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 Government of India
 Central Water Commission
 Project Preparation Organisation

Room No.801(S), Sewa Bhawan,
 R.K. Puram, New Delhi - 110066
 Dated : 21st August, 2009

Sub: Minutes of the First Meeting of the High Power Steering Committee for National projects held on 6th August, 2009.

Enclosed please find herewith a copy of minutes of the first meeting of the High Power Steering committee for National Projects held on 6th August, 2009 at Sewa Bhawan, R.K.Puram, New Delhi for information and necessary action.

Encl: As above.

Chief Engineer, PPO & Member Secretary
 (B.G. Kaushik)
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To

Members of the Committee:

1. The Chairman, CWC, New Delhi.
2. The Secretary (Expenditure), Ministry of Finance, 1st Floor, North Block, New Delhi.
3. The Secretary (Power), 2nd Floor, Shram Shakti Bhawan, New Delhi.
4. The Secretary, Min. of Environment & Forest, 4th Floor, Paryavaran Bhavan, CGO Complex, New Delhi.
5. The Secretary, Ministry of Rural Development, Krishi Bhawan, New Delhi.
6. The Principal Advisor (WR), Planning Commission, R.No. 255, Yojana Bhavan, New Delhi.

Special Invitees:

1. Member (WP&P), CWC, New Delhi.
2. The Principal Secretary (WR), Govt. of Maharashtra, Mantralaya, Mumbai-400032.
3. The Principal Secretary (Irrigation & Waterways Deptt.), Govt. of West Bengal, Jalasampad Bhawan, Salt Lake, Kolkata-700091.

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**Minutes of the First Meeting of the High Power Steering Committee
for National Projects held on 6.8.2009**

The first meeting of the High Power Steering committee for the National Projects was held under the Chairmanship of Secretary, Water Resources, Govt. of India on 6th August, 2009 at 1500 hrs in the CWC Conference Room, Sewa Bhawan, R.K.Puram, New Delhi. The list of participants is at Annexure-I.

At the outset, Secretary (WR) welcomed the members of the Committee and other officers present in the meeting. He informed that the Govt. of India has approved the scheme of National Projects to be implemented during 11th Plan with a view to expedite completion of identified National Projects. Such projects will be provided financial assistance by the Govt. of India at the rate of 90% of the approved estimated cost of such projects. Based on the criteria and procedure given in the guidelines for implementation of National Projects issued on 26th Feb. 2009, 14 projects have been identified as National Projects. Out of these, three Projects are under execution and the remaining 11 projects are at DPR stage. Secretary (WR) further said that one project of Andhra Pradesh, viz., Polavaram project is proposed for inclusion in the scheme of National Projects.

1.1 Agenda item No. 1

Implementation, physical / financial achievements and fund requirements of National Projects currently under execution

Three projects, viz., Gosikhurd, Teesta Barrage and Shahpur Kandi projects are under execution. The state representatives presented the progress/ programme of their projects as under:

1.1.1 Gosikhurd Project, Maharashtra:

The Principal Secretary (WRD), Maharashtra while giving the salient features of the project informed that the Project envisages construction of 11.35 Km long Dam across river Wainganga near village Gosikhurd in Bhandara district of Maharashtra. The ultimate irrigation potential of the project is 2,50,800 ha. The latest estimated cost of the project is Rs. 7777.85 crore at 2007-08 price level. The total expenditure incurred on the project before inclusion as National Project (up to 12/08) was Rs. 2906.91 crore and the balance cost of Rs. 4870.94 crore (civil works component Rs. 4458.87 crore) is to be considered for funding as National Project. The project started getting central assistance under AIBP since 2003-04 and the total central assistance released up to December, 2008 was Rs. 423.176 crore and the utilization certificates for the same including the state share have been submitted. Central assistance of Rs. 450 crore was released in March, 2009 as National Project out of which Rs 377.866 crore was utilized upto March, 2009 and shortfall of Rs. 122.134 crore has been made good in April, 2009. An irrigation

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potential of 19,719 ha was created up to December, 2008 and additional potential of 2400 ha was created up to March, 2009. There was work programme to spend Rs. 1750.23 crore during 2009-10 and major expenditure is proposed to be incurred on the Right Bank Canal and Head works. It is proposed to obtain the central grant of Rs. 1465.28 crore during 2009-10.

