

OPERATIONAL GUIDELINES
FOR THE CENTRALLY SPONSORED SCHEME OF
“On Farm Water Management for Increasing Crop Production in Eastern India”

Background

Exploitation and efficient management of the abundantly available resource i.e. water can facilitate adoption of improved technology and production practices in the eastern region of the country. Ground water, in this region, has been identified as the critical factor, which can spearhead development in agriculture sector if exploited fully. It is estimated that on an average only 17% of ground water is being exploited in this regard at present. The eastern region, being the zone of low productivity and having high potential, if brought under irrigation, will produce significantly higher quantities of rabi crops / summer rice, etc. through increased area under crops and better productivity. Provision of additional irrigation facilities would promote advance nursery raising and subsequently transplanting of rice resulting in an increased additional productivity of about one tonne per hectare of rice during the kharif season. The assessment of ground water in the eastern region reveals that about 7.448 million hectare meters (MHAM) of ground water is available for exploitation and can bring about 13.3 million hectare of additional land under irrigation. Irrigation at the command of the farmers will help in increasing the cropping intensity for the entire region with changes in cropping pattern. The farmers will be able to grow more remunerative crops including horticultural crops, cash crops, pulses and oil seeds. This will meet the objective of crop diversification also.

Objectives

The main objective of the scheme is to create additional irrigation facilities through construction of minor irrigation structures at the command of the farmers. This will be done by tapping the huge exploitable ground water available in the region in a planned manner with proper spacing, which will result in sustained growth of agricultural productivity. Provision of such additional irrigation facilities will bring about a significant improvement in cropping intensity in the eastern states. This will result in additional food grain production both during rabi and kharif seasons and diversification to horticulture and oilseeds production.

Salient Features

States Covered under the Scheme

The Centrally Sponsored Scheme of “On Farm Water Management for Increasing Crop Production in Eastern India” is being implemented in the ten eastern states, the details of which are as follows :

Sl. No.	States	Districts
1.	Assam	All districts
2.	Bihar	All districts
3.	Jharkhand	All districts
4.	Orissa	All districts
5.	Chattisgarh	All districts
6.	Eastern Uttar Pradesh	35 districts (Gorakhpur, Maharajganj, Deoria, Kushianagar, Basti, Siddharthnagar, Sant Kabirnagar, Azamgarh, Mau, Ballia, Chanduli, Varanasi, Mirzapur, Sonebhadra, Sant Rabidasnagar, Faizabad, Ambedkarnagar, Sultanpur, Barabanki, Balrampur, Sravasti, Gonda, Bahraich, Lucknow, Unnao, Raibareilly, Sitapur, Hardoi, Lakhimpur, Kheri, Fatehpur, Allahabad, Kaushmbi &* Pratapgarh districts)
7.	West Bengal	9 districts (Darjeeling, Jalpaiguri, Coochbehar, West Dinajpur, Malda, Purulia, Birbhum, West Midnapore and Bankura districts)
8.	Arunachal Pradesh	All districts
9.	Manipur	All districts
10.	Mizoram	All districts

Components / Activities of the Scheme and Implementing Agency :

The Scheme is being implemented through NABARD as a back ended credit-linked scheme with the following components/ activities:

- Assistance for shallow tube wells with pumping sets;
- Assistance for community lift irrigation points (LI P) for groups / individuals;
- Assistance for electric / non electric water pumping sets; and
- Assistance for dug wells in plateau regions.

The scheme is to be financed by Commercial Banks / State Cooperative Banks / State Cooperative Agriculture and Rural Development Banks / Primary Urban Cooperative Banks / Regional Rural Banks with active involvement of the concerned State Government in implementation and monitoring. NABARD and the financing banks will actively coordinate with the State Departments / agencies for effective implementation of the scheme. State Governments would instruct the District Level Credit Committees (DLCC) to meet every month at least for one year to monitor the implementation of the scheme. The financing banks will adhere to the recommended spacing norms for different structures from one point to another. The pumping sets financed by the financing banks should be as per IS-10804 standards and other accessories are as per BIS standards. Inter componental changes, if any, may be allowed under special circumstances with prior approval of Secretary (A&C), Government of India but it has to be forwarded by NABARD to GOI in a consolidated manner after recommendation by the State Level Monitoring Committee.

Funding Pattern of the Scheme :

The funding pattern of the scheme will be 20% of the project cost as contribution of the beneficiaries, 30% as assistance from Government of India and remaining amount as loan to the beneficiaries from Commercial Banks / State Cooperative Banks / Regional Rural Banks (RRBs) / State Cooperative Agriculture and Rural Development Banks / Primary Urban Cooperative Banks. The Government of India assistance would be limited to 30% of the average unit cost as given by NABARD or the actual cost of the project which ever is lower.

