

Participatory Watershed Development Programme in 31 distressed districts through WDF under PM's Package being implemented by NABARD.

Background

On July 1, 2006, after visiting some parts of the Vidarbha region of Maharashtra, the Prime Minister announced the Government's decision to launch a rehabilitation package to mitigate the distress of farmers in the identified districts. Thereafter, on 29th September, 2006, Union Cabinet approved the Rehabilitation Package for 31 identified districts in the State of Andhra Pradesh, Karnataka, Kerala and Maharashtra. The list of identified districts is at Annexure-I. The rehabilitation package involved total amount of Rs. 16,978.69 crores consisting of Rs.10,579.43 crores as subsidy/grants and Rs.6399.26 crores as loan. Summary of the components of the Rehabilitation Package is at Annexure-II. State-wise size of rehabilitation package is given below :

(Rs. in Crore)

Name of the State	No. of District	Rehabilitation package		
		Subsidy/grant	Loan	Total
Andhra Pradesh	16	5943.31	3707.24	9650.55
Karnataka	06	1568.07	1121.57	2689.64
Kerala	03	577.21	188.03	765.24
Maharashtra	06	2490.84	1382.42	3873.26
Total	31	10579.43	6399.26	16978.69

Out of the above package three components namely Participatory Watershed Development, Construction of Check Dams and Rainwater Harvesting are being monitored by RFS Division of DAC. Total amount approved for above 3 components is Rs. 1860.00 crore.

The programmes are to be implemented through NABARD. Construction of Check Dams are to be funded from RIDF on 100% loan. Participatory Watersheds Development are to be funded from WDF on 100% grant and Rainwater Harvesting from the scheme of Ministry of Finance on 50% grant and 50% loan basis.

Component wise and State wise distribution are as under :-

Unit cost of Rs. in lakh, Amount Rs. in Crore

S. No.	States/Districts	Activities								
		Construction of Check Dams @500/year/district			Participatory Watershed Development under WDF @15000 ha/year/dist.			Rainwater Harvesting @1000/year/district		
		Unit cost	Total (No.)	Amount	Unit cost(Hac.)	Total (lakh ha.)	Amount	Unit Cost	Total (No.)	Amount
1.	Maharashtra (6 districts)	2.00	9000	180.00	0.06	2.7	162.00	0.20	18000	18.00
2.	Andhra Pradesh (16 Districts)	2.00	26000	480.00	0.06	7.2	432.00	0.20	48000	48.00
3.	Karnataka (6 Districts)	2.00	9000	180.00	0.06	2.7	162.00	0.20	18000	18.00
4.	Kerala (3 Districts)	2.00	4500	90.00	0.06	1.35	81.00	0.20	9000	9.00
Total	31 Districts	2.00	46500	930.00	0.06	13.95	837.00	0.20	93000	93.00

Project Period:-

As per the approved CCEA the project period is for 3 years. In revised CCEA the project period has been extended by 2 years.

Implementing Agencies :

NABARD in case of Participatory Watershed Development through NGO's and in case of Construction of Check Dams and Rainwater Harvesting through State Govts.

Progress made so far :

As per the progress received from NABARD upto May,2008 progress regarding 3 components of PM's Package are at Annexure-III.

ANNEXURE-I

List of Identified Districts

Andhra Pradesh	Karnataka	Kerala	Maharashtra
01. Prakasam	1. Belgaum	1.Wayanad	1.Akola
02. Guntur	2. Hassan	2.Palakkad	2.Wardha
03. Nellore	3. Chitradurga	3.Kasaragod	3.Amravati
04. Chittoor	4. Chikmagalur		4.Buldana
05. Cuddapah	5. Kodagu		5.Wasim
06. Ananthapur	6. Shimoga		6.Yavatmal
07. Kurnool			
08. Adilabad			
09. Karimnagar			
10. Khammam			
11. Mahbubnagar			
12. Medak			
13. Nalgonda			
14. Nizamabad			
15. Rangareddy			
16. Warangal			

ANNEXURE-II

Consolidated Package (Andhra Pradesh, Karnataka, Kerala & Maharashtra)

(Rs. in crore)

S. No	Item of assistance	Total amount	Subsidy : Loan	Subsidy/Grant	Loan
1.	Ex-gratia assistance from PMNRF	15.50	Only grant	15.50	Nil
2.	Restructuring/rescheduling of loans	9051.81	Only loan	Nil	9051.81
3.	Credit flow	20114.05	Only loan	Nil	20114.05
4.	Interest Waiver*	2718.25	Only subsidy	2718.25	Nil
5.	Assured Irrigation (i)Major & Medium Irrigation (ii)Minor Irrigation Total	6530.29 3207.81 9738.10	AIBP norms Only loan	4268.84 Nil 4268.84	2261.45 3207.81 5469.26
6.	Seed Replacement	830.10	Only subsidy	830.10	Nil
7.	Watershed Development (i)Participatory watershed (ii)Check dams (iii)Rainwater harvesting Total	837.00 930.00 93.00 1860.00	Only grant Only loan 50.50	837.00 Nil 93.00 930.00	Nil 930.00 Nil 930.00
8.	Micro Irrigation#	801.53	Only subsidy	801.53	Nil
9.	Horticulture Development (NHM)	452.78	Only subsidy	452.78	Nil
10.	Extension Services	15.50	Only grant	15.50	Nil
11.	Subsidy income activities	546.93	Only subsidy	546.93	Nil
	Grand Total	16978.69		10579.43	6399.26

*Burden of interest waiver will be shared equally by the Central and State Government in the ratio of 50:50.