The State Representative further informed that the expenditure incurred during 2006-07, 2007-08 and 2008-09 were of the order of Rs 562 crore, 569 crore and 600 crore respectively. Members of the committee observed that there was a sudden spurt in the proposed expenditure during 2009-10 compared to the expenditure in the previous years and then again decline in the subsequent years. State representative informed that the works for Rs 1750 crore have already been awarded and Rs 690 crore have been spent in the first quarter of 2009-10 i.e up to June 2009 and the balance expenditure of Rs. 1060 crore could be incurred during the balance period of the year 2009-10. Major procurement of equipment has been planned in this year. On detailed examination, it was observed that the procurement activities for equipment have been brought forward but the commensurate civil works needed to install them will be taken up subsequently. In view of this, it was suggested that the sequencing of the activities may be rationalized so as to maintain a rational fund flow pattern over the years. The State representative agreed to re-look at the phasing without affecting the year wise targets for creation of potential. Principal Secretary (WRD), Maharashtra also assured that CPM and PERT chart for the effective monitoring of the project will be submitted within a month. The findings of the Central Team which visited the project during 2nd to 4th July, 2009 were presented by Director Monitoring (Central), CWC regarding the progress of various components and it was informed that the progress was satisfactory. Director Monitoring (Central) further informed that due to heavy rains before and during the visit, the team could not visit the canals and therefore, the quality of work of canals could not be ascertained. The Head works of the project are almost completed and the quality of these works appeared to be satisfactory.

It was decided that the regional office of CWC would monitor the implementation of the project. A Central Team be set up to oversee the quality aspect of the project and it would inform its findings to the Committee. Chief Engineer Monitoring (Central) CWC Nagpur will assess the quality of the works in detail and will provide additional reports on the subject.

After deliberations, Principal Secretary (WRD) Maharashtra proposed that central assistance of Rs. 800 crore may be released during 2009-10. The committee considered a central assistance of Rs. 800 crore for the year 2009-10 to be sufficient for the project.

1.1.2

Teesta Basin

Irrigation Project, West Bengal:

State Representative informed that the latest approved estimated cost of the project at June 2008 price level is Rs. 2988.61 crore. The project is under AIBP assistance since 1996-97 and total expenditure on works till March 2009 under AIBP was Rs. 300.38 crore. There is a work programme to spend Rs.75 crore during 2009-10. It was informed that the progress could not be achieved due to problems of land acquisition. Chief Engineer, Teesta Basin Organisation, CWC informed that there was a need to streamline the procedure of land acquisition. He also added that the works were being awarded in very small packages. Proper quality control and mechanized construction is not being adopted due to division of work into small packages. The State representative proposed that they will consider re-designing packages so that more competent contractors can participate in the construction and departmental level supervision and management efforts are not spread too thin. The state representative informed that it was being considered to appoint an experienced project management consultant. Member (WP&P), CWC informed that there are small gaps in many distributaries and minors, which are preventing supply of water and creation of Irrigation Potential in the areas already having the network. These findings have also been confirmed by Remote Sensing Studies. Secretary (WR) showed unhappiness with the progress and requested the state representative to make special efforts for completion of the project. It was proposed to convene a meeting with Chief Secretary, West Bengal to expedite execution of the project through suitable corrective measures. He also requested state representative to submit formal proposal for funding as National Project along with CPM and PERT chart at the earliest. Thereafter, the Committee deliberated upon the requirement of central assistance proposed by the State Govt. and considered a central assistance up to Rs.75 crore during 2009-10 to be sufficient for the project.

1.1.3

Shahpur Kandi Dam Project, Punjab:

The State representative informed that the total cost of the project at April 2008 price level is Rs 2285.81 crore. The expenditure incurred up to March 2009 was Rs. 197. 69 crore and the balance cost of the Project is Rs. 2088.12 crore. Out of this, irrigation component is Rs. 597.42 crore and power component Rs. 1490.70 crore. There was programme for executing works of Rs. 90 crore during 2009-10 including power component. Grant required under National Project is Rs 25 crore and the state share is Rs 2.5 crore. The state representative informed that loan application for funds for power component has been approved by the Power Finance Corporation (PFC) and they have agreed to finance 80% of the power component. The balance 20% would be borne by Punjab State Electricity Board. The distribution of the project costs between power and irrigation components have been finalized and the revised cost estimates will be put up to CWC for placing before TAC for clearance. State representative further informed that the project is proposed to be