Eligible Beneficiaries :

All individuals and groups of farmers will be eligible for assistance under the scheme. However, the states / implementing agency will ensure that small and marginal farmers be given priority. Further, at least 20% of the benefits should flow to SC farmers and 10% to ST farmers for the approved components. The State Governments / implementing agency may change / adjust this percentage depending upon the population percentage of SC / ST communities in the state and it should not be less than the percentage of population of these communities. In the states having higher population of SC / ST farmers, the allocations of the components may be enhance (proportionately and vice versa with the recommendation of the State Level Monitoring Committee.

Implementation Period :

The scheme has been launched during 2001-02 and will continue during the X Plan period.

Monitoring of the Scheme :

The monitoring and implementation of the scheme at the state level will be done by a State Level Monitoring Committee (SLMC) which will be constituted with the following members :

(i) Agriculture Production Commissioner/Principal Secretary (Agril) of the State	Chairman
(ii) Secretary (Minor Irrigation / Irrigation) of the State	Member
(iii) Office Incharge, Regional Office, NABARD	Member
(iv) Convenor, State Level Banker's Committee	Member
(v) Representative of Cooperative Sector (SCARDBs / SCBs)	Member
(vi) GOI Representative (to be intimated by Govt. of India from time to time)	Member
(vii) Representative of (State Level) NGO / Farmer' Organisation / Field Management Committee (as mentioned by State Government)	Member
(viii) Director of Agriculture of the state	Mem Secy.

For monitoring at the central level, a Central Level Coordination Committee (CLCC) would also be constituted with the following members :

(a) Secretary (A & C), Min. of Agril. GOI	Chairman
(b) Special Secretary / Addl. Secretary in charge of Crops Division	Member
(c) Agriculture Commissioner, MOA, DAC	Member

(d) Joint Secretary (Crops), DAC	Member
(e) Joint Secretary, Min. of Rural Development, GOI	Member
(f) ADG (NRM), ICAR	Member
(g) Representative of Min. of Finance, GOI	Member
(h) Representative of Planning Commission	Member
(i) Representative of NABARD	Member
(j) Representative of Ministry of Water Resource /Central Ground Water Board	Member
(k) Secretary (Agril) of the concerned State Govt.	Member
(l) Addl. Commissioner (Crops) Min. of Agri. GOI	Mem Sec.

Whereas the State Level Monitoring Committee (SLMC) will meet quarterly, the Central Level Coordination Committee (CLCC) will normally meet on half yearly basis. The committee can meet more frequently, if required.

Creation & Selection of Beneficiary Groups and Processing of Applications :

With the assistance of the State Agriculture Department / Minor Irrigation Department / Nodal Department of the state, as the case may be, the financing bank branches will obtain applications from the beneficiaries and select the beneficiaries of the scheme. The selection will be required to be made on a first come first serve basis taking into consideration the availability of GOI assistance. Assistance of NGOs, Self Help Groups (SHG), panchayats and other Government agencies etc. will also be taken in this regard.

Unit Cost :

The unit cost as recommended by the Regional Unit Cost Committee of NABARD for various states can be considered as an indicative cost. However, these unit costs can be revised by the respective Regional Unit Cost Committees of NABARD only with the approval of the Government of India. This unit cost is the maximum limit of the cost of each structure / set of structures / components of the scheme. Therefore, for the implementation of the scheme, the cost of each component will be limited to the actual cost or the unit cost as specified which ever is lower. The details of the unit cost recommended by NABARD are given at Annexure-I.

Financial Targets :

For the year 2001-02, a sum of Rs. 15 crore (GOI assistance) was allocated against the eligible components under the scheme in all the 10 states in eastern India. For the year 2002-03, a sum of Rs. 100 crores (GOI assistance) has been allocated to the states of eastern India for the eligible components. Need based inter componential changes, if any may be made with the approval of Secretary (A&C), Government of India but within the total financial allocation. For the state of Orissa, at least 25% of the allocated funds for the State the earmarked for KBK districts.

Subsidy :

Quantum of Subsidy

Subsidy or assistance from GOI @ 30% of the project cost will be available to all eligible borrowers in case where bank loan is available. The amount of subsidy will be limited to 30% of the average unit cost as recommended by NABARD in Annexure-I or the actual project cost whichever is lower.

Lock-in-Period :

The subsidy will be back-ended with a lock-in-period of two years i.e., the beneficiary will not be eligible for subsidy if the loan is liquidated completely within two years from date of initial disbursement of the loan.

Release of Subsidy :

The financing banks will advance the project cost net of margin money but inclusive of subsidy i.e., the banks will advance up to a maximum of 80% of the project cost. The bank branches will release the loan amount, depending upon the progress of work, in one or two installments.