#Scheme provides for 50% subsidy and 50% loan. Of 50% subsidy, 40% is central share and 10% is from State Government.

N.B. – Amount under Restructuring/rescheduling of loans and Credit flow has not been included in the Grand Total.

Progress of these 3 components upto May, 2008**1. Check Dams Physical in No., Fin. Rs. in Crore**

State	Allocation under package		Cumulative Target for 2006-07 & 2007-08		Progress	
	Physical	Financial	Physical(No.)	Financial	Physical	Financial *
A.P	24000	480.00	16000	320.00	7707	102.87
Karnataka	9000	180.00	6000	120.00	Converted to W/S 59 W/S sanctioned	
Kerala	4500	90.00	3000	60.00	23	2.33
Maharashtra	9000	180.00	6000	120.00	2782	57.99
Total	46500	930.00	31000	620.00	10512	163.19

*Released by NABARD under RIDF

II. Watershed Development programme

(Rs. in Crore)

State	Allocation under package		Cumulative Target for 2006-07 & 2007-08		Progress	
	Physical (lakh ha)	Financial	Physical(lakh ha)	Financial	Physical(lakh ha), Area selected	Releases by NABARD to NGOs
A.P.	7.20	432.00	4.80	288.00	2.51	20.15
Karnataka	2.70	162.00	1.80	108.00	0.95	7.78
Kerala	1.35	81.00	0.90	54.00	0.16	1.33
Maharashtra	2.70	162.00	1.80	108.00	0.90	18.75

Total	13.95	837.00	9.30	558.00	4.52	48.01
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Actual Area treated in Andhra Pradesh 24393 ha, Karnataka 8046 ha.,Kerala1630 ha and Maharashtra 20977 ha.

III. Rain water harvesting scheme

Physical in No. Finance Rs. in Crore

State	Allocation under package		Cumulative Target for 2006-07 & 2007-08		Released by NABARD	
	Physical	Financial	Physical	Financial	Physical	Financial
A.P	48000	48.00	32000	32.00	Nil	Nil-
Karnataka	18000	18.00	12000	12.00	Nil	Nil
Kerala	9000	9.00	6000	6.00	Nil	Nil
Maharashtra	18000	18.00	12000	12.00	169	0.62
Total	93000	93.00	62000	62.00	169	0.62

Watershed Development Fund (WDF)

INTRODUCTION

As a follow up action to the Union Finance Minister's Budget (1999-2000) Speech a Watershed Development Fund (WDF) has since been established at NABARD with a total corpus of Rs. 200 crore which includes Rs. 100 crore by Department of Agriculture & Rs. 100 crore by NABARD as a matching contribution. The total corpus lies with NABARD.

OBJECTIVE OF WDF

The objective of the fund is to spread the message of participatory watershed development. The fund will be utilized to create the necessary framework conditions to replicate and consolidate the isolated successful initiatives under different programmes in the Govt., Semi-Govt. and NGOs sectors. Thereby, all the partners involve viz Watershed Community, Centre & State Govt. Departments, Banks, Agricultural Research Institutions, NGOs and NABARD can act in concrete to make a brake through in participatory watershed development.

FINANCING PATTERN

Originally, the financing pattern of WDF was 2/3 of the allocation to the States Govts. as loan and remaining 1/3 as a grant. Interest rate of loan was 4.5% and the repayment period of loan was 9 years including grace period of 3 years. Looking to the poor progress of WDF later on the financing pattern of WDF have been revised to 50% grant and 50% loan w.e.f. 2006-07.

During 2006 after announcement of Prime Minister's Rehabilitation Package to 31 distressed districts in the States of Andhra Pradesh, Karnataka, Kerala and Maharashtra, it was decided to implement participatory watershed development programme in distressed districts through WDF. With approval of Central Steering Committee, the financing pattern of WDF in distressed districts has been changed as 100% grant.

COVERAGE OF THE STATES

Initially 18 States namely Andhra Pradesh, Bihar, Gujarat, Maharashtra, Uttar Pradesh, Madhya Pradesh, Karnataka, Rajasthan, Tamil Nadu, West Bengal, Haryana, Jammu & Kashmir, Orissa, Himachal Pradesh, Jharkhand, Chhattisgarh, Uttranchal , and Kerala were identified for providing WDF. However, only 13 States namely Gujarat, Maharashtra, Uttar Pradesh, Karnataka, Tamil Nadu, Rajasthan, Chhattisgarh, Orissa, Jharkhand , M.P., H.P. and West Bengal came forward for participating with WDF.

PROGRESS OF WDF

The progress of WDF is very poor since beginning because the States have not taken any interest availing the loan from NABARD. Since beginning up to the end of Jan ,2009 a meager amount of Rs.87.89 crore consisting of Rs.80.92 crore as grant and Rs.6.97 crore as loan could be released to the NGOs by NABARD. This includes the expenditure under PM's Package also.However actual expenditure is not known. At present, as per the information submitted by NABARD, a total no. of 416 watersheds have been selected in different States.

FUND UNDER WDF

As per the information received from NABARD as on 1-1-2009, an amount of Rs.605.00 crore was available with NABARD under WDF