completed in 60 months time and the work is being carried out departmentally. Secretary(WR) requested the state representative to expedite the progress of works. Chief Engineer, Indus Basin Organisation (IBO), CWC informed that the project was last visited in 2004 and thereafter, the central assistance was not requested by the state govt. The Steering Committee desired that before the funding starts under National project, CE (IBO), CWC should inspect the project and submit the report to the Committee. Secretary (WR) also asked the state representative to submit the formal proposal for seeking assistance under the scheme of National Project. Thereafter, the Committee deliberated upon the requirement of central assistance during 2009-10 and considered Rs 25 crore to be sufficient for the project during 2009-10.

1.2 Agenda item No.2

Review of the status of investigation of and DPR preparation of other National Projects.

Secretary (WR) informed the Committee that out of 14 National Projects, only three are under execution and for remaining 11 projects, DPR is under preparation/examination. The following status of preparation of DPR of 11 projects was reported in the meeting:

1.2.1 Bursar Project(J&K):

Chief Engineer (IBO), CWC informed that a Committee was constituted under the Chairmanship of Member(D&R), CWC to recommend the optimised Bursar storage cum hydroelectric project. The committee after two meetings recommended that NHPC may take up the project at Hanzal site which would provide a storage capacity of 1 MAF to maximize the available storage in Chenab Basin as per Indus Water Treaty, 1960. Adequate technical and financial support needs to be provided to NHPC to make the project commercially viable for NHPC.

1.2.2 Ind Ravi-Beas Link Project, Punjab

Chief Engineer (IBO), CWC informed that a Committee was set up under the Chairmanship of Member (D&R), CWC to decide a feasible proposal for diversion of excess Ravi waters through Second Ravi-Beas Link Canal. The Committee recommended two Gauge and Discharge sites viz., Dharamkot and Jainpur for discharge observation and recommended that Govt. of Punjab should start observation at these sites. The Committee had also decided that CWC would perform desk studies to look into the feasibility of locating diversion structures either at Dharamkot or Jainpur with optimization of the respective diversion and conveyance system. Further necessary action in this regard is to be taken by Govt. of Punjab. Secretary (WR) requested Chief Engineer (IBO), CWC to pursue the matter with the State Govt.

Member (WP&P), CWC informed that the compliance of the observations of CWC is to be made by Govt. of Uttarakhand. State Govt. is also required to prepare and submit Environment Impact Assessment report/ Environment Management Plan (EMP) to Ministry of Environment and Forests for their clearance. In the third meeting of Steering Committee to expedite implementation of Storage projects in upper reaches of Yamuna held on 20th July, 2009 at New Delhi, the representative of Uttarakhand assured that these would be submitted by the end of December, 2009.

1.2.4 Kishau Dam, Uttarakhand:

Member (WP&P), CWC informed that revised DPR is under preparation by the state govt. of Uttarakhand and is proposed to be completed by March, 2010.

1.2.5 Renuka Dam, Himachal Pradesh:

Member (WP&P), CWC informed that the DPR of Renuka Dam is ready. Formal agreement between Haryana, Delhi, Rajasthan, Uttarakhand, Uttar Pradesh and Himachal Pradesh on sharing of benefits is yet to be made, but these states have agreed to take up construction work after necessary clearances and resolve the sharing of cost and benefits from the project in due course.

1.2.6 Gyspa storage Hydroelectric project, Himachal Pradesh:

Chief Engineer (IBO), CWC informed that in the meeting of the Committee of Secretaries held on 14.07.2008, it was decided that the Govt. of Himachal Pradesh should expedite preparation of DPR with the funding from the Central Govt. and Govt. of HP and CWC would work out the details. The issue of funding for the investigation and preparation of DPR through central grant was raised by HP. At present, the scheme of National Projects does not envisage funding of the preparation of DPR and hence the request could not be considered. However, the issue is being taken up with Planning Commission. Meanwhile, the State has submitted pre-feasibility report (PFR) on which comments of CWC have been sent.

1.2.7 Ujh Multipurpose project, J&K :

CWC has undertaken the work of preparation of DPR. The state Govt. has provided 10 years hydrological data to CWC. A team of CWC, GSI and CEA has visited the project site. One sub-division of CWC has been shifted to Kathua for taking gauge and discharge of Ujh river. CE(BO), CWC informed that the work of finalization and submission of DPR would be completed in 18 months duration i.e, by Sept. 2010.