Subject to the availability of funds and instructions/guidelines issued by GOI from time to time, NABARD will release subsidy amount to the concerned bank branches depending upon their requirement. The release of subsidy by NABARD will be made only after a detailed state-wise and district-wise banking plan is prepared by Regional Office of NABARD in each state in consultation with financing banks and nodal departments of the state governments.

Interest on Subsidy Amount :

The subsidy admissible to the beneficiary under the scheme would be kept in the "Subsidy Reserve Fund Account" beneficiary-wise at the branch level of the banks. For the purpose of charging interest on the loan the subsidy amount will be excluded i.e., the banks will charge interest on the net loan amount only and not on the subsidy amount at any stage.

Institutional Lending**Application Form :**

The beneficiaries will apply for the loan on standard application forms that are available with the branches of the specified banks.

Adjustment of Subsidy and Repayment of Loan :

The subsidy released to the bank will be kept in a separate borrower-wise account under the "Subsidy Reserve Fund Account", All loans extended under the scheme are treated as term loans and therefore, the repayment schedule will be drawn on the loan amount in such a way that the total subsidy amount is adjusted after full back loan (excluding subsidy amount) with interest is liquidated. Repayment period will depend upon the cash flow and shall ordinarily be 9-15 years with suitable gestation period.

Rate of Interest :

The rate of interest on loan to the borrowers will be applicable from the date of first disbursement of loan and shall be as per RBI guidelines.

Security Norms :

The security norms will be as prescribed by RBI from time to time.

Publicity :

In order to push the programme in a big way. NABARD will make efforts for a wide publicity at the district, state and central levels. Wider publicity will also be given by concerned State Agricultural Departments. NABARD will organize at least one district level meeting in each beneficiary district of the state. Suitable advertisement will be given by NABARD in local vernacular languages at least twice for each meeting. Besides, NABARD will also organize seminars /workshops annually in various states. A detailed schedule of such workshop /seminars will be prepared by NABARD and intimated to Government of India well in advance for participation of Government officials.

Benefit of the Scheme in terms of Potential Created :

With the implementation of the scheme an additional irrigation potential of about 24 lakh hectares expected to be created during the X Plan period which will result in a significantly higher yield of foodgrains as well as other crops introduced after availability of irrigation. Being a rice area, an additional yield of kharif rice @ 1 tonne/ha will also be achieved, thus adding about another 24 lakh tones of foodgrains to the national food basket.

Progress Reports and Utilisation of Funds :

After sanction of disbursement of the loan implementing branch of the financing bank will prepare the details of progress report in consultation with the State Agriculture Department. The financing banks will submit the details of utilization of subsidy as per Annexure-II enclosed herewith by 7th of every month to the controlling office at district level which in turn, will send a consolidated report (Annexure-III) by 14th of every month to the concerned regional office of NABARD. Regional Office of NABARD will consolidate the position of the state as a whole (Annexure-IV) and forward the same by 21st of every month to the Head Office of NABARD, SLBC and State Level Monitoring Committee as well as the State Agriculture Departments. NABARD will in turn send consolidated state wise and component wise physical and financial progress reports to Agriculture Commissioner and Under Secretary (CA-V) of Department of Agriculture and Cooperation on monthly basis.

Annexure-I

DESIGN AND UNIT COST OF DIFFERENT MINOR IRRIGATION STRUCTURES

Sl. No.	State	Design					Average Unit Cost (Rs.)			
		Dug Well		Shallow Tube Well		Pump Set HP	Dug Well	Shallow Tube Well with Pump Set	Pump Set	Low Lift Point
		Dia (m)	Depth (m)	Dia (m)	Depth (m)					
1.	Assam	-	-	80	30	5	-	(9000+15000) = 24000	150 00	2500 0
2.	Bihar & Jharkhand	3	12	10 0	25-40	5	26000	(14000+15500) = 29500	155 00	2500 0
3.	Chattisgarh	4	12	10 0	30	5	30000	28600	140 00	2500 0
4.	Orissa	4.5	11	75	45	5	25000	40000	160 00	2500 0
5.	Uttar Pradesh	4	15	10 0	30	3-5	17500	23000	150 00	2500 0
6.	West Bengal	3	12	75	60	5	16000	49000	150 00	2500 0
7.	Arunachal Pradesh	-	-	-	-	-	-	-	-	2500 0
8.	Manipur	-	-	-	-	-	-	-	-	2500 0
9.	Mizoram	-	-	-	-	-	-	-	-	2500 0

Source : Regional Unit Cost Committee Recommendations of NABARD

Annexure-II

Part-A

STATEMENT OF SUBSIDY UTILISATION

Subsidy utilization for the month ended _____ (to be submitted by 7th of each month by the branch to controlling offices)

Sl. No.	Particulars	Amount (Rs.)
1.	Subsidy received from NABARD	
2.	Subsidy utilized	
3.	Balance subsidy available with financing bank	
4.	Additional amount of subsidy required from NABARD	
5.	Date on which the amount given at Sl. 4 above is required	

