs..... crore for the completion of the project in.....years subject to the following conditions:

- i) The project will be completed by the Government of ..... by ..... . Its completion will be informed immediately thereafter to the CWC, Ministry of Water Resources and the Planning Commission for deleting the project from the list of on-going projects.
- ii) The Central Assistance will be provided on year to year basis. The assistance for a year will be provided in two installments of 90% and 10% respectively.
- iii) The 2<sup>nd</sup> installment during 1<sup>st</sup> year will be released on production of utilization certificate of 80% grant released in the 1<sup>st</sup> installment along with State share signed by the Secretary (WR/Irrigation of the State Government).
- iv) The 1<sup>st</sup> installment of Central Assistance during 2<sup>nd</sup> and subsequent years will be released on production of utilization certificate of 80% grant released till previous year with State share duly signed by the Secretary (WR/Irrigation) of the State with a certificate incorporating physical achievements and the benefits from the project as stipulated in the MOU.
- v) If the State Government fails to achieve physical targets in stipulated time limit, the central government may consider converting grant

released to the project into loan which will be required to be repaid by the State Government along with applicable rate of interest.

- vi) The project will be closely monitored by the Central Water Commission and the release of the CA will be based on the recommendation of the Central Water Commission.
- vii) The State Government shall establish independent quality control organization and adequate number of quality control laboratories in the project area to maintain quality of works. The sampling and testing will be carried out in accordance with relevant BIS Codes.
- viii) The State Government will provide Annual audited Statement of expenditure for the expenditure incurred on National Project corresponding to the Central Grant released under AIBP within 18 months of release of grant for the project.
- ix) The State Government shall transfer central grant released to the project to the project authorities within 15 days of its receipt from the Government of India

In case of violation of any of the conditions of guidelines of National Project and this MOU, the central Government may consider withdrawing the project from the list of National Project. In such cases, the entire grant released to the project will be treated as loan which will be required to be repaid by the State Government to the Central Government along with applicable interest thereupon as prescribed by the Ministry of Finance from time to time.



Signed on the day ..... 200

, at New Delhi.

For and on behalf of the Govt.

For and on behalf of

Of .....

Government of India

Secretary (WR/Irrigation)

Commissioner (PR)

Government of .....

Ministry of Water  
Resources

**No.27/1/2005-PR-PART-III  
Government of India  
Ministry of Water Resources  
(Project Section)**

**631-Shrmam Shakti Bhavan  
New Delhi 110001 Dated 9<sup>th</sup> April,2008**

Subject:- Constitution of Steering Committee for implementation of National Projects

The Union Cabinet in its meeting held on 7<sup>th</sup> February 2008 has approved the scheme for implementation of National projects proposed by the Ministry of Water Resources which inter-alia contains selection criteria for National Projects, implementation strategy, funding arrangement etc. The proposal also contains constitution of a high powered Committee for implementation of the proposals of National Projects. Accordingly, a high powered Steering Committee for the implementation of National Projects as given below is constituted:

1	Secretary (Water Resources)	Chairperson
2	Secretary (Expenditure), Ministry of Finance	Member
3	Secretary, Ministry of Environment & Forest	Member
4	Principal Advisor (Water Resources), Planning Commission	Member
5	Secretary, Ministry of Power	Member
6	Secretary, Ministry of Rural Development	Member
7	Chairman, Central Water Commission	Member

Chief Engineer, Project Preparation Organization, CWC will function as Secretary to the High Powered Steering Committee for implementation of the National Projects.

The meetings of the Committee will be convened as and when considered necessary but at-least once in three months to review the implementation of the National Projects. The terms of reference of the Committee are as under:

1. To recommend implementation strategies for National Projects.

2. To monitor implementation of National Projects.
3. To examine the proposal(if any) for inclusion of new projects as National Project and make appropriate recommendation to the Government.

A copy of Extract of Cabinet Note on National Projects and Scheme of National Projects is enclosed along with brief details of the 14 projects approved by the Central Government as National Projects.

Encl:- As above

(INDRA RAJ)  
Commissioner (PR)

Copy to:

1. Secretary(Expenditure), Ministry of Finance, North Block, New Delhi.
2. Secretary, Ministry of Environment & Forest, CGO Complex, Lodhi Road, New Delhi.
3. Principal Advisor(Water Resources), Planning Commission, Yojana Bhavan, New Delhi.
4. Secretary, Ministry of Power, Shram Shakti Bhavan, New Delhi.
5. Secretary, Ministry of Rural Development, New Delhi
6. Chairman, Central Water Commission, Sewa Bhavan, R.K. Puram, New Delhi.

Copy forwarded for information to:

PS to Secretary(WR), Shram Shakti Bhavan, New Delhi.

**Profroma for Quarterly Physical and Financial Progress**  
**(For period ending.....)**

- a) Name of the Project
- b) Name of the State
- c) Total grant released till date
- d) Corresponding State Share
- e) Corresponding expenditure actually incurred.

- f) Direct benefits proposed as per MOU
- g) Corresponding achievement
- h) Indirect benefits proposed as per MOU
- i) Corresponding achievement

Sr.No.	Item of Work	Total Quantity as per MOU	Quantity proposed up to the period.....	Quantity actually executed	Estimated cost as per MOU corresponding to (4)	Actual expenditure incurred for quantity executed	Reasons for shortfall for physical & financial achievements.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)