1.2.8 Ken-Betwa Link Project, M.P./U.P :

Commissioner (PR), MoWR informed that the detailed project report was completed in December, 2008 and was sent to the Governments of MP and UP for their concurrence. Formal concurrence of these States is awaited. It was decided to write D.O. letters to the Chief Ministers of UP and MP from Hon. Minister (WR) for early conveyance of their concurrence to the project reports.

1.2.9 Kulsi Dam Project, Assam:

Commissioner (B&B), MoWR informed that the project site is located about 1.5 km. downstream of Ukiam village in Kamrup district. Brahmaputra Board has taken up the survey and investigation work in the year 1997. The hydrological series have been vetted by CWC. Modified design flood studies are under examination. Designs of dam and appurtenant works have been undertaken by CWC. DPR is proposed to be completed by December, 2010.

1.2.10 Noa Dehing Dam Project, Arunachal Pradesh:

Commissioner (B&B), MoWR informed that this project has been investigated by Brahmaputra Board. The hydrological studies have been submitted to CWC for vetting. The layout of the dam, spillway, power house and head regulator have been completed. The EIA and EMP studies are in final stage. DPR will be submitted by December, 2010.

1.2.11 Upper Siang Project, Arunachal Pradesh:

NTPC will complete the survey and investigations and submit pre-feasibility study of Upper Siang project to Ministry of Power by end of August, 2009. Commissioner (B&B) will prepare a comprehensive note on current status of the project and line of action for completion of DPR.

1.2 Agenda item No.3

Inclusion of Polavaram Project of Andhra Pradesh in the scheme of National Projects:

The State Representative of Andhra Pradesh presented the physical and financial progress of the project. He informed that the estimated cost of the project including power component is Rs. 10,151.04 crore at 2005-06 price level. Cost of irrigation and drinking water components is Rs. 7760.98 crore and an expenditure of Rs. 2022.79 crore has been incurred up to March, 2009. The balance cost of Rs. 5738.19 crore is proposed to be funded under the National Project. Central Grant of Rs. 5164.37 crore would be required and the state share would be 573.82 crore. He informed that the project is proposed to be completed by March, 2012. He added that Rs. 824.67 crore have been

kept towards the cost on management of environment and ecology and Rs. 1896.42 crore for land acquisition and R & R. The state representative informed that there was work programme of Rs. 1870 crore for the year 2009-10 for which central assistance of Rs. 1683 crore would be required. Chairman, CWC informed the Committee that a letter of protest has been received from Govt. of Orissa against inclusion of this project under the scheme of National project. The Andhra Pradesh State Representative informed that this project is satisfying the eligibility criteria for national project as the project has irrigation potential more than 2 lakh ha and inter-state issues have been settled through interstate agreement and Godavari Water Dispute Tribunal Award in the year 1980. The hydrology of the project has been established. Therefore, it satisfies the criteria for inclusion under the scheme of National project. Out of 288 villages proposed to be submerged from the project, 4 villages of Chhattisgarh and 8 villages of Orissa are coming under submergence. A provision of Rs. 600 crore has been kept for construction of embankment to protect the areas of Chhattisgarh and Orissa States affected from submergence.

After discussion, it was agreed to recommend this project for inclusion under the scheme of National Project and central Grant of Rs. 600 to 800 crore could be considered after inclusion as National Project depending upon the availability of funds. The state representative was requested to clarify why revised cost estimates at the current price level has not been prepared? The State representative gave a commitment that the works will be completed within already approved estimated cost at 2005-06 price level and therefore revision of cost estimates is not required. The Steering Committee recommended that the central assistance as National Project will be limited to 90% of the balance cost of irrigation component of already approved estimated cost (at 2005-06 price level). Any cost escalation has to be met by the state with its own resources.

1.3 Agenda item No.4

Policy for Inclusion of other projects under the scheme of National Projects and modifications in the guidelines for inclusion of new projects.