Part-B
DETAILED OF SUBSIDY UTILISED

Sl. No.	Activity	Type of Borrower	No. of beneficiaries			No. of units for which Subsidy Fully Disbursed	No. of units for which Subsidy Partly Disbursed	Total (7+8)**	Total Financial Outlay (Rs.)	Bank Loan (Rs.)	Margin Money (Rs.)	Subsidy (Rs.)
			Total	Of which								
				SF/MF	SC/ST							
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	Shallow Tube Well with Pump Set											
2.	Low Lift Irrigation Points											
3.	Pump Set											
4.	Dug Well											
	Total											

*** Should tally with the figures provided under Column 7,8,9 respectively of Part-B.

Signature of Branch Manager

(To be submitted by branch by 7th of the succeeding month)

Annexure – III

CONSOLIDATED STATEMENT OF SUBSIDY UTILIZATION FOR THE BANK AS WHOLE

To be submitted by State Level Controlling Office of Bank to NABARD RO/State/Department of Agriculture.

1. Name of Bank :
2. Name of State :
3. Number of districts covered :
4. Names of districts covered :
5. Number of branches involved :

Part-A**CONSOLIDATED STATEMENT OF UTILIZATION OF SUBSIDY (Bank as a Whole)**

Sl. No.	Particulars	Amount (Rs.)
1.	Subsidy received from NABARD	
2.	Subsidy utilized	
3.	Balance subsidy available with financing bank	
4.	Additional amount of subsidy required from NABARD	
5.	Date on which the amount given at Sl. 4 above is required	

Part-B**CONSOLIDATED DETAILS OF SUBSIDY UTILISED (BANK AS A WHOLE)**

Sl. No.	Activity	Type of Borrower	No. of beneficiaries			No. of units for which Subsidy Fully Disbursed	No. of units for which Subsidy Partly Disbursed	Total (7+8)**	Total Financial Outlay (Rs.)	Bank Loan (Rs.)	Margin Money (Rs.)	Subsidy (Rs.)
			Total	Of which								
				SF/MF	SC/ST							
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	Shallow Tube Well with Pump Set											
2.	Low Lift Irrigation Points											
3.	Pump Set											
4.	Dug Well											
	Total											

* Indicate "I" for individuals or "G" for groups.

** Total should tally with total given in Column 4.

Part-C**CONSOLIDATED DETAILS OF PENDING APPLICATIONS/SANCTIONS**

Sl. No.	Activity	Number of Applications Received	Number of Applications Sanctioned	Number of Applications Pending	Number Disbursed ***		
					Fully	Partly	Total
1	2	3	4	5	6	7	8
1.	Shallow Tube well with Pump Set						
2.	Low Lift Irrigation Points						
3.	Pump Set						
4.	Dug Well						
	Total						

*** Problems and constraints if any.

Signature of the Authorised Officials

To be submitted by Controlling Office by 14 of succeeding monthly.

Annexure-IV

CONSOLIDATED STATEMENT OF SUBSIDY UTILISATION FOR THE STATE AS A WHOLE

(Statement by NABARD Regional Office to Head Office/SLBC/State Agriculture Department)

1. Subsidy received from HQ.
2. Subsidy disbursed to / utilized by the bank
(A bank-wise statement of subsidy released disbursed and additional subsidy required may be submitted)
3. No. of districts covered
4. Name of districts
(Please indicate in a separate Annexure)
5. Consolidated details of Subsidy utilized (for all banks in the state)

Sl. No.	Activity	Type of Borrower	No. of beneficiaries			No. of units for which Subsidy Fully Disbursed	No. of units for which Subsidy Partly Disbursed	Total (7+8) **	Total Financial Outlay (Rs.)	Bank Loan (Rs.)	Margin Money (Rs.)	Subsidy (Rs.)
			Total	Of which								
				SF/MF	SC/ST							
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	Shallow Tube Well with Pump Set											
2.	Low Lift Irrigation Points											
3.	Pump Set											
4.	Dug Well											
5.	Consolidated Details of Subsidy Utilised (for all banks in the state)											
	Total											

* Indicate "I" for individuals or "G" for groups.

** Total should tally with total given in Column 4.

6. Consolidated details of pending applications/sanctions (for all banks in the state)

Sl. No.	Activity	Number of Applications Received	Number of Applications Sanctioned	Number of Applications Pending	Number Disbursed ***		
					Fully	Partly	Total
1	2	3	4	5	6	7	8
1.	Shallow Tube well with Pump Set						
2.	Low Lift Irrigation Points						
3.	Pump Set						
4.	Dug Well						
	Total						

*** Problems and constraints if any.

Signature of the Authorised Officials

(To be submitted to HO by 21st of the succeeding month)

For Further details please contact :

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