Member Secretary of the committee informed that other states have also proposed for inclusion of their projects in the scheme of National Projects. Committee was informed that request has been received for inclusion of a few more projects viz., Rengali Project (Orissa), Saryu Canal Project (UP) and Bargi Diversion Project (MP) under the scheme of National Projects. These are intra-state projects and satisfy the eligibility criteria of irrigation potential of more than 2 lakh ha and hydrology established. Tentative funding requirements for these projects are given at Annexure II. A total of about Rs. 10800 crore will be tentatively required as central assistance @ 90% of the project cost if these projects are included as national projects. Planning Commission has already

provided Rs. 8000 crore for AIBP during 2009-10. Out of it, Rs. 1800 crore are for National Projects. It was also agreed that the proposals for inclusion of eligible projects would be put up before the Committee in the next meeting after examining their techno-economic suitability and updating of cost estimates.

Considering a number of proposals coming from states for inclusion of their intra-state projects with irrigation potential of more than 2 Lakh Hectares under the scheme of National projects, it was decided to include any such new projects in a state in the category of intra-state project with more than 2 Lakh Hectares irrigation potential only after the completion of an ongoing national project in the state on 1:1 basis.

1.5 Recommendations of the Steering Committee

After detailed deliberations the High Power Steering Committee made the following recommendations:

- i. Central assistance of Rs 800 crore may be released for Gosikhurd Project during 2009-10.
- ii. A central team will visit Gosikhurd project to check and ascertain the quality of the works.
- iii. Central assistance of Rs. 75 crore may be released for Teesta Barrage Project during 2009-10 on receipt of release proposal from the state government.
- iv. A central team will visit Teesta Barrage project to ascertain the physical and financial progress made so far to check and ascertain quality of works and to have a meeting with state government officials to expedite execution of the project.
- v. Secretary (WR) will have a meeting with Chief Secretary, West Bengal to resolve the bottlenecks which are hampering the progress of work of Teesta Barrage project.
- vi. Central assistance of Rs 25 crore may be released for Shahpur Kandi project during 2009-10 on receipt of release proposal from the state government.
- vii. A central team will visit Shahpur Kandi project to ascertain the physical and financial progress so far, check and ascertain the quality of works being done and to meet the state government officials to expedite the work.
- viii. NHPC will expedite preparation of DPR for Bursar project at Hanzal site to avail maximum storage potential of 1 MAF for strategic considerations. Adequate technical and financial support needs to be provided to NHPC for this project.
- ix. G&D stations at Dharamkot and Jainpur may be operationalised by Government of Punjab at the earliest.
- x. CWC may complete desk studies for locating optimum site for the proposed diversion structure on river Ravi expeditiously.

- xi. Govt of Ultrakhand will submit the compliance of the observations of CWC along with EIA / EMP of Lakhwar Vyasi Project by December, 2009. It would complete DPR of Kishau project by March 2010.
- xii. Environment and Forest clearance for Renuka project may be expedited and the DPR submitted for TAC approval at the earliest.
- xiii. Sharing of costs and benefits for Renuka, Kishau and Lakhwar Vyasi projects may be discussed among co-basin states and finalized early.
- xiv. The issue of funding of preparation of DPR of Gyspa project may be pursued with the Planning Commission.
- xv. CWC will complete the DPR of Ujh project by September 2010.
- xvi. MoWR will pursue with the state governments for their comments on DPR of Ken-Betwa projects.
- xvii. CWC will finalise design of dam and appurtenant works of Kulsi project by March 2010. Thereafter, Brahmaputra Board may complete DPR by December, 2010.
- xviii. Brahmaputra Board will complete the DPR of Noa Dihing project by December, 2010.
- xix. NTPC will complete the survey and investigations and pre-feasibility study of Upper Siang project by August, 2009. Commissioner (B&B) will prepare a comprehensive note on current status of the project and line of action for completion of DPR.
- xx. Polavaram project may be included in the scheme of National Projects and central assistance of Rs 600 crore to 800 crore subject to availability of budget provisions may be considered during 2009-10. The state government will complete the project within the approved cost (at 2005-06 price level) and central assistance will be available only on this approved cost. Any further increase in the cost will be borne the state government.
- xxi. A central team will visit Polavaram project to ascertain the physical and financial progress of the project.
- xxii. Initially, only one project from each state in the category of intra-state project with more than 2 Lakh Hectares of irrigation potential may be included for funding under the scheme of National Projects. Any further project in this category will be considered only on the completion of an ongoing project funded as a national project in this category on 1:1 